

FRANKLIN CENTER NEWS

WINTER 2016 FRANKLINCENTERHQ.ORG

Will the voices of the John Doe victims be heard?

BY M.D. KITTLE | OCTOBER 1, 2015 | WATCHDOG.ORG

In late October, the state legislature passed a bill that substantially limits the power, scope, and length of the Wisconsin's John Doe procedure. And in early November, the Wisconsin Senate passed a bill that overhauls the rogue state Government Accountability Board. These two bills go a long way in making sure that predawn, paramilitary-style raids and unconstitutional political investigations don't happen in Wisconsin again. Key members of the state legislature, including Senate Majority Leader Scott Fitzgerald, cited our two-year, 270-story investigation in making the case for these bills.

MADISON, Wis. — The state Government Accountability Board has launched a desperate public relations campaign to save the rogue agency.

And the left — including Wisconsin's mainstream media — has been more than willing to provide backup for the state's campaign finance, election and ethics regulator.

What you will find in the GAB's PR campaign is a plea for more delay in reforming a "nonpartisan" agency found to have been extremely partisan in pushing a political probe into dozens of conservative groups and the campaign of Gov. Scott Walker.

Delay has been the modus operandi of the GAB in defending itself against a lawsuit alleging the

continued on page 2

IN THIS ISSUE



MERRY CHRISTMAS!

From our family to yours — may your days be merry and bright! Happy new year!



RED INK RISING

Texas' bondage of local government debt
page 3



MEET ELLA MAE MCGUIRE

"When the truth comes out, it can alter the course of things."
page 6



HIGHLIGHTS FROM THE STATES

An investigation from our
page 11

accountability board has been anything but accountable as it overstepped its authority on the taxpayer's dime.

What you won't find in mainstream media stories springing to the GAB's defense are voices of the conservative targets of the John Doe investigation who have for years had their lives turned upside down in the name of politics.

As Deborah Jordahl put it, "People's homes were raided in the dark over speech."

Jordahl and her family were among several Wisconsin citizens whose homes were subject to predawn, paramilitary-style raids. Law enforcement agents, acting on general warrants sought by a GAB special investigator, rooted through and seized the possessions of these people on the pretext of a campaign finance/illegal coordination theory that has been roundly rejected by three courts — the most recent rejection coming in July from the state Supreme Court, which declared the John Doe unconstitutional and ordered it shut down.

You won't find those facts in the plea for delay from GAB chairman Gerald Nichol.

In his letter to lawmakers, Nichol raises concerns about a pending bill that would dismantle the GAB and more than likely turn out the career bureaucrats who have led what conservatives have described as a partisan witch-hunt.

It's too soon, he says. Why, in 13 months the state will take part in a high-

turnout presidential election.

"The public and the agency's customers will not be well served by rushing through a sweeping reorganization at this point in the election cycle," Nichol wrote.

Jordahl will tell you the public and the constitution have not been well served by an agency that has acted with little regard to either.

"If Judge Nichol and the GAB want the Legislature to delay plans to revamp the agency, the GAB should immediately withdraw its opposition to unsealing documents in Waukesha County Court related to its role in the John Doe investigation," Jordahl told Wisconsin Watchdog.

As Wisconsin Watchdog has reported, the Wisconsin Club for Growth, one of 29 conservative groups the GAB and its prosecutor allies at the Democrat-led Milwaukee County District Attorney's office targeted in the years-long probe, is seeking the release of 180 pages of documents from the accountability board.

The GAB has vigorously fought to keep those documents and others under seal, claiming the agency's secrecy codes protect their release.

Attorneys for conservative activist Eric O'Keefe and the Wisconsin Club for Growth have argued the documents are central to their lawsuit that the GAB overstepped its authority in the John Doe.

"These communications could be potentially embarrassing to this agency,"

continued on page 10

In his letter to lawmakers, Nichol raises concerns about a pending bill that would dismantle the Government Accountability Board and more than likely turn out the career bureaucrats who have led what conservatives have described as a partisan witch-hunt.

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RED INK RISING

Texas' bondage of local government debt

By Andrew Collins

A TEXAS-SIZED PRICE TAG

A few miles beyond the outskirts of Houston lies Alvin, a humble town of 25,000 that could soon be home to five of the most expensive public schools in the history of Texas.

Why such expensive school for such a small town (at least by Texas standards)? The answer lies with Alvin Independent School District, which is trying to sell voters on a \$285 million school construction package that would put county taxpayers on the hook for about \$1 billion over the life of the bonds. >>

"The only concerns about cost came up in questions about whether taxpayers in a rural district were ready to swallow a \$41.5 million bill for a new 10,000 seat football stadium."

How can the school district justify such a huge chunk of spending in a district that only has \$6.5 billion in total taxable property? The state's Permanent School Fund Guarantee Program plays a big part in enabling local spending because it promises to repay bondholders in the event of a local default. The district also projects substantial growth in the coming years, but as Texas Watchdog reporter Jon Cassidy reports, its population will have to explode to keep up with the interest payments and keep local property taxes, which fund Alvin ISD, from skyrocketing.

"Alvin's growth puts it in either tenth or eleventh on the list for homes sold, homes started, and vacant developed lots (among the fastest growing school districts around Houston)," wrote Cassidy. "And yet the district projects it will be the third-biggest grower over the long term based on an analysis of how many homes might one day fit in its empty fields."

Indeed, for Alvin, every projection is big. No matter how you slice the numbers, the schools Alvin ISD proposes to build with its massive bond will cost twice as much (about \$25 million) as a typical elementary school in Texas. Each would rank only behind a \$36 million elementary school in Orange as the most expensive schools in the state, and the

Orange school has double the student capacity.

Despite its unprecedented costs, local board members don't seem concerned about the price tag. At an Aug. 18 school board meeting when officials approved the bond package, none of them raised questions about how much the schools cost. The only concerns about cost came up in questions about whether taxpayers in a rural district were ready to swallow a \$41.5 million bill for a new 10,000 seat football stadium.

"It's not an extra, it's not a boondoggle," said board member Vivian Scheibel. "It's something that every part of our community is going to benefit from."

Unfortunately for Scheibel, the numbers suggest otherwise.

DROWNING IN RED INK

Though Alvin is one of the most flamboyant users of municipal bonds, the problem is widespread. Dallas is pitching a \$1.6 billion school bond, Comal County is pitching a \$76 million jail bond, and Ysleta Independent School District wants taxpayers to fund new campuses, athletics, technology and security to the tune of a \$430.5 million bond — a figure twice the size of its current debt load. These are just a few examples of the \$8.8 billion local

governments are asking Texas taxpayers to shoulder this fall.

Texas schools, cities, counties and special taxing districts currently carry \$322 billion in outstanding debt, ranking Texas second among the ten largest states in local government debt at \$8,627 owed per person. The trend becomes especially worrisome, notes Watchdog reporter Kenric Ward, in off-year elections, when low voter turnout (typically just 10 percent of registered voters) and a lack of information give an edge to special interest groups and companies eager for a cut of these lucrative, multimillion government contracts. Public entities themselves, of course, can't campaign for bond referendums, but the architects, contractors and various vendors that stand to gain from them can. So for the few people who do vote, most have little access to objective information about what they're actually voting on.

"With bond initiatives, voters are generally uninformed. All they know about them are from the newspaper of the pro-bond committees," said Peggy Venable, policy and legislative director of Americans for Prosperity Texas. In the case of San Antonio's North East Independent School District, which has proposed a \$499.9 million bond referendum, even the press has widely supported more government spending. The San Antonio Express-News has supported the bond wholeheartedly (according to Watchdog's count, it's been 23 years since the newspaper opposed any school bond referendum).

"So many taxpayers are asleep that the government entities don't have to do their

homework on pricing. It's all about empire building for the people who have the ability to tax," said Douglas Kirk, a newspaper editor in Comal County, where he estimates the cost of a new jail bond will end up totaling twice as much as the \$76 million figure being pitched to taxpayers — and that's before annual operating expenses are added.

This is not to say that all bonds are inherently bad ideas for local government. State Sen. Kelly Hancock notes that like a home mortgage, financing can be appropriate if the terms are managed, but voters rarely have all the information about interest expenses. And for that matter, the legislators themselves don't even always have a sense of the true costs.

Some lawmakers in Texas have seen the troubling pattern and attempted reform. State Rep. Matt Shaheen, R-Plano, for example, introduced HB 1750, which would ban the use of capital appreciation bonds that come with balloon payments. But his bill failed.

Another bill designed to shine a light on local government accounting, HB 1378, did pass. It will require government agencies to do two key things: provide a per-capita breakdown on all bond costs, and disclose the total principal and interest required to pay all of their outstanding debts on time and in full. The law, however, does not go into effect until next year. ■

Andrew Collins is the executive editor of Watchdog.org.



THE REST OF THE STORY

Philadelphia 'ghost teachers' made more than \$1.7M last year

BY EVAN GROSSMAN | WATCHDOG.ORG

Last spring, education reporter Evan Grossman exposed how teachers in the School District of Philadelphia are permitted to walk away from their day jobs to work full-time on union efforts — all while they continue to earn a public salary and a posh benefits package including free health care and pension benefits. In October, Pennsylvania lawmakers introduced a bill in the state House of Representatives that will close the loophole that allows these “ghost teachers.” A communications director for one of the lawmakers sponsoring the bill wrote to us crediting our work for prompting the bill, noting that before Evan began digging, the issue had been, “previously unnoticed for many, many years. Bringing it to the forefront was the starting point for Rep. Phillips-Hill and our education committee pursuing the accompanying legislation.”

This story originally broke on Watchdog.org on April 21, 2015.

At least 18 public school teachers who never stepped foot in a classroom last year made more than \$1.7 million from the School District of Philadelphia.

Those teachers worked full-time for the Philadelphia Federation of Teachers, the local teachers union, but continued to draw a public salary, health benefits and accrued seniority and a pension.

The Fairness Center, a free legal service that represents employees against unions, filed a

lawsuit earlier this year on behalf of Americans for Fair Treatment in an effort to bust the practice of placing employees on release time to do union work on grounds they're paid public money for private work.

“No other school district in Pennsylvania comes close to Philadelphia in size, scope and lack of oversight,” Fairness Center Assistant General Counsel Nate Bohlander said in an email to Watchdog.

“Pittsburgh’s ghost teachers come the closest, making up to \$1.02 million annually,” he said. “Importantly, Pittsburgh’s teachers’ contract

requires reimbursement; Philadelphia's does not."

The practice of release time is written into the teachers' contract with the school district, allowing for up to 63 Philly teachers to leave their classrooms to work for the union. In many cases, teachers are reassigned as information officers for the union.

One former teacher, PFT Vice President Arlene Kempin, has been on release time since 1983.

Last year, she made \$108,000 to work in the PFT's rent-free office at district headquarters, where Kempin manages human resources requests for members. She was among the eight highest-paid "ghost teachers" who have left the classroom to go work for the union, according to documents obtained by Watchdog.

"Schools should be paying for education, not for union work," Bohlander said.

Pedro Rivera, who was up for confirmation this week as Pennsylvania Education Secretary, is a graduate of the ghost teacher program. Rivera, a former city teacher, worked for the union from 1999-2000 before he was principal at Sheridan Elementary and then Kensington High School.

"Governor (Tom) Wolf is confident in (his) ability to lead the Pennsylvania Department of Education," Wolf spokesman Jeff Sheridan said.

Because of Philadelphia's "last in, first out" policy that protects senior teachers from personnel cuts, the Fairness Center argues that ghost teachers who accrue seniority even while not actively teaching makes younger, and possibly more effective educators, vulnerable to layoffs.

Protecting teachers from seniority-based layoff decisions is also the subject of two bills in play in Harrisburg.

Using ghost teachers for union tasks is not exclusive to Philadelphia or to teachers unions. But the Fairness Center said the system is unchecked in Philly. While some smaller districts, such as

Scranton and Allentown, allow only a few teachers to work for the union each year, as many as 63 Philly teachers are eligible to leave the classroom.

Some districts don't pay their ghost teachers for doing union work and cap their release time, but Philadelphia teachers work for the union for decades and continue to enjoy the benefits of their public employment packages.

Jerry Jordan, president of the PFT, has been on release time from teaching duties for more than 30 years, and half of the 18 ghost teachers working for the union last year had been on extended leave since at least 2008, with most earning north of \$100,000 each year.

Since 2003, the Fairness Center estimates PFT ghost teachers have earned a total of \$36 million in salary, and union spokesman George Jackson claims it has reimbursed the district, though it's not required in the language of the teachers' contract. District spokesman Fernando Gallard has said the SDP does not comment on ongoing legal matters and did not respond to recent inquiries about the suit.

The Fairness Center has also targeted the pensions ghost teachers are allowed to continue to build long after they leave the classroom. While the union reimburses the district for teachers' pensions, the lawsuit charges the state's costs are allowed to go unreimbursed.

"Philadelphia's ghost teachers cost the state around \$1 million in pension payments since 2003," Bohlander said, though the Pennsylvania Public School Employees' Retirement System could not confirm a financing gap connected to ghost teachers.

The lawsuit is ongoing. ■

Evan Grossman is education reporter for Watchdog.org. Reach him at egrossman@watchdog.org.



REPORTER SPOTLIGHT

"John's experience and knowledge of the media industry will be a valuable resource as we continue to expand our coverage in critical states and on key policy matters. With over 30 years of experience in this industry, John knows the news, what's important to readers and where to go to find the facts." –Erik Telford, President



JOHN BICKNELL

In early October, veteran editor and journalist John Bicknell joined the Franklin Center for Government and Public Integrity as Executive Editor of the Center's Watchdog.org publication. Under the leadership of Vice President of Journalism Will Swaim, John will work closely with Watchdog's extensive network of investigative journalists and develop relationships with other media outlets.

John brings more than 30 years of journalism experience. He came to Washington in 1999 as an editor at Congressional Quarterly, where he led the production team for CQ Today and was a team editor for the publication. When CQ merged with Roll Call, he continued as national security editor, co-editor of the 2012 edition of "Politics in America" and eventually became editor of the opinion pages. He went on to become executive editor of FCW, a magazine and online publication covering the business of federal computing. He co-edited the 2016 edition of "The Almanac of American Politics," and is the author of the 2014 book, "America 1844: Religious Fervor, Westward Expansion, and the Presidential Election That Transformed the Nation."

How did you first become interested in journalism, and what has kept you working in the industry for 30 years?

I grew up in a family very interested in politics and the news. And I always knew I wanted to be some kind of writer. So, while I didn't major in journalism in college, it was always in the back of my mind that I might go into journalism. I've survived for 30-plus years by always looking to do something new, something different every few years.

In addition to journalism, you've written a book about the presidential campaign of 1844 and have another one in the works. Clearly you're a history buff, so how does that inform your approach to journalism and today's rapid-fire news cycle?

Studying history helps provide a long-term view of issues. When somebody says "this is the dirtiest campaign ever run," or "this is the most important election of our time," knowing something about history can provide perspective, as well as a way to debunk such claims. My new book, for example, is about John C. Fremont's 1856 presidential campaign, the first Republican campaign and the first in American history to involve women and blacks in a substantial way. It was contested in perhaps the most violent peacetime atmosphere of any U.S. election, and though Fremont lost, he set the template that Abraham Lincoln followed four years later in winning.

What is one issue or story you wish more Americans were paying attention to?

It's hard to narrow it down to one, and I have a different answer every other day. I think people are generally paying attention to issues of national security, probably immigration, maybe even the debt. So today let's say it's the decline of the notion about what it means to be an American, the idea of citizenship with responsibility. That might have something to do with studying history closely and seeing how much progress we've made in 200 years. Too often, I think, people ignore progress because they benefit from the culture of complaint.

What is the biggest obstacle or challenge facing journalists today?

The biggest challenge facing journalists today is a self-inflicted problem: too many activists with bylines posing as neutral observers, and they've been found out. Once you've destroyed your own credibility, it's very difficult to get it back, and we see that in many, if not most, legacy newsrooms.

What opportunities are you most excited about as you join Watchdog's network of investigative journalists?

As I said, our opportunity is to fill the wide, wide space left empty by legacy journalists who believe their job is to defend the status quo at the expense of reporting facts and explaining why things happened the way they happened. ●



DONOR SPOTLIGHT

“People need to know what is going on... When the truth comes out, it can alter the course of things.”

ELLA MAE MCGUIRE Wichita, Kansas

Education has always been central to the life of Ella Mae McGuire’s family. Her mother was a teacher, as was her grandmother. She volunteered in the local schools when her children were growing up, helping to launch a program that introduced students to great works of art. Now, two of her nine children work as teachers. All of her children earned bachelor’s degrees, along with five master’s degrees and a law degree. Education is central to their family’s American Dream — along with hard work, Ella Mae believes that it’s the most important way we have of advancing ourselves and improving our circumstances.

That commitment to knowledge and truth-seeking is a major reason why she became one of the Franklin Center’s first donors in the spring of 2010. “People need to know what is going on... When the truth comes out, it can alter the course of things,” she says.

Her family are also proud patriots with a record of public service. Through her mother’s side of the family, Ella Mae is a member of the Daughters of the American Revolution. Her father fought in World War I, her husband in World War II, and her son in Vietnam; her grandson is a United States Marine who served in Afghanistan.

With such a family legacy, it’s no surprise that Ella Mae is fiercely patriotic — and also troubled about the direction that our country is headed in. Ongoing troubles at the Department of Veterans’ Affairs and the many ways that we’ve failed our veterans in recent years — an issue that our Watchdog reporters have covered extensively — hit close to home.



Ella Mae McGuire and family

More generally, Ella Mae is a lifelong believer in the American ideals of hard work, self-sufficiency, and achievement — while still caring for those who can’t care for themselves. All of those things are threatened, she says, by elected officials who are more concerned with fundraising for their next election and promoting the interests of their political friends.

This, she worries, leads to jadedness and a loss of idealism among voters, who in turn disconnect and fail to educate themselves. It’s a problem that crosses state and party lines: “Even in conservative states like Kansas, elected officials do questionable things and promote questionable policies and people need to know the facts.”

She’s seeking to change that, however, through her involvement with the Franklin Center: “When you can get the truth out there, you can motivate people to change things and get things done.” Here at the Franklin Center, we’re inspired by Ella Mae and her family, and their commitment to education and public service, and proud to call them partners in our efforts. ●

Lucinda Luetkemeyer, attorney for O’Keefe and the club said in court last month, referring to other communications that may show the GAB working with left-leaning groups.

If the GAB acted appropriately and within the law, “it should welcome the transparency,” Jordahl said.

“Instead the staff and judges (who preside over the accountability board) are doing everything they can to delay disclosure because they cannot defend their actions in the case,” she added.

Aides to Senate Majority Leader Scott Fitzgerald, R-Juneau, and Assembly Speaker Robin Vos, R-Rochester, on Wednesday said they have reached a deal on GAB reform legislation, according to the Milwaukee Journal Sentinel.

As first reported in Wisconsin Watchdog, state Rep. Dean Knudson, R-Hudson, planned to put forward a bill that would end the “eight-year failed experiment in Wisconsin” that has been the state GAB.

“We need to take this thing apart,” Knudson, a member of the Legislature’s powerful Joint Finance Committee, told Wisconsin Watchdog last month.

But conservatives who have been harassed and intimidated by agents of the probe have expressed concern that some Republican lawmakers could hold up or try to water down legislative action.

There have been reports that some GOP legislators claim to know nothing about the GAB’s role in the unconstitutional

investigation.

“GAB staff and contract investigators helped plan and pay for the attacks,” Jordahl said. “In one case, a 16-year-old boy was home alone when six armed law enforcement officers searched his family’s home. He was denied the ability to call his parents, grandparents or a lawyer. He was forced to show up two hours late for school and told that he could go to jail if he told anyone why.”

“Dozens of interviews have been conducted and hundreds of articles written detailing the agency’s partisan motives, illegal and unethical behavior and efforts to cover it all up. What else do these legislators need to know?”

This Saturday marks the two-year anniversary of the raids.

“We still don’t have our property back, but (GAB director) Kevin Kennedy and the GAB are still in business,” Jordahl said.

Here’s hoping the voices of the citizens attacked in this unconstitutional investigation will rise above the public relations din of an agency desperately trying to keep its bad conduct in the dark.

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Andrew Collins is manager of digital marketing and Megan Ritter serves as grants manager for the Franklin Center.

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HIGHLIGHTS FROM THE STATES

This fall we've been able to launch a new regulatory policy reporting capacity. This reporter will cover financial, business, consumer, labor, and environmental regulation. Our intention is to hold government agencies accountable, at all levels, for the massive influence they hold over the lives of entrepreneurs, taxpayers, and families. We're seeking to put a human face on the damage done by regulation — to tell the stories of those who have suffered under the burdens levied by intrusive and costly regulation.

NATIONAL

Staff reporter Eric Boehm was promoted to the role beginning the last week of September. Erik previously developed our popular “Nanny State of the Week” series which each week salutes a different state or locality for a regulatory absurdity. Highlights from Eric’s Nanny State of the Week series in recent months include:

Montgomery County, Maryland, where local officials have prohibited the use of many common lawn treatments because they deem the chemicals “dangerous” — while continuing to use those same chemicals on county-owned land like golf courses and parks.

New York City, where a ban on Styrofoam containers leaves consumers and businesses with less-effective, more expensive alternatives.

Pinellas County, Florida, where an “environmental specialist” ordered a homeowner to contain the smell of his barbecue grill to his own property.

Seattle, Washington, where local authorities have not only forbidden throwing any compostable material into the trash, they have also ordered garbage collectors to spy on residents’ trash habits and turn them in to Seattle Public Utilities for non-compliance.

PENNSYLVANIA

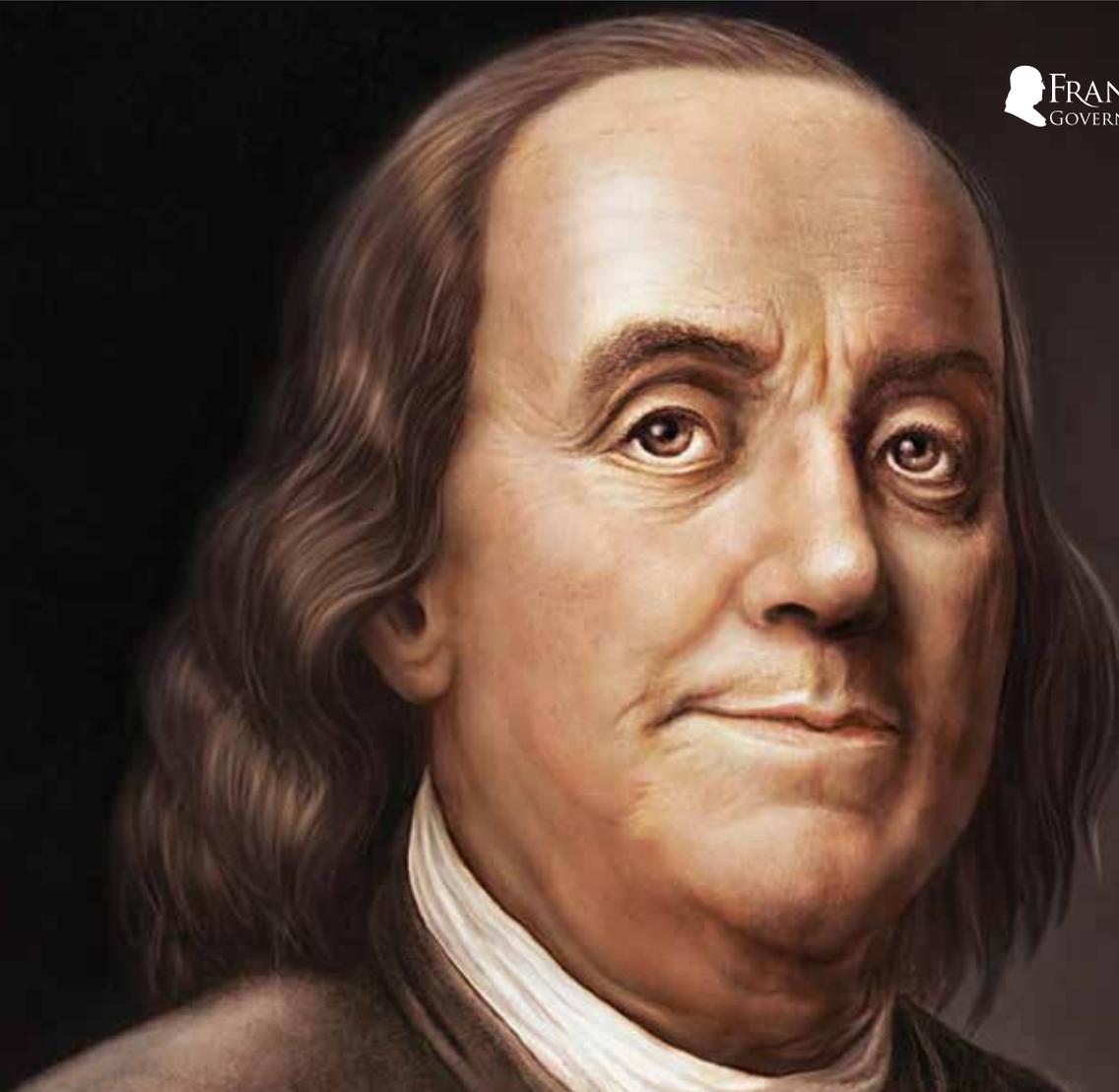
Andrew Staub, our bureau chief for Pennsylvania Independent, has been awarded a prestigious Robert Novak Journalism Fellowship for 2015–16. The program, sponsored by The Fund for American Studies, awards grants to print and online journalists with less than 10 years of professional experience to

work on projects supportive of American culture and a free society. Andrew’s project is titled, “A Legacy of Prohibition: The fight to privatize Pennsylvania’s archaic liquor monopoly by introducing a free-market system to benefit state consumers.”

Three other current and former Franklin Center journalists have been awarded Novak Fellowships, including Texas bureau chief Jon Cassidy, who is completing an investigative research project modeled on Lincoln Steffens’ turn-of-the-century classic, “The Shame of Cities,” in which Jon explores how public-sector unions and the benefits packages they negotiate are bankrupting American cities.

TEXAS

For more than three years, our Watchdog reporters have been leading coverage of a controversial federal program that most Americans have never heard of: the EB-5 Regional Center Investment Program. Simply put, the program allows foreign nationals to invest large sums of money in U.S. companies and receive a green card in return. Our biggest scoop to date came when we found Clinton crony and now-Virginia Gov. Terry McAuliffe using EB-5 to pump money into an electric car manufacturing company he helped found. EB-5 is ostensibly supposed to provide a boost for economically distressed regions, but one of our Texas reporters has uncovered gerrymandering of these regions has instead led to the EB-5 program funding lavish building projects in wealthy urban areas. Among the projects that Texas Watchdog’s Kenric Ward has uncovered is a luxury apartment building in an upscale neighborhood of Dallas, funded by more than 100 foreign investors who will now receive green cards. In a speech on the Senate floor in October, U.S. Senator Chuck Grassley (R-IA), cited our work on EB-5. ■



WE'RE ON A MISSION FROM BEN

The Franklin Center supports investigative journalists, both professional and citizen, who seek to advance transparency, accountability, and fiscal responsibility in government, with a strategic perspective that emphasizes how those issues begin at the state and local levels. We seek ultimately to democratize the media and change how people expect to receive information about their government.

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