

TESTIMONY OF
CHARLES “BUDDY” ROEMER
FORMER CONGRESSMAN AND GOVERNOR OF LOUISIANA
AND PRESIDENTIAL CANDIDATE

SENATE JUDICIARY COMMITTEE,
SUBCOMMITTEE ON
THE CONSTITUTION, CIVIL RIGHTS AND HUMAN RIGHTS

HEARING

“TAKING BACK OUR DEMOCRACY:
RESPONDING TO CITIZENS UNITED AND THERISE OF SUPER PACS.”

JULY 24, 2012

During this primary season in which I was a candidate for the Republican nomination for President and, failing that, a candidate for the Americans Elect nomination, much was made by the want-to-be presidents about how Washington DC was broken.

Broken? An unreadable tax code apparently written by and for special interests; the exporting of American manufacturing jobs overseas and subsidizing corporations to facilitate that outsourcing; an inability to exhibit budget discipline or prioritization over the next ten years in the Administration’s own pro forma budget proposals with a growth of debt faster than economic growth of the nation; the downgrading of the national credit rating; bank “reform” that failed to rein in the so-called “too big to fail” that allowed the top banks to have a larger percentage of deposits after “reform” than before; a supposed bank reform that failed to restore the protections of the Glass-Steagall Act and refused to require capital ratios to rise with asset growth; health care reform that retained pharmaceutical and insurance monopolies entrenched in law; addiction to oil from the Middle East with no apparent energy strategy; 42 consecutive years of a trade imbalance as we monetized our debt; and devaluing our currency. I could go on.

Broken? Of course.

A nation in trouble? Of course.

A cry for leadership? Of course.

A time for unity and cooperation? Of course.

But I take a different approach to this “it’s broken, let’s fix it” path. There is a bigger, tougher, more pervasive issue than being broken: institutional corruption, or put another way, “being bought” by someone other than “the people”. When the special interests have never done better and are in command of funding those who would repair the system, how much repair will get done? As the only person running for President who was elected both as Congressman and as Governor, it is my belief that Washington DC is not just broken. It is bought, rented, leased, owned by the money givers. Special interests, the bundlers, PACs, Super PACs, lobbyists, the Wall Street bankers, the pharmaceuticals, the corporate giants, the insurance companies, organized labor, the GSE’s like Fannie and Freddie, energy companies, on and on and on and on. And this is not about one party versus the other, or about one person or another. It is about systemic and institutional corruption where the size of your check rather than the strength of your need or idea determine your place in line.

Corruption becomes institutional when those involved can pretend that it doesn’t exist or that it doesn’t affect them or that it has always been this way, or even that it yields a good outcome for the nation. Has it? Institutional corruption is when a committee membership means that your fundraisers cater to a select list of invitees – all regulated by your committee. Institutional corruption means that one of your prime options for life after public service is to represent as a lobbyist in Congress the very companies, organizations, and interests you regulated as an elected official and to do so when your contacts and relationships are fresh and strong. It is institutional corruption when those who raise questions are shunned or ignored by the body.

Outside these walls, the public’s perception is that not only is Congress a do-nothing institution, but that it is bought and paid for as well. And, in politics, perception is reality, and the perception is that it is getting worse, not better. The numbers are not yet in for the 2012 election cycle, but let’s look at 4 years ago where we do have at least partial numbers.

When Senator McCain opposed then Senator Obama, both candidates received more campaign contributions from PACs and lobbyists from Washington DC and its environs than from the contributions of all sources in 32 states combined. The largest corporate giver to candidates including the Presidential candidates four years ago was General Electric. How did that work for their shareholders? \$5.2 Billion of domestic profit before taxes year before last and General Electric paid not one penny in Federal Income tax. And the largest contributor among banks and financial institutions? A little firm called Goldman Sachs. Maybe that’s how you get “bank reform” that fails to eliminate “too big to fail”, that bails out the biggest banks in America, refuses to re-instate Glass-Steagall, and allows the Department of Justice to spend more time on Barry Bonds and Roger Clemens than on the veracity of the testimony of major bank CEOs.

With the advent of Super PACs and tax-exempt organizations of “independent” status, the amount and percentage of big corporate, special interest money fueling the debate has increased exponentially. The Supreme Court has ruled that these third-party, independent-expenditures, if not coordinated with a candidate, cannot be regulated as they give no appearance of corruption as

direct contributions can and do. Is it coordination when Mitt Romney addresses the fundraiser for his own Super PACs? What about when Rick Santorum wins a Midwest primary and has the largest contributor of his Super PAC appear on the victory stage election night directly behind the speaking candidate? When the President allows his team members helping him run his administration's programs to solicit funds for his Super PAC? Cooperation, utilizing the same playbook, managing content and timing either directly or indirectly are all components of coordination it seems to me.

I've managed more than forty campaigns for others in my younger life – Congress, Governor, US Senate races, and I've personally run for office successfully in seven, separate elections. For more than 40 years, I have been involved in the debate about money and politics. I have never tried to get money out of politics and am not trying to do so now. Money is a commodity that can be used to foster debate and the enlightenment that comes there from. I have promoted and voted for and practiced full disclosure as the essential, most important step in revealing the power of money in the political debate. I still believe that. Others with a less conservative persuasion in this matter have promoted broad limits in the amount and source of political financial contributions.

The bad news is that now, we have neither limits nor disclosure nor truly independent expenditures. This dependence on the special interest money has helped paralyze our nation. We need action for the benefit of our neighbors, yet we have become a Republic representing only those with big checks, maintaining a status-quo, a gridlock if you will, that rewards the victors and turns a deaf ear to the victims.

The people know what's happening and it is why they don't give any more. They feel that their small checks aren't needed and won't make a difference. Being out of office for 20 years and happily and successfully engaged in community banking far away from Washington, I too began to see the corruption of special interest money grow and its negative impact on meaningful reform: banking, tax, budget, housing, medical, trade.

It's why I ran for president. We wanted to get campaign reform as the first priority for a new Administration. Without reform, gridlock and status quo win, and we lose. So we deliberately adopted a financial platform of both full disclosure and tight limits on giving, hoping to attract the average person. We had a \$100 maximum on any individual's contribution. We accepted no PAC contributions, just as I had done as Congressman and as Governor. We fully disclosed all contributions regardless of size. We accepted no corporate contributions. We hoped to attract the small, clean contributions of plain and average Americans, maybe 3 million at \$100 each for a total of \$300 million which would beat the candidates of either Party, we believed. Weak President, weak opposition is the way we saw it in December of 2010. And there was no one fighting for campaign reform.

The internet phenomenon would get us started, and the debates would put wind into our sails, we planned. As it turned out, we didn't get invited to a single one of the 23 nationally televised debates. We did achieve matching funds, raised \$800,000 with contributors from all 50-states averaging nearly \$50 per contribution and had 7% in a national poll the week before the failure of Americans Elect when we had to drop out.

During the campaign, I said that my first bill before Congress would be Campaign Reform; that the necessary actions required to start this economic engine (Tax, Budget, Medical, Banking, Trade, Energy, and Regulatory Reform) would not be possible with the special interests owning the Congress or the White House, so we had to lead with reform. The list of content for this Reform Bill would include (1) full disclosure, (2) 48-hour reporting, (3) no financial contributions or financial assistance from registered lobbyists, (4) PAC contributions be limited to that of individuals, (5) Establish a low threshold definition for "coordination" of third Party expenditures and have the same full disclosure and reporting requirements as those for direct contributions, (6) disallow lobbying by former members for a period of 5-years after retirement, and (7) criminal penalties for the willful violations of these conditions.

Additionally, I have grown to like the use of public funds for candidates for Federal office who meet a standard of fundraising of \$100 contributions. These seven measures put meat on the bones of reform and give an opportunity for "we the people" to fund campaigns.

I recommend that we work simultaneously on statutory and constitutional efforts to increase the public discourse while revealing the special interests without limiting the right to free speech.

An appropriate Constitutional Amendment could be required as we work through this complex problem, but much can be done without a Constitutional Amendment. The time required for a constitutional approach is uncertain and appropriate content needs full scrutiny so I see the need to follow a two-initiative approach at the same time: statutorily and constitutionally. We cannot wait as a nation, so we must have a two-pronged effort from the beginning: an immediate correction maximizing the chance for real people to get re-involved and re-move the gridlock addiction fostered by the special interests who dominate fundraising (my seven point plan for example), while constitutional efforts are coordinated.

We have not picked on events or parties or personalities who are corrupt or who have been bought by the special interest checks. That's not the problem. The problem is a system that is corrupt and the corruption of an honored institution of which you are a member. It will not stand. More and more of us are leaving our day jobs and our homes and fighting for the restoration of our Republic. A group of us have started The Reform Project, a not for profit organization designed to be engaged in the debate, to foster action and reform, and to stand with those attacked by the special interest, status quo gridlockers.

Neither party has embraced needed reform. Both major parties are addicted to the special interest money. President Truman, a Democrat, and Teddy Roosevelt, a Republican, would have

surveyed this landscape of special interest money and hidden contributions and gridlock within America in trouble and wondered what has happened to our nation.

Let me answer their question. Nothing is wrong with America that we cannot correct, strengthen and re-build. We must do it together. We constitutionally must allow money to fuel debate and discourse – it is a part of our precious liberty --, but the funds must come from the people, not solely or primarily from the special interests if we are to call ourselves a “Republic”. At a minimum, we must reveal the pervasive presence of special interest money, because it falls in love with itself, requires attention and feeding and, as a result, negatively impacts our neighbors in times of real need.

We can do this. Let us begin.