



## Did you know?

### Corporate Front Group Writes MS Law

*Summary: A powerful group connects the dots between politicians, corporations, and extreme bills to write the law in Mississippi.*

**January 7, 2013 – Jackson, MS** - Legislators say a corporate front group, the American Legislative Exchange Council, is bypassing voters and writing law in Mississippi.

"I've tried to point out on the floor of the House this past session that a lot of what was going on in the House came from ALEC," said Rep. Rufus Straughter, D-Belzoni. "For all I know an ALEC representative was up in the House speaker's office this year giving him directions. You'd think ALEC was voting us in office rather than the voters, the way these politicians here follow their orders."

Straughter, along with many House and Senate Democrats and nearly all members of the Mississippi Legislative Black Caucus, are furious at the growing number of Republicans openly submitting legislation fostered by out-of-state corporations through ALEC. Their accusation is not denied by the lobbying group, which claims to serve "as 'state legislators' think tank."

"ALEC's policy staff provides research, policy analysis, scholarly articles, reference materials, legislative bill tracking, and expert testimony on a wide spectrum of issues. The centerpiece of Task Force projects is ALEC model legislation," the organization claims. "ALEC is the only state legislative organization that adopts policies and creates model legislation for its members to use in their states."

To fully understand ALEC you must first understand the nature of "model" legislation. Lobbying in America generally comes in three flavors: Campaign donations, "wine and dine face-time," and "haggard pursuit." Campaign donations are self-explanatory—give enough money before the election and you curry favor with the candidate. "Wine and dine face-time" comes after the election, however, when you shower your legislator with small gifts, vacations, sports tickets and other incentives to woo their interest. Finally, "haggard pursuit" involves chasing your legislator through the halls of Congress or the state Capitol and winning them over to your cause with intelligent debate.

But ALEC proves there is still another way to get your law passed through a hungry politician: prepare your law with plenty of gravy and fixins', spoon feed the politician the law you want on the books, and then monitor your patient until he dumps the law out to his respective committee during the legislative session.

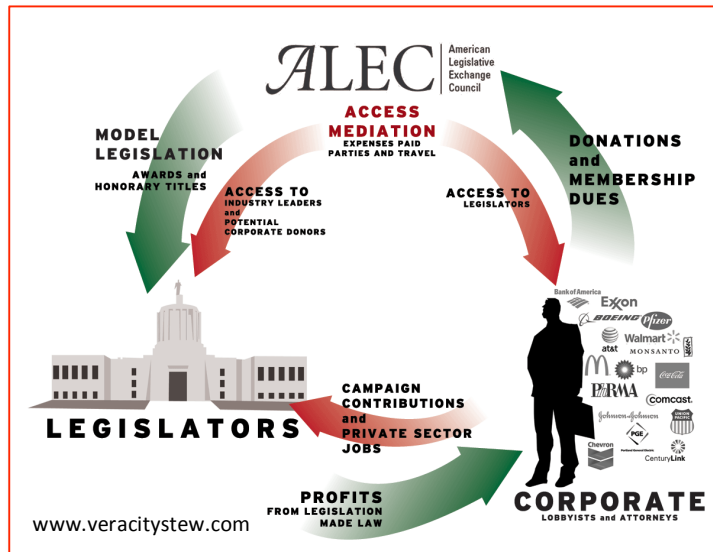
If this description sounds like flushing a glass marble out of a stupid toddler, then you've got a marvelous grasp of the kind of simplicity ALEC is shooting for here.

"This organization is a lobbying group with incredible access to your state legislators," said Dale Eisman, senior writer with government watchdog group *Common Cause*. "It is a corporate front and a corporate lobby, and they are writing your state's laws."

## Following the Money

Illinois nonprofit ALEC derives its income from both legislative and business-related members. Legislators pay \$100 for a two-year membership. Business members pay a minimum of \$7,000 to be in ALEC's "Washington Club," which is considered to be the entry level of ALEC's corporate membership. Corporation-based members can also opt for the \$12,000 "Madison Club," or the lofty \$25,000 "Jefferson Club."

Beyond the membership dues, corporate-based affiliates may also opt to be in one or more of ALEC's nine task forces. The *Civil Justice Task Force*, which is responsible for creating laws making it harder to sue corporations that sell dangerous merchandise or drugs, will run you an extra \$3,000. The *Natural Resources Task Force*, which writes laws loosening environmental regulation and making it easier for oil and gas companies to poison the land and water, costs an extra \$2,500. The *International Relations Task Force*, chaired by Brandie Davis, U.S. affairs director of tobacco company Philip Morris International, is responsible for crafting laws that send American jobs to other countries, which in the words of ALEC: "is increasingly important as more and more American companies expand their operations overseas and as states recognize that robust international trade programs are an effective way to grow their economies."



The idea of an American-based organization seeking to put Americans out of work seems unbelievable. However, a considerable number of ALEC's corporate members, like Sony Corp. and Takeda Pharmaceutical, are corporations from other countries. Of course, even global "American" companies frequently enrich their CEOs by shipping labor to slave-wage societies overseas and pocketing the savings. Membership in the job-killing *International Relations Task Force* costs \$10,000.

With these prices, ALEC is more flush with money than a Wall Street CEO's solid-gold toilet. Companies like BP America, ConocoPhillips Inc., and various corporate foundations comprise 98-percent of ALEC's revenue, according to government watchdog group *Sourcewatch*. After amassing a huge war chest with gobs of liquid cash from wealthy businesses, ALEC can get to the business of writing ghost legislation approved by its corporate members to give to state legislators. It then deducts the costs of this type of lobbying as charitable contributions.

*Common Cause* claims ALEC's tax returns reveal that the organization's biggest expenditure is the operation of those nine task forces and their work to write state bills with legal language believable enough to pass a state legislature. It also publishes talking points to sell bills to the voting public and writes press releases to help some of its more dim-witted political members charm the media.

## When Wal-Mart Writes the Speech

One "press release" created by ALEC for circulation by U.S. House members, following the 2010 passage of the Affordable Care Act, is a classic example of one of its made-to-order statements:

[INSERT LEGISLATOR] COMMENDS OBAMACARE REPEAL;  
VOWS TO "FINISH THE JOB" WITH HEALTH CARE FREEDOM ACT

**Location (Date) - [Legislator], [insert any leadership or health committee assignments],** commends the U.S. House of Representatives for its repeal of ObamaCare and is ready to move forward with legislation at the state level to further protect the citizens of [insert state] from the overreaching arms of the federal government.

...

"I am introducing legislation to protect the people of [state] from ObamaCare's federal takeover of our health care choices, and to finish the job Congress began by repealing ObamaCare," said [legislator]. "I also urge the U.S. Senate to do the right thing, listen to the voices of the American people, and send the repeal of this federal health care law to President Obama's desk."

The above ALEC press release was basically canned food: just heat and serve. One unimaginative Republican out of Alaska was actually mindless enough to use it. The January 20, 2011 statement of Representative Carl Gatto (R-13) leaves no doubt that ALEC is pulling legislators' levers like Howdy Doody:

**Gatto Commends ObamaCare Repeal**  
**Vows to "Finish the Job"**  
**with Alaska Healthcare Freedom Act**

(Juneau) - House Judiciary Chair Carl Gatto (R-Palmer) today commended the U.S. House of Representatives for its repeal of ObamaCare and is ready to move forward with legislation at the state level to further protect the citizens of Alaska from the overreaching arms of the federal government.

...

"I am introducing legislation to protect the people of Alaska from ObamaCare's federal takeover of our health care choices, and to finish the job Congress began by repealing ObamaCare," Gatto said. "I also urge the U.S. Senate to do the right thing, listen to the voices of the American people, and send the repeal of this federal health care law to President Obama's desk."

Sadly, there's no mistaking the similarities between the two documents above, no more than there is hope of telling the difference between ALEC's hand-written bill proposals and the actual bills that Republican legislators all over the South are feeding into their respective committees.

The flurry of new voter identification requirement bills hitting the nation is one of the most nefarious examples of an exclusive club of corporations writing policy for American voters. The Republican Party does not even try to hide its dedication to America's small percentage of billionaires. For the entirety of President Barack Obama's term in the White House, the GOP blocked any attempt at raising taxes on the top 1-percent income brackets, even though millionaires' tax rate is less than half of what their tax rate was during the administration of John F. Kennedy. Republicans even committed to send the American government into financial default recently to avoid raising taxes on the wealthy. Their stubbornness pushed the country into cutting \$1 trillion in precious government services, like child-care and education, in order to raise the debt ceiling.

Their determination to protect the rich and play chicken with the rest of Congress on the debt ceiling prompted Standard & Poors Rating Services to ding the nation's credit rating last year like it was M.C. Hammer. For the GOP, even this behavior was unprecedented, and even now they refuse to take responsibility. This is a party that is totally beholden to the wealthy, and the wealthy people behind ALEC want to keep the Republican Party in power. But in order to do that you've got to do something about all those pesky Democrats muddying up Washington. One easy way, apparently, is to keep them from voting.

### **How to Kill a Vote**

The Brennan Center for Justice at New York University School of Law reports that ID requirements hit people who have traditionally faced barriers at the polls the hardest.

"The impact of ID requirements is even greater for the elderly, students, people with disabilities, low-income individuals, and people of color," the report states. "Thirty-six-percent of Georgians over 75 do not have a driver's license. Fewer than 3-percent of Wisconsin students have driver's licenses listing their current address. The same study found that African-Americans possess driver's licenses at half the rate of whites, and that the

disparity increases among younger voters; only 22-percent of black men aged 18-24 had a valid driver's license."

The people referenced in the above paragraph tend to vote Democrat--and Republicans know it. Prior to 2006, no state in the union had a photo I.D. requirement in its law books. This year, at least 34 states introduced bills requiring photo ID to cast a vote. It is no coincidence that it is almost entirely Republicans who are submitting photo ID bills. The Brennan Center released a report, Voting Law Changes in 2012, recognizing that ALEC may have wielded undue influence on the submission of Voter ID laws.

"(Another) possible reason for the success of Voter ID bills this year is the reported involvement of the American Legislative Exchange Council (ALEC), a powerful conservative group that brings together state legislators and private interests to develop and support state legislation and policy," the report states, and then cites the *New York Times*' claim that many of this session's Voter ID bills "were inspired by the American Legislative Exchange Council, a business-backed conservative group, which has circulated voter ID proposals in scores of state legislatures."

The report also cites that in 2009, "according to other media reports, not long after ALEC featured a cover story called 'Preventing Election Fraud' in its member magazine, the organization adopted model Voter ID legislation and circulated it to its members across the country. The Voter ID bills that were eventually introduced and passed in the states this session all bear some resemblance to ALEC's model legislation."

[blog.heritage.org](http://blog.heritage.org)



ALEC's own website brags that more than 1,000 ALEC-style bills get circulated in state legislatures, and that nearly 20-percent of those bills become law thanks to its support services, including training, seminars, studies, talking points, strategic plans, and action alerts, the Brennan Center adds.

Chances are if you or Grandma gets stopped at the polling booth next year, you'll have some nameless ALEC word-puncher to thank for writing the law that stopped you.

The front organization's tentacles stretch throughout the Mississippi Republican legislature, shaping both bill and law

utterly without your vote. Another example of this is the blossoming private prison industry, which the lobbying group helped secure a foothold across the country.

Politics-based newsletter *The Nation* reports that "ALEC helped pioneer some of the toughest sentencing laws on the books today, like mandatory minimums for non-violent drug offenders, 'three strikes' laws, and 'truth in sentencing' laws. In 1995 alone, ALEC's Truth in Sentencing Act was signed into law in 25 states," which included Mississippi.

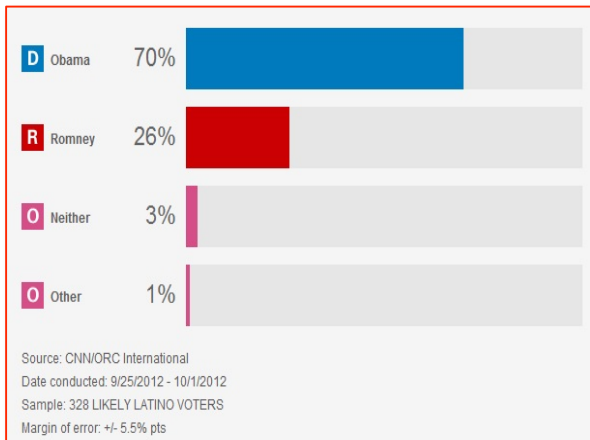
Immediately after the explosion of new inmates (thanks to countless convictions on non-violent drug violations), ALEC and its corporate members, which included private prison companies like Corrections Corporation of America and Geo Group, set about expanding into states sporting the new, harsher laws. ALEC was quick, naturally, to help write new state laws beneficial to private prison expansion.

Mississippi, with its ALEC-owned Republican membership, currently hosts a total of five private prisons, many with a recent history of violent riots as the for-profit prisons cut costs and staffing to dangerous levels in an attempt to remain profitable.

CNN Politics Poll

### ALEC v. Pedro

Latinos got on ALEC's bad side in a big way over the last 10 years, since the Hispanic population insists on voting Democrat. A poll released June 28 revealed that Hispanic support for President Obama was giving him a 45-to-41 lead in swing state Florida against Republican challenger Mitt Romney. If Mr. Obama takes Florida and its 29 electoral votes this year there is a good chance Romney will be wearing Mr. Obama's foot-print on his backside after the November election. Nationally, Mr. Obama was ahead of Romney with Hispanic registered voters by 70 to 26-percent on October 1 adding 10 points to his margin over Romney among Latinos from a recent CNN/ORC International poll.



That doesn't sit well with ALEC, which jumped behind numerous bills to turn Mississippi into a giant slingshot, firing Mexicans back over the border.

From 2008 to 2012, a flood of anti-immigrant bills poured from the desks of Republican legislators, including a new state law penalizing employers who hire undocumented workers and threatening jail time for undocumented workers who worked for them. The Mississippi Employment Protection Act, for example, requires all state employers to use E-verify to check the residency status of new hires, even though most state police routinely mock E-verify for its relative uselessness. E-Verify only sounds the alarm when a new hire's name and Social Security don't match, and most identity thieves with the brains of a turnip know how to steal the number and name together.

Senate Bill 2090, authored this year by ALEC member Sen. Joey Fillingane (R-Sumrall), mimics an Arizona law recently gutted by the U.S. Supreme Court for overstepping federal immigration enforcement. But Fillingane's bill also mimics an ALEC bill proposal, likewise, demanding states adopt federal duties. Both the Arizona and Mississippi bills compel law enforcement to require Latinos produce proof of legal residency and arrest them if they fail to do so.

The mostly African-American Jackson City Council, fed up with the swarm of anti-immigrant bills belching from the Capitol, collectively bent over and wiggled their backsides at anti-immigrant Republican gubernatorial candidate Phil Bryant in 2010. That year, a council majority approved a new ordinance that thumbed its nose at ALEC's cookie-cutter "papers please" laws delivered by their GOP henchmen in the Capitol. The ordinance barred city police from soliciting information concerning immigration status for the purpose of enforcing federal immigration law. It also forbade municipal police from demanding immigration status from a person who is seeking police services, including victims or witnesses to a crime. Ward 2 Councilman Chokwe Lumumba, a perpetually angry human rights attorney, got as close as he could to telling Bryant to go to hell without actually using the word "hell."

Furious, ALEC's faithful Republican goons fired off a bill prohibiting cities from restricting police from enforcing federal immigration law. The bill, Senate Bill 2232, died in a Senate Committee this session, but it contained language almost identical to yet another ALEC-scribed bill. The first paragraph of the dead bill states that "no official or governing authority of a municipality of this state may limit or restrict the enforcement of federal immigration laws to less than the full extent permitted by federal law." That first paragraph is a near carbon copy of the first paragraph of the ALEC-authored proposal.

## **The War on Attorney General Jim Hood**

Although ALEC is good at tossing aside blacks, Latinos, and poor people at the polls, the group's top priority is actually protecting its corporate financiers. One of the best ways to do that is to make those corporate financiers immune to lawsuits when they trample rights or hurt people. For that, ALEC must target states' chief policing agents.

Mississippi Attorney General Jim Hood and the people who work with him represent a particularly hot target for ALEC. Hood has spent the last solid eight years of his two terms knuckle-punching corporate wrongdoers and charging them more than \$500 million in fines and penalties for their dirty deeds.

Hood managed to slam defunct telecommunications company MCI/WorldCom for dodging state taxes, and he made them pay more than \$115 million in fines, penalties, and attorneys' fees. He is also pursuing a suit against Entergy Inc. for allegedly overcharging Mississippi rate-payers in a scheme similar to one shut down by a judge in Louisiana. Hood told reporters that the company is withholding pertinent data involved in the case and that he expected the utility company to lose big and pay startling penalties to the state when a district judge finally compels the company to quit stalling and release that information.

Hood's predecessor and mentor, Democratic Attorney General Mike Moore, filed the first lawsuit against 13 tobacco companies, claiming that they should reimburse the state for the costs of treating those with smoking-related illnesses. Moore dragged from "Big Tobacco" a \$4 billion settlement for the state of Mississippi. ALEC has taken notice, and wants nothing more than to halt this kind of litigation in Mississippi. They have already got a plan together, and the lobbying group's Republican subsidiaries are working hard to make it happen.

Hood and Moore won their most impressive settlements by hiring outside attorneys familiar with the ins and outs of corporate malfeasance. For years, a law firm that uncovered a company's dirty dealings could approach Moore or Hood with their knowledge and then propose to sue the company in the name of the state. If the lawyers lost the case, they didn't get paid. If they won, Hood paid them a percentage of the settlement based upon a sliding scale. The more money they won, the smaller the percentage of the take went to attorneys' fees.

Mississippi Republicans, firmly in ALEC's paw, rapidly shot off various "sunshine bills" seeking to put an end to attorney contracts. Under new Mississippi law proposed by ALEC, attorneys with inside knowledge would no longer get to approach Hood with a proposal and simply sign an agreement with the AG to beat the hell out of the bad guys. Instead, any suit potentially worth more than \$100,000 in attorney fees would have to be bid out to a host of attorneys.

A law like that would blast Hood so hard it would leave a Hood-shaped outline of ash on the wall behind him. Suing wealthy corporations is horrendously expensive because wealthy corporations can afford legions of lawyers to protect them. But no attorney with inside knowledge of corporate wrongdoing is going to take his proposal to Hood just so the state can hand his bright idea out to the lowest bidder. Such a law would kill Mississippi's ability to take on the next WorldCom, Phillip Morris, or Entergy.

Of course, what could you expect with Entergy, Phillip Morris, and WorldCom's new owner -Verizon - all big ALEC corporate sponsors? Entergy, in particular, is an ALEC "Vice Chairman" level sponsor of the 2011 ALEC Annual Conference. In fact, most attorneys with any experience chasing companies with a history of poisoning, cheating or killing people probably look at ALEC's list of corporate members and wonder why Satan doesn't just save time and drag the tainted souls of ALEC's member list down to hell.

Oddly, ALEC failed to get its 'sunshine law' past the Republican governor in Mississippi. It turns out Mississippi has a militia of hungry Republican-affiliated attorneys who suppressed this particular ALEC law before it made it



out of committee. This had nothing to do with the common good, of course—it was all about money. GOP-aligned legal firms encouraged Republican legislators to pass a moronic bill giving the power to hire outside attorneys to virtually all administration heads. This long list includes the governor, lieutenant governor, House speaker, secretary of state, state treasurer, state auditor, the commissioner of agriculture and commerce, and the commissioner of insurance, as well as any executive director of any state agency, board, commission, department or institution—anybody, apparently, with a lawyer friend who wants a job.

The whole situation is now a mess, according to Hood.

"To create a situation whereby Mississippi could end up with a host of different lawyers with competing interests representing our citizens in state legal matters is simply government chaos in the making. And Mississippians will be the losers," Hood said in a statement. "If HB 211 were law, the state would have received only \$3.5 million from the MCI WorldCom lawsuit (instead of more than \$100 million) because the State Tax Commission would have settled the case. ... There would be no healthcare trust fund or \$4 billion tobacco settlement because the then-governor and the Division of Medicaid would have overridden the AG's efforts to secure that money for our state."

ALEC has probably still managed to end the attorney general's ability to chase wealthy corporate wrongdoers, but only by clogging the system.

### **IRS on the Hunt**

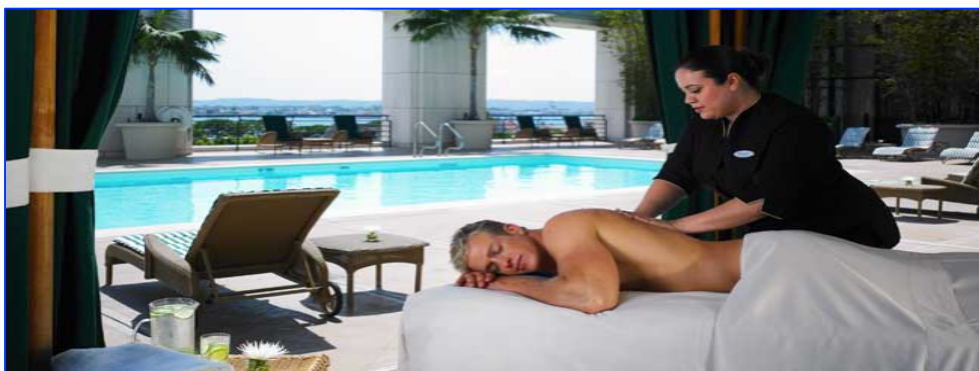
Writing and promoting state laws under the noses of Mississippi voters like this takes serious money according to ALEC's tax returns. But that's not the end of it. The organization's second most expensive expenditure goes to annual "conferences," which are often held in lavish hotels in cities across the country. The lobbying group's 2011 summer meeting was in New Orleans' Marriott in the French Quarter.

The group often asks legislators to bring the wife and kids and leave the baby-sitting to ALEC, which spent \$250,000 on childcare, according to its 2009 IRS Form 990. ALEC's 21st annual meeting in Tampa, Florida hit the Hyatt Regency, complete with gulf breezes, sandy beaches and more than 17 golf courses within 35 minutes of the hotel. A golf tournament and clinic sponsored by ALEC member R.J. Reynolds Tobacco Company was even one of that event's top go-to activities.

Sen. Deborah Dawkins (D-Pass Christian) said she remains furious at Senate legislators bragging about their ALEC trips.

"They're flying folks all over the place. Not just in the United States. I'm talking all over the world," Dawkins said. "You hear little snippets like 'remember that time we were in Jackson Hole, Wyoming for a week,' and things like that. This is the poorest state in the union. We have no business having people spend all this money on trips so people can rub elbows with the affluent. I mean, they pay for them to go everywhere, and I've no idea if they report it, or ALEC has to report it, but if anybody needs to be reported to the IRS, it's those guys."

[www.prwatch.org](http://www.prwatch.org)



ALEC's 2012 meeting was held at the Manchester Grand Hyatt in San Diego, CA, featuring sandy beaches, golf courses, and therapeutic adventures. ALEC's Meetings and Task Force Summits are held in some of the country's top travel destinations, where state legislators and corporate executives enjoy lavish accommodations and exclusive excursions.

---

Dawkins apparently is not the only person feeling this way. *Common Cause* filed a complaint against the lobbying organization with the IRS this year, claiming that ALEC is using its money in a way that does not fit the lobbying group's non-profit 501(C)(3) status with the Internal Revenue Service.

"ALEC drafts 'model' legislation provided by its corporate and legislative members, and lobbies for the adoption of that legislation. These goals are fundamentally inconsistent with ALEC's claimed tax-exempt status as a charitable organization under 26 U.S.C. § 501(c)(3), because (i) 'no substantial part' of a charity's activity can be 'attempting to influence legislation,' and (ii) ALEC's activities do not qualify under any of the enumerated purposes of Section 501(c)(3)," *Common Cause* attorneys wrote in April.

The group claims ALEC is masquerading as a public charity. Whistleblowers within the lobbying group submitted to *Common Cause* a file cabinet's worth of documents that ALEC sent to legislators and corporate members, including lists of methods, tactics, and numbers, making clear the amount of money the organization dedicates to selling its pro-corporate agenda.

Eisman told the NAACP that the complaint is now in the hands of the IRS: "We made our submission and they've said they'll respond to it, but they didn't tell us when," Eisman said. "All we can do now is wait."

Dawkins said the complaint is long overdue. The organization, she said, is in big need of sunlight.

"It's good to show a little light on those rat-bastards," Dawkins said. "It's secretive enough that your average person doesn't really know about it, and of course the legislators don't talk about it. But it's just so damn insidious."

###

Founded in 1909, the NAACP is the nation's oldest and largest civil rights organization. Its members throughout the United States and the world are the premier advocates for civil rights in their communities, conducting voter mobilization and monitoring equal opportunity in the public and private sectors. For more information about the Mississippi NAACP, log on to [www.naacpms.org](http://www.naacpms.org).