

Wisconsin Democracy Campaign "Why we took on Wisconsin Club for Growth"

Written by Wisconsin Democracy Campaign, Matt Rothschild
Tuesday, 27 September 2016 09:45



MADISON - On Tuesday, Sept. 20, the Wisconsin Democracy Campaign filed a formal complaint with the IRS against Wisconsin Club for Growth.

Here's why: All we want is some modicum of justice. All we want is someone in authority, somewhere, to rule that the flagrant scheming by Walker and Wisconsin Club for Growth was wrong and to hold them accountable.

Some background: Scott Walker's campaign strategist, R. J. Johnson, was simultaneously running Wisconsin Club for Growth. Walker and Johnson turned Wisconsin Club for Growth into a funnel for huge, secret donations that they then used to finance ads to help keep Walker in office, Justice David Prosser on the Wisconsin Supreme Court, and Republican state senators in the majority.

This was not only a scheme to circumvent the Wisconsin campaign finance law that was on the books at the time, which imposed limits on donations, required disclosure of donors, and prohibited coordination between candidates (like Walker) and outside groups (like Wisconsin Club for Growth).

It was also a scheme that ran afoul of IRS regulations.

You see, Wisconsin Club for Growth is registered with the IRS as a (501)(4) "social welfare" organization.

According to an Aug. 9, 2016, [notice by the IRS](#), "The promotion of social welfare does not include direct or indirect participation or [intervention in political campaigns](#) on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity."

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But, as was made clear in the [recent blockbuster article in The Guardian newspaper](#), "Because Scott Walker Asked," the "primary activity" of Wisconsin Club for Growth in 2011 and 2012 was to engage in electioneering.

Our complaint also alleges that Wisconsin Club for Growth engaged in improper and deceptive fundraising practices.

In essence, Wisconsin Club for Growth was raising money not for itself and its own independent "social welfare" efforts, but for electioneering activity guided by Scott Walker and R. J. Johnson.

Walker personally met with millionaires and billionaires and directed them to give to Wisconsin Club for Growth.

It then sprinkled the money around. Wisconsin Club for Growth sent four checks totaling \$2.5 million to Wisconsin Manufacturers & Commerce in April and May of 2012. It also sent four checks totaling \$1,520,000 to Citizens for a Strong America in the first half of 2012. And it sent two checks totaling \$550,000 to the American Federation for Children in May of 2012. These groups then used this money to run electioneering ads in accordance with the wishes of R. J. Johnson, acting on behalf of Scott Walker.

As Kate Doner, one of his fundraisers, wrote in an email on April 28, 2011: "As the Governor discussed with Mr. Pickens, he wants all the issue advocacy efforts to run thru one group to ensure correct messaging.... The Governor is encouraging all to invest in the Wisconsin Club for Growth. Wisconsin Club for Growth can accept Corporate and Personal donations without limitations and no donor disclosure."

R. J. Johnson was in charge of "correct messaging." He even focused on the tiniest details. In an email on Sept. 5, 2012, from Johnson to his assistant Deb Jordahl, as well as to Scott Jensen of American Federation for Children, Johnson said of the American Federation for Children ad that was in the works: "I think the alternative in the middle part with no picture works well. Once we have a font resolution we can move."

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Walker clearly knew what was going on. He bragged about the role Johnson and the Wisconsin Club for Growth played. In an email to Karl Rove on May 4, 2011, Walker wrote: "Bottom Line: RJ helps keeps in place a team that is wildly successful in Wisconsin."

To date, the highest elected official in Wisconsin and the Wisconsin Club for Growth have been able to flout the law and get away with it.

They have the system rigged here because the conservative justices on the Wisconsin Supreme Court are in their pocket and obediently threw out the John Doe II investigation into this matter back in July 2015.

Since we can't get justice in Wisconsin, we're going to try to get justice in Washington.

Last we looked, Walker and the Wisconsin Club for Growth don't have the IRS in their pockets.

Matt Rothschild is the executive director of the Wisconsin Democracy Campaign, a nonprofit, nonpartisan group in Madison that tracks money in politics and seeks to reform our system so that everyone's voice is heard and everyone's vote is counted.

This article was first published by the Wisconsin State Journal. You can share your opinion on this topic by sending a letter to the editor to tctvoice@madison.com. Include your full name, hometown and phone number. Your name and town will be published. The phone number is for verification purposes only. Please keep your letter to 250 words or less.