

# Flash!

ISSUE 12 / FALL 2011

A NEWSLETTER FROM **MapLight**

*From the Director*

## MapLight's Impact: Shining a light on high-interest lenders



Before MapLight, political influence was most-often visible only after it had already happened. Now, our rapid-response data and journalism make it possible to see the forces influencing the lawmaking process as it unfolds, enhancing public debate and engagement.

In a recent report, MapLight examined a bill in the California Legislature that would raise the amount of money

payday lenders are allowed to loan to a customer at one time, from \$300 to \$500. As the San Jose Mercury News describes, “consumers would write a \$500 collateral check to a lender and receive \$425 in return — the equivalent of a 460 percent interest rate on a two-week loan. When borrowers don’t have the funds to repay the loan, they’re forced to take another loan, and then another, each with that hefty fee. One study showed that 90 percent of the lenders’ business comes from people taking out more than four loans a year, not coping with one-time emergencies.”

Our research revealed that payday lending interests, who support the bill, have contributed more money to the bill’s author, Charles Calderon, than to any other member of the California Assembly. Additionally, Charles Calderon’s brother, State Senator Ron Calderon, was the top recipient of contributions from payday lenders in all of the California Legislature. This raises

“Campaign cash flowed and, naturally, special-interest legislation has followed...Where are the legislators who care about the little guy?”

–The Sacramento Bee

questions about whose interests the proposed bill really serves.

The release of MapLight’s report sparked numerous news articles, including several editorials calling for the bill to be voted down, all of which featured our data. A few excerpts:

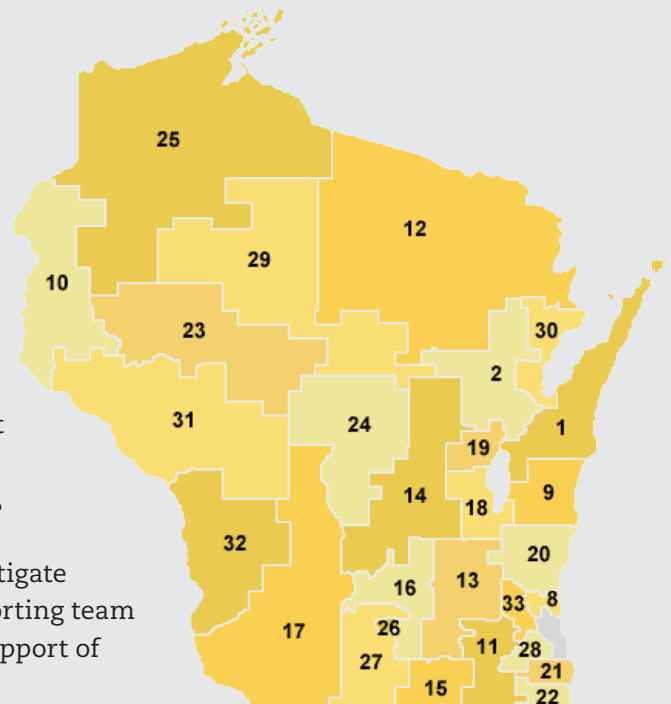
- “The term ‘follow the money’ has never been truer than in the case of Assembly Bill 1158. Neither has the term ‘plug your nose.’”

–The Bakersfield Californian

cont. on page 2

## A new MapLight site reveals money’s influence on Wisconsin politics

As upheavals in the Wisconsin Senate intensified this spring, our team celebrated the completion of months of work with the launch of MapLight’s Wisconsin website, which joins our California and flagship U.S. Congress sites. The new website brings transparency to the role of money in the Wisconsin Legislature, providing quick and easy access to information about campaign contributions, the interests of the groups that make them, and how lawmakers vote. The new website is a partnership with the Wisconsin Democracy Campaign (WDC), who will supply data on campaign contributions, and the Wisconsin Center for Investigative Journalism, who will investigate money and politics issues and serve as an on-the-ground reporting team in Wisconsin. The project is made possible by the generous support of the Open Society Foundations.



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U.S. Congress contributions data provided by the Center for Responsive Politics ([OpenSecrets.org](http://OpenSecrets.org)). California contributions data provided by the National Institute on Money in State Politics ([FollowTheMoney.org](http://FollowTheMoney.org)). Wisconsin contributions data provided by the Wisconsin Democracy Campaign ([WisDC.org](http://WisDC.org)).

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## Staff Roundup

**Darby Beck**, our new program assistant, works with the executive director in all aspects of operations, including assisting the communications, development, and research teams. Darby holds a MA degree in Political Science from the University of Washington and comes to MapLight with several years' experience in political research, writing, and administration.

PAGE 2

## MapLight reveals influence behind home foreclosures

Research and data analysis by the MapLight team was central to a recent exposé produced by the Alliance of Californians for Community Empowerment (ACCE), examining Wall Street contributions to California legislators. A few highlights:

- Bank of America, Goldman Sachs, JPMorgan Chase, Citigroup, Wells Fargo, and Morgan Stanley spent over \$9 million in campaign contributions and lobbying expenditures in the state of California between 2007 and 2010.
- The financial industry as a whole spent almost \$70 million during the same time period, an average of nearly \$50,000 each day.



The report, entitled "All the Foreclosures Money Can Buy: How Wall Street is Spending Millions to Buy Influence in California," became the foundation for an article in the *LA Times* in which MapLight's data also featured prominently. A full version of the report can be found at <http://maplt.org/oLhGkq>.

cont. from page 1

## Shining a light on high-interest lenders

- "Campaign cash flowed and, naturally, special-interest legislation has followed...Where are the legislators who care about the little guy?" —*The Sacramento Bee*
- "The [payday lending] industry contributed more than \$444,000 to California campaigns in the 2010 election alone. So that explains how payday lenders are able to continue trapping consumers in a cycle of debt, and how A.B.1158 last month passed the banking committee on a 7-1 vote." —*The San Jose Mercury News*

In this example, our data illuminated the forces influencing this bill while the outcome was still being decided, giving citizens and journalists the opportunity to voice their opinions and hold government accountable. As we go to press, the fate of the bill has not yet been determined — stay tuned as MapLight continues to cover money's influence on this and countless other legislative outcomes.

A handwritten signature in black ink that reads "Dan Newman".

**Mike Krejci**, our technology director, is the newest member of the MapLight team. Mike comes to us after a long career in service of transparency initiatives at both the National Institute on Money in State Politics and Project Vote Smart. He will oversee MapLight's team that keeps our database and website current and responsive to a wide variety of user needs.

**Daniel Newman**, our executive director, has been named a Network Fellow at the Edmond J. Safra Center for Ethics at Harvard University for 2011-2012, part of a group of scholars and practitioners pursuing both academic and real world efforts in the field of institutional corruption.

## PROFILE LAWRENCE LESSIG



### What makes MapLight's work important?

The institution of Congress has become corrupted, not in a traditional sense of bribery, but in the sense that the members are focused on what funders want and not on what the people want. That corruption weakens Congress' ability to address a wide range of issues that are important to people on both the left and the right. To show people that, the critical first step is to produce data in a compelling way that makes it easier for people to see exactly how money influences results. That's why I'm so happy to be a strong supporter of what MapLight is doing, because we're presenting this data in a way that makes it almost inescapable that there's a problem and we need to do something about it.

### When Dan first approached you about becoming involved with MapLight, you said that MapLight was one of the things that encouraged you to get started in your work to end political corruption. Could you say more about that?

The challenge that I recognized when I first started thinking about this was how we could make this message understandable. I was extremely encouraged by the creative and effective way that MapLight was doing that. If we could begin to make this understandable, as MapLight was doing, then maybe we could have a chance of succeeding, and so that was certainly part of what brought me in.

**In this time of so many urgent issues,**

### what makes MapLight and the problem that it focuses on stand out?

It's not so much that this is the most important issue, it's just the first issue. An alcoholic could be losing his liver and his job and his spouse — those are certainly the most important issues he might be facing. What we all recognize is that until he solves his alcoholism, he's not going to address any of those other issues effectively.

It's the same thing with money and politics. Given the problems the world faces, from global warming to the United States' lack of really effective health care to banks run wild and all sorts of financial and economic issues, it would be hard to think of any issue that's more important than those. But we're just not going to make any progress in addressing those issues until we address this fundamental issue of money and politics first.

### What turned you onto money and politics as an issue?

I'd been working in the area of internet and technology policy — in particular, copyright policy — for more than a decade. What slowly hit me (it's not a profound insight, it's pretty obvious when you see it) was that we weren't going to make any progress until we dealt with this money and politics issue. I was seeing all sorts of progress among ordinary people and teachers and parents, and certainly the technology community, understanding the importance of a more sophisticated, updated copyright system, but no progress among policymakers.

And why was that? It was the obvious reason that it didn't pay to think about reform from the standpoint of policymakers who are looking for political contributions. Until we could actually make it that the issue was considered on its merits and not on the basis of how much money it might raise in campaigns, it was clear that we weren't going to make progress there.

### What can be done to facilitate substantive change in the role that money plays in our political system?

That's your [MapLight's] job. Finding ever more effective ways to make the

truth clear is the first step, and deploying those effective tools in a religiously bipartisan way is the second step. Every cycle it's got to be, on the one hand, here's how something on the left gets blocked and, on the other hand, here's how something on the right gets blocked, and they both got blocked for the same reason. Getting people to connect those reasons is the essential step of understanding that we need here.

### What other issues do you see as being closely related to money and politics?

I think of campaign finance reform as one example of why people are disenchanted with government. People are cynical about our government, and that leads them to disengage. There are other things we could do to encourage participation: dealing with gerrymandering issues, with voter confidence issues (that votes are counted in the right way), and also with issues dealing with things that make it so that democracy works in the sense of "when you win, you win" — ending the games that the minority party plays on both sides when they get control in the Senate.

But I don't like to talk about these other issues because I think nothing makes sense until we solve this issue. So rather than distracting people with things that won't work, I think we need to focus people on the critical thing that we need to work.

### What would you want other people to know about MapLight and your experiences with the organization?

How diverse both supporters of MapLight are and the political context in which MapLight is working is — state level as well as federal level.

### Why should other people get involved with MapLight?

The critical thing is pushing toward a solution to this problem of corruption in our democracy. Getting involved with MapLight is one very effective way to solve that.

To read the full interview, visit: <http://maplt.org/ruEoeS>

*Lawrence Lessig, a MapLight board member, is director of the Edmond J. Safra Foundation Center for Ethics at Harvard University and a professor of law at Harvard Law School.*

## INSIDE

Profile: Lawrence Lessig

New MapLight site: Wisconsin

Home foreclosures

Payday lenders

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## Wired.com and MapLight continue to track influence together

As part of a continuing collaboration with Wired.com, MapLight contributed to David Kravets' investigative series profiling the controversial Rapiscan body scanners that are now in use at airports across the country. Our research revealed substantial political expenditures over the past decade from the manufacturers of the scanners, including:

- \$1.75 million in campaign contributions to federal politicians
- \$2.2 million in lobbying expenditures

MapLight also provided research for another recent Wired.com article, written in honor of Sunshine Week, highlighting various ways in which the operations of Congress and the federal government remain opaque. For instance:

- Even though House members have been filing campaign finance reports electronically for years, senators continue to file on paper, forcing a beleaguered manual data-entry process that keeps their contributions hidden until after elections.



## MapLight inspires a new tool to visualize legislation

**IBM Many Bills**  
A Visual Bill Explorer

At a 2009 conference, MapLight's research director at the time, Emily Calhoun, spoke about how useful it would be to be able to visually identify unrelated sections that have been written into bills — for example, a gun clause in a credit card bill. Inspired by this, the team at IBM Research created "Many Bills," a website that visualizes congressional bills according to their subject matter, highlighting unrelated language. The site was named an Official Honoree in the 2011 Webby Awards, and in the IBM team's statement of acknowledgement, they credited MapLight as the project's muse. We're proud to have been the motivating force for such a valuable tool. You can check out Many Bills for yourself at [www.manybills.us](http://www.manybills.us).