



Money in Politics – New Mexico Media Compendium

Table of Contents: 2015 & 2016 Polls, Crony Capitalism Report

Media Coverage Links.....	pages 1-2
Editorial & Opinion-Editorial Links.....	pages 2-3
Radio Links.....	page 3
Media Coverage Copy.....	pages 3-25
Editorial & Opinion-Editorial Copy.....	pages 25-32
Radio Links and Supplementary Text	pages 32-35

Media Coverage Links

- Santa Fe New Mexican, February 28, 2015
[Support doesn't translate into passage of laws](#)
- Albuquerque Journal, March 1, 2015
[State business leaders favor more transparency in campaigns](#)
- PR Newswire, March 2, 2015
[New Mexico Business Leaders Urge More Campaign Finance Transparency](#)
- New Mexico Political Report, March 2, 2015
[Poll finds business community support lobbying cooldown.](#)
- Albuquerque Business First, March 2, 2015
[NM business leaders support more political transparency, poll finds.](#)
- Santa Fe New Mexican, March 2, 2015
[The Committee for Economic Development Poll on Money in Politics](#)
- Santa Fe New Mexican, March 2, 2015
[Judiciary Committee sends lobbyist disclosure bill to fill House](#)
- KUNM (print), Mar 3, 2015
[Two Paths to an Ethics Commission](#)

- Santa Fe New Mexican, January 27, 2016
[Perceptions of cronyism hurt state's bottom line, report says](#)
- PR Newswire, January 28, 2016
[Report Shines Light on Ethics & Crony Capitalism in New Mexico](#)
- Albuquerque Journal, January 28, 2016
[Report: Corruption, cronyism stifle NM economy](#)
(re-posted by Bloomberg Businessweek, McClatchy-Tribune)
- The Associated Press, January 30, 2016
[Report finds cronyism turning business off of New Mexico](#)
(re-posted by Washington Times, USA Today)
- KUNM, February 2, 2016 (print and radio)
[Is 'Crony Capitalism' Stalling NM's Economy?\(interview with report author, Michael Rocca\)](#)
- Albuquerque Journal, February 7, 2016
[Business leaders more eager for reforms, poll finds](#)
- PR Newswire, February 8, 2016
[Poll: New Mexico Business Leaders Concerned About Ethical Behavior of Elected Officials and Support Solutions](#)
- Santa Fe New Mexican, February 8, 2016
[Business leaders have eyes on Legislature](#)
- New Mexico in Depth, February 9, 2016
[Poll: Business Leaders Support Campaign Finance Reform](#)
- Farmington Daily Times, February 15, 2016
[Ethics commission bill enters New Mexico Senate](#)

Editorial & Opinion-Editorial Links

- Albuquerque Journal, March 9, 2015
[Editorial: Only campaign reform question is how much](#)
- Albuquerque Journal, March 12, 2015
[Op-Ed: Bills improve transparency in elections](#)
- Albuquerque Journal, March 15, 2015
[Op-Ed: Shine bright light on NM government](#)
- Santa Fe New Mexican, February 7, 2016
Op-Ed: An honest government is good for business (print edition only, link unavailable)
- Albuquerque Journal, February 9, 2016
[Editorial: Bipartisan effort to bring ethics reform long overdue](#)

- Albuquerque Journal, February 11, 2016
[Op-Ed: Corruption, scandals bad for NM business](#)
- Current-Argus, February 15, 2016
[Op-Ed: Crony capitalism benefits few, hurts economy](#)

Radio Links

- KUNM, March 3, 2015 (no supplementary text, just mp3)
[Business leaders push for ethics reform](#)
- KUNM, February 2, 2016 (print and radio)
[Is 'Crony Capitalism' Stalling NM's Economy? \(interview with report author, Michael Rocca\)](#)
- KUNM, February 8, 2016 (print and radio)
[Poll: Biz Leaders Want Campaign Finance Reform](#)

Media Coverage Copy

- **Santa Fe New Mexican, February 28, 2015**
[Support doesn't translate into passage of laws](#)

Leaders of Common Cause New Mexico have not been shy about touting the poll they commissioned early this year, which shows that a big percentage of New Mexicans believe that our elected officials are more responsive to lobbyists than to voters; and that there should be more required public disclosure for campaign contributions and lobbyists.

This was a poll of the general public. And frankly, the results weren't that shocking.

But another recent poll about some of the same issues might be more surprising to people. It was a survey of 307 New Mexico business leaders, conducted by New Mexico Research & Polling (the same company that did the Common Cause poll) this month. Some might assume that the business community — the folks who make a lot of the big campaign contributions and the folks who hire the lobbyists — might not be as gung-ho about wanting more restrictions on, or at least more disclosure of, these activities.

But that's not really the case, according to the new poll for a group called The Committee for Economic Development, a nonpartisan, business-led public policy organization based in Washington, D.C.

According to the findings:

- Almost 90 percent of business leaders polled somewhat or strongly support requiring all political contributions and expenditures from individuals, corporations, political action committees, nonprofits or unions be made public.
- Eighty-six percent somewhat or strongly support requiring lobbyists to make public the bills or issues for which they have been hired to advocate.

- Eighty percent strongly or “somewhat” support requiring former legislators to wait at least two years after their term ends before they are able to become paid lobbyists to the Legislature.
- Seventy-six percent strongly or somewhat support creating of an independent state ethics commission.

In other poll questions, 58 percent of business leaders feel that transparency “does not exist” over the way election campaigns are financed and 71 percent said that more transparency is needed in disclosing political contributions.

And one topic that opened my eyes: A majority of the business leaders surveyed said they strongly or somewhat agreed that super PACs, which have no spending limits, should be illegal. Not more restrictions. Not more disclosure. Illegal!

So who are these “business leaders?” Like in nearly all public opinion polls, the participants were anonymous. But according to the demographics section of the poll, 58 percent were Republicans, 22 percent were Democrats, and 19 percent said they were “completely independent.”

A majority, 51 percent, fell between the ages of 50 and 64. More than 40 percent were from the Albuquerque metro area. Only 13 percent were from our neck of the woods, the north-central region. Twenty percent were business owners, while 19 percent had the title of president. A plurality of people surveyed, 31 percent, surveyed represented small businesses (fewer than 10 employees). The next biggest group, 15 percent, came from businesses with 20 to 49 employees.

Most of the issues brought up in the poll are the subjects of bills in the current session of the Legislature.

But despite the widespread support from both the general public and the business community, none is exactly flying through the Roundhouse with the greatest of ease.

Rep. Jeff Steinborn, D-Las Cruces, sponsor of House Bill 155, which would require lobbyists to disclose which issues they’re lobbying for, recently described it as the *Weekend at Bernie’s* bill. “It’s like I’m propping up this dead corpse,” he said, noting that a House committee had watered it down, removing, among other things, a requirement that lobbyists report which specific lawmakers they’re spending money on.

So don’t hold your breath. But if “business leaders” actually do feel strongly about campaign finance and lobbyist reform, maybe legislators will start taking it as seriously as they do tax incentives and regulation relief.

- **Albuquerque Journal, March 1, 2015**
[State business leaders favor more transparency in campaigns](#)

At least some pressure to make political contributions and the notion that money can buy special access to state politicians are widely held perceptions among New Mexico business leaders, according to a poll released today.

The poll also showed that the ethical behavior of elected state officials over the past 20 years is a “somewhat serious” or “very serious” issue for four out of five business leaders surveyed. The poll

was commissioned by the Washington, D.C.-based Committee for Economic Development and conducted by Research & Polling Inc. of Albuquerque.

Eighty-five percent of the 307 business leaders interviewed for the poll – 94 percent of Democrats and 82 percent of Republicans – believe voters would have more confidence in the integrity of the campaign finance system if some of the reform measures currently before the state Legislature were adopted.

Three-quarters of business leaders say they somewhat support or strongly support creation of an independent ethics commission to establish and enforce rules regarding the ethical behavior of state officials. The ethics commission proposal cleared its first committee on Wednesday and began moving through the House.

“There is a lot of cynicism out there,” Committee for Economic Development executive vice president Michael Petro told the Journal. “What we’re trying to show is there are also a lot of people who care about the system. There’s a ray of hope here.”

The perceptions of business leaders in New Mexico vary little from those expressed by business leaders in comparable polls conducted in other states and nationwide, Petro said.

“The main common thread is around transparency,” he said. “We did a national poll of business leaders in 2013 and the numbers were similar. The bottom line is that most people in the business community think that transparency and disclosure are a no-brainer.”

Petro described the Committee for Economic Development as a nonpartisan business group with 175 members nationwide. Founded in 1942, it has been active on issues such as sustaining economic growth, education reform and, since 2000, campaign finance reform.

The business leaders surveyed in New Mexico were selected from major private-sector employers and the boards of 11 chambers of commerce around the state, as well as economic development groups, according to Research & Polling.

Almost 60 percent were Republicans, 22 percent were Democrats and most of the rest self-identified as independents. Nearly 60 percent of those surveyed were with companies with less than 50 employees. A quarter of the business leaders were women.

In a joint news release, the committee and Research & Polling said the highlights of the poll were responses to questions about the influence of political donors and lobbyists in the political arena and the economic advantages of making campaign contributions:

- 87 percent believe political donors have more influence than average voters.
 - 68 percent said companies gain some economic advantage in the marketplace by spending on political campaigns.
 - 59 percent said New Mexico’s elected officials are more responsive to lobbyists than voters.
- “There’s some pretty compelling stuff (in the findings),” said Brian Sanderoff, president of Research & Polling. “You know business people are frustrated.”

Referring to the perception that political donors gain economic advantages, Petro said, “While those numbers were not off the charts, they were pretty solid. I thought that was eye-opening.”

The business leaders were interviewed by phone between Feb. 2 and Feb. 18. Since the poll was directed at a target audience, it did not produce the kind of margin of error that a poll based on a random sampling does.

- **PR Newswire, March 2, 2015**
[Poll Shows New Mexico Business Leaders Urge More Campaign Finance Transparency](#)

WASHINGTON, D.C./ALBUQUERQUE – Today, a poll of New Mexico business leaders was released showing serious concern about the lack of transparency in the state’s government and campaign finance system.

The poll shows overwhelming support for reform amid serious concerns among the business community over the lopsided influence of political donors compared to every day voters. The poll was commissioned by the Committee for Economic Development (CED) of The Conference Board, a nonpartisan, business-led public policy organization, and conducted by Research & Polling, Inc.

Highlights from the poll of more than 300 state business executives include the following:

- 71 percent believe that more transparency is needed in disclosing political contributions;
- 87 percent believe that political donors have more influence than average voters;
- 53 percent believe that they have a great deal more influence;
- 68 percent believe that companies gain some economic advantage in the marketplace by spending on political campaigns; and
- 59 percent believe that New Mexico’s elected officials are more responsive to lobbyists than voters.

"We polled over 300 leaders from a range of industries across New Mexico," said Brian Sanderoff, president of Research and Polling, Inc. "Their strong concern on issues of transparency and contributor influence suggests that the business community may be a potent voice for state reform."

Those surveyed show considerable support for the following transparency-increasing proposals:

- 89 percent support a requirement that political contributions and expenditures from all sources be made public;
- 86 percent support a requirement for lobbyists to make public the bills or issues for which they have been hired to advocate; and
- 76 percent support the creation of an independent ethics commission to oversee the ethical behavior of state officials.

"Our democracy depends on the electorate having trust in the system, but these results reinforce the impression that the well-funded and well-connected have disproportionate sway," said Ray Smith, chairman for the Albuquerque Economic Development and president of Klinger Construction. "The numbers make clear that business leaders all across the state support sensible proposals to turn the course, especially requiring more disclosure."

“Effective state government requires the confidence of the public and the business community,” said Simon Brackley, president and CEO of the Santa Fe Chamber of Commerce. “The adoption of thoughtful transparency and ethics proposals will improve the efficacy of New Mexico state government and, hopefully, promote greater engagement.”

CED’s poll of New Mexico business leaders was conducted Feb. 2-18. The poll and its methodology can be viewed [here](#).

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation’s most critical issues. CED’s work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation’s interest. Learn more at www.ced.org.

- **New Mexico Political Report, March 2, 2015**
[Poll finds business community support lobbying cooldown](#)

A poll of members of the business community in New Mexico finds that they support a ban on legislators working as lobbyists for two years after they leave their position in government. The results came from a poll conducted by Research and Polling, Inc. for the Committee for Economic Development. The poll was conducted last month and surveyed over 300 business leaders in the state, according to a press release announcing the poll and spoke about issues with lobbying and political donors and their effect on legislators and other elected officials.

The full results of the poll [are available here](#) and are embedded below.

CED is a non-profit group that describes itself as “a nonpartisan, business-led public policy organization.”

“We polled over 300 leaders from a range of industries across New Mexico,” Brian Sanderoff, President of Research and Polling, Inc. said in a statement. “Their strong concern on issues of transparency and contributor influence suggests that the business community may be a potent voice for state reform.”

“Effective state government requires the confidence of the public and the business community,” said Simon Brackley, President and CEO of the Santa Fe Chamber of Commerce. “The adoption of thoughtful transparency and ethics proposals will improve the efficacy of New Mexico state government and, hopefully, promote greater engagement.”

Groups that promote ethics in government have been seeking a lobbying cooldown bill and other legislation related to transparency for lobbyists. An even higher amount, 86 percent, say lobbyists should be required to disclose publicly which bills they are being paid to lobby for or against.

The poll found that 80 percent of business leaders surveyed believe that former legislators should wait at least years after their term ends before they can become paid lobbyists. Of those 80 percent, 62 percent say they strongly support.

An ethics commission is also popular, with 52 percent strongly supporting creating such an entity to establish and enforce rules related to ethics, while 24 percent more somewhat supported it. Just 20 percent opposed the legislation.

Political contributions

The business community has long been a key source of political donations.

The poll found high support for public disclosure of all political contributions and expenditures from individuals, corporations, PACs, non-profits and unions—89 percent said it should be required.

When it comes to political donations, those surveyed believed that companies who make political contributions “have an easier time getting meetings with elected officials.” A total of 78 percent believe this is true, while 13 percent say it is not. Over three-quarters, 68 percent, believed spending money on political campaigns gave them some sort of economic advantage; 34 percent said such spending provides a large advantage in the marketplace and an equal 34 percent said a small advantage.

The business leaders also said they felt some pressure to make political contributions—47 percent said some pressure was put on them to make political contributions, while 22 percent said there was a lot of pressure, 21 percent said not very much pressure and just 5 percent said there was “none whatsoever.”

That number went up when asked about being pressured to contribute to political campaigns or parties; 61 percent said they feel some pressure, while 21 percent said they feel a lot of pressure. Just 13 percent said they do not feel any pressure to make such contributions.

The poll of 307 business leaders was conducted by phone between February 2 and February 18 by research and Polling, Inc.

From the polling memo on how “business leaders” were chosen:

Numerous lists were compiled in order to generate a statewide sample of business leaders. The lists included the board members of 11 Chambers of Commerce throughout the state, the largest private sector employers in New Mexico, the largest employers within various business sectors, Albuquerque Economic Forum members, Albuquerque Economic Development (AED) members, and members of the Mesilla Valley Economic Development Association (MVEDA). The distribution of the sample is representative of the five geographic regions of the state.

- **Albuquerque Business First, March 2, 2015**
[NM business leaders support more political transparency, poll finds](#)

A poll of New Mexico business leaders shows a strong majority favor political transparency and campaign finance reform measures currently pending before the state Legislature, according to a [report in the Albuquerque Journal](#).

The poll, commissioned by Washington, D.C. firm Committee for Economic Development and conducted by Research & Polling Inc. of Albuquerque, surveyed 307 New Mexico business leaders.

Of those surveyed, 80 percent said ethical behavior of elected state officials over the past 20 years is a "somewhat serious" or "very serious" issue, while 85 percent of respondents believe voters would have more confidence in the integrity of the campaign finance system if some of the reform measures currently being considered by the state Legislature were adopted.

The perceptions of business leaders in New Mexico are similar to business leaders in comparable polls conducted in other states and nationwide, said Committee for Economic Development Executive Vice President [Michael Petro](#).

"The main common thread is around transparency," he said. "We did a national poll of business leaders in 2013 and the numbers were similar. The bottom line is that most people in the business community think that transparency and disclosure are a no-brainer."

- **Santa Fe New Mexican, March 2, 2015**
[The Committee for Economic Development Poll on Money in Politics](#)

In my [politics column yesterday](#) I wrote about a recent poll of New Mexico business leaders about money in politics, transparency, lobbyists and all that good stuff for a Washington, D.C. group called [The Committee for Economic Development](#).

The general take-away from the poll, conducted last month by the New Mexico Research & Polling firm in Albuquerque, is that the business community's attitude toward such matters basically is pretty close to that of the general public -- including strong support for legislation requiring more transparency in campaign contributions and lobbying.

(By the way, there was an unintentionally funny typo in my column. In the lead paragraph I was trying to say "... a big percentage of New Mexicans believe that our elected officials are more responsive to lobbyists ..." but, it came out "*sour* elected officials ..." Freudian slip? Who knows. I corrected the online version.)

Below is a copy of the entire poll for your reading enjoyment.

And by the way, Rep. Jeff Steinborn's lobbyist reform bill -- House Bill 155, though Steinborn calls it the *Weekend at Bernie's* bill -- is on the House Judiciary Committee's agenda for today, while Sen. Bill O'Neil's Senate Bill 512, which would prohibit lobbying by former legislators PRC members and others for two years after leaving office, might be heard this morning by the Senate Rules Committee.

[CED Money in Politics](#)

- **Santa Fe New Mexican, March 2, 2015**
[Judiciary Committee sends lobbyist disclosure bill to fill House](#)

The House Judiciary Committee on Monday gave a unanimous recommendation to a bill that would require lobbyists to disclose more information about their activities, although some members

complained that the bill had been drastically watered down from its original form.

The sponsor, Rep. Jeff Steinborn, D-Las Cruces, told the committee that under House Bill 155 lobbyists would have to declare which issues they are working on during a session. If the bill becomes law, lobbyist registrations would have to be posted on a state website for 10 years. Currently, the registrations must be kept online for two years, Steinborn said.

But, Steinborn conceded, "This bill doesn't go far enough."

The House Regulatory and Public Affairs Committee, early in the session, voted along party lines to table the legislation. But supporters were able to get the committee to bring the bill back after agreeing to remove a proposed requirement for lobbyists' employers to disclose all their expenses - including how much they are paying individual lobbyists.

That committee also voted to strike a part of Steinborn's original bill that would have required lobbyists to list each individual legislator receiving meals, drinks and gifts. While some lobbyists do provide the names of legislators they wine and dine, it's not required by current law, and most lobbyists don't report the individual lawmakers they take out for dinners or drinks.

"We're not getting the total picture of what industries are spending on certain issues," said Rep. Gail Chasey, D-Albuquerque. She used the payday loan industry as an example.

A bill that would have imposed more regulations on that industry recently was tabled by the Senate Corporations Committee.

According to a 2011 study by the Institute on Money in State Politics, most states require lobbyists to disclose how much they are paid for their work in the Legislature. Congressional lobbyists also have to disclose their salaries.

After the meeting on Monday, Viki Harrison of Common Cause New Mexico noted that the bill probably will be voted on by the full House this week. She said it's possible that some of the requirements taken out of Steinborn's bill could be restored on the House floor.

In a recent poll of 307 New Mexico business leaders, 86 percent supported the idea of making lobbyists report the bills or issues they are working on. The poll, released last week, was conducted for the Washington, D.C.-based Committee for Economic Development.

Another lobbyist-related bill, Senate Bill 512 -- which would prohibit legislators and other officials from lobbying for at least two years after leaving office -- had been on Monday's Senate Rules Committee agenda. However, the committee did not hear the bill, sponsored by Sen. Bill O'Neill, D-Albuquerque, on Monday.

This story first appeared in The New Mexican, a sister publication of The Taos News.

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- **KUNM (print), March 3, 2015**
[Two Paths to an Ethics Commission](#)

Most New Mexicans think their state government is full of bad apples. The problem is, it's really hard to tell which ones are good for us—and which ones are rotten.

According to a poll released Monday, three-quarters of New Mexico business leaders say they want the state to have an independent ethics commission. Two proposals moving through the state legislature would do just that.

Democratic Representative Brian Egolf says unlike many of our neighbors, we don't have an organized way of investigating officials accused of corruption.

"We need to join the 42 other states in this country that already have independent ethics commissions," Egolf said, "to give the public at large confidence in their state government, confidence that ethics laws are being complied with, and that when there's an allegation of wrongdoing it's taken seriously and investigated properly."

A separate proposal would ask voters to amend the constitution in order to create an ethics commission.

- **Santa Fe New Mexican, January 27, 2016**
[Perceptions of cronyism hurt state's bottom line, report says](#)

The perception that government in New Mexico has a high level of cronyism is one factor dampening private investment in the state, according to a report released Thursday.

"From day one, what business leaders tell us is that corruption and cronyism matter, and they have consequences to economic growth," said Michael S. Rocca, an associate professor of political science at The University of New Mexico who led a team of researchers and graduate students to author the report "Crony Capitalism, Corruption and the Economy in the State of New Mexico."

Rocca concludes that the perception in New Mexico that moneyed interests gain more advantage through lobbying and tax subsidies is a subtle but negative factor as businesses decide where to expand or relocate. "No question that education and infrastructure and things like broadband matter, but corruption and cronyism matter as well," he said.

To curb cronyism in New Mexico, the report suggests three changes that are already under consideration: a statewide ethics commission; greater transparency in campaign financing and lobbying; and a more detailed review of tax breaks given to businesses. Rocca said the measures are fairly simple to enact and not as controversial as bigger changes that might meet more resistance, such as term limits for elected officials.

"These are simple and straightforward [measures] that would put us on the path right now," Rocca said.

His project was undertaken in collaboration with the Committee for Economic Development, a business-led policy group celebrating its 75th anniversary, and the Thornburg Foundation in Santa Fe, which is backing open-government initiatives.

Michael Petro, executive vice president of the Committee for Economic Development, said the effort in New Mexico is in conjunction with national efforts to bring more attention to policies that restore faith in democracy and capitalism. With the rise of the libertarian tea party movement, government distrust is high. It is also echoed with the GOP presidential candidacy of Donald Trump, Petro said.

“We’re concerned there has been some things that have occurred over these last few years that people’s trust in capitalism has been diminished. If you listen to this presidential campaign, you’re hearing a chorus of negativity, and a lot of that is being directed toward capitalism.”
Rocca said New Mexico has an unusual history that makes the state “the perfect storm” for cronyism.

For one, it is one of 16 states with a citizen Legislature, where lawmakers are more dependent on outside experts and staffers. New Mexico also is the only state that does not pay its lawmakers beyond a daily stipend for expenses.

“Because professional legislators generate more and better information on their own, there is far less demand for interest group expertise,” according to the study. “Because citizen legislatures lack the resources necessary to acquire political and policy information on their own, lobbying activity is higher.”

The other factor driving cronyism in New Mexico is the large amount of federal and state money as a percent of economic activity.

The largest and most robust employers in the state are all government or government-supported institutions, such as The University of New Mexico, Albuquerque Public Schools, and the Los Alamos and Sandia national research labs. Even private-sector businesses like hospitals receive a large dose of public money, as one-third of all New Mexico residents receive Medicaid.

“New Mexico state government is big, active and a vital participant in the state economy,” reads the report. “This opens the door to crony capitalistic behavior because firms have an incentive to enter the political process to gain government and bureaucratic favors. ... Economic actors are drawn to interest-group politics, where groups are rewarded for political connections rather than economic productivity or merit.”

Some recent examples in New Mexico cited in the report include tax breaks given to the Union Pacific Railroad, Spaceport America and Eclipse Aviation, and the film industry.

Rocca said there is a body of literature on public corruption that looks at the number of legal corruption cases in a state — but those data are flawed and inconsistent. On that measure, New Mexico is about average.

But an academic survey based on what people think about the state ranked New Mexico as the fifth most corrupt.

“Perception matters when it comes to economic matters,” Rocca said. “If that trust is broken, then economic transactions simply do not take place.”

He said New Mexico currently has a divided government, with a Republican governor, a Republican House of Representatives and a Democratic Senate. This often is the best time when reforms can move forward, he said.

The report says New Mexico is one of only eight states without an ethics commission — one of the recommended reforms.

“We believe establishing a commission would have a positive effect on confidence in the New Mexico political system,” the authors state.

With regards to transparency, the political scientists state that a disclosure law should require lobbyists to disclose the bills and issues on which they advocate and provide access to all possible information about campaign spending and lobbying on the Internet.

The report’s final recommendation calls for a more detailed study of tax legislation, not just a list of breaks and expenditures, but an analysis of whether the measures are working as expected. Other states, such as Alaska, Florida, Indiana, Louisiana and Maryland, have such a requirement.

“New Mexico issued 860 subsidies between 2011 and 2013 for a total of \$262.6 million. These programs need to be studied often enough to provide policymakers with up-to-date information,” the report states.

Rocca said the perception is that corporations are being given the breaks “based on personal relations. It would do a lot of good if we were able to evaluate these tax benefits.” In addition to Rocca, students helping with the report were Sharif Amlani, an undergraduate, and Ph.D. candidates Julia Hellwege and Lisa Sanchez.

- **PR Newswire, January 28, 2016**
[Report Shines Light on Ethics & Crony Capitalism in New Mexico](#)

ALBUQUERQUE, N.M. and WASHINGTON, Jan. 28, 2016 /PRNewswire/ -- As New Mexico continues to face economic challenges and ethics violations by state officials, a new report details the causes of crony capitalism in the state and solutions to combat the problem. The report defines crony capitalism as the unhealthy relationship between some private interests and government. Deals are struck that reward winners on the basis of political influence rather than merit.

[Crony Capitalism, Corruption and the Economy in the State of New Mexico](#) was authored by a team of political scientists from the University of New Mexico led by Professor Michael Rocca, in cooperation with the Committee for Economic Development of The Conference Board (CED), a non-partisan, business-led public policy organization.

The report documents interconnected types of crony capitalism that are prevalent in New Mexico. These include regulatory favoritism, pay-to-play/political coercion, and interest group politics, in which companies gain more from political activity than their own economic activity. All are exacerbated by the disproportionate scope and size of New Mexico's government and its dependence on federal funds, which exceed any other state in the nation.

"Attracting business to come to New Mexico is important work, and it is important to reward businesses on merit rather than influence. There are clear solutions identified in the report that would go a long way to improve the environment in New Mexico, from requiring greater disclosure of campaign finance and lobbying activity to the establishment of an independent ethics

commission," said Ray Smith, Chairman of the Albuquerque Economic Development and President of Klinger Construction.

Additionally, featured throughout the publication are case studies of crony capitalistic behavior and the harm that it's inflicting on businesses, citizens, and economies all across the state. Both together and separately, tax subsidies, predatory lending, and pay-to-play transactions result in but are not limited to reduced local investment, inflated government spending, and diverted resources from essential public services.

"This study clarifies the challenges and opportunities NM faces as it works to create a climate conducive to business growth, economic development, and job creation. The solutions identified in the report would go a long way to creating stronger local economies," said Simon Brackley, President and CEO of the Santa Fe Chamber of Commerce.

The report concludes with numerous recommendations that if enacted, would minimize crony capitalism's reach and lead to a more vibrant state economy and democracy. Among the proposals are the following:

- **Require full disclosure of campaign contributions and lobbying activity.** Doing so would increase oversight and accountability in the government decision-making process.
- **Establish an independent ethics commission.** Such a commission would educate elected officials about the state's ethics laws to help prevent violations, and address and enforce ethics laws. New Mexico is currently one of seven states without one.
- **Conduct regular and rigorous evaluations of tax subsidy programs.** Elected officials and the public currently lack sufficient information about whether the benefits of current tax subsidy programs outweigh the costs. Items need to be studied often enough to provide policymakers with up-to-date information, while allowed the time to produce thorough, detailed studies.

"Small business owners depend on a transparent state government that provides a level playing field for all to operate. Our state leaders have the opportunity to take action now to create a more transparent, business-friendly environment in our state," said Raymond Sandoval, President of the Santa Fe Hispanic Chamber of Commerce.

The report can be viewed [here](#), and an executive summary for the business community can be viewed [here](#). The study was produced with support from the [Committee for Economic Development](#), which released a [report](#) on crony capitalism at the national level in October 2015.

About the Committee for Economic Development

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation's most critical issues. CED's work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation's interest. Learn more at www.ced.org.

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- **Albuquerque Journal, January 28, 2016**
[Report: Corruption, cronyism stifle NM economy](#)

New Mexico's reliance on government jobs, its history of corruption and a "poorly compensated" citizen Legislature create a "perfect storm" that is a major reason for the state's languishing economy, according to a report released Thursday by the non-partisan Committee for Economic Development and the University of New Mexico.

"New Mexico's economy is stagnant, largely because of the state's reputation for corruption and crony capitalism and an environment that fosters pay to play behavior," said the report. The Committee for Economic Development describes itself as a Washington, D.C., based non-profit, business-led public policy organization.

The study recommends business leaders push for greater campaign finance and lobbyist disclosure, an independent ethics commission and a "rigorous" review of tax subsidies to determine whether the incentives are worth the money spent.

The authors describe crony capitalism in New Mexico as "regulatory favoritism, pay-to-play political coercion and interest group politics, in which companies gain more from political activity than their own economic activity."

It looked at the state's tax subsidies for certain corporations, noting that private companies can apply for 34 different tax credits in seven industries. Between 2011 and 2013, the state issued 860 subsidies at a cost of more than \$262 million, the report said.

What it comes down to, the report says, is that in New Mexico it takes about \$31,000 in tax subsidies to attract a job with an average salary of \$43,000.

While the incentives might be worthwhile, it's hard to know without regular scrutiny, the report says.

And that can lead to the perception of cronyism, especially since many industries that benefit also contribute to the campaigns of public officials who help write the subsidies, according to the report and Mike Rocca, a UNM political science professor who was involved in the study.

In addition, New Mexico is one of 16 states that still has a part-time legislature with relatively low pay and limited resources, making lawmakers "susceptible to interest group politics and lobbyists because they lack staff and resources to do their own research and depend on lobbyists for basic information on issues."

Rocca, in an interview, acknowledged that many states "struggle with cronyism and some elements of corruption," but "what's been clear ... is that some states do a better job of controlling it than others."

The report says New Mexico has become "infamous" because of a number of cases, ranging from the 2008 pay-to-play investment scandal during the administration of Gov. Bill Richardson to the more recent case of former Secretary of State Dianna Duran, who just finished serving a 30-day jail term for illegally diverting campaign donations to fuel a gambling addiction.

- **The Associated Press, January 30, 2016**
[Report finds cronyism turning business off of New Mexico](#)

SANTA FE, N.M. (AP) - New Mexico's economy is losing potential business because of a lingering perception of corruption and cronyism in its government, according to a new report.

A report from University of New Mexico researchers released Thursday indicates that business leaders believe some companies already curry government and bureaucratic favors, according to the Santa Fe New Mexican (<http://bit.ly/1NDXnc7>).

UNM political science professor Michael Rocca, who led the team of researchers and grad students, says cronyism matters as much as infrastructure and education when businesses decide where to expand or relocate.

The report suggests changes such as creating a statewide ethics commission, having greater transparency in campaign financing and closely reviewing tax breaks for businesses.

"These are simple and straightforward (measures) that would put us on the path right now," Rocca said.

The report says the state's citizen legislature creates a need for interest group expertise, increasing lobbying activity. New Mexico stands alone in paying legislators only a daily stipend for expenses.

The state's top employers, including UNM and Los Alamos National Laboratory, are all government or government-supported entities.

"New Mexico state government is big, active and a vital participant in the state economy," the report says. "This opens the door to crony capitalistic behavior because firms have an incentive to enter the political process to gain government and bureaucratic favors. . Economic actors are drawn to interest-group politics, where groups are rewarded for political connections rather than economic productivity or merit."

The Committee for Economic Development policy group and the Thornburg Foundation in Santa Fe collaborated with Rocca on the project. Committee executive vice president Michael Petro says this is a national push to reverse distrust in democracy and capitalism.

"We're concerned there has been some things that have occurred over these last few years that people's trust in capitalism has been diminished. If you listen to this presidential campaign, you're hearing a chorus of negativity, and a lot of that is being directed toward capitalism."

- **KUNM, February 2, 2016**
[Is 'Crony Capitalism' Stalling NM's Economy? \(interview with report author, Michael Rocca\)](#)

A new report says New Mexico's economy isn't growing because it's based on "crony capitalism," meaning our government responds to the needs interests of a few powerful, wealthy interests—leaving the rest of us pay the price.

Guests include:

- [Professor Michael Rocca](#), Report author and UNM Political Science Professor.
- [Russell Contreras](#), Associated Press reporter
- [Sherry Robinson](#), Operator of the [New Mexico News Service](#).

The report, "[Crony Capitalism, Corruption and the Economy in the State of New Mexico](#)," was prepared by UNM political science professor Michael Rocca, in conjunction with the Washington, D.C.-area business think tank, the [Committee for Economic Development](#).

Rocca explained his findings Thursday in a discussion with political reporters Russell Contreras of the Associated Press and Sherry Robinson, who covers the legislative session for the Gallup Independent. "Economists and political scientists have known for 35 years that corruption and crony capitalism hurt economic growth," Rocca said.

New Mexico's dependence on federal dollars is one of the main drivers of this problem, he explained. The state's economy depends heavily on how the state government decides to spend money, meaning that businesses that want to succeed have to convince lawmakers to invest in their industry. "The idea of crony capitalism is the idea that it's an economy that is mostly free market, but it's one that's dictated by the government handing out benefits to groups based mostly on personal relationships or political connections," Rocca said.

The report cited New Mexico's lax regulation of the storefront lending industry as an example of how crony capitalism works. "It's clearly there to benefit the very few over the very many," Rocca said. In 2015 the industry had nearly two dozen lobbyists working in Santa Fe to defeat efforts to limit interest rates on storefront loans, which currently average about 300 percent. The [industry contributed thousands](#) to legislators.

"The amount of money flowing into campaign purses from this industry is appalling," Robinson said, arguing that what are described as "predatory" loans disproportionately affect poor and minority populations.

The report also outlined solutions to limit the influence of special interest groups and lower the incidence of crony capitalism in New Mexico.

"One thing we need to reform here is our campaign finance laws," Contreras said. He pointed out that increased transparency would force lawmakers to accept fewer donations from lobbyists and the public would get a clearer picture of how business is influencing the legislature.

Rocca suggested that the state create an ethics commission, and increase scrutiny of PACs and lobbyist activity. He also called for an improved website for the public to track the influence of industries in the political process.

Contreras and Robinson said there's been some movement towards reform, but neither predicted Rocca's suggestions would happen quickly or easily. "They're going to say they ran out of time," Contreras joked when asked about implementing an ethics commission during the current legislative session.

Rocca's three recommendations to eliminate "crony capitalism" include (as excerpted from the report):

- **Require full disclosure of campaign contributions and lobbying activity.** Doing so would increase oversight and accountability in the government decision-making process.
 - **Establish an independent ethics commission.** Such a commission would educate elected officials about the state's ethics laws to help prevent violations, and address and enforce ethics laws. New Mexico is currently one of seven states without one.
 - **Conduct regular and rigorous evaluations of tax subsidy programs.** Elected officials and the public currently lack sufficient information about whether the benefits of current tax subsidy programs outweigh the costs. Items need to be studied often enough to provide policymakers with up-to-date information and to allow the time to produce thorough, detailed studies.
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- **Albuquerque Journal, February 7, 2016**
[Business leaders more eager for reforms, poll finds](#)

The vast majority of New Mexico business leaders – 91 percent – say the ethical behavior of state elected officials over the past two decades is a serious issue, topping last year's 84 percent in what likely reflects the recent criminal conviction of former Secretary of State Dianna Duran, according to a new poll.

As for the general mood of business leaders, just 24 percent said things in New Mexico “are headed in the right direction,” down from 39 percent last year, said the survey conducted by Research & Polling Inc. of Albuquerque.

Last year's poll on the direction of the state was done after Gov. Susana Martinez had been re-elected and more business leaders felt like “things were settling in,” Research & Polling President Brian Sanderoff said.

This year's survey followed the resignation and conviction of Duran for illegally diverting campaign donations due to a gambling addiction, he noted.

The poll of 250 business leaders across the state from Jan. 13 through the end of last month was done for the Washington, D.C.-based Committee for Economic Development, a nonpartisan business-led policy group.

“Those are numbers I would be paying attention to if I were a statewide elected official,” said Michael Petro, executive vice president of the committee.

He said the survey might also be a reflection on Martinez because dissatisfaction has risen among “business leaders who are predisposed to like the governor.”

This year, those who said “a complete overhaul or major reforms” are needed in the state's campaign financing system went up seven percentage points over last year, to 55 percent. And transparency again this year was a “big theme” when it comes to fixing business leaders' ethical concerns, Sanderoff said.

Sixty-seven percent of business leaders said greater transparency is needed when it comes to disclosure of political contributions, and they continue to feel strongly that “political donors and lobbyists have a disproportionate amount of political influence,” the survey says.

“To have a strong and vibrant democracy is an essential ingredient for a successful economic system,” Petro said. “When you start seeing signs of corruption or perceived corruption ... that has economic consequences.”

The survey, for the first time, included an issue that is much talked about in business circles: reform of New Mexico’s gross-receipts tax. Nearly 80 percent favor reforming the tax and its exemptions.

In other findings:

- Those who support creation of an independent ethics commission totaled 82 percent.
- 87 percent believe companies that contribute to political campaigns have an easier time getting meetings with elected officials.
- Few business leaders – 7 percent – say the problems with money in politics are improving, compared to 13 percent last year. Forty percent said things are getting worse.

Those asked to take the poll included Chamber of Commerce board members throughout the state, private employers and members of several business and economic development associations.

- **PR Newswire, February 8, 2016**

- **[Poll: New Mexico Business Leaders Concerned About Ethical Behavior of Elected Officials and Support Solutions](#)**

ALBUQUERQUE, N.M. and WASHINGTON, Feb. 8, 2016 /PRNewswire-USNewswire/ -- A [poll of New Mexico business leaders](#) recently found widespread concern with the history of unethical behavior from New Mexico's elected officials, the impact that big campaign donors have on state government and how contracts are awarded in the state. They believe that the campaign finance system needs significant reform and voiced support for proposals that increase transparency of lobbying, disclosure of contributions and spending in elections. They also advocate creating an ethics commission and reforming the state's gross receipts tax laws and exemptions to prevent favoritism. The poll was sponsored by the Committee for Economic Development of The Conference Board (CED), a nonpartisan, business-led public policy organization, and conducted by Research & Polling, Inc.

250 business leaders from across the state were surveyed between January 13th and 27th. Highlights are as follows:

- 91% believe New Mexico has had a *very* or *somewhat* serious issue with the ethical behavior of state elected officials over the past 20 years; 57% think the state has had a *very serious* issue.
- 74% *strongly* or *somewhat* agree that too many government contracts in the state are awarded on the basis of political influence rather than merit; 29% *strongly agree*.
- 86% *strongly* or *somewhat support* continuing to place limits on how much individuals and PACs can give to candidates; 59% *strongly support*.

- 55% say the state's campaign finance system needs a *complete overhaul or major reform*; 17% want a *complete overhaul*.
- 61% think New Mexico's elected officials are more responsive to lobbyists than to voters.
- 86% said big campaign donors have at least *some impact* on state government corruption; 41% said they have a *great deal of impact*.

"The business community spoke definitively in this poll: They support common sense reforms that increase transparency and accelerate ethics reform," said Ray Smith, President of Klinger Constructors LLC.

Many of the poll questions mentioned above were also asked in the February 2015 CED poll of New Mexico business leaders. A comparison of the 2015 and 2016 poll reveals a now-greater sense of pessimism in multiple areas. Takeaways from the two polls are as follows:

- Just 24% of business leaders feel that things in New Mexico are headed in the *right direction* in the 2016 study, compared to 39% of those surveyed in the February 2015 study who felt things were headed in the *right direction*.
- 57% believe New Mexico has had a *very serious issue* with the ethical behavior of state elected officials over the past 20 years; that view was shared by 44% in the February 2015 study.
- 51% of those surveyed in the 2016 study think most elected officials are looking out *mostly for the needs of those who finance their campaigns* rather than the *needs of their constituents*; 38% held that opinion in February 2015.

While poll participants expressed significant disdain for crony capitalism and other unethical behavior, they expressed equal enthusiasm for proposals to combat it. Proposals they support the legislature enacting include:

- 89% support requiring that lobbyists make public the bills or issues for which they have been hired to advocate.
- 87% support requiring that all political contributions and expenditures from all sources be made public.
- 82% back the creation of an independent ethics commission.
- 79% support reforming New Mexico's gross receipts tax laws and exemptions.

"Implementing these practical reforms would go a long way toward attracting new businesses to New Mexico and creating a business environment conducive to growth," said Michael Stanford, President of Payday HCM and member of the Association of Commerce and Industry.

The poll and its methodology can be read [here](#). The findings come on the heels of a CED-sponsored report detailing the causes of, and solutions to, crony capitalism. Released in January in conjunction with the University of New Mexico, *Crony Capitalism, Corruption, and the Economy in the State of New Mexico* can be read [here](#).

About the Committee for Economic Development

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation's most critical issues. CED's work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and

regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation's interest. Learn more at www.ced.org.

- **Santa Fe New Mexican, February 8, 2016**
[Business leaders have eyes on Legislature](#)

If some long-entrenched policies finally gain traction in the final week of the Legislature, business leaders in New Mexico will be among those who deserve credit.

The big issue at the fore, of course, is whether undocumented immigrants should be able to continue to get state driver's licenses and how that complies with federal requirements under the Real ID Act. The uncertainty over the issue and how it can potentially affect travel has the attention of the largest business groups in the state, which are saying the dispute is a concern for employers looking to expand or relocate in New Mexico.

But other policy areas not traditionally on the agenda of business, notably ethics reform and transparency, are also starting to take hold as important for economic development.

A poll of some 250 New Mexico business leaders recently found widespread concern with the history of unethical behavior among New Mexico's elected officials and the impact that campaign donations are having on state government and procurement.

The poll was sponsored by the Committee for Economic Development of The Conference Board, a nonpartisan, business-led public policy organization. The survey itself was undertaken by the Albuquerque-based Research & Polling, Inc. between Jan. 23 and 27th.

Among the findings:

- 91 percent believe New Mexico has had a very or somewhat serious issue with the ethical behavior of state elected officials over the past 20 years, while 57 percent think the state has had a very serious issue;
- 74 percent strongly or somewhat agree that too many government contracts in the state are awarded on the basis of political influence rather than merit;
- 86 percent strongly or somewhat support continuing to place limits on how much individuals and political action committees can give to candidates;
- 55 percent say the campaign finance system needs a complete overhaul or major reform.

Many of the poll questions were also asked a year ago, but business leaders today are much more pessimistic: Just 24 percent today said things in New Mexico are headed in the right direction, compared with 39 percent a year ago.

The survey also asked what sort of legislative proposals business leaders support, and 89 percent said lawmakers should require lobbyists to make public the bills or issues for which they have been hired to advocate; 87 percent support requiring that all political contributions and expenditures from all sources be made public; 82 percent back the creation of an independent ethics commission.

The numbers are pretty astounding when you take into account that the majority of the registered lobbyists in the Legislature are representing various businesses.

If demography is destiny, then Santa Fe's economy may be in for a long slog.

When the former owner of the Zia Diner, Beth Koch, purchased the business some 25 years ago, she was a mom with two young children and the city was flush with younger families.

Zia itself was a popular spot for families — large spaces with tables available on short notice and family-friendly menu options.

Koch said the large space was an advantage during those times and helped Zia succeed. Now Koch herself is closer to retirement age with two adult children — one of those in Santa Fe. In essence, she is a face of the changing demographics in Santa Fe, where even the beloved Santa Fe Children's Museum has scaled back its operations due to the decline in younger families.

And the change is a real challenge for Santa Fe businesses. Older couples in or near retirement are not going to spend money for large family meals at restaurants, except on special occasions. Even well-to-do retirees have been stung by the economic downturn are unlikely to splurge. When they do go out, it will be to get the highest quality food and entertainment at the best possible price.

In a recent report on Santa Fe's commercial real estate market, broker Allen Branch of Branch Commercial Advisors spends a section on how the graying of Santa Fe might impact homebuying.

But the trend is the elephant in the room for all Santa Fe businesses.

"In 2013, nearly 13,000 Santa Feans were age 65 or older — a 48 percent increase from 2000. Almost half of Santa Fe's seniors were older than 75. This aging population brings enormous financial, social and political implications for the City Different," Branch wrote.

Tax time means scam time.

The New Mexico Taxation and Revenue Department has received reports of aggressive and threatening phone calls made by those impersonating IRS agents.

The imposters demand immediate payment of delinquent taxes and threaten taxpayers with arrest if they do not comply. They may also threaten to cancel your driver's license. The fraudulent phone calls have reportedly appeared on caller ID as the phone number for the Taxation and Revenue Department. However, legitimate phone calls from the Taxation and Revenue Department are scrambled and the call-back number will not appear on caller ID.

"If someone calls unexpectedly claiming to be from the IRS or the Taxation and Revenue Department, with aggressive threats if you don't pay immediately, it's a scam," said Taxation and Revenue Cabinet Secretary Demesia Padilla. "If you are contacted by these fraudsters, please report it."

If you receive a phone call from an individual claiming to be a representative of the IRS or the Taxation and Revenue Department and the individual makes unreasonable or suspicious requests, please call the call the 24-hour Tax Fraud Hotline at 1-866-457-6789. For additional information, visit

- **New Mexico in Depth, February 9, 2016**
[Poll: Business Leaders Support Campaign Finance Reform](#)

A new survey of New Mexico business leaders shows most think there is a real problem with the influence of money in politics. And some business groups are getting serious about plans to clean up state government.

Nearly 90 percent of business leaders think all political spending should be made public, according to a poll of 250 business leaders, commissioned by the Committee for Economic Development, a Washington D.C.-area think tank. It follows the release of a CED-sponsored report conducted in conjunction with the University of New Mexico, "[Crony Capitalism, Corruption, and the Economy in the State of New Mexico.](#)"

The [New Mexico Association of Commerce and Industry](#) is one of many groups speaking out in support of proposals they say would give voters—and businesses—more confidence in their leaders.

Jason Espinoza is president of the statewide business advocacy group, and he says the influence of money in politics has been a hot topic for his more than 500 members.

"A lot of our priorities are about building a better business climate so we can incentivize job creation," Espinoza said, "and transparency is important so that everybody knows they're playing by the same set of rules."

More than half of business leaders say the state's campaign finance system needs a complete overhaul, according to the poll, conducted by Research and Polling Jan. 13-27.

As NMID reported, 12 representatives of [business and labor groups spoke in favor](#) of capital outlay reform in a committee hearing Monday. But proposals that would introduce a statewide ethics commission and force more transparency in campaign finance are moving slowly, with only 10 days left in the legislative session.

- **Farmington Daily Times, February 15, 2016**
[Ethics commission bill enters New Mexico Senate](#)

FARMINGTON — State senators are beginning discussion on a proposed constitutional amendment to establish an independent ethics commission that would have the authority to investigate allegations of civil violations by state elected and non-elected officials.

Supporters say the commission could help reverse the state's long long-held reputation as a place where crony capitalism thrives, making it easier to attract new businesses.

Under the proposal, the commission would investigate complaints against elected and appointed members of the state legislature and executive branches, state officers, employees, government contractors and lobbyists.

A [study released](#) in January by the Committee for Economic Development, a non-profit public policy organization in Washington, D.C., and the University of New Mexico reports the state's economy remains stagnant because of a reputation for corruption and crony capitalism and an environment that fosters pay to play behavior. New Mexico is one of eight states that does not have an independent ethics commission overseeing state government. In a poll conducted by Common Cause New Mexico, 86 percent of voters in the state support the creation of an independent ethics commission.

Rep. Jim Dines, R-Albuquerque, co-sponsor of the bill, presented the measure to the Senate Rules Committee on Monday in Santa Fe.

Dines said there was discussion but no decision was made. Rather, the committee decided to continue the debate today.

During his presentation, Dines said he shared the results of a poll taken by 250 business people in state. Among the results, 91 percent of those polled are concerned about the state's ethical climate and its negative impact on business development. Among the questions Dines received some focused on the level of transparency in the commission operations, including the amount of information that would be public and, if hearings are conducted, would they be open to the public.

It is time the lawmakers address that perception, he said, adding he remains "optimistic" about his bill.

In order to reach the full Senate, the legislation has to pass in the Senate Rules Committee and the Senate Judiciary Committee. It passed out of the House earlier in the session and any changes made in the Senate would have to be agreed to by the House before final passage.

Sen. Steve Neville, R-Aztec, said the bill faces a "tough" challenge by the Senate committees, especially with the end of the legislative session set for noon on Thursday.

"I'm not in opposition to the concept. I think it's a good concept," he said Monday. He said the bill would have had a stronger chance of survival if it went before the committees at least a week earlier but with hours left in the session, the possibilities are slim.

Neville is a member of the Interim Legislative Ethics Committee, which is comprised of senators and representatives, and said the committee receives complaints about officials but does not have the same level of authority the commission would have.

Another reason the bill may not make it to the full Senate is due to it being a constitutional amendment, he said, adding that lawmakers usually take time to review such proposals, to ensure the language is proper before it is placed before voters.

This is done because if the bill is passed, it does not require the governor's approval, he added.

Sen. Bill Sharer, R-Farmington, could not be reached for comment Monday.

The House voted 50-10 in favor of the measure on Feb. 9.

Rep. Paul Bandy, R-Aztec, voted for its passage while Reps. James Strickler, R-Farmington, and Rod Montoya, R-Farmington, cast votes against the bill.

Bandy, Strickler and Montoya did not respond to calls for comment. Montoya [told The Santa Fe New Mexican](#) last week he is concerned about possible frivolous complaints and that commissioners might purposely investigate frivolous complaints against officials they do not like.

Rep. Sharon Clahchischilliage, R-Kirtland, said Monday she was excused from the House when voting occurred due to a doctor's appointment but if she was present, she would have voted in favor of the bill.

"I like this because it puts all of us in check," Clahchischilliage said adding it would make officials "more conscious" about their conduct.

She said she was one of eight representatives who passed the bill out of the House Government, Elections and Indian Affairs Committee.

Editorial & Opinion-Editorial Copy

- **Albuquerque Journal, March 9, 2015**
[Editorial: Only campaign reform question is how much](#)

An overwhelming majority – 85 percent of the 307 business leaders interviewed for an economic development poll – believe some of the reform proposals before the New Mexico Legislature will restore confidence in the campaign finance system.

How much confidence boils down to how much reform.

Lawmakers are considering:

- Increasing and cleaning up disclosure requirements on independent expenditure groups in the wake of the U.S. Supreme Court's Citizen's United ruling. HB 278, sponsored by Rep. Jim Smith, R-Sandia Park, and Sen. Peter Wirth, D-Santa Fe, would require third-party independent groups that make expenditures affecting election campaigns to disclose contributions and expenditures consistent with requirements of candidates and political parties.

And while Citizens United freed corporations, unions and others to spend as much as they want on elections as long as they don't coordinate with candidates, there is no state definition of what constitutes said coordination. HB 278 establishes one. It is scheduled to go before the House Government, Elections and Indian Affairs Committee on Wednesday.

- Establishing a State Ethics Commission to oversee the filing of complaints against state officials and employees, government contractors and lobbyists. HB 115, sponsored by Rep. Brian Egolf, D-Santa Fe, and substituted by the House Government, Elections and Indian Affairs Committee, would set up an SEC as well as develop an ethics code, provide annual ethics training issue advisory opinions and have subpoena powers. It is currently in the

House Judiciary Committee.

- Requiring lobbyists to disclose the legislative or administrative issue for which they are employed, file expenditure statements and lobbying expense reports that include total expenditures listed by recipient and category and file two estimated lobbying expense reports each year with estimated and actual expenses. HB 155, sponsored by Rep. Jeff Steinborn, D-Las Cruces, would apply requirements to any lobbyist including their employers who themselves engage in lobbying, require the Secretary of State's website to include registration and expenditure statements and lobbying expense reports in searchable and downloadable formats at least monthly throughout the year, and lower from \$500 to \$100 the amount of aggregate contributions that triggers mandatory reporting of identification information for other contributors. It's on the House calendar. But perhaps the best chance to get all political money out into the open is the proposal by Senate Majority Leader Michael Sanchez, D-Belen, to do away with the state's campaign contribution limits. Those limits, set in 2010, have had the opposite effect desired, discouraging transparency as big donors funnel cash through back channels to skirt requirements. SB 689 repeals the limits, allowing donors to give directly and get all money on the public record.
- Trust is a nonpartisan issue – 94 percent of Democrats and 82 percent of Republicans supported some sort of campaign finance reform in the poll, commissioned by the Washington, D.C.-based Committee for Economic Development and conducted by Research & Polling Inc.

Michael Petro, vice president of the Committee for Economic Development, says “we did a national poll of business leaders in 2013 and the numbers were similar. The bottom line is that most people in the business community think that transparency and disclosure are a no-brainer.”

Most people are right.

- **Albuquerque Journal, March 12, 2015**
[Op-Ed: Bills improve transparency in elections](#)

While elected officials may disagree on a list of hot button issues, over the past several years both Democratic and Republican lawmakers have agreed on one core value: transparency. We've established a sunshine portal for state information, begun webcasts of legislative sessions and posted candidate campaign information on the Secretary of State's website.

It is now time to apply this common value to the new world of independent campaign expenditures, a world of “dark money” where independent groups can – and do – spend unlimited amounts from undisclosed sources to influence the outcome of state and local races.

From 2006 to 2012 this kind of spending in New Mexico more than doubled from \$6 million to \$14 million, and in 2014 \$2 million was spent in October alone.

Often the big money comes from out of state. The groups carry warm and fuzzy names like Citizens for Good Government, but no one really knows who they are. We've introduced measures in the House and Senate to require disclosure of the identities of donors to these groups.

Times have changed in New Mexico campaigns. There's now a tangled web of one type of political action committee giving to another type of political action committee or to a political party, and it's increasingly difficult for the public to figure out what's going on. And – let's remember a basic premise of democracy:

Knowledge is power.

The public deserves to know who is funding whom in order to cast their vote intelligently and make decisions based on fact, and not on fiction.

Our disclosure bills are in line with recent court decisions, including Citizens United, which, while it struck down contribution limits, upheld disclosure requirements. The Attorney General recently endorsed our bills for this reason, as has the Secretary of State, who acknowledged that the present Campaign Reporting Act has significant constitutional problems.

Take the question of whether independent expenditures are really independent, or whether they actually coordinated with an individual campaign. This distinction is important because uncoordinated spending can be unlimited, whereas ordinary (coordinated) contributions to candidates must fall under the contribution limits set by the legislature in 2009.

Yet our law does not define what “coordinated” means, leaving a loophole large enough for many PACS to jump through. Our bill – a compromise we've hammered out over the past month – offers a firm definition.

Our bills are in line with popular sentiment expressed in two recent polls taken by Research and Polling. In one statewide poll, taken for Common Cause New Mexico in January 88 percent of the voters polled said they wanted independent groups to report who their donors are and how their money is being spent on campaigns.

More recently, the Washington, D.C.-based Committee for Economic Development surveyed 300 New Mexico business leaders. Seventy-one percent believed that more transparency is needed in disclosing political contributions.

That makes sense to us. Most business leaders we know want to focus their energy on the marketplace but this often requires confidence in state government. More transparency in state contracts, in public meetings, and yes, in campaign contributions will foster that confidence. And it's something we can all agree on.

Businesses and citizens alike will be able to see if there really is an even playing field, and, if not, who or what, is tipping the balance.

- **Albuquerque Journal, March 15**
[Op-Ed: Shine bright light on NM government](#)

A recent poll found the majority of business leaders would like to shine more light on the inner workings of state government.

The poll was commissioned by a nonpartisan, business-led public policy organization called the

Committee for Economic Development, and conducted by Research & Polling, Inc. They surveyed over 300 New Mexico business executives.

And while the participants were of all political stripes – Democrats, Republicans and independents – they express underlying agreement about the problems New Mexico faces. More importantly, they support sensible reforms for our democracy to gain trust, respect and, ultimately, better engagement from its citizenry.

The lack of transparency is a major issue that concerns us. The poll found that business leaders believe there isn't enough transparency when it comes to how elections are financed.

There's overwhelming support for a course correction: 89 percent back a requirement for political contributions and expenditures from all sources to be made public. When you consider the fact that New Mexico is one of just four states that doesn't require independent groups to disclose their spending, this support comes as no surprise.

But the need for more transparency extends beyond elections; it also applies to lobbying.

A clear majority of those polled think lobbyists have more sway than voters, and 86 percent back a proposal to make public all bills and issues for which lobbyists have been hired to advocate.

Lobbyists can perform an important role in raising issues and educating lawmakers, but it must be done in an ethical, open manner.

An independent ethics commission should be created to educate and enforce current state ethics rules as well as uphold the reputation of those falsely accused. Forty-three other states each have an ethics commission. No wonder the polling shows almost nine out of 10 business leaders endorse such a measure.

It's clear that business leaders didn't just find fault with the current system. We saw opportunities for bipartisan, practical reforms that the Legislature can move on immediately: create more transparency in disclosing election contributions and expenditures, along with the bills and issues that lobbyists work on; and create an independent commission to ensure that current state laws are upheld.

As business people we understand that transparency is an essential element for business transactions and want to see the same openness in our state's political system.

We encourage the Legislature to demonstrate that New Mexico is open for business by enacting these reforms. Doing so would bring us into line with best practices across the nation. More importantly, they just might help business and voters alike see our state government in a brighter light.

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- **Santa Fe New Mexican, February 7, 2016**
An honest government is good for business (print edition only, link unavailable)

- **Albuquerque Journal, February 9, 2016**
[Editorial: Bipartisan effort to bring ethics reform long overdue](#)

Two lawmakers, one from each party, think New Mexicans have had a gut full of public corruption. We would concur.

Rep. Jim Dines, R-Albuquerque, and Jeff Steinborn, D-Las Cruces, are sponsoring a constitutional amendment that, if passed and if voters statewide also concur, would create an independent agency to deal with complaints against legislators, other elected officials, lobbyists and government employees.

The commission would look into allegations of ethics, campaign finance and procurement problems. The complaints no longer would be anonymous and hearings would be public. Corruption in government is a long-standing but unfortunate tradition in New Mexico.

In 2015, Dianna Duran, twice elected as Secretary of State, had to step down after misusing campaign donations to feed a gambling habit. She recently finished spending a month in the Santa Fe County jail after pleading guilty to several charges.

Phil Griego of San Jose resigned in disgrace from the state Senate rather than face an ethics probe into his role in a real estate deal involving a state-owned building in which he got a \$50,000 broker's fee.

Then of course there are the two former state treasurers who did prison time for corruption. And the former state Senate leader who went to federal prison for his involvement in a construction scandal.

The Committee for Economic Development and the University of New Mexico recently reported that "New Mexico's economy is stagnant, largely because of the state's reputation for corruption and crony capitalism and an environment that fosters pay to play behavior."

And ethics reform has the broad backing of business. A recent poll by Research & Polling Inc. for the Committee for Economic Development found that 82 percent of New Mexico business leaders support the creation of an independent ethics commission.

Earlier attempts at ethics reform have died in part over lack of transparency. And the Journal has opposed past attempts at creating an ethics commission because they would have let appointees of politicians with re-election on their minds operate in secret and would have gagged or led to the prosecution of whistleblowers. But this one is different. The nine-member commission would be balanced politically and requires a supermajority of six votes for action to be taken.

This even-handed and transparent approach would go a long way toward making sure government works for the benefit of all.

House Resolution 5 has passed the Government, Elections & Indian Affairs and House Judiciary committees. The full House and then the Senate should pass this resolution so New Mexico voters can weigh in on cleaning up state government and making sure it stays that way.

- **Albuquerque Journal, February 11, 2016**
[Op-Ed: Corruption, scandals bad for NM business](#)

Recent coverage by the Business Outlook of a University of New Mexico study of corruption, cronyism and the business climate here, hit too close to home. When I moved from California to Santa Fe and started up my company, EnRoute Strategies, I had no idea of the oversized importance of personal connections and lobbyists in the award of contracts and the passage of bills giving special breaks to favored companies.

It was an important revelation because my company helps small businesses design and execute sustainable growth strategies.

It's not easy for a lone individual to start a new business and I feel that entrepreneurs are essential to our state's economic development.

One of the assumptions small businesses make is that there is a relatively level playing field that will, in true American style, allow anyone with a good idea and a willingness to work hard, succeed. Otherwise, why would anyone may the effort?

Michael Rocca's report gives specific examples of companies like Eclipse Aviation and Union Pacific Railroad who got tax breaks and special treatment. The report verifies specific instances of pay-to-play politics and corruption.

Even if the facts were not so glaring – the perception of corruption is bad enough. When there's even a belief that cronies and lobbyists trump worthwhile – but unconnected – businesses, then economic transactions decline, and so do hopes of development.

Scandals like those involving our state's chief ethics official, former Secretary of State Dianna Duran, and Sen. Phil Griego, whose conflict of interest forced his resignation last year, don't help either. They discourage businesses from locating in the state and fuel polls that indicate the public believes New Mexico is on the wrong track.

Rocca points to dependence on the government sector, an unpaid Legislature, and the lack of transparency when it comes to tax breaks, lobbyist reporting and contributions from independent PACS. He says the combination creates "the perfect storm" for corruption.

I agree, but all is not lost! We can do better, as other states have done. New Mexicans, particularly those who choose to move here, have a record of reinventing themselves.

We can start by establishing an independent ethics commission as Rep. Jim Dines has proposed in this year's legislative session. An independent body that makes sure the law is enforced and allows anyone to bring a complaint against a public official would give the business community confidence that the rule of law, not personal relationships or partisan politics, prevails.

The UNM study also advocates paying legislators a salary. New Mexico's lack of a professional Legislature, he says, makes us susceptible to influence pedaling and conflict of interest.

New Mexico is the only state not to pay its legislators. We ought to give this a try, not to the level of California but at the part-time level suggested by Rep. Terry McMillan – \$45,000 a year.

It will be an uphill battle, given that this will require a constitutional amendment, and success at the polls. The less faith the public has in its elected officials, the less likely it is to pass.

We've dug a deep hole on this one, but we need to discuss what it would take to incentivize better constituent service and encourage small business owners who cannot subsidize their own service to run for the Legislature.

Even before this year's scandals, polling data carried in your newspaper point to the disclosure of all contributions and lobbying activities as a popular mandate. Rep. Jim Smith, from Albuquerque's East Mountains, and Rep. Jeff Steinborn, of Las Cruces, have legislation in this year's session requiring more transparency in both areas.

The business community, the governor and everyone concerned about New Mexico's economic future should support them. All officials must be accountable for their contributions and the reasons – good or bad – for their decisions. Only then will ordinary citizens and businesses regain the confidence they need to invest and, yes, even to vote.

- **Current-Argus, February 15, 2016**
[Op-Ed: Crony capitalism benefits few, hurts economy](#)

Corruption, crony capitalism and economic growth had not linked in my mind. An oversight, to be sure. Or just dense.

The Committee for Economic Development of Washington, D.C., the Thornburg Foundation of Santa Fe and Michael Rocca, University of New Mexico political science professor, have combined to argue the three are quite connected.

The factors are “a key reason for New Mexico's lackluster economic growth,” Rocco says. The report is “Crony Capitalism, Corruption and the Economy of the State of New Mexico.”

Rocca's team included one undergraduate honors student and two Ph.D. candidates. The project came from discussions at the Thornburg Foundation. The Committee for Economic Development went to Santa Fe at Thornburg's invitation, says Mike Petro, CED's executive vice president. Rocca says he was contacted by CED and Thornburg.

In the introduction, Rocca and his team say, “(Crony capitalism) refers to the unhealthy relationship between some private interests (e.g. business, anti-business interests, professions, and social groups) and government. Deals are struck that reward winners on the basis of political influence rather than merit.”

Note that the references are to far more than business, something unusual in his type of report. Rocca focuses on the business-government relationship.

Crony deals revolve around the economic concept of “rent,” defined eloquently by Joel Mokyr as extracted by “predators, pirates and parasites...who found it easier to pillage and plunder the work

of others than to engage in economically productive activities themselves.” That means people and companies cut sweet, self-enriching deals with the government.

Such deals are inevitable in small communities, it seems to me, more so when the stakes go to money and power. State government is a small community.

New Mexico has what Rocca calls “a long history of corruption.” The case list takes a page. It starts in the 1800s and goes to last year with the Diana Duran disaster. Not to defend Duran, whose criminal activity drove her from being Secretary of State to the Santa Fe County jail, but her actions stemmed from a gambling addiction. That’s quite different from explicit bribes and kickbacks.

Our state government has a continuing inclination toward public corruption, making government a candidate for crony capitalism. “There are degrees of crony capitalism,” Rocca says, just as there are degrees of sin, I suppose. In legal deals the beneficiary gets something such as a targeted tax subsidy that helps a few. Political support comes in return.

Then there are deals where narrow benefits are much less than the cost to the public. Finally there are the explicit and illegal exchanges.

“The investment of taxpayer money appears to be at the heart of most cases,” Rocca says. After lengthy examples of these situations, the report says, “Corruption may therefore be thought of as a subset of crony capitalism, which makes it reasonable to conclude that crony capitalism may also have detrimental effects on economic performance.”

The great economic damage may come from “the perception of pervasive corruption.”

A 16-page references list follows the recommendations. If Rocca and his team didn’t quite read everything available, they surely dented the material.

The three recommendations were chosen with reality in mind, meaning some chance of being implemented. The recommendations are:

- More disclosure of campaign finance activity and lobbying, including donor employers, more political action committee disclosure, lobbyist disclosure of bills and issues promoted (implied by the lobbyist’s client list) and an easy-to-use website.
- An ethics commission.
- Rigorous and regular “evaluations of tax subsidy programs.” This is a good idea.

Rocca dislikes our citizen legislature, but no change was recommended, maybe because such a proposal would fail the reality test. Good.

Radio Links and Supplementary Text

- **KUNM, March 3, 2015 (no supplementary text, just mp3)**
[Business leaders push for ethics reform](#)

- **KUNM, February 2, 2016**
[Is 'Crony Capitalism' Stalling NM's Economy? \(interview with report author, Michael Rocca\)](#)

A new report says New Mexico's economy isn't growing because it's based on "crony capitalism," meaning our government responds to the needs interests of a few powerful, wealthy interests—leaving the rest of us pay the price.

Guests include:

- [Professor Michael Rocca](#), Report author and UNM Political Science Professor.
- [Russell Contreras](#), Associated Press reporter
- [Sherry Robinson](#), Operator of the [New Mexico News Service](#).

A new report says New Mexico's economy isn't growing because it's based on "crony capitalism," meaning our government responds to the needs interests of a few powerful, wealthy interests—leaving the rest of us pay the price. In order to reduce that influence, the report says, the state should do more to expose money in politics, make sure tax breaks are working to grow the economy and assure the public that its bureaucrats and elected officials are doing the right thing by establishing an independent ethics commission.

The report, "[Crony Capitalism, Corruption and the Economy in the State of New Mexico](#)," was prepared by UNM political science professor Michael Rocca, in conjunction a the Washington, D.C.-area business think tank, the [Committee for Economic Development](#).

Rocca explained his findings Thursday in a discussion with political reporters Russell Contreras of the Associated Press and Sherry Robinson, who covers the legislative session for the Gallup Independent. "Economists and political scientists have known for 35 years that corruption and crony capitalism hurt economic growth," Rocca said.

New Mexico's dependence on federal dollars is one of the main drivers of this problem, he explained. The state's economy depends heavily on how the state government decides to spend money, meaning that businesses that want to succeed have to convince lawmakers to invest in their industry. "The idea of crony capitalism is the idea that it's an economy that is mostly free market, but it's one that's dictated by the government handing out benefits to groups based mostly on personal relationships or political connections," Rocca said.

The report cited New Mexico's lax regulation of the storefront lending industry as an example of how crony capitalism works. "It's clearly there to benefit the very few over the very many," Rocca said. In 2015 the industry had nearly two dozen lobbyists working in Santa Fe to defeat efforts to limit interest rates on storefront loans, which currently average about 300 percent. The [industry contributed thousands](#) to legislators.

"The amount of money flowing into campaign purses from this industry is appalling," Robinson said, arguing that what are described as "predatory" loans disproportionately affect poor and minority populations.

The report also outlined solutions to limit the influence of special interest groups and lower the incidence of crony capitalism in New Mexico.

“One thing we need to reform here is our campaign finance laws,” Contreras said. He pointed out that increased transparency would force lawmakers to accept fewer donations from lobbyists and the public would get a clearer picture of how business is influencing the legislature.

Rocca suggested that the state create an ethics commission, and increase scrutiny of PACs and lobbyist activity. He also called for an improved website for the public to track the influence of industries in the political process.

Contreras and Robinson said there’s been some movement towards reform, but neither predicted Rocca’s suggestions would happen quickly or easily. “They’re going to say they ran out of time,” Contreras joked when asked about implementing an ethics commission during the current legislative session.

Rocca’s three recommendations to eliminate “crony capitalism” include (as excerpted from the report):

- **Require full disclosure of campaign contributions and lobbying activity.** Doing so would increase oversight and accountability in the government decision-making process.
- **Establish an independent ethics commission.** Such a commission would educate elected officials about the state’s ethics laws to help prevent violations, and address and enforce ethics laws. New Mexico is currently one of seven states without one.
- **Conduct regular and rigorous evaluations of tax subsidy programs.** Elected officials and the public currently lack sufficient information about whether the benefits of current tax subsidy programs outweigh the costs. Items need to be studied often enough to provide policymakers with up-to-date information and to allow the time to produce thorough, detailed studies.

- **KUNM, February 8, 2016**

- **[Poll: Biz Leaders Want Campaign Finance Reform](#)**

A [new survey](#) of New Mexico business leaders shows most think there is a real problem with money in politics in the state. And some business groups are getting serious about plans to clean up state government.

Nearly 90 percent of business leaders think all political spending should be made public, according to a poll of 250 business leaders from across the state. The poll was commissioned by The Committee for Economic Development, a Washington D.C.-area think tank. It follows the release of a CED-sponsored report conducted in conjunction with the University of New Mexico, "[Crony Capitalism, Corruption, and the Economy in the State of New Mexico](#)."

The [New Mexico Association of Commerce and Industry](#) is one of many groups speaking out in support of proposals they say would give voters—and businesses—more confidence in their leaders.

Jason Espinoza is president of the statewide business advocacy group, and he says money in politics has been a hot topic for his more than 500 members.

"A lot of our priorities are about building a better business climate so we can incentivize job creation," Espinoza said, "and transparency is important so that everybody knows they're playing by the same set of rules."

More than half of business leaders say the state's campaign finance system needs a complete overhaul, according to the poll, conducted by Research and Polling Jan. 13-27.

But proposals that would introduce a statewide ethics commission and force more transparency in campaign finance are moving slowly, with only 10 days left in the legislative session.
