

EFFECTS OF THE BIPARTISAN CAMPAIGN FINANCE REFORM ACT ON
FEDERAL CONGRESSIONAL CANDIDATES: A CASE STUDY

By

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This document is dedicated to Matthew Elias Keil.

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Abstract of Thesis Presented to the Graduate School
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This thesis is an analysis of Dave Bruderly's 2004 campaign for Florida's 6th District U.S. House seat. This thesis uses qualitative and quantitative research methods in order to gauge the effects of the BCRA on federal congressional candidates. Bruderly unsuccessfully ran for U.S. Congress in 2002, prior to the implementation of the Bipartisan Campaign Finance Reform Act (BCRA), and again in 2004, after the implementation of the BCRA.

The Supreme Court decision in *McConnell v. Federal Elections Committee* (2003), implemented drastic changes within America's campaign finance system. This case challenged key elements of the BCRA, which was signed into law in 2002 by President George W. Bush. Before the *McConnell* decision, the legal precedents surrounding campaign finance were rooted in the Federal Elections Campaign Act (FECA) of 1971 and its amendments, which were the first federal campaign finance regulations.

The final terms of the BCRA prevent national political parties and federal candidates from raising or spending soft money. Additionally, corporations and labor unions are prevented from using soft money to fund electioneering communications,

otherwise known as issue ads. The BCRA also raised the individual contribution limit from \$1,000 to \$2,000 per federal candidate per election cycle. Prior to the BCRA, there were no regulations pertaining to soft money raised or spent by individuals, corporations or labor unions. National parties were allowed to use a mix of hard and soft money to fund issue ads. However, there was no limit on the amount of soft money that they could use.

This thesis relies primarily on the case study methodology. Bruderly and select members of his campaign staff were interviewed, as well as individual contributors who donated the maximum amount allowed under the terms of the BCRA. Also interviewed was a representative from the United Auto Workers Political Action Committee, which donated \$5,000 to Bruderly's 2004 candidacy. Additionally, this researcher served as Bruderly's campaign manager for seven months during the 2004 election. This researcher's participant observations and experiences are included as noted. Quantitative data were gathered from Bruderly's campaign by comparing the 2002 election statistics to the 2004 election data.

Overall, this thesis finds that the BCRA has made it easier for political challengers to run against wealthy incumbents by eliminating the corrupting effects of soft money within federal campaigns. Bruderly was affected both positively and negatively by the BCRA; however, the end result of this legislation provided Bruderly's 2004 campaign with more chances for success as compared to his 2002 campaign.

CHAPTER 1 INTRODUCTION

The Supreme Court decision in *McConnell v. Federal Elections Committee* (2003) implemented drastic changes within America's campaign finance system. This case challenged key elements of the Bipartisan Campaign Finance Reform Act (BCRA), which was signed into law in 2002 by President George W. Bush. Reporters for *The New York Times* described the BCRA as, "the broadest campaign finance legislation since the Watergate era," (Clymer & Mitchell, 2002, para. 1). Before the *McConnell* decision, the legal precedents surrounding campaign finance were rooted in the Federal Elections Campaign Act (FECA) of 1971 and its amendments, which were the first federal campaign finance regulations.

Congress passed the FECA in order to circumvent political corruption by placing limits on the dollar amounts of financial contributions given to federal candidates. This legislation required all campaign contributions and expenditures to be reported, and it also limited the amount of money a campaign could spend on media advertising. The FECA also laid the foundation for a separate segregated fund, which allowed corporations and unions to use treasury funds to establish, operate and solicit political contributions for their organization. The monies raised by these political action committees (PACs) could then be donated to candidates running for federal office (Bauer & Kafka, 1982).

The 1971 legislation did not establish an independent body to oversee the implementation of the FECA, and following the 1972 elections, more than 7,000 cases of

campaign finance abuse were reported to the Justice Department. Only a small number of these cases were litigated, which led to Congress significantly amending the FECA in 1974 (Comptroller General of the United States, 1975).

The 1974 amendments to the FECA established the Federal Election Commission (FEC) as the sole agency responsible for overseeing the administrative functions of the campaign finance system. The 1974 amendments also created a public campaign finance system used to fund presidential elections. Congress also enacted strict limits on both contributions and expenditures. These limits applied to all federal candidates and political committees that could influence a federal election. Another provision in the 1974 amendments allowed for corporations and unions with federal contracts to establish and run political action committees (Bauer & Kafka, 1982).

Provisions of the 1974 amendments were immediately challenged in a lawsuit filed by Senator James L. Buckley (former Republican Senator from New York) and Senator Eugene McCarthy (former Democratic Senator from Minnesota). The plaintiffs asserted that the FECA violated their right to free speech by enacting limits on campaign contributions and expenditures.

The Supreme Court handed down its ruling in *Buckley* on January 30, 1976. The Supreme Court upheld the limits on contributions, citing the importance of preventing corruption or the appearance of corruption within federal elections, and overturned the limits on political expenditures, stating that limits on campaign spending restricted the freedoms of political expression and association (Hasen, 2002).

After *Buckley*, the FECA was amended again in 1979 to allow corporations and individuals to give contributions to state and local parties. These amendments to the

FECA governed federal campaign finance until 2002 when the BCRA was passed by Congress. The BCRA is the product of its sponsors in the U.S. House of Representatives, Christopher Shays (R-CT) and Martin Meehan (D-MA), and in the U.S. Senate, John McCain (R-AZ) and Russell Feingold (D-WIS). The sponsors said the BCRA was written to close the loophole of unregulated soft money donations in federal elections made permissible by the 1979 amendments to the FECA. This soft money loophole had allowed contributors to bypass the FECA's contribution and expenditure limits for years (Corrado, 1997).

The final terms of the BCRA, interpreted by the Supreme Court in the 2003 *McConnell* decision, prevent national political parties and federal candidates from raising or spending soft money. Additionally, corporations and labor unions are prevented from using soft money to fund electioneering communications, otherwise known as issue ads. The BCRA also raised the individual contribution limit from \$1,000 to \$2,000 per federal candidate per election cycle.

Prior to the BCRA, there were no regulations pertaining to soft money raised or spent by individuals, corporations or labor unions. National parties were allowed to use a mix of hard and soft money to fund issue ads. However, there was no limit on the amount of soft money that they could use.

The 2004 general election was the first national election required to abide by the BCRA guidelines (Campaign Finance Institute, 2004). To date, the U.S. Public Interest Research Group (US PIRG) is one of the few institutions to publish findings on the effects of the BCRA during the 2004 election cycle. The US PIRG study examined competitive congressional primary races in 2004. In an attempt to gauge the impact of the

BCRA on federal candidates, the US PIRG study concluded that raising the individual contribution limit from \$1,000 to \$2,000 had the largest impact on the function of federal campaigns. The findings of this study as well as its impact are discussed more thoroughly in the following chapter.

In order to better understand the effects of the BCRA on federal candidates during the general election, this thesis uses Democrat Dave Bruderly's candidacies for Florida's 6th Congressional District as a case study. Bruderly unsuccessfully ran twice for U.S. Congress, first in 2002, prior to the implementation of the BCRA, and again in 2004, after the implementation of the BCRA.

Research Questions

It is important to understand the implications of the BCRA in terms of political communication. Thus, this thesis poses the following broad research questions: How does the BCRA change the way in which federal campaigns operate? How do these new laws impact the ability of a federal candidate to communicate his or her message to the public? Does the BCRA accomplish what its sponsors intended the legislation to do? What is the likely future of campaign finance reform after the implementation of the BCRA? How has the BCRA altered the communication processes within federal campaigns? Specifically, how has the BCRA impacted the scope of political communication for federal candidates? The goal of this thesis is to gain a variety of perspectives on the relationship between campaign finance regulation and the scope of political communication.

Methodology

This thesis relies primarily on the case study methodology recommended by Robert Yin (1994) in his book, *Case Study Research: Design and Methods*. Case studies are

designed to capture details from the viewpoint of participants by using multiple data sources. A researcher conducting a case study considers not just the voice and perspective of the actors, but also the relevant groups of actors and the interaction between them (Yin, 1994). The case study used in this thesis is exploratory in nature, which limits the generalizability of the findings. Additionally, this thesis relies on a single case study, which further limits its generalizability. However, studying Dave Bruderly's campaign can identify factors and issues for future campaign finance research.

This thesis also relies on a description of the Federal Election Campaign Act and its major amendments in 1974, 1976 and 1979 as well as U.S. Supreme Court decisions arising from the FECA, including the BCRA. Relevant political science studies that articulate varying perspectives regarding campaign finance regulation are noted.

When analyzing Bruderly's campaign, qualitative and quantitative research methods are used. Bruderly and select members of his campaign staff were interviewed, as well as individual contributors who donated the maximum amount allowed under the terms of the 2004 BCRA. Also interviewed was a representative from the United Auto Workers Political Action Committee, which donated \$5,000 to Bruderly's 2004 candidacy. Additionally, this researcher served as Bruderly's campaign manager for seven months during the 2004 election. This researcher's participant observations and experiences are included as noted. Quantitative data was gathered from Bruderly's campaign by comparing the 2002 election statistics to the 2004 election data. The quantitative data pertaining to Bruderly's campaign is archived in an online database.

Chapter Outline

This chapter introduced the topic of campaign finance, provided the research questions that this study will answer, and described the research methods and other materials used in this study.

Chapter 2 is a review of the literature on the issue of campaign finance and a look at the history of campaign finance, focusing on the Federal Elections Campaign Act of 1971 and its amendments of 1974, 1976, and 1979.

Chapter 3 describes the case study methodology, including how the data analysis was performed.

Chapter 4 is a discussion of the findings from the analysis of the case study.

The conclusion and summary of the findings are discussed in Chapter 5, focusing on what the findings mean for communication professionals in the political communication field.

CHAPTER 2 REVIEW OF THE LITERATURE ON CAMPAIGN FINANCE

The U.S. Constitution grants Congress the power to regulate federal elections. Campaign finance has been a dominant issue in Congress since the 1880s. The first-ever campaign finance laws were enacted in 1883. The most recent campaign finance laws were passed in 2002 with the Bipartisan Campaign Finance Reform Act (BCRA). The final terms of the BCRA are described in the following section. In order to understand the culmination of the BCRA, a historical description of campaign finance legislation is presented as well as academic perspectives on the subject.

The Bipartisan Campaign Reform Act of 2002

The BCRA is the product of its sponsors in the U.S. House of Representatives, Christopher Shays (R-CT) and Martin Meehan (D-MA), and in the U.S. Senate, John McCain (R-AZ) and Russell Feingold (D-WIS). The Supreme Court decision in *McConnell v. Federal Elections Committee*, issued in December 2003, interpreted the terms and provisions of the BCRA challenged by Republican Senator Mitch McConnell from Kentucky. Litigants in the *McConnell* case questioned five key elements of the BCRA that President George W. Bush signed into law in 2002.

Table 2-1. A table that summarizes the decisions of the *McConnell* case.

	BCRA Requirement	Supreme Court Decision	Impact of Decision
National party soft money	Prohibits national parties from raising or spending soft money	Upheld	National parties cannot raise or spend soft money
State and local “Federal Election Activities”	Requires state and local parties to pay for federal election activities with hard money and/or Levin funds	Upheld	State and local parties must use hard money and/or Levin funds for federal election activities
Soft money fundraising by federal candidates and officeholders	Prohibits federal candidates and officeholders from raising or spending soft money	Upheld (with some exceptions)	Federal candidates and officeholders cannot raise or spend soft money
Prohibition of Issue Ads	Prohibits corporations and labor unions from using soft money to fund broadcasts that mention a federal candidate or officeholder within 30 days of a primary and 60 days of a general election	Upheld	Corporations and labor unions cannot use soft money to fund issue ads.
Contribution limits	Increases the dollar limit on contributions from individuals to candidate and political parties	Upheld	Individuals may make larger donations to candidates and political parties
Disclosure of Issue Ads	Requires disclosure of electioneering communications that exceed \$10,000 a year	Upheld	Electioneering communications must be disclosed to the FEC

The Supreme Court issued three separate majority opinions in the *McConnell* ruling. The case challenged five titles of the BCRA. Justices Stevens and O’Connor along with Justices Souter, Ginsburg and Breyer delivered the opinion of the Court on Titles I

and II which dealt with soft money and issue ads. Chief Justice Rehnquist, joined by all the members of the Court, issued the ruling on Titles III and IV which concentrated on hard money limits and the millionaire exemption. Justice Breyer, joined by Justices Stevens, O'Connor, Souter and Ginsburg ruled on Title V which dealt with broadcasters' records (*McConnell v. Federal Elections Committee* [FEC], 2003).

Titles I and II of the BCRA were upheld by the Court. The provisions under titles I and II sought to increase regulation of soft money, electioneering communications and coordination restrictions. The Court held that soft money contributions could be restricted to protect the integrity of the political process without unconstitutionally burdening party speech and associational activities financed with soft money (Whittaker, 2004). The Court also held that issue ads that refer to a candidate 30 days before a primary or 60 days before a general election were not precluded by a holding in *Buckley* which limited regulation of political speech. The Court ruled that the BCRA did not restrict permissible speech and was therefore not unconstitutionally broad in scope. Additionally, the Court ruled that political activity coordinated with political candidates and parties could be regulated in the absence of an agreement to coordinate. Spending at the request or suggestion of a candidate, the Court ruled, could establish coordination (Whittaker, 2004).

The only provision in titles I and II that was struck down by the Court was the requirement that national parties choose to either coordinate with candidates or make independent expenditures.

Regarding titles III and IV, the Court determined that the parties to the case lacked standing to challenge the BCRA's denial of the lowest unit charge for a candidate

advertisement that does not include a disclaimer stating that the candidate approved the advertisement. The Court also ruled that the parties lacked standing to challenge the increase of the hard money contribution limits as well as the millionaire provision which allows candidates facing self-financed opponents to receive contributions above the normal limits. The only provision upheld under titles III and IV was the so-called minor provision. This provision made it constitutional for underage citizens to make contributions to candidates and political parties (Whittaker, 2004).

Title V of the BCRA was also upheld by the Court, requiring that broadcasters maintain certain publicly available records of politically related broadcasting requests. Included records are candidate requests, election message requests and issue requests (Whittaker, 2004).

The *McConnell* ruling comprises more than 300 pages of provisions that alter the regulations governing federal campaign finance. In order to understand how the BCRA came to fruition, the following sections provide a historical analysis of campaign finance legislation and relevant political communication commentary.

The Birth of the Federal Election Campaign Act

The first campaign finance law was passed in 1883. The Pendleton Act prohibited federal employees from soliciting funds from other federal employees for any type of campaign. With the birth of the Industrial Revolution, corporate culture grew to dominate politics and political campaigns (Mutch, 1998). The Tillman Act was passed in 1907, prohibiting corporations and banks from contributing to federal candidates. The Publicity Act of 1910 amended the Tillman Act to require disclosure of campaign donations exceeding \$100. In 1911, Congress again amended the Publicity Act to limit spending to \$5,000 for House candidates and \$12,000 for Senate candidates.

In 1925, the Publicity Act was revised once more to increase disclosure requirements and spending limits for congressional campaigns. These amendments became known as the Federal Corrupt Practices Act of 1925. There were no successful prosecutions during the Federal Corrupt Practices Act's 46 years as law (Mutch, 1998). The Hatch Act was passed in 1939, which prevented government employees from giving political contributions to federal candidates. In 1947, Congress passed the Taft-Hartley Act, barring unions as well as corporations from making contributions to or expenditures on behalf of a federal candidate.

In 1971, Congress passed the Federal Election Campaign Act (FECA) to replace the Federal Corrupt Practices Act. The FECA was intended, "to promote fair practices in the conduct of election campaigns for Federal political offices" (Federal Election Campaign Act [FECA], 1971). The FECA regulated contributions and spending in federal campaigns and implemented disclosure requirements for federal candidates, political parties and PACs. The purpose of the FECA was "to give candidates for public office greater access to the media so that they may better explain their stand on the issues, and thereby more fully and completely inform the voters" and, "to halt the spiraling cost of campaigning for public office" (S. Rep. No. 92-96, 1971, para. 23).

The FECA also attempted to limit "the flow of excessive sums of money into political campaigns" by limiting contributions (S. Rep. No. 92-96, 1971, para. 54). The contribution limits apply to all individual contributions given directly to a specific candidate or given indirectly through a third party for the benefit of a specific candidate. The FECA also limited the amount candidates could contribute to their own campaigns

and on expenditures for media advertising in presidential, Senate and House elections (FECA, 1971).

Academic Perspectives on Campaign Finance

Prior to the enactment of the FECA in 1971, a scholarly consensus on campaign finance prevailed within the political science field (Levine, 1997). That consensus was founded on the work of Louise Overacker (1932). Overacker was the first American political scientist to conduct systematic campaign finance research. Her 1932 book, *Money in Elections*, is based on campaign finance practices from the 1920s. She noted that electoral corruption dates back to ancient Greece and pointed out that, when adjusted for the size of the economy and population, campaign costs remained fairly consistent over time. Overacker argued that a flawed design and inadequate enforcement measures prevented the Federal Corrupt Practices Act of 1925 from banning corporate contributions, limiting expenditures, and providing disclosure. She wrote about the dominance of political parties during the 1920s and their increasing dependence on high dollar contributors.

Overacker's normative position regarding money in elections dominated the political science field for decades. Overacker argued that restrictions on campaign finance were illogical. Overacker felt the goal of campaigns should be to ensure that "each candidate at least has a chance to bring his case before the voters" (p. 128). Overacker wanted more money in campaigns, in the form of public subsidies, to provide citizens with informative information about candidates prior to election day. She noted that she did not believe contribution limits would solve the problem of corruption within American elections. Overacker also pointed out that, throughout history, there were no examples of governments successfully limiting campaign contributions and expenditures.

She believed America's system of campaign finance should encourage public disclosure, a nonpolitical campaign enforcement agency, and substantial compensation for election day poll workers.

Nearly 30 years after Overacker's work, Alexander Heard (1960) published a study of campaign contributions and expenditures in *The Costs of Democracy*. Based largely on financial records from the 1950s, Heard described a pattern of campaigning and political finance that contradicted Overacker's perspective of campaign finance in the 1920s. Heard's broad conclusions and normative position regarding money, however, were quite similar to Overacker's. Heard viewed money as a necessity within political campaigns. He did not believe that the cost of campaigning was overly expensive or that the cost would rise significantly in the future. Heard (1960) advocated increasing the amount of money within campaigns because he felt the amount of money a candidate possessed had little effect on the outcome of an election.

In Heard's (1960) view, reforms that fail to recognize the inherent financial needs of political campaigns are flawed. He argued that negative regulation by the FEC should be replaced by positive measures designed to ease the burden of political fundraising and lower the overall cost of campaigns. In addition to rejecting limits on contributions and expenditures, Heard advocated public financing, tax credits, neutral and bipartisan solicitation of funds, public disclosure, and a nonpolitical enforcement agency.

Herbert Alexander, another political science scholar, devoted his entire career to the study of campaign finance. Alexander worked closely with Heard as a research fellow on *The Costs of Democracy* and as executive director of the Commission on Campaign

Costs. In 1958 Alexander became director of the Citizens' Research Foundation, where he compiled and published campaign finance studies.

In his book, *Money in Politics*, Alexander (1972) contested the theory that money plays an inherently corrupting role in elections. He argued that more money is needed for competitive campaigns to inform voters and provide a basis for governmental responsiveness. Alexander felt spending limits reinforce the status quo and deprive candidates of their rights to free speech. He also believed that contribution limits depress political competition by denying citizens their rights to free speech. Alexander said, "Because of its universality, money is a tracer element in the political process, marking the tracks both of the individual or groups seeking influence and of the candidate and the party seeking election to office" (p. 11). Alexander extended his argument beyond Overacker's (1932) and Heard's (1960) positions, by opposing the bans on corporate and labor-union electioneering, which were enacted in 1907 with the Tillman Act and in 1947 with the Taft-Hartley Act.

Alexander supported a strong system of public disclosure and public subsidies, such as tax credits for private donations, franking privileges for all candidates, and voter registration costs paid for by the government. He was concerned that direct public financing of candidates and parties could weaken ties between national and state parties and disrupt relations between candidates and their parties (Alexander, 1972).

While Overacker, Heard, and Alexander did not agree on every point, they developed a broad view of money within elections that was shared by their peers. However, this view was largely ignored by policymakers, particularly during the early 1970s with the 1974 amendments to the FECA.

Growth and Impact of Political Action Committees

In 1974, the Watergate scandal prompted Congress to amend the FECA, which constituted the most serious effort in U.S. history to regulate the flow of money in federal elections (Clymer & Mitchell, 2002). The 1974 amendment established the Federal Election Commission (FEC) and delegated to the FEC the power to enforce disclosure laws, enforce public funding programs for presidential elections, and enforce campaign finance laws (FECA Amend., 1974). The structure of the FEC was the antithesis of the nonpolitical, independent entity advocated for by Overacker (1932) and Heard (1960). Congress established control over the appointment of the six FEC commissioners, prohibited the agency from investigating anonymous complaints or conducting random audits and denied the commission the multiyear budgeting authority enjoyed by other independent agencies.

The amendment also set limits on contributions by individuals, political parties and PACs, and continued the ban against contributions and expenditures by corporations and unions. Contributions to candidates from individuals were capped at \$1,000, PAC contributions at \$5,000, and individual aggregate contributions at \$25,000. This amendment also placed limits on personal and family finances used in a candidate's campaign (FECA Amend., 1974).

The 1974 FECA amendment defined multi-candidate PACs as committees that receive contributions from 50 or more individuals and make contributions to more than five political candidates for more than a six-month time period. In addition to the \$5,000 limit on contributions per candidate, multi candidate PACs cannot contribute more than \$5,000 each per year to other PACs and \$15,000 per year to national parties. The

amendment also prohibits PACs and candidates from knowingly giving or taking money above the contribution ceilings (FECA Amend., 1974).

Provisions of the 1974 amendments were challenged by Senator James L. Buckley (former Republican Senator from New York) and Eugene McCarthy (former Democratic Senator from Minnesota) against the Secretary of the Senate, Francis R. Valeo (*Buckley v. Valeo*, 1976). The plaintiffs asserted, among other things, that the FECA violated the First Amendment guarantee of free speech because, “limiting the use of money for political purposes constitutes a restriction on communication,” because, “virtually all meaningful political communications in the modern setting involve the expenditure of money” (Hasen, 2002, p. 15). The Supreme Court handed down its ruling in *Buckley* on January 30, 1976.

The Supreme Court upheld the constitutionality of the FECA contribution limits, the disclosure requirements, and the presidential public-financing system. The Supreme Court struck down the caps on expenditures, except for voluntary limits tied to public financing in presidential elections, and narrowed the class of political communications by independent groups. The Court also ruled that congressional appointment of members of the FEC was a violation of the separation of powers, a problem remedied in Congress by giving the president the formal authority to appoint all six members to the FEC. The Supreme Court also struck down limits placed on personal and family finances used to fund a candidate’s campaign (Hasen, 2002).

Congress again amended the FECA in 1979, this time to increase, “the role of state and local parties” in federal elections (H.R. Rep. No. 96-422, 1979, para. 11). The 1979 amendment permitted contributions to be given directly from corporate treasuries and

individuals to local and state parties for minor campaign activities, something Alexander (1972) advocated in his work. However, this amendment created a soft money loophole that permitted more corporate money to find its way into federal election campaigns, because soft money freed the parties to use election activities funds for candidates (Corrado, 1997). This loophole allowed corporations to bypass contribution limits as long as the money they donated went to a political party instead of a federal candidate. Initially; the national parties used soft money for nonfederal purposes, such as voter mobilization drives. That all changed, according to Corrado, with the birth of entrepreneurial political consultants and politicians, who found creative ways to finance parts of their federal campaigns with unregulated soft money.

The FECA after *Buckley* marked the beginning of the end of a scholarly consensus on the role of money in elections. Differences emerged as new scholars were drawn to the study of campaign finance by the controversy surrounding the *Buckley* decision, rapid changes in campaigns and political organizations, and the accessibility of campaign finance data (Levine, 1997).

Academic Perspectives on Political Action Committees

In 1980, Gary Jacobson published a study on the impact of money in congressional elections, based on data from the 1972, 1974 and 1976 elections. Jacobson's work provided theoretical and empirical justification for arguments made by political scientists since the 1930s. He showed that inadequate funding by challengers, not excessive spending by incumbents, depresses electoral competition. Jacobson found that limits on contributions and expenditures harm challengers more than they do incumbents. He also argued that a majority of the campaign finance regulations enacted by incumbent politicians, including those in the 1974 law, benefit those in power (Jacobson, 1980).

Other scholars, Donald Green and Jonathan Krasno (1988), cautioned that political parties had been weakened by changes in the FECA and were likely to become obsolete in the financing of federal campaigns. Public financing of presidential candidates, they argued, reinforced the growing candidate-centered nature of American elections and further weakened the party structure. Restrictions on party fundraising and how much parties could assist their candidates through direct contributions and coordinated spending put them at a distinct disadvantage in comparison to interest groups, whose collective contributions to candidates had no limit. Green and Krasno strongly embraced the view that parties were essential instruments of accountability and responsibility in democratic governments. They argued that regulations constraining the ability of parties to raise and spend funds weaken the democratic spirit of America (Green & Krasno, 1988).

In the post-*Buckley* era, the rapid growth of PACs was a popular topic within the political science field. Throughout the 1980s, Richard Hall and Frank Wayman (1990) analyzed the diversity among PACs in structure, size, objectives, strategies, constraints and degree of engagement in congressional elections. They examined the opportunities that PACs provide to citizens to engage in organized political action, and the extent to which politicians dominated the financial decisions made by PACs. They also argued against the theory that campaign contributions buy votes in Congress. Hall and Wayman said:

First, we suggest that in looking for the effects of money in Congress, one must look more to the politics of committee decision making than those of the floor. . . .
Second, and more importantly, our account of the member-donor exchange leads us to

focus on the *participation* of particular members, not on the votes. . . . If money does not necessarily buy votes or change minds, in other words, it can buy members' time. The intended effect is to mobilize bias in congressional committee decision making. (p. 811)

The writings of Frank Sorauf provide an in-depth look into the discussion surrounding PACs in the 1980s. A scholar of political parties, Sorauf began his research on campaign finance in 1981 by assembling a task force that investigated the implications of PAC growth on federal campaign finance. Over the next decade, he published *Money in American Elections* (1988) and *Inside Campaign Finance: Myths and Realities* (1992). Much of Sorauf's work fit comfortably within the context of previous political science scholars. He disagreed with those who were concerned with the potential negative consequences stemming from PACs and challenged the decision by Congress to regulate them (Sorauf, 1992). Sorauf noted, "little if any relationship between the money and the votes exist" (p. 88). Sorauf felt that work by other political scientists demonstrates that the influence of PACs on legislative outcomes is greatly exaggerated. He researched the constraints on the flow of money in elections and cautioned of unintended consequences as a result of the FECA and its amendments. Sorauf advocated for the values of electoral competition, strong parties, and robust campaign communications, as well as freedom of political speech, activity, and association.

Sorauf argued that the Supreme Court was wrong in *Buckley* to strike down limits on campaign spending and independent expenditures. To Sorauf, an arms-race dynamic had developed in campaign fundraising, and the money chase was eroding political competition. Sorauf felt spending limits set at high levels would help, not hurt, challengers, especially if combined with public subsidies. He did believe that national

parties, taking advantage of more generous limits on their contributors and on coordinated spending on behalf of their candidates, were strengthened by the FECA. Sorauf's (1992) greatest worry regarding the *Buckley* ruling was that national parties might become instruments of incumbent politicians and manage to evade the contribution limits mandated by *Buckley*.

Sorauf's judgment on the *Buckley* ruling and his approach to campaign finance reform had a significant impact on the political science consensus of his time. He demonstrated that a sophisticated, empirically based understanding of money in elections did not lead to a normative rejection of government regulation.

The campaign finance legislation that remained intact after the 1979 amendments triggered both intended and unintended political consequences, as Sorauf (1992) warned. Public financing slowed the money chase in presidential elections and somewhat equalized the disparity between the major parties in campaign spending and competitive opportunities for challengers. Small donors came to play a significant role in campaign finance as large contributions from individuals and organizations ceased. Disclosure of contributions and expenditures also improved dramatically (Synder, 1990).

Starting in the 1996 cycle, however, large amounts of soft money were used to finance candidate-specific issue advocacy in presidential and congressional elections. This campaign tactic was deemed permissible by a loophole in the 1976 *Buckley* ruling. In that decision, the Supreme Court established an express advocacy test to determine which communications by individuals and groups independent of any candidate or party would be subject to government regulation. The standard was defined by the Court as communications that "in express terms advocate the election or defeat of a clearly

identified candidate for federal office” (*Buckley v. Valeo*, 1976). The Court gave examples of express advocacy language which included the phrases: vote for, vote against, support, or oppose. This standard became known as the “magic words” test (Hasen, 2002).

The Court acknowledged that the “magic words” standard would leave some elections-related communications outside the regulatory scope of the federal government. However, the Court concluded that their standard would avoid the risk of chilling political speech. The Court did not require an express advocacy standard for candidate and political party advertisements because their financing was subject to federal campaign finance laws. In *Buckley* the Supreme Court stated that spending by candidates and political committees, including parties, is campaign-related material, subject to the regulation of the FEC (Hasen, 2002).

This express advocacy standard had little effect on the conduct and financing of federal campaigns for nearly 20 years. Beginning in the fall of 1995 and continuing through 1996, Democratic Party committees spent an estimated \$34 million on television advertisements designed to promote Clinton's re-election (Corrado, 1997). None of these costs were reported to the FEC as coordinated expenditures on behalf of Clinton's campaign. Instead, the Democratic Party argued that party communications that did not use explicit words advocating the election or defeat of a federal candidate could be treated like generic party advertising and financed with a mix of soft and hard money. The Republican National Committee responded with a \$20 million advertising campaign of its own, on behalf of Bob Dole, the Republican presidential candidate. Quickly the parties began to use the same financing strategy to campaign on behalf of their

congressional candidates. The congressional party campaign committees shifted their focus from hard to soft money fundraising, altering the structure of federal campaigns (Corrado, 1997).

Other groups soon followed the example set by the national parties. The benefit for groups to advertise under the terms of “issue advocacy,” rather than the terms of “independent expenditures,” was that “issue advocacy” could be conducted without disclosure and financed with soft rather than hard money. This meant that national parties and groups could now solicit contributions from corporations and unions as well as from wealthy donors to finance candidate-specific electioneering communications. In spite of the governing federal election laws, by 1996, parties and groups were able to campaign for and against specific federal candidates with unlimited amounts of soft money. Soft money receipts grew from roughly \$20 million in the 1980 and 1984 election cycles to \$86 million in 1988 and to \$495 million in 2000 (Corrado, 1997). It was in this political context that the Bipartisan Campaign Reform Act (BCRA) was drafted and passed by Congress in 2002.

The U.S. Public Institute Research Group Study

The most recent research published since the enactment of the BCRA is a study conducted by the United States Public Interest Research Group (Mason & Cassady, 2004). The study, *The Wealth Primary: The Role of Big Money in the 2004 Congressional Primaries*, analyzed campaign finance data compiled by the FEC during the 2004 congressional primaries.

One of the major conclusions of the US PIRG study was that the amount of money a candidate possessed was the most important factor in determining whether or not the candidate would win the election. The study found that candidates who raised the most

money from individuals and PACs won 91% of their primary races in 2004. Winning candidates also raised more money than losing candidates by a 4-to-1 margin. Winning candidates in 2004 raised an average of \$700,000 from individuals and PACs, while losing candidates raised an average of \$162,000 from individuals and PACs (Mason & Cassady, 2004).

The US PIRG study also found the vast majority of campaign contributions came from a small number of high dollar donors. While only 0.08% of voting age Americans made a contribution of \$1,000 or more to a congressional candidate, these large donations accounted for 63% of all individual contributions received by 2004 primary candidates. Similarly, only 0.02% of voting-age Americans made a \$2,000 contribution, the new maximum amount allowed under the BCRA, to a congressional primary candidate. Yet more than a fifth (21%) of all individual contributions to congressional primary candidates came at the \$2,000 level in 2004.

Moreover, the US PIRG study found that a majority of the 2004 congressional primary races (65%) were uncontested, meaning that only one candidate decided to run for his or her party's seat (2004). More than half of the incumbent senators who ran (58%) were unopposed in their 2004 primary races. The US PIRG study also noted that individual contributions in amounts larger than \$200 came in much larger increments during the 2004 primaries as compared to the 2002 primaries. In 2002, 73% of candidates' itemized contributions came in \$1,000 increments, but in 2004, 89% of candidates' itemized contributions came in increments of \$1,000 or more. Additionally in 2004, 27% of the candidates' itemized contributions came in the \$2,000 level. More than

one quarter (26%) of individual contributions to 2004 congressional primary candidates came from out of state donors (Mason & Cassady, 2004).

The authors of the US PIRG study state that their 2004 results differ very little from their findings in the 2002 version of the same study, which leads them to conclude that the BCRA has failed to eradicate the influence of big money within federal elections, at least at the primary level. The authors focused specifically on primary races as a result of the gerrymandering tactics used in Congress to hand design congressional districts. The authors felt that due to redistricting, fewer and fewer races for the House of Representatives are competitive, so the challenge for incumbents is to beat their primary opponent. The authors believe the role of money in primary races is often highlighted because voters cannot separate candidates based solely on their party affiliation (Mason & Cassady, 2004).

While the authors of the US PIRG study believe that the BCRA has failed to weaken the impact of big money in congressional primary races, a case study analyzing Dave Bruderly's campaign for Florida's 6th U.S. House district, will provide further insight regarding the effectiveness of the BCRA at the general election level.

CHAPTER 3 THE DAVE BRUDERLY CAMPAIGN: A CASE STUDY

In the previous chapters, the goals and objectives of this thesis were presented and explained. In this chapter, the case study methodology used to accomplish these goals and objectives will be examined. This thesis employs the case study methodology as described by Robert Yin (1993, 1994), a respected authority on qualitative research.

What is a Case Study?

A case study is the preferred methodology to use when circumstances warrant an in-depth investigation (Feagin, Orum, & Sjoberg, 1991). Case studies have been used in several types of investigations, particularly investigations within the field of sociology. Robert Stake (1995), among others, has developed strong protocols for case study researchers. Case studies are designed to capture details from the viewpoint of participants by collecting multiple sources of data. A researcher conducting a case study considers not only the voice and perspective of the actors, but also distinguishes the relevant groups of actors and the interaction between them (Yin, 1993).

Yin identified three specific types of case studies: exploratory, explanatory, and descriptive. Exploratory case studies are used primarily by researchers in the field of sociology when considerable uncertainty exists about operations, goals, and results of a program. Exploratory case studies help identify questions, select measurement constructs, and develop measures; they also serve to safeguard investment in larger studies. Explanatory case studies are used to investigate causal connections. Descriptive cases studies require that an illustrative theory be developed before starting the case study (Yin,

1993). Stake (1995) added three other types of cases studies to Yin's list: intrinsic case studies, where the researcher has an interest in the case; instrumental case studies, where the researcher attempts to understand more than what is obvious; and collective case studies, which focus on a group of cases, rather than a single case.

This thesis focuses on a single case in order to fully understand the political implications of the BCRA. Yin (1994) stated single cases may be used to confirm or challenge a theory, or to represent a unique or extreme case. The case this thesis relies on is the latter because the candidate studied self-identifies as a radical, grassroots candidate, which is an extreme party affiliation. Additionally, the candidate studied ran prior to the implementation of the BCRA and after the implementation of the BCRA, providing a set of comparisons not generally available in many case studies.

Yin points out that case study research should not be confused with sampling research, which decides case selection based on a population. Yin states this type of sample selection is improper in a case study. He believes each individual case study consists of a whole study, in which facts are gathered from various sources and conclusions are drawn from those facts (Yin, 1994).

A case study employs a triangulated research system. The need for triangulation arises from the need to confirm the validity of the research. Stake (1995) explained that the case study protocols used to ensure accuracy and alternative explanations are forms of triangulation. Yin (1993) recommends that case study researchers use multiple sources of data to authenticate their findings. This thesis relies on multiple interviews with campaign participants, multiple personal observations, and a multitude of campaign finance data to ensure the validity of the findings.

Denzin (1984) identified four types of triangulation: data source triangulation, where the researcher looks for the data to remain the same in different contexts; investigator triangulation, where several investigators examine the same phenomenon; theory triangulation, where investigators with different viewpoints interpret the same results; and methodological triangulation, where one approach is followed by another, to increase confidence in the final interpretation. This thesis employs methodological triangulation in order to further validate the findings presented in the following chapter.

The issue of generalization is a frequent criticism of case study research. Critics claim that the results of case studies, especially single case studies, are incapable of providing a generalizing conclusion and are therefore microscopic. Yin refuted this critique by arguing that the sample size of a study had no bearing on the applicability of the conclusions. Also, Yin pointed out that generalizing results, from either single or multiple designs, is made to theory and not to populations. He presented four applications for a case study: to explain complex causal links in real life interventions, to describe the real-life context in which the interventions occurred, to describe the intervention itself, and to explore those situations in which the intervention being evaluated has no clear set of outcomes (Yin,1994).

Stake argued for more of an intuitive generalization, which he named “naturalistic generalization.” Stake’s argument focused on the relationship between the reader’s experiences and the case study itself. He believed that the data generated by case study researchers would be applicable to a broad cross section of the public, thereby facilitating a greater understanding of the phenomenon studied (Stake, 1995). This thesis follows Stake’s principle of naturalistic generalization.

Methodology

Yin's (1993) case study methodology has four distinct stages: design the case study protocol, conduct the case study, analyze the case study evidence, and develop the conclusions, recommendations, and implications of the study. The following sections of this chapter will expand on these four stages. Each section will begin by acknowledging the recommendations found in the literature and end with a discussion of the application of the method.

The first stage in case study methodology is the development of the case study protocol. Yin (1994) suggested the researcher must possess or acquire the following skills in order to design the appropriate protocol: the ability to ask good questions and to interpret the responses, be a good listener, be adaptive and flexible so as to react to various situations, have a firm grasp of issues being studied, and be unbiased by preconceived notions. This researcher received a bachelor's degree in political science from Clemson University in 2003 and has had years of experience interviewing individuals as a student reporter for the Clemson newspaper. This researcher understands the subject matter being studied in this case as this researcher was previously employed by a U.S. Congressman, a South Carolina State Senator as well as other various political candidates.

Yin wrote there is more to a protocol than just the instrument. He argued the development of the rules and procedures in the case study protocol enhance the reliability of the research. Yin (1994) felt that case study protocol should include the following sections: an overview of the case study project, field procedures, case study questions and a guide for the case study report. For the purposes of this thesis, a complete case study protocol is presented in this section.

Yin (1994) presented three conditions for case study design: the type of research question posed, the extent of control an investigator has over actual behavioral events, and the degree of focus on contemporary events. To address the first of Yin's design conditions, this thesis poses the following research questions:

- How does the BCRA change the way in which federal campaigns operate?
- How do these new laws impact the ability of a federal candidate to communicate his or her message to the public?
- Does the BCRA accomplish what its sponsors intended the legislation to do?
- What is the likely future of campaign finance reform after the implementation of the BCRA?
- How has the BCRA altered the communication processes within federal campaigns?
- Specifically, how has the BCRA impacted the scope of political communication for federal candidates?

In regards to the second design condition, this researcher had no control over the behavioral events contained within this case study. This is typical within case study research. To address Yin's third design condition, the events examined in this case study are contemporary, although historic information was used to provide relevant background information.

The second step of case study methodology is the actual execution of the case study. Yin (1994) pointed out that data collection should be treated as a design issue because it can enhance the construct and internal validity of the study, as well as the external validity and reliability.

Yin (1994) listed six primary sources of evidence for data collection in a case study: documentation, archival records, interviews, direct observation, participant

observation, and physical artifacts. Yin pointed out that researchers do not have to use all six sources in every case study.

Table 3-2. A table that outlines the strengths and weaknesses of various sources of evidence.

Source of Evidence	Strengths	Weaknesses
Documentation	stable - repeated review unobtrusive - exist prior to case study exact - names etc. broad coverage - extended time span	irretrievability biased selectivity reporting bias - reflects author bias access - may be blocked
Archival Records	Same as above precise and quantitative	Same as above privacy might inhibit access
Interviews	targeted - focuses on case study topic insightful - provides perceived causal inferences	bias due to poor questions response bias incomplete recollection reflexivity - interviewee expresses what interviewer wants to hear
Direct Observation	reality - covers events in real time contextual - covers event context	time-consuming selectivity - might miss facts reflexivity - observer's presence might cause change cost - observers need time
Participant Observation	Same as above insightful into interpersonal behavior	Same as above bias due to investigator's actions
Physical Artifacts	insightful into cultural features insightful into technical operations	selectivity availability

Source: (Yin, 1994, p. 80)

This thesis analyzed every type of evidence that Yin suggested case studies should focus on. The types of documents relied on by this thesis include:

- U.S. Public Institute Research Group (US PIRG) study conducted in 2002 and 2004
- Letters written by Dave Bruderly to the FEC

The archival records used in this study include:

- All FEC reports for the 2002 and 2004 elections
- A list of all contributors to the Bruderly campaign

- A personal diary kept by this researcher to document all personal observations during the Bruderly campaign

The following individuals were interviewed at their home on the dates listed by this researcher:

- Dave Bruderly (candidate) (12/18/04)
- Greg Gorman (Fundraising Coordinator) (1/18/05)
- Josh Goldstein (Canvassing Director) (1/10/05)
- Dan Kahn (Event Coordinator) (1/4/05)
- Jeff Allstadt (a \$2,000 contributor) (1/21/05)
- Bill Schultz (A \$2,000 contributor and volunteer) (12/12/04)
- Emmit Bowling (Representative from the United Auto Workers PAC) (1/10/05)
- Jeremy Sanders (Office Coordinator) (12/8/04)
- Harold Saive (Technology Director) (12/14/04)

Participant observations by this researcher are included as noted. This researcher was employed as the campaign manager for the Bruderly campaign for seven months. This researcher began as a Bruderly volunteer in January of 2004 and by April 2004, was hired to manage the Bruderly campaign. The goal of a participant observer is to attempt to become part of the community being studied and to adopt various participant roles. Participant observers bring their own notions of culture and community to each study. They attempt to participate fully, but must be careful to behave in a consistent manner as part of the setting so as not to cause significant changes in the community itself (Yin, 1994).

Also included in this thesis are direct observations, which aid the participant observations reported in this study and provide additional perspectives regarding the effectiveness of the BCRA. The physical artifacts included in this study are: campaign signs, campaign literature, campaign palm cards, and an array of quantitative campaign

data exported from Microsoft Access and an online database purchased by Dave Bruderly.

The primary means of gathering data for this case study was conducting open ended interviews with campaign employees as well as campaign contributors. Yin suggests using open ended interviews to expand the depth of data gathering and to increase the number of information sources. The interviews were conducted individually according to the interviewee's schedule and availability, as suggested by Feagin, Orum, and Sjoberg (1991). Included in every interview, was a series of core questions designed to capture each individual perspective regarding the impact of the BCRA. Those questions were:

- What effects, if any, did you notice on Dave Bruderly's campaign as a result of the implementation of the BCRA?
- Did the BCRA impact your activity within the Bruderly campaign in any way? How do you feel campaign finance regulations impact federal campaigns?
- Can you name a specific reform implemented by the BCRA, and if so, what does this mean to you?
- What is your opinion of soft money versus hard money within federal campaigns? What is your opinion of the regulatory function performed by the Federal Elections Committee?
- What is your opinion on the current state of campaign finance reform? What is your opinion on the future of campaign finance reform?
- Finally, is there anything you would like to tell me about your experience with the Bruderly campaign that is campaign finance related?

Within one week of completing each interview, this researcher sent a copy of the transcribed interview to each participant to verify that each transcription was correct. The data analysis used in this study relies on explanation building to derive the categories necessary to logically present the findings of this case. After analyzing each interview

transcription and comparing answers to specific questions asked by the interviewer, eight thematic categories regarding campaign finance regulation emerged. These eight categories are; contribution limits, enforcement, legal and constitutional issues, soft money, issue advertisements and electioneering communications, disclosure, coordination, and unions, corporations and non-profits.

The main source of the quantitative data used in this case study came from various FEC records, all of which are available to the public. In addition to the figures reported by the FEC, a web-based database was purchased by Dave Bruderly to archive all campaign related material. This database performs functions similar to that of Microsoft Access. This database allowed Bruderly's campaign to record volumes of information on campaign donors, campaign staff and campaign volunteers.

The third step in case study methodology is analyzing the case study evidence. "Data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study" (Yin, 1994, p. 204). Yin suggested that every investigation should have a general analytic strategy, to guide the decision of what will be analyzed and for what reason. He presented three possible analytic techniques: pattern matching, explanation building, and time series analysis (Yin, 1994). A pattern matching analysis compares an empirically based pattern to a predicted pattern. If the patterns match, the internal reliability of the case study is strengthened. An explanation building analysis is considered a form of a pattern matching, in which the analysis of the case study is carried by building an explanation of the case. A time series analysis is a well-known technique used predominantly in experimental analysis. This thesis relies on an explanation building analysis.

Yin encouraged researchers to make every effort to produce a quality analysis. In order to accomplish this, Yin presented four principles that case study researchers should follow: ensure that the analysis relied on all relevant evidence, include all major rival interpretations in the analysis, address the most significant aspect of the case study, and use the researcher's prior knowledge to further the analysis. The analysis of this thesis incorporated each of Yin's principles into the following chapter.

The following categories are used to analyze the data gathered from this case study: contribution limits, enforcement, legal and constitutional issues, soft money, issue advertisements and electioneering communications, disclosure, coordination, and unions, corporations and non-profits. A majority of the data gathered for these categories was taken from campaign receipts and FEC reports. These categories were derived after an extensive review of campaign finance legislation and the interview transcriptions produced as a result of this study. These categories are articulated in the next chapter. Statistical data was analyzed by comparing 2002 election data to the 2004 data.

The fourth and final step in case study methodology is developing conclusions, recommendations, and implications based on the data collected in the study (Yin, 1994). Yin cautions researchers not to use technical vocabulary in this section and instead rely on clear explanations so that the audience can understand the full implications of the case study.

The results of this case study are presented in the following chapter. Also included are detailed descriptions of the procedures used throughout this case study.

CHAPTER 4 FINDINGS

In this chapter, the findings of the case study performed on Dave Bruderly's campaign for the U.S. House of Representatives will be presented.

The data from this case study is grouped according to the following categories; contribution limits, enforcement, legal and constitutional issues, soft money, issue advertisements and electioneering communications, disclosure, coordination, and unions, corporations and non-profits. These thematic categories emerged after reviewing interview transcriptions with key campaign individuals and analyzing the Bipartisan Campaign Reform Act (BCRA). In the following sections of this chapter, each category is introduced and the campaign finance regulations that governed each category, during Bruderly's 2002 and 2004 campaigns are discussed. Direct quotations from interviewee's and excerpts from this researcher's field notes are used as supporting materials. The quantitative data presented in this chapter relies on a comparative analysis of statistics from Dave Bruderly's 2002 and 2004 campaigns.

Background Information on Florida's 6th Congressional District

Prior to his 2002 campaign for Florida's 6th District U.S. House seat, Dave Bruderly had never run for a political office. His 2002 campaign began in July of 2002 and ended unsuccessfully four months later. Bruderly ran against Congressman Clifford Stearns (R) from Ocala, Florida, then a fourteen-year incumbent. After losing in 2002, with only 35% of the vote, Bruderly decided to run against Congressman Stearns again in

the 2004 election. In 2004, Bruderly again lost to Congressman Stearns, receiving 36% of the vote.

Table 4-3. A table that provides a county by county breakdown of the number of votes in the 2002 and 2004 elections.

	Stearns 2002	Bruderly 2002	Stearns 2004	Bruderly 2004
Alachua	28,542 (51%)	26,988 (49%)	41,949 (50%)	42,214 (50%)
Bradford	4,861 (64%)	2,713 (36%)	7,072 (68%)	3,329 (32%)
Clay	35,823 (80%)	8,972 (20%)	54,709 (78%)	15,694 (22%)
Duval	17,701 (71%)	7,086 (29%)	27,755 (68%)	12,815 (32%)
Gilchrist	3,070 (62%)	1,852 (38%)	4,422 (66%)	2,228 (34%)
Lake	11,244 (68%)	5,336 (32%)	14,849 (65%)	7,874 (35%)
Levy	1,205 (53%)	1,081 (47%)	1,997 (59%)	1,390 (41%)
Marion	39,124 (65%)	21,018 (35%)	57,837 (65%)	30,853 (35%)
Total	141,570	75,046	210,590	116,397

Table 4-4. A table that provides information on the budgets of both campaigns in 2002 and 2004.

	Stearns 2002	Bruderly 2002	Stearns 2004	Bruderly 2004
Money Raised	\$618,193	\$59,198	\$716,968	\$121,762
Money Spent	\$332,419	\$58,524	\$283,334	\$118,904
Money from PACS	\$395,411	\$1,200	\$474,121	\$9,600
Money from individuals	\$149,779	\$39,998	\$193,255	\$100,012
Money from candidate	\$0	\$18,000	\$250	\$12,000

Florida's 6th congressional district was redrawn in the summer of 2002. Currently, the 6th district includes all or parts of Alachua, Bradford, Clay, Duval, Gilchrist, Lake, Levy and Marion counties. Nearly half of the district's 650,000 residents live in Gainesville, Ocala, and Leesburg. Another third of the district's residents live in Jacksonville and Clay County. Florida's 6th congressional district is home to many retirees. Its industries include agriculture, education, forestry, tourism, healthcare, service, retail, and defense. There are roughly 376,000 registered voters in District 6, with 42.1% of the voters identifying as Democrat, 41.4% identifying as Republican and 16.5% identifying as Independent.

Findings

For this thesis nine individuals were interviewed. The age range of the individuals interviewed varies from 21 to 67 years old. Only one of the individuals interviewed, Technology Director Harold Saive, worked on both of the 2002 and 2004 campaigns. The following individuals were paid members of the campaign staff; Greg Gorman, Josh Goldstein, Dan Kahn and Jeremy Sanders. The following individuals were campaign volunteers; Jeff Allstadt, Bill Schultz, Emmit Bowling and Harold Saive.

Dave Bruderly, a 58-year-old environmental engineer, has lived in Alachua County for more than thirty years. He has two children and three grandchildren. He received a bachelor of science in marine engineering and transportation from the U. S. Merchant Marine Academy in 1969. He also received a master of science in engineering from Columbia University in 1971. Bruderly has been working as an environmental engineering consultant for thirty-two years. Bruderly focused primarily on attending public events and making face-to-face requests for contributions during the 2004 campaign.

Greg Gorman, a 22-year-old student at the University of Florida, worked for the Bruderly campaign while pursuing his undergraduate degree in political science and was a part-time campaign employee. Originally from Miami, Florida, Gorman has been living in Gainesville for the past four years. Gorman was in charge of coordinating all fundraising phone calls to be made by the candidate. This involved finding contact information for possible donors, preparing a call sheet, and ensuring that Bruderly made each phone call. Gorman also supervised all fundraising-related data entry into the campaign's database.

Josh Goldstein, a 21-year-old student at the University of Florida, worked on the Bruderly campaign as an intern from the political science department. Also, originally from Miami, Goldstein has lived in Gainesville for three years. Goldstein was in charge of developing and implementing a canvassing plan for the field operations of the Bruderly campaign. Goldstein was also responsible for the development and maintenance of a schedule for the auto-dialer, which played a pre-recorded message urging citizens to vote for Bruderly.

Dan Kahn, a 38-year-old self-described political activist, was hired to schedule all campaign-related events. Kahn was also in charge of formulating Bruderly's platform positions on various government policies. Originally from New York, Kahn has lived in Florida for two years. Kahn lives in a tent, by choice, and describes himself as "eccentric, but in a good way (L. Dunn, personal communication, January 4, 2005)."

Jeff Allstadt, a 44-year-old computer engineer from Clay County, Florida, is married and has two children. Originally from Texas, Allstadt has lived in Florida for twenty-two years. Allstadt was a major financial supporter of the Bruderly campaign, donating the maximum amount allowed by an individual under the terms of the BCRA and opening his home to host house parties to raise money for Bruderly's candidacy. Allstadt acted as the Clay and Duval County coordinator for the Bruderly campaign.

Bill Schultz, a 46-year-old business owner, lives in Alachua County. Originally from Kansas, Schultz has lived in Gainesville for three years. He is married and has two children. Schultz was also a major donor to the Bruderly campaign, donating not only hard money, but also giving in-kind contributions such as office space, telephone use, and Internet use, until he met the individual contribution limit defined by the BCRA.

Additionally, Schultz helped to obtain statistical data used by Goldstein in developing the canvassing plan for the campaign.

Emmit Bowling, a 62-year-old retired auto worker from Ocala, Florida, has lived in Florida his entire life. Bowling is a member of the United Auto Worker's PAC (UAW-PAC), which donated \$5,000 to Bruderly's 2004 campaign.

Jeremy Sanders, a 24-year-old political consultant from Ohio, graduated with a degree in political science from the University of Miami in Ohio in 2003. Sanders moved to Florida in 2004 to manage the home office of the Bruderly campaign. Sanders was in charge of coordinating the schedule of office volunteers as well as the schedule of office staff.

Harold Saive, a 67-year-old retired teacher, has lived in Gainesville, Florida, for twelve years. Saive was responsible for the development and maintenance of the Bruderly web-site as well as the production of multi-media campaign literature. Saive was also in charge of finding strategic locations to display campaign signs and gaining permission, if needed, to display the signs.

Contribution Limits

During the 2002 campaign, the FECA placed limits on contributions by individuals and groups to candidates, party committees and PACs. Individuals were permitted to donate an aggregate amount of \$25,000 to candidates, parties and PACs per year. Individuals were permitted to donate a maximum of \$1,000 per candidate per election cycle. There were no regulations on soft money donations made by individuals. Individuals could donate \$20,000 per year to a national party and \$5,000 per year to state parties and federal PACs. PACs could donate \$5,000 to candidates, other PACs, or state parties, and \$15,000 to national parties (Campaign Finance Institute [CFI], 2004).

The Campaign Finance Institute is a non-partisan, non-profit institute, affiliated with The George Washington University, that conducts objective research and education, empanels task forces and makes recommendations for policy change in the field of campaign finance.

During the 2004 campaign, the contribution limits mandated by the FECA were raised to adjust for inflation. Individuals were permitted to donate an annual aggregate amount of \$95,000 to candidates, parties and PACs. Of that aggregate amount, no more than \$37,500 could be donated to candidates and no more than \$57,500 could be donated to national parties and PACs. The maximum amount an individual could donate to a federal candidate was raised from \$1,000 to \$2,000. Individuals were permitted to donate up to \$25,000 per year per national party, as long as the individual aggregate limit for national parties (\$57,500) was not exceeded. Individuals were also permitted to donate \$10,000 to each state, district, and local party committee annually, provided the individual does not donate more than \$95,000 per each election cycle. While the BCRA did adjust individual contribution limits and aggregate individual contribution limits for inflation, the BCRA did not adjust the contribution limits of PACs for inflation (CFI, 2004).

While the FECA did not address the possibility of candidates using personal wealth to finance their campaigns, the BCRA did and a millionaire-opponent provision was included in the legislation. This provision increases the contribution limits for congressional candidates facing wealthy self-financed candidates. Senate candidates facing an opponent who has spent \$150,000 of his or her own money plus four cents times the number of eligible voters in their state, and House candidates facing an

opponent who has spent \$350,000 of his or her own money, presumably benefit from this provision which raises the normal BCRA contribution limits significantly. If a self-financed Senate candidate has 2-4 times more money than a challenger, and the \$150,000 threshold has been met, the challenger's contribution limits are increased by 300%. If the Senate candidate has 5-10 times more money than a challenger, the challenger's contribution limits are increased by 600%. If a Senate candidate has more than 11 times more money than the challenger, the challenger's contribution limits are increased 600% and all limits on party coordinated expenditures are removed. If a self-financed House candidate spends \$350,000, the opposing candidate's contribution limits are tripled and the opposing candidate can accept coordinated party expenditures. The amount of contributions and expenditures gained by the less wealthy candidate cannot exceed the total amount of personal wealth spent by the opponent (CFI, 2004).

All of the respondents interviewed for this thesis agreed that the provisions to the individual contribution limits had an overwhelmingly positive effect on Bruderly's 2004 campaign. Sanders said:

The fact that we were able to raise over \$18,000 in one night with the house parties indicates to me that the BCRA is accomplishing what it set out to do, which is to level the political playing field for challengers. (L. Dunn, personal communication, December 8, 2004)

Bruderly benefited in 2004 due to the increase in contribution limits as mandated by the BCRA. Doubling the individual contribution limit drastically increased the flow of hard money into Bruderly's 2004 campaign. While the aggregate contribution limits for individuals and contribution limits pertaining to PACs had a negative impact on Bruderly's 2004 campaign, the swell in hard money receipts, due to the increase in individual contribution limits, had the biggest impact on Bruderly's 2004 campaign.

Table 4-5. A table that details the rise of hard money in Bruderly's two campaigns.

	Total Amount of Money Raised	Total Number of Contributors	Average Individual Donation
2002	\$59,198	545	\$92.09
2004	\$121,762	663	\$183.65

Table 4-6. A table that documents the flow of money into both Bruderly and Stearns campaigns in 2002 and 2004.

	Stearns 2002	Bruderly 2002	Stearns 2004	Bruderly 2004
Money Raised	\$618,193	\$59,198	\$716,968	\$121,762
Money Spent	\$332,419	\$58,524	\$283,334	\$118,904
Money from PACS	\$395,411	\$1,200	\$474,121	\$9,600
Money from individuals	\$149,779	\$39,998	\$193,255	\$100,012
Money from candidate	\$0	\$18,000	\$250	\$12,000

When Bruderly was asked what differences came to mind when comparing his 2002 and 2004 campaign, Bruderly replied, "We get twice as much money from individual contributors (L. Dunn, personal communication, December 18, 2004)." In Bruderly's opinion, the increase in the individual contribution limit meant formulating a fundraising strategy focused on soliciting individual contributions in \$2,000 increments. In order to do this, this researcher, along with Jeff Allstadt, developed a plan to have eight separate house parties, one in each county, all on the same night, in order to raise money for Bruderly's campaign.

The "Bruderly Bash" house parties were held on September 25, 2004. All campaign contributors were invited to attend. The centerpiece of the house parties was a conference call with Senate candidate Betty Castor, Representative Corrine Brown and Jacksonville attorney, Wayne Hogan, all of whom endorsed Bruderly while on the conference call. The house parties raised a total of \$18,771.32 for Bruderly's campaign (L. Dunn, personal communication, September 26, 2004). Of that amount, \$10,000 was

donated in \$2,000 increments, meaning only five people were responsible for more than half of the money raised that night. In this instance, Bruderly's campaign was enhanced by the increase in the individual contribution limit.

Commenting on the house parties, contributor Jeff Allstadt said:

While our initial goal was to raise \$50,000 for Bruderly's campaign, we knew that was ambitious, but we still thought it was possible. What hurt us was that fact that hurricane Jeanne hit North Central Florida on the night of our house parties. Over 45 guests, who had promised to show up, were unable to attend due to the inclement weather. Additionally, the date that I chose for the house parties happened to fall on one of the biggest Jewish holidays of the year. That led to another ten or eleven guests not showing up, but overall I am very happy with what we did accomplish. After all, we did set the highest one day fundraising record ever in the history of the Bruderly campaign. (L. Dunn, personal communication, January 21, 2005)

While increasing the individual aggregate contribution level from \$25,000 to \$95,000 allowed national political parties to receive more money, Bruderly's campaign did not receive any money or assistance from the DNC. Gladys Coffrin, a well-known political activist from Gainesville, Florida, donated \$50,000 to the DNC in September of 2004. When members of the Bruderly campaign contacted Coffrin in October to solicit a campaign contribution, she said that this year she donated all of her money to the DNC and to contact them for a contribution to Bruderly's campaign (L. Dunn, participant observation, October 11, 2004).

In 2002, Bruderly received \$1,200 from PACs. In September of 2004 the United Auto Worker's PAC (UAW-PAC) donated \$5,000 to Bruderly's campaign. While \$5,000 is the maximum amount a PAC can donate to a federal candidate under the BCRA, this amount was not adjusted for inflation as the individual contribution limits were. If the contribution limits pertaining to PACs had been raised according to the increase in individual contribution limits, Bruderly would have raised more PAC money. Emmit

Bowling, a representative from the UAW-PAC in Ocala, Florida, said, "If we could have given Bruderly more money, we would have, without a doubt. Bruderly stands for everything that our PAC represents and those are the kind of candidates we consistently support" (L. Dunn, personal communication, January 10, 2005). The amount of PAC money a candidate receives directly impacts the amount of support that candidates receive from their respective party. If a candidate is able to raise a large amount of PAC money and gain party support, their chances of winning are dramatically increased.

Enforcement

Prior to the BCRA, the statute of limitations for a FECA violation was three years. The FEC had to be notified of each violation and enforce the appropriate consequences within a three-year time frame. Since the BCRA, the U.S. Sentencing Commission has issued new criteria for campaign finance violations. This new criteria increases the penalties for contribution and conduit violations and extends the statute of limitations for a BCRA violation from three to five years. All federal campaign finance complaints can be accessed through the FEC's web-site (CFI, 2004).

During the 2002 campaign there were no campaign finance violations reported to the FEC. In 2004, a Republican from Ocala, Florida, filed a report with the FEC claiming that the Bruderly campaign failed to report expenditures on their pre-primary FEC report. Ten days after the complaint was filed, the Bruderly campaign received a document from the FEC outlining the possible violations of federal campaign finance law and provided Bruderly fifteen days to provide a written response to the FEC. However, the gentlemen who filed the initial FEC complaint had misinterpreted the figures reported on Bruderly's pre-primary FEC report and within a month, the entire situation had been cleared by the

FEC and Bruderly was found not to be in violation of any federal campaign finance laws (L. Dunn, participant observation, October 21, 2004).

All of the respondents interviewed for this thesis believed that the FEC enforcement measures, mandated by the BCRA, benefited all political candidates, including Bruderly. Contributor Schultz said, “While the FEC could probably do more, federal campaign finance legislation has become so complex, that it is impossible to leave all federal campaign finance regulation to one federal agency (L. Dunn, personal communication, December 12, 2004).” Intern Goldstein said, “I think the new and improved enforcement measures developed by the FEC should be applauded (L. Dunn, personal communication, January 6, 2005).”

Legal and Constitutional Issues

Prior to the BCRA, the Supreme Court held that campaign finance laws were constitutional if they were narrowly tailored enough to advance a compelling public interest. The Supreme Court consistently upheld contribution limits on campaign finance, corporate and union contribution bans, and disclosure statutes, with the goal of preventing corruption or the appearance of corruption within American elections (CFI, 2004).

In the BCRA ruling, the Supreme Court ruled that a ban on soft money and restrictions on certain forms of electioneering communications did not violate the rights of free speech and in fact, helped reduce the appearance of corruption within federal campaigns (CFI, 2004).

All of the individuals interviewed for this thesis agreed that the BCRA did not violate any rights to free speech. Intern Josh Goldstein said:

If anything, the BCRA attempts to level the playing field for all candidates and just because that involves placing limits on the amount of money allowed into a campaign, I do not believe that the BCRA violates the First Amendment in any way. (L. Dunn, personal communication, January 6, 2005)

Fundraising coordinator Gorman also said, “In America, anything government regulated is automatically assumed by most people to be corrupt. However, I honestly believe that the BCRA is a true attempt to rid federal campaigns of corruption (L. Dunn, personal communication, January 18, 2005).” The legal and constitutional issues surrounding the BCRA provided Bruderly’s campaign with a significant advantage in 2004 when compared to his 2002 campaign, because these issues led to a total ban on soft money in federal elections in 2004.

Soft Money

During Bruderly’s 2002 campaign, prior to the BCRA, soft money was given without any limits by individuals, corporations, and unions. Soft money is not regulated by the Federal Election Committee (FEC). Political parties were required to use a mix of soft and hard money to fund certain federal election activities; including issue advertising, voter registration drives, and party-building exercises. The term “federal election activity” was not specifically defined anywhere in the FECA legislation. There were no provisions regarding soft money spent by members of Congress, federal officeholders or federal candidates. There were also no limits on the amount of soft money a national party could transfer to a state or local party. State and local parties, like national parties, were required to fund federal election activities with a mix of hard and soft money, but with a much lower percentage of hard money than the national parties (CFI, 2004).

During Bruderly's 2004 campaign, after the implementation of the BCRA, national parties and congressional committees were prohibited from raising and spending soft money, regardless of the purpose. The BCRA prevented members of Congress, federal officials, and federal candidates from raising soft money in connection with a federal election, although exceptions were made for fundraising in connection with organizations not involved in any federal election activity. The term "federal election activity" was defined as any activity beyond "express advocacy." Express advocacy was defined as communications which use words such as "vote for" and "support" or "defeat." The BCRA also prevented state and local parties from using soft money to fund federal election activities (CFI, 2004).

Bruderly's 2004 campaign was not considered competitive by the Democratic National Committee (DNC) or the Florida Democratic Party (FDP). Bruderly also lacked support on the local level, finding it difficult to rely on organizations such as the Alachua County Democratic Executive Committee (ACDEC) for assistance (L. Dunn, participant observation, October 2, 2004). Because Bruderly's candidacy was not taken seriously by any of the major players within the Democratic Party, eradicating the use of soft money in federal campaigns provided Bruderly's campaign more opportunities to succeed in 2004 versus 2002 because federal candidates as well as parties on the national, state and local levels were prevented from raising or spending soft money in connection with federal elections. The soft money prohibition mandated by the BCRA did not have a direct impact on Bruderly's 2004 campaign, but he may have benefited indirectly. In 2002, if Bruderly had been considered a threat to Congressman Stearns, organizations

such as the RNC could have targeted Bruderly's campaign with an unlimited amount of soft money, but in 2004 the use of soft money was prohibited within federal campaigns.

While the impact of the soft money ban cannot be measured directly for this thesis, the following question was posed to each individual interviewed: What is your opinion of soft money versus hard money within federal campaigns? Almost all of the respondents (Bruderly, Gorman, Goldstein, Allstadt, Bowling, Sanders, Saive and Schultz) felt that the presence of soft money within federal campaigns was a deterrent to challengers. They also felt that the advantages of soft money favored incumbent politicians, thereby decreasing the spirit of political competition. Contributor Bill Schultz said:

Soft money benefits the incumbent only and it has been abused by politicians for years. Because of the BCRA, I whole-heartedly believe that Bruderly was given a more even playing field in which to challenge [Congressman] Stearns in 2004. (L. Dunn, personal communication, December 12, 2004)

Technology director Harold Saive agreed with Schultz and added:

The issue of soft money has plagued federal campaigns for decades. I'm glad to see that our government has finally decided to do something about it. Candidates like Bruderly, who are progressive in their ideals and dependent upon grassroots campaign techniques, needed the government to undercut the power of soft money. The underdog definitely wins. (L. Dunn, personal communication, December 14, 2004)

The only interviewee with a different opinion on soft money was event coordinator Dan Kahn. Kahn felt that soft money was needed within federal elections to ensure that certain federal election activities, such as voter mobilization efforts, did not cease with the ban on soft money. Kahn pointed out that these types of activities were essential to the health of America's democracy and without the funds to produce these kinds of events, a larger percentage of American citizens might become disinterested in the democratic process, leading to lower levels of voter turnout (L. Dunn, personal communication, January 4, 2005).

Issue Ads and Electioneering Communications

The effects of the electioneering communication regulations on Bruderly's 2004 campaign were unclear. This is due to the nature of Bruderly's liberal, grassroots campaign. Bruderly was not considered to be a serious challenger because of his stance on various policy issues. The centerpiece of Bruderly's platform was legislation to enhance the development of hydrogen-powered vehicles in America. Due to the approximate 50/50 split in party preference among the residents of Florida's 6th congressional district and Bruderly's progressive politics; Congressman Stearns, the RNC, and other Republican organizations, chose not to target Bruderly in any type of electioneering communications in the 2004 election. This was also the case in Bruderly's 2002 election.

During the 2002 campaign, campaign advertising and communications fell into two categories, express advocacy and issue advocacy. Express advocacy was defined as communications which use words such as "vote for" and "support" or "defeat." Issue advocacy was divided into two sub-categories, candidate-specific issue advertising and pure-issue advertising. Candidate-specific advertising clearly identified a candidate but did not use explicit words of express advocacy. Pure-issue advertising discussed an issue without mentioning the name or showing an image of a candidate. National and state parties were permitted to produce issue advertising, if a mix of hard and soft money was used, but all party finances had to be fully disclosed to the FEC. Corporations and unions had no limits on advertising, except for the sponsor identification rules mandated by the Federal Communications Committee (FCC). Non-profits were allowed to produce an unlimited amount of express advocacy advertising as long as the advertising furthered the principal purpose of the sponsoring organization (CFI, 2004).

During the 2004 campaign, under the terms of the BCRA campaign advertising and communications were called “electioneering communications.” Electioneering communications are defined as targeted broadcast, cable, or satellite advertisements that refer to a candidate within 60 days of a general election or within 30 days of a primary election. An advertisement is considered “targeted” if it can be received by 50,000 people in the congressional district where the election is being held. National parties were limited to using hard money to fund electioneering communications. State and local parties were also limited to using hard money to fund any federal-candidate-specific advertising, regardless of whether or not the advertising could be considered a form of electioneering communication. Federal and state candidates were also limited to using hard money to fund federal-candidate-specific advertising. Corporations, unions, and 501(c)(4) organizations were prohibited from directly producing targeted electioneering communications, although they are able to produce express advocacy advertisements through a political action committee (PAC). Additionally, all organizations, including non-profits that accept corporate or labor contributions, were prohibited from directly producing any type of electioneering communication. However, these organizations are also able to form PACs to raise hard money to fund electioneering communications (CFI, 2004).

None of the interviewee’s questioned could comment on the impact of the electioneering communication regulations, as neither the Democrats nor Republicans used any electioneering communications.

Fundraising coordinator Greg Gorman said, “There were no ads produced by Congressman Stearns or any other Republican group that portrayed Bruderly in any type

of light (L. Dunn, personal communication, January 18, 2005).” While the Bruderly campaign did fund several political advertisements, none of the ads were considered to be electioneering communications. In 2004 Bruderly spent 50% of his budget on political advertising. In 2002, Bruderly only spent 33% of his budget on advertising because he was unable to raise a large amount of money to fund targeted advertisements.

Disclosure

During the 2002 campaign, all candidate committees, party committees and PACs were required to submit unscheduled reports disclosing the total amount of money that they raised and spent. Candidates had to identify all PACs and party committees that contributed to their campaign and they had to identify individuals who contributed more than \$200 to their campaign. Candidates also had to disclose all campaign expenditures in excess of \$200 per year. The FECA also required national political committees and any political committee with a soft money account to disclose soft money donations and disbursements. The FECA did not require any form of disclosure regarding issue advocacy advertising, except to the extent which parties had to disclose soft money disbursements (CFI, 2004).

During the 2004 campaign, after the BCRA was implemented, political parties were required to disclose their finances monthly and federal congressional candidates were required to disclose their finances quarterly. The BCRA mandated that state parties disclose spending related to federal election activities. The BCRA also required that all political advertisements must include a disclosure disclaimer (CFI, 2004).

The BCRA required the FEC to develop software and software standards that allow reportable campaign receipts and disbursements to be transmitted immediately and posted on the FECs web site upon receipt. The BCRA also expanded the class of persons

required to file electronically, mandating that each candidate for federal office use software that meets the new standards once such software is made available to the candidate. Data from electronically filed reports is received, processed and disseminated more easily and efficiently by the FEC, resulting in a better use of resources. Reports that are filed electronically are normally available within five minutes and detailed data is available in the FECs databases within 24 to 48 hours. In contrast, during the 2002 campaign, the time between the receipt of a report filed through the paper filing system, and its appearance on the FECs web site was 48 hours. In some cases, it took as long as 30 days before detailed data filed on paper was available in the FECs databases (CFI, 2004).

The effects of the disclosure regulations on the Bruderly campaign were both positive and negative. The BCRA's disclosure requirements allowed Bruderly to stay informed of Congressman Stearns's fundraising efforts, and because state parties were required to disclose all federal election activities, the Bruderly campaign could also stay abreast of what was happening within the Florida Republican Party. Because Bruderly was not deemed a threat to Congressman Stearns's re-election, the Florida Republican Party chose not to concentrate any of their efforts on Florida's 6th Congressional District race.

The disclaimer required on all political advertising by the BCRA had several negative consequences on the Bruderly campaign. Because Bruderly ran in 2002, he wanted to use old campaign signs and campaign literature, in order to save money and paper, but without the proper disclaimer, the campaign could face a multitude of fines and levies from the FEC. Jeremy Sanders informed Bruderly about the disclaimer

requirements, but Bruderly ignored Sanders and instructed Harold Saive to distribute the old signs and literature. Within two days, five people had called campaign headquarters to explain the new disclaimer regulations to Bruderly and his staff. Bruderly rescinded his position, after hours of arguing, and Saive and Sanders took down all the old campaign signs. Commenting on the disclaimer requirements, Sanders said, “I had to waste two entire work days taking down signs that I told Bruderly were not permitted to be displayed (L. Dunn, personal communication, December 8, 2004).” Sanders and Saive were able to remove the outdated campaign signs before anyone reported that the Bruderly campaign was in violation of the FEC disclaimer regulations.

When asked about the disclaimer incident, Saive said:

We were lucky not to be reported the FEC. The disclaimer law adds clarity within the realm of political advertising, which I think is a good thing. However, it was just bad timing in regards to the impact of the disclaimer requirements on the Bruderly campaign. (L. Dunn, personal communication, December 14, 2004)

Bruderly had a different opinion:

I think that stupid disclaimer requirement is a perfect example of what is wrong with campaign finance in this country. If our lawmakers have enough time to sit in Washington, D.C. and come up with mundane regulations such as this one, our democracy is in a whole lot of trouble. (L. Dunn, personal communication, December 18, 2004)

Coordination

During the 2002 campaign, coordination was defined as political activities performed by unions, corporations and interest groups made in cooperation with a candidate or agent of a candidate. Prior to the BCRA, the status of this law was somewhat unclear, as the FEC refrained from publicly regulating coordination between national committees and unions, corporations, and PACs. Due to this, the effects of the federal coordination laws on Bruderly’s 2002 campaign are immeasurable. Political parties were

able to make unlimited independent party expenditures and coordinated party expenditures under the regulations set out in the FECA (CFI, 2004).

During the 2004 campaign, coordination was defined as a payment made in cooperation with a candidate or agent of a candidate. The BCRA defined coordinated issue advertisements as contributions (subject to hard money limits) if the sponsors of the advertisement coordinated with a candidate or party. The BCRA also mandated that on a district-by-district basis, parties had to decide to make independent expenditures, which cannot be limited, or to make coordinated expenditures, which are limited, on behalf of their respective congressional candidates (CFI, 2004).

Coordination describes the interaction between candidates and political parties, PACs, and/or interest groups that causes activities undertaken by these groups to be regulated as financial contributions to federal campaigns. All groups making contributions to a federal candidate are subject to limits on the amount of funds they can contribute. When a group's expenditures to support a candidate's election are not coordinated with a candidate's campaign, however, those expenditures are deemed independent (CFI, 2004).

In June of 2004, the Bruderly campaign learned first-hand the impact of the BCRA's coordination rules on federal campaigns. Quoted from Bruderly:

In June, I received an email from MoveOn.org announcing they were going to be driving three little pigs, with anti-Bush sayings on the side, from the top of the state of Florida to the bottom. I wrote to the chairman of the Duval County DEC (Democratic Executive Committee), where the trip was going to begin, asking if I could drive the pigs through part of our district and maybe get some free press. Within, I think, two hours, an attorney representing Move On had called me and said the Duval County event had to be cancelled. He said they couldn't do it because they had violated federal law just by considering coordinating with me. There is no direct coordination allowed between federal campaigns and 527's. (L. Dunn, personal communication, December 18, 2004)

Reflecting on the three little pigs incident, fundraising coordinator Gorman said “I understand why the federal government felt the need to restrict coordination between parties and candidates, but in Bruderly’s situation, this law designed to help challengers, hurt us more in the long run (L. Dunn, personal communication, January 18, 2005).” All of the respondents interviewed for this thesis agreed with Gorman.

In this instance, the BCRA regulations that prohibit coordination between 527 groups and federal candidates negatively impacted Bruderly’s campaign. Bruderly lost the opportunity for earned media in an area of the district targeted by his campaign staff as needing heavy media saturation in order to win the election. Additionally, Bruderly upset some of the political leaders in Duval County because the three little pig event had to be cancelled and moved to another county (L. Dunn, participant observation, July 21, 2004).

Unions, Corporations, and Non-Profits

Since 1907, corporations have been prohibited from making expenditures or contributions in connection with a federal election (Tillman Act). Since 1943, unions have also been prohibited from making expenditures or contributions in relation to a federal campaign (Taft-Hartley Act). However, under the FECA, unions and corporations were allowed to sponsor issue advertising, establish and support PACs, and conduct internal communications with their shareholders, executive and union members urging them to support specific candidates, register to vote, and vote.

Four types of non-profit organizations were defined by the FECA: 527 groups, 501(c)(3) groups, 501(c)(4) groups, and 501(c) groups. Section 527 groups, are political organizations that are tax exempt, but contributions given to them are not tax deductible. PAC’s, candidate campaigns and political party committees are classified as 527 groups.

501(c)(3) groups include public charities, churches, private universities and think tanks. These groups are tax exempt and contributions to them are tax deductible. 501(c)(3) groups are completely prohibited from intervening in an election. 501(c)(4) groups are social welfare or civic organizations. These groups are tax exempt but contributions to them are not tax deductible. 501(c)(4) groups were allowed to produce issue advertising under the FECA. 501(c) groups include labor unions, business associations and professional associations (CFI, 2004). The 2002 campaigns were required to abide by the regulations outlined in the FECA.

During the 2004 campaign, unions and corporations were prohibited from giving soft money to parties and from running issue advertisements except as hard money expenditures through a PAC. Issue advertising was prohibited by non-profit groups, including any non-profit social welfare organization that accepts corporate or labor contributions. Non-profit groups are allowed to form PACs to fund electioneering advertisements with hard money. The BCRA banned national parties from contributing to or soliciting contributions for non-profits in connection with a federal election or any 527 organization (CFI, 2004).

The changes in campaign finance law regarding unions, corporations and non-profits did not have a clear impact on the Bruderly campaign. This is due to the small scale of Bruderly's campaign. While Bruderly did not experience the first-hand effects of these changes, the growth of 527 groups during the 2004 election was noted by other candidates. When asked about the impact of 527 groups on democracy, Bruderly said:

I think we should get money out of federal campaigns completely. I think we should put a serious limit on the amount of money a candidate can raise from a private source. Ban corporate money completely, ban PAC money completely, ban big donations from any organizations that intends to influence the outcome of the

campaign and have all these campaigns funded with public money and some cap on private money and require the radio, television people who use the airways and lease cable to provide equal access and free access to all qualified candidates and I think that needs to happen immediately because we have lost our democracy. We do not have a democracy anymore in this country. (L. Dunn, personal communication, December 18, 2004)

When asked about the impact of organizations on federal candidates, event coordinator Kahn said:

I believe that organizations have a huge impact on federal elections; however, because Bruderly is considered to be a radical, our campaign was not a threat to our opponent. If Bruderly had a million dollars in the bank, then I think we would immediately see the impact that organizations have on federal campaigns. (L. Dunn, personal communication, January 4, 2005)

All of the other respondents interviewed for this thesis agreed with Kahn.

Summary of Findings

This thesis posed the following research questions when analyzing this case study: How has the BCRA changed the way in which federal campaigns operate? How do these new laws impact the ability of a federal candidate to communicate his or her message to the public? Does the BCRA accomplish what its sponsors intended the legislation to do? What is the likely future of campaign finance reform after the implementation of the BCRA? How has the BCRA altered the communication processes within federal campaigns? Specifically, how has the BCRA impacted the scope of political communication for federal candidates?

This research finds that the impact of the BCRA on congressional challengers has produced mixed results.

Doubling the individual contribution limits drastically increased the flow of hard money into the 2004 campaign. While the aggregate contribution limits for individuals and contribution limits pertaining to PACs had a negative impact on the 2004 campaign,

the swell in hard money receipts, due to the increase in individual contribution limits, had the biggest impact on the 2004 campaign, which positively impacted all aspects of the campaign. The BCRA's enforcement provisions helped to open channels of political communication in the 2004 campaign among all parties in federal campaigns, which solidified the importance of legitimacy in campaign finance disclosure in 2004.

The legal and constitutional issues surrounding the BCRA also positively impacted the 2004 campaign because it was due to the legal and constitutional issues that soft money was prohibited in all federal campaigns. The BCRA's soft money provisions indirectly benefited the 2004 campaign. Although Bruderly's candidacy was not taken seriously by any of the major players within the Democratic Party, eradicating the use of soft money in federal campaigns provided Bruderly's campaign more opportunities to succeed in 2004 versus 2002 because federal candidates as well as parties on the national, state and local levels were prevented from raising or spending soft money in connection with federal elections. The provisions to issue advertisements and electioneering communications did not have a clear impact on the 2004 campaign because neither Congressman Stearns nor Bruderly produced any advertisements deemed "electioneering communications."

The effects of the disclosure regulations on the 2004 campaign were both positive and negative. The BCRA's disclosure requirements allowed Bruderly to stay informed of Congressman Stearns's fundraising efforts and because state parties were required to disclose all federal election activities, the Bruderly campaign could also stay abreast of what was happening within the Florida Republican Party. The disclaimer required on all political advertising by the disclosure requirements negatively impacted the 2004

campaign. This was largely due to situational circumstances within the campaign. Because Bruderly ran in 2002, he wanted to use old campaign signs and campaign literature, in order to save money and paper, but without the proper disclaimer as required by the BCRA, the campaign risked being fined by the FEC and receiving negative media attention.

The coordination laws mandated by the BCRA negatively impacted the 2004 campaign, due in large part to the grassroots nature of the campaign. Because the BCRA prohibited coordination between 527 groups and federal candidates, Bruderly lost the opportunity for earned media in an area of the congressional district targeted by his staff as needing heavy media saturation. While the 2004 campaign was able to raise more money than in 2002, in 2004 the campaign was unable to pay for large-scale political advertisements, something that could have been offset by allowing federal candidates to coordinate with 527 groups. The changes in campaign finance law regarding unions, corporations and non-profits did not have a clear impact on the 2004 campaign because of the small scale of the campaign.

In the following chapter, a discussion of these findings will be presented.

CHAPTER 5 DISCUSSION

In the previous chapter, the findings of Bruderly's case study were discussed. In this chapter, a discussion of the implications of these findings in relation to campaign finance regulation is presented. The findings of the Bruderly case study are compared to the findings of the US PIRG study as well as to normative views on money held by various political scientists. Limitations of this study and areas for future research involving campaign finance are also discussed.

Implications of the Bipartisan Campaign Finance Reform Act

Because Bruderly was able to raise more hard money during the 2004 election, which was a direct result of the individual contribution limit being raised to \$2,000, it would seem the BCRA has begun to level the playing field for federal candidates. The authors of the US PIRG study concluded that the amount of money a candidate raises directly impacts their chances for success. Therefore because Bruderly's campaign bank account grew in 2004, in theory, he had a better chance to win the election. While Bruderly's opponent was able to raise \$1.7 million in campaign donations, the fact remains that Bruderly was able to nearly double his fundraising abilities in the 2004 election as compared to the 2002 election.

The US PIRG authors argue that because incumbent politicians have big bank accounts, challengers are hesitant to run against them and therefore democracy is hindered. Applying the knowledge learned from Bruderly's case study, the size of an incumbent politician's bank account is not always a deterrent for challengers.

The BCRA legislation would have been applauded by political scientists Heard (1960) and Alexander (1972) because it increases the flow of hard money into federal campaigns while containing the flow of soft money. Political scientists have consistently advocated increasing the limits placed on political contributions. Sorauf (1992) would have applauded the BCRA because it did not further regulate the structure of PACs within federal elections. However, Bruderly's case study is a prime example of why Sorauf's argument to set contribution limits at high levels are designed to help challengers. If the contribution limits pertaining to PACs had been adjusted for inflation as the individual contribution limits and the individual aggregate contribution limits were, Bruderly would have received more PAC money during his 2004 campaign.

Table 5-7. A table that summarizes the impact of the BCRA on the 2004 campaign.

Category	BCRA Requirement	Overall Impact on 2004 Campaign
Contribution Limits	Increased the dollar limit on contributions from individuals to candidates and political parties	Positive – the campaign was able to raise more money from individual donors
Enforcement	Lengthened the time frame to investigate federal campaign finance complaints and regimented FEC reporting requirements	Positive – this provision strengthened the FEC and mandated that FEC communications be legitimate
Legal and Constitutional Issues	Eliminated soft money within federal campaigns	Positive – the campaign did not have to worry about being targeted by a unlimited amount of soft money
Soft Money	Prohibited federal candidates and officeholders from raising or spending soft money	Positive – although this measure had an indirect effect on Bruderly's campaign, it eliminates possible corruption within federal elections
Issue Advertisements and Electioneering Communications	Prohibited corporations and labor unions from using soft money	Unclear – this is due to the nature of Bruderly's liberal, grassroots campaign

Table 5-7 Continued

Category	BCRA Requirement	Overall Impact on 2004 Campaign
Disclosure	Required a disclaimer on all political advertising and introduced stricter FEC reporting requirements	Mixed – while the campaign was able to keep up to date with Congressman Stearns’s finances, the disclaimer requirement caused dissension among campaign staff
Coordination	Prohibited coordination between federal candidates and political parties, PACs or interest groups	Negative – Bruderly lost an opportunity for earned media and upset local political leaders
Unions, Corporations and Non-Profits	Prohibited unions, corporations and non-profits from sponsoring issue advertisements	Unclear – This is due to the small scale of the campaign

The BCRA has changed the way in which federal campaigns operate. While all federal campaigns focus primarily on fundraising, the BCRA has changed the overall approach to political fundraising. This new approach to fundraising impacts the ability of federal candidates to communicate their message to the masses. In order to be successful in the realm of political advertising after the BCRA, a candidate must possess a fundraising strategy capable of raising enough money to produce political communications.

The BCRA has altered various communication processes within federal campaigns. The relationship between federal candidates and the FEC has been strengthened due to the new FEC reporting requirements. Also, communications between federal candidates and interest groups have been completely prohibited. Additionally, the BCRA strengthened communications between political parties on the local, state and federal levels.

Overall, this thesis finds that the BCRA has made it easier for political challengers to run against wealthy incumbents by eliminating the corrupting effects of soft money within federal campaigns. Bruderly was affected both positively and negatively by the BCRA. However, the end result of this legislation provided Bruderly's 2004 campaign with more chances for success as compared to his 2002 campaign. The scope of political communication within federal elections was drastically altered by the BCRA, offering Bruderly and other challenger's a greater likelihood for success.

Limitations of Study

While it is unlikely that the results of this single case study are applicable to all federal candidates, it is clear that Bruderly did benefit in 2004 because of the BCRA.

Furthermore, the case study used in this thesis is exploratory in nature, which limits the generalizability of the findings. The small scale of Bruderly's campaign and its non-competitive nature also limits the findings of this study. Additionally, the participant observations used in this study were not planned prior to the beginning of the campaign.

The individuals interviewed for this thesis were interviewed after the completion of the 2004 campaign rather than during the campaign, which also limits the findings of this study. Also, the individuals interviewed for this study are not true experts in the field of political communication. Only one of the nine individuals interviewed for this thesis, Technology Director Harold Saive, worked on both of the 2002 and 2004 campaigns. However, by analyzing the 2004 campaign, areas for future campaign finance research were identified.

Suggestions for Further Research

As time passes and additional campaign finance legislation is adopted by Congress, the eight thematic categories discussed in chapter four (contribution limits, enforcement,

legal and constitutional issues, soft money, issue advertisements and electioneering communications, disclosure, coordination, and unions, corporations and non-profits) will need to be explored further. Specific attention should be paid to contribution limits, enforcement and soft money issues. A multiple case study concentrating on the effects of the BCRA across the nation would be beneficial to the field of campaign finance regulation.

Another suggestion for further research involves the issue of campaign finance coordination. In 2002 the status of the coordination law was completely unclear, and in 2004, while the term “coordination” was clearly defined by the Supreme Court, the various levels of coordination were not mentioned. In 2006, it would be interesting to study the growth of the coordination laws in comparison to the coordination laws that governed the 2004 election.

Also, when performing further campaign finance research, the previous experience of the candidate should be noted and taken into consideration when choosing candidates for a case study. Because Bruderly ran in 2002, in 2004, he experienced negative consequences as a result of his 2002 campaign, which decreased the effectiveness of the changes to campaign finance law as mandated in the BCRA.

While campaign finance will never go long without the need for further incremental adjustments, this researcher suggests that all contribution limits be raised in order to increase the flow of money within federal campaigns and further level the political playing field for all candidates. Also, the coordination laws defined in the BCRA should be further developed to decrease the confusion surrounding these rules. Enforcement measures should also be strengthened to validate the importance of legitimate campaign

finance practices. Because campaign finance regulations directly impact political advertising and the scope of political communication, it is important to understand the effects of these regulations. However, the nature of campaign finance legislation is ever changing. As Justice O'Connor said in the *McConnell* decision:

We are under no illusion that this law will be the last congressional statement on the matter. Money, like water, will always find an outlet. What problems will arise and how Congress will respond are concerns for another day. (McConnell v. FEC, 2003).

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BIOGRAPHICAL SKETCH

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