



Dems fret about 'lil bitty Gregg funds

\$584K post for 1st quarter dwarfed by Pence's \$1.8M

By **BRIAN A. HOWEY**

INDIANAPOLIS - As any father from a place like Sandborn, Ind., would know, sometimes a good swat on the posterior is in order when behavior doesn't comply.

Essentially, that is where the John Gregg gubernatorial campaign stands six days after it did a late Friday afternoon bad news dump. The Gregg fundraising operation – if there is one – needs a kick in the butt.

Gregg's campaign released its financial report last Friday and the totals were anemic: \$584,570 for the first quarter, \$2.3 million total for the cycle, and \$1.5 million cash on hand. Some Democratic activists were appalled at the high 35% burn rate: \$800,000, including an astounding \$80,000 for the campaign's first poll. Nothing was spent on casual voter contact.

Much of the money came from traditional Democratic backers: the United Auto Workers which put in \$90,000, about \$40,000 from the IBEW, about \$35,000



from the United Steelworkers, \$12,000 from the Democratic Governors Association, \$55,000 from the Laborers International. Missing was the SEIU, which invested \$800,000 in the campaign of 2008 nominee Jill Long Thompson until it became clear she wasn't getting traction.

For contrast, 8th CD Democratic candidate Dave Crooks was able to muster \$210,000 for his congressional race during the same quarter.

Gregg tried to spin it in a positive light: "I have been honored to receive contributions from Hoosiers of all stripes – Democrats, Independents and even a few Republicans. As I travel around the state, I see growing support from Hoosiers who want a governor who will work across the aisle to create jobs and opportunity, not a career politician who will bring his

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Will Lugar survive?

By **CHRIS SAUTTER**

WASHINGTON - Two years ago I wrote a column entitled "Indiana's Top 10 Primary Upsets." A win by Richard Mourdock over Dick Lugar in the May 8 Republican primary would undoubtedly rank very high on the list.



With the challenger's latest poll showing him inching ahead, conventional wisdom now favors a Mourdock victory. But will Mourdock actually pull off the upset?

Primary upsets against incumbents are especially rare for a



"We have a Salesforce login again. Can one of you guys login immediately and start pillaging email addresses like a Viking raider attacking a monestary (sic) full of unarmed monks?"

- Mourdock CM Jim Holden, in an alleged March 14 email to staffers



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whole host of reasons, not the least of which is that incumbents usually enjoy substantial money, organizational, and endorsement advantages. Yet, Mourdock has managed to erase Lugar's advantages. Indeed, he has turned incumbency into a liability.

Lugar's clumsy handling of the residency issue especially has underscored Mourdock's claims that Lugar has been in Washington too long and is out-of-touch. At times during the campaign, Lugar has even seemed confused. And, Lugar's genteel Senatorial manner is out-of-sync with an increasing number in the Republican Party, including Tea Party members, who favor a more aggressive "take no prisoners" approach in Congress.

A March 26-27 Howey/DePauw Indiana Battleground Poll gave Lugar a 42% to 35% lead. Lugar's favorable/unfavorable ratings were 47% to 31%. An incumbent will almost never win a higher percentage of the vote than the favorable rating. There is also a general rule that a challenger will win at least two-thirds of the undecided vote against an established incumbent. The underlying rationale for the rule is that if an incumbent hasn't won the undecided voter over by now - in Lugar's case after 36 years - it's not likely to happen in the final days of a hotly contested race. That would give Mourdock a 50.18% to 49.82% edge.

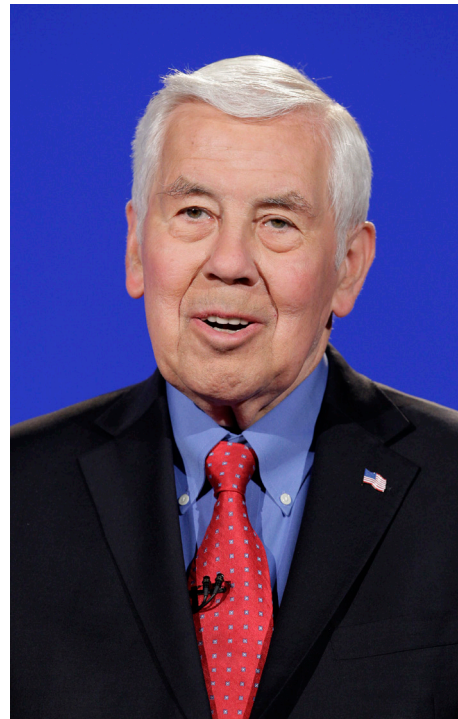
Can anyone spell RECOUNT!
Joe Donnelly should be so lucky. Though the trend lines favor Mourdock, it may be premature to

write Lugar's political obituary. For one thing, the tendency of undecided voters to break against the incumbent is less likely in high visibility races when the challenger's foibles have also been exposed in news coverage and by negative advertising.

Lugar's ad campaign has been almost entirely negative, which explains why Mourdock's negative ratings are higher than his positive ratings (15% positive/18% negative). Lugar has hit Mourdock's poor attendance on various boards and commissions on which he sits as Indiana State Treasurer. And, Lugar has accused Mourdock of being a tool of the out-of-state special interests that have been pounding Lugar on Mourdock's behalf. His message is you can trust Dick Lugar, but you can't trust Mourdock.

Lugar also seems to have put the residency issue behind him. And Lugar has yet to bring out his not-so-secret weapon. Governor Mitch Daniels has reportedly already taped a television ad on behalf of his mentor. An endorsement ad by the popular Daniels could help drag Lugar across the finish line in a Republican primary.

There is still a path to victory, but time is running out for Lugar. He needs to do a better job raising doubts about Mourdock's fitness to be Senator. But to disqualify him, Lugar has to hit harder on Mourdock's job performance. Lugar's TV ads, weak to begin with, have grown stale.





There are more serious examples of Mourdock's malfeasance in office than missing board meetings. For example, as State Treasurer, Mourdock invested \$1 billion of Toll Road money in junk bonds, a risky move soundly criticized by the non-partisan Government Investment Officers Association—a taxpayer watchdog group. And, Mourdock should be held accountable for the state's recently exposed half a billion dollar accounting errors, though Lugar may feel reluctant to raise the issue since Daniels is also to blame.

Examples of Mourdock's poor job performance reach back before his tenure as State Treasurer. Mourdock frequently touts his time as a coal company executive in southern Indiana. Yet, the company - Koester Coal - folded on Mourdock's watch. Many in the area say Mourdock ran the company into the ground.

I was a campaign advisor to the late Congressman Frank McCloskey when Mourdock challenged him in 1990 and again in 1992. Mourdock had material to work with since McCloskey had voted for a congressional pay raise and had been implicated in the House Bank scandal. Political handicapper Charlie Cook even predicted a Mourdock win in 1992.

But under Mourdock's supervision, the Koester mines had been cited for multiple safety violations, some life threatening. And, the company had been slapped with several unfair labor practices. McCloskey's ads—tame by today's standards--incorporated those issues and raised doubts about Mourdock's fitness. McCloskey skated to an 8-point victory.

Lugar's strength is also his principle weakness. He is one of the country's most highly respected Senators. In *The Last Great Senate* (2012), the fine new book by Ira Shapiro about the U.S. Senate in the late 1970's, the last four years of what Shapiro calls "the era of the Senate's greatness," Lugar is seen as a Senator who fit right in with

a Senate whose members set aside partisan differences to accomplish the nation's important business.

But in today's political climate, Lugar is an anachronism to many on the Right. Compromise in the minds of the newer more radical Republicans is responsible for causing, rather than a way to fix, the country's problems.



Richard Mourdock gestures during the April 11 debate with U.S. Sen. Dick Lugar at WFYI-TV in Indianapolis.

It won't be enough for Lugar to convince voters he is more trustworthy than Mourdock. To win, Dick Lugar will have to convince voters that Mourdock's record of poor job performance, both in and out of government, renders him unfit to serve as their Senator. ❖

Sautter is a Democratic consultant based in Washington and worked for former U.S. Rep. Frank McCloskey during the 1984 recount.



Gregg/Pence, from page 1

Washington ways to the Statehouse."

But the reaction we received from one Democratic activist was echoed with others we talked to: "My stomach churned when I read the figure. How can we not find some deep pocket tech entrepreneurs or one of the Simons or one of the Bayh deep pocket donors to give 'til it hurts? (There's) only so much we can ask of good ol' Woody Myers who was already in for \$100K."

Any semblance of a notion that Gregg was preparing for a competitive race with U.S. Rep. Mike Pence was blown away on Monday, when the Republican reported a record \$1.8 million for the first quarter, \$4.929 million cash on hand, which comes on top of the record \$5 million haul he made in 2012.

Pence's blistering fundraising pace rocketed past the records established by Gov. Mitch Daniels, who posted \$1.3 million in the first quarter of 2004 and \$1.4 million in the first quarter of 2008. Pence has raised three times the amount of Gregg.

"This report reflects an investment from Hoosiers who want to help Mike build an even better Indiana," said Kyle Robertson, Pence campaign manager. "More and more Hoosiers continue to be drawn to our positive campaign that is focused on economic growth and solutions. These financial resources and our grassroots organization will enable us to be competitive this election year."

The Gregg fundraising came on the heels of the Howey/DePauw Indiana Battleground Poll, which had Pence leading Gregg 44-31% despite the fact that 71% of those in the survey didn't know who Gregg was. This was actually seen as good news by many Democrats, who believe that Gregg is better positioned than Frank O'Bannon was at this time in his 1996 upset win over Republican Stephen Goldsmith.

Megan Jacobs, communications director for the Gregg campaign, was asked on Wednesday who was heading the campaign's fundraising. "I don't have anything to add on fundraising beyond what we have already said – both on our numbers in our initial release and the comments I gave on Pence's numbers," she said.

Sources tell HPI that the Gregg campaign does not have a finance director. Jacobs told HPI that "we have a couple of folks on our team" dealing with fundraising.

"What I would reinforce is that John has been running a tough campaign and he's been all over the state," Jacobs said. "We're not surprised Mike Pence is out-raising us. He's been in Washington for 10 years. We're not going to match Pence in fundraising, but we're going to have enough to get our message out."

There's been some speculation in Democratic circles that the state party is not playing enough of a supporting role for the Gregg campaign. Part of that comes from the bizarre December events when Chairman Dan Parker announced his resignation, then withdrew it after Sarah Riordan, Tim Jeffers and Joel Miller were unable to build a winning coalition as many on the central committee were resistant to the notion of being told who to vote for.

The central committee returned to Parker, but only by a bare majority. Gregg had pushed for Jeffers to take the party helm.

Jeffers is now in a senior position with the Gregg campaign.

An HPI analysis in January noted that successful modern gubernatorial campaigns waged by Govs. Evan Bayh, Frank O'Bannon and Mitch Daniels came after the candidate had essentially seized control of the party. Gov. Daniels acknowledged that the "Phoenix Group" insurgency led by Bob Grand, Jim Kittle and Randy Tobias that eventually allowed Kittle to become state chair was key to his leaving the Bush administration and beginning his gubernatorial campaign in 2003.

Jacobs dispelled the notion that the Gregg campaign and the state party aren't on the same page, saying, "We've had great support from the Indiana Democratic Party. We're working closely with them."

Former Indiana Democratic Chairman Robin Winston reacted by saying, "If you're not doing well fundraising, you have to make it up in policy, organization, and you have to devote more energy to fundraising. John knows how to be adaptable. He's a former speaker of the House and he knows how to make change. He will make sure the policy gets out, and will have enough funds to successfully articulate his message."

Many observers believe it will take \$10 million to run a credible gubernatorial campaign this year. Gregg is on pace for about half that number. ❖





Many questions about Mourdock's ground game, GOP data breach

By **BRIAN A. HOWEY**

INDIANAPOLIS - The riveting Indiana Republican Senate primary is now midway between the first Howey/DePauw Indiana Battleground Poll released on April 5, and our second and last pre-primary survey that will allow Howey Politics Indiana to make its final forecast.

Where do I believe this race stands?

First, there is today's exploding cigar story involving Mourdock campaign manager Jim Holden and an alleged potential breach of the Indiana Republican Party's Salesforce database.

Campaigns which access the GOP's various voter files sign agreements for their use, including a prohibition of transfer of data to third parties. There is also the concern that the data files remain uncorrupted for use by other candidates. The Lugar campaign is also concerned that the Mourdock campaign either transferred these files to FreedomWorks, the NRA or Club For Growth. This development could tell us how the Mourdock campaign planned to close any ground game shortcomings. FreedomWork's Dick Armey demonstrated software in Westfield on March 10 and the Holden "pillaging" email was allegedly sent to campaign staff on March 14.

If you read the HPI analysis of Mourdock campaign manager Jim Holden in the April 12 edition, this emerging story fits his modus operandi and could be as damaging to the Mourdock candidacy as the infamous "Yellow Flyer Incident" at the 2002 Republican convention that killed Mourdock's secretary of state nomination.

I've spent much of the past week gauging what we call the "ground game." In last week's edition of Howey Politics Indiana, State Sen. Mike Delph framed the question superbly: "The most important timeline in any campaign is the last 72 hours. That's where you separate the men from the boys. Who can turn out the base vote? The Santorum deal puts all the pressure on the Mourdock organization. If

he has a paper tiger organization, that will show through on May 8."

There is a broad consensus that the Friends of Dick Lugar campaign is conducting what I would call a "Major League Baseball" operation. The campaign has conducted more than 1.1 million calls to supporters and has identified what could be the campaign's lifeline, the independent/Republican leaning voter. It sent out 30,000 yard signs and banners last week that are gradually beginning to pop up like dandelions in front yards around the state. Lugar himself described the operation as "accelerated" with a goal of doubling the calls. "We'll find out who is for us, against us and we'll get those for us to turn out," he said.

The Lugar organization under the direction of Chief of Staff Marty Morris in 1982 pretty much established the modern campaign based on voter files and voter profiling. Lugar faced his first reelection campaign in the depths of the oil shock recession, running against Democratic U.S.

Rep. Floyd Fithian. At the helm of the campaign was a Keith Bulen prodigy – one Mitchell A. Daniels Jr. – arguably the greatest Republican political strategist of the modern era.

And, don't underestimate this point: The

governor and senator still talk. They are not operating in silos.

Even though Lugar has not had to run much of a campaign since 2000 – he did not face a Democratic opponent in 2006 – the current Lugar campaign is an evolution of those early Senate campaigns that provided a springboard for Daniels to ascend to the Republican Senatorial Campaign Committee and eventually the Reagan White House, where he was political director.

And Daniels will become a major campaign story line, with a Lugar TV ad framed around the governor's emphatic endorsement of the senator in Carmel last February. This is a governor that has a 63% approval rating, and 80% with Republicans.

Lugar recalled being confronted in early 2011 in St. Joseph County by Tea Party advocates who warned him that unlike Dan Coats facing a divided field of varying Tea Party loyalties that allowed him to win the primary with 39%, Lugar would face just one challenger.





"They told us, in your race, it will be one on one," Lugar said. "So at that point, we reacted. We would start a very vigorous campaign. It's been that way ever since."

And there have been changes since Lugar emerged from the Bulen machine and began his Senate career. "I was not aware of micro targeting," he said at one point. "But it's been defining our Republican constituencies. The ground war – we are at that stage now and we are very well prepared."

So the question becomes, is the Mourdock campaign playing at the MLB level? Or is it somewhere between Class A and AAA? Will it have the pop to pull off the upset?

"My opponent has not been able to raise money," Lugar said. "He doesn't have much of a ground game. He's not that well organized."

Beyond the incumbent, that appears to be the gathering opinion of journalists who have covered both campaigns, and Republican operatives who are sympathetic to the Mourdock challenge, or a campaign beside it at the congressional level.

Various Lugar campaign sources note that Mourdock has essentially subcontracted key elements of his campaign. Club for Growth is bundling donations to Mourdock – this is his best quarter with \$870,000 – and has spent \$1.2 million thus far on TV ads, compared to just over \$400,000 actually spent on TV by the Mourdock campaign. The National Rifle Association is pumping out more than \$1 million in direct mail against Lugar.

And FreedomWorks is supposed to be leading the ground game. On its website, in endorsing Mourdock, it states it has "distributed 100,000 palm cards and door hangers, 11,000 yard signs, and 11,000 bumper stickers on his behalf. Unlike traditional Super PACs, which exist to produce expensive advertising buys, FreedomWorks for America was created to develop tools to empower local activists to create a winning ground game that would transform grassroots conservatism into lasting political change this November." It prompted Dick Arme to come to Westfield on March 10 to work with Mourdock activists on vote targeting software.

New York Times reporter Monica Davey observed, "I've wondered the exact same thing about the ground game. It's so hard to truly gauge, right? Especially because there's contradictory info. On the one hand, FreedomWorks describes a really elaborate GOTV effort and on the other hand, the money in the bank imbalance looks pretty big and I had several people tell me that the troops of volunteers are actually far smaller and less organized than they portray. Plus, just looking at events/staff, Mourdock's operation certainly looks less polished, more homemade than Lugar's. It's just an impression, but seems like it could have

bearing on this key final push."

A Mourdock ally at the county level, who asked to speak off the record, was asked about the Mourdock ground operations and observed: "Mourdock's ground troops have done a pretty good job of getting signs out in visible places. (But) other than that, not much."

Another high-ranking Republican who has traveled to the four corners of the state told HPI that even Mourdock's yard sign campaign is suspect because so many of them are placed on state highway rights of way. The key to gauge support through yard signs are those who actually stand in the yards of potential voters.

A Republican operative from one of the leading congressional campaigns outside the Indianapolis doughnut observed: "75% of our donors are for Lugar, but 65% of our grassroots support are for Mourdock. Lugar has a great operation, with phone banks scattered throughout the state. The Lugar phone banks will operate ten lines for many hours. The Tea Party phone banks for Mourdock might have four or five lines running for a couple of hours. The further out from the (Indianapolis) doughnut you go, the stronger Mourdock is. The Tea Party talks a big game; they are passionate, but they just don't know how to do it. They aren't as organized."

Devin Anderson, who chairs the David McIntosh 5th CD campaign which has been endorsed by FreedomWorks, notes that while the national organization can help a campaign develop a ground game, it cannot execute or substitute for one. "FreedomWorks offers different things, but they don't offer a ground game," Anderson said. "They might offer to help organize one, but if you don't have the soldiers"

Randy Gentry, the 8th CD Republican vice chairman and a professional photographer who attends many GOP events around the state, sees mixed signals on the potency of the Mourdock challenge. Gentry sees a potentially close race that could be influenced "by a weather event" that could keep turnout low.

A Mourdock rally on March 31 in Evansville brought out only several dozen supporters on a rainy Saturday morning. A movement campaign might have brought out hundreds, particularly in the candidate's home county. Yet, in Lugar's stronghold – Indianapolis and the doughnut – a fundraiser yesterday for the challenger had State Reps. David Frizzell, Mike Speedy and State Sen. Brent Waltz as hosts, suggesting cracks in the incumbent's armor within his core base.

Joshua Claybourn, a previous treasurer of the Vanderburgh County GOP, observed of Mourdock, "Down here it's quite strong. He obviously has the activist Tea Party support, but has also managed to secure quite a number of





more established GOP figures, including party chairmen. I see far more Mourdock signs than Lugar ones and at typical events that draw political supporters, Lugar's folks are almost non-existent."

Lugar had a 42-35% lead in the Howey/DePauw Indiana Battleground Poll and the two candidates were tied among Republican voters. The Lugar campaign hopes that the 23% independents that voted in the Clinton/Obama campaign in 2008 might bolster his efforts in this primary.

Mourdock's campaign released the results of a poll that was conducted April 16th – 17th by Republican polling firm McLaughlin & Associates showing Mourdock leading Lugar 42% to 41% among likely Republican Primary voters. The campaign did not release any top lines or cross tabulations.

But it did make public a memo from John Laughlin and Stuart Polk: The results from this week's tracking poll show that Richard Mourdock has taken the lead on the Republican primary ballot for U.S. Senate. These results clearly demonstrate that Richard Mourdock has the momentum to win. Senator Lugar's favorable rating and voter support are declining. As a sign of panic, Senator Lugar's campaign has gone heavily negative against Richard Mourdock. Despite Senator Lugar outspending Richard Mourdock 3 to 1 on television and dropping negative mail daily, Richard Mourdock has been able to erase a 12-point disadvantage from our January poll to take the lead. Among the two-thirds of the Republican primary electorate who have a firm opinion of both candidates, the majority is voting for Richard Mourdock (55% to 36%). This is a signal that Richard Mourdock will continue to move up as voters get to know him. With the right amount of resources to counter Senator Lugar's negative attacks, Richard Mourdock can win. The survey results indicate Hoosiers think Senator Lugar has been in Washington DC for too long and it's time for a change."

And this morning, Mourdock emailed supporters, saying, "My team is telling me I've got to come up with at least another \$500,000 on television ads if we're going to win this thing."

Blogger Paul Ogden noted on Wednesday, "I would expect Mourdock to win almost all the rural counties, many decisively so. While Lugar might be able to win the counties

of Allen (Fort Wayne), St. Joseph (South Bend) and Lake County, I think the real battleground will be the Indianapolis metropolitan area, in particular the heavily populated counties of Marion, Hamilton, Hendricks and Johnson.

"To win the state, Lugar will need a large victory margin in the IMA. For Mourdock to win the state, he needs to hold down his losing margin in the IMA. One of the things I've noticed is what appears to be an incredibly large number of absentee ballot requests in Marion County. It would appear that about 80% of those are for a Republican ballot, which suggests to me that either the Lugar or Mourdock campaign (or both) is actively targeting absentee voters."

Ogden also repeated conventional wisdom: "Undecideds almost always break sharply for the challenger."

But the Lugar campaign says that through its phone bank efforts, the opposite is happening. The Howey/DePauw Poll had the undecideds at 23%, which seemed a little high to some observers. Lugar spokesman Andy Fisher believes that many Republicans took time to consider Lugar's 36-year tenure, and then waited for Mourdock to make a persuasive case as a replacement. Fisher says that the Lugar phone bank operation is revealing that many of the undecideds are returning to Lugar.

Others see the primary as a "referendum" on Lugar and that Mourdock's credentials are of less importance.

This past week, the Super PAC American Action Network has been running more than \$600,000 worth of TV ads taking Mourdock to task for his homestead tax exemption problems, so it is clear the gloves are off.

HPI will leave the Lugar/Mourdock race in its "Tossup" category for now. The atmosphere is unstable, though not nearly as toxic for the senator as it was during the height of the residency showdown, which fed into Mourdock's narrative. We've heard many GOP professional operatives who believe it will be close, though many tell HPI they believe Lugar will "eke it out" – a phrase we've heard multiple times and it is based on perceptions of the two ground games. The operatives see the various Lugar networks and his ground game as substantially better than Mourdock's and that could be the difference. The Lugar assault on Mourdock's Washington allies, many operatives believe, are resonating with Hoosier Republicans who are skeptical of outsiders, even conservative ones.

The safer money bet at this point would be to go with the incumbent. But a cold, rainy Election Day, or a tornadic outbreak or some other act of God (and believe me, some Hoosiers will be praying), could spawn an upset.

Horse Race Status: Tossup ❖



Sen. Lugar watches campaign workers load up some of 30,000 campaign signs on April 12 in Broad Ripple. (HPI Photo by Brian A. Howey)



Lugar presses Mourdock, Chocola over 'pay-to-play'

By **BRIAN A. HOWEY**

INDIANAPOLIS - The Lugar campaign and Club for Growth sparred earlier this week over campaign reporting involving 527 Super PACs and other entities.

But there is a twist in this Citizens United era case of campaign finance. Sen. Dick Lugar's Republican primary opponent is Indiana Treasurer Richard Mourdock, and the incumbent has raised the specter of "pay-to-play" violations involving the public official who oversees \$7 billion in Indiana pension funds. The implication is a 2009-10 case involving former New York comptroller Alan Hevesi, where campaign donors made payoffs to four members of his office. In October 2010, Hevesi admitted felony corruption charges for taking part in a "pay-to-play" scandal at the state pension fund.

On Monday, Lugar personally called on Club for Growth President Chris Chocola and Mourdock to reveal who has made donations to the advocacy group's 527 and 501(c)(4) accounts.

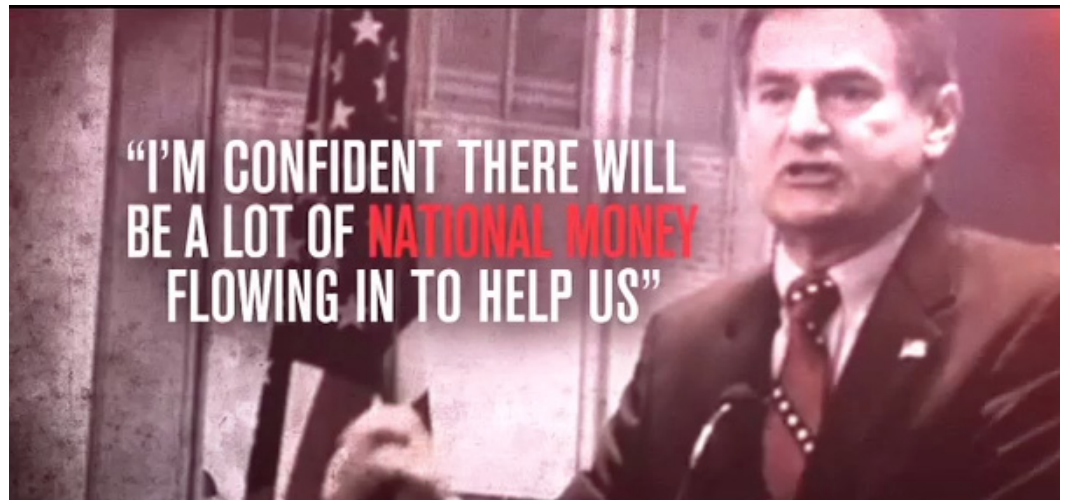
Lugar wrote Mourdock, "I believe it to be in your best interest as the sitting Indiana State Treasurer to share my desire for full transparency and join me, on behalf of all Hoosier taxpayers, in publicly calling for the Club for Growth to release the names of the individuals and entities that have contributed to them over the past two years. I am sure you would agree with me that Hoosiers deserve to and should know from whom The Club for Growth's money is being contributed so that we all can be assured and confident (in) the anti-circumvention provisions, which bar attempts to launder such banned direct contributions through another entity indirectly."

In his April 13 letter to Chocola, Lugar cited the law as to why anti-pay-to-play exists: "to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to perfect a free and open market and to protect investors and the public interest."

"Put simply," Lugar wrote, "the rules are intended to make certain that citizens can trust elected officials, such as state treasurers, who manage and invest public funds.

As the sitting Indiana state treasurer, Richard Mourdock manages and invests billions of dollars of Hoosier taxpayers' money. The scope of his duties includes such actions as the issuance of municipal securities, overseeing certain state pension programs and selecting and hiring financial advisors and actuaries for state funds. Because of his position, special interests have an incentive to influence his decisions in pursuit of their own profit. This is especially true of wealthy financial interests that might profit from a treasurer's investment decisions.

"My concern," Lugar continued, "is that a significant number of your donors may be prohibited from contributing directly to the Richard Mourdock campaign because of the federal anti-pay-to-play rules, such as Municipal Securities Rulemaking Board Rule G-37 and Securities and Exchange



Rule 206(4)-5. Under these rules, individuals can suffer significant penalties for making political contributions that influence officials, such as Richard Mourdock, who occupy positions with the power to steer invested taxpayer money to benefit the donor(s). Such rules expressly include anti-circumvention provisions, i.e., barring attempts to launder contributions through another entity."

Lugar sent a similar letter to Dick Armeiy and FreedomWorks, another 527 entity that is making donations on behalf of the Mourdock campaign. Lugar campaign spokesman Andy Fisher said the "bigger issue in terms of the whole Super PAC realm" is the kind of money coming into races. In 2011, Fisher said Mourdock told (WISH-TV's) Jim Shella that he was "counting on low turnout and a lot of outside money. He had gone last year and done interviews with FreedomWorks, Club For Growth and supposedly the NRA. He pledged fidelity to their agenda with the arrangement they would come in and run his campaign, run the grassroots, run the TV commercials. This is selling out."



Mourdock did not publicly respond to the Lugar letter.

On Tuesday, Chocola told Howey Politics Indiana that Club for Growth donors are disclosed. "Every bundled contribution we've made to Mourdock is disclosed," Chocola said. "It's a fallacy for people to report it's not transparent. Every 527 contribution is disclosed. That's just factual."

In a letter responding to Lugar, Chocola wrote, "You may find their records on the website of the Federal Elections Commission, www.Fec.Gov. As you undoubtedly know, there are other organizations that are actively involved in the Indiana Senate race. One such group, which is spending hundreds of thousands of dollars on your behalf, is called the American Action Network. The American Action Network does not disclose its donors."

Then Chocola batted the scenario back to Lugar.

"Senator, if you are so concerned about the disclosure of donors to advocacy groups, I'm sure you will be calling on the American Action Network to disclose its donors," Chocola wrote. "When you voted to bail out Wall Street, Fannie Mae, and Freddie Mac, and when you voted to keep funding the Bridge to Nowhere in Alaska, and when you voted to give President Obama the power to

raise our national debt ceiling once again, did any of the donors to the American Action Network benefit? Perhaps you are not making a similar request of American Action Network because they are your allies in this election."

Friends of Dick Lugar campaign manager Emily Krueger accused Chocola of obfuscation. "Chris Chocola's drive-by letter is a sorry obfuscation that not surprisingly fails to address the serious matter raised by Sen. Lugar. Club for Growth's support of Richard Mourdock raises the specter of federal pay-to-play laws because this express support allows the very people these laws prohibit from giving money to Mourdock to indirectly participate in the



Club for Growth President Chris Chocola said his organization discloses its donors. He pressed the Lugar campaign to have the American Action Network disclose its donors. (HPI Photo)

financial support for his campaign by giving to Club for Growth. In other words, Chocola and the Club for Growth quite possibly are facilitating the circumvention of federal anti-pay-to-play laws."

Lugar spokesman Andy Fisher picked up on a line Mourdock used in the April 11 debate about Nunn-Lugar Cooperative Threat Reduction Act money to Russia. Mourdock suggested those funds were "fungible" and could end up in Syria or Iran. Said Fisher, "As Mourdock pointed out last week, money is fungible. A 501(c)(4) can run independent expenditure ads. They have run

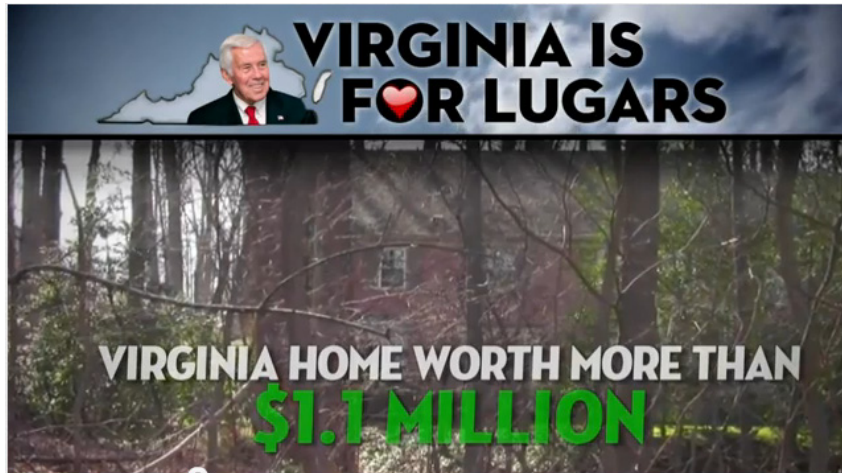
both. They have run under the 527 and 501(c)(4). The 527 is on the FEC report and the 501(c)(4) is not."

Club for Growth Communications Director Barney Keller made the distinction between Club for Growth, which is a 501(c)(4) organization that doesn't disclose its donors.

"Our C4 doesn't donate to candidates," Keller said. "It's not like we can hide money through our C4. By definition, a 501(c)(4) does not disclose its donors, and it's not allowed to make a direct contribution to a candidate, unlike a PAC. When an individual makes a contribution to Mourdock through the Club, it goes through the Club for Growth PAC,

not the C4, and it's disclosed. Every donation from Club for Growth members that the Club for Growth PAC sends to the Mourdock campaign is disclosed to the FEC by the Club for Growth PAC. Anyone in the public or the press is free to examine the FEC's website to find out who is contributing."

CFG has two political arms, the Club for Growth Political Action Committee which can bundle money to candidates like Mourdock, and Club for Growth Action, the 527 Super PAC, which can accept unlimited amounts of money. Keller said that it is the PAC that makes an "actual endorsement" of a candidate. But all independent expenditures come via CFG Action. ❖





Bucshon, McIntosh and Messer have money leads

By **BRIAN A. HOWEY**

INDIANAPOLIS - U.S. Rep. Larry Bucshon David McIntosh and Luke Messer all have commanding money leads in their Republican primary races. McIntosh leads in the 5th CD with \$656,249 for the cycle and has \$309,444 cash on hand. Susan Brooks posted \$594,895 and has \$328,047 as of March 31. That doesn't include funds she raised in an event with New Jersey Gov. Chris Christie on Monday. Dr. John McGoff posted \$268,839 for the cycle and has \$90,422 COH. He began his first TV ads this week. Marion Mayor Wayne Seybold posted \$75,622 for the quarter and cycle and has \$31,134 COH. HPI Horse Race lists the race as "Leans McIntosh."

In the 6th CD Republican primary, Messer's reported \$127,000 this quarter and has \$351,769 cash on hand \$537,000 for the cycle. In this reporting period alone, Messer raised nearly three times the amount raised by his closest fundraising competitor. Travis Hankins raised \$28,410, has \$30,827 COH and has raised \$189,774 for the cycle. Don Bates Jr. raised \$45,140, has \$15,256 COH and has raised \$149,446 for the cycle. Bill Frazier also filed a campaign finance report listing \$330 in contributions and two loans totaling \$730,000. Frazier's campaign has spent \$82,000 and reportedly has \$648,203 remaining to spend. The HPI Horse Race list the race as "Likely Messer."

In the 8th CD, U.S. Rep. Larry Bucshon raised \$633,981 for the cycle and has \$407,114 COH. His primary challenger, Kristi Risk has raised \$23,982 and has zero COH. Democrat Dave Crooks (lower left) has raised \$522,139 and has \$394,262 COH in what is expected to be the most competitive general election race in Indiana

this fall. HPI Horse Race lists the 8th CD primary as "Likely Bucshon."

In the Democratic 9th CD primary, Robert Winningham raised \$80,000 but only has \$18,000 plus on hand. Ret. Gen. Jonathan George has raised \$40,000, but only has only \$17,000 cash on hand. Former Miss Indiana and Indiana University employee Shelli Yoder has raised \$33,500 but has \$25,000 cash on hand. U.S. Rep. Todd Young (lower center) has raised \$950,900 for the cycle and

has \$666,591 COH. The Democratic primary HPI Horse Race is a "tossup." In another big general matchup in the 2nd CD, Republican Jackie Walorski (lower right) raised \$794,896 for the cycle and has \$565,803 COH, compared to Democrat Brendan Mullen who has raised \$558,577 for the cycle and has \$450,086 COH.

Indiana's other incumbents have towering money leads. In the 1st CD, U.S. Rep. Pete Visclosky has \$499,497 for the cycle and has \$521,453 COH. His closest GOP rival Mark Leyva has \$37 COH. In the 3rd CD,

U.S. Rep. Marlin Stutzman has \$524,681 for the cycle and has \$201,349 COH. His closest Democratic rival has raised only \$9,000. In the 7th CD, U.S. Rep. Andre Carson has raised \$538,839 and has \$383,632 COH. His closest GOP rival - Steve Davis - has raised \$8,659.



Congressional money leaders in GOP primaries (top row) include U.S. Rep. Larry Bucshon in the 8th, David McIntosh in the 5th and Luke Messer in the 6th (CD). Other big money raisers include (lower row) Democrat Dave Crooks in the 8th, U.S. Rep. Todd Young and Republican Jackie Walorski in the 2nd CD. (HPI Photos)

Presidential: Daniels will do 'whatever I'm asked' for Romney

The word in GOP circles from Indianapolis to Washington is that Gov. Mitch Daniels isn't interested in the vice presidency. The Washington Post reported earlier this month that Daniels has signaled to presumptive Republican nominee Mitt Romney that he's not interested in the veepstakes. But on Wednesday, Daniels officially endorsed Romney and his last eight words could reignite veepstakes



speculation: "I'll do whatever I'm asked to help him."

The Romney campaign announced the endorsement: "Gov. Daniels' leadership and service in Indiana should be an example to public officials across the country," said Mitt Romney. "Gov. Daniels shares my background in business, and he has used the principles of the private sector in government. Indiana has been served well by his leadership based on fiscal discipline, smaller government, and a friendly environment for job creators. I am honored to have his support and look forward to working with him to fix our economy and get our country on the right track."

Announcing his support, Daniels said, "Mitt Romney has earned our party's nomination and now deserves the support of every American still committed to government that serves the people rather than rules over them. The ruinous debts and anti-enterprise policies of today threaten more than our near-term economy; unaddressed soon, they will end the promise of upward mobility that our nation has always offered to its young and its poor. And they will end the U.S. leadership which has promoted peace and progress around the world for so many decades. Mitt Romney has proven that he understands what is at stake and is prepared to summon Americans to the changes that will restore the American Dream and our national greatness. I'll do whatever I'm asked to help him."

U.S. Senate: Donnelly sounds off

As the Lugar/Mourdock fratricide reaches its peak, U.S. Rep. Joe Donnelly appeared on MSNBC's "Daily Rundown" with Chuck Todd on Wednesday morning. He was asked about the Senate race.

Donnelly: Our focus is on jobs and working families and their focus has been on who is the most ideologically pure. While they've been arguing about that, I've been in Terre Haute talking about how education increases jobs. I was in New Albany talking about how better roads and bridges create more jobs.

Todd: Do you have a better shot at Mourdock or Lugar?

Donnelly: I think we're fine either way. We've seen polling data where we're already significantly ahead of Mourdock. Sen. Lugar is in the low 40s. Their message is who's the most right wing."

Todd: Do you support the Buffet

rule?

Donnelly: If you look at that, the middle class has to look at these tax rules and say, 'How does this make any sense?' How does a firefighter in Terre Haute have to pay a higher income rate than a hedge fund millionaire?"

Todd: Would you have voted for the Buffet rule?

Donnelly: I would have because it's the fiscally responsible thing to do.

Todd: Did you support Simpson/Bowles?

Donnelly: I did not vote for that one. I'm very, very open to a discussion on how we get the highest possible deficit reduction but we're going to be looking at that down the road.

Todd: Are you prepared to say that some taxes will go up?

Donnelly: I'm prepared to tell them that if you look at this, we have to significantly reduce spending and on the other side, we have to have enough income so we can run the government. Now, how do we do that? We see the economy grow. The Buffet rule is just a tiny part. Eliminating tax credits for off-shoring, reducing the corporate tax rate to 25% but at the same time eliminating the loopholes. I'm in favor of reducing the Bush tax cuts for the top 1%.

Todd: Do you disagree with President Obama on anything?

Donnelly: On Cap-and-Trade I voted no on that. I didn't think that made any sense for Indiana. We have to have an all-in energy solution. On health care, I voted for it. The reason why ... I have a daughter who has rheumatoid arthritis. For the first time, they were able to get health care coverage. For seniors, 50% off on prescriptions. For kids 21 or 22 or 23 who are getting their first jobs that may not have health care coverage, they can stay with their parents (health plan). I think it was a move forward. Was it perfect? No. Do we have a lot of work to do? Yes.

Todd: Would you campaign with Obama?

Donnelly: In early 2009, Elkhart is part of our district. The president came out during very tough economic times to listen to everybody in town halls. I was there at all of those.

Todd: Will you campaign with him?

Donnelly: Sure.

Todd: Will you use him in your TV





ads?

Donnelly: You know what? I'm just focused on the Senate race. I have no idea what the TV ads are going to be.

* * *

In a Senate primary race that has focused a great deal on whether Sen. Richard Lugar has lost his Hoosier roots, it turns out that people outside Indiana provided challenger Richard Mourdock with nearly three-fourths of his large individual contributions in the first quarter of this year. (Groppe, Indianapolis Star). For his part, Lugar raised slightly more than half of his large individual contributions in the quarter ending March 31 from people outside the Hoosier state, according to recently filed disclosure reports. Mourdock raised \$879,632 in total contributions from January through March while Lugar raised \$820,162. That was the first reporting period in which Mourdock raised more than the sixth-term senator for the May 8 primary. Of the \$621,943 that Mourdock collected in contributions of \$201 or more, the amount for which individuals contributors have to be identified, about \$450,000 or 72 percent came from people who live outside Indiana. A large chunk of those contributions were funneled to Mourdock's campaign by the Club for Growth, a conservative group that has endorsed Mourdock.

Friends for Dick Lugar Campaign Manager Emily Krueger today released the following statement in response to breaking news that Mourdock's campaign ordered its staff to "start pillaging" proprietary Republican Party voter information:

"Richard Mourdock is running for one of the highest offices in the United States against a man who has dedicated his life to public service and the people of Indiana. Today's report regarding questionable conduct by the Mourdock campaign comes amid growing questions about Mr. Mourdock's personal finances and campaign practices, including illegal tax deductions and questions of skirting pay-to-play laws. Mr. Mourdock must come clean and answer serious questions if he wishes to represent Hoosiers in the United States Senate."

On Wednesday, the Associated Press reported: Mourdock's campaign has had its access to a critical campaign tool revoked by the Indiana Republican Party. Mourdock campaign manager Jim Holden wrote in a March 14 email obtained by the Associated Press that Mourdock staffers should "start pillaging email addresses" from a voter database used by all Indiana Republicans. A Republican familiar with the problem says the Mourdock campaign's access to the database was revoked shortly after the email was discovered. The source spoke on condition of anonymity because the investigation is ongoing.

Lugar and Club for Growth President Chris Chocola served four years in Congress together. "I thought we

had a good relationship," Lugar said at his Broad Ripple headquarters as we watched his campaign send out about 40,000 yard signs and banners in cargo trucks to all regions of the state (Howey Politics Indiana). But Chocola has ardently backed the challenge by Indiana Treasurer Richard Mourdock, vowing to bundle thousands of dollars while underwriting six-figure statewide TV ad buys against Lugar. Lugar said that it was "very surprising" to find Chocola leading the charge against him. "Maybe he has to prove his own worth to come out with all these attacks," Lugar said. Lugar observed that Chocola is now criticizing him for things like earmarks, when the former 2nd CD congress-



man did the same things during his three terms. Republican sources have speculated that Chocola may be bitter that Lugar did not spend part of his warchest on his unsuccessful 2006 reelection campaign when he lost to Democrat Joe Donnelly. Lugar was unopposed that year. Lugar also commented on Mourdock's stand against bipartisanship. The senator noted that without bipartisanship, the

Nunn-Lugar Cooperative Threat Reduction Act never would have happened. "It's a fact of life if you've been a legislator for any stretch of time" a Member of Congress must work with the other party to get anything done. Lugar said he believes Club for Growth, FreedomWorks and the NRA are seeking ideological purity. "They must think this is a very good time to purify the Republican Party, eventually to get rid of all the unpure, then there will be two houses of purity in Congress, and maybe the presidency, and then we'll turn it around. If we were to wait for that to occur, it would be a disaster." Lugar worked with Georgia Democrat U.S. Sen. Sam Nunn after the Soviet Union collapsed to contain weapons of mass destruction. "If I had waited for purity, it would never have happened," Lugar said.

5th CD: McIntosh's race to lose

This race still looks like it is former congressman David McIntosh's to lose. He retains a money lead, though Susan Brooks is likely to cut into that with her fundraiser with New Jersey Gov. Chris Christie on Monday.

Sources were telling HPI on Wednesday that Christie's PAC is preparing to make a sizeable TV buy on Brooks' behalf. Christie took aim at McIntosh in Fishers on Monday, saying, "If you really want to change Congress, to change our country, you need to send different people there. You are not going to change it by sending the same old people



back.”

Christie added, “If you like what I’m doing in New Jersey, you like my brand of leadership, she’s going to bring the same kind of leadership to the floor of the U.S. House of Representatives, and man, we need it. As I said to the group downstairs (at the fundraiser), it’s not like we have an overabundance of courage down there right now. We can use somebody who is willing to stand up and be tough.”

McIntosh campaign chairman Devin Anderson told HPI on Wednesday, “We’re happy where we are. I’m

waiting to get the phone call every day with somebody blistering David. So far, all candidates are working hard, that hasn’t happened yet. We feel good where we are.”

Multiple 5th CD sources tell HPI that several internal campaign polls still have McIntosh leading, up in the 20th percent range. There is a bunch of candidates battling for the second spot - Dr. John McGoff, Brooks and Marion Mayor Wayne Seybold. Jack Lugar is still polling around 10% in several internal polls, even though he has raised under \$5,000. It is a phenomenon of the Lugar brand that is leaching into the 5th CD race, and in doing so, is probably costing one of the other candidates potential support.

Several sources say they are puzzled at Brooks’ strategy. Many believed she would come at McIntosh in more aggressive fashion, which would fit the modus operandi of David Brooks, the candidate’s GOP operative husband. Instead, she seems to have allowed McGoff to bloody McIntosh up over the residency issue.

We doubt the residency has enough juice to derail McIntosh. Madison County Prosecutor Rodney Cummings said Friday that the investigation request was a “political maneuver” and added “I’ll examine it after the primary.”

Horse Race Status: Leans McIntosh

6th CD: Messer the frontrunner

Luke Messer is in the driver’s seat on this one as he begins his TV ad blitz. Campaign manager Megan Robertson makes this point: Messer is the only candidate who has put an entire campaign package together. Messer has district wide campaign, functioning in all 19 counties. With the exception of Bill Fraizer’s self-funded \$700,000 contribution, Messer has a substantial lead in on the money front.

If you gauge the race by yard signs, Travis Hankins



New Jersey Gov. Chris Christie delighted 5th CD candidate Susan Brooks in Fishers on Monday by announcing his support and assailing McIntosh. The two served as federal district attorneys together.

is showing strength, but is trailing in funds. Don Bates Jr., has been picking up a lot of Tea Party endorsements.

Messer is also picking up endorsements from candidates who have dropped out. In the past week, he has been endorsed by Allen Smith and John Hatter.

“Luke Messer is exactly the kind of person we need in Congress,” said Smith. “We need leaders that will fight to get our country back on track. We must repeal Obamacare, balance the budget and kick start our economy. Luke Messer has

a proven record of delivering results and the experience we need,” he added.

“We’ve got dozens of endorsements all over the district,” Robertson said. “We’re running a grassroots campaign in all the counties. We started cable last week district wide. This week, we’re on network TV in Indy. We’re running districtwide radio. I feel very good about this race. We’re in a very good positions. We’re not leaving anything to chance. (And we’re) working with county chairs and GOP leaders.”

And the Indianapolis Star reported this week that former Senate President Pro Tempore Robert D. Garton believes that Messer will win. “Luke Messer, to me, is the conventional wisdom right now,” Garton said. “With that many candidates, I think that it bodes well for Messer.”

Primary Horse Race Status: Likely Messer

9th CD: A widen open race

With the 9th CD laying within the Indianapolis and Louisville TV markets, the fact that none of the candidates have been able to raise much money makes this a “tossup” between Ret. Gen. Jonathan George, former Lee Hamilton aide Robert Winningham and former Miss Indiana and Indiana University employee Shelli Yoder. Combined they have barely raised \$150,000 and, combined, have around \$50,000 cash on hand. Yoder has the endorsement of Bloomington Mayor Mark Kruzan. Winningham has a number of legislator endorsements in the Clark County area, so it’s easy to see those two with areas of concentrated support. But it is impossible to tell who will emerge in this primary since none of them have a substantial money advantage. **Primary Horse Race Status:** Tossup ❖



Secretary Lawson prepares for her first election

By **BRIAN A. HOWEY**

INDIANAPOLIS - Secretary of State Connie Lawson is new to her job, but is no stranger to an Indiana election.

The former state senator and Hendricks County clerk is now preparing for the May 8 Indiana primary which will draw national attention and a potentially close finish in the GOP primary between U.S. Sen. Dick Lugar and Indiana Treasurer Richard Mourdock. While in the Senate Lawson served on the Senate Elections Committee. She's already said she plans to seek a term in her own right in 2014.

"The elections really are run locally, by the 92 clerks and election boards,"

Lawson said less than a month and a half after Gov. Mitch Daniels appointed her to take the helm after Charlie White was convicted of voter fraud and perjury and forced from the office. "We're ready to assist to make sure we don't have any issues with statewide voter registration."

Lawson said that while she isn't pressing any "wholesale changes" in the state election system, "along the way, clerks have suggested changes. We have a core team, we're having conference calls and we discuss issues."

In the wake of the Bush vs. Gore 2000 election, which saw

Florida's system stalled by hanging chads and other counting mishaps, former secretary of state Todd Rokita was elected in 2002 and then led a systemic modernization of Indiana voting equipment and updated the statewide voter file. Many of those reforms have been in place for more than half a decade. Does Lawson see the need for more changes?

"We're working every day and we're asking ourselves those questions," she said. "We want to continue to make the upgrades. Long-term funding is a concern." The

current funding stands at \$1 million and she said, "We'll be taking a look at that."

One potential area of change could come with absentee balloting, which is still an area that is susceptible to voter fraud, as evidenced by the indictments in Jennings County. Lawson noted that State Sen. Mike Young had legislation on that topic that was referred to a summer study committee. "We worked pretty hard on strengthening absentee voter laws. We always need to take a look at this issue."

Lawson is also watching with keen interest the presidential ballot petition forgery case that resulted in four indictments in St. Joseph County, including that of county chairman Butch Morgan. "We've considered how we can be proactive on that," she said, acknowledging that county clerks are extremely busy on a number of fronts when

presidential ballot petitions are submitted. "It's very similar to the absentee ballot system." She said voter registration officials need to sign off on absentee ballots. She said it's "in the realm of possibility that those who submit petitions" would have to "affirm they personally collected the signatures."

A Howey Politics Indiana/South Bend Tribune investigation discovered dozens of pages of Hillary Clinton and Barack Obama presidential petitions had been forged in 2008.

The other significant change this election season is the addition of counties with voting centers, which have expanded from four in 2010 to seven this election, with Johnson and Switzerland counties joining the ranks this cycle.

While Lawson believes that local officials should ultimately make the decision on whether a county should go to the new format, she said, "I would like to see it expanded." Counties such as Tippecanoe, Cass and Wayne saw greater voter turnout and lower costs. "It makes it more convenient for voters," she said. ❖



Secretary of State Connie Lawson believes the state is prepared for the Indiana primary elections on May 8.



Baseball season is upon us

By **MORTON J. MARCUS**

INDIANAPOLIS - The baseball season is here. Basketball and hockey are slipping behind us. Football lies ahead. This is the time to appreciate, to celebrate the excitement and suspense of our great American game.

We play baseball starting with T-ball where a youngster strikes at a ball that has been placed on a tee so that this early experience develops hand-eye coordination. Little league follows where the game splits into hardball and softball, but the game is essentially the same. Local businesses often sponsor our teams because they recognize the advertising benefit of putting their names on the chests of our children.

On through high school and college, baseball teams are found in small and large towns alike. Organized baseball leagues still function in eight Hoosier cities.

At the top of the pyramid are the Indianapolis Indians, the AAA affiliate of the Pittsburgh Pirates these days, but a force in baseball for decades. The Indians play in a very comfortable stadium right downtown Indianapolis with a great view of the city acting as a backdrop for the game. Over time the Indians have been one of the nation's most successful franchises.



Less exalted but no less true to baseball's realities are the South Bend Silver Hawks (an A level affiliate of the Arizona Diamondbacks).

They too play in a downtown stadium (named for Stan Coveleski, a Hall of Fame pitcher who played from 1912 to 1928 for several teams but was most successful with the Cleveland Indians).

In Fort Wayne the single A team is the Tin Caps (an apocryphal tribute to Johnny Appleseed). They are an affiliate of the San Diego Padres and play (surprise) in a downtown stadium, Parkview Field (named for a hospital system).

Downtown is now the place to be for a baseball team and a stadium is considered good for downtown. St. Louis and Cleveland are examples of major league cities that incorporated baseball facilities in their urban renewal plans.

Gary has done the same. The U.S. Steelyard (the delightful home of the Railcats) stands downtown in Gary, looking out on the Indiana toll road and the still vibrant mills across the highway. It was meant to be a stimulus to

downtown renewal and may yet be a key element for progress when progress comes to Gary.

Down on the Ohio River, Hoosier honor is defended by the Evansville Otters who play in the 14-team Frontier League. Like Gary, Evansville is not affiliated with any of the major league farm systems.

Organized baseball is also played by the Terre Haute Rex, the Richmond River Rats, and the Dubois County (Jasper) Bombers. These three teams are part of the Prospect League where college players are weaned away from aluminum bats and taught to hit with real wooden bats.

Professional teams once played in Kokomo, Lafayette, Michigan City and Vincennes. We hosted the powerful Indianapolis ABCs of the 1920s (named for the American Brewing Company) and the famous Indianapolis Clowns of the Negro League.

Indiana also fielded the South Bend Blue Sox in the AAGPBL (the All-American Girls Professional Baseball League) from 1943 to 1954 and the Fort Wayne Daisies (1945 to 1954).

For the players on today's teams, baseball offers a career opportunity. For Hoosiers in the stands these teams offer appreciation of great game and a good hotdog. ❖

Mr. Marcus is an independent economist, writer and speaker formerly with the IU Kelley School of Business.





Can Peter Katic make this comeback?

By **RICH JAMES**

MERRILLVILLE - I believe it was on the last day of the 1984 session of the General Assembly that State Rep. Peter Katic, a Hammond Democrat, was in the fight of his life. Even though it was a weighty issue, it didn't have anything to do with legislation.

Katic and Rep. William Drozda, D-Gary, had a hundred bucks on the line. And \$100 back then was real money. At issue was who would weigh less by the end of the day when the legislature would adjourn sine die.



The two swam and jogged and did whatever they could that day to lose weight. At the final weigh-in, just before midnight outside the House chamber, Katic won by less than a pound.

Such was Peter Katic. He always had fun with what he did. But sometimes that fun has

gotten him into trouble. Yet, 34 years after first running for public office, Katic is back on the ballot as one of three Democratic candidates for 1st District Lake County commissioner.

After three terms in the House, Katic came home and was elected Hammond city judge.

Because of his passion for people, Katic was a good judge. He tried to make an impact on those who came before him and made it interesting at the same time. During the Christmas and New Year's holidays he doubled the bond for those arrested for drunken driving as an effort to cut down on the number of those drinking and driving. He did the same on the Fourth of July.

He also asked some traffic violators to donate canned goods for the needy. No one refused. And he sent some high school students to jail if they failed to make decent grades while on probation.

Unfortunately, Katic either didn't or wasn't able to heed the warning he gave others about drinking and driving. Because of his drinking-and-driving exploits, the booze finally caught up to Katic in 1991 when he lost a bid for a third term on the bench by fewer than 30 votes.

That would have signaled an end to a political career for most. But not Katic.

A year after losing the judgeship, Katic ran for 1st District county commissioner, one of the most powerful offices in the county, and won. Unlike when he was judge,

Katic had to share the stage with two other commissioners. He did so quite nicely, largely because of his ability to befriend almost anyone. And he made some changes to improve county government.

While Katic was back on top politically, he still had a problem with drinking and driving and once showed up in a courtroom – while representing a client – under the influence.

Because Katic kept making headlines he didn't seek, he lost his bid for re-election in 1996 to Frances DuPey, who is retiring rather than seeking a fifth term as commissioner.

While he now had two strikes, Katic wasn't out. After leaving the commissioner's office, Katic continued to fight the alcohol problem, but with little success. Nevertheless, because of his love for public office, he ran for the North Township Board in 2006 and won. After a brief time off the board, he is back on. Katic went into a rehab program five years ago. He hasn't had a drink since. He continues practicing law.

So, can a guy who started in elected office in 1978 and has been voted out of two offices since, still win a county office? Those who know Katic say he is working harder than he ever has. That means a lot of door-to-door work, handshakes and that engaging Katic smile.

Katic's two primary opponents are Mike Repay, a county councilman who owes much of his success to being the son of the late Edward Repay, a popular Hammond politician. The other is Richard Novak, who sits on the township board with Katic. Novak, who has bounced around politics for a good while, is a former Highland town councilman and a retired East Chicago police officer.

Can Katic win? Perhaps. Anything is possible in Lake County politics, especially for someone who finally had the will to get his life straight. ❖

Rich James is the former opinion page editor and columnist for the Post-Tribune in Merrillville.



Both Lugar, Mourdock did what they needed

By **JACK COLWELL**

SOUTH BEND - Each did what he needed most to do.

Now, after a civil debate, with no "oops" blunders or knockout blows, the focus will be back again on the negative TV ads in the race between Sen. Dick Lugar and his tea party backed challenger, state Treasurer Richard Mourdock, for the Republican nomination for senator.



Lugar, whose 80th birthday came April 4, needed to show viewers in the only debate of the campaign, that he is the same intelligent, thoughtful and knowledgeable senator who built a reputation as a statesman in serving state and nation for six terms.

He did.

Murdock, still not well known throughout the state, needed to make a good impression for those getting a first look and undecided. He needed to avoid angry rhetoric of a tea party rally - the tea party is with him anyway - and come across as reasonable and respectful of Lugar. He did.

Lugar did not have to agree to debate his challenger. Conventional political wisdom would be not to do so, not give a lesser known challenger all that exposure, not chance some silly debate mistake that would be pounced on by the news media, not risk the slight polling lead shown for Lugar.

But Lugar, unlike some other incumbents caught by surprise, has taken the challenge seriously from the start, not just assuming that nobody would believe all the negative attacks. Millions of dollars are being poured into Indiana by national groups seeking to defeat Lugar. And the Lugar campaign has hit back at negative TV with attacks of their own, not just playing defense.

Lugar strategists no doubt hoped that Mourdock would come across as some of the Republican candidates did in those snarling presidential debates. Mourdock refrained from that type of attack, wisely leaving that to the TV ad folks.

The most striking difference, as might be expected, came on foreign affairs. Lugar, long a respected Republican voice in the Senate on foreign policy, cited monumental success of the Nunn-Lugar Program in destruction or deactivation of thousands of weapons of mass destruction in

the old Soviet Union, including nuclear-armed missiles once aimed at us.

Murdock countered that funds went to Russia for this and maybe Russia thus could have saved money that it now sends to Syria.

Murdock advocated a more belligerent stance toward Russia, China, Iran and North Korea. And he complained that the Senate should not have ratified the New START treaty with Russia so quickly.

Lugar, a supporter of the treaty, said ratification without further delay was in the best interests of the United States because it provided again for "boots on the ground" inspections for compliance in Russia.

Support for ethanol was another area of disagreement, with Mourdock contending that it adds to gas prices and Lugar saying it "makes the overall price go down" and is "a Hoosier product with Hoosiers producing it on farms here."

There were some subtle reminders of differences.

When Mourdock praised a congressman's proposal on Medicare, Lugar quickly countered with praise for Gov. Mitch Daniels' efforts. Daniels has endorsed Lugar, calling him the "most significant public official in the last century in our state, quite possibly the greatest senator ever to serve from our state." Lugar wants to stress his long association with Daniels, who is highly popular with the Republicans who will be voting in the May 8 primary.

Murdock steered clear of attacking Lugar as not really a Hoosier, a charge made by some Mourdock supporters, instead using subtle but obvious reference to Lugar's residence in the Washington area. "I am proud to call this state home," said Mourdock, who added that if elected senator, he wouldn't move.

Lugar refrained from getting into Mourdock's absences as state treasurer at various state board meetings, a matter hammered at by the Lugar campaign. Things were so civil that Lugar even referred to Mourdock as "my friend." Sure.

Murdock sought to portray himself as actually having been reluctant to run against Lugar. Sure.

Neither needed to lash out in attack. Neither did.

Now, the TV ads will hit the air and hit the opponent, doing what the consultants say those ads need to do.



Colwell has covered Indiana politics over five decades for the South Bend Tribune.



Gwen Ifill, National Journal - On the morning after the season's only Indiana Senate primary debate, state Treasurer Richard Mourdock arose early and headed for a Rotary Club in suburban Noblesville. Fewer than 20 people were there, which meant that there was plenty of sausage, egg, and waffle casserole to go around. The club's president announced he was stepping down as the town's top Rotarian. Then he turned to Mourdock, who is attempting to unseat 80-year-old Sen. Richard Lugar, R-Ind., and winked. "The time comes for everybody to retire," he said. Lugar was not present. He was downtown, on his way to the eighth floor of a shiny high-rise, where he would receive perfunctory but valuable endorsements from Indiana businessmen who complained that Washington has become too hyper-partisan. The last time he ran for reelection, Indiana's senior senator was so beloved that Democrats did not even field a challenger. And the last time he was challenged from within his own party, he beat the guy by 35 points. No more. Lugar, with 35 years in Washington under his belt, has become this cycle's most endangered incumbent. Some of his wounds have been self-inflicted. Lugar, citing the expense of maintaining two residences, has not owned a house in his home state since 1977 and was briefly declared ineligible to vote. That problem was only rectified after local-elections officials allowed him to use a family-owned walnut farm--where he also does not live --as a voting address. Then Lugar had to repay \$14,000 in taxpayer money for the cost of the hotels he has stayed in for years when he returned to Indiana. Lugar, also a former Indianapolis mayor, is not exactly apologetic. His living circumstances were all legal, he told me. And Mike McDaniel, a former state party chairman and Lugar ally, calls the uproar "just silly." "It's a huge issue," Mourdock said. "And it's not just a huge issue in where he's allowed to vote and where he isn't. It was huge in that it was a court fight over him arguing you can't make me live in that state." The most recent Howey/DePauw University statewide poll shows Lugar narrowly ahead, but with only 42 percent of the vote to Mourdock's 35 percent. However, incumbents like Lugar, who enjoy almost universal name recognition, typically poll north of 50 percent. And because 57 percent of Republican voters said they either had not heard of Mourdock or had no opinion of him, this is clearly Lugar's problem. Lugar refuses to be counted out. When we talked, he seemed almost cheerful about his endangered status. Shedding his moderate mantle, he is happy to cite his alliance with Ronald Reagan and to declare the Affordable Care Act unconstitutional. "There is an implication that we have served long enough," he told me. "That my age is a factor, that would prohibit vigorous service in the future ... that it's all well and good to salute an elderly gentleman who has done a good job for the state and



country, but it's time to try something new." I had to prod him and ask, "But you don't agree with that, do you?" "No of course not," he said, laughing and slapping his knee. "I believe some of the best times are still ahead." ❖

Michael Hicks, Indianapolis Business Journal:

The \$206 million in late payments is about half the total tax revenue our states' woefully mismanaged townships kept sitting in the bank over the past several years. Over the past few months, two mistakes in tracking tax revenues and disbursements have cast a shadow on Indiana's Department of Revenue. The first of these, \$320 million in funds that were collected over several years but not included in the budget reports, was really nothing more than an embarrassment to an administration that prides itself on strong fiscal management. The second error, though involving less money, was far more serious. An undisbursed \$206 million that should have been directed to county and municipal governments was banked. These are funds local governments needed at a time when the economy could have benefited from the spending. The first mistake was a software error, which was caught by humans. This prompted a detailed review, which was the right, but politically imprudent, course of action. This led to the discovery of the second error, which was big enough that it should have been previously discovered, by either state or local officials looking at budgets. This prompts the question of whether cuts in state personnel have gone too far in key offices. More than a little criticism of the administration is warranted. But most of the loudest protests come from folks who have no room for complaint, having fought tooth and nail against any modernization of Indiana's local government. At a time when poverty rates grew sharply, townships banked poor relief. At a time when local governments with actual responsibilities struggled to make ends meet, our unneeded township governments collected half a percent interest on a huge windfall of tax dollars. That is planned mismanagement, not a software glitch. Moreover, in 2007 the bipartisan Kernan-Shepard Commission recommended some easily implemented changes to Indiana's local government that would have dragged the state into the modern times of the late 19th century. According to my estimates, this step of consolidation would save local governments more than \$630 million annually in wasted and redundant expenses, which is four times the annual accounting mistake. The reform of local government and loss of this patronage was such a fearsome prospect in the legislature that it outweighed the opposition to every other policy step of the past five years. Still, anyone who whines about local budgets but opposes local government reform is simply playing politics with a serious issue. They should be wholly ignored. ❖



GOP cuts database from Mourdock

INDIANAPOLIS - Indiana Republican leaders met Wednesday to discuss how to handle allegations that a U.S. Senate campaign improperly tried to access a critical database of voter information (LoBianco, Associated Press). Party chairman Eric Holcomb declined to comment on the matter, saying he wants to keep the discussion in-house. But the spat has added fuel to an already heated Republican primary between Sen. Richard Lugar and his tea party-backed challenger, Indiana Treasurer Richard Mourdock. The Republican Party's voter files are incredibly important for any campaign, although especially so for Lugar and Mourdock as they enter the last few weeks before the election. Republicans use the data to determine who to target with phone-calls, door-knocks, direct mail and other tactics designed to bring their supporters to the polls. At issue is a March 14 email obtained by The Associated Press in which Mourdock campaign manager Jim Holden writes that Mourdock staffers should "start pillaging email addresses" from a voter database known as Salesforce, which is used by all Indiana Republicans. "We have a Salesforce login again. Can one of you guys login immediately and start pillaging email addresses like a Viking raider attacking a monastery full of unarmed monks?" Holden wrote. In the email, he also instructed them to take the information, "download into our house file" and remove duplicate entries. A Republican official familiar with the problem told The Associated Press the Mourdock campaign's access to Salesforce was revoked shortly after the email was discovered. The



official spoke on condition of anonymity because the investigation is ongoing. "Mr. Mourdock must come clean and answer serious questions if he wishes to represent Hoosiers in the United States Senate," Lugar campaign manager Emily Krueger said in a statement. But Mourdock spokesman Chris Conner denied that the campaign had accessed the software. He called the email a "joke" that was "taken out of context." He said he doesn't believe there was any wrongdoing.

Holcomb statement on database breach

INDIANAPOLIS - Indiana Republican Chairman Eric Holcomb told Howey Politics Indiana this morning, "We value and appreciate all the supporters who help us supply and our candidates and our committees with good up-to-date, reliable information. As in any case, we take very seriously any attempt to sacrifice our member's privacy or resources in any way. I won't publicly discuss conversations that are being held in our family dining room until we come to a conclusion and are ready to share. We have a party process and we'll let the process play out."

Skillman to join RNC

INDIANAPOLIS - Republican sources are telling Howey Politics Indiana that Lt. Gov. Becky Skillman will replace Dee Dee Benkie on the Republican National Committee.

Daniels, McCain to cut ads for Lugar

INDIANAPOLIS - Mitch Daniels and John McCain are coming to Sen. Dick Lugar's rescue, POLITICO has

learned. The Indiana governor and the Arizona senator have cut ads on Lugar's behalf that are likely to air in the closing weeks of his neck-and-neck Republican primary contest. While the details of the commercials are unclear, two GOP sources confirm that the two political heavyweights are featured in television and radio spots encouraging the election of Lugar to a seventh term. A source with knowledge of their participation cautioned that no final decision has been made to run the commercials. But the pair of high profile surrogates would make a powerful closing argument for Lugar, whose polling lead in the May 8 primary has evaporated in recent months. The term-limited Daniels is by far the most popular politician in the state, boasting a 63 percent job approval rating according to a recent Howey/DePauw Indiana Battleground Poll. McCain, the 2008 GOP presidential nominee who carries immense credibility on foreign affairs, could buttress the argument that Lugar's breadth of experience is invaluable as ranking member of the Senate Foreign Relations Committee. Fresh polling dropped Wednesday showed Lugar may be in need of a late jolt. Richard Mourdock, the two-term state treasurer, sits dead even with the incumbent, according to a poll conducted by John McLaughlin & Associates for Mourdock's campaign. The survey, taken Monday and Tuesday of 400 likely GOP voters, shows Mourdock capturing 42 percent of the vote to Lugar's 41 percent. The McLaughlin memo notes that Mourdock has been able to erase a 12-point deficit since January, despite being outspent by approximately 3-to-1 on television. Earlier this month, Democratic pollster Fred Yang argued that while there's no quibbling with Daniels' popularity, there are doubts about its transferability to other Republicans. "[T]he Republicans in the legislature have a net positive rating of 38% favorable and 36% unfavorable, which is better than the Democrats in the



state legislature (32% favorable, 39% unfavorable). Not only is the GOP legislature perceived only marginally better than the Democrats, but also the GOP woefully underperforms the GOP governor," Yang wrote for *Howey Politics Indiana*, in a piece assessing Lugar's chances of re-election

Straub under fire from Indy Council

INDIANAPOLIS - Disgust. Outrage. Disappointment. People from all corners of the city expressed a range of emotions Wednesday -- one day after the announcement that the Indianapolis Metropolitan Police Department had, for the second time, mishandled evidence in the case of a suspended police officer who crashed his squad car into a group of motorcyclists while he may have been drunk (Indianapolis Star). But everyone seemed to have the same message for the city: They want the police department and its leaders to be held accountable. "This is just over-the-top disgusting," said Indianapolis resident Wilson Allen, 70, who has lived Downtown for 40 years. "We need the police. We need them to be good. We need them to be competent. But if they can't even keep track of critical evidence like that, that's pitiful." On Tuesday, Paul Ciesielski resigned as chief of police. But others are calling for the resignation of his boss, Public Safety Director Frank Straub. Coincidentally, Straub appeared before a City-County Council committee Wednesday night -- at a previously scheduled hearing -- to essentially prove he deserves to keep the job Mayor Greg Ballard appointed him to. Mary Mills, who along with her husband, Kurt Weekly, was severely injured in the crash, said the city and the police are not taking responsibility for the botched investigation. The couple's friend, 30-year-old Eric Wells,

was killed in the crash. "Every single one of (the people involved)," she said during a news conference Wednesday, "they have some sort of responsibility." Democratic Councilman Frank Mascari asked, to applause from some in attendance: "Why is it that everybody at IMPD is accountable for their actions but you?" He added: "Every time something goes wrong, it seems like you throw somebody under the bus." Straub responded by saying that reform of IMPD is a long process. It's been a struggle for decades, he said, citing police corruption faced by former Mayor Richard Lugar in the 1970s and repeated incidents of officer misconduct up to recent years.

Rokita introduces RAISE Act

WASHINGTON - U.S. Rep. Todd Rokita (IN-4) yesterday introduced H.R. 4385, the Rewarding Achievement and Incentivizing Successful Employees (RAISE) Act, which would amend the National Labor Relations Act to reform the collective bargaining process and allow employers to give merit-based bonuses, raises, or other increases to an individual employee above the level set by the employee's union contract. "More than eight million Americans are now prohibited from ever getting a performance-based raise, no matter how well they do their jobs," said Rokita. "We can't expect American businesses to be competitive in a globalized economy under a system that forbids individual raises and discourages hard work, and the RAISE Act would change that." The National Labor Relations Board has repeatedly ruled that individual bonuses constitute "direct dealing," which is illegal under collective bargaining law, and the NLRB has the power to strike down any bonuses or pay raises not negotiated by unions. Although the RAISE Act would not alter existing contracts, it would protect

employees' ability to earn pay raises under future contracts. Federal law prevents discriminatory treatment of employees based on union membership, and the RAISE Act would ensure that both unionized and non-union workers have an equal shot at getting pay raises.

Congressional approval up to 17%

WASHINGTON - Congress is on the upswing. While Americans still think poorly of the institution, Congress's job approval rating bumped up slightly to 17 percent in April from recent record lows, according to a new survey Thursday. Approval of Congress reached a low of 10 percent in February, improved to 12 percent in March, and is up an additional 5 percent this month, reports Gallup. The 17 percent approval rating is the highest since last July. "Congress's approval rating had not shown significant improvement in February or March, in contrast to the increases Gallup documented in Americans' satisfaction with the way things are going in the United States and their confidence in the economy. Americans' generally improving mood may now be extending to their views of Congress," wrote Gallup.

Reagan to headline Right to Life dinner

EVANSVILLE - Michael Reagan, adopted son of President Ronald Reagan, will headline Right to Life of Southwest Indiana's annual spring banquet at 6 p.m. today at The Centre in Downtown Evansville. About 1,700 people are expected for the event. Reagan, 67, is the late President Reagan's eldest son. He also chairs the Citizen Legislature Initiative.