



Kelty's campaign finance meltdown

Election board to meet June 19, as nominee's political fate twists

By **BRIAN A. HOWEY** in Indianapolis and **MARK SCHOEFF JR.** in Washington

Republican nominee's Matt Kelty's mayoral campaign must wait at least 12 days before its crucial fate could be determined by the Allen County Election Board when it meets at 3:30 p.m. June 19. Will he get a clean bill of health? Will there be charges? A reprimand? Censure?

The fact that Kelty took \$158,000 in loans from three supporters and stated on his campaign finance report that it was a loan from himself has put his campaign on precarious footing.

Bloggers have accused some in the GOP establishment of trying to undermine the Kelty candidacy, which upset establishment-supported Allen County Commissioner Nelson Peters in the May primary. "Matt has supporters in every circle and they are reporting open discussions by party officials and 'fixers' about how they pulled a fast one on Matt and how

they can't wait to get Peters on the ballot," wrote the Angry White Boy blog.

One Fort Wayne political veteran told HPR, "He is probably doomed. The examination, the investigation, the possible charging all will eat up the campaign season. He can not raise money. He can not talk about issues and there is great question whether the Republicans even want him on the ticket. His positions are very offensive to many pro-growth Republicans."



Republican Fort Wayne mayoral nominee Matt Kelty speaks to the press. (WANE-TV Photo)

Kelty did not violate campaign finance law by failing to report as a donation loans made to him by his staff that he then turned around and loaned to the campaign, according James Bopp Jr., a nationally known campaign finance lawyer who recently argued a case before the Supreme Court. Bopp asserted in an HPR interview in Washington on Tuesday that the \$158,000 in loans were made to Kelty personally, not to the campaign.

"As long as he has law-

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Is it kinks (or Kinkos)?

By **CAM CARTER**

INDIANAPOLIS - Apparently, The Indianapolis Star editors think that Gov. Daniels' efforts to save taxpayers money by contracting with a private firm for the printing, mailing and copying needs of state government is, well, newsworthy in a less than wholesome way. The Star seeks to create controversy where none should be.



First, some facts from the story in Monday's Star ("To these 66, small privatization is huge," The Indianapolis Star, 6/4/07). Currently, taxpayers - that's you and me - pay the salaries and benefits



"There are some sectors we are not covering as well as we'd like to. Accountability reporting, city and county government."

- **Indianapolis Star Editor Dennis Ryerson, Editor & Publisher**



of 66 employees in the state's multiple print shops. The Daniels administration believes this work can be done more efficiently by contracting with the global mail firm, Pitney Bowes, and plans to do so after a four-way competition for the work that included a (presumably well-informed) bid by the print shop employees. The expected savings of this outsourcing is \$8-10 million annually, or nearly \$50 million over the life of the five-year contract. Not much in the context of a \$26 billion biennial budget, but still a decent Powerball jackpot. And, shouldn't our government be looking to save taxpayers money through any efficiencies it can find?

Apparently not, judging by the melodramatic Star story. No, more important than the taxpayer and principles of good government are the sinecures of the print shop employees themselves and the "human cost" of outsourcing. We are told that the 66 employees will be guaranteed jobs for only six months under the new contract and that many, if not most, have "disabilities from work-related hearing and back problems." Further personalizing the tragedy, the Star informs us that one employee has a "mentally-handicapped" son (aged 27) and fears for his livelihood.

While one empathizes with this worker and his colleagues, leadership requires difficult decision-making. Despite the Star's manipulative tug at our heartstrings, any competent manager would seek this change. The public trust requires no less.

The print shop employees had the opportunity to compete for the work and lost. Due to directives from the governor to his subordinates in the bidding process and subsequent contract negotiations, all were given a chance to keep their jobs and all are guaranteed at least temporary positions with Pitney Bowes; many will be able to retire after long state tenures (one has been employed since 1957) while securing permanent positions with a solid company. At worst, these workers are being given six months'

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severance and lead time to find new jobs – pretty humane treatment, better than most of us will receive during our working careers.

Indiana will be in very bad shape if we place the interests of state employees ahead of the interests of state taxpayers. They work for us and serve the public's needs, not the other way around. The governor and his team should be looking for more cost savings like this, not less. Only by managing government better can we hope to head-off ever increasing costs of government and attendant tax increases – a form of humane treatment for us all.

Journalism in atrophy

By **BRIAN A. HOWEY**

INDIANAPOLIS - Indianapolis Star Editor Dennis Ryerson finally said



what everybody knew: bottom line journalism rules! Ryerson told **Editor & Publisher,** "There are

some sectors we are not covering as well as we'd like to. Accountability reporting, city and county government. Right now, our editors are so busy feeding the daily elephant, they do not have the time to think of those

deeper stories that we would like."

Well, hey, thanks for reading the Star.

The areas where Indiana's largest news enterprise could have made a difference with ahead-of-the-curve investigative reporting are many: the central library construction fiasco, the primary election meltdown, a crime wave and 177 missing cops, crime trends (i.e. when are we most likely to get carjacked?), the deaths of seven Fort Wayne Developmental Center residents, school construction costs, CAFOs and water quality. We learn about these things too late.

The ultimate message delivered here is that government in Indiana will most likely get a pass, no matter how it conducts itself. With dwindling news resources and a lack of competition in the media means that the Fourth Estate's watchdog is snoozing in its house while investors make their profits.

But at what point does this lack of accountability come back and bite all of us when officials no longer fear public scrutiny?

We're getting lots of stories about whales and sharks, Paris Hilton and Anna Nicole Smith. We build Taj Mahal basketball gyms and \$19 million natatoriums (with a YMCA across the street) and 818 out of 1,800 schools go on academic watch. Johnny can't read, but hey, for the few of you who do, thanks for reading the skinny, surface-surfing Star. ❖



Kelty: From page 1

ful possession of the funds, he can make loans to the campaign," said Bopp, a partner at Bopp, Coleson & Bostrom in Terre Haute. "Candidates do that all the time."

In fact, Bopp argued that Kelty should be lauded for stepping forward himself to reveal the source of his loans to the Allen County Election Board. "He voluntarily disclosed this information, which is unprecedented," Bopp said. "No candidate does that."

The case is unique in that a question is being raised about a candidate loaning himself money, according to Bopp. What Kelty did was similar to taking out a line of credit on his own or charging money to his credit card and then using those funds in the campaign.

"It's novel because no one has ever made this claim," Bopp said. "I can't see how he can be held at fault. It shouldn't go anywhere."

Allen County Republican Chairman Steve Shine told HPR on Wednesday that he was "hopeful this will be resolved in his favor. Despite all the accusations, rumors and innuendo, it will be the election board to parse this correctly. I'm hopeful his accusers will be generous and apologize."

Shine said that Kelty continues to raise money "from his ardent supporters."

The situation has received statewide attention because it stands to set an Indiana precedent. The most reported money coming into a campaign under radar occurred in 2002 when HD46 Republican Brooks LaPlante funneled \$35,000 of his own money into that campaign in the final 25 days. Election law required LaPlante to report the money within 48 hours. He defeated State Rep. Vern Tinchler. He would decide against a re-election bid in 2004, absorb a \$10,000 fine from a bitterly divided Indiana Election Board, re-entered the race in late summer before losing his re-elect to Tinchler by 700 votes.

While few observers are willing to dispute Bopp's take on the letter of the law, the biggest danger for Kelty lies more in the spirit.

The case has fascinated Fort Wayne, a city with a rough and tumble campaign history. In a recent News-Sentinel weekly poll, an unprecedented 3,500 respondents participated in the non-scientific survey, with 2,514 supporting Kelty as the nominee and 1,050 against. The story there is the sheer volume of opinion.

It's too early to gauge the political fallout. LaPlante lost his contorted re-election bid. In 1987, then-Fort Wayne

Mayor Winfield Moses, Jr., who had resigned for 10 days in 1985 in a campaign finance case before returning to office in a Democratic caucus vote, was leading Republican Paul Helmke in polls until the Republican Allen County prosecutor announced he was investigating a family member. Moses' numbers subsequently collapsed and Helmke won.

Indiana Week in Review panelist Jon Schwantes noted that a pattern of conduct surrounding Kelty could compromise his candidacy. He cited absentee ballots that had to be recalled, campaign assertions on the poll that had to be recanted, and a resume problem surrounding Kelty's claim that he was a walk-on with the Notre Dame football team.

IWIR Panelist John Ketzenberger noted the Republican "circular firing squad."

Leo Morris of the Fort Wayne News-Sentinel wrote: The Indiana blogosphere has a lot to say on the matter of Matt Kelty's campaign-finance-disclosure problem. Some, such as Fort Wayne Libertarian Mike Sylvester, think the



Kelty for Mayor campaign just made a mistake in reporting, and it's too bad the filing laws are so complex that a lawyer is needed to understand them. Jeff Pruitt at Fort Wayne Left thinks it's pretty clear Kelty broke campaign finance law. The liberal blog Taking Down Words seems gleeful that a "Fort Wayne right-winger" would be in such a pickle, while the conservative Angry White Boy thinks the whole thing will blow over but is distressed at the bad advice Kelty must have gotten from lawyers. Left of Centrist doesn't want to "come right out and call Kelty a liar" -- but, after all, what else would you expect from a Republican? Advance Indiana seems convinced of Kelty's guilt, and Fort Wayne Observed links to the actual amended campaign finance report filed by Kelty.

"The Election Board will decide what laws, if any, it thinks were broken, and the courts will be involved if need be, so perhaps we ought to reserve judgment on that part," Morris wrote. "But the burden of proof is clearly on Kelty to convince us he wasn't trying to make his campaign less than transparent. Contributions he reported as personal loans to himself were actually loans to him by people close to his campaign, the bulk of the money coming from Frederick Rost, a Kelty campaign adviser and president of Allen County Right to Life. Rost also funded the Zogby poll -- anonymously at first -- that had results favorable to Kelty, and Kelty has insisted all along he did not know who



paid for the poll. How is a reasonable person not supposed to think that Kelty wants to keep the public from knowing who is financing his mayoral candidacy?"

Fort Wayne Journal Gazette editorial page editor Tracy Warner wrote, "The next five months are going to be excruciatingly long for Allen County GOP Chairman Steve Shine. Shine has the unenviable job of doing everything within his power to win the November mayoral election with

a candidate whom many of the party's most prominent officeholders and campaign contributors don't like. Behind the scenes, some key Republicans are already giving up the 2007 race as lost."

Warner continued, "A week after the election, a few dozen top GOP insiders met to discuss whether they would get behind Kelty, and the loan was a topic of discussion. While a number of Shine's key constituents were speculating out loud about the true source of the money, the party chairman also realized an official complaint would most likely be filed eventually. The sooner the questions were answered, he believed, the less likely they would be an issue in the November vote. After the news conference, it was clear that some Kelty supporters remained bitter that Shine even raised the issue.."

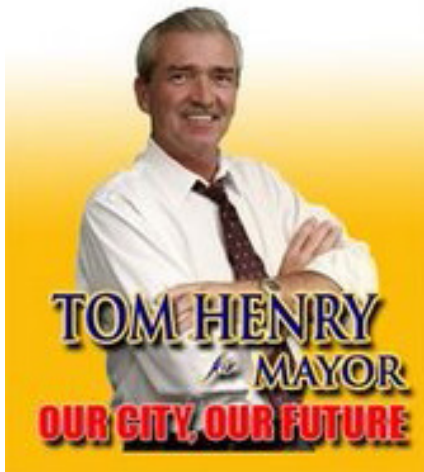
Meanwhile, Democratic nominee Tom Henry has been quiet. "To me this is an issue between the election board, the Republican Party and Matt Kelty," Henry told the **Journal Gazette** on Friday. The Henry campaign has purposely avoided talking about the issue, saying it wouldn't be fair to Kelty to get involved at this time, especially until all the facts are known. "We all think we know, but only (Kelty) really knows what his intention was," Henry said.

Allen County Democratic Chairman Kevin Knuth told the Journal Gazette, "What's happening here is they're trying to find a legal way to circumvent the law."

If the Allen County Election Board were to rule against Kelty, that would set in motion further consternation within Republican ranks to replace Kelty on the ticket by the July 15 deadline.

Even if the Kelty candidacy survives that, the political fallout may extend well into the fall, endangering what had been seen as the Indiana Republicans best chance at a big city pickup in the 2007 cycle.

In 2003 under then-Republican Chairman Jim Kittle



Jr., the GOP made an effort to win big and medium-sized mayoral races. But this year, the party could not find a credible candidates to challenge Indianapolis Mayor Bart Peterson and Evansville Mayor Jonathan Weinzapfel. Evansville GOP nominee David Nixon has turned out to be an utter embarrassment after it was revealed he owed \$13,000 in child support and has sought loans and jobs from party officials. Down ballot candidates there are concerned.

With the party now politically compromised in Fort Wayne, divided in Kokomo and facing tough challenges in Elkhart, Crown Point and Anderson, this looks to be a trying political sequence for Indiana Republicans. ❖

Supreme Court ruling could change campaign finance laws

Hoosier lawyer Bopp argues in favor of lifting "blackout" on issue advertising

By MARK SCHOEFF JR.

The Howey Political Report

WASHINGTON -- By the end of June, the Supreme Court will issue a decision that could significantly alter campaign finance law and change the political television advertising lineup prior to an election.

The court is set to rule on a case that revolves around the type of ads an interest group can air during the "blackout" period 60 days before a general election and 30 days before a primary. The decision may not come down until the last day of the court session, June 29.

In the Federal Election Commission v. Wisconsin Right to Life, the pro-life group ran television spots in 2004 urging Wisconsin voters to tell Democratic Sen. Russell Feingold not to block President Bush's judicial nominations through a filibuster.

The problem is that the ads went up in the fall during the 60-day blackout period that was established by the 2002 campaign finance reform law -- a violation of the ban on election communications during that timeframe, according to the FEC. The lawyer for Wisconsin Right to Life, James Bopp Jr., asserts that the ads constituted grassroots lobbying and should be protected as free speech.

"There's no discussion about the election," Bopp, a partner at Bopp, Coleson, Bostrom in Terre Haute, said in an exclusive HPR interview. "It was about an upcoming vote in Congress. This ad was all about lobbying and not about an election, so it can't be prohibited by campaign finance laws."

During an intense, lively oral argument before the Supreme



Court on April 25, Bopp was pressed by justices who questioned whether the timing and content of the ad were designed to influence the election -- in violation of campaign finance reforms codified through the McCain-Feingold bill that Congress passed in 2002. The measure was authored by Feingold and Sen. John McCain (R-Arizona).

"If we agree with you in this case, good-bye McCain-Feingold," Justice Stephen Breyer told Bopp. "Maybe we should do it up front. That's what you advocate."

Even though the ad doesn't encourage Wisconsin residents to vote against Feingold, Justice David Souter said that they would be able to connect the dots and understand that the spot was ultimately intended to influence their decision at the ballot box.

"But doesn't any communication depend upon the understanding of the listener?" Souter asked Bopp. "Can we even sensibly talk about what a statement means or an advertisement means without understanding the context in terms of the listener's understanding?"

Bopp responded, "The test is, what do the words say? What does the ad say? What does the speech say?"

Souter answered: "No. The question is what do the words mean."

Later, Souter said: "So your position is that we ignore context because no one -- because the voters aren't smart enough to have a context?"

Bopp answered, "No, that we be allowed to speak so we can give that information to the voters."

In an exchange with Justice Antonin Scalia, Bopp outlined why the anti-abortion group's spots could not be defined as electioneering. "The ads do not mention an election, candidacy, political party, challenger or the official

character, qualifications or fitness for office," Bopp said.

Not only are the ads legitimate lobbying tools, Bopp asserts that members of Congress use the advertising moratorium to their advantage.

"Incumbent politicians schedule these votes in the blackout period before an election," Bopp said in the HPR interview. "We ignore that reality and think everything (before the fall general and spring primary) is about an election."

As he, and the political world, await the Supreme Court's ruling, Bopp is hopeful about the outcome. He has won three of the previous four cases he argued before the high court.



James Bopp Jr. discusses the McCain-Feingold case he argued in April outside the U.S. Supreme Court.

"I am cautiously optimistic that there will be a carve-out for grass roots lobbying or the court might strike the whole blackout period down," Bopp said. "Either one will be a major change" in campaign finance law.

Being at the heart of a debate over campaign funding rules is par for the course for Bopp. "It is the nature of my practice that I get involved in issues like this all over the country," he said.

But the cut and thrust of a Supreme Court oral argument is a special experience that lawyers relish. They just have to be prepared for

the justices not to let them finish sentences.

"You're there to answer their questions. They're entitled to interrupt you if they choose," Bopp said. "You continue speaking at great peril. That's the reality. You have to abide by that." ❖



Indiana will have four CDs in play in '08; 2 others to watch

By **BRIAN A. HOWEY**

INDIANAPOLIS - At least four Indiana congressional seats are likely to be in play in 2008, according to an HPR analysis, beginning with the 5th CD showdown between U.S. Rep. Dan Burton and Dr. John McGoff in the May primary.

The three seats that flipped from Republicans to Democrats will also likely be in play, while observers will keep a close watch on prospects of U.S. Reps. Mark Souder and Julia Carson.

2nd CD

Freshman U.S. Rep. Joe Donnelly will almost certainly be tested in this 50/50 swing district that has switched parties twice in the last six years. The two most likely candidates are Goshen real estate developer Luke Puckett and Kokomo Controller Phil Williams. Former congressman Chris Chocola is not expected to run and is said to be favoring Puckett. State Sen. Tom Weatherwax and State Rep. Jackie Walorski have been mentioned, but both are up for re-election in 2008 and would have to give up their seats to run. State Sen. Joe Zakas just won re-election and is said to be considering a second run for Congress, after having been defeated by 58-41 percent in 1996 by then U.S. Rep. Tim Roemer.

3rd CD

U.S. Rep. Mark Souder is uncharacteristically raising early money, even though there is no obvious Democratic challenger. He defeated Fort Wayne Councilman Tom Hayhurst with 54 percent of the vote in 2006, his closest re-elect. Hayhurst will not seek a rematch. Souder is reacting to 2008 where the Iraq War could be problematic for House Republicans. He also has to be nervous about the imploding Fort Wayne GOP. He backed Allen County Commissioner Nelson Peters in the May mayoral primary. Peters was defeated by Matt Kelty, who is more philosophically aligned with Souder. With the Kelty campaign now challenged on campaign finance issues, there is much finger pointing between the social and economic conservatives, which means Souder could find himself with a divided party going into 2008. The DCCC is monitoring this situation and will be recruiting a candidate.

5th CD

This Republican primary race is already underway

with Dr. John McGoff expecting to report around \$200,000 by the June 30 FEC deadline, and \$500,000 by the end of the year, said campaign aide Trevor Foughty. McGoff recently received the support for former state and national committeewoman Jean Ann Harcourt.

U.S. Rep. Dan Burton will be facing his most pressing race since he won the seat in 1982. Burton, who has spurned newspaper interviews and some GOP organizations over the years, is now availing himself to those speaking opportunities. His internal staff has found itself at odds with the congressman earlier this year when he came under fire for missing hearings on the war and veterans.

Multiple Indiana Senate sources tell HPR that



U.S. Rep. Dan Burton (center) with Mike Sodrel (right) and State Sen. Mike Delph at an Indiana Statehouse presser. (HPR Photo by Brian A. Howey)

State Sen. Jeff Drozda is passing on this race. He and his wife are expecting a child. A Drozda entry would likely have divided the challenger vote. Sources tell HPR that Drozda will be up for re-election in 2010 and sees 2012 as a better opportunity should Burton survive in '08.

McGoff, who has just begun the summer parade and fair circuit, is expecting a promotion in the Indiana Air National Guard, where he serves as a colonel in the 181st Medical Group. He will serve one weekend a quarter at Ramstein AFB in Germany.

Burton's recent Lincoln Day Dinner stump speech centers almost entirely on a defense of the Iraq War. But Col. McGoff may be one of the only Republicans in the United States who could benefit from discussing the war. "John is in the military. He works with wounded soldiers from Iraq and he'll talk about that," Foughty said. "That's



an issue that helps us."

Foughty said that "90 percent" of McGoff's time will be spent talking about how Burton performs in his job, his voting attendance and record, and "how to be a congressman."

7th CD

Local Democratic leaders expect U.S. Rep. Julia Carson to seek a seventh term in 2008, though they cannot definitively say this will happen. If Carson runs, the Democratic organization will back her. Washington sources tell HPR that House Speaker Nancy Pelosi and the DCCC have hinted that Carson should consider retiring. **Roll Call** reported this week that such speculation on a Carson retirement "runs rampant" on Capitol Hill.

If Carson isn't on the 2008 ballot, speculation centers on State Reps. Carolene Mays and Greg Porter, the congressman's grandson Andre Carson, Center Township Trustee Carl Drummer and former Indiana Democratic Chairman Robin Winston.

Eric Dickerson is likely to seek a rematch. If the seat is open, look for 2002 nominee Brose McVey to take another look.

8th CD

Indiana State University lobbyist Greg Goode appears to be the consensus Republican candidate to take on U.S. Rep. Brad Ellsworth. Goode, 34, served on Capitol Hill as chief of staff to then-Rep. Brian Kerns and as a legislative aide to Kerns' predecessor, former Rep. Ed Pease. Ellsworth has already issued statements critical of Goode.

9th CD

All eyes are on former congressman Mike Sodrel. "I haven't dismissed the possibility," he told **Louisville Courier-Journal**. "Neither am I ready to make an announcement."

Several GOP sources tell HPR that Sodrel's wife isn't sure she wants to go through a fourth bruising battle with Hill. There is some speculation that Sodrel may wait until the Feb. 5 presidential primaries, likely to determine the two major party presidential nominees, before making a final decision. That would be two weeks before Indiana's filing deadline.

Todd Young, an associate at the southern Indiana law firm of Tucker and Tucker, P.C., has indicated he will seek the office if Sodrel passes. The Carmel native is a graduate of the U.S. Naval Academy, holds an MBA from the University of Chicago and worked on the staff of U.S. Sen. Dick Lugar as a legislative assistant on energy policy and renewable fuels. ❖

2008 Indiana Governor

Governor 2008: Republican: Gov. Mitch Daniels. Democrat: Senate Minority Leader Richard Young, Jim Schellinger, Jill Long Thompson. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Results:** Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. **2008 Forecast:** Daniels is expected to report close to

\$4 million at the June 18 financial reporting deadline. That comes two days after he kicks off his re-election campaign at Hinkle Fieldhouse. Watch for Daniels to lay out a comprehensive vision for a second term. Campaign sources tell HPR that

internal polling shows the governor's favs in the upper 50th percentile. They say that independent polls such as Survey USA (presumably without an Indiana sponsor) have been consistently 10 percent off. The campaign points to the January Realtors poll which showed Daniels' approval around 57% as more insinct with their numbers. Other aspects to keep an eye on: the coming revenue report, which is expected to show sales revenue down, but corporate and personal income rising. Of all the economic related issues, personal income could be the most important as related to the 2008 election. And this comes well before an plethora of economic engines: Honda, Toyota, JeffBoat, Medventure, BP and others fully take root and create the jobs promised at their announcement. The national pundits continue to express surprise when HPR forecasts that Daniels will be favored for re-election. Having said that, two national trends - a disastrous turn of events in Iraq or the U.S. economy - could have a significant bearing on the governor's re-election. Thus, the Daniels-Skillman campaign will run as if they are behind. Schellinger has a full schedule of fundraisers for June. The campaign is expected to post an "impressive" number at the June 18 reporting deadline. Both Republican and Democratic sources tell HPR Schellinger has around \$250,000 and have not been posting daily totals. What would be an "impressive" amount? In the \$1.5 million range, but at least seven figures. Young campaign sources tell HPR that they are detecting no support for Schellinger in the 8th and 9th CDs. Long Thompson gets a pass on the June 18 fundraising support due to her "contractual obligations" in Washington.



Democratic Primary Status: Leans Schellinger. **General Status:** Leans Daniels. ❖



McIntosh joins Thompson

WASHINGTON - Former Indiana Congressman David McIntosh (pictured) will join the Fred Thompson presidential campaign as head of domestic policy. McIntosh served in Congress from 1997 to 2001. He was the Republican nominee for Indiana governor in 2000, losing to incumbent Gov. Frank O'Bannon. McIntosh moved from Muncie to Washington where he practices law. He worked in both the Reagan and first Bush administration. McIntosh is shown here helping a young man fill out a job application at a Starbucks on Monument Circle in Indianapolis in 2006.



* * *

Republican presidential candidates Rudy Giuliani and John McCain plan to skip the Ames straw poll in August, but

compete to win the leadoff Iowa caucuses, a gamble by the former New York Mayor on a "non-traditional" caucus campaign and a first for Iowa.

The decision, announced in **Des Moines Register** telephone interviews with Giuliani's top national and Iowa advisers, moves closer to setting the table for the high-profile early Iowa test, albeit without the party's national front-runner taking part.

"We've made a decision as a campaign not to play in any straw polls this year, most notably, obviously, the Ames straw poll," Giuliani's national campaign manager Mike DuHaime said in a Des Moines Register interview. "We are 100 percent committed to winning the Iowa caucuses. We're going to take the

resources that would have been spent in the straw poll and we're going to dedicate all of them toward organizing for the January caucuses." ❖

2008 Presidential Polls

Republican	Date	Giuliani	McCain	Thompson	Romney	Comp. Spread
Zogby	05/17 - 05/20	26%	13%	10%	10%	Giuliani +13%
Gallup	06/01 - 06/03	32%	19%	11%	12%	Giuliani+13%
Rasmussen	05/29 - 05/31	23%	14%	17%	15%	Giuliani +9%
Time	04/05 - 04/09	35%	20%	10%	10%	Giuliani +15%
CNN	05/04 - 05/06	25%	23%	13%	10%	Giuliani +2%
Cook/RT	05/11 - 05/13	26%	24%	9%	9%	Giuliani +2%
FOX News	05/15 - 05/16	24%	17%	8%	9%	Giuliani +7%
Pew Research	03/21 - 03/25	33%	23%	--%	8%	Giuliani +10
LATimes/Bloombg	04/5 - 04/09	29%	12%	15%	8%	Giuliani + 22
NBC/WSJ	04/20 - 04/23	33%	22%	17%	12%	Giuliani +11%
Democrat	Date	Clinton	Obama	Edwards	Gore	Comp. Spread
Zogby	05/17 - 05/20	39%	24%	11%	--	Clinton +15%
Gallup	06/01 - 06/03	29%	30%	11%	17%	Obama +1%
Rasmussen	05/29 - 05/31	34%	26%	15%	--	Clinton +8%
Time	04/05 - 04/09	33%	26%	25%	--%	Clinton +7%
CNN	05/04 - 05/06	38%	24%	12%	12%	Clinton+14%
Cook/RT	05/11 - 05/13	32%	24%	13%	10%	Clinton +8%
Pew Research	03/21 - 03/25	35%	26%	16%	12%	Clinton +9%
FOX News	05/15 - 05/16	35%	20%	13%	13%	Clinton +15%
LATimes/Bloomb	04/05 - 04/09	33%	23%	14%	13%	Clinton +10
NBC/WSJ	04/20 - 04/23	36%	31%	20%	--	Clinton +5%

Hoosier Support: Giuliani (\$172,450 raised in Indiana): Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVaas, Steve Hilbert. **McCain:** Gov. Mitch Daniels. **Romney (\$83,750):** Attorney General Steve Carter; Secretary of State Todd Rokita, James Bopp Jr., Dan Dumezich, Bob Grand, Chris Chocola. **Thompson:** U.S. Rep. Steve Buyer, U.S. Rep. Dan Burton, David McIntosh. **Clinton (\$71,000):** Mel Simon, Bren Simon. **Edwards:** Robin Winston, Ann & Ed DeLaney, 9th CD Chair Mike Jones, State Reps. Russ Stilwell, Dennie Oxley, Terri Austin, Terry Goodin, Sheila Klinker, Robert Kuzman, Linda Lawson and Scott Pelath; Greencastle Mayor Nancy Michael; Bill Moreau Jr., Shaw Friedman, Vanderburgh Co. Chairman Mark Owen, 8th CD Vice Chair Mary Lou Terrell, Greg Hahn, Bruce Kehoe. ❖



Jennifer Wagner, Taking Down

Words - If the purpose of the campaign finance laws is to know who's trying to influence the process, then there's no way the election board can find in favor of Kelty's sleight of hand. However, if the election board, persuaded by Bopp's legal interpretation of the existing code, is persuaded to let Kelty off the hook, there ought to be at least a dozen lawmakers getting ready to introduce legislation next session to fix this loophole. Either way, the damage to Kelty is already done unless he flicks on the light bulb over his head and realizes that the best thing he could do to restore credibility with voters would be to give the money back -- repay the loans, so to speak -- and apologize for any impression of impropriety his actions may have caused. ❖

Sylvia Smith, Fort Wayne Journal Gazette

- At the beginning of the century, Rep. Mark Souder voted for tax-cut legislation that had a 10-year life span. He was happy enough at the time with the package, the deepest tax cut in two decades. Not ecstatic, perhaps – he would have made the cuts even deeper and more extensive. But in press releases and public statements he issued at the time, Souder didn't utter a peep about the expiration date of the Republican-written tax package. Likewise, President Bush was delighted as he signed the bill into law to cut income and estate taxes, increase the child tax credit and reduce the "marriage penalty." He called the tax-cut package "the right thing to do" and "straightforward and fair." Bush even held it up as a model of how government ought to work: "It shows what can happen when good people come together with the intention of doing what's right for the American people. And we have done right by the American people today." The provision to let the whole shebang die in 10 years was added to comply with the budget resolution the Congress had passed a few weeks earlier. It limited the cost of the tax package to \$1.35 trillion over the decade. (Souder voted for that.) At the time, the Bush administration dismissed the idea that the law might really do what it said it would do – expire at the end of 2010. The idea of the tax cuts being temporary, as Congress voted and the president approved, was out of the question. Of course they'd be extended eventually, the White House said. "To do anything other than that," presidential spokesman Ari Fleischer said then, "is to raise

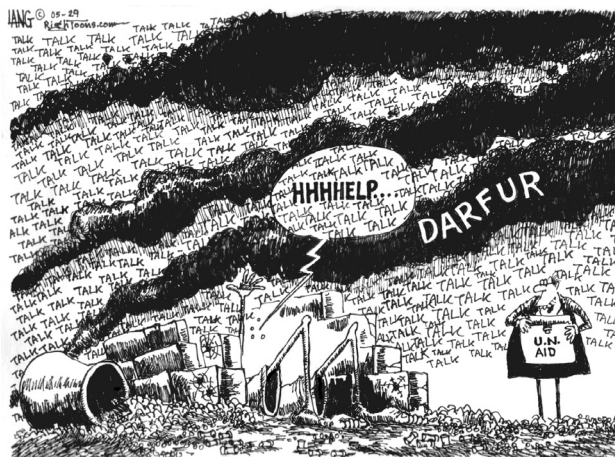
taxes on the American people." Fast forward to today, and watch the spittle fly as Republicans gripe and grouse about the budget resolution Congress adopted last month. With almost no GOP support (none in the House; just two "yes" votes in the Senate), Congress passed a budget blueprint that calls for balancing the budget in five years. To do that, the resolution assumes that some of the tax cuts will expire on their due dates unless money is found to pay for them. With that resolution, Souder said, "Democrats in the House and Senate have shown that they will raise taxes by at least \$217 billion, which amounts to the second-largest tax increase in U.S. history." Many Republicans and conservative commentators expressed a variation of the "the wicked Democrats are raising taxes" theme. It's a disingenuous accusation, considering that Republicans voted en masse for the bill that established the cut-off for the tax reductions in the first place. ❖



Rich James, Post-Tribune

- The invitation reads, "You are cordially invited to join Congressman Pete Visclosky for a luncheon in honor of Senator Richard Lugar." It seemed rather odd. But in my next thought, I knew it was totally right. The two are special people in their own rights. Each is exceptionally bright. If the national Republican Party had any sense -- and it has less each day it stays in lock step with George Bush -- Lugar would be president. Lugar probably knows foreign policy better than anyone in the country. He also has been a leader in talking about revolutionary tax reform. When Colin Powell got fed up with Bush and stepped down as secretary of state, Lugar was the first name to be mentioned. Although he would have been good for the country, it would have been an impossible job with Bush still president. Visclosky, on the other hand, is miles apart from Lugar when it comes to social issues. Yet, that doesn't bother either one of them. Visclosky is high on the seniority list on the House Appropriations Committee and chairs the Subcommittee on Energy and Water. That's power. He could be Appropriations Committee chairman

one day soon. That's incredible power. Lugar, of course, now sits on the minority side of the aisle. But because he may be the most respected member of the chamber, he hasn't lost any clout. Despite the party labels, Visclosky and Lugar are extremely close. I bet they even exchange Christmas cards. ❖





Schalliol joins Baker & Daniels

INDIANAPOLIS - Charles E. Schalliol will join Baker & Daniels LLP next month when he leaves his post as director of the Indiana Office of Management and Budget. Schalliol recently announced his intention to leave state government after two-and-a-half years and return to the private sector. Schalliol was Indiana Gov. Mitch Daniels' first appointment following the November 2004 election. Said Schalliol. "I look forward to working in those focus areas with the firm's attorneys and their clients to advance the state's economic and life sciences base." Schalliol will start June 11.



Young asks Carter to investigate gas prices

INDIANAPOLIS - Senate Minority Leader Richard Young (D-Milltown) delivered a letter earlier this week to Indiana Attorney General Steve Carter requesting that Carter initiate action through the nation's Attorneys General to investigate the conditions that have brought about skyrocketing fuel prices. Similar messages were sent to Indiana's Congressional Delegation. "As public officials, we have a responsibility to insure that no one is taking advantage of, or manipulating the various factors that impact the price of gasoline," Young appealed in the letter to Carter and Indiana's elected officials in Washington, D.C.

Henry fires campaign manager

FORT WAYNE - Fort Wayne Democratic mayoral nominee Tom Henry removed his campaign manager

last week, a mere month after hiring him (Lanka, **Fort Wayne Journal Gazette**). Kevin Knuth, Allen County Democratic chairman, said Wednesday that the Henry campaign released Jason Ascher, who was hired as campaign manager May 1. Knuth said although he would still recommend Ascher for a job, the manager didn't fit with the campaign's strategy. One example was Ascher didn't have experience working with the media to the level necessary for this year's mayoral race, he said. Steve Shine, Allen County Republican Party chairman, said the firing shows that the Democratic mayoral candidate's camp is in "disarray" and lacks focus.

Souder slams border security

WASHINGTON - A border guard who ignored instructions to detain a TB-infected traveler at a U.S.-Canadian checkpoint "undermines the American confidence that you have control of the border," Rep. Mark Souder, R-3rd, told Homeland Security officials Wednesday (Smith, **Fort Wayne Journal Gazette**).

Legislative Council won't study toll road lease

INDIANAPOLIS - Legislative leaders Wednesday determined which issues lawmakers will tackle in various summer study committees but held off on examining various problems surrounding the Indiana Toll Road lease (Kelly, **Fort Wayne Journal Gazette**). The Indiana Legislative Council - headed by Senate President Pro Tem David Long, R-Fort Wayne - approved the other topics unanimously. They include: Imposition of the death penalty on the mentally ill; Vehicle crashes involving commercial motor vehicles; Various annexation issues; The use of judicial mandates; Evaluation of economic development incentives enacted in 2001; Whether the Indiana Gaming Commission has

the authority to grant permission for riverboats to operate on barges; and confined feeding operations.

Smith resignation might be delayed

EAST CHICAGO - Reports of state Sen. Sam Smith's resignation were premature by about a month, a top state Democrat said Wednesday (Guinane, Times of Northwest Indiana). Smith's boss, Senate Minority Leader Richard Young, D-Milltown, told a committee hearing packed with legislators and lobbyists that at least three different media outlets misreported the timing of Smith's resignation. Young made the statement Wednesday despite an earlier news release from Young's staff announcing Smith "will resign from his position as Senator from Senate District 2 effective June 6." The delay gives Smith, D-East Chicago, an extra month to convince Lake County Democrats that his wife is the best choice to replace him. Diane Smith's candidacy so far has received a lukewarm reception from region power brokers.

Hoosier airman killed in Iraq

MISHAWAKA - A 33-year-old Air Force member from northern Indiana died along with another airman during a bombing in Iraq, military officials said Wednesday. Tech. Sgt. Ryan A. Balmer of Mishawaka, Ind., was killed Tuesday in Kirkuk, the Department of Defense said.

Immigration bill 'fragile'

INDIANAPOLIS - A fragile compromise that would legalize millions of unlawful immigrants risks coming unraveled after the Senate voted early today to place a five-year limit on a program meant to provide U.S. employers with 200,000 temporary foreign workers annually. The 49-48 vote came two weeks after the Senate, also by a one-vote margin. ❖