

New Ethics Rules Don't Stop Cash Flow

Nepotism Not Covered By Rules



By Mark Matthews

Jan. 29 - KGO - There is nothing more interesting in Washington than watching Congress try to police itself -- the Democratically-controlled Congress passing new ethics rules. But when it comes to money there's still lots of wiggle room.

Last November, voters demanded a change. The new Democratic congressional leadership responded with tough new limits on gifts and travel from lobbyists. The changes still leave lots of room for special interests to spend big money.

A year ago the Democrats signed something called the Honest Leadership Act, promising to end a culture of corruption -- the cushy junkets, like golf trips to St. Andrews in Scotland, and the travel on corporate jets at cut rate prices.

Rep. Nancy Pelosi, (D) San Francisco: "Ban all gifts and travel from lobbyists, period."

The House and Senate have made it tougher for lobbyists to give gifts. But Senate Minority leader John Baynor can still sit in the Murdoch sky box, like he did for this month's BCS championship game. And campaign contributions? That's another thing altogether.

Senator Barbara Boxer is acting chair of the Senate's Ethics Committee.

Senator Barbara Boxer, (D) California: "Until there's public financing for campaigns, we're going to have to ask people for money."

Senator Boxer says she doesn't like asking for contributions, but it's a political fact of life.

And so next month, Democratic Senator Max Baucus, the new chair of the tax-writing Senate Finance Committee, is offering special interests a chance to go skiing and snowmobiling with him - - \$2,000-dollars a head, or \$5,000-dollars from a political action committee.

If you've already got plans, how about a fly fishing trip with him next summer -- same price.

Senator Barbara Boxer: "Oh, that's not Max Baucus. That's everybody."

Senator Boxer says it costs so much to campaign, everybody does it. And the big expense is television advertising.

Senator Barbara Boxer: "So I take a little bit of offense from people in the media playing holier than thou when they make billions of dollars off of campaigns, and the day they come and tell me they want to be part of the solution -- I'm here."

Professor Shanto Iyengar of Stanford studies politics and political advertising. He says the difference between lobbyists giving gifts and lobbyists making campaign contributions is cosmetic.

Prof. Shanto Iyengar Ph.D., Stanford University: "The ban on gifts, on trips and things like that, is all meant to create an image and maybe an illusion."

One area the new ethics rules didn't cover -- hiring family members. Before he was defeated, Congressman Richard Pombo had his wife making tens of thousands as his fundraiser. Representative Zoe Lofgren of San Jose hired her husband's law firm. Congressman Pete Stark of Fremont hired his wife. Both Bay Area congress members have since quit that practice. Senator Boxer's son is still being paid to run her political action committee. It's all perfectly legal under the new rules. On the cost of TV time, Professor Shanto Iyengar says the U.S. is the only country on Earth that requires candidates to pay as you go. There is free media in every other Democratic society.

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