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Measure 10 proponents allege political cronyism widespread in state

Advocates denounce charge of 'gag law'; opponents fire back

Former state treasurer Richard Butler of Faith, a Democrat, is a co-chairman of Yes on 10! with Sam Kephart, a Republican from Spearfish.

By Tom Lawrence
The Weekly News

A cozy, insider system that allows state officials to make private deals with businesses is a major problem in the state, proponents of Measure 10 said at a Rapid City press conference Wednesday morning.

Former state treasurer Richard Butler of Faith and Sam Kephart of Spearfish, who ran for the GOP Senate nomination this year, sharply criticized what they term a “pay to play” system in the state.

Kephart said there are 1,700 no-bid contracts handed out every year by state government. Butler claimed the political culture in Pierre is rampant with dishonest and unfair deals but he doubts there are payoffs and overt corruption.

“I really think it’s the process that’s rotten and not the people,” said Butler, a Democrat who was state treasurer from 1995-2003.

He said during his years in Pierre, he was amazed by how state business was often conducted. Lobbyists have far too much influence, and contracts that are handed out are often followed by campaign donations and job offers.

“I discovered this 'pay to play' racket and saw the same politicians, lobbyists and government contractors who oppose Measure 10 go to considerable lengths to preserve and protect it against any threat to their little money tree,” Butler said. “That’s why they oppose Measure 10, because it will end politicians’ ability to financially reward their campaign donors with government contracts and vice versa.”

Measure 10 would prohibit government-funded lobbying, restrict political donations by people with state contracts or their relatives and create a state Web site listing all state contracts and offering detailed information on them. The state unveiled an open government Web site two weeks ago, which Kephart welcomed but said was an attempt to weaken the Yes on 10! campaign.

Measure 10 is being promoted by a conservative political committee, South Dakotans for Clean and Open Government. The committee donated \$175,000 to the Yes on 10! campaign, which had collected just \$800 from other sources, according to an initial report.



Tonchi Weaver of Rapid City and Sam Kephart of Spearfish discussed Initiated Measure 10 at a Wednesday morning press conference in Rapid City. Photos by Tom Lawrence

South Dakotans for Clean and Open Government will not disclose where it receives most of its money; Measure 10 foes claim it comes from an out-of-state conservative figure who is also bankrolling similar ballot questions in other states.

Kephart said business owners who support Measure 10 fear retribution from the state if their identities are revealed. Butler said he's seen people fired over their political stances.

"It's not a nice place," he said of Pierre. "That's how it's played. It's for keeps."



Former state treasurer Richard Butler of Faith, a Democrat, is a co-chairman of Yes on 10! with Sam Kephart, a Republican from Spearfish.

Butler said he discovered checking accounts in the names of state agencies and commissions that held hundreds of thousands of dollars in non-interest paying checking accounts when the entity was only spending \$3,000 or so annually. He said state employees serve on bank boards that handle large pools of state dollars, raising questions of conflicts and impropriety.

When he criticized such practices, the Legislature stripped him and the state auditor of oversight powers. "We had a treasurer who couldn't look at checks and an auditor who couldn't do audits," Butler said.

Lee Breard, the executive director of the committee, attended the press conference along with Tonchi Weaver, a Rapid City mail carrier, Yes on 10 board member and conservative political activist.

Weaver, citing a report that Measure 10 had a 77% approval rating in western South Dakota, said she was very optimistic it would pass Nov. 4.

Lawrence & Schiller Marketing and Advertising Professionals, which maintains offices in Sioux Falls and Deadwood, was used as an example of the problem with no-bid contracts, according to the Measure 10 proponents.

In the last four years, the state has awarded 34 no-bid contracts from the Department of Tourism to Lawrence & Schiller totaling \$23,350,504, according to contracts handed out at the press conference.

Scott Lawrence, Lawrence & Schiller's president and CEO, and John Pohlman, the firm's vice president of creative services, said the no-bid contracts were issued because their company did top-flight work that has been repeatedly reviewed by state officials in open meetings.

After the service contracts have been fulfilled, they are examined by the director of tourism and economic development, the state Tourism Advisory Board and the Senate Appropriations Committee before any new contracts are issued, Lawrence said.

"I think the important thing is to look at performance," Lawrence said, noting that despite a slow economy and high fuel prices, South Dakota tourism saw an 8.8% growth in past two years.

Lawrence and other company employees donated \$18,000 to the Gov. Mike Rounds and Lt. Gov. Dennis Daugard campaign committees in 2004-07. Copies of the campaign finance report were handed out at the press event, held at the Radisson Hotel.

Pohlman said the company makes no secret of its involvement in state politics. "We're part of the political process," he said.

The Yes on 10 Committee, which won't accept any tax dollars, according to a pledge signed Wednesday by Kephart and Butler, said it will continue to highlight other no-bid contracts issued by state government. The practice is also common with state universities as well as counties, cities, towns and school districts, Butler said.

Measure 10's opponents, who held a press conference in Rapid City Sept. 17, have called it a "gag law" and said it would prohibit thousands of South Dakotans with family or other ties to politicians and state workers from getting involved in the political process.

Miller schoolteacher Ellen Iverson is featured in a campaign ad running across the state. Iverson is married to Hand County Commissioner Jim Iverson. In the ad, Ellen Iverson said if Measure 10 passes, "I won't be able to visit with our school board members, our legislators. I won't even be able to visit with my husband about county issues."

Kephart called that assertion "the big lie" technique. The pro-10 forces have asked TV stations to pull the ad but none have done so.

Pat McElgunn, vice president of government affairs for the Rapid City Area Chamber of Commerce, is on the No on 10 Committee and has lobbied in Pierre for the chamber for the past decade.

McElgunn said Measure 10 is a trumped-up effort on behalf of out-of-state political groups. "My position is, as a person who has been in the presence of the Legislature since the late 1990s, I don't see any evidence of illegal activities," he said.

If such things were happening in such a small state, the attorney general or a state's attorney would prosecute, McElgunn said.

Former Rapid City mayor Jerry Munson attended the event and claimed widespread political malfeasance in the local process. Campaign finance rules are flaunted, large city contracts are handed out to political allies and friends and appointments are made based on donations, Munson said.

"I have seen it," he said. "You can say it's a quote from the former mayor of Rapid City."

But the pro-Measure 10 people said they wouldn't use the word corruption to describe South Dakota politics and government. There is a longstanding culture of cronyism, they said, and with both state parties, the South Dakota Chamber of Commerce and dozens of other agencies and entities lined up against them, it's an uphill battle.

"We've got a real fight here," Butler said. "The people have to make the call and decide."

To read Measure 10 and Attorney General Larry Long's explanation of it, go to <http://www.sdsos.gov/electionsvoteregistration/electvoterpdfs/2008SouthDakotaBallotQuestionPamphlet.pdf>

To see the state open government Web page, go to <http://open.sd.gov/>

For more on the Yes on 10 campaign, including a video that was shown at the press conference, go to <http://www.cleanupsd.com/>

For the view from the No on Yes campaign, go to <http://www.voteno.org/>

http://www.bhpioneer.com/articles/2008/09/24/breaking_news/doc48dad33ae469f958462442.txt