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Donors' cash flows to Bennett's pocket

1992 debt: Current contributors are helping senator repay money he put into his first race

By Robert Gehrke
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WASHINGTON - Over the past two years, Sen. Bob Bennett has pocketed \$580,000, recouping money he sunk into his first political race in 1992, much of it contributed by individuals or organizations with issues before Congress.

"If you look at my overall financial disclosure you see my fortune has diminished significantly since I came to the Senate and there were folks who said, 'We would like to replace some of that money,' and I said, 'I'd be happy to do that,' " Bennett said in an interview.

Bennett's wealth has indeed diminished since he came to the Senate, as a series of failed investments has cost him millions of dollars.

The folks who have given money to Bennett are dozens of banking interests, corporate executives and lobbyists. Many of them would fall under Bennett's jurisdiction if he became chairman of the Senate Banking Committee, as expected, in 2008 if Republicans control the chamber.

Fred Wertheimer, president of Democracy 21, a nonpartisan government reform group, said it is unusual for a candidate to begin recouping loans to a campaign so long after the fact. It is not illegal, but it does create potential for abuse and perception problems.

"There's just a lot of danger involved when members of Congress start raising money that, from the outset, is going to go directly into their pockets," he said. "You're not paying money to help a member get elected because the campaign is already over. You're paying the money to help out a member of Congress' finances, and in many instances you may be looking for help in return."

Bennett's spokeswoman, Mary Jane Collipriest, said there is nothing unusual about Bennett's decision to retire debt from his initial campaign.

"Debt retirement is not uncommon," she said. "Many candidates participate in this activity."

When Bennett ran for office in 1992, he was pitted in a big-spending Republican primary against Joe Cannon, then head of Geneva Steel and today chairman of the Utah Republican Party. Cannon spent about \$5 million of his own money on the race. Bennett emerged victorious, but with the campaign owing him about \$1.6 million, according to figures from Political Moneyline.

He later opened a new campaign account, starting with a fresh slate, but continued to report \$1.6 million in loans from his original campaign.

That was unchanged until three weeks after he won re-election in 2004, when Bennett moved \$400,000 from his re-election campaign into his 1992 account, which then wrote checks to the senator, according to Federal Election Commission reports.

Since then, three more payments have been made to Bennett from the '92 campaign, totaling \$180,000.

Senators received a salary of \$165,200 in 2005, meaning Bennett received more from the repayment of the campaign debt than from his congressional salary. The campaign still owes him about \$1.1 million.

The Bipartisan Campaign Reform Act that took effect in 2002 prohibits candidates from raising over \$250,000 after an election to recoup money they loaned to their campaigns.

However, that limit does not apply retroactively. Bennett's donors can also contribute money to his current campaign account and pay off his 1992 debt without exceeding limits.

Kirk Jowers, director of the Hinckley Institute of Politics at the University of Utah and a campaign finance attorney, said sponsors of the campaign finance reform law were concerned about debt retirement, "but it is legal for Senator Bennett, and all these contributions are still coming in with federal contribution limits."

"I think it's completely appropriate that he's doing it and a lot of incumbents retire debt that way," Jowers said.

It is, of course, the winners who can raise money and repay loans to their campaigns.

Since 2000, many wealthy Utah candidates have donated large amounts of money to their races, then been left unable to break even when they lose. Derek Smith, who lost to Rep. Jim Matheson in 2000, still lists \$1.5 million in loans and campaign debt; Tim Bridgewater lists more than \$500,000 in loans to his two House primary races; John D. Jacob, who lost a June primary against Rep. Chris Cannon, loaned his campaign \$413,000.

But even incumbents sometimes have a hard time recouping campaign loans. Chris Cannon has \$1.6 million in debt left over from his first election 10 years ago.

A friend in need

Utah Sen. Bob Bennett has shrunk his 14-year-old personal campaign debt from \$1.6 million to just under

\$1.1 million with a little help from his friends.

1 \$100,000: Bennett raised on June 29, 2005, from credit card, banking and credit union interests, a number of prominent lobbyists, and executives from various companies.

1 \$10,000: Executives from Engineering and Software Solutions Systems Inc., a Utah software firm, gave in January.

1 \$20,000: Last May, from officials of Headwaters Inc., a Utah-based company interested in government support for development of new coal refining technologies.