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STUDY: UNC BOARD OF GOVERNORS EMBODIES PROBLEM OF CAMPAIGN MONEY INFLUENCING ELECTIONS & POLICY

As students on the UNC-Chapel Hill campus prepare to vote on a campaign-finance reform measure Tuesday, a watchdog group released an analysis of the political giving by members of the UNC Board of Governors.

“These are some of the most politically well-connected donors in the state,” said Bob Hall, research director of Democracy South. “If you want to see the way public policies are influenced by private wealth, you can start with the Board of Governors.”

Board members and their families gave a total of \$425,720 to influence state elections between 1995 and 2000, according to Democracy South. The PACs of their current or former employers gave an additional \$2 million in the same period. The total of \$2.4 million comes to more than \$75,000 for each of the 32 Board members, not counting the student or emeritus members.

Five members of the Board of Governors are registered lobbyists and 7 came on the board with ties to the PACs of banking, health care, and tobacco firms. Hall said only the Board of Transportation has a higher concentration of big political donors, and its record of patronage is well known.

“As a group, the UNC Board of Governors is dominated by large campaign donors, and its decisions reflect their perspective,” said Hall. “The legislators who put these donors on the Board depend on them for campaign money, and the donors depend on the legislators for the tax breaks that make them wealthy. There’s a tight circle of co-dependency, and students are on the outside.”

What happens when the state faces a budget crisis? “The students have very little voice, so tuitions get hiked a lot faster than the tax loopholes get closed,” Hall said. “When the choice is between getting \$100 million from university students or from closing a tax loophole for the big banks, the General Assembly and Board of Governors have sided with the banks.”

Hall pointed out that Board members involved in banking outnumber those who are educators. “All the Board members connected to banking don’t support higher tuitions all the time,” Hall noted, “but there’s a discernible tilt. It’s also noteworthy that many of the members who are not big political donors, including most of the African American members, voted for an alternative to the tuition increases approved in 2000.”

The biggest donors on the Board are C. Clifford Cameron, former chair of First Union Bank, and James W. Phillips Jr., a contract lobbyist, attorney and son of former state Sen. Jim Phillips. Five African-American educators on the Board gave a combined total of just \$530 in 6 years.

In the past, Democracy South has criticized tax breaks for big business, sometimes referred to as “corporate welfare.” Gov. Mike Easley created an Efficiency and Loophole Closing Commission in 2001 to address the budget crisis, but Hall said, “The members tied to banking, textiles, and tobacco made sure their favorite loopholes weren’t touched. The commission proposed closing some loopholes, but at least \$900 million in annual tax breaks for various businesses are still in effect, including the infamous bank-tax loophole that starves the state of at least \$100 million a year in revenue.”

“The students who sponsored Tuesday’s referendum are right to see the link between campaign financing, tuition hikes, and corporate tax breaks,” Hall concluded. “It’s all connected.”

TOTAL CONTRIBUTIONS FROM UNC BOARD OF GOVERNORS TO NC ELECTIONS, 1995-2000

BOARD MEMBER	HOME TOWN	BUSINESS AFFILIATION (& PAC)	FROM FAMILY	BUSINESS PAC
CAMERON, C CLIFFORD	CHARLOTTE	FIRST UNION BANK, RETIRED	\$63,810.00	\$596,085.00
PHILLIPS, JAMES W JR	GREENSBORO	ATTORNEY, LOBBYIST	55,112.00	
BABB, JAMES G	CHARLOTTE	BROADCASTING COMPANY; DIR FIRST COMMERCE BANK	36,130.00	
BELL, J ADDISON	MATHEWS	CAROTEK INC; ADV BD OF BB&T	33,500.00	
GRAINGER, H FRANK	CARY	FAIR PRODUCTS; TOBACCO FARMING	31,875.00	
DAVIS, JOHN W III	WINSTON-SALEM	DEUTSCHE BANK ALEX BROWN	22,307.00	
LITTLE, TEENA	SOUTHERN PINES	FORMER STATE SENATOR	19,187.00	
CECIL, JOHN F A V	ASHEVILLE	BILTMORE FARMS; DIR FIRST UNION MID-ATLANTIC	18,311.00	
CATES, ANNE W	CHAPEL HILL	REAL ESTATE	16,925.00	
BURNS, WILLIAM L JR	HILLSBOROUGH	CENTRAL CAROLINA BANK, CHRMN EMERITUS	15,675.00	63,999.00
FARRIS, RAY S	CHARLOTTE	ATTORNEY	15,675.00	
BROADWELL, F EDWARD JR	ASHEVILLE	THE HOMETOWN BANK	14,475.00	
COLLINS, BERT	DURHAM	NC MUTUAL LIFE INSURANCE CO	14,100.00	
TAYLOR, PRISCILLA P	CHAPEL HILL	CEMALA FOUNDATION; ADV BD OF BB&T	13,300.00	
WILSON, J BRADLEY	CARY	BLUE CROSS BLUE SHIELD, LOBBYIST	11,450.00	297,732.00
PERRY, BARBARA S	KINSTON	ATTORNEY	7,525.00	
MERCER, CHARLES H JR	CHARLOTTE	ATTORNEY	7,398.00	
WARWICK, ROBERT F	WILMINGTON	ACCOUNTANT	6,320.00	
GAGE, HANNAH D	WILMINGTON	BROADCASTING COMPANY	6,050.00	
ALDRIDGE, G IRVIN	MANTEO	ATTORNEY	5,835.00	
RUFFIN, BENJAMIN S	WINSTON-SALEM	RUFFIN GROUP; RETIRED R J REYNOLDS EXEC	5,550.00	103,200.00*
WOODS, RUTH DIAL	PEMBROKE	RETIRED EDUCATOR	4,700.00	
SOUZA, J CRAIG	RALEIGH	LOBBYIST, NC HEALTH CARE FACILITIES ASSN	1,625.00	202,575.00
ADCOCK, BRADLEY T	CARY	BLUE CROSS BLUE SHIELD, LOBBYIST	500.00	297,732.00
REAVES, H D JR	FAYETTEVILLE	FIRST SOUTH BANK	450.00	
BRYANT, ANGELA	ROCKY MOUNT	VISIONS INC	400.00	
FLOOD, DUDLEY E	RALEIGH	RETIRED EDUCATOR	250.00	
BROWN, WILLIAM T	FAYETTEVILLE	RETIRED EDUCATOR	205.00	
ROBINSON, GLADYS A	GREENSBORO	RETIRED EDUCATOR	80.00	
KEBER, PETER	CHARLOTTE	BANK OF AMERICA, LOBBYIST	0.00	743,784.00
GILCHRIST, WILLIE J	HALIFAX	HALIFAX COUNTY SUPT OF SCHOOLS	0.00	
PERRY, PATSY B	DURHAM	RETIRED EDUCATOR	0.00	
Total			\$428,720.00	\$2,007,375.00

Prepared by Democracy South, Feb. 2002. Includes contributions to state-level candidates and political committees (no federal contributions) for 1995-2000, based on reports filed with State Board of Elections.

* Includes R J Reynolds PAC contributions only for 1995-1998, when Ben Ruffin was with the company.

A 20-PAGE PRINTOUT OF THE CONTRIBUTIONS IS AVAILABLE; PLEASE CALL BOB HALL, DEMOCRACY SOUTH AT 919-489-1931