

Corporate Political Responsibility Taskforce

Expert Dialogue with Francis Johnson

Johnson - Module #1

Elizabeth Doty: Hello, everyone, and welcome to the Corporate Political Responsibility Task Force Expert Dialogue. My name's Elizabeth Doty, and I'm the Director of the Corporate Political Responsibility Task Force at the Erb Institute at the University of Michigan, and I'll be moderating today's Expert dialogue with Francis Johnson of Take Back Our [01:05:00] Republic.

The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute, a 25 year long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas, teaching and learning, business engagement with groups like the CPRT, and scholarly and applied research.

The CPRT's mission is to help companies better align their approach to political influence with their commitments to purpose and values, sustainability, and stakeholders. As we're seeing, corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.

I am very excited to be able to speak with Francis today. We met, I think it was in 2018. Talking about pay to play politics [01:06:00] and money in politics and how it's affecting priorities across the political spectrum and trust in the system and polarization. The focus today will be addressing pay to play politics and a conservative view on the need for political reform.

Francis is in a very interesting position to be able to speak to this. He is the president of a group called take back our Republic, which is a conservative nonpartisan organization working to ensure power and influences returned to we, the people. Putting voters first and they're doing so in collaboration with other reform groups across the political spectrum.

So it's a really interesting case study. He's a founding partner of communications resources, a public affairs, public relations and political consultancy has worked at all levels of national political campaigns, serving in the Bush quail campaign of 92 Bush Cheney in 2000 and 2004 McCain and Palin in 2008.

Worked on public affairs initiatives in defense, energy, agriculture, I. T. health care and has been political director for the Senate action committee [01:07:00] and the conservative action alliance and I think maybe most exciting. And I hope you'll talk a little bit about it is he's 1 of 16 inaugural fellows and a new fellowship called the brewer fellowship, which is a joint project of the Institute for citizens and scholars.

I think used to be the Woodrow Wilson Institute. Unite America and Cultivate the Karass supporters of nonpartisan organizations working to put voters first. So really some interesting background. I, I wanted to share some of that because we'll draw on that in the conversation today. We'll talk through three topics.

The first will just be around risks and consequences around this. Pay to play perception and underlying reality then into conservative concerns about political influence and how it affects free enterprise. And then going into an agenda for political reform, inviting Francis to share what Take Back Our Republic's view is on that and how they're, what they're learning in collaboration with other groups.

Francis, thank you so much for joining us today. I'm looking forward to diving in particularly [01:08:00] on our first topic here around pay to play politics. So welcome.

Francis Johnson: Well, thank you, Elizabeth. Pleasure to be here. Appreciate the invitation to speak with everyone today. As you mentioned, I'm Francis Johnson.

I'm with Take Back Our Republic. We're a conservative organization, non profit that works with You know, other organizations to try to bring back the we the people. You know, we have several issues. We started out primarily as a money and politics organization. We worked with you know, American promise.

I see Vicky Barnes on today who I work with and we, we did some walking on Capitol Hill several years back. So you know, we're, we're a group that's really interested in trying to bridge that. that gap. And it's kind of a pleasure today to talk about paid play politics. And you know, one of the things that that kind of strikes it, how long it's been going on, it's been going along forever as it slowed down.[01:09:00]

No. I think in the, in the past several years, it's, it's even gotten broader and one of the things that, you know, we're trying to do is to kind of bring that to more people to understand what pay to play has is all about and how it affects them every day in their everyday life. We did a project in the state of South Carolina, and it was definitely brought in the pay to play aspects of it because we were looking at, you know, how, how deep and entrenched it was. And what happens is a lot of the this is I guess in the state for the South Carolina lobbyists and special interest groups, LLCs and so forth. And other off they're giving money directly to the candidates and the candidates have a form that they have year explaining and kind [01:10:00] they get their money. But don't have to be disclosed and when there was several issues that came up in South Carolina and a lot of the electorate electorate was, was very, very you know, perplexed on how the politicians would get up and make speeches about they're going to go one particular way.

And then when it came to the time to vote, They voted the other and it got to the point where people just got kind of fed up and when a lot of all of this, you know, came out the pay to pay politics is something that's been here. And unless. We, you know, we, the people really start asking questions and, you know, getting involved.

There are a lot of independent groups that are getting involved with this, but we feel we need more of the individuals and need those individuals to work with the groups, whether it's a take back, whether it's American promise, working through some other groups you know, bridge Alliance, all. [01:11:00] Which are working in this area and are trying to get answers.

We may not all be all the same political page. But we're all want the same political you know, outcomes you know, you know, for everyone. We want to be fair. We want the free enterprise system to flourish here and not just particularly chosen people. One of the biggest pay to play schemes was in Illinois, when then Senator Obama was assenting to the presidency.

And that seat was open and it's everyone recalls what Blagojevich did and basically trying to sell that seat. He ended up going first. I mean, that's a classic example of pay to play politics. And yeah, he got caught and a lot of people, I remember at the time it happened, you know, couldn't, couldn't believe this, that these things like this actually happened.

It happens a lot more than you think. And it just happened that he got caught and it was unfortunate.

Elizabeth Doty: Thank you very much. Yeah, I remember that. [01:12:00] And it's just so stark when you hear it literally selling the scene. Some of the quotes from that, but it makes me want to back up a little bit and ask you, how do you define pay to play?

What do you mean, mean by that? I know take back and some of the other staff on take back have worked on campaigns where you really talk about this. How do you define it?

Francis Johnson: It's defined as if a group or particular group goes to a candidate and said, we will raise X number of dollars for you for your campaign and help you get elected. But once you get elected, these are certain issues that we either need the laws change or in a lot of cases. It's government contracts, and that's where the biggest pay to play is, is, you know, how these government contracts we're talking just billions of dollars, whether it's on the state local level, the federal level.

And if you look at [01:13:00] where a lot of the money that's coming from in these organizations that are going to the different candidates. And in turn, looking at the these, these groups end up with these government contracts, especially on the state side. And that's everything from paving roads to, you know, building in all of that is all done by the state legislatures.

And when you start talking about a lot of the contractors that cannot, you know, get these because they refuse to pay and consequently they're left out. And the government also has this thing about picking the lowest bidder. A lot of times the the contract has led to the lowest bidder knowing that they cannot, they'll never be able to do that job, but they know that they have that politician when they come in and say, Oops, well, you know, we need some more money and then it in turn is voted for it.

So, you know, those are examples that, you know, happen every day, you know, every state.

Elizabeth Doty: It's very interesting. I'm reminded. [01:14:00] I watched a documentary where I think it was Robert Reich and David Brat were talking about the problem of money in politics, and they were shocked that they both agreed that this was enormously destructive.

And it makes me it makes me which you don't you wouldn't normally think right? I mean, David Brat, I think unseated Eric Cantor. If I've got that right. And that pay to play was part of the issue right in in Dave's campaign and made him successful.

How do voters perceive this I mean, do they know. Do people really know how much pay to play is going on? How bad is it compared to what they think? And how is it affecting people's perceptions?

Francis Johnson: Yeah, well I think that people today are really understanding it more. And I think they're understanding it more because a lot of groups are pointing it out.

When you [01:15:00] look at the types of groups, say Take Back, American Promise, and others, 10, 12 years ago, there weren't a lot of these groups there. that were actually out kind of going through the political process and explaining to people, this is how things are done.

And this is how it's not fair. And this is what we can do to what we need to do to change that.

So I think yes, people are understanding it more because of groups and just Even forms such as this individuals come in and in turn go back and work with their local groups or other organization to kind of explain this

Elizabeth Doty: Understood, and I've, I've been honored to be in rooms with people and I'm going to come to this in a second is how they're uniting across issues and agendas to work on this. So we'll come back to that. But I want to ask you, is that legal to be contributing to a campaign? I know certain forms of contributions, for example, [01:16:00] corporate PACs are really heavily regulated, lots of disclosures and then you describe some that are not disclosed and you're things that I think people assume are illegal. How did it happen?

Francis Johnson: Well, what it is, the, the candidates are taking the money direct. They're not giving it to the campaign, so it's not showing up on their campaign disclosures and certain states and each state, it's a little different and it's in the state of South Carolina, it's ethics of form that they have to fill out, which in turn tells where they you know, political contributions from different groups, but individuals that are giving directly to that candidate or legislator.

Don't have to appear on those forms and you know how this came up in South Carolina was one of the individuals was doing paying didn't get what he wanted, and it kind of, you know, [01:17:00] spill the beans, so to speak. And a lot of things, you know, came out. So that's one way of getting around. It's not just, you know, the packs that are giving it, which are legal.

There's some, there are limits to what they can give in cycles. So each state is different. The federal has its. limits on you know, how much can be given by different groups. But when they're taking it individually and putting it in their bank accounts and not using it actually for any campaign spending, it's just kind of the payoff that when they do get elected or re elected They in turn vote for you know, whatever the, the individuals are giving their money to them are expected.

Elizabeth Doty: I think most people have the perception that business wins in all of this, that business pulls the strings that corporate America is the one in charge of this whole system. And so business always wins. And you, you referenced special interests earlier and you didn't say business. So is there something maybe the assumptions are wrong?

How do you. [01:18:00] Okay. How would you refine that understanding? Well,

Francis Johnson: one of the things, you know, when you say, you know, business, not all businesses, I mean, there, there are a lot of, you know, honest business people out there that work hard to grow their business or, or honest you know, don't cheat on contracts.

A lot of the independent businesses out there that want to play the game fairly. And they're kind of getting lumped into that all businesses are corrupt when it's it's it's a small minority of businesses in a lot of areas, not just say, on the state, but even on the national level, when you start looking on the national level at the contracts and so forth, and we're talking about major contracts that are given by the federal government, whether it's to defense contractors, whether it's you know, contracts that are given to the government for, you know, health care prescriptions all the way down the line.

So it's, it's, it's, it hits everyone. And the problem [01:19:00] is everyone gets tainted in this and not everyone is, you know, we had in Ohio in Cincinnati, we were working with the

individuals in Cincinnati trying to get them to go along with independent commissions for gerrymandering. That's one of the issues that that take back is involved with.

And one of the problems was, I guess it's the Cincinnati Chamber of Commerce, you know, we, they had a lot of questions, you know, about this and, you know, how is it going to affect them? And we went through and they actually you know, after answering all the questions and so forth, they actually said, all right, you know, we can support this now.

And we kind of gave them the idea how it wasn't wasn't going to affect their individual members that it could help it could actually foster greater voter participation in elections and so forth. [01:20:00] And, you know, they agreed and help and helped us in getting That process, you know, on the through the the mechanics of the government there in Cincinnati.

Elizabeth Doty: Very interesting to hear. And you're speaking to this idea. Like you said, the forums for getting these this background out Allison. I think you've been tracking some of the conversation in chat. I see a bunch of messages there and I know we had some pre questions and we have a raised hand.

We had a great question from Brian Richter about lobbying and he asked, like, does lobbying have to be pay to play?

Francis Johnson: Obviously, there's a huge impact of pay to play politics in lobbying, or is there a role for positive lobbying via information provision? Oh, you know, absolutely. You know, not a whole lobbyist or there when when you look at, you know what lobbying, you know, is that that's basically whether you have represent an issue or group and you're going to senators, congressmen, whatever, and kind of pleading your [01:21:00] case for the area that you're, you know, lobbying for.

And some of the bigger, bigger lobbies, people don't understand that one of the largest lobbies in the world, NEA, I mean, they're lobbies. That's what their job is. And, and whether good, bad, whatever oil industry, another huge lobby. Pharmaceuticals, so all the groups, you know, have their organization.

So are there all bad? No, as an organization, what we do, you know, take back and some of the issues. We're, we're not really a lobby. We're a 501(c)(3), but there are issues that as an organization, we're concerned about. And we have to go and have conversations, which I'll speak of, you know, later on. One of the issues we're trying to get through Congress right now, and we, we feel it's, it's not something that we, as an organization are going to, you know, benefit from other than the, it's gonna make.

How money is put into political campaigns is more honest and [01:22:00] more transparent.

Elizabeth Doty: So I want to, I want to really put a pin and I want to come back to that because sometimes people say, why would anyone work on reforms if it doesn't benefit their side? So I want to come back to that. And we'll, when we get to our Third segment on this.

Guest: Thank you. I'm, I'm a member of Launchpad. I'm of leadership now. I'm sorry. And and I've we've been studying this for a good number of years. And Larry Lessig has been working with us on this whole subject of corruption of our elected officials. And so at a very simple level, because it, for instance, I just, it never occurred to me, you can contribute with your wish list With some sense, of course, the word is expectation.

There's subtle questions about it of them, then pushing for your cause when they get into office or remain in office. And I'm wondering, to the question of, is it [01:23:00] legal. Where

does it breach as a technical question, where does it breach bribery laws about bribery, things of that sort. And I'm just reminded of one other thing and I'll let you speak here.

One of the big questions we've looked at for years is Congress people and senators get into office. As regular people, in many instances, make moderate salaries and leave independently wealthy or have major commitments by a lobbying organization that they will then start making six figure salaries for a few years and become independently wealthy, secure in their retirement.

It is like the thing now that the majority of our Congress people start out poor and leave rich. And so and so the average voter who wishes, you know, them to look out for their health care system [01:24:00] or some other education or all the things that we regular people care about get dwarfed by big money that buys their way in.

As you were saying, it seems to me, I thought one constraint was it had to kind of go through campaign laws and all that. Yeah. But a complete end run is just giving it to the candidate directly. It like never occurred to me that that was so easy to do. Isn't it fraud on some or many levels of the legal system?

No, you know, absolutely. It is. I'm gonna just, you know, answer one of the last parts of your question. One of the things that legislation is And put it's floating in different committees on the hill. Now, that would require anyone leaving Congress, the House or the Senate. There would be X number of years before they could take a position with a lobbying firm.

[01:25:00] And it's been kind of going back and forth. There's some states that already have that will forbids or prohibits certain state legislators from lobbying on the state level. X number of years after leaving office and they're trying to do that on the house level. I don't have all the details, but I know is being looked at right now.

And they've been talking about this for years, but I think it actually has a chance to get through. I think. It might even be part of H. R. One. I don't know. That's a very vast bill. But I know there are a lot of things, you know, in that bill that you know, I tried to cover some of this in that bill in that legislation.

The other question. Yes, it happens. You know, each state has their own laws on how much money can be given. What could be taken? Is it a form of bribery in one state? It would be other states. It's just in a way things were done. [01:26:00] And it's unfortunate in that there's no you know, overall law across every state jurisdiction on how money is given to a candidate.

In perception, yeah, it looks like bribery, you know, it's, you know, you don't say it looks like a you know, walks like a duck. It's, it's a duck. Yeah, it is bribery, but it's legal. And in this particular case, which I don't want to get into all the particulars, you know, on the one in South Carolina, The individual got a little too greedy and it got to the point where it came out in public and there were a couple laws that were, you know, broken and the individual had ended up having to resign and so forth, but then it scared a lot of the others because they were doing it.

And then all of a sudden, these people stopped, you know, accepting, you know, money from all these different individuals because they didn't want to get caught up in that same scam.

Elizabeth Doty: Thank you. And thank you very much for raising the question there. And Larry Lessig's work is so useful to [01:27:00] this. His original book from 2012, Republic Lost is a really great outline.

And he walks through conservative and progressive issues that are affected by these dynamics. Francis, can I turn back to you on this one before we go to the second topic? You're describing something where you're working with other groups and people will often assume, especially in a cynical environment right now, that people would only support something if it helped their side get ahead.

And I know I was talking with some friends about money in politics and they said, Oh, no, we're winning now. So they were no longer, they were no longer worried about addressing money in politics. Oh, yeah.

Francis Johnson: Right. So I know, yeah, no, no, that firsthand just, just on the bill. And I'll go ahead and speak about that bill.

Now, a lot of people realize that a lot of campaigns have are taking funds now on gift cards. We've all been in the grocery store and so forth and seeing that the racks and gift cards that you can buy and you can buy it. Put amounts on. [01:28:00] Well, you can also go directly to Visa, MasterCard, Amex, whoever.

And when you say buy a card, you're buying the number. You're buying the number, the CVV, the three digit piece, and it's yours to do whatever you want. Corporations buy them because they, they actually get the card to give out to employees. But individuals, you can buy, you know, whatever's a dollar, two dollars a card.

What bundlers are doing, they're buying, say, 10, 000 cards. In turn using a name generator, it'll generate a fake name. It's all, this is all done. It's a programming and database. And we, you know, we hired a computer, you know, individual to show us how it's done and what they're doing. I said they have a name generator.

It puts a fake name, you know, on there, you don't necessarily have to have an address because. It's 100 or less. And today, in the way the law runs, if you contribute 100 or less on a gift card, there's no verification [01:29:00] on on that 100 where it came from. And these individuals are buying 10, 000 cards. Putting about 99 on each card, and that's a million dollars that they're running through in the campaign process.

And the bill that we've been trying to get through the House, it's kind of funny because when the Democrats were you know, were ahead in the election in 2018, I had all these Democrats who said, well, we can't support this because we're gonna, we're going to take the House back. So I can't do it. But it was really interesting.

You know, we're, you know, trying again, but what this bill would require any political contribution made on a gift card, regardless of the amount had to be verified. And so which we're hoping that will cut that part of, you know, money. And the thing is, the reason we're. No one knows where that money is [01:30:00] coming from.

And as, as the law as it states right now, no foreign money can go into a political campaign. It has to be, you know, money from, you know, the citizens of the United States. And we don't know where and some of the research we've done we found that that money is coming from other sources outside of the country, but that's, you know, one of the areas that we're doing every day.

Elizabeth Doty: thank you very much. And I hear in more implied in what you're saying is, what are the rules you would want to make something trustworthy? I mean, back to less definition of corruption is if it distorts a system from its purpose and creates distrust. It hurts all of us. So what I hear you saying is what are what are the rules you would want regardless if you're winning this time or losing this time to have it be trustworthy and to know where things are coming from.

I think I've seen a couple of questions from Tom Lyon.

Tom Lyon: Sure. Yeah. Happy to jump in. [01:31:00] I guess the question I put in the chat that I think is the most relevant is really how do we go about reducing the impact of money in politics, because it's hard you know it's like stamping on a balloon and it pops up everywhere.

So we could go to a model of publicly funded elections and just prohibit all other spending. We could have vastly shorter election periods because everyone in the United States hates our election process. It drags on forever. We're all sick of people and it wastes a lot of money. We could have strict limits on political spending, including all the dark money and everything.

I'm just interested in what you were Thoughts are about how we get rid of the scourge.

Francis Johnson: Yeah. You know, no, good, good question. There are a couple of things that, that we're working on to help, you know, one is directly trying to cut off some of the, the, I'm not going to say dark money, but money that We can't really tell where it came from.

I mean, it could be completely legitimate money, you know, money [01:32:00] as the with the credit card bill. It could be all that 1, 000, 000 could be from an American citizen who decides that this is how he wants to you know, give him a million to the campaign. Now, on the other hand, when you said as far as the cost of elections, one of the other reasons or other things that we're working on is Right choice voting and instant runoff.

You know, the cost of elections is just is tremendous. And when you look at you know, how elections are done, there are some elections candidates winning with 34, 38, 40 percent of the vote. When you look at that, you'll say, wait a second, you know, their winner and the 60 plus percent of the people didn't vote for, you know, these individuals.

So that's why you're ranked choice voting and instant runoff is a good replacement for that. And number 1, it cuts out the process of having to have. If someone doesn't get the say they're [01:33:00] in a runoff, they don't get the 50 percent then you have to do the whole election over again. And what this is in an instant runoff and rank choice voting, it goes by several different names.

Some people call it instant runoff, some rank choice voting, but it's the same same process. But what that does is just one election. It gives all the individuals a voter choice, gives them a choice. Was your first choice, your second choice, your third, depending on the number of people. You know, I have to explain it because I think people here, you know, understand what it is.

But after that's tallied, the election is done. And so the cost of the money to have to redo election again. Is taken out, but also this cuts down on the negative advertising and the negative money that goes in the campaigns against because candidates now going to be not so much denigrating the other candidates, but speak more exactly why voters [01:34:00] should vote for them.

And that's what it should be all about. So that's just, you know, to two of the things that we're working on. Yeah, those are great. Francis. Can I ask you a follow up? It sounded like you were saying you felt like it's legitimate for an individual to give an unlimited amount of money. Is that right? No, no, no, no.

I didn't. I just said, all right. What I meant to say that saved a million dollars on the gift cards. Now there are you know, individuals that do give, when you look at your Tom Steyer's and all these others that give, they give billions and millions of dollars, they're all Americans and they're allowed to do it.

Yeah. Sheldon Adelson. May he rest in some place? Yeah. Yep. Sheldon Adelson. You know, there's there's seems to be more on the left that that gives the large money than the right. But, you know, we're not, you know, we're not here to talk about that. You know, the point is, it's done and there and it's legal for them to do it.

They're pretty fast sums of money into the political system. And, you know, how, [01:35:00] you know, how are we going to stop that? That's going to require some legislation and based on the amount of money that goes in, it's going to be very difficult, you know, to, you know, to stop. But as far as like an individual, I, I was just, my point was making sure the money was came from sources within the United States.

Elizabeth Doty: Yeah, thank you. I've posted here on the closing slide to go to take back. org. Get to know what they're what they're doing. Stay in touch. They have a good newsletter, very informative. You can also go to the Erb Institute's Corporate Political Responsibility Task Force website and contact us if you're interested in joining as an executive in a company.

That's another cost of pay to play. We have a resource list and you can sign up for news updates or follow us on Twitter at the urban Institute. And then Francis, I would like to turn it back to you. If you think about you know, we've had the audience on the call here live today, but also a good portion of our audience will be decision makers in companies in government affairs roles in sustainability roles, branding roles, strategy roles What would you suggest to them as a takeaway things that they could or should do to address pay to play or to to rebuild the country?

Francis Johnson: Well, I think you know, overall, we need to really start looking at smaller government. And I think you know, over the years, if you look at where government was when the question was 30 40 years ago, what was our government 40 years ago? Look, what's our government now? [01:37:00] And it's, it's, it's like night and day.

And as more government involvement has gotten in, you know, some good, most not so good. And it kind of fosters a lot of, you know, of what we're going through now. So, you know, I would just, you know, you know, push it, especially if you're in a political business or even on the corporate side is to really kind of push for that small business.

And one of the things that we had a conversations with the chamber of commerce there and which is, you know, they're, they represent businesses and they were all in agreement that, you know, smaller government is, is, is not so much, they're asking to kind of just go. freewheeling, but a little less regulations.

The individuals that are running the corporations are very smart people. They know what they're doing. They understand what it is. They have, they're probably [01:38:00] closer to the people than some of these elected officials are because they're the ones that are, you

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know, Doing the making the products and services that the everyday person, you know, you know, needs and uses.

Let's try to push for smaller government. If you start, it's going to take time. It's not something overnight, but start looking at some of the regulations that, you know, why do we have and get the, the politicians we have, you know, in office down the ones that are looking to run in the future to run kind of on a platform of, you know, we need to ratchet back.

Yeah. What we're doing here, the regulations in the government, because number one, it's going to cost less for the taxpayers. And that, you know, that's a key. And also it's going to foster, you know, more individuals, you know, when we get started getting more into full employment, you know, people are, you know, people are paying more taxes.

Which in turn is going to help pay down this, this massive deficit that we have, and it's, you know, it's not so much. You're saying the tax increases, it's, it's [01:39:00] increasing the base. You're actually paying the taxes, which will help pay down the deficit. And these are the kinds of things that we need to do, and we need to push for you know, in the upcoming years,

Elizabeth Doty: thank you all for joining us today.

And Francis, thank you so much for walking through so many facets of a really rich. You know, dynamic environment. Thank you for your work. Well,

Francis Johnson: thank you. It's a great, great pleasure to be here.