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Funds Gap Shows GOP Disarray

Voting: Democrats, who hold power, have war chests 10 times the size of their rivals'. Internal strife, Simon's flagging effort are blamed.

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SACRAMENTO—As the California Republican Party struggles to right itself, Democrats seeking statewide offices other than the governorship have amassed 10 times as much cash as their GOP counterparts.

Experts cite a variety of reasons for the Republican candidates' anemic fund-raising, ranging from strife within the party to the tendency of donors with interests in Sacramento to side with the party in power.

Several said Republican businessman Bill Simon Jr.'s faltering campaign is souring contributors who otherwise might send money to candidates down the ballot.

It all adds up to this: Democrats running for attorney general, treasurer, lieutenant governor and other statewide offices had a combined \$17.7 million in their campaign accounts, compared with \$1.8 million held by Republicans running for those posts, according to midyear campaign finance statements filed with the California secretary of state's office.

Vice President Dick Cheney helped Republicans by raising money in the state last week. Visits by President Bush could boost the party's fortunes further. But the California GOP is in a deep hole. It reported having \$2.8 million in cash, while the California Democratic Party reported \$11.2 million.

Money is not the only predictor of a candidate's success. But it is vital in a state where 30-second television ads often sway the electorate, and a candidate needs \$1.5 million to air a spot for a week.

"The [California] Republican Party as an institution is in rather sad shape right now," said a long-time GOP strategist, Ken Khachigian. "The party and its contributor base are in a state of great disorganization."

Take, for example, the race for treasurer.

The Democratic incumbent, Phil Angelides, has \$6.11 million in cash. His Republican opponent, Greg Conlon, a former California Public Utilities Commission member, who describes himself as a senior partner at the accounting firm Arthur Andersen, reported having \$28,205.

Then there's the race for attorney general.

Given the GOP's law-and-order reputation, a Republican could be elected "top cop," at least in theory. Atty. Gen. Bill Lockyer, the Democratic incumbent, received 51.5% of the vote four years ago, a number that suggests he could be vulnerable. But in the money race, Lockyer is trouncing his Republican opponent, state Sen. Dick Ackerman of Irvine, with \$6.36 million to Ackerman's \$61,993, as of their midyear reports.

Within Republican circles, including among some candidates, there is a feeling that Simon's recent campaign setbacks have dried up contributions.

"To the extent that our races are not fully funded, the sneezes [by the Simon campaign] will affect the 'down-ticket' races," Ackerman said. If Simon "is having problems raising money, that would translate down to the down-ticket races."

Some Republican strategists, speaking on the condition that they not be identified, were more direct.

"Bill Simon is making it very, very difficult for some of the lower-ticket candidates to raise money," one top GOP strategist said. "People are beginning to get the sense that he is a train wreck in the making. That poisons the well for everybody."

Angelides, Lockyer and Democratic Lt. Gov. Cruz Bustamante are widely thought to be contemplating running for governor in

2006. If so, impending changes to campaign finance law add to their motivation to raise large sums now. New restrictions will kick in after the Nov. 5 election, capping individual donations at \$20,000 for gubernatorial candidates.

Until then, however, they can take donations of unlimited size and use any money they have left over at the end of this campaign for future statewide races. Campaign finance reports show that the three Democrats are all accepting donations that would be barred after Nov. 5.

Angelides accepted a \$250,000 check earlier this year from a Sacramento developer, Angelo Tsakopoulos, who has been a longtime patron of the treasurer and major donor to other Democrats. Lockyer received \$100,000 from Ameriquest Capital Corp., a financial services firm that has been a significant donor to Gov. Gray Davis.

Lockyer has also taken large sums from gambling interests—some of which he regulates—including \$36,000 from the California Commerce Club, \$25,500 from the Bicycle Club and \$37,500 from the Rumsey band of Indians, which plans to expand its casino outside Sacramento.

"Lockyer's philosophy is that he be prepared for this election and have as many options available as possible in the future," said his spokesman, Nathan Barankin.

For his part, Bustamante took \$85,000 from the Operating Engineers union local based in Alameda and \$80,000 from the Viejas Indian tribe, a casino operator in San Diego County.

Among the incumbent Democrats, Bustamante has the smallest campaign account, at \$2.17 million. And several Republicans contend that his opponent, state Sen. Bruce McPherson (R-Santa Cruz), has at least a chance of victory.

McPherson, a political moderate running on a slate of generally conservative Republicans, has raised more money this year than other

"down-ballot" Republican candidates, at \$879,000. But Bustamante still has 2½ times as much cash on hand as McPherson.

While Democrats harbor visions of a November sweep, Republicans face the task of convincing potential donors that they have a chance of winning.

Candidates may have a hard sell, at least with donors such as a San Mateo investor, Sam Bamieh. During the 1990s, he gave hundreds of thousands to the GOP nationally and in California. He was the larg-

est individual donor to Gov. Pete Wilson's 1994 reelection campaign at more than \$200,000. But in an interview, Bamieh said a combination of health problems and discouragement over the party's direction had prompted him to slow his donations to a trickle.

"We have very serious problems in the party in California," Bamieh said, adding that, although he will vote, he will not open his checkbook in 2002. Still, candidates advance their theories about why they can win:

• McPherson's campaign manager, Ray McNally, contends that voters "like checks and balances." If Davis leads in polls heading into election day, the electorate might like the idea of a Republican lieutenant governor, who could complicate any attempt by Davis to run for president or vice president in 2004. State law says the lieutenant governor becomes chief executive if the governor steps down.

"Every loser has a theory," shrugged a Democratic consultant, Richie Ross, who represents Lockyer, Bustamante and Assemblyman Kevin Shelley of San Francisco, the Democratic candidate for secretary of state.

• State Sen. Tom McClintock (R-Thousand Oaks), running for state controller, is relatively well-known, having sought the post once before. But he has \$75,794 and is facing Steve Westly, a wealthy former eBay executive who has spent \$3.4 million on his campaign so far.

• Gary Mendoza, the Republican running for insurance commissioner against former Commissioner John Garamendi, might attract Latino voters, said his campaign manager, Kevin Spillane. And Mendoza has moderate credentials as a former Wilson administration official, he said.

• Katherine Smith, running for the nonpartisan office of superintendent of public instruction against state Sen. Jack O'Connell (D-San Luis Obispo), is the one woman among major party statewide candidates on the November ballot. But Smith is the least well-funded candidate, having just \$6,833 in the bank. O'Connell had \$527,452, after spending \$3.7 million on the March primary.

• Former Assemblyman Keith Olberg, running for secretary of state, boasts that he is the one Republican who has more cash than his Democratic foe, Kevin Shelley. But Shelley had a tough primary fight, and has raised \$964,000 so far this year, compared with Olberg's \$343,000.

Shelley attributes the Republi-

cans' slow fund-raising to candidates he describes as significantly more conservative than most California voters. Lockyer's spokesman, Barankin, attributes the Democrats' advantage to their control of the Legislature and every statewide office except one.

"The party in power tends to benefit from campaign contributors," Barankin said, although he

said Republican fortunes could improve if Bush decided to focus heavily on California campaigns.

Some Republicans place a darker spin on the phenomenon. Khachigian called the Democrats' fund-raising evidence of a "pay to play" ethos in Sacramento. "Democrats are in power, and they wield that power in very traditional ways."

A Fund-Raising Landslide

Democrats running for "down-ballot" statewide offices are raising far more money than their Republican opponents. Here is the amount of cash each candidate had on hand as of June 30.

(* denotes incumbent)

Attorney General

*Bill Lockyer (D) \$6.36 million

Dick Ackerman (R) \$61,993

Treasurer

*Phil Angelides (D) \$6.11 million

Greg Conlon (R) \$28,205

Lieutenant Governor

*Cruz Bustamante (D) \$2.17 million

Bruce McPherson (R) \$804,925

State Controller

Steve Westly (D) \$1.05 million

Tom McClintock (R) \$75,794

Secretary of State

Kevin Shelley (D) \$403,153

Keith Olberg (R) \$497,934

Insurance Commissioner

John Garamendi (D) \$1.04 million

Gary Mendoza (R) \$353,533

Superintendent of Public Instruction (nonpartisan office)

Jack O'Connell (D) \$527,452

Katherine Smith (R) \$6,833

Source: Campaign finance reports

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