



From the National Director



The Republicans' number one campaign promise was to set a higher moral standard in government. Instead, they have shown that their highest goal is to retain their majority control regardless of how low they have to stoop or how much they have to lie and cheat.

The Republican Party is wallowing in dishonor.

This "culture of corruption" that hangs like an albatross around the necks of Republican House and Senate candidates, coupled with a White House clouded in failure, both domestic and international, has given rising hopes to Democrats about next year's crucial elections.

This issue of NCEC's Election Update highlights some of the scandals involving Republicans who are under indictment or investigation, all of which are keeping Republican candidates on the defensive. And these are just the tip of the iceberg.

One immediate consequence of their malfeasance is the difficulty Republicans are having in recruiting strong House and Senate candidates. The converse is true for Democrats.

NCEC is projecting that nearly twice as many House races as in 2004 will be in contention and will fall into NCEC's "close but winnable" category. Each of these districts will demand and get hands-on attention from the NCEC staff from now until Election Day. Remember: a net gain of 15 House seats will send Tom DeLay to the back benches even if he manages to stay out of jail.

Many factors have created a political climate more favorable to Democrats than at any time since the Bush era began. At the time of his second inaugural, Bush's job rating stood at 57% approval, 40% disapproval. As of mid-October 2005, those figures were reversed: 39% approved of Bush's performance while 58% disapproved.

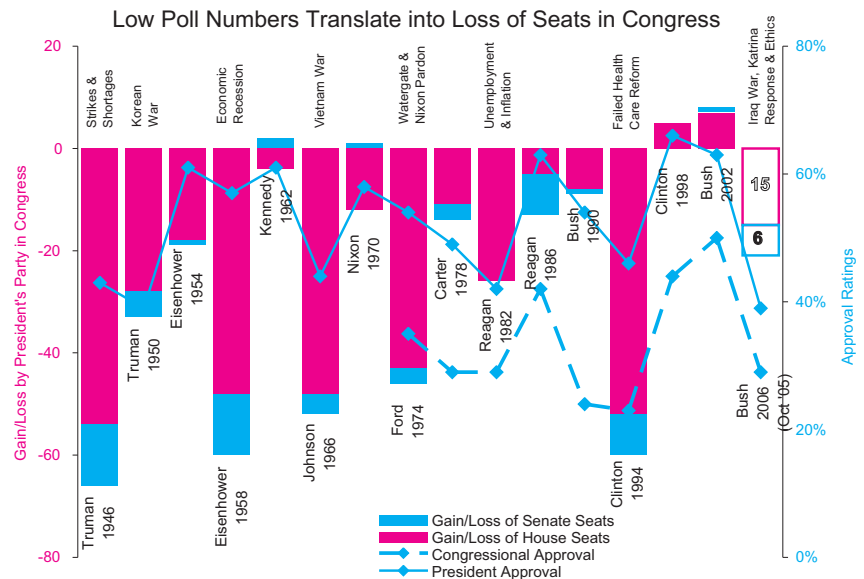
continued on page 4

Scandals Rock the White House and Bush Agenda Unravels

NCEC's Hopes for 2006 Rise

Serious problems continue to mount for Republicans as we get closer to next year's midterm Senate and House elections. Already facing charges of cronyism over Bush administration appointments/nominations, intense criticism of the response to Hurricane Katrina, and waning support for the war in Iraq, the recent, supposedly temporary, replacement of Tom DeLay as House Majority Leader left the Republicans in further disarray. A number of other influential Republicans are also embroiled in scandals.

Democrats' Best Hope: Traditional Losses by President's Party in Midterm Elections



Scandals, political miscalculations, and hubris have led to substantial shifts in the political landscape in the past. Democrats currently need to pick up 15 seats to regain control of the House and six to take back the Senate. This chart shows that the president's party lost 15 or more House seats in eight of the 15 midterm election cycles for the period from 2002 back to the Truman administration in 1946. In addition, the president's party lost seven or more Senate seats three times and five seats on another occasion within this time frame. Unpopular wars, scandals, economic problems, or policy failures that impacted the

continued on page 2

Historically, a Drop in Presidential Approval Spells Real Trouble for President’s Party in Congress

President	President Disapproval	Congress Disapproval	Gain/Loss of Seats Senate	House
Ford (1974)	38%	43%	-3	-43
Carter (1978)	36%	49%	-3	-11
Reagan (1982)	48%	54%	0	-26
Reagan (1986)	29%	37%	-8	-5
Bush (1990)	36%	68%	-1	-8
Clinton (1994)	46%	70%	-8	-52
Clinton (1998)	30%	47%	0	5
Bush (2002)	29%	40%	1	7
Bush (2006)	58%	64%	-6	-15

approval/disapproval ratings for the president and Congress were largely responsible for each of these large midterm partisan shifts. Republicans are currently facing problems in all these areas.

The table above shows the presidential and Congressional approval/disapproval ratings dating back to 1974. As we can see, 64% now disapprove of the job Congress is doing, while President Bush has a 58% disapproval rating. In the past when these approval/disapproval

ratings have been this weak, the party in control of the presidency and/or Congress has been in extreme danger of losing seats, and often a lot of seats, in the next election.

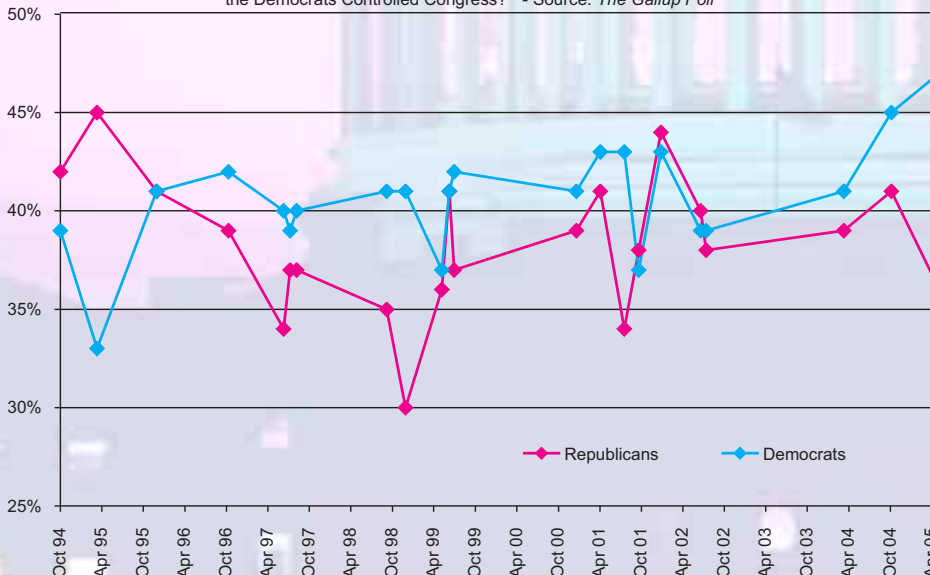
A recent NBC News/ *Wall Street Journal* poll confirms the trouble congressional Republicans are in. It shows voters, by a 48% to 39% margin, would prefer Democrats to control Congress after the 2006 elections. The net difference of 9% is the largest in the poll’s history. The graph below of historical *Gallup Poll*

results shows a similar advantage for Democrats.

It appears the cumulative effects of present-day Republican scandals along with their other problems could combine to help create an overall political climate favorable to Democrats nationally in the upcoming midterm election. Just how favorable probably depends on how much traction these Republican ethical problems have with the American electorate. Investigations into these scandals are still in the early stages, but it appears possible that their latest ethical lapses could rival such past Republican transgressions as Teapot Dome and Watergate. If this indeed turns out to be the case, history clearly shows that Democrats could make massive gains and take back control of the House and/or the Senate. Clearly, Democrats need to be prepared to take full advantage of these Republican miscues.

Trend Line Favors Congressional Democrats, but They Still Must Present a Positive Agenda

“Do you think the Country Would be Better off if the Republicans Controlled Congress or if the Democrats Controlled Congress?” - Source: *The Gallup Poll*



“Having NCEC state of the art campaign technology made every aspect of my campaign more effective. It’s impossible to overstate the importance of NCEC in my close Senate victory. With NCEC I won.”

*Senator Debbie Stabenow
Democrat, Michigan*

Republican Scandals Impact House and Senate Races

A brief summary of key republican figures connected to scandals that could impact house and senate races next year follows.

Rep. Tom DeLay

In his capacity as the former owner of a pest control business, Tom DeLay (R-TX), came to hate the Environmental Protection Agency, calling it “the Gestapo of government.” As the Republican House whip he earned the nickname “the Hammer” for his ability to pass legislation while the Republicans enjoyed only a slim majority in the House. The House Majority Leader was indicted by a Texas grand jury on September 28 on one count of conspiracy to violate Texas campaign laws. DeLay’s allies were unsuccessful in their attempt, earlier this year, to change Republican Conference rules that required members to temporarily resign their leadership positions following a felony indictment. And now DeLay has been forced to temporarily step down as Majority Leader. The indictment charges that DeLay had a role in passing at least \$155,000 in corporate contributions from Texans for a Republican Majority Political Action Committee (TRMPAC) to the Republican National Committee. The indictment alleges that the money was then sent back to State House candidates in Texas. Texas law prohibits the use of corporate contributions in state elections. It is a third-degree felony to violate this law, with a potential penalty of two to ten years in prison and a fine of up to \$10,000. The DeLay indictment

was the forty-first over a three-year period that largely focused on fund-raising related to DeLay’s successful effort to capture the Texas legislature and redraw U.S. congressional district lines to benefit Republicans in Washington.

Redistricting has traditionally been a once-a-decade occurrence. In 2001, following the release of 2000 Census data that was to be used to construct new districts, the legislature could not pass a plan. As a result, a three-judge federal panel in Tyler, Texas, took control and drew up its own plan that resulted in a 17 to 15 advantage for Democrats. However, in 2002, with help from the TRMPAC money, Republicans won large majorities in both legislative chambers. With control of the state’s entire political apparatus in Republican hands, DeLay helped direct an unprecedented remapping of the state’s congressional boundaries to heavily favor the Republicans. As a result, after the 2004 elections, Republicans controlled 21 seats to 11 for Democrats.

DeLay’s troubles go far beyond corporate campaign contributions. His foreign travel was charged to an American Express card issued to Jack Abramoff, and to a second corporate lobbyist. In addition, DeLay has been “admonished” by the House ethics committee four times – once in 1999 and three times in September and October of 2004. DeLay was held to just 55.2% in his 2004 reelection bid, and the impact of this scandal could make him even more vulnerable in 2006.

Rep. Roy Blunt

DeLay’s successor as House Majority Leader, Roy Blunt (R-MO), has considerable ethics problems of his own. Blunt, as the House Republican whip, used lobbyists as an extension of his Whip team, going so far as organizing business lobbyists to volunteer to pitch legislation important to the GOP to legislators. One of his sons represents a virtual who’s who of campaign contributors, the list of which includes the big tobacco company, Philip Morris. According to a 2003 Washington Post story, Blunt tried unsuccessfully to slip a provision beneficial to Philip Morris into the legislation in 2002 that created the Department of Homeland Security. At the time, he was dating Philip Morris lobbyist Abigail Perlman. He married Perlman in October 2003. In addition, the 2004 Corporate Tax Bill represents a virtual giveaway to special interests and corporate lobbyists.

David Safavian

David Safavian, the top procurement officer in the White House, was arrested on charges of lying and obstructing a federal investigation into Jack Abramoff’s activities. The activities being investigated included defrauding Native Americans and paying for overseas trips for DeLay.

“Director” continued from page 1

His political capital is all but spent. Bush is effectively politically bankrupt.

Other than Harry Truman, who bounced back from negative job ratings with his “Do Nothing Congress” campaign, no modern president has successfully overcome such a negative approval rating as Bush’s. In every category, Americans feel we are heading in the wrong direction.

George Bush’s troubles are profound.

We now must remind Democrats that it takes more than a weakened opponent to win an election. The Democrats must articulate clear and rational alternative solutions to the dangerous quagmire into which we have been dragged by this administration.

And every progressive Democratic candidate must be armed with

NCEC’s unique state-of-the-art technical campaign services that will enable them to run effective campaigns in which every dollar spent will have maximum impact.

One thing certain about 2006 is that Democratic candidates will be outspent by Republicans, who will be awash with money provided by a privileged establishment that will stop at nothing to maintain power over our government and our lives.

“Scandal Impact” continued from page 3

Sen. Bill Frist

Both the Securities and Exchange Commission and the Justice Department are investigating Senate Majority Leader Bill Frist (R-TN) for violation of insider trading laws, in the wake of his sale of HCA stock, a large hospital chain founded by his father and brother. At issue is whether Frist sold his stock in anticipation of a sharp decline in the stock’s price. The stock was held in a blind trust, theoretically out of Frist’s personal control. However, the price of the company’s shares plummeted shortly after Frist asked the administrators of the trust to dispose of his shares. In the aftermath of the well-publicized trials of Martha Stewart, former Enron chairman Ken Lay, and former Tyco chief executive Dennis Kozlowski, and other high-profile Wall Street investigations spearheaded by New York state Attorney General Eliot Spitzer, voters are very familiar with these kinds of issues. As a result, Frist’s ethics controversy could serve to taint other Republicans and also derail Frist’s potential 2008 presidential bid.

Rep. Bob Ney

Bob Ney (R-OH), chairperson of the committee holding jurisdiction over campaign finance matters, was also linked to Abramoff and his dealings with Indian tribes. When an Indian tribe wanted to open a casino,

they sent Ney on a luxury trip and contributed to his campaign. Ney then agreed to back gambling legislation for them. Ney also assisted a Washington lobbyist who wanted to buy a gambling cruise line in Florida. Abramoff also paid for a luxurious golfing vacation for Ney that may have been in exchange for support of a bill reopening Native American casinos. Ney also helped an Abramoff client win a U.S. House contract (Mobile Access) to build cell phone antennas in House offices.

Rep. Duke Cunningham

Duke Cunningham (R-CA), a 15-year House veteran, serves on the Defense Appropriations Subcommittee, which doles out billions of dollars in contracts. In 2003, Cunningham sold his home to a Washington defense contractor, Mitchell Wade, president of MZM Inc. Wade purchased the home for \$1,675,000 and sold it nine months later for just \$975,000. The same year, MZM was awarded \$40 million in defense contracts. The FBI opened an investigation into the sale of Cunningham’s home to Wade. Cunningham also lived on a yacht named the *Duke-Stir*, owned by Wade. Cunningham has announced that he will not seek reelection in 2006.

Sen. Conrad Burns

Another recipient of Abramoff’s contributions is Senator Conrad Burns (R-MT). Burns received \$136,000 through Abramoff. As chair of the Interior Subcommittee on Appropriations, Burns directed \$3 million to the Saginaw Chippewa Tribe of Michigan, an Abramoff client. Burns won by just a 51% to 47% margin in 2000 against Democrat Brian Schweitzer. Burns is up for reelection again in 2006, and his involvement with Abramoff could add to his potential vulnerability.

Rep. Nick Smith

Former representative Nick Smith (R-MI), after announcing that he would not run for reelection in 2004, was offered \$100,000 for his son’s congressional campaign, in exchange for his vote supporting the administration’s Medicare prescription drug plan. DeLay has acknowledged that he personally agreed to endorse Brad Smith in exchange for Nick Smith’s vote in favor of the Medicare bill. The House Ethics Committee admonished DeLay on this matter in September 2004, while Representative Smith was also “rebuked” by the Ethics Committee for making false allegations and failing to cooperate fully in the matter. His son went on to lose the Republican primary for his father’s seat to the eventual winner, Joe Schwarz.