
STATE OF WISCONSIN,

Plaintiff,

Case No.: 02-CF-2451

v.

CHARLES CHVALA,

Defendant.

STATEMENT OF CHARLES J. CHVALA

I am providing the Court with the history of my involvement with the counts in the complaint for use in sentencing.

I. CAUCUS COUNTS

While I was the Democratic Leader of the Wisconsin Senate, State resources were used for Senate Democratic campaigns. Since I was the head of the Senate Democratic Caucus (SDC) I should have insured that the law was followed and I accept responsibility for the violations. I am extremely sorry that these violations occurred and I apologize that they did. The violations occurred in three areas.

First, I made frequent calls to SDC employees in SDC offices concerning campaigns. During the 1998 campaign I did call Julie Landrie on a number of occasions to discuss the Erpenbach campaign. I am quite certain that she took the call on a State telephone. Past legislative leaders and at least one Judge have had campaign telephones installed in their State offices. The Wisconsin Ethics Board training also notes that it is legal for a legislator to discuss campaign matters on State work as long as the campaign work is done on a staff member's own time. This led me

to believe these calls were legal. However, the calls created the impression that work on campaigns on State time was acceptable which of course it is not. By the year 2000, I believe that all caucus employees had cellular telephones. Therefore, those telephone calls would not have been received on State telephones. I would initiate the calls on either my personal cellular telephone or from my law office telephone.

Next, it was inevitable that campaign work would be done on State computers, printers and fax machines as alleged, unless I laid down strict mandates forbidding this. I failed to lay down those rules. The Senate Democratic Campaign Committee (SDCC) did provide an office near the State SDC office that was equipped with a computer, printer, fax machine, and telephones so that caucus employees did not have to use State equipment. Nonetheless, I am certain that there were many occasions when caucus employees used State equipment because it was more convenient. I never ordered caucus employees to use State equipment. Furthermore, I only rarely was in the caucus office so that I did not see State equipment being used. However, based upon the information in the John Doe investigation, I am certain that State equipment was used and I therefore, as the Senate Democratic Caucus leader failed in my responsibility to prevent the use of State equipment.

Finally I am aware that campaign work was done in State offices. I was present at one meeting during the campaign where I discussed campaign matters. I also was present at one meeting following the campaign where the campaigns were discussed. This was wrong as the meetings should have not been in State facilities and because it created an impression that campaigning in State facilities would be condoned.

It has been suggested that SDC employees were paid by the State of Wisconsin for their work on campaigns. I do not think that that occurred.

It was natural for caucus employees to be involved in Senate races for a number of reasons. Caucus employees were politically active people. They were interested in issues that were important to the Democratic Party and were anxious to help elect Senators who supported these issues. Also at the time of the campaigns there was little legislative policy work that needed to be performed since the budget was adopted and the legislature had adjourned. Furthermore, campaigns were a way for caucus employees to advance their careers. For example, Julie Landrie became the Chief of Staff for Senator John Erpenbach after running his campaign. This was a position change that meant a salary increase of over twenty percent.

I was always aware that it was improper for SDC employees to be paid by the State to run a partisan campaign. I was personally aware of how much time the caucus employees spent on the budget and on other legislative policy matters. I knew that they worked long hours of overtime because I observed them working late into the early morning hours and on weekends, particularly during the budget period, which lasted several months. Much of their work involved writing memoranda, which I saw. I also directly supervised my own legislative staff. Based upon this direct involvement I believed that all employees of the Senate Democratic Caucus would have had enough compensatory time to be able to work on campaigns without having to do so on State time.

A full time director supervised the day-to-day work of the Senate Democratic Caucus. I relied upon the Director to insure that Senate Democratic Caucus employees

used compensatory time, vacation time, or leave to work on campaigns. So far as I knew, the Directors did their jobs.

I encouraged the Director of the SDC to request that SDC employees notify the Chief Clerk of the Senate in advance that they would be taking vacation and leave time when they would be out of the office doing campaign work. The Chief Clerk of the Senate made a similar request. This was done to avoid the appearance of impropriety.

On one occasion, a Senate Democratic Caucus employee told me that he was running short of compensatory time and vacation time to use on a campaign. I was able to have him paid by a campaign account and take leave from the caucus so that the State would not pay for his campaign work.

I have also reviewed the complaint and the John Doe record and am unaware of any testimony by any employee that they did not have enough compensatory time and vacation time to do solely campaign work. Therefore, I believe that the State of Wisconsin did not pay Senate Democratic Caucus employees to perform campaign work that had no conceivable legislative purpose.

II. COORDINATED EXPENDITURES

While I was the Senate Majority Leader independent expenditures became a large part of Senate campaigns. In 1996, independent expenditures were used to fund negative ads against me and several other Senate Democratic candidates by an organization connected with the Wisconsin Manufacturer's and Commerce. I took this case to court and although I was initially successful in enjoining the ads the case was eventually lost.

In 1998, during a special election I was directly involved with an independent group called Future Wisconsin. The Wisconsin Elections Board, upon a complaint of the Wisconsin Republican Party, investigated this group but found to have done nothing wrong.

In 2000, it was clear that independent expenditures and issue ads would be a major part of the campaigns for the Senate elections in Wisconsin. I knew that there would be record spending on behalf of Republican Senatorial candidates by independent expenditure groups and it would be vital to have independent expenditures on behalf of Democratic candidates. I remember one conversation with Doug Burnett concerning the need to keep our activities with the ICD secret. I think my words were "if anyone looks into this hard we'll all be screwed." What I meant was that it would be bad politically if the media became aware that I was raising money through independent expenditure groups for candidates. Furthermore, I had reviewed the law and concluded that the law gave independent expenditure groups a great deal of latitude. I believed it was possible that I could not be involved with both an independent expenditure group and a campaign. It was also possible that I could be involved if the campaign did not know about any independent expenditure that was going to be made. By keeping it quiet I did not risk that I might be discovered as violating some aspect of a law that was very confusing. I did know that it would be illegal if the campaigns were aware in advance of independent expenditures and that therefore secrecy was important to maintain legality.

I did not think that my involvement with the ICD and the campaigns was criminal. However, I admit that I did take a risk and this Court's rulings indicate that I was mistaken and, therefore, I am guilty of coordinated expenditures.

I encouraged Doug Burnett to keep the activities of the ICD secret because I knew it would be illegal if he mentioned the activities to the campaigns. Also, I did not want our activities to be known if I was mistaken concerning my interpretation of the law that I could play a role in both a campaign and an independent expenditure group that supported a campaign.

In 2000, I realized that the Mark Meyer campaign in the LaCrosse area was probably going to be extremely costly and that there were going to be large independent expenditures made on behalf of his opponent. I also knew that it was important to spend money early in the campaign because 2000 was a presidential election year and Wisconsin would be a contested state. This meant that late advertising would be drowned out by the presidential campaign. Therefore, in July, 2000 I met in Chicago with officials of a national organization that supports state legislative races (the Democratic Legislative Campaign Committee) and made arrangements for them to make early expenditures through the ICD in support of Mark Meyer.

In September 2000 the campaign chairman for the Mark Meyer campaign told me that the campaign needed money to do early TV advertising. I did not tell him that I had already made such arrangements with the DLCC since that would have been illegal. Rather, I contacted individual donors and asked them to contribute directly to the Meyer campaign in amounts permitted by law.

I also knew that it was usually the job of an independent expenditure group to respond to negative ads late in the campaign, as the campaign would be out of money. This had happened to me and several other Democrats in 1996. Therefore in 2000 when a negative ad was run against David Hansen, I requested Doug Burnett to run an ad in response.

III. EXTORTION COUNTS

All of the extortion charges have been dismissed. These charges have been devastating to me as they accused me of selling votes for favorable legislative treatment. This is as serious a charge that can be made against a legislator and these charges are totally false. I never granted a legislative favor in exchange for any campaign contribution and never put a dime in my pocket based upon legislative activity.

I remain profoundly distressed that the charges of extortion against me led directly to the defeat of three outstanding Senators: Senator Rod Moen, Senator Kim Plache and Senator Jim Baumgart. They were my colleagues and had served the State and their constituents effectively and with distinction.

The relationship between a legislator and a lobbyist is very difficult because there always is the possibility that campaign contributions might be used to influence legislative activity. Therefore, I made it a practice to not discuss campaign contributions and legislative activity in the same conversation. In fact, I never discussed campaign contributions on State property. Furthermore, if a lobbyist crossed that line and discussed policy matters and campaign contributions in the same conversation, as was

done by William O'Connor, I made it clear that the contribution would not affect my policy judgment.

I am extremely sensitive to these charges because they not only devastated me personally, both emotionally and financially, but also because they have obscured my work and the work of other Senate Democrats for children, senior citizens, the environments and working families which achieved a Senior Prescription Drug program (senior care), lower class size for children in kindergarten through third grade (SAGE), healthcare for children, and increased investment in preserving sensitive land (stewardship) and even a do not call list to protect the privacy of children in their homes.

I ask that you consider my career in public service and my remorse for committing crimes in your sentence of me.

Dated this 8th day of December 2005.

Charles J. Chvala