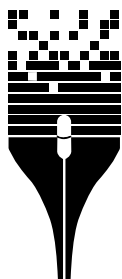


The Howey Political Report



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“QUOTE” OF THE WEEK

“If money really does give people free speech, shouldn’t we stop calling this a democracy and call it a plutocracy? You’ve got a guy like Bill Gates; does he have \$60 billion of free speech?” - Jack Miller, in a question to Sen. Lugar and Rep. McIntosh

Lugar, Johnson spar over \$\$ ‘laundering’

Section 527 controversy explodes

By **BRIAN A. HOWEY**

The Howey Political Report

INDIANAPOLIS - The once placid race between U.S. Sen. Richard Lugar and Democrat David Johnson exploded into an acrimonious battle over fundraising at the HPR/Baker & Daniels Forum on Campaign Ethics Monday.

The battleground was the new exploited loophole - the IRS Section 527 contributions that legally allow hundreds of thousands of untraceable dollars to spill into political campaigns. It has been used by Senate candidates in both parties, as well as in Texas Gov. George W. Bush’s primary battle against Sen. John McCain.

“The more exciting debate we’re having surrounds the money not so apparent,” Lugar told the Forum. “Creative persons thinking about 527 have determined that individuals, groups, whoever, may contribute money to a Section 527 group. It is not reported and therefore you have no idea where it came from.

“So you may have this one group of people playing steadily by the rules and they are collecting money by \$1,000 at a time, reporting it all in a timely way, adding it up tediously,” said Lugar, an obvious reference to his own campaign which has raised more than \$2.5 million for his re-election race. “And you have another group who says that is old age stuff, we’re into the new politics and the new politics has a lot more money with it as well as the liberalities that election law already gives.”

A few hours later, when Democra-tic Senate nominee David John addressed the Forum, he vociferously lashed out at Lugar, pointing to a May 25 Robert Novak column which

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Bob Lang



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CARSON RAILS AGAINST 527 COMMITTEES: U.S. Rep. Julia Carson, D-10th, used the 5th anniversary of the Clinton/Gingrich handshake on campaign finance reform to call for an end to the Section 527 political committees. "Why are these donors afraid to show their faces to the American people?" Carson asked. "This Congress has the responsibility of restoring integrity to political campaigns. Shining the spotlight on those who attempt to influence the political process is a good first step. I agree with Sen. McCain that

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Senate, from page 1

quoted the Republican incumbent as calling the 527 loophole "money laundering."

Novak reported that Johnson is participating "in a plan crafted by his party's national money strategists" and added, "Johnson is not alone. He is one of 11 Democratic Senate candidates who have bought into the scheme concocted last year by the DSCC. Three Republicans have similar plans, and GOP presidential candidate George W. Bush has established 21 state money-laundering committees.

"If that is not money laundering, it is a reasonable facsimile," Novak concluded.

Johnson appeared sufficiently frosted when he told the HPR Forum, "The senator's campaign accused me of participating in a money laundering scheme because of a fundraising event my campaign recently sponsored with the Democratic Senatorial Campaign Committee.

"His campaign has chosen to challenge my ethics and my character. Saying someone is laundering campaign funds - that kind of notion may be laughable, but over time it's insidious. Accusing me of participating in a money-laundering scheme because I'm working openly and legally with my party's Senate campaign committee is not just business as usual. Those words call my basic character into question. Those terms are associated with outright criminal activity. If someone believes I'm participating in criminal behavior, they'd better be able to back it up."

Johnson went on to say that Sen. Lugar "has never voted for McCain-Feingold and in fact has dismissed it as counter-productive." The Johnson campaign distributed a list of four votes on campaign finance reform in which Lugar sided with Sen. Mitch McConnell, R-Ky., and against McCain on three of the measures. The Democrat added that perhaps Lugar's "sudden zeal" over campaign

finance reform was due to Johnson raising more than the senator's last two opponents combined.

The Lugar campaign quickly produced a letter from Sen. Russell D. Feingold, D-Wis., dated June 13 in which he thanked him for his vote on the McCain-Feingold-Lieberman amendment on 527 organizations. "I realize how difficult it was to break with your leadership on this issue," Feingold wrote Lugar.

But in Wednesday's *New York Times*, Sen. John McCain was quoted as saying the 527 amendment vote was a "red herring" designed to give senators cover on the campaign finance reform.

Lugar, in turn, produced a copy of the invitation to the April 29 fundraiser for Johnson featuring Sen. Robert Torricelli, D-N.J., and chairman of the DSCC. A disclaimer on the invitation notes, "The DSCC can accept donations from individuals up to \$20,000 per calendar year (not to exceed the total \$25,000 yearly federal limit for an individual) and from qualified multi-candidate committees up to \$15,000 per calendar year. The DSCC does not accept contributions 'earmarked' for a particular candidate. The DSCC maintains a record (a 'tally') of how much money each candidate helps to raise for the DSCC. Contributions tallied for a particular candidate will be spent for DSCC activities and programs as the committee determines within its sole discretion."

Prior to the forum, Lugar operatives were telling HPR that the DSCC plan was to funnel as much as \$2 million into Johnson's campaign. During his Forum speech, Lugar said, "This particular campaign may be fought out ... under the most creative circumstances that people can think of in terms of larger contributions, the masking of them in various ways. Now all of this leads to a certain disillusionment in the public.

"The public doesn't understand the 527s, but they do understand that a lot of money is being spent and a good number of people may be attempting to buy some influence or at least some prospects for a

better deal for themselves."

Despite all the bombast, Lugar and Johnson appeared to agree that money is the root of all evil. "I do agree, big money creates big problems," Johnson said. "My campaign knows that every single day. So I offered a proposal that while it can't change the system today, unfortunately, would at least ensure that this race focuses on issues."

Johnson then challenged Lugar to accept a \$2.5 million cap (roughly what Lugar has now; Johnson has raised close to \$1 million).

"Look, the real problem here is big money," Johnson explained. "The real problem here is the distracting influence of money in politics. What we need to do is to decide from this day forward that we will limit the role of spending in this campaign. And if we each limit ourselves from this day to about \$2.5 million each to spend on this campaign, that will be more than enough air time. The point is, this campaign would be something besides raising money. I offer that proposal in good faith and to date, Sen Lugar's campaign, despite all its assertions over concern, has not found time to acknowledge my proposal."

Lugar views Johnson's voluntary spending cap as a smoke screen for the April 29 Torricelli event. "It was obviously a diversion for his entrance into a form of raising new funds. It was not a serious offer," said Lugar's Senate spokesman, Andy Fisher. He noted that Lugar was the first Senate candidate to post all of his big contributors on his website (www.lugar-camp.com).

Lugar believes that reforms will eventually happen, but not in this potentially rancorous election year. And he noted of the Section 527 controversy, "These innovations are clearly so complex to almost be beyond the spectrum of political reporting. Even if they are by a candidate who feels aggrieved, frequently people would say, 'Well, tough luck.'" ❖

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Americans should be outraged at yet another means to corrupt the political process."

LUGAR ON CAMPAIGN FINANCE: During Monday's Forum on Campaign Ethics, U.S. Sen. Richard Lugar was asked how he evaluated the constitutionality of campaign finance proposals. Lugar responded, "I try to consult with scholars or experts in constitutionality. I've questioned both (Sens.) McConnell and McCain on constitutionality and a number of other people. And there are divided views. But the feeling is the farther you go into 501C whatever, the closer you get to a First Amendment problem, that is issue advocacy people who ought to have that right. Now the question is, do they have the right to do it in secret? Some would say, yes, because essentially protest groups might say we don't want all of our members spilled out on the public record. Our clout comes from a certain amount of stealth work here. The question is does that give you the right to contribute to campaigns and where does that come in? I don't think that's been very well defined, but it is an interesting constitutional question that will come to the fore."

PUBLICLY FUNDED CAMPAIGNS: Jack Miller of the

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Alliance for Democracy asked McIntosh and Lugar if they favored publicly financed campaigns. Lugar noted that a "diminishing number of Americans want to use" the voluntary 1040 checkoff for campaigns. "This flies in the face of what the public really wants," Lugar said. "The thought of the federal government or state government in the financing of campaigns or setting the rules, criteria, numbers, seems to me to be a very difficult proposition." McIntosh said it was a "bad idea" and added, "With that funding comes control over the conduct of the campaign. You can attach regulations. And although neither Sen. Lugar nor I would ever think about doing this, our colleagues in the legislature who would write those rules would be very tempted to write them in ways to benefit their re-elections." Miller followed with this observation: "If money really does give people free speech, shouldn't we stop calling this a democracy and call it a plutocracy? Because some people don't have that much money, so they don't have that much free speech. You've got a guy like Bill Gates, does he have \$60 billion of free speech?" That question left Lugar and McIntosh speechless.

**McINTOSH ON GUIDING
CAMPAIGN REFORM**

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As McIntosh and O'Bannon talk about ethics, the Republican attempts a strategic box out

By **BRIAN A. HOWEY**
Howey Political Report

INDIANAPOLIS - In the mind of Republican gubernatorial nominee David McIntosh, he and Gov. Frank O'Bannon ought to be debating the issues "anytime, any place, anywhere."

And he used a prominent Democrat as an example.

For O'Bannon, he's willing to get into some "straight talk," but only after the blanks are filled in.

McIntosh and O'Bannon used their appearances at the HPR/Baker & Daniels Forum on Campaign Ethics to continue their dance around whether they ought to be using the summer months to debate property taxes and the whole notion of "trust."

McIntosh, speaking with Sen. Richard Lugar during the morning session, told the 120 people present, "I've always followed a formula when reduced down to its basics appears to be fairly simple and straightforward - tell the people what you'll do, do it, and then report back to them afterward."

He used the Republican's 1994 "Contract with America" and Indianapolis Mayor Bart Peterson's much-quoted "Peterson Plan" as prime examples of successfully establishing an agenda.

"Mayor Peterson laid forth a very specific set of plans - 200 additional police on the streets, plans to address domestic violence, plans to address gun violence. He was very explicit in the promises he laid before the people," McIntosh said.

"Looking at Mayor Peterson's plan, from what I can tell reading the newspaper he has succeeded in moving forward with those plans of that document. He seems to be widely achieving approval from the public for carrying forward on his promises."

McIntosh recalled the 1999

Indianapolis mayoral race between Peterson and Republican Sue Anne Gilroy. He quoted an *Indianapolis Star* story by Mary Beth Schneider when Gilroy had ducked some early candidate forums with Bob Parker. "It was very clear from that report and the general public that it was the candidate's obligation to appear at those forums and explain what their ideas are," McIntosh said.

The Republican then quoted Peterson in the *Star* article, saying, "I was so proud of those candidates who chose to be here, to open themselves up to questions all of you have to tell you exactly where they're coming from. I will go any place, I will accept any invitation, I will debate anyone at any time, because I believe that is the job of the mayor."

McIntosh added, "I think there is an ethical obligation and I think Mary Beth Schneider is correct that in order to be fair to the public, a candidate has to appear at those forums."

The Republican's trap

Of course, where McIntosh was heading with this was the fact that Gov. O'Bannon has turned down his invitation to conduct 10 summer debates on property taxes. O'Bannon has refused, saying that McIntosh has yet to explain where the presumed cuts in education would come.

The more experienced observers see O'Bannon ducking the tax question that has become ensnarled in the Indiana reassessment fiasco and promises undelivered from the '96 campaign when the Democrat heralded a 12 percent property tax cut.

McIntosh explained, "One of the things we've been debating is whether a tax cut is doable in Indiana and I've essentially made the same offer that Bart Peterson did. I would hope Gov. O'Bannon would do the same. It is a mat-

ter of establishing that trust and securing that trust.”

O'Bannon's 'straight talk'

Several hours later at the Forum's luncheon, the governor laid out what he believed to be the “ethical considerations of the candidate.”

“It's all about trustworthiness, honesty, integrity, loyalty and promise keeping,” the governor began. “It is about respect and stability, economy and tolerance. The third is responsibility and that's accountability, fairness in the process, fairness of being impartial and fairness in equity.”

Later, O'Bannon summed up his position by saying, “We also find that the voters are very receptive; they know when we're not being straight. I always take the approach that to earn the respect of the voters by offering positions and ideas that are well laid out and are paid for. I've done that throughout my career and when you run for governor, voters want to know if you have the right values and that you're someone they can trust if you give them straight talk to pass the plan.”

O'Bannon continued, “My campaign is going to focus on trust and straight talk. I will lay out my vision for the next four years, including in detail how we plan to pay for every new initiative. That's an obligation that every candidate should have to the people of the state of Indiana.”

Implicit promises

McIntosh underscored upcoming strategy he will wage against the governor in the next 20 weeks.

“Now there's also an implicit way you lay before the voters how you will behave and what you'll do when you're in office,” McIntosh began. “It is essentially derived from the criticisms candidates make about their opponents.”

McIntosh cited President Bush's 1988 pledge of “read my lips, no new taxes” and said, “He implicitly told people

he would not raise taxes.”

Then McIntosh lit into O'Bannon. “Another implicit example of what we saw here in Indiana was the last time in the governor's race when Frank O'Bannon accused Steve Goldsmith of the fish kill that occurred here in Indianapolis. The tag lines on his ads were, ‘Bad for fish, bad for Indiana.’ There were a few other ads with the general theme of mismanagement, criticizing the management of public golf courses, criticizing contractors who had been involved with the mayor and the tag line was, ‘Steve Goldsmith: Can we trust him to be governor?’

McIntosh continued, “There was an implicit promise that Gov. O'Bannon would manage the state well; that things like that wouldn't happen on his watch.”

The Republican challenger then cited the recent FSSA problems with the transfer of nine developmentally disabled people who died. “But then you've got Knightstown, the Teachers Retirement Fund, New Castle, Muscatatuck, FSSA again for embezzlement. The clear trend is that managers in this administration have not succeeded in living up to the governor's implicit promise.”

The bookend O'Bannon response was his recitation of the League of Women Voters Fair Campaign Practices. O'Bannon said, “Let me read the first one: I shall conduct my campaign openly and publicly, judging the issues as I see them, presenting my policies with sincerity and frankness, and criticizing without fear and without malice the records and policies of my opponents and their political parties that merit such criticism.”

Angles of McIntosh

For more than a year now, HPR has witnessed McIntosh's ability to come at issues at different angles; at unexpected trajectories; and in very strategic ways. Indiana Democrats are witnessing these tendencies now, in this campaign, over the tax debate issue, without (to date) catastrophic damage. ❖

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ISSUES: HPR/Baker & Daniels Forum moderator John Okeson asked U.S. Rep. David McIntosh what guiding principles would he have as governor on campaign finance reform. McIntosh responded, “One of the things I think is an important consideration is the fact of modern life that the public is less attuned to what is happening in government and campaigns because people are busy raising their families and working their jobs. For many people the analysis they base their judgment on is presented in very short 30-second soundbites in television advertisements. We have to remember that in reality when we think about what the right answer is in these questions. Ultimately, we want a system that promotes democratic values in terms of public participating and the public being able to make an informed choice. Ultimately I believe in those democratic values. We've got a very elaborate system of government that channels those into a republican form or representation that's worked well for 200 years, but the reality of modern day life is much different than it was 200 years ago when those were created and if we came in and said arbitrarily you can only spend so much money, for example, on advertising, that effectively limits chal-

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lenger abilities to be competitive. Those aren't theoretical concerns, but practical concerns that may change over time if the electorate has a different way of getting information, say, over the Internet, if that becomes predominant rather than television. We have to keep that reality in mind as we try to find the answers."

MANY POLITICAL DOLLARS FOR TV INDUSTRY: Broadcasting companies expect to bring in \$600 million from issue and candidate advertising before the Nov. 7 election day. Broadcasting and Cable magazine says 10 percent of the companies' annual revenue comes from political advertising compared with about 3 percent 10 years ago.

LABOR WINS ONE, LOSES ONE: Organized labor in Lake County lost one certification election Monday, but won another (Gary Post-Tribune). Lake County government clerical workers voted 306-173 not to become members of the United Steelworkers of America/AFSCME. Many of the workers have family ties to organized labor. They will have to wait at least two years to vote again. Meanwhile, the county's correctional officers voted 70-49 to affiliate with the International Union of Police Associations rather than

O'Bannon maintains 4 point lead

By **BRIAN A. HOWEY**
The Howey Political Report

INDIANAPOLIS - Despite a favorable/unfavorable rating of 54/36 percent, incumbency and a booming economy, Gov. Frank O'Bannon has just a 44 to 40 percent lead over Republican David McIntosh in the latest HPR/TeleResearch Poll released at the Forum on Campaign Ethics on Monday.

TeleResearch was in the field for a statewide poll June 10-15. It surveyed 868 likely voters, with an error rate of +/-3.3 percent. The poll also showed Sen. Richard Lugar with a three-to-one lead over Democrat David Johnson and Texas Gov. George W. Bush leading Vice President Al Gore by more than 20 percent.

GOVERNOR'S RACE

	June	April
O'Bannon	44 percent	40 percent
McIntosh	40	37
Horning	3	--
Undecided	13	22

U.S. SENATE RACE

Lugar	63 percent
Johnson	21
Undecided	16

PRESIDENTIAL RACE (in Indiana)

Bush	54 percent
Gore	33
Undecided	13

TOP ISSUES

	April	June
Environment	5 percent	4.5 percent
Property Tax	31	30
Education	36	29.5
Rising Prices	15	23
Crime	13	13

According to TeleResearch pollster Jeff Lewis, Gov. O'Bannon has a favorable rating among Republicans of 29 percent. Among independents, O'Bannon's

fav rating was 54 percent, compared to 45 percent for McIntosh. O'Bannon leads McIntosh among independents, 45-25 percent, with 27 percent undecided. O'Bannon is getting 9 percent of the Republican vote (compared to 22 percent

HORSE RACE

in 1996) and McIntosh is getting 9 percent of the Democratic vote.

In the presidential survey, Lewis said that among Northern Indiana independents, Vice President Al Gore is getting a 29 percent "somewhat unfavorable" rating and a 45 percent "very unfavorable" (or a fav/unfav of 26/74 percent). In Southern Indiana, independents called Gore "somewhat unfavorable" 22 percent and a stunning 55 percent saw him as "very unfavorable" (a 23/77 fav/unfav). Baron Hill should be praising his lucky stars.

On the issues front, the escalating gas prices have propelled the economy up into second place with 23 percent calling it the top issue. That compared to 15 percent in April. That's not real good news for Democrats, who can count on a strong economy keeping the wind to their backs ... if it persists. At the HPR/Baker & Daniels Forum, analyst Ron Gifford pondered the notion of Texas Gov. George W. Bush's rich oil buddies putting the crimp on Midwestern (i.e. presidential battleground) gas supplies in order to damage Gore's economic luster.

Property taxes is the top issue at 30 percent - showing McIntosh is getting traction on that issue - but mostly with Republicans. That issue is not turning on independents, who would rather have better schools and a cleaner environment.

On the issues, the Democrats will want to see education and crime on top next fall; Republicans will want to maintain this status quo. ❖

Indiana 2000 Racing Form

GOVERNOR, congressional races

Governor: Republican: U.S. Rep. David McIntosh. **Democrat:** Gov. Frank

O'Bannon. **Libertarian:** Andrew Horning. **1996 Results:** O'Bannon 1,107,342, Goldsmith 997,505, Dillon 35,261. **2000 Forecast:** Going into this polling sequence, we thought Gov. O'Bannon might be a little farther in front of McIntosh, closer to the Republican Governor Association poll that had him up by 9 percent about a month ago. The fact that O'Bannon leads only 44-40 percent after a month of TV, McIntosh's lackluster May close-out (500 parade and BS quip), a high 54/36 fav/unfav, and a roaring economy should worry Democrats. And these numbers were compiled before the FSSA expose was reported in the *Indianapolis Star* and heads began to roll. Going into this cam-

campaign sequence, Horse Race thought it imperative that O'Bannon not experience any more internal bombs, but they appear to keep on coming. McIntosh called on the U.S. Department of Justice to investigate FSSA. "Caring for Indiana's developmentally disabled residents is a matter of profound trust, and it's clear now that that trust was broken," McIntosh said on Monday. "The parents and relatives of those who died and those who are still under the state's care have a right to know what went wrong and why the state tolerated such poor conditions for our most vulnerable citizens." Gov. O'Bannon dismissed McIntosh's probe as "election year politics." He told the *Star*, "When you get into a political season, you have someone looking at everything you do and certainly making news whenever they can." Gov. O'Bannon demoted FSSA director Peter A. Sybinsky just days before the story. Two other top officials will leave the agency. Katie Humphreys, who helped then-Gov. Evan Bayh transition out of an Indiana Toll Road scandal, will lead FSSA. McIntosh quickly cited the FSSA shake-up as "further evidence of poor management in the O'Bannon administration which has cost the lives of people and millions of dollars in losses to the state. We're not sure the firing of several people will really solve the problem. The list of examples of mismanagement that includes the BMV, IDEM, DNR, the Excise Police just goes on and on." On another front, the U.S. Equal Opportunity Commission ruled in favor of Indiana State Police Trooper Ben Endres, who had been fired after refusing an assignment on a riverboat casino. The Endres case took on political implications when McIntosh called on Gov. O'Bannon to reinstate Endres last month. McIntosh reacted to the EEOC ruling, saying, "It is tragic that a nine-year veteran of the state troopers was taken off our streets and instead put on gambling boats against his wishes. As governor, I will be tolerant of religious beliefs held and make every effort to meet the needs of those serving the state." Again, the last thing O'Bannon needs is a showdown with ISP troopers. That takes the luster off his 500 new cops achievement. McIntosh appeared on NBC's *Today Show* last week after the House approved a resolution he authored recognizing the value of music education. He appeared on the show with members of the rock band Hootie & the Blowfish and will also be seen on VH-1's "Save the Music Today" effort this week to get donated music instruments. McIntosh donated a Selmer tuba made in Elkhart during his Today Show appearance. McIntosh's fav/unfav in the HPR/TeleResearch Poll stood at 51/28 percent. McIntosh missed his 100th roll call vote for the year. The week ended with good news for O'Bannon. His suspension of the state's 5 percent gas tax for 60 days will be seen (and spun) as decisive leadership that helped him get national attention in a potentially explosive national political story. Even McIntosh agreed it was the right thing to do. We believe the property tax issue is fueling McIntosh like Gulf air into a supercell. The more O'Bannon ducks the issue, the stronger McIntosh will be. He's going to have to come up with an answer for the controversy, or risk having Judge Thomas Fisher do it for him later this year. The governor can still win re-election, but he's going to have to decisively use his incumbency - like he did on the gasoline issue - get out in front of the property taxes while punching credible holes in McIntosh's tax scheme. **General Status:** *Leans O'Bannon.*

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AFSCME/USWA.

HAMILTON RECRUITED: Former Congressman Lee Hamilton has been recruited by the White House to try to find out what happened to the missing computer hard drives at Los Alamos National Laboratory (Sylvia A. Smith, Fort Wayne Journal Gazette). The Hoosier Democrat will work with former Republican Sen. Howard Baker of Tennessee to see if they can determine what happened to the drives and offer recommendations on how to keep such events from happening in the future. In a related development, U.S. Sen. Richard Lugar said that President Clinton and Energy Secretary Bill Richardson were clearly "culpable" in not working to secure the breach of security at Los Alamos after the Senate Intelligence Committee had made recommendations. "They clearly defied what we wanted, what we thought was in the best interest of the country, and in a reckless gamble, they lost," Lugar said.

BUILDING BOOM: The Aztar Corp. wants to develop as many as three new hotel on a parking lot along the riverfront in Evansville (Tim Starks, Evansville Courier & Press). It also wants to build several new restaurants and entertainment venues. The goal is to have several hundred new hotels rooms

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and a restaurant built within the next year.

U.S. AWARDS I-69 STUDY MONEY: Indiana will receive \$600,000 for engineering and environmental studies for Interstate 69, but an attorney for the Environmental Law and Policy Center said the grant can be interpreted as helping to support an argument for upgrading existing roads from Evansville to Indianapolis through Terre Haute (Tim Starks, Evansville Courier & Press). The announcement of the grant was made by Congressman John Hostettler, who favors the I-69 project.

AG CANDIDATES ON DEATH PENALTY: Both Attorney General Karen Freeman-Wilson and Republican challenger Steve Carter said they were opposed to a moratorium on the Indiana death penalty. The two spoke at the HPR/Baker & Daniels Forum on Campaign Ethics last Monday. Freeman-Wilson said that according to the Columbia Study, Indiana and Maryland offered the most post-conviction relief. She said, "Certainly any death penalty ought to stand up to scrutiny." Carter said that to "unilaterally implement a moratorium would be unfair to victims of crime."

HPR'S NEW FAX NUMBER IS... 317-466-0993. Please make a note of it! ❖

U.S. Senate: Republican: U.S. Sen. Richard Lugar. **Democrat:** David L. Johnson. **1988 results:** Lugar (R) 1,430,525, Wickes (D) 668,778. **1994 results:** Lugar (R) 1,039,625, Jontz (D) 470,799, Bourland (L) 17,343, Barton (A) 15,801. **2000 Forecast:** Lugar's numbers are gargantuan, with a 63-21 percent lead in the latest HPR/TeleResearch Poll. Lugar's fav/unfavs stand at 71/21 percent, which is the best we've ever seen. Johnson tried to draw blood on his indignation at the "money laundering" charges by the Lugar camp, but that is not an issue that appears to be resonating with anyone other than Common Cause and the Alliance for Democracy. We just never hear regular folks talking about it. Johnson clearly has to get out of the strict fundraising mode and begin to seek earned media, which he has hardly done to this point. **Status:** *Safe Lugar.*

Congressional District 2: Republican: Mike Pence. **Democrat:** Robert Rock Jr. **Independent:** Bill Frazier. **Geography:** Muncie, Anderson, Richmond, Shelbyville, Columbus and East Central Indiana. **1994 Results:** McIntosh 93,592, Hogsett 78,241. **1996 Results:** McIntosh 122,288, Carmichael (D) 83,478, Zimmerman (L) 4,662. **1998 Results:** McIntosh (R) 99,584, Boles (D) 62,426, Federle (L) 2,236. **2000 Forecast:** Pence raised \$30,000 from an event with Dick Arney in Muncie last week, even though Arney couldn't make it due to stormy weather (he joined in via speaker phone). Pence expects to show more than \$400,000 raised on the June 30 FEC reports. House GOP Whip Tom DeLay will be in Columbus to stump for Pence this Saturday. *National Journal* reporter Lou Jacobson was in Indianapolis last week and interviewed HPR's Brian Howey, INGroup's Ed Feigenbaum and Dr. Brian Vargus on the 2nd CD. His story in *Congress Daily* opened with this lead, "Several political analysts here said last week they are surprised by the lack of national attention being given to Indiana's 2nd District." Vargus said that Frazier "can count on his base." Howey said that Frazier might pull "5 to 8 percent" of the vote and called him a "real wild card." Feigenbaum said that Frazier could draw "Reagan Democrats vital to Rock's chances. If Frazier takes votes from Rock, Rock is sunk. If he takes them from Pence, then Mike is in big trouble." But for Pence to be in "big trouble," Rock would have to show some real decent FEC numbers in order to get the DCCC to take this race seriously. **Status:** *Leans Pence.*

Congressional District 5: Republican: U.S. Rep. Steve Buyer. **Democrat:** Greg Goodnight. **Libertarian:** Scott Benson. **Geography:** Kokomo, Marion, Peru, Monticello, Lowell, Northern Indiana. **1994 results:** Buyer 108,575, Beatty 43,619, Alfred (L) 3,328. **1996 Results:** Buyer 133,604, Clark (D) 67,125, Lehman (L) 5,255. **1998 Results:** Buyer (R) 101,567, Steele 58,504 (D), Waters (L) 2,317. **2000 Forecast:** Goodnight pushes Buyer on the loss of 108 civilian jobs at the Grissom Air Reserve Base. **Status:** *Likely Buyer.*

Congressional District 8: Republican: U.S. Rep. John Hostettler. **Democrat:** Dr. Paul Perry. **Geography:** Evansville, Blooming-ton, Vincennes and SW Indiana. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler (R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227, Riecken (D) 81,381, Hager (L) 3,395. **2000 Forecast:** Rep. J.C. Watts will stump for Hostettler in Evansville on Saturday. Vice President Gore's terrible Southern Indiana numbers 23/77 fav/unfav should give Hostettler some relief and Perry's campaign a real headache. The reason Gore is so unpopular centers on his ardent support for the Kyoto accords, which have been pummeled by everyone in the state ranging from David McIntosh to Evan Bayh as a potential destroyer of manufacturing, coal and steel jobs. **Status:** *Tossup.*

Congressional District 9: Republican: Michael Bailey. **Democrat:** U.S. Rep. Baron Hill. **Geography:** Lawrenceburg, Rising Sun, Connersville, New Albany Jeffersonville, Madison, Nashville and SE Indiana. **1994 results:** Hamilton 91,459 (D), Leising (R) 84,315. **1996 Results:** Hamilton (D) 128,885, Leising (R) 97,747, Feeney (L) 2,315. **1998 Results:** Hill (D) 92,477, Leising (R) 87,278, Feeney (L) 2,397. **2000 Forecast:** Bailey scolds Hill for his vote over the flag burning Constitutional amendment. Hill ignores him. **Status:** *Safe Hill.*

- By Brian A. Howey ❖