

The Howey Political Report



The *Howey Political Report* is published by NewsLink Inc. Founded in 1994, *The Howey Political Report* is an independent, non-partisan newsletter analyzing the political process in Indiana.

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Subscriptions: \$250 annually via e-mail or fax; \$450 annually including the HPR Daily Wire. Call 317-254-1533 or 254-0535.

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“QUOTE” OF THE WEEK

“I just wanted to.”

- Muncie Councilman Jack Isenbarger, explaining his vote against renaming Broadway Street to Martin Luther King Boulevard, to the *Muncie Star Press*

Daniels seeks to put IPALCO to rest

A controversy, but not a scandal

By **BRIAN A. HOWEY** in *Indianapolis*

How effectively did out-going White House Budget Director Mitch Daniels diffuse the IPALCO sale controversy in this week’s *Indianapolis Eye* cover story?

A timeline was established that appears to belie his involvement in the “stampede” that IPALCO suit plaintiff attorney John R. Price has characterized with the sale. Daniels did not join other executives and board members in selling immediately after the Sept. 7, 2000, date for record, but waited until the week of President Bush’s inauguration after signing a federal ethics agreement requiring the sale. And Daniels went so far as to suggest that had he not joined the Bush administration he might not have sold at all.

Daniels said he welcomed the Indiana investigation. He expressed sympathy for the IPALCO employees who lost much of their life savings, but not responsibility.

And, Martha Stewart’s problems aside, HPR’s analysis is that while Daniels’ Republican primary opponents and Indiana Democrats will likely use the IPALCO events against Daniels, they probably will be the fodder for early skirmishes rather than a silver bullet that would mortally wound his candidacy.

This analysis can be traced back to the 2002 election cycle, when Hoosier and national Democrats were convinced the corporate scandals would be devastating to GOP candidates. But by Election Day 2002, the issues had little impact as Republicans maintained control of Congress.

Daniels and IPALCO

The issue that will require Mitch Daniels’ most

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T A P E

DOW AT 9003: At this hour, the Dow stands at 9003.

BUSH PROMISES TRUTH ON WMD: President Bush has defended the U.S.-led invasion of Iraq and pledged that "we'll reveal the truth" on Saddam Hussein's weapons of mass destruction (Associated Press). He surveyed Baghdad from Air Force One as he flew back to Washington. "We're on the look. We'll reveal the truth," Bush said, without specifically promising weapons would be found. "But one thing is certain: No terrorist network will gain weapons of mass destruction from the Iraqi regime because the Iraqi regime is no more." Bush's visit came as questions swirled around his primary justification for the conflict in Iraq - that Saddam had weapons of mass destruction and was poised to use them. U.S. and British forces have yet to find tangible evidence that Saddam had stocks of chemical and biological weapons ready to use. In a recent interview with Polish television, Bush pointed to the two trailers to say, "We found the weapons of mass destruction."

HERBERT TO BE NAMED PRESIDENT OF IU TODAY: Indiana University trustees are poised to name Florida university administrator

Reaganesque skills early on will be IPALCO and its controversial buy-out by AES. Attorney John R. Price, who represents IPALCO employees who lost much of their portfolios, calls the situation "Mitch Daniels' fatal disease."

According to Mark Schoeff Jr.'s *Indianapolis Eye* cover story, between March 2001, when the merger was finalized, and October 2002, the AES stock price dropped from \$49.60 per share to 92 cents. Daniels sold 60,000 shares of IPALCO stock for a profit of \$552,540 before heading to Washington, according to the *Associated Press*.

Daniels, who has been subpoenaed by the Indiana Securities Division, said he sold the stock because he was required to by federal ethics guidelines.

IPALCO timeline

The sequence of Daniels' IPALCO stock sale is interesting and could prove decisive in whether the issue quickly becomes a moot point or a thorn in the side of his candidacy. The date of record in the IPALCO/AES deal was Sept. 7, 2000. Sources familiar with the case told the *Eye* that many on the IPALCO board of directors, including then-IPALCO CEO John R. Hodowal, sold their stock in the days immediately thereafter. Hodowal, for instance, sold stock for \$14.22 million on Sept. 8, 2000, as part of a \$71 million stock sale, which the lawsuit calls dumping by the IPALCO board and officers. Daniels was appointed by Bush on Dec. 22, 2000, and sold his IPALCO stock in mid-January 2001, just days before President Bush's inauguration, but four months after Hodowal sold his shares.

Daniels explained to Schoeff, "I signed my agreement with the Office of Government Ethics on Jan. 18, 2001, committing to sell all family financial holdings. As you know, IPALCO stock was a small percentage of these holdings. The actual sales were all handled by advisers and took place at various times

over the next few weeks, but as of Jan. 18 the commitment was irrevocable and the selling process began."

Daniels even suggested that were it not for the Bush appointment, he might not have sold. Daniels said he feels for people who lost money on the AES stock but cannot be held accountable for their predicament. "Sympathy, absolutely. Responsibility, no," he said. "One feels terrible. But under those circumstances, the board was acting in good faith." He said he could have been in the same boat as the plaintiffs. "I was long gone before the deal closed, let alone the stock dropped. I was required to sell everything. Maybe I would have held on, too, if I had stayed where I was."

Some, like *Bloomington Herald-Times* columnist Mike Leonard, questioned Daniels' motives, suggesting he didn't have to divest. A March 7, 2001, *USA Today* story noted that Daniels and Commerce Secretary Donald Evans "are divesting themselves of multi-million dollar stakes in companies they once led, diversifying their investments in a bid to avoid potential conflicts of interest." Treasury Secretary Paul O'Neill opted to retain his Alcoa stock.

A government ethics official told *The Eye*, "To avoid any potential conflict of interest, (Daniels) decided to divest all stock holdings, including IPALCO. He only kept diversified mutual funds." And, according to the Office of Government Ethics, the remedies for a filer who is joining the administration are divestiture, resignation from boards, or a waiver.

Schoeff, HPR's Washington correspondent, noted that Daniels was not "defensive" when the IPALCO topic came up in his May 27 interview. "He seemed to view it as a predicate interview; wanting to get his version on record," Schoeff explained.

Will it have legs?

Indiana Democrats and some Republicans such as Price, who is backing

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State Sen. Murray Clark, believe the IPALCO story will have legs that can kick Daniels. Price noted that the trial date has been moved from October 2003 to either June or September 2004, smack in the election cycle. "I can see one of his opponents putting Marjorie Young on camera and saying something like, 'Don't let Mitch Daniels loot Indiana like he did IPALCO,'" Price said.

Former Marion County Democratic Chairman Kipper Tew observed of the *Eye* story, "Sympathy but not responsibility? He was on the subcommittee of the board that recommended this loser to shareholders. Who else should be held accountable?"

And, Tew added, "They were options, not stock. Big difference. He voted them to himself on the board and options are a guaranteed no lose proposition. How one can claim that exercising options that will expire on their own if you do nothing and taking a half-million dollar profit right before you walk into a government job is ethical is beyond the pale of spin. Even the Clintons lost money on Whitewater."

Price and the Democrats are trying to compare IPALCO to Enron, but there is a big difference between a "controversy" and a "scandal." Right now, IPALCO is a controversy; an unfortunate situation where a lot of people lost a lot of money, joining millions of others who lost a lot of money on Wall Street. Ethics might be questioned, but were laws broken? Thus far, the answer to that last question is no.

The similarities with IPALCO and Enron are that executives and board members were able to cash out before the company stock plummeted. Price is telling reporters about the destruction of documents by shredders in the alley prior to the completion of the sale. The difference is that the Enron collapse came about due to an array of shell corporations that were part of extensive book cooking. IPALCO was sold to a poorly performing company.

Big difference.

A winning issue?

Back in August 2002, then-Indiana Democratic Chairman Peter Manous, who himself resigned last December due to a federal investigation of a Porter County land deal, was convinced the corporate scandals would be devastating for the GOP. "One of the things that's been showing up in our polling -- it's very strong in identification we've gotten -- is corporate responsibility," Manous said in the Aug. 29, 2002, edition of HPR. "And when you look at everything from Harken Energy, to Haliburton, to the IPALCO situation, these are real issues people are keying into."

It didn't work out that way. Bloomington Mayor John Fernandez tried to leverage the IPALCO sale in a July press conference with 10 IPALCO retirees and in an autumn TV ad assault on his secretary of state opponent, Todd Rokita.

It was a tactical failure. The issue had little traction, particularly outside of the Indianapolis media market where people didn't follow the IPALCO story. In fact, the entire corporate scandal issue didn't resonate with voters. The Bush administration's willingness to slap handcuffs on big time execs from Adelphia, Enron and Tyco, along with a vast majority of companies certifying their earnings reports last August inoculated the GOP from traditional mid-term losses last November. The politics of such an issue are dubious at best. Ask Bill and Hillary Clinton, who've won three general elections since Whitewater surfaced.

No comment

A telling reaction was that none of Daniels' gubernatorial competitors wanted to comment on the story. Some of that might be attributed to keeping their powder dry for 2004. But that fact that none was willing to even comment in the face of a perceived Daniels juggernaut expected to get untracked this summer is revealing. ❖

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Adam W. Herbert the 17th president in IU's 180-year history (Bloomington Herald-Times). Herbert is executive director of the Center for Public Policy and Leadership Development at the University of North Florida in Jacksonville. He was president of the University of North Florida from 1989 to 1998 and chancellor of the Florida state university system from 1998 to 2001. He led Florida Gov. Jeb Bush's transition team in November 1998. Herbert, 59, was believed to have arrived in Bloomington late Wednesday and begun a whirlwind round of meetings with campus administrators and other figures. Attempts to contact him were not successful. He will become Indiana University's first black president and one of the few black presidents at public research universities. In the Big Ten, he follows only Clifton Wharton, president of Michigan State in the 1970s, and Homer Neal, interim president of the University of Michigan in the mid-1990s.

BAXTER BRINGING JOBS TO BLOOMINGTON: Gov. Frank O'Bannon today welcomed the latest in a string of life sciences companies locating or expanding in Indiana, as Baxter Healthcare Corp. announced it will grow its

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Baxter Pharmaceutical Solutions LLC business in Bloomington. Baxter, one of the world's leading manufacturers of medication-delivery products, plans a two-phase expansion that will create 700 new jobs, retain 562 current employees and invest about \$100 million over the next seven years. "This is wonderful news," the governor said. "We're thrilled that Baxter recognizes that Indiana is a great place to do business. With last year's restructuring of the state's tax system so it is more business-friendly and this year's passage of the Energize Indiana economic development plan, Indiana has positioned itself to grow and attract life sciences companies such as Baxter."

NO CHILD LEFT BEHIND REPORTS DELAYED: Due to the high volume of appeals, the Indiana Department of Education is not expected to issue No Child Left Behind ratings for another two or three weeks (Indianapolis Eye). A large number of Indiana's school corporations are challenging "needs improvement" ratings largely based on the performance of special education and limited English proficiency students. The reports were expected to be released on June. 5. DOE officials expect a majority of Indiana's public school corporations to fail the standards.

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Simpson active on both ends of Indiana

By **BRIAN A. HOWEY**

INDIANAPOLIS -- State Sen. Vi Simpson had an extremely active sequence following Memorial Day, muscling out a key labor endorsement in Lake County, gaining the unspoken imprimatur from Gary Mayor Scott King, and defining her stance on I-69 in unmistakable terms.

"The Gary airport announcement last week was part of a very, very productive two-day trip to Lake County," said campaign co-chair Bill Moreau Jr.

In comments covered by the *Post-Tribune* and the *Times of Northwest Indiana*, Mayor King was a major Region leader to, if not get on the Simpson bandwagon, laud her for her performance. In announcing a \$2 million grant for the Chicago-Gary Airport, King explained, "It's a point I've made frequently, with varying degrees of politeness. When the smoke cleared, Simpson delivered what she promised."

Until that press conference, Democratic opponent Joe Andrew had won the nods from Lake County Chairman Stephen Stiglich. East Chicago Mayor Robert Pastrick may be in the fold, though Simpson's campaign suggests he's not.

Simpson also came back with the Teamsters Local 142 endorsement, significant because it was a foray into Andrew's union base. "You have proven yourself on your past voting record through the years with an 87-percent positive vote on labor issues," the Teamster executive board wrote in a letter of endorsement to Simpson. "We stand with those who stand with us."

In an appearance before the Times of Northwest Indiana's editorial board, Simpson said that while she opposes the expansion of gaming, she noted that taxes collected from Indiana's 10 casinos provided more than \$544 million in 2002, making it one of Indiana's big three revenue producers -- just behind income and

sales taxes. Simpson said it is in the state's best interests to maintain and nurture Indiana's existing casinos along with the one proposed for construction in the French Lick/West Baden resort area.

She also noted the "promise of the state's fledgling horse racing industry."

"Cities around the state feel disconnected from state government," Simpson said. "In order for Indiana to prosper, though, we need to understand that Indiana can't rely only on Indianapolis. The state needs to focus on its gateway communities -- like Northwest Indiana, Evansville and Fort Wayne. There needs to be an understanding that if all of the communities of Indiana aren't prospering, then none are."

At the other end of the state, Simpson sought to clarify her stance on I-69, taking issue with a May 29 *Evansville Courier & Press* editorial that suggested she was "struggling" with the issue.

"It even implies that I, as did my primary opponent, intend to delay the project," Simpson wrote. "Nothing could be further from the truth. My position on I-69 has been clear: I support it, and I oppose any additional delay. For too long, the people and the economy of southwestern Indiana have been disconnected from the other economic centers of our state. Evansville and the surrounding region are too important to Indiana's economic future to continue holding off on this project."

Moreau observed, "Did you notice that we have one candidate, Vi, who is for I-69 and the other (Andrew) who supports a delay that could prove fatal? The other candidate needs to come clean with both sides of I-69 debate."

Mitch Daniels

He leaves Washington this weekend for the last time as an employee of the Bush administration.

In Mark Schoeff Jr.'s *Indianapolis Eye* cover story this week (www.indi-

Indiana 2004 Gubernatorial

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, OMB Director Mitch Daniels, Eric Miller, Petersburg Mayor Randy Harris. **Democrat:** Joe Andrew, State Sen. Vi Simpson. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Miller has unleashed his "bumper sticker brigade" promising thousands of his supporters will be displaying them, but Horse Race has yet to see one (and we do move around the state quite a bit). The Andrew campaign is saying it has as many as 30 labor endorsements and that a list will be forthcoming. McIntosh's website (www.davidmcintosh.org) is featuring two television commercials. One on education ("*We can fix our schools*") states, "Despite record spending, our schools still rank near the bottom in performance. If ISTEP isn't working, let's replace it with a simple one-day test." The other spot is a bio titled "*Born in Kendallville*." **Status: TOSSUP.** ❖

anapoliseye.com), Daniels promised bold leadership. "The fact is our state is in far worse shape than it should be. Governor in 2004 may be unique in the sense that the situation is desperate," he said. "The state situation is so serious and the office in question may offer the opportunity to make a serious difference."

The same enticement that lured Daniels to return to Washington, where he had previously been political director in the Reagan White House and chief of staff for Sen. Richard Lugar, may be driving him back home. Daniels said he was persuaded to leave Eli Lilly and Co., where he was a vice president, and join the Bush administration in January 2001 because President Bush was "a believer in big change. Big changes were needed after, as I saw it, a decade of baby steps and tactical, poll-driven micro-government. I would view Indiana's situation as even more urgently calling for big ideas. I don't think Indiana's current fix will be addressed by incrementalism."

In today's *Fort Wayne Journal Gazette*, Daniels explained, "Hardly a day goes by without a sobering report on the loss of income and jobs in Indiana. We're No.1 in the wrong things. My biggest concern is that we will lose hope as a state."

He said Indiana's fiscal condition - headlined by tax increases, budget cuts

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and deficit over the past two years -- isn't his primary concern. "We've got to become a place where a Hoosier can get a first-rate education and find a first-class job," Daniels said. "We have to grow our own jobs. We can't lure or bribe them all here."

The 54-year-old insists Indiana needs big changes and big ideas, but he doesn't divulge any examples. "If I get out of the car Saturday in a yes mode -- a go mode -- the first thing I'm going to do is listen and learn," he said. "I don't profess to be the answer man on all these things. At least not yet."

As Daniels left Washington, he was championing an old Stephen Goldsmith theme: Competitive government. The *Washington Post* reported that the Bush administration would allow private businesses to compete more for work done by some 850,000 government employees, a move Democrats called a declaration of war on federal workers. Daniels said the new bidding rules, which take effect immediately, would spur "substantial savings and better service to the American citizen."

U.S. Sen. Edward Kennedy, D-Mass., observed, "Basically, these new rules mean that the administration is declaring war on federal employees."

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REP. DEAN YOUNG TO RETIRE; HARRIS EXPECTED TO RUN IN HD31: Tim Harris, President of Lincoln Land Title in Marion and a former Grant County Republican chairman, is expected to run for HD 31 seat. State Rep. Dean Young is expected to retire.

SODREL WEIGHS REMATCH WITH HILL IN 9TH CD: While Ninth District U.S. Congressman Baron Hill said he is "absolutely" going to run for a fourth term in 2004, his Republican challenger in 2002, Mike Sodrel, is mulling another go at the seat himself (Jon Reiter, *Jeffersonville Evening News*). Sodrel lost to Hill by 10,000 votes in the general election. He is closely weighing the decision with his family and supporters and is expected to make an announcement later this month. "The rumblings are accurate," Sodrel said. "I haven't made a decision and I'm not ready to make an announcement." Speculation that Sodrel might run was fueled when the *Indianapolis Star* ran a front-page picture of him greeting President Bush in Indianapolis. Sodrel was one of six people on the tarmac at Indianapolis International Airport earlier this month to greet Bush as he addressed a gathering in the state capital. After he lost to Hill, Sodrel and other

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Republicans complained they hadn't received the support from the Republican National Committee or the White House needed to unseat an incumbent. Glenn Murphy Jr., the Clark County Republican Chairman, said a potential Hill/Sodrel matchup would be "a whole different ballgame" because Sodrel's candidacy could be buoyed by President Bush's re-election bid at the top of the ticket.

EVANSVILLE MAYORAL DEBATE TO BE TELEVISED PRIMETIME: Evansville Mayor Russ Lloyd Jr. and Democratic challenger Jonathan Weinzapfel will debate on live, prime-time television in September. Both mayoral candidates accepted an invitation from the Evansville Courier & Press and WEHT-ABC25 on Wednesday. The candidates will have one hour to engage in public debate at 7 p.m. Sept. 29 on WEHT, with lead news anchor Brad Byrd moderating. The event will be commercial-free. Details surrounding the debate's format have not been hammered out yet.

FORD TRYING DIFFERENT APPROACH TO LG NOMINATION: It has long been said that you don't run for lieutenant governor in Indiana - you are chosen for it. But State Sen. David Ford wants to shake up the sta-

2003 Racing Form

East Chicago Mayoral: Republican: None. **Democrat:** Mayor Robert Pastrick.

1999 Primary Results: Pastrick 5,772, Stephen Stiglich 3,790. **1999 General Results:** Pastrick (D) 3,027, Acost (R) 629. **2003 Forecast:** A criminal investigation is under way into the outcome of the East Chicago mayor's race (Steve Patterson, *Post-Tribune*). Lake County Prosecutor Bernard Carter confirmed Wednesday that he is subpoenaing records from the May 6 Democratic primary. Specifically, he said, his office is reviewing applications for absentee ballots, as well as votes cast by absentee ballot. "All I can say is some things were brought to our attention," Carter said. "If we see anything of concern, we'll probably request a special grand jury." Carter said Lake County Democratic Party chairman Stephen R. Stiglich is fully cooperating with the subpoena for records and ballots from the Democratic primary vote. Attorneys for George Pabey want a local court to force the

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Lake County Election Board to release key documents from the primary, the *Post-Tribune* reported today. Specifically, Pabey wants post-primary poll books showing who voted in the Democratic primary for mayor, applications for absentee ballots and the final log of all applications for absentee ballots, showing all those who ended up submitting ballots. The materials are currently being blocked for Pabey's use by the election board through its attorney on the case, J. Justin Murphy, who has a longstanding financial relationship with Mayor Robert Pastrick's administration. Pastrick is seeking a new judge to hear the recount and election challenge petition filed against him by mayoral challenger Pabey (Michael Puente, *Post-Tribune*). He had a motion filed for a change of venue from judge before Lake Superior Court Judge John Pera. Pabey is seeking a recount from the May 6 Democratic primary for mayor in which he lost to Pastrick. Although Pabey beat Pastrick by 199 votes in ballots cast at the polls on primary day, Pastrick moved ahead by 262 votes once absentee ballots were counted. **GUESS WHO'S BACK?** One day after he was removed as attorney for the Lake County Election Board, Justin Murphy, a Pastrick ally, took a seat on the board as a proxy vote for Lake County Clerk Anna Anton, who rarely attends the meetings even though she chairs the board. **General Status:** *Solid Pastrick.*

Elkhart Mayoral: Republican: Mayor Dave Miller. **Democrat:** James Perron.

1995 Results: Perron (D) 5,017, McDowell (R) 4,869. **1999 Results:** Miller (R) 4,959, Perron (D) 3,902. **2003 Forecast:** Miller volunteered to take a shot from the police department's latest weapon, the Advanced Taser (Tom Dolan, *Elkhart Truth*). The device delivers an incapacitating jolt of electricity, which Miller said and showed is effective. Elkhart Police Cpl. Frank Owens delivered a two-second burst from the handgun-shaped weapon to the mayor's back. "Holy smokes!" Miller said as he came out of the temporary paralysis. "It works!" Miller added, "That was long enough. After you've been hit by something like that, you'll listen to whatever they say." It was an interesting and original way to get earned media as well as display a fearless attitude. **General Status:** *Leans Miller*

Evansville Mayoral: Republican: Mayor Russell Lloyd Jr. **Democrat:** State Rep.

Jonathon Weinzapfel. **1995 Results:** McDonald (D) 19,162, Frary (R) 9,565. **1999 Results:** Lloyd (R) 15,980, Borries (D) 15,461. **2003 Forecast:** Mayor Lloyd announced today that he has informed Lt. Gov. Joseph Kernan and the Indiana Department of Commerce that his administration will aggressively pursue the Boeing "7E7" project announced last week by the Chicago-based aircraft manufacturer. Boeing Company, the world's leading manufacturer of commercial passenger aircraft, is looking for a site to assemble the "7E7" that it described as the "next generation" passenger aircraft. The new assembly plant will employ from 800 to 1,200 workers. "It is impossible to review the site selection criteria that Boeing released last week without thinking 'Evansville'," Lloyd announced. "Our area is uniquely situated to win this major project. Boeing has announced they want to locate in a community with an excellent work force. We have that. They want to locate to an airport with a 10,000-foot runway. We can achieve that. They want a site that has BOTH utility access and access to international, water

borne transportation. We have that. They want low electrical pricing. We have the lowest in the nation. Perhaps most importantly they want a site that can show real community support. We will demonstrate it." The abandoned proposal to build a baseball stadium will cost the city at least \$1.24 million (Herb Marynell, *Evansville Courier & Press*). **General Status:** *TOSSUP*.

Goshen Mayoral: Republican: Councilman Tom Stump. **Democrat:** Mayor Allan Kauffman. **Independent:** Clerk-Treasurer Ron Hoke. **1999 Results:** Kauffman (D) 2,861 Aust (R) 2,153. **2003 Forecast:** Goshen Clerk-Treasurer Ron Hoke officially filed his independent candidacy for mayor Tuesday. It creates a situation where the city's three top elected officeholders are seeking the mayoral office. Hoke faces incumbent Democrat Allan Kauffman and Republican City Council president Tom Stump in the November election. Hoke said, "(We'll) see if I can get the large number of people who haven't voted in the last few elections to take an interest and find they have a real alternative" (*Elkhart Truth*). Hoke, who has been a Democrat and a Republican, said Kauffman and Stump and several mayors before them are basically the same. In 1995, Hoke ran as a Republican for mayor, losing in the general election to Mike Puro. He was appointed clerk-treasurer last year by a Republican caucus, replacing his wife, Nancy. He had previously served on the city council as a Democrat from 1976 to 1979. **General Status:** *Leans Kauffman*.

Hammond Mayoral: Republican: Mayor Duane Dedelow. **Democrat:** Tom McDermott Jr. **1995 Results:** Dedelow (R) 11,099, Philpot (D) 10,578. **1999 Results:** Dedelow (R) 10,192, Philpot (D) 8,527, Robinson (L) 278. **2003 Outlook:** Five months before the mayoral election, political tremors are already reverberating through the city police department (Sharlonda Waterhouse, *Post-Tribune*). Lt. Mike Solan, a 39-year veteran of the Hammond Police Department and a detective in the police criminal investigations division, is alleging that the city is covering up true crime statistics. Solan, who admits to being a friend of Democratic mayoral challenger Thomas McDermott Jr., said Mayor Duane Dedelow, Police Chief John Cory and other law enforcement officials are trying to gloss Dedelow's image by making Hammond appear safer than it is. Solan asserts that crime in Hammond is increasing, despite the city's receipt of a national safety award for "most improved" municipality, conferred in December by Morgan Quitno Press of Kansas City. Solan claims that already in 2003, there have been five homicides and 20 rapes. However, records provided by Hammond police Capt. Dennis Johnson and records supervisor Penny Pennington list four homicides and no rapes. **General Status:** *Tossup*.

Indianapolis Mayoral: Republican: Treasurer Greg Jordan. **Democrat:** Mayor Bart Peterson. **1995 Results:** Goldsmith (R) 64,209, Jimison (D) 39,539, Dillon (L) 7,175. **1999 Results:** Peterson (D) 102,870, Gilroy (R) 83,044, Horning (L) 7,772, Gibson (OP) 2,145. **2003 Forecast:** For the first time since Unigov came into place in 1971, Democrats actually out-pollied Republicans during the primary, 27,122 to 27,322. Ominously for Jordan, only 24,100 Republicans voted for him, meaning 3,000 didn't. Peterson is currently polling on police contract issues. Peterson was injured in his second auto accident as mayor and used the incident to push for seatbelt usage. **General Status:** *Likely Peterson*.

Muncie Mayoral: Republican: Mayor Dan Canan. **Democrat:** Dennis Tyler. **1995 Results:** Canan (R) 9,718, Carey (D) 6,521. **1999 Results:** Canan (R) 7,973, Smith (D) 5,611. **2003 Forecast:** One of the most dangerous political combinations -- highly-charged racial issues in an election year -- is engulfing Muncie over renaming Broadway as Martin Luther King Boulevard. Tyler challenged Mayor Canan to sign an executive order immediately renaming Broadway (Rick Yencer, *Muncie Star Press*). "It is time for Mayor Canan to step forward and show some leadership," said Tyler. Tyler also encouraged the Democratic-led Muncie City Council to do the right thing and support the name change. "This is dividing the community in ways it has not been divided in the last 30 years," Tyler said. "I don't think we need that embarrassment and the division in the city." Canan said he would sign a measure passed by the council to rename Broadway, but he declined to usurp council's authority before Monday's meeting, where the council defeated the ordinance by a 5-2 vote in a highly-charged meeting. **General status:** *Likely Canan*.



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tus quo this year, which is why he will begin campaigning in earnest for the position Saturday (Fort Wayne Journal Gazette). "This is a different approach," Ford said. "Traditionally in the past, those who have not been successful running for governor have lined up for the second spot. But I really want the lieutenant governor's job." Ford believes he is qualified for several reasons, most of which is experience. He has a background in agriculture and is chairman of the Senate Economic Development and Technology Committee - two key arenas where the lieutenant governor has duties. He is also from outside the Indianapolis doughnut area - something that would give geographic balance to a ticket. "Several of the governor candidates are from Indianapolis. They need someone who's not," Ford said.

SOUDER PAID TRIBUTE TO SOSA A DAY BEFORE THE CORK FLEW: At 7 p.m. Monday, the House was in its pageantry glory, voting unanimously to congratulate Sammy Sosa on his 500th home run and "for being a role model and an inspiration." Sosa, according to Rep. Mark Souder, R-3rd, who led the cheerleading, is "the exemplification of the best qualities the game of baseball holds for every

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American." Twenty-four hours later, Sosa's bat broke, exposing an illegal cork filling. He was ejected from the game, apologized and said he had mistakenly picked up a bat he uses only for practice. Souder said whether it was an inadvertent or deliberate error, it's disappointing - but that doesn't erase Sosa's career of home runs. Souder may wish he had stayed true to the team of his heart. "I have to admit it has not been the easiest bill for me to handle," he said Monday before the House approved the congratulatory measure. "I have a heartland statue of longtime Mr. Cub, Ernie Banks, in my office; my father was a Cubs fan; my former boss, House member and Sen. Dan Coats, was such a Cubs fan that on the second day of his honeymoon he went to a Cubs game. But I am a White Sox fan," Souder said, "and it is not without a little heartburn that we are paying such tribute, because if he were in the White Sox outfield today, we might be national champions."

NEW ALBANY MAY MISS SEWER DEADLINE: New Albany is notifying the U.S. Environmental Protection Agency that it could miss the legal deadline for completing a \$44.5 million sewage system expansion, a lawyer for the city sewer board said yesterday (Louisville Courier-Journal).

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COLUMNISTS ON INDIANA

E.J. Dionne, *Washington Post* - Faced with an administration intent on moving the political center to the right, Democrats are torn between old impulses and a recognition of the new order. This week Democrats were by turns patting themselves on the back for their unity and acknowledging the new world that Rove, Norquist and company have created. Democratic unity was impressive, especially by past standards. In the Senate, only two Democrats -- Zell Miller of Georgia and Ben Nelson of Nebraska -- supported Bush's tax bill on final passage. Sen. Evan Bayh of Indiana mystified his Democratic colleagues by voting for one version of the Bush plan and then voting against the final bill worked out by Republican leaders. One Democrat suggested that given the current mood, Bayh's two-step may have succeeded only in alienating base voters in both parties. ❖

Jack Colwell, *South Bend Tribune* - Baseball intellect Yogi Berra probably never analyzed an Indiana race for governor. But Yogi's famed bit of baseball wisdom could apply to the governor race as well as a pennant race: "It ain't over 'til it's over." Despite what some prominent Indiana Republicans assume, Mitch Daniels hasn't yet won the 2004 race for governor or even the GOP nomination for that office. Before Daniels has even made his formal announcement for governor, euphoria reigns in the Hoosier GOP establishment, where it is taken on faith that Daniels' decision to be back home again in Indiana is tantamount to election. It ain't over 'til it's over. Daniels, budget director in the Bush administration, has resigned to return to Indiana either to run for governor or to ask "would you like fries with that?" at a burger place. Guess which. While he is not really well known in the state outside of his home Indianapolis area, Daniels' name recognition and

upcoming campaign got a boost when President Bush, during a recent Indianapolis appearance, hailed "my man Mitch." Not a formal endorsement -- not exactly. But the president fully intended it as a sign of support for the man he called "a good friend" and "a close adviser." To make the message clear, Bush added: "Washington's loss, however, will be the gain of the people of Indiana." Sen. Richard G. Lugar didn't make a formal endorsement either -- not exactly. But the state's most popular Republican official put it this way: "I look forward to finding new opportunities in which we (he and Daniels) can serve the people of Indiana, together, even more effectively." Lest you misunderstand, I think Daniels likely would be a good governor, if elected. And I think he is today the most likely to be elected among the Republican and Democratic aspirants for that office. ❖

Robin Winston, *Indianapolis Eye* - So after all of the pomp and circumstance, the presidential visuals, the staging of the event and the media onslaught, does this mean that the 2004 election for president is a foregone conclusion in favor of George Bush? Nope. We can beat him next year. Yep, that's right. We can beat George Bush in 2004. How? First, George Bush's polling numbers have dropped. In a recent poll against an "unnamed" Democratic opponent, Bush would garner only 52 percent of the vote. Second, it is still the economy, stupid. Jim Carville's mantra from 1992 will ring true again in 2004. George Bush will try to use the tax cut package as his linchpin for economic recovery. He failed to gain support from his own party's leadership. Third, on issues of concern at the kitchen table as opposed to the boardroom table, George Bush is out of sync. He has offered programs that could be described as "Leave No Millionaire Behind." ❖