

Martin O'Malley for Governor Campaign
Review of Contributions—2010 Campaign Cycle

Maryland Tax Education Foundation
November 16, 2011

The cost of political campaigns is skyrocketing. MTEF wanted to find out who finances these campaigns. The results pose some questions. MTEF reviewed the campaign finance records filed with the State of Maryland by the Martin O'Malley and Anthony Brown campaigns. The records covered the 2010 campaign cycle.

General

The campaigns raised \$14.2 million from 25,000 contributors, of which 72% of the contributions originated in Maryland. Out of state contributions (28%) derived principally from District of Columbia, Virginia, New York and Pennsylvania. Individuals represented 58% of contributions, with businesses and PACs providing most of the remainder.

Contributions of \$1,000 or more (5,800 in total) provided 79% of all donations in dollar amount (i.e., \$11.3 million). Of the large contributions, 1,085 contributions were \$4,000 or more.

The contributions of \$4,000 or more provided 33% of total donations in dollar amount (i.e., \$4.7 million). Of the \$4.7 million, 39% came from out of state contributors.

The above statistics on specific contributions understate the generosity of certain families or business owners, since family members can give in unison, or a business owner can channel donations through multiple corporations. Also, such statistics exclude the effects of bundling. In politics, "bundling" refers to the convoluted practice of combining numerous, unrelated small contributions into a large contribution that is then funneled to a candidate through a "conduit," generally an individual or corporation trying to gain influence.

Largest Contributors

In this section, MTEF links families and businesses, to the extent practicable, to their combined contributions. MTEF examined combined contributions totaling \$15,000 or more. As noted above, over 1,000 individual contributions exceeded \$4,000, so the list that follows is a very small part of the large contributor base. MTEF does not include the effect of bundling in these amounts.

William Rickman, \$71,250: Based on our research, William Rickman and affiliates was the largest contributor. He is a real estate developer and owns the Ocean Downs slots facility, There were 15 contributions from various related entities. See Exhibit A.

Edward St. John, \$67,250: Edward St. John, the prominent real estate developer, and his affiliates represented the second largest contributor, providing \$67,250 in contributions. Over 25 related business entities contributed. Exhibit B.

Stephen Stavrou, \$42,000: Real estate developer.

Maryland Jockey Club, \$40,820: Racetrack operator, 19 contributions.

Michael Crespi and family, \$40,000: New York brokerage firm serving institutional investors, including pension funds.

Winston Chan, \$39,500: Multimex, Inc. (government contractor), now part of Harris IT.

Brian Gibbons, \$31,338: Shopping mall developer.

Sam Himmelrich, \$30,750: Real estate developer. Owns a property near the proposed site of the Baltimore casino.

Blair family, \$29,000: Health Extras, Inc., holder of drug contract with State of Maryland and other states.

Garson Claxton, \$29,257: Real estate tax firm.

Rales family, \$28,000: Danaher, large conglomerate based in Washington, DC.

National, non-MD unions, \$28,000.

Paving and construction services, \$25,650: F.O. Day Bituminous, Forestville Asphalt, ownership unknown.

Michael Klein, \$25,000: Shopping center developer, 27 contributions.

Paul Prager, \$25,000: Natural gas, private equity investor, six contributions.

Whalen Family, \$23,500: Real estate development.

Martin Knott, \$23,250: Knott Mechanical, HVAC and plumbing for commercial and government buildings.

Glen Charlow, \$21,500: Real estate developer. Donated Target gift cards in bulk to Baltimore City.

John K. Delaney, \$20,000: Capital Source, finance company.

Kevin Plank, \$20,000: Under Armor chairman.

National Teacher's Union, \$20,000.

Sava Senior Care, \$20,000: Texas-based firm that operates retirement facilities in Maryland and other states.

Charles Jenkins, \$17,000: Bayshore Development. Ocean City real estate and operates an amusement park.

Dean Morehouse, \$17,000: Upper Marlboro real estate developer.

Brian Leung, \$16,000: Array Information Technology, government contractor.

Stephen Bisciotti, \$16,000: Baltimore Ravens.

Aris Mardirossian, \$16,000: Real estate developer. Gained fame trying to cut trees in C&O canal parkland.

AFL-CIO, \$16,000.

Jack Dangermond, \$16,000: California based ESRI, geographic information systems. ESRI was investigated for federal earmark abuses, but no charges filed.

Penn National, \$16,000: Owner of one MD casino. Wants to build another in PG County.

Kevin Kelly, \$16,000: Van Scoyoc Associates, lobbying firm.

Ron Dozoretz, \$16,000: IHC Health Systems, mental health managed care for State.

David Belluck, \$16,000: Riverside, private equity firm. Two of its funds have the MD pension fund as an investor.

James Passin, \$16,000: Firebird, hedge fund, New York.

Bernard Dancel, \$16,000: Ascent One Corp., credit consulting firm. The firm was investigated by multiple Attorneys General (including Maryland Attorney General) for misleading consumers. Case settled without prosecution.

Greenbaum & Rose, \$16,000: Maryland real estate developer.

John Hussman, \$15,000: Investment business through Hussman Funds.

PAC for MD Hospital Assoc., \$15,000.

Michael Skinner, \$15,000: Connected Telecommunications.

Blue Cross/Blue Shield, \$15,000.

Herb Miller, \$16,000: Western Development Corp., shopping mall, real estate developer.

Robert Johnson, \$15,000: BET founder, now in hedge funds and real estate.

Shailender Gupta, \$15,285: Potomac, Maryland.

Peter Yip, \$17,550.

John Brophy, \$16,250: Executive V.P. with ACS, which holds the Montgomery County and Baltimore County speed camera contracts.

Ted Leonsis, \$16,000: Owner of Washington Wizards and Capitals. Former AOL executive.

Leonard Moodispaw, \$15,000: CEO of KEYW Corp., federal contractor based in MD.

Unions contributed little to the campaign, compared to business people and profit-making corporations.

Real estate development is the industry most represented in the “\$15,000 and up” category. The government decisions that affect real estate developers tend to take place at the county or city level. Local legislators and zoning boards can “up zone” a land parcel—thereby making it more valuable—or grant zoning variances that have a similar value enhancing effect. Permits and permissions to develop a parcel may also be dependent on local authorities. The benefits that the State can convey to real estate developers are less clear. However, the State can be influential in siting infrastructure, targeting smart growth areas, or leasing office space—all of which might benefit a developer.

28% of the contributions in dollar amount (i.e., \$4 million) were from out-of-state. About one half of the \$4 million came from individual contributions of \$4,000 or more, which is a much higher percentage than in-state contributions.

Alternatively, many of the large contributors—even the hundreds residing out of state—may simply have a benign interest in the State’s governance.

MTEF is hopeful that this publication stirs interest in political contributions in Maryland. Microsoft Excel spreadsheets on the O’Malley campaign are set forth on www.marylandtaxeducation.org.

About the MTEF

MTEF is a non profit, non partisan organization that studies budget and tax issues in the State of Maryland. Previous topics have included:

- A \$1.1 billion legal fee requested by the Angelos law firm;
- A \$1.5 billion slots license giveaway proposed by the State of Maryland;
- Montgomery County's \$2 billion school budget and its related academic performance;
- The Washington Suburban Sanitary Commission (the \$3.5 billion water utility), and its related performance;
- The fact that over half of slots-related purse subsidies will go to out-of-state horse owners;
- Constellation Energy's \$4 billion nuclear sale to Electricite de France and reasonable concessions to BG&E ratepayers;
- The investment performance of the Maryland state pension fund and the level of investment management fees;
- The level of state government subsidies to State Center, a proposed real estate development in Baltimore; and
- Constellation Energy's proposed merger with Exelon Corporation and reasonable concessions to BG&E ratepayers.

Exhibits A and B follow this page.

Exhibit A

William Rickman Related Contributions

Capitol Machinery and Tool LLC	\$ 4,000
Ocean Enterprises 589 LLC	4,000
Parkside II, LLC	8,000
Red Gate III LLC	2,750
River Sandy Landing, LLC	8,000
Spring Valley Associates LLC	8,000
(blank)	2,000
Capitol Machinery and Tool, LLC	4,000
Parkside I, LLC	8,000
Stoneyhurst Quarries	8,000
Cambridge Plaza LLC	1,000
Fallsgrove Holdings 3 LLC	4,000
Rickman Firstfield Associates	2,000
Rickman Piccard LLC	2,000
Rickman Research I Assoc.	2,000
W. M. Rickman Construction Co. LLC	3,500
Total	<u>\$ 71,250</u>

Exhibit B

Edward St. John Related Contributions

Halethorpe Joint Venture, LLC	\$ 4,000
Horse Mill, LLC	4,000
Mountain Road Investors II, LLC	4,000
Northern Technology, LLC	4,000
Perfectly Positive, LLC	4,000
135 E Main Street, LLLP	4,000
Benson Avenue Business Center LLC	2,550
Bestgate Corporate Center LLC	4,000
BWI I and II Joint Venture LLC	4,000
Dominion Ventures, LLC	4,000
Loveton Investors, LLC	1,250
Monocacy Properties LLC	4,000
Parker Joint Venture LLC	900
Ritchie At Cypress Associates LLP	2,800
Troy Hill Corporate Center II LLC	1,000
Windsor Rolling Road LLC	1,000
Woodlawn Investors LLC	2,750
Dane Corporate, LLC	2,000
Owings Mills III, LLC	2,000
Paramount Joint Venture Partnership LLC	1,000
Quarterfield Center LLLP	500
Riva Business Park, LLC	3,500
Riverside Corporate Center LLC	500
Route 40 Enterprises LLC	1,000
Shannon Business Center	1,000
Stafford Avenue, LLC	1,000
State Commercial Realty, LLP	500
Waxpool, LLC	2,000
Total	<u>\$ 67,250</u>