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Bachus Takes Fire From Super PAC in Critical Upcoming Primary

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WASHINGTON - House Financial Services Committee Chairman Spencer Bachus is facing the toughest political challenge of his 19-year career in Congress, and it's not even coming from another candidate.

Bachus, an Alabama Republican who is running in a four-candidate primary on Tuesday, is being targeted by an out-of-state group that has put incumbents of both parties in its crosshairs.

The Campaign for Primary Responsibility, a so-called super PAC, is seeking to defeat incumbent members of Congress that its four wealthy benefactors consider out of touch with their constituents. The group's goal, according to its leaders, is to provide support to Democratic and Republican primary challengers who are mounting credible campaigns but may lack the money to bring down the incumbent.

"It's not a right-left problem. It's an accountability problem," said Eric O'Keefe, a Wisconsin investor who has given at least \$100,000 to the group. "We're siding with the people against the bipartisan ruling elite."

The super PAC, which claimed its first scalp on Tuesday when GOP Rep. Jean Schmidt of Ohio was defeated, plans to pour more than \$200,000 into the Alabama race before next week's vote, according to spokesman Curtis Ellis.

That is far less than the \$1.54 million that Bachus had put into his re-election campaign by late February. But it is roughly four times as much as the race's top challenger, Republican state Sen. Scott Beason, has raised.

The super PAC is currently running an Alabama TV ad that hammers Bachus for his support of the 2008 bank bailout, his fund-raising from financial industry donors, and an ongoing ethics flap.

"A magnitude of TV ads financed by his Wall Street buddies won't change the fact that Spencer Bachus is a debt-raising, status quo politician," the ad claims.

The group is also paying for mailings and automated phone calls opposing Bachus' candidacy, according to campaign-finance records.

Bachus, whose campaign did not respond to a request for comment for this article, told the Birmingham News that the super PAC is a "handful of rich people" who have not done enough research on the candidates.

Bachus is seen as vulnerable largely because of stock option-trading activities that led to a "60 Minutes" story and an ongoing investigation by the Office of Congressional Ethics.

The 10-term lawmaker made a series of trades at the height of the financial crisis, following a private meeting with Federal Reserve Chairman Ben Bernanke, that generated profits as the stock market fell.

Bachus has argued that it was well known in September 2008 that the U.S. economy was on shaky ground. He also has cited the opinion of a former official at the Securities and Exchange Commission who concluded that Bachus did not violate federal insider-trading laws.

But the ethics case has put Bachus into a defensive posture. In one of his TV ads, the narrator states, "First it was CBS. Then liberal Washington reporters. Now Obama's Democrat allies want to destroy Spencer Bachus. That's why out-of-state interest groups are attacking Bachus."

Bachus is also under attack for his fund-raising from the financial industry. In the 2012 election cycle, the committee chairman has raised \$738,000 from the finance, insurance and real estate sector, according to the Center for Responsive Politics.

But Beason, a Tea Party favorite who raised his profile in Alabama by sponsoring a controversial state law that cracks down on illegal immigration, also has negatives. He was recorded making racially insensitive remarks while wearing a wire for the FBI as a witness in a political corruption case. There are a total of four candidates in the Republican race, and if no candidate gets more than 50% of the vote, a runoff election will be held between the top two finishers. The winner of the Republican primary will be the overwhelming favorite in November, given the partisan tilt of the district.

If Bachus winds up in a runoff, officials at the super PAC said they plan to keep spending in an effort to defeat him.

"If we can keep him below 50%, then it goes to a runoff, and then all bets are off for Mr. Bachus," Ellis said.

Bachus has already made clear that he will not try to hold onto the top chair on the Financial Services Committee following the November election.

But if he loses in the GOP primary, there could still be an impact on the committee's work, according to Mark Calabria, director of financial regulation studies at the **Cato Institute**.

He argued that the Dodd-Frank Act might have turned out somewhat differently if Senate Banking Committee Chairman Christopher Dodd had been running for re-election, rather than getting ready to leave Congress.

Furthermore, if Bachus is on his way out, he might be somewhat less able to twist arms at the committee level, Calabria said.