

Payday Lending Referendum Could be Booted from the Ballot Firm Known for “Deception, Irregularities” at Center of Storm

For Immediate Release:

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Consumer groups welcomed state election officials’ announcement that they will hold a hearing to determine whether the payday lending referendum should be kept off of the Nov. 4 ballot.

Groups battling the lenders asked Secretary of State Jennifer Brunner to keep the measure off of the ballot because referendum organizers failed to comply with a law intended to protect voters from fraud in the petition-gathering process. Brunner announced late Thursday that she is taking the unusual step of appointing a hearing officer to hear the case.

The controversy centers on Arno Political Consultants, a California-based company hired by the payday lenders to help collect the 241,365 signatures needed to put the referendum before Ohio voters.

Allegations of serious irregularities during the 2004 election prompted legislators to pass a package of anti-fraud reforms. The reforms include a new requirement that those who are paid to supervise signature collecting file with the Secretary of state form – know as a Form 15.

A Form 15 asks for the circulator’s name, address, employer and type of ballot issue being pursued. The intent of the new requirement is to give voters and election officials added tools to police petition circulators.

Public records requests turned up no Form 15 for Arno employees working on the payday referendum.

“Arno’s shoddy track record shows why these forms are necessary to keep the public informed,” said Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio, one of the groups leading Ohio’s effort keep the payday lending law in place.

According to “Abusing Direct Democracy,” a 2007 report by the Ballot Initiative Strategy Center, Arno is known for being “accused of deception and illegalities.”

The accusations include:

Washington 2003: Hiring circulators who lied to the public;

Florida 2004: Hiring circulators who submitted fraudulent petitions and petitions with signatures from the dead;

Massachusetts 2005: Training circulators in “bait and switch” tactics;

Nevada 2006: Hosting a ‘fraud party’ where circulators were taught to forge signatures.

The national payday lobby is financing the on-going Ohio referendum, which seeks to ask voters to allow them to continue to charge 391 percent annual interest on a typical two-week loan. Earlier this year, legislators passed the governor signed a new law that caps the annual interest at 28 percent.

The campaign has been dominated by allegations that petition circulators insisted the referendum was designed to lower interest rates -- not raise them.

A YES vote on Issue 5 keeps the 28 percent rate cap in place. A NO vote allows lenders to keep charging 391 percent interest.

For More Information: