



New Mexico Scandals May Cloud Madrid's Bid Against Rep. Wilson

May 3, 2006
By Josh Kurtz,
Roll Call Staff

Two developing political scandals in New Mexico threaten to singe one of the Democratic Congressional Campaign Committee's top recruits of the election cycle.

The scandals — one unfolding in an Albuquerque courtroom, the other in the state bureaucracy in Santa Fe — involve current and former Democratic officeholders. Depending on how they're resolved, they could diminish what had been expected to be a promising election year for Democrats in the Land of Enchantment.

While New Mexico Attorney General Patricia Madrid, the DCCC's prize recruit in the race against Rep. Heather Wilson (R-N.M.), is not directly implicated in either scandal, her role as the state's top law enforcement official is under intense scrutiny in both matters. Republicans have charged that she did not act quickly enough or aggressively enough in either case.

"With both issues, Patsy Madrid's a central figure," said Alex Burgos, a spokesman for the National Republican Congressional Committee. "She had the responsibility to all New Mexicans to root out corruption, and she didn't."

Democrats dispute the charge and say that Madrid is working diligently on both cases — and that Republicans are trying to set up a diversion so that voters don't focus on GOP scandals in Washington, D.C.

But it is clear that the political implications for Madrid's high-stakes battle with Wilson — a perennial target in an Albuquerque-based district that leans modestly Democratic — are staggering, particularly in a year in which national Democrats are banking on Republican scandals to help them pick up seats in Congress.

"I don't think anybody's saying that this race has been significantly altered at this point" because of the New Mexico scandals, said Joe Monahan, an Albuquerque-based political consultant and commentator. "But it does put issues on the table that could come into play in the election, and that's not good for Democrats."

Related Stories

[Heartburn for the DCCC ... Favored Candidate in California Could Lose Democratic Primary](#)

[New Mexico Scandals May Cloud Madrid's Bid Against Rep. Wilson](#)

[... But the NRCC Has Some, Too
Roach May Not Yield to Bilbray in Calif. Primary](#)

Election Updates

Check out Roll Call's **ElectionMap** which provides the latest information and analysis on all of the 2006 House and Senate races.

The scandal that's reached a more advanced stage involves two former elected state treasurers, Robert Vigil (D) and Michael Montoya (D). Vigil is on trial in federal court, facing extortion charges for allegedly receiving \$600,000 in kickbacks from financial services companies he steered state business to. Montoya, his predecessor, has admitted receiving similar kickbacks when he was in office and is testifying for the prosecution.

And the peril for Madrid? Republicans have accused her of turning down a request from then-Gov. Gary Johnson (R) a few years ago to investigate Vigil. Just last week, in court testimony, a high-ranking state official said that a former state cabinet official wrote to Madrid in early 2002, alerting her to questionable investment practices in the treasurer's office. But Madrid's aides said she never received the letter.

When the Vigil scandal first broke last fall, Madrid and Gov. Bill Richardson (D) — who could also face some collateral damage — were criticized when they signed off on a deal that enabled Vigil to temporarily step down with full pay and benefits, even though Madrid had the power to remove him from office. Facing impeachment from the Legislature, Vigil ultimately chose to resign.

Heather Brewer, a campaign spokeswoman for Madrid, said the attorney general has worked hand in hand with federal investigators and prosecutors on the Vigil case and continues to do so. She is currently prosecuting Vigil's alleged "bag man" on state fraud charges.

"It's an ongoing investigation, so there's only so much [that Madrid] and her staff can say about the case," Brewer said.

But Republicans clearly see a political gold mine. The New Mexico Republican Party is sending a staffer to Vigil's trial every day, even though Marta Kramer, executive director of the state GOP, insisted that the state party isn't seeking partisan advantage or trying to burn Democrats who aren't directly implicated in the case.

"What we don't want to happen is for people to diminish the seriousness of the trial," Kramer said.

But she also quickly noted that some of the figures whose names have come up in the Vigil case are donors of Richardson's and Madrid's.

Separately, Madrid is taking the lead in the developing investigation of state insurance superintendent Eric Serna, a politically wired Democratic official who is accused of striking a sweetheart deal between his agency and a Santa Fe bank. But that hasn't blunted Republican criticism of her handling of that case, either.

If Serna's name sounds familiar in D.C., it's because he was the Democratic nominee in a 1997 special House election in New Mexico. He lost what was considered a safe Democratic seat, in part because so many ethical questions had been raised about his time as an elected state corporation commissioner that a Green Party candidate took 17 percent of the vote.

Serna tried again to win the 3rd district seat in 1998 but lost the Democratic primary to now-Rep. Tom Udall (D), who won the seat back for Democrats that fall.

At first glance, Madrid's role in the Serna investigation doesn't appear to carry any political risk. But as new revelations surface about Serna's stewardship of the state insurance agency, part of the focus is on his role as president of Con Alma Health Foundation, a health care nonprofit that was created when Blue Cross/Blue Shield of New Mexico was sold to a private company in 2001.

Con Alma officials have been criticized on many occasions because of their coziness with certain

banks — and with players in the treasurer's office scandal. And this matters for Madrid's political fortunes because she and Serna jointly signed off on the deal that created the nonprofit after the sale of Blue Cross/Blue Shield.

Serna and Madrid are "two peas in a pod," fretted one plugged-in Democratic lobbyist in Santa Fe. "They created Con Alma together."

But Brewer argued that despite being an old political ally of Serna's and a former Con Alma board member, Madrid is moving quickly on the matter.

"She has aggressively gone after Eric Serna," Brewer said. She "demanded that he step down [temporarily]. He did."

But that hasn't been enough to satisfy Republicans — and even Madrid's allies can envision GOP television ads attempting to link the attorney general to the scandals.

"There will absolutely be resources put behind efforts to inform voters in the district about this," said a Republican strategist involved in the race.

But Democrats will continue to insist that, at least in the context of the Madrid-Wilson race, the New Mexico scandals pale in comparison to the GOP's ethical troubles.

"If Republicans are really worried about compromised credibility in a candidate, they need to look at the \$48,000 Heather Wilson has taken from Tom DeLay," Brewer said. "They're going to grab at straws and swing at the air for something that's going to neutralize this culture of corruption in the Congress."

A national Democratic operative familiar with New Mexico said that while both the in-state and Washington-based scandals may grab the interest of some voters, most are far more interested in day-to-day issues like the Iraq war, gas prices and Medicare.

Monahan said that what's going on in New Mexico "may be taking a quiver out of the bow of the Democrats. The good news for them is, there seem to be a lot of arrows in the quiver this year."

Still, Monahan conceded that Madrid must proceed cautiously.

"You don't want to make the campaign about you," he said. "She needs to make this campaign about Wilson."