

## FactChecking presidential debate No. 3

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Spin and hype were apparent, once again, at the third and final debate between McCain and Obama:

- McCain claimed the liberal group ACORN "is now on the verge of maybe perpetrating one of the greatest frauds in voter history ... maybe destroying the fabric of democracy." In fact, a Republican prosecutor said of the first and biggest ACORN fraud case: "[T]his scheme was not intended to permit illegal voting." He said \$8-an-hour workers turned in made-up voter registration forms rather than doing what ACORN paid them to do.
- McCain said "Joe the plumber" faced "much higher taxes" under Obama's tax plan and would pay a fine under Obama's health care plan if he failed to provide coverage for his workers. But Ohio plumber Joe Wurzelbacher would pay higher taxes only if the business he says he wants to buy puts his income over \$200,000 a year, and his small business would be exempt from Obama's requirement to provide coverage for workers.
- Obama repeated a dubious claim that his health care plan will cut the average family's premiums by \$2,500 a year. Experts have found that figure to be overly optimistic.
- McCain claimed that Obama's real "object" is a government-run, single-payer health insurance system like those in Canada or England. The McCain campaign points to a quote from five years ago, when Obama told a labor gathering that he was "a proponent of a single-payer health care program." But Obama has since qualified his enthusiasm for Canadian-style health care, and his current proposal is nothing like that.
- Obama incorrectly claimed all of McCain's ads had been "negative." That was true for one recent week, but not over the entire campaign. And at times Obama has run a higher percentage of attack ads than McCain.
- McCain described Colombia as the "largest agricultural importer of our products." Actually, Canada imports the most U.S. farm products, and Colombia is far down the list.
- Obama strained to portray himself as willing to break ranks with fellow Democrats. His prime example was his vote for a bill that was supported by 18 Democrats and opposed by 26. Congressional Quarterly rates him as voting with his party 97 percent of the time since becoming a U.S. senator.

### Analysis

Sens. John McCain and Barack Obama met for their final debate Oct. 15. The face-to-face was held at Hofstra University in Hempstead, N.Y., and was moderated by CBS News' Bob Schieffer.

### ACORN and Vote Fraud

McCain made some dire claims about a liberal group he said was out to steal the election:

McCain: We need to know the full extent of Sen. Obama's relationship with ACORN, who is now on the verge of maybe perpetrating one of the greatest frauds in voter history in this country, maybe destroying the fabric of democracy.

It's true that the voter registration wing of the Association of Community Organizers for Reform Now has run into trouble in several states. ACORN employees have been investigated and in some cases indicted for voter registration fraud. Most recently, more than 2,000 registrations in Lake County, Ind., have turned out to be falsified.

But does this constitute "destroying the fabric of democracy"? More like destroying the fabric of work ethic. There's been no evidence that the ACORN employees who submitted fraudulent forms have been paving the way for illegal voting. Rather, they're trying to get paid for doing no work.

Dan Satterberg, the Republican prosecuting attorney in King County, Wash., where the first ACORN case was prosecuted, said:

Satterberg: [A] joint federal and state investigation has determined that this scheme was not intended to permit illegal voting.

Instead, the defendants cheated their employer. ... It was hardly a sophisticated plan: The defendants simply realized that making up names was easier than actually canvassing the streets looking for unregistered voters. ...

[It] appears that the employees of ACORN were not performing the work that they were being paid for, and to some extent, ACORN is a victim of employee theft.

The \$8-an-hour employees were charged with providing false information on a voter registration, and in one case with making a false statement to a public official. ACORN was fined for showing insufficient oversight, but it was not charged with masterminding any kind of fraud.

Meanwhile, on the other side of the table, Obama wasn't entirely forthcoming about his relationship with ACORN:

Obama: The only involvement I've had with ACORN is, I represented them alongside the U.S. Justice Department in making Illinois implement a motor voter law that helped people get registered at DMVs.

He did, but that wasn't his only involvement. He also worked closely with ACORN's Chicago office when he ran a Project Vote registration drive after law school, and Obama did some leadership training for Chicago ACORN. The Woods Fund, where Obama served as a board member, gave grants to ACORN's Chicago branch; both organizations are concerned with disadvantaged populations in that city. And during the primaries of this election, Obama's campaign paid upwards of \$800,000 to the ACORN-affiliated Campaign Services Inc. for get-out-the-vote efforts (not voter registration). Those services were initially misrepresented on the campaign's Federal Election Commission reports, an error that some find suspicious and others say is par for the course. ACORN's Chicago office and CSI have not been under investigation.

For more on investigations of ACORN and registration fraud, and Obama's involvement with the group, keep an eye on

our home page. A longer article on ACORN is in the works.

Joe the Plumber

Ohio plumber Joe Wurzelbacher got a lot of airtime.

McCain first mentioned Joe by saying:

McCain: Joe wants to buy the business that he has been in for all of these years, worked 10, 12 hours a day. And he wanted to buy the business but he looked at your tax plan and he saw that he was going to pay much higher taxes.

Joe's newfound fame stems from an impromptu encounter Oct. 12, during which Wurzelbacher questioned Obama's tax plans. Joe has since become a conservative folk hero after telling both Fox News and the conservative Web site Family Security Matters that he thought Obama's plans sounded "socialist."

At their encounter, Wurzelbacher told Obama that "I'm getting ready to buy a company that makes 250 to 280 thousand dollars a year," before asking whether or not Obama would raise his taxes.

If the company is actually that profitable, and depending on how the business is organized legally, Obama's plan would indeed raise his federal income taxes, and Obama conceded as much during the exchange. As we've written before, small businesses commonly are organized in such a way that their owners file business taxes as individuals. So if Joe's plumbing business earns more than \$200,000 per year (or \$250,000 if Joe is married and files tax returns jointly) then his taxes would indeed be higher under Obama's plan than under McCain's.

It's worth noting that while Wurzelbacher told Fox News; Neil Cavuto that he lives in a simple, middle class home; and portrayed himself as an ordinary working guy, Wurzelbacher's \$250,000 to \$280,000 is a bit higher than "ordinary." In 2007, the last year for which the Census Bureau has figures, the median income for a family in Toledo, Ohio, was \$43,553.

But Joe the Plumber wasn't through yet. He made an encore appearance when McCain recycled a bogus claim that Obama would "fine" small business owners who fail to provide health care coverage for their workers:

McCain: Now, my old buddy, Joe, Joe the plumber, is out there. Now, Joe, Sen. Obama's plan, if you're a small business and . . . you've got employees, and you've got kids, if you don't get — adopt the health care plan that Sen. Obama mandates, he's going to fine you . . . I don't think that Joe right now wants to pay a fine when he is seeing such difficult times in America's economy.

McCain raised a similar charge at the last debate. It's still false. Obama's plan, which is posted on his Web site, specifically says, "Small businesses will be exempt from this requirement."

Obama hasn't defined exactly what he means by "small" but he seems to think Joe would qualify; he repeatedly referred to Joe's "small business" during their exchange.

Obama's health plan does mandate that children have health coverage. If Joe doesn't provide insurance for his kids, he would face some unspecified penalty.

Health care hype

Obama and McCain traded boasts and accusations on each other's health care plan. They ran afoul of the facts a few times.

Obama: And we estimate we can cut the average family's premium by about \$2,500 per year.

The Obama camp does estimate that. But experts we talked to found that optimistic figure hard to believe.

Then, McCain said:

McCain: Sen. Obama wants to set up health care bureaucracies, take over the health care of America through — as he said, his object is a single payer system. If you like that, you'll love Canada and England.

Obama's plan is not a single-payer system, which would be one in which everyone has health care provided and paid for by the government. Under Obama's health care plan, Americans can keep the insurance they have, choose from federally-approved private plans or buy into a new public plan similar to the health care federal employees and members of Congress have.

McCain was referring to comments Obama made at a town hall meeting in Albuquerque in August. But Obama did not say that "his object is a single payer system." He said it would "probably" be his first choice "if" he were starting with a clean slate, which he isn't. He said his object is to "build up the system we got." According to the Wall Street Journal, Obama said:

Obama (as quoted by the Wall Street Journal, Aug. 19): If I were designing a system from scratch, I would probably go ahead with a single-payer system. . . . [M]y attitude is let's build up the system we got, let's make it more efficient, we may be over time — as we make the system more efficient and everybody's covered — decide that there are other ways for us to provide care more effectively.

Back in 2003, Obama was much more explicit. At an AFL-CIO forum, he said he was "a proponent of a single-payer health care program," adding, "that's what I'd like to see. And as all of you know, we may not get there immediately."

That was five years ago, however, and recently, Obama has said he'd favor single-payer only if "starting from scratch." He told The New Yorker in May 2007: "If you're starting from scratch, then a single-payer system . . . would probably make sense. But we've got all these legacy systems in place, and managing the transition . . . would be difficult to pull off. So we may need a system that's not so disruptive."

Obama exaggerated a weakness in McCain's health care plan:

Obama: Now, under Sen. McCain's plan there is a strong risk that people would lose their employer-based health care.

Experts see a risk that some would lose their employer-based care, but Obama's reference to "people" makes it sound as though nearly everyone would. Two independent studies both found that McCain's plan would lead to a net decline in the number of people with health care through their jobs. (They said Obama's would result in a net

increase.) Both reports show, however, that there's not a "strong risk" for all, or even a majority, of workers to lose their health care. Currently, 159 million Americans have health care through their jobs, according to the Kaiser Family Foundation. A study by the Lewin Group shows a net decline in the number with job-provided benefits of 9.4 million people in 2010 for McCain's plan. The Tax Policy Center projected that the net decrease would be 7.7 million in 2010 and 20.3 million people by 2018.

McCain and Obama both said much more that may have confused viewers. For a spin-free look at both of the candidates' health care plans, see our recent article on this issue.

100 percent negative?

Obama falsely claimed all of McCain's ads had been "negative."

Obama: And 100 percent, John, of your ads — 100 percent of them have been negative. McCain: It's not true. Obama: It absolutely is true.

It was almost true, for one recent week. Obama was referring to a report by the Wisconsin Advertising Project at the University of Wisconsin that concluded that "nearly 100 percent of the McCain campaign's advertisements were negative" during the week of Sept. 28 through Oct. 4. During the same week, 34 percent of the Obama campaign's ads were negative. The Obama campaign was found to have outspent the McCain campaign in nearly all of the competitive states, in some cases by a margin of more than 3-to-1.

McCain's ads, however, have not been deemed 100 percent negative in other weeks. In fact, in the week after the Republican National Convention, 77 percent of Obama's ads were negative, according to the advertising project, while 56 percent of McCain's were negative.

Wrong on exports to Colombia

McCain was way off when he said that Colombia is "our largest agricultural importer of our products." To be sure, Colombia is an important trade partner. According to statistics from the Department of Agriculture, Colombia imported slightly more than \$1.4 million worth of U.S. agricultural products in 2007. But that's not even close to the nearly \$1.9 billion worth of agricultural products exported to Canada. And there are dozens of other countries that import more U.S. farm products than Colombia does.

Obama no maverick

Obama exaggerated his willingness to defy his own party. When McCain asked for an example, Obama offered this:

Obama: First of all, in terms of standing up to the leaders of my party, the first major bill that I voted on in the Senate was in support of tort reform, which wasn't very popular with trial lawyers, a major constituency in the Democratic Party.

That 2005 bill was S.5, which dealt with class-action lawsuits. Obama was one of 18 Democrats voting for it, while 26 opposed. It's a stretch for Obama to claim that he bolted his party when nearly 41 percent of Democrats voted in favor of the bill.

And as we pointed out before, Obama has a pretty consistent record of voting in stride with his party. According to Congressional Quarterly, in Obama's three years in the Senate, he has voted with his party almost 97 percent of the time.

Budget ballyhoo

Both candidates got ahead of themselves when it came to balancing the budget and eliminating the deficit. Obama said every one of his spending increases was paid for.

Obama: Now, what I've done throughout this campaign is to propose a net spending cut. ... Every dollar that I've proposed, I've proposed an additional cut so that it matches.

McCain said he could balance the budget within one term.

Schieffer: Do either of you think you can balance the budget in four years? You have said previously you thought you could, Sen. McCain. McCain: Sure I do. And let me tell you... Schieffer: You can still do that? McCain: Yes.

These are pie-in-the-sky predictions. We've looked at McCain's balanced-budget promise before — it's out of reach unless he cuts spending to an unrealistic degree. The Urban-Brookings Tax Policy Center estimates that by 2013, at the end of his first term, McCain's tax plan would have him facing a \$662 billion deficit. That could come to more than half of that year's discretionary spending, which the Office of Management and Budget projects to be \$1.1 trillion. And we've previously disputed Obama's claim that "every dime" of his proposed spending is covered. The Tax Policy Center estimated that Obama's plan — and McCain's, too — "would substantially increase the national debt over the next ten years" unless the candidates come up with "substantial cuts in government spending" that they haven't yet specified. More recently, the Committee for a Responsible Federal Budget also estimated that in 2013, Obama's major budget proposals — including spending cuts — would increase the deficit for that year by \$281 billion.

The \$42,000, again

McCain was on the wrong side of this exchange:

McCain: Sen. Obama talks about voting for budgets. He voted twice for a budget resolution that increases the taxes on individuals making \$42,000 a year ...

Obama: [T]he notion that I voted for a tax increase for people making \$42,000 a year has been disputed by everybody who has looked at this claim.

McCain was wrong to say Obama's March 2008 vote for a budget resolution "increases" anything. Budget resolutions set targets for taxes and spending; actually raising or lowering them requires separate legislation.

The \$42,000 figure also would only apply to single taxpayers, not to couples or families. As we've reported, a single taxpayer making more than \$41,500 would have seen a tax increase, but a couple filing jointly would have seen no increase unless they made at least \$83,000, and for a couple with two children the cut-off would have been \$90,000. Regardless, the increase that Obama once supported as part of a Democratic budget bill is not part of his own current

tax plan. And Obama was right when he said "even FOX News disputes" McCain's \$42,000 claim. Chris Wallace of Fox News agreed that it was misleading.

Wrong justice

McCain said that Obama voted against the confirmations of Supreme Court Justices Stephen Breyer and John Roberts:

McCain: Senator Obama voted against Justice Breyer and Justice Roberts on the grounds that they didn't meet his ideological standards.

McCain probably meant to say that Obama voted against the confirmations of Roberts and Justice Samuel Alito, the most recent additions to the court. Obama did vote against the confirmation of Roberts, but he wasn't in the Senate when Breyer was nominated to join the Court. Breyer was nominated to the Supreme Court by former President Bill Clinton and confirmed by the Senate in 1994. Obama didn't become a senator until January 2005.

Charter school slip-up

Obama overstated his work on charter schools in Illinois:

Obama: Charter schools, I doubled the number of charter schools in Illinois despite some reservations from teachers unions.

Actually, the bill Obama cosponsored doubled the number of charter schools in Chicago, not in the entire state of Illinois. (And an extra slap on the wrist to Obama for using the personal pronoun in saying that "I doubled the number of charter schools" &ndash; as we've pointed out before, it takes a lot more than one politician to get a bill passed.)

Tried but untrue

And we noted that both candidates continued to recycle bunk that we've heard before:

- McCain said once again, "We have to stop sending \$700 billion a year to countries that don't like us very much." As we've noted several times in the past, \$700 billion would have been the cost of all annual U.S. oil imports when the price was \$140 per barrel. But it's down to about half that now.

- Obama said oil companies have "68 million acres that they currently have leased that they're not drilling." We've previously criticized him for similar statements, and it's still not true. As we've pointed out, there is exploratory drilling being done on much of these lands, which are not yet producing oil. In 2007 there were more than 15,000 holes that were being proposed, started or finished that do not count as "productive" holes.

- Listing some of his running mate's achievements, McCain credited Gov. Sarah Palin with "a \$40 billion pipeline of natural gas that's going to relieve the energy needs" of the lower 48 states. We'll just note, again, that the pipeline is still in pre-development and is actually projected to cost \$26.5 billion.

Sea story

Finally, the ears of nautical buffs may have perked up when McCain said, "we've sailed Navy ships around the world for 60 years with nuclear power plants on them." His naval history is off by a few years. The first nuclear-powered vessel, the submarine USS Nautilus, was actually launched Jan. 21, 1954.

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