



Spotlight on CPA - January 2016

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U.S. Chamber's Opposition to Disclosure and Attacks on CPA Exposed

One month, the U.S. Chamber of Commerce is exhorting its members to resist appeals for voluntary disclosure of their spending to influence elections – a short time later, the Chamber is gearing up to play a huge role in the 2016 congressional elections.

Get the picture? That's how the Center for Public Integrity connects the dots in an investigative article headlined "[Trade groups to top corporations: Resist political disclosure.](#)"

Reporter Dave Levinthal focuses on the Chamber, the Business Roundtable, and the National Association of Manufacturers bashing CPA and its 2015 CPA-Zicklin Index last year (see [October CPA Newsletter](#)). "The Chamber has a deep investment in secrecy," CPA's Freed told CPI. What's more, he said, the attacks aren't getting traction in discrediting CPA or the Index.

Not all of the Chambers' members toe the secrecy line, however. Dow Chemical, for example, has an executive vice president and general counsel, Charles Kalil, who belongs to the Chamber's board of directors. And here's what CPI reports about Dow:

"Dow [voluntarily disclosed](#) that it contributed more than \$2.91 million to the U.S. Chamber, \$250,000 to the National Association of Manufacturers and about \$92,000 to the Business Roundtable in 2014. It also [revealed](#) significant contributions it made to various ballot initiative campaigns and other politically active nonprofits."

The CPI article was co-published with Al Jazeera America and TIME.

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

CPA Participates in Brookings Campaign Finance Summit

When campaign finance experts convened on Jan. 21 in Washington, D.C., the Center for Political Accountability highlighted its achievements in using corporate governance as a foundation for voluntary political disclosure and accountability.

On the sixth anniversary of the Supreme Court's *Citizens United* decision, the Brookings Institution and Issue One sponsored "The Campaign Finance Crisis in America and How to Fix It: A Solutions Summit."

Bruce Freed, CPA president, emphasized the importance of developing innovative strategies that go outside existing political and regulatory systems, and how to realize progress even within the confines of *Citizens United*. (His remarks are accessible [on this recording](#) at the 26-minute point.)

Participants included current and former members of Congress, leaders in the business community, lobbyists, state Supreme Court justices, two former chairs of the Federal Election Commission, state legislators and renowned authorities on money in politics.

Among participants was Rep. Steve Israel, a former chairman of the Democratic Congressional Campaign Committee. In a [New York Times commentary](#) about the constant and intense pressure he faced to raise political money, he advocated reforms including "who-gives-what" transparency in real time (not after the damage has been done), [and] shareholder disclosure of all corporate political expenditures."



USA Today, Albany Law Journal Highlight CPA Success at Advocacy, Innovative Leadership

Thought leader, data resource, catalyst for change: CPA was spotlighted this month for its success, in two contrasting forums that cut across a swath of national audiences, a USA Today column and a law journal article.

At [USA Today](#), business columnist Darrell Delamaide saluted CPA for advocacy. He quoted the well-respected annual CPA-Zicklin Index as documenting in recent years “a continuum whereby more leading American companies have been establishing political disclosure as a mainstream corporate practice.”

But more disclosure is needed, Delamaide continued. Again quoting from the Index, its data has “reflected gaps that shroud too many corporate spenders in secrecy at a time of explosive hidden political spending,” Delamaide wrote.

Delamaide’s column argued that the Securities and Exchange Commission can proceed to work on a proposed rule for corporate political disclosure, even though Congress adopted in 2015 an amendment barring funds for it to finalize or implement such a rule.

In the [Albany Law Review](#), adjunct professor William Alan Nelson II of George Washington University Law School endorsed corporate political disclosure in an exhaustive article. It makes extensive use of Index data, informs readers about CPA’s model code of conduct for political spending, and last but not least, commends CPA for providing “a nice roadmap for corporations to engage in meaningful disclosure of corporate political spending.”

Nelson’s article is titled, “Informing Shareholders: Providing a Roadmap for the SEC to Act to Require Public Corporations to Disclose Political Spending.” The author concluded:

“The Supreme Court had a chance to revisit the *Citizens United*, but refused to do so. The SEC has a chance to shine light on this issue by requiring public corporations to disclose to shareholders the use of corporate resources for political activities. Disclosure of corporate political spending would ensure that directors adhere to their duties of full and fair disclosure to shareholders. Additionally, disclosure of corporate political spending would diminish monitoring costs by informing shareholders of harmful political spending and will provide potential investors with key information for making informed, rational investment decisions.

“Due to the misguided decision in *Citizens United*, it is legal for corporations to spend an unlimited amount of money on political issues; however, this Article submits that shareholders need to know about those expenditures and that if corporations truly believe their political spending benefits their bottom lines, they should not oppose disclosure of that spending.”

San Antonio Express-News

Key Local Papers Using CPA-Zicklin Index to Cover Corporate Money in Politics

The Center for Political Accountability is coming to a newspaper near you.

A recent [San Antonio \(Texas\) Express article](#) was headlined, “Texas Companies Part of Growing Political Trend.” It relied heavily on data from the 2015 CPA-Zicklin Index, and it also showed how home-state media may use CPA’s work products to find news that matters to their regional readers.

In addition to reporting on hundreds of thousands of dollars in political spending by Tesoro Corp., a San Antonio-based oil refiner, the article discussed how easily a reporter found the data on Tesoro’s website.

“It is part of a growing trend, experts say, among some of the biggest businesses in the country: voluntarily revealing a broad mix of political spending activities to ensure shareholders and the public know how corporate funds are being spent on politics,” the article continued.

It went on to feature the 2015 CPA-Zicklin Index, and to compare numerous other Texas-based companies with Tesoro for their voluntary political disclosure, with data drawn from the Index of 500 of the largest publicly traded U.S. firms.

“The fact is that companies take this seriously,” CPA’s Freed told the newspaper. “Disclosure and accountability have a momentum of their own.”

Given that momentum, more media outlets are finding it easier than before to get information about companies’ political spending and to shine a light on it. Other papers that have used the Index include the [Baltimore Sun](#), [St. Louis Post-Dispatch](#) and [San Francisco Chronicle](#).

News Briefs: USA Today Editorial; WI Dark Money; Petitions to Vanguard, New York Times Analysis

A [USA Today editorial](#) argued vigorously for a law to require **disclosure of the hidden money** flowing into politics. “If there’s anything worse than millionaires, corporations and unions trying to buy elections, it’s millionaires, corporations and unions trying to buy elections in secret,” the editorial said.

The editorial noted that “About 100 corporations in the S&P 500 have either sworn off giving to these groups or have policies to reveal donations. The rest, however, do not.”

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"Politicians typically know who is financing their campaigns, even when the sources can legally be kept secret," the editorial concluded. "Under the current system, the only people who don't know what's going on are the voters.

Most corporate political spending in Wisconsin **can stay completely hidden** from public view now, according to a [Wisconsin Law Journal](#) article.

"That's because Wisconsin's radical new campaign-finance overhaul allows corporations to spend unlimited amounts on elections, in full coordination with candidates or political parties, and with zero public disclosure," the article explains.

With state laws like these in effect, the disclosure that CPA has helped bring to corporate political spending is more critical than ever.

A group called the Corporate Reform Coalition is **urging Vanguard to amend** its proxy voting guidelines to vote in favor of political spending disclosure, and current and prospective investing customers have pressed Vanguard with more than 59,000 emails, according to The Federation of State PIRGs.

The Federation of State PIRGs drew from [a mutual fund study by CPA](#) when it reported [in a recent news release](#) that "Vanguard has voted against or abstained from disclosure votes every time they came up in 2015."

When the Supreme Court heard arguments this month in *Friedrichs v. California Teachers Association*, it was asked to permit government employees to refuse to back unions' collective bargaining activities.

According to an analysis by Adam Liptak of [The New York Times](#), the arguments "illuminated a gap in the Supreme Court's treatment of capital and labor. The court has long allowed workers to refuse to finance unions' political activities. But **shareholders have no comparable right** to refuse to pay for corporate political speech."

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