



Spotlight on CPA - September 2015

In This Edition:
Click to Jump to Story

- [Founder's Column: Experts Give Votes of Confidence For Corporate Political Disclosure Effort](#)
- [SEC Rulemaking Petition Now Part of 2016 Campaign](#)
- [New CPA Website, One-Stop Database Launched; Largest-Ever CPA-Zicklin Index Coming Soon](#)
- [CPA In the News](#)
- [Huge Majority Wants *Citizens United* Overturned](#)

Experts Give Votes of Confidence For Corporate Political Disclosure Effort



Founder's Column
By Bruce Freed

At a time of stubborn government gridlock, corporate political disclosure works.

That's the resounding theme of recent national news media analyses about dark money in politics and investors who are advocating for transparency in their companies' political expenditures. We can't say it better than the analysts did, so we'll briefly excerpt their commentaries.

"Here are the five most promising strategies to shine some light on dark money in 2016 and beyond," declared an article in [The Nation](#) titled, "[Rays of Light in the Shadow of Dark Money](#)." It listed shareholder resolutions as the single most promising strategy.

The article discussed a controversial instance of political spending by Aetna and shareholder pressure for Aetna to disclose, then went on to say, "Similar shareholder efforts have prompted companies to disclose, voluntarily or via vote, all political spending—including, sponsors hope, dark money. Among the companies that have agreed to greater transparency on this issue are Qualcomm, CSX, United States Steel, Peabody Energy, and Marriott." Many of these companies are key donors to the U.S. Chamber of Commerce, which engages in prolific "secret spending," the article said.

At [Fortune](#), meanwhile, Paul Hodgson wrote a column headlined, "[Do you know which candidates your company is funding?](#)" When answers are available, he said, it's likely a result of voluntary disclosure prompted by shareholder agreements:

"Delta Airlines, Eastman Chemical, and H&R Block are just three of the 12 companies that reached agreements with their shareholders just this year to disclose where their political spending was going. That brings the number of primarily S&P 500 companies agreeing to such disclosures to 141. These include Microsoft, Boeing, and Plum Creek Timber, the largest private landowner in the country.

"Much of this trend is the result of campaigns by the Center for Political Accountability (CPA), shareholder advocacy group Investor Voice, and their partners, which have been engaging with companies on this issue for more than 10 years." Hodgson also noted, "Shareholders can find out how transparent their companies are about political spending by referring to the [CPA-Zicklin Index of Corporate Political Disclosure and Accountability](#)."

For CPA, it's exciting that a strategy we've advocated and followed for years is getting sustained traction – and this kind of favorable confirmation.

SEC Rulemaking Petition Now Part of 2016 Campaign

A proposal for the Securities and Exchange Commission to require disclosure of political spending by publicly held companies is now part of the 2016 presidential debate. The Center for Political Accountability initiated and has championed the proposed rule.

Former Secretary of State Hillary Clinton [rolled out](#) a package of campaign finance reform proposals in September that included an endorsement of a disclosure rulemaking by the SEC. In addition, Sen. Bernard Sanders of Vermont signed [a letter](#) by 44 U.S. senators (42 Democrats and two independents) to the SEC chair, voicing support for the rulemaking petition. Clinton and Sanders are seeking the Democratic presidential nomination.

A Clinton campaign statement said, "Clinton believes that information about how corporate funds are being used to fuel political activity and influence elected officials is material to investment decisions and should be made available to shareholders."

CPA President Bruce Freed told [The Los Angeles Times](#), "Clinton's endorsement of this rule at the SEC is a game-changer." He added, "It is now part of the conversation for 2016."

Robert J. Jackson Jr., a law professor at Columbia and an author of the petition for a disclosure rule, told [The New York Times](#) that while other parts of Clinton's package are not likely to be adopted any time soon, the SEC rule seemed both achievable and potentially effective.

"The case for proceeding with rules shining light on political spending is strong, and the SEC should do so without further delay," Jackson said. The SEC has received more than 1.2 million comments on the disclosure rule proposed four years ago. There are more comments on this rule than on any other proposed rulemaking in the commission's history.

Providing context for Clinton's announcement, the [Los Angeles Times](#) said, "a growing chorus of academics and activists are finding new ways" to get companies to disclose their political activity. "Many major companies are responding by coming clean."

The commission has taken no action on the rulemaking petition, in the face of intense opposition from the U.S. Chamber of Commerce and other industry groups. These groups contend the proposal is aimed at muzzling companies' free speech.



New CPA Website, One-Stop Database Launched; Largest-Ever CPA-Zicklin Index Coming Soon

CPA launched this month a new website and online database to serve as the "go-to" place to track corporate political spending. It got a boost from the [Politico Influence newsletter](#), plugging it as a "Window into Trade Associations' Wallets," and plenty of first-week hits. By late September, [Politico Prescription Pulse](#), a briefing on pharmaceutical policy news, relied on the database to write a news story, "Pharma Companies Top Spenders on Trade Associations."

With campaign financing taking center stage in the 2016 elections, the database is key tool for voters and investors to hold companies and associations accountable. It will storehouse even more information once the 2015 CPA-Zicklin Index of Political Disclosure and Accountability is released in early October and added to the database. The 2015 Index will cover the entire S&P 500 for the first time.

The database, a one-stop research tool, is available at www.politicalaccountability.net. It has information available for the first time on company political payments to leading U.S. trade associations and company policies on contributions to 501(c)(4) "dark money" organizations. It has links to publicly reported company political spending (thanks to Open Secrets, from The Center for Responsive Politics, and Follow the Money, from the National Institute on Money in State Politics).

At the new website, visitors will be able to "Find Out What Your Company Spends" and "Find Out How Your Company Ranks" for political disclosure and accountability, compared to other companies in the S&P 500.

CPA In the News

[TIME Magazine](#) posted a Center for Public Integrity article titled, "9 Surprising Times Corporations Backed Ballot Measures." An excerpt: "When spending is aimed at playing politics, rather than business, it raises concerns with activists and shareholders, said Bruce Freed, president of the Center for Political Accountability, a nonprofit that advocates for transparency in corporate political spending."

In an [interview](#) with Latham & Watkins partners, Rhonda Brauer, a senior managing director of corporate governance at Georeson Inc., mentioned the upcoming fifth CPA-Zicklin Index and said, "So if you want to be positively viewed on your related disclosure and practices, get them on your websites soon."

An article in [Agenda](#), a *Financial Times* service, quoted CPA's Freed about the Democratic senators' letter to the SEC in support of a proposed disclosure rule (see above). It also quoted Margery Kraus, founder and executive chairman of public relations and lobbying firm APCO Worldwide, as publicly calling for greater corporate political transparency.

Huge Majority Wants *Citizens United* Overturned

A huge majority of Americans favors overturning *Citizens United*, the 2010 Supreme Court ruling that permits unlimited independent spending by corporations and unions to influence elections. Seventy-eight percent of respondents to a poll conducted by [Bloomberg](#) said that they want the ruling overturned. Seventeen percent commended the decision "What it suggests is that *Citizens United* has become a symbol for what people perceive to be a much larger problem which

percent commended the decision. That suggests to that Citizens United has become a symbol for what people perceive to be a much larger problem, which is the undue influence of wealth in politics," said law professor David Strauss of the University of Chicago.

[forward to a friend](#)

Copyright © 2015 *Center for Political Accountability*, All rights reserved.

[unsubscribe from this list](#) | [update subscription preferences](#)
