

AGENDA

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Listed: The Top 10 Corporate Political Spenders Who Disclose

By [Tony Chapelle](#) January 2, 2018

The cigarette maker Reynolds American spent twice as much for political purposes as any other U.S. company during the last big election cycle of 2016. North Carolina-based Reynolds — a subsidiary of **British American Tobacco** since last July — poured \$41 million into state and local campaigns and ballot measures.

Reynolds's payments to state and local races surpassed those of the next 29 S&P 500 companies combined. At the time, Reynolds was supporting candidates or committees that opposed cigarette-tax vote proposals in two states — and, ironically, was pushing for a tax in another.

Meanwhile, energy giant **Exelon** — which generates a fifth of the nation's nuclear power — donated four times more money to trade associations as the next-closest U.S. company. Exelon's heavy spending preceded a successful effort to nudge Illinois state lawmakers into subsidizing two of the company's power plants to the tune of \$2.35 billion.

Those are findings from an analysis that *Agenda* commissioned to identify the top 30 U.S. corporate political contributors in 2015 and 2016. We looked at the 10 biggest donors during that two-year election cycle and what type of influence boards may have been looking for.

The top 10 spenders included **AT&T**, **Comcast**, **Chevron**, **Microsoft**, **Alphabet**, **Bank of America**, **Honeywell International** and **Walt Disney Company**. During the election cycle, most of these companies were pursuing major regulatory or public policy aims.

Yet we can only consider this a list of the top spenders that we know about. That's because campaign finance laws let companies and individuals mask a variety of potential donations.

Corporations are not allowed to take money from their treasuries for federal candidates or national political parties. Still, according to **Nanya Springer**, programs director at the **Center for Political Accountability** (CPA), an advocacy research firm, they can pass their money through third-party trade associations as well as "social welfare" organizations known as 501(c)(4)s. That makes it impossible to get exact figures on companies' contributions unless they choose to disclose them.

The **Supreme Court** ruled in the Citizens United decision that 501(c)(4)s such as **Americans for Prosperity** can spend unlimited amounts of money — often called "dark money" — in support of political activities. To get the clearest impression of which companies are contributing political money, Springer says it's necessary to look for both

shareholder dollars and contributions to candidates and political issues through a patchwork of funding sources.

The Value of Contributions

Governance and campaign finance experts say boards should not only make sure political contributions are transparent, but should discuss with executives whether payments align with their stated corporate values.

“Politicians argue that people or corporations that contribute have no extra influence. But ... anywhere you have a patron supporting the politician or researcher, there’s going to be some form of influence,” says **Fabian Willskytt**, a senior vice president at **HIP Investor**, a research firm that uses human impact metrics to rate stock performance. Willskytt’s analysis formed the basis for our study. *Agenda* also got valuable data and assistance from the Center for Political Accountability and the **National Institute on Money in State Politics**. The CPA creates an annual benchmark index with the Zicklin Center for Business Ethics at the Wharton School of the **University of Pennsylvania** on how well companies disclose their corporate contributions to political candidates, parties and committees, including recipient names and amounts given. S&P 500 companies are analyzed using 24 indicators and grouped into five tiers based on their scores. Scores in the 80 to 100 range are the top tier.

Willskytt and analyst **Wantong Jiang** dug into how much money large-cap companies contributed to the federal slate of candidates. They compared Federal Election Commission data from The **Center for Responsive Politics**’ website, OpenSecret.org, about corporate donations.

“The public and shareholders are advocating for companies to provide publicly the contributions they make on their websites,” says **Wesley Bizzell**, an assistant general counsel who oversees political compliance and disclosure for the **Altria Group** and chairs the corporate political spending committee at the **Conference Board**.

Bizzell also observes that Fortune 200 companies are complying with increasing numbers of shareholder proposals that ask boards to disclose political-purpose contributions to trade associations. “I think the trend is transparency across both direct and indirect contributions.”

Reynolds American

In California and North Dakota, Reynolds spent nearly \$26 million to dissuade voters from passing new tobacco taxes in 2016. However, the company also led all contributors with \$12.98 million to support a ballot measure for a new tax in Missouri. According to Ballotpedia, the Missouri proposition applies only to small cigarette competitors of Reynolds and peer Altria Group. Reynolds’s effort in Missouri was successful, as was its push in North Dakota. California created the tax despite the company’s effort. CPA-Zicklin Index score: 74.1.

AT&T

AT&T turned more of its electioneering dollars to Washington. Nearly half of the company’s total \$26 million in the last big election cycle went to presidential and congressional candidates, national political action committees and Super PACs. For instance, in 2016, the

phone and Internet service provider sprinkled \$3.7 million across congressional candidates, mostly through PACs. The past two years were full of regulatory action involving the company. The **Federal Communications Commission** in December acted to repeal net neutrality, an action in line with AT&T lobbying and the **Department of Justice** sued to block AT&T's \$85 billion merger with Time Warner. CPA-Zicklin Index Score: 67.1

Comcast

Comcast was the leading corporate donor to federal elections and PACs, racking up \$13.6 million in contributions to national parties, candidates and committees. For example, the telecom giant paid \$5.6 million as a sponsor for the 2016 Republican National Convention in Cleveland as well as a combined million dollars to the **Democratic National Committee** and candidate **Hillary Clinton**. (**Jeb Bush** and **Bernie Sanders** got \$52,000 each.) The company backed a bill against FCC regulation of broadband rates and another against taxes on e-commerce and Internet access. But regulators killed Comcast's merger attempt with Time Warner Cable. Comcast also spread money in Seattle and Fort Collins, Colo., to deter voter initiatives to build rival broadband networks. CPA-Zicklin Index score: 82.9

Exelon

Exelon contributed the most to U.S. trade associations over the two-year cycle, a total of \$14 million in support for trade groups that dwarfs the next-closest company's donations by a factor of three. Exelon paid fat membership dues to industry organizations, such as \$9 million to the **Nuclear Energy Institute** and \$3 million to the **Edison Energy Institute**. The Chicago-based company pushed for Illinois lawmakers to subsidize two money-losing nuclear plants that would otherwise have closed. Wish granted: In 2016, Springfield passed a bill guaranteeing to help Exelon with \$235 million for each of the next 10 years while exchanging wind, solar and conventional energy credits among several utilities. CPA-Zicklin Index score: 91.4

Chevron

Chevron contributes nearly the same to federal, state and local campaigns and outside groups. In 2016, the oil giant spent a combined \$2.4 million to fight a ballot measure in Monterey, Calif., that would have banned fracking in that county (it passed anyway), and to snuff an Oregon state proposition to raise sales taxes (that was defeated). Meanwhile, Chevron gave \$2 million to a fund for Senate candidates and added \$1.3 million to a fund for House aspirants after making similar contributions in the previous year. CPA-Zicklin Index score: 70.0

Microsoft

The software company or its individual employees gave a combined \$9.8 million to federal elections and issues in 2016. That includes almost \$900,000 to presidential candidate Hillary Clinton and nearly \$170,000 to Bernie Sanders through PACs or Super PACs. Microsoft managers also revealed that after meeting with the host committee for the Republican National Convention, they decided only to provide Microsoft products and services instead of making a cash donation. Meanwhile, at the Democratic convention, the

firm chose to both sponsor certain activities and kick in technology support. CPA-Zicklin Index score: 95.7

Alphabet Inc.

The parent company of Google spent nearly 90% of its political contributions with federal elections, PACs and Super PACs. The firm's political action committee, NetPAC, raised \$2.18 million in 2016 and spent almost all of it on federal candidates. Alphabet or its employees were clearly hoping that Hillary Clinton would win the presidency, putting \$1.5 million into her campaign compared to \$44,000 for Green Party candidate **Jill Stein** and just \$22,000 for **Donald Trump**. The company tried to get regulators to uphold net neutrality, and supported the update to the law that required government investigators to obtain search warrants before digging through citizens' e-mails. During the election cycle, Alphabet sponsored 140 trade associations and political nonprofits. CPA-Zicklin Index score: 61.4

Bank of America

The second-largest banking firm in the country poured almost all of its political donations into either federal campaigns (\$6.7 million) or 527 groups (\$2.4 million). The 527s, so named because of their title in the tax code, engage in political activities and can accept unlimited soft money from companies. Bank of America does not disclose its corporate contributions to 527 groups on its website. The company encouraged congressional members to enact a bill to let big banks restructure in bankruptcy in the event of a failure and to repeal the section of the Dodd-Frank Act that capped debit-card interchange fees that banks could charge merchants. B of A also lobbied for a bill to limit liability for broker-dealers if they issued faulty equity research on exchange-traded funds. The **Securities Industry and Financial Markets Association** lobbied on behalf of the law as did the **U.S. Chamber of Commerce**. CPA-Zicklin Index score: 92.9

Honeywell International

Aerospace and defense contractor Honeywell International has a PAC that raised and spent about \$9.2 million during the 2016 election year. That helped fund national Republican Senate and congressional campaign funds and the Democrats' National Committee. It also gave low-five-figure donations to Hillary Clinton. The company does not, however, disclose on its website its payments to trade associations or to 501(c)(4)s. Honeywell contributed more campaign funds than any other company to the 19 Judiciary Committee congressmen who supported a still-pending bill that would likely limit Honeywell from having to pay new compensation to asbestos victims. Honeywell, which made firefighter and aerospace equipment with asbestos, has paid \$1.1 billion in such claims already. The law would require posting claimants' Social Security numbers and other private information on the Internet. Also, all claims, even if made years ago, would have to be resubmitted and processed again. CPA-Zicklin Index score: 82.9

Walt Disney Company

The entertainment and theme-park giant distributes two thirds of its political funds to national issues and federal elections and a third to states and municipalities. For instance, Disney's PAC hitched its wagon to Republican presidential hopeful Sen. **Marco Rubio** by contributing \$2 million to his funding group, Conservative Solutions PAC. That was five

times the company's support for Hillary Clinton. Disney did back **Barack Obama's** Trans-Pacific Partnership Agreement, which included a new 20-year extension to intellectual property copyrights. President Trump withdrew from the pact this year. Meanwhile, the operator of Anaheim-based Disneyland spent \$1.22 million directly or indirectly on 10 PACs and four council candidates that it wanted elected in that city's 2016 ballot, according to the *Los Angeles Times* . Despite outspending its opponents by 3 to 1, two of Disney's four candidates lost. CPA-Zicklin Index score: 67.1