

# Common Cause

## **Campaign Contributions By Tobacco Interests Quarterly Report: October 2002**

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These quarterly reports provide regular, detailed updates on the tobacco industry's soft money payments to the Democratic and Republican parties and its campaign contributions to candidates for federal office and sitting members of Congress. Each issue also provides additional information on the tobacco companies' political influence, including new analyses of the correlation between these payments and the tobacco-related legislation that members of the U.S. Congress support.

### **Quarterly Highlights**

- So far in the 2001-2002 election cycle (from January 1, 2001 to October 2, 2002) the tobacco industry has given \$7,340,728 in soft and PAC money to federal candidates, political parties and other political action committees.
- Tobacco companies, along with tobacco company executives and employees, have donated more than \$4.6 million in soft money to the Democratic and Republican parties in the 2001-2002 election cycle. More than 50 percent of these soft money donations came from Philip Morris.
- In the 2001-2002 election cycle to date, tobacco company PACs have donated \$1,831,529 directly to federal candidates, with 74 percent (\$1,360,219) of the total donations going to Republican candidates.
- So far in the 2001-2002 election cycle, tobacco PACs have donated more than \$873,000 to non-candidate committees, including Democratic and Republican party committees and leadership PACs established by individual members of Congress.
- There is legislation pending in Congress to grant the U.S. Food and Drug Administration (FDA) authority to regulate tobacco products, including weak bills supported by Philip Morris, the nation's largest cigarette company, and opposed by the entire public health community. In the House, the main sponsor of the bill supported by Philip Morris is Rep. Tom Davis (R-VA), the chair of the National Republican Congressional Committee, which has received more than \$2.4 million in hard and soft money donations from the tobacco industry since 1999. In the Senate, the main sponsor of the FDA bill supported by Philip Morris is Senator Bill Frist (R-TN), head of the National Republican Senatorial Committee, which has received more than \$2.2 million in hard and soft money donations from the tobacco industry since 1999.
- Seventeen (17) members of Congress have sponsored the weak FDA bill (H.R. 2180) introduced by Rep. Davis (R-VA). A total of 126 members have sponsored a much stronger FDA bill (H.R. 1097) introduced by Reps. Greg Ganske (R-IA), John Dingell (D-MI) and Henry Waxman (D-CA), and supported by major U.S. public health groups. Since 1999, the sponsors of the Davis bill

supported by Philip Morris have received, on average, 19 times as much money from the tobacco industry as the sponsors of the bill supported by the public health community (\$11,883 vs. \$609).

- Three (3) members of the Senate have sponsored the FDA regulation bill (S. 190) introduced by Sen. Frist (R-TN). Twenty (20) Senators are sponsoring a much stronger FDA bill (S. 2626) introduced by Senators Ted Kennedy (D-MA) and Mike Dewine (R-OH). The three sponsors of the Frist bill have received an average of \$1,000 in campaign contributions from the tobacco industry in the last three election cycles (1997-2002). In that same time period, the 20 sponsors of the Kennedy–Dewine bill have received an average of \$150 in campaign contributions from the tobacco industry.
- A total of 14 members of Congress have sponsored weak Fire-Safe Cigarette legislation in the House, H.R. 4981 and H.R. 5059, introduced by Rep. Cliff Stearns (R-FL) and Rep. Edolphus Towns (D-NY). Sixteen (16) members have sponsored a stronger bill in the house, H.R. 4607, introduced by Rep. Ed Markey (D-MA) and Rep James Hansen (R-UT). A companion bill (S. 2317), introduced in the Senate by Sen. Richard Durbin (D-IL) and Sen. Sam Brownback (R-KS), has 9 sponsors. Altogether, the 14 sponsors of the Stearns and Towns legislation have received \$211,524 in tobacco campaign contributions and the 16 sponsors of the Markey and Hansen legislation have received a total of \$1500 since 1999. Therefore, the 14 sponsors of weak legislation opposed by the public health community have received, on average, 162 times as much money from the tobacco industry as the 16 representatives who are sponsoring the bill supported by the public health community (\$15,108 vs. \$93).
- Congress has not voted on any significant tobacco legislation this quarter.

This report includes the most recent figures from the current election cycle (2001-2002) and the two previous election cycles. Since the current election cycle ends December 31, 2002, the contributions for the 2001-2002 cycle are obviously based on incomplete, partial-cycle data. All campaign contributions cited in this report are based on data released by the Federal Election Commission (FEC) on October 2, 2002. The Campaign for Tobacco-Free Kids Action Fund and Common Cause will issue the next quarterly report on campaign contributions by tobacco interests in January 2003.

## **Report Outline**

This report details many forms of contributions from tobacco interests, including:

- **Direct “hard money” contributions from political action committees (PACs) to elected officials and federal candidates.** Since current law prohibits corporations, such as the tobacco companies, from making direct contributions to political candidates out of their own corporate treasuries, the most direct way that tobacco companies contribute to federal candidates is through corporate-run PACs. Tobacco companies establish and administer these PACs in order to collect money from tobacco company executives, employees, and other individuals and committees wishing to promote the interests of the particular tobacco company or the tobacco industry. The tobacco PACs contribute directly to campaign committees in an effort to elect and defeat particular candidates. PAC contributions are referred to as “hard money” because they are regulated under federal election law, and candidates can use them for any legal campaign purpose. By law, PACs can contribute a maximum of \$5,000 per candidate per election (a candidate facing a primary and general election can receive up to \$10,000 from a PAC).

- **Unlimited “soft money” contributions to political parties and committees.** Companies get around the restrictions on hard money contributions by contributing “soft money” – unlimited donations that corporations, labor unions and individuals make to political parties. Corporations such as tobacco companies make these soft money contributions directly from their corporate treasuries. Soft money donations include donations to the major party committees, as well as contributions to committees affiliated with the major parties, such as dinner committees. The parties in turn use the money to run campaign ads masquerading as issue ads and undertake other activities to influence elections.
- **Contributions to non-candidate committees, including the leadership PACs increasingly utilized by politicians seeking favor with their colleagues.** In addition to contributing directly to candidate committees, tobacco PACs also contribute to non-candidate committees, primarily leadership PACs established by Members of Congress and other political leaders. Politicians establish leadership PACs as a way of raising money to help fund other candidates’ campaigns. These leadership PACs have a dual purpose: They allow contributors, like tobacco companies, to give more money to candidates, and they allow Senators and Representatives who establish these PACs to increase their political influence and power by delivering hard-money campaign contributions to other federal candidates. Tobacco PACs also contribute to committees affiliated with the Democratic and Republican parties and non-party committees. PACs can give up to \$15,000 annually to any national party committee and \$5,000 annually to any other PAC.

In addition to releasing the most current contribution figures from tobacco companies and their PACs, the quarterly reports also detail the ways in which the tobacco industry contributions appear to influence the political process, including examining the correlation between tobacco contributions and recent congressional votes.

This report reflects the current federal campaign finance law. Reforms under the Bipartisan Campaign Reform Act of 2002 (the McCain-Feingold/Shays-Meehan bill) take effect on November 6, 2002. The Bipartisan Campaign Reform Act prohibits political parties and candidates from raising soft money, prohibits the use of soft money to fund broadcast ads that mention federal candidates and that are aired close to an election and increases the limits for individual contributions to federal candidates.

This quarterly report's development and distribution is meant to provide information and analysis on the tobacco industry's extraordinary and inappropriate political influence, especially in regard to the U.S. Congress and the Federal Government. Toward this end, this report offers a range of information, including data on direct and indirect tobacco industry contributions to Members of Congress, other elected officials, and other candidates for elected office. Nothing in this report is meant in any way to endorse, support, or oppose the election of any candidate, or to indicate any support or opposition to any candidate's election by any of the sponsoring organizations.

## **Overview**

Since 1997, tobacco interests have given more than \$23.5 million in political donations to federal candidates, national parties and non-party political action committees. Republican candidates and committees have received 81 percent of the tobacco industry's contributions (\$19,159,051), and Democratic candidates and committees have received 18 percent of the industry's contributions (\$4,219,134).

The overall total includes \$6.5 million in PAC money to federal candidates and \$15.2 million in soft money donations to political parties. Tobacco company PACs have also donated more than \$1.7 million to non-candidate committees since 1999, including party committees, leadership PACs and other non-party committees.

<b>Contributions From Tobacco Interests</b>								
Election Cycle	PAC Contributions to Federal Candidates		Soft Money to Parties		PAC Contributions to Non-Candidate Committees			Total
	Democrats	Republicans	Democrats	Republicans	Democratic	Republican	Other Non-party	
1997-1998	\$647,421	\$1,691,581	\$869,677	\$4,524,301	-	-	-	\$7,732,980
1999-2000	\$635,488	\$1,743,301	\$558,500	\$4,649,297	\$105,850	\$742,041	\$24,350	\$8,458,827
2001-2002*	\$462,310	\$1,360,219	\$836,888	\$3,799,179	\$103,000	\$649,132	\$121,000	\$7,331,728
<b>Total</b>	<b>\$1,745,219</b>	<b>\$4,795,101</b>	<b>\$2,265,065</b>	<b>\$12,972,777</b>	<b>\$208,850</b>	<b>\$1,391,173</b>	<b>\$145,350</b>	<b>\$23,523,535</b>

***\*All of the figures for the 2001-2002 election cycle are based on incomplete, partial-cycle data released by the FEC on October 2, 2002.***

PAC Contributions to Federal Candidates include contributions to Democratic and Republican candidates for federal office. The table does not reflect contributions to independent candidates, which total \$32,750 since 1997 (\$9,000 in the 2001-2002 election cycle). The total reflects donations from the political action committees established by tobacco companies only and do not include personal contributions made by tobacco company executives and employees.

Soft Money to Parties reflects contributions made by individuals associated with individual tobacco companies as well as contributions from the corporate treasuries of the tobacco companies. Soft money contributions are compiled by the Center For Responsive Politics based on data downloaded from the FEC on Monday, September 09, 2002. October 2002 numbers were not available at the time of this report.

PAC Contributions to Non-Candidate Committees include donations from the political action committees established by tobacco companies only and do not include personal contributions made by tobacco company executives and employees.

The totals for the Democratic and Republican committees include party committees (national committees, state committees, and fundraising committees) and non-party committees identified as leadership PACs.

The total for other non-party committees includes donations to non-party committees that are not identified as leadership PACs. Data for PAC contributions to non-candidate committees in the 1997-1998 election cycle are not available.

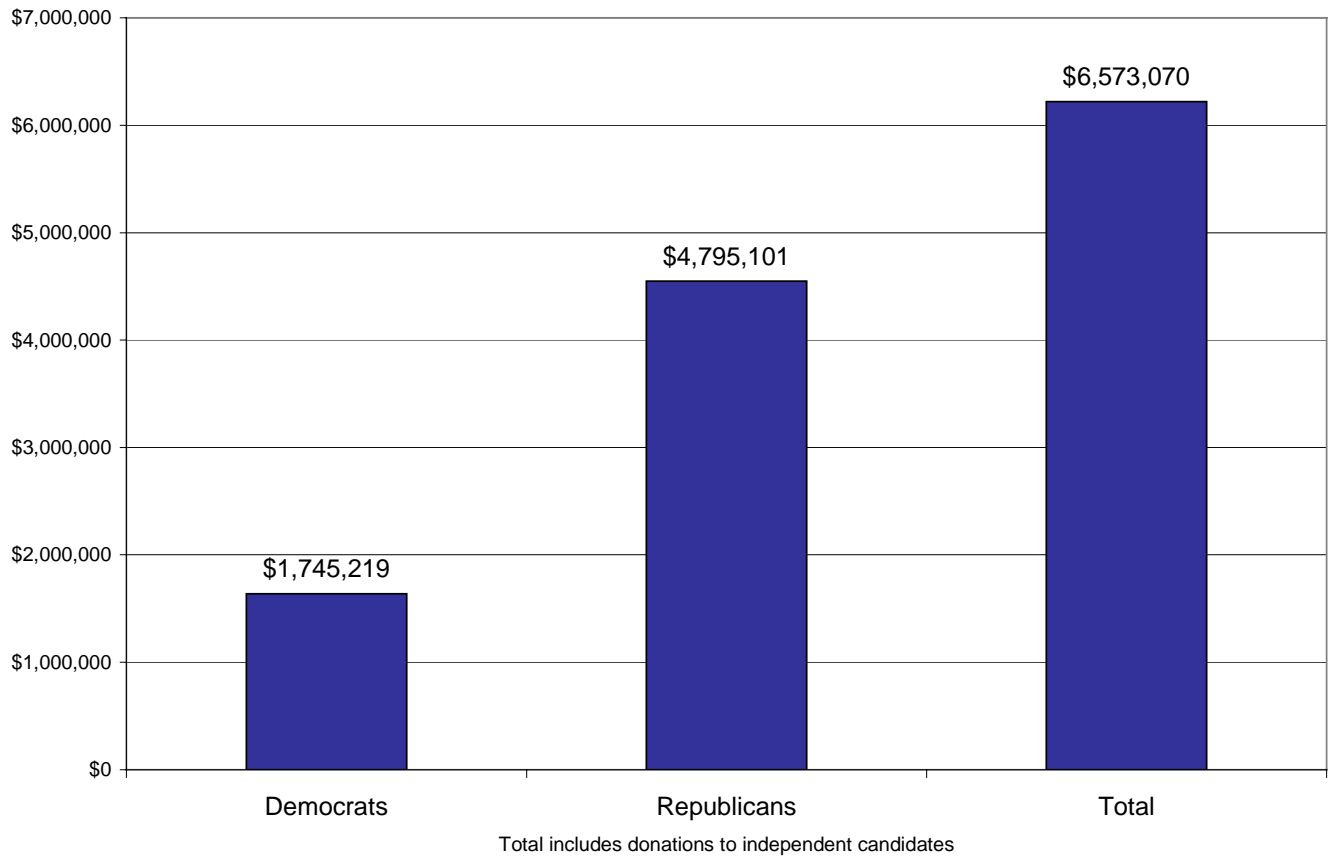
## Tobacco PAC Money to Federal Candidates

Since 1997, the PACs established by tobacco companies have contributed more than \$6.5 million to candidates for federal office. The totals for the individual tobacco companies are from their political action committees only and do not include personal contributions made by tobacco company executives and employees. These contributions do include PAC donations to sitting members of Congress as well as challengers and former members of Congress. Eighty-four (84) percent of the tobacco PAC donations made thus far in the 2001-2002 cycle have been to current members of Congress. So far in the 2001-2002 election cycle, these PACs have contributed \$1,831,529 to federal candidates, with Republican candidates receiving nearly three times the amount of contributions as Democratic candidates (\$1,360,219 vs. \$462,310).

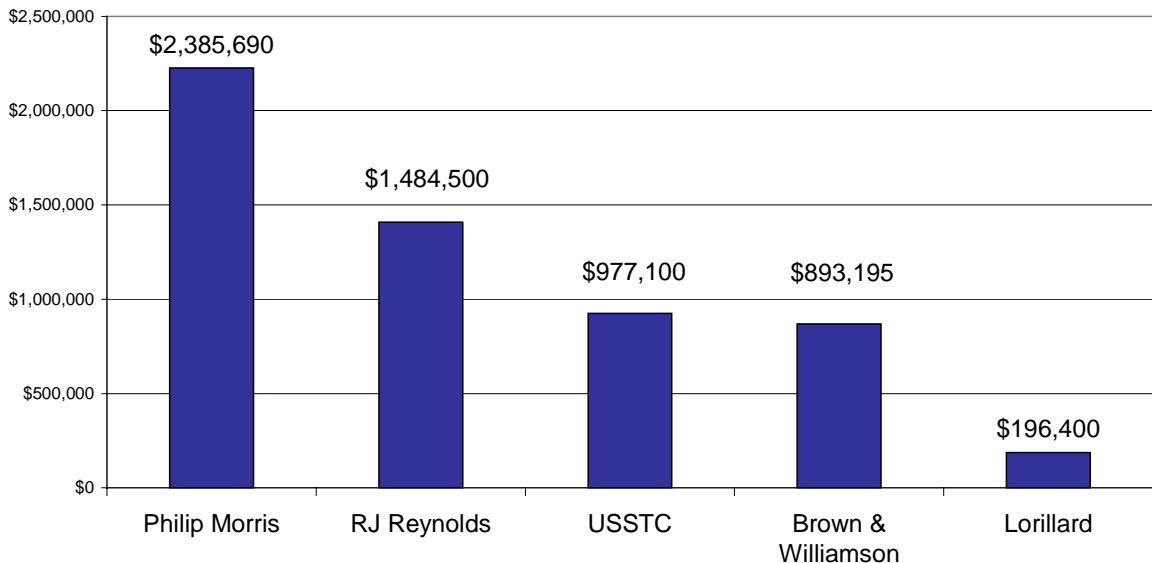
Current members of the House of Representatives have taken \$4.46 million in tobacco PAC contributions since 1997, including \$1,267,279 in the 2001-2002 election cycle. Current members of the Senate have taken \$801,922 in tobacco PAC contributions since 1997, including \$275,500 in the 2001-2002 election cycle. A detailed list of tobacco PAC contributions to all current members of Congress and individual challengers for federal office is available in the appendix to this report.

<b>Top Tobacco PAC Contributions to Federal Candidates January 1, 1997 – October 2, 2002 (partial cycle)</b>				
Tobacco PAC	2001-2002*	1999-2000	1997-1998	PAC Total
1. Philip Morris	\$724,000	\$867,157	\$794,533	\$2,385,690
2. RJ Reynolds	\$435,750	\$521,750	\$527,000	\$1,484,500
3. U.S. Smokeless Tobacco Co.	\$277,000	\$352,750	\$347,350	\$977,100
4. Brown & Williamson	\$179,824	\$362,550	\$350,821	\$893,195
5. Lorillard	\$52,850	\$83,050	\$60,500	\$196,400
6. Pinkerton Tobacco	\$31,995	\$48,750	\$48,250	\$128,995
7. Conwood Co./Asworth	\$49,500	\$45,955	\$31,500	\$126,955
8. Swisher	\$39,000	\$44,000	\$34,000	\$117,000
9. Tobacco Institute**	-----	-----	\$75,000	\$75,000
10. Dimon	\$9,250	\$23,500	\$16,000	\$48,750
11. Cigar PAC	\$12,860	\$19,974	\$15,200	\$48,034
12. Universal Leaf Tobacco Co.	\$14,000	\$11,800	\$9,000	\$34,800
13. American Wholesale Marketers Assn.	\$2,000	\$11,500	\$11,148	\$24,648
14. Smokeless Tobacco Council	\$0	\$1,803	\$10,700	\$12,503
15. Standard Commercial Tobacco Co.	\$1,500	\$5,000	\$6,000	\$12,500
16. Concerned Friends of Tobacco	\$2,000	\$2,000	\$3,000	\$7,000
<b>TOTAL</b>	<b>\$1,831,529</b>	<b>\$2,401,539</b>	<b>\$2,340,002</b>	<b>\$6,573,070</b>
<i>*All of the figures for the 2001-2002 election cycle are based on incomplete, partial-cycle data released by the FEC October 2, 2002. Table includes total contributions to Democratic, Republican, and independent federal candidates.</i>				
<i>** Disbanded as a result of the 1998 Master Settlement Agreement.</i>				

## Tobacco PAC Contributions to Federal Candidates January 1, 1997 - October 2, 2002



## Top Tobacco PAC Contributions to Federal Candidates January 1, 1997 - October 2, 2002



## **Tobacco Soft Money Totals**

Over the years, the tobacco companies have embraced the soft money loophole in national campaign finance laws to contribute millions of dollars to the political parties. Since 1997, the tobacco industry has given \$15.2 million in soft money donations to the Democratic and Republican parties. Eight-five (85) percent of the soft money donations went to the Republican party (\$12,972,777) and 15 percent went to the Democratic party (\$2,265,065). The soft money totals reflect contributions made by individuals associated with individual tobacco companies as well as official company contributions.

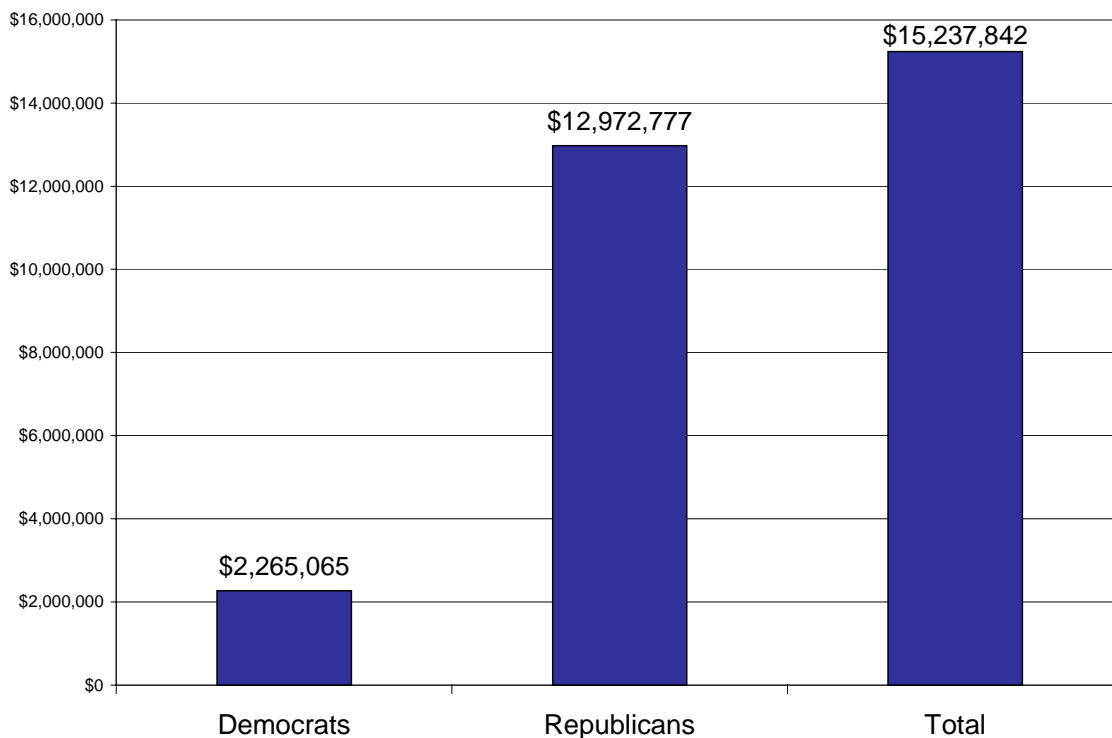
So far in the 2001-2002 election cycle, the tobacco industry has given more than \$4.6 million in soft money contributions – well over twice as much as the tobacco PACs have given in hard money.

<b>Soft Money Contributions by Tobacco Interests January 1, 1997 – September 9, 2002 (partial cycle)</b>				
	2001-2002*	1999-2000	1997-1998	Total
1. Philip Morris	\$2,352,314	\$2,373,040	\$2,436,378	\$7,161,732
2. U.S. Smokeless Tobacco Co.	\$855,545	\$1,041,570	\$404,865	\$2,301,980
3. RJ Reynolds	\$256,831	\$427,402	\$1,094,673	\$1,778,906
4. Brown & Williamson	\$279,964	\$609,080	\$564,250	\$1,453,294
5. Lorillard	\$230,333	\$227,630	\$55,000	\$512,963
6. Tobacco Institute	\$0	\$0	\$474,940	\$474,940
7. Vector Group	\$356,000	\$65,000	\$0	\$421,000
8. Swisher	\$131,350	\$203,025	\$62,500	\$396,875
9. Smokeless Tobacco Council	\$7,500	\$54,150	\$226,800	\$288,450
10. Conwood Company	\$104,330	\$119,150	\$58,572	\$282,052
11. Cigar Association of America	\$60,000	\$35,150	\$1,000	\$96,150
12. Universal Leaf Tobacco Co.	\$0	\$45,000	\$15,000	\$60,000
13. American Wholesale Marketers	\$1,900	\$7,600	\$0	\$9,500
14. Pinkerton Tobacco	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$4,636,067</b>	<b>\$5,207,797</b>	<b>\$5,393,978</b>	<b>\$15,237,842</b>

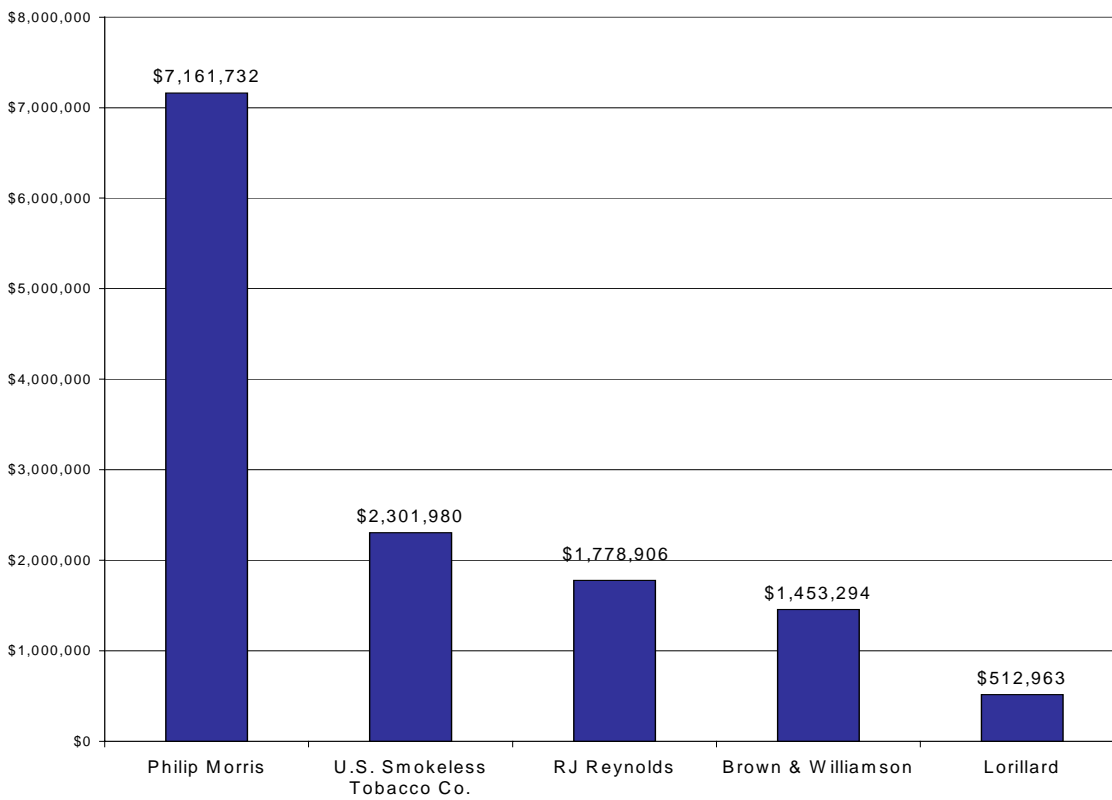
\*All of the figures for the 2001-2002 election cycle are based on incomplete, partial-cycle data released by the FEC September 9, 2002. Soft money numbers for October 2002 were not available at the time this report was compiled. Soft money numbers are from the Center for Responsive Politics ([www.opensecrets.org](http://www.opensecrets.org)) and Common Cause ([www.commoncause.org](http://www.commoncause.org)). Soft money totals reflect contributions made by individuals associated with that organization as well as official company contributions.

Philip Morris, the nation's largest tobacco company, has consistently been among the very largest soft money donors. Since 1997, Philip Morris's soft money contributions total more than \$7.1 million. Other tobacco companies have been major soft money contributors as well. Since 1997, U.S. Smokeless Tobacco Company contributed \$2.3 million in soft money, R.J. Reynolds contributed more than \$1.7 million, and Brown & Williamson made soft money contributions totaling more than \$1.4 million.

**Tobacco Soft Money Contributions By Party**  
 January 1, 1997 - September 9, 2002 (partial cycle)



**Soft Money Contributions by Tobacco Interests**  
 January 1, 1997 - September 9, 2002 (partial cycle)



## Tobacco Money to Major Party Committees

The majority of soft money contributions made by tobacco interests (see table on page 7) were directed to the major Republican and Democratic party committees. Nearly 95 percent of the \$9.8 million in soft money contributions made since 1999 went to these major party committees. The balance of the soft money contributions were made to other committees affiliated with the major parties, such as the 2001 President's Dinner Committee and other fundraising committees. The major party committees that receive the majority of soft money contributions from the tobacco industry are the Democratic Congressional Campaign Committee (DCCC), Democratic Senatorial Campaign Committee (DSCC), Democratic National Committee (DNC), National Republican Campaign Committee (NRCC), National Republican Senatorial Committee (NRSC) and the Republican National Committee (RNC). Tobacco interests, including tobacco companies, executives and employees, have donated more than \$9.3 million in soft money to the major party committees since 1999, with 85 percent going to Republican party committees.

Detailed information on soft money contributions and tobacco PAC contributions (such as totals by particular committee) are not available for the election cycles prior to 1999. Therefore, this section refers to contributions since 1999.

<b>SOFT MONEY CONTRIBUTIONS TO PARTY COMMITTEES</b>									
<b>January 1, 1999 – September 9, 2002 (partial cycle)</b>									
	<b>DCCC</b>	<b>DSCC</b>	<b>DNC</b>	<b>NRCC</b>	<b>NRSC</b>	<b>RNC</b>	<b>Total Dems</b>	<b>Total Repubs</b>	<b>TOTAL</b>
Philip Morris	\$337,400	\$190,988	\$60,000	\$963,625	\$1,278,858	\$1,868,648	\$588,388	\$4,111,131	\$4,699,519
U.S. Smokeless Tobacco Co.	\$83,000	\$110,000	\$0	\$444,601	\$366,713	\$755,342	\$193,000	\$1,566,656	\$1,759,656
Brown and Williamson	\$32,500	\$0	\$0	\$169,950	\$221,100	\$345,494	\$32,500	\$736,544	\$769,044
RJ Reynolds	\$65,000	\$0	\$0	\$256,388	\$97,000	\$225,845	\$65,000	\$579,233	\$644,233
Lorillard	\$10,000	\$30,000	\$0	\$127,500	\$62,500	\$207,963	\$40,000	\$397,963	\$437,963
Vector	\$76,000	\$185,000	\$110,000	\$50,000	\$0	\$0	\$371,000	\$50,000	\$421,000
Swisher	\$100,500	\$0	\$0	\$50,350	\$50,000	\$30,250	\$100,500	\$130,600	\$231,100
Conwood Company	\$0	\$0	\$0	\$114,630	\$78,850	\$0	\$0	\$193,480	\$193,480
Cigar Association of America	\$0	\$0	\$0	\$54,000	\$25,000	\$16,150	\$0	\$95,150	\$95,150
Smokeless Tobacco Council	\$5,000	\$0	\$0	\$38,150	\$0	\$8,500	\$5,000	\$46,650	\$51,650
Universal Leaf	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000	\$20,000
American Wholesale Marketers	\$0	\$0	\$0	\$7,100	\$0	\$2,400	\$0	\$9,500	\$9,500
Pinkerton Tobacco Company	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$709,400</b>	<b>\$515,988</b>	<b>\$170,000</b>	<b>\$2,296,294</b>	<b>\$2,180,021</b>	<b>\$3,460,592</b>	<b>\$1,395,388</b>	<b>\$7,936,907</b>	<b>\$9,332,295</b>

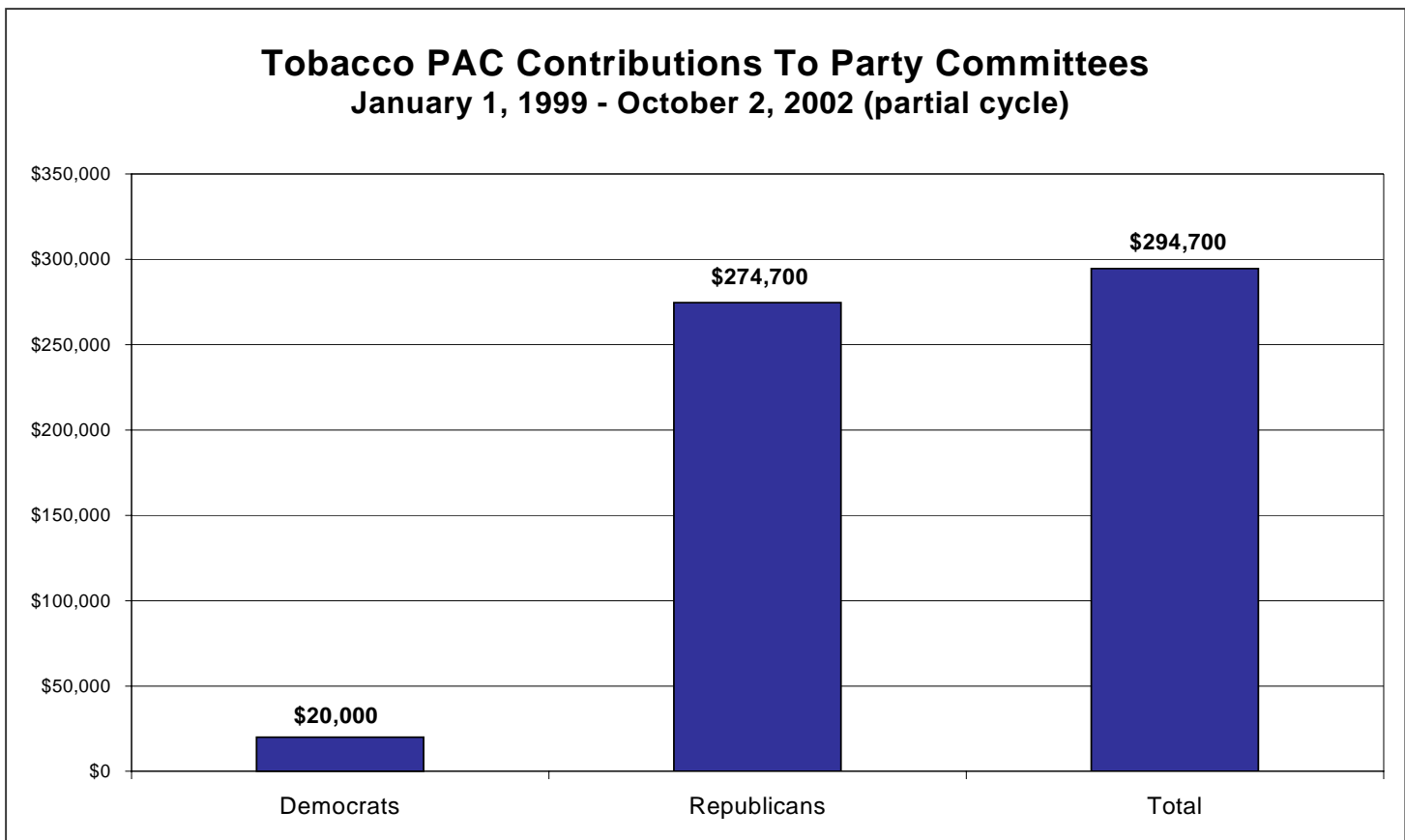
Totals include full data for the 1999-2000 cycle and partial data for the 2001-2002 election cycle (based on data released by the FEC on September 9, 2002).

Tobacco interests also donate a significant amount of hard dollars to the major party committees through PAC contributions. Tobacco PACs have donated \$115,700 to Republican party committees in the 2001-2002 election cycle (\$40,700 to the NRCC and \$75,000 to the NRSC). The tobacco company totals in the following table are from their political action committees only and do not include

personal contributions made by tobacco company executives and employees. As of October 2, 2002, there were no contributions from tobacco PACs to Democratic committees in the 2001-2002 election cycle.

<b>TOBACCO PAC CONTRIBUTIONS TO PARTY COMMITTEES</b>									
<b>January 1, 1999 – October 2, 2002 (partial cycle)</b>									
TOBACCO PAC	DNC	DCCC	DSCC	RNC	NRCC	NRSC	Total Dem	Total Repub	TOTAL
1. Philip Morris	\$0	\$7,500	\$7,500	\$0	\$25,000	\$40,000	\$15,000	\$65,000	\$80,000
2. RJ Reynolds	\$0	\$0	\$0	\$5,000	\$30,000	\$30,000	\$0	\$65,000	\$65,000
3. U.S. Smokeless Tobacco Co.	\$0	\$0	\$0	\$15,000	\$15,000	\$20,000	\$0	\$50,000	\$50,000
4. Brown & Williamson	\$0	\$0	\$5,000	\$15,000	\$2,000	\$15,000	\$5,000	\$32,000	\$37,000
5. American Wholesale Marketers Association	\$0	\$0	\$0	\$500	\$26,200	\$0	\$0	\$26,700	\$26,700
6. Universal Leaf	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000	\$15,000
7. Asworth Corporation	\$0	\$0	\$0	\$0	\$7,500	\$5,000	\$0	\$12,500	\$12,500
8. Lorillard	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$5,000	\$5,000
9. Dimon	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$2,000	\$2,000
10. Swisher	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$1,500
11. Cigar-PAC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12. Pinkerton Tobacco	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13. Smokeless Tobacco Council	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$7,500</b>	<b>\$12,500</b>	<b>\$50,500</b>	<b>\$109,200</b>	<b>\$115,000</b>	<b>\$20,000</b>	<b>\$274,700</b>	<b>\$294,700</b>

*Totals include full data for the 1999-2000 cycle and partial data for the 2001-2002 election cycle (based on data released by the FEC on October 2, 2002).*



## **Tobacco Money to Leadership PACs**

Members of Congress and other political leaders frequently establish PACs separate from their own re-election committees. While these PACs are designated as non-party committees by the FEC, members use these committees, commonly referred to as leadership PACs, to donate hard-money campaign contributions to other federal candidates.

For the purpose of this analysis, we define leadership PACs as those so identified by non-partisan organizations who track money in politics (such as the Center For Responsive Politics and Common Cause) or other public information sources (such as articles in Roll Call, National Journal, and other publications). These PACs may be affiliated with an individual Member of Congress or a group of members with a common agenda. Although a leadership PAC may be tied to a particular political party or chamber of Congress, these PACs can donate to any federal candidate or committee. Detailed information on tobacco PAC contributions to leadership PACs are not available for the election cycles prior to 1999. Therefore, this section refers to contributions since 1999.

Since 1999, tobacco company PACs have donated more than \$1.2 million to leadership PACs. The totals for the individual tobacco companies are from their political action committees only and do not include personal contributions made by tobacco company executives and employees. So far in the 2001-2002 election cycle, tobacco PACs have contributed \$587,432 to leadership PACs (\$82,000 to Democratic PACs and \$505,432 to Republican PACs).

<b>CONTRIBUTIONS TO LEADERSHIP PACS</b>			
<b>January 1, 1999 – October 2, 2002 (partial cycle)</b>			
TOBACCO PAC	Democratic	Republican	Total
1. U.S. Smokeless Tobacco Co.	\$71,000	\$250,500	\$321,500
2. RJ Reynolds	\$32,000	\$254,500	\$286,500
3. Philip Morris	\$28,500	\$245,000	\$273,500
4. Brown & Williamson	\$1,000	\$178,000	\$179,000
5. Swisher	\$21,000	\$70,000	\$91,000
6. Lorillard	\$3,500	\$9,000	\$12,500
7. Asworth Corporation	\$3,000	\$9,500	\$12,500
8. Cigar-PAC	\$500	\$10,300	\$10,800
9. American Wholesale Marketers	\$6,000	\$3,000	\$9,000
10. Universal Leaf Tobacco Company	\$0	\$6,000	\$6,000
11. Dimon	\$0	\$2,000	\$2,000
12. Smokeless Tobacco Council	\$0	\$491	\$491
13. Pinkerton Tobacco	\$0	\$182	\$182
<b>Total</b>	<b>\$166,500</b>	<b>\$1,038,473</b>	<b>\$1,204,973</b>
<i>Totals include full data for the 1999-2000 cycle and partial data for the 2001-2002 election cycle (based on data released by the FEC on October 2, 2002).</i>			

Tobacco companies have seized the opportunity presented by leadership PACs to solidify and extend their influence. For example, since 1999, tobacco interests have given \$67,500 to the New Republican Majority Fund of Senate Minority Leader Trent Lott (R-MS), \$77,000 to House Majority Whip Tom DeLay's (R-TX) Americans for a Republican Majority and \$99,500 to The Freedom Project, the leadership PAC of Representative John Boehner (R-OH), chair of the Education and Workforce Committee.

**Recipients of Tobacco PAC Contributions Among Congressional Leadership PACs  
January 1, 1999 – October 2, 2002 (partial cycle)**

THE FREEDOM PROJECT	JOHN BOEHNER	(R-OH)	\$99,500
REPUBLICAN MAJORITY FUND	DON NICKLES	(R-OK)	\$95,491
AMERICANS FOR A REPUBLICAN MAJORITY	TOM DELAY	(R-TX)	\$77,000
NEW REPUBLICAN MAJORITY FUND	TRENT LOTT	(R-MS)	\$67,500
COMMITTEE FOR THE PRESERVATION OF CAPITALISM	JIM MCCRERY	(R-LA)	\$66,750
MAJORITY LEADER'S FUND	DICK ARMEY	(R-TX)	\$62,500
BLUE DOG PAC	COLLIN PETERSON	(D-MN)	\$61,500
BAYOU LEADER PAC	BILLY TAUZIN	(R-LA)	\$59,182
BLUEGRASS COMMITTEE	MITCH McCONNELL	(R-KY)	\$52,000
NEXT CENTURY FUND	WALTER JONES	(R-NC)	\$48,500
AMERICAN SUCCESS PAC	DAVID DREIER	(R-CA)	\$43,000
RELY ON YOUR BELIEFS FUND	ROY BLUNT	(R-MO)	\$41,000
LEADERSHIP PAC 2002	MIKE OXLEY	(R-OH)	\$40,300
COMMON SENSE LEADERSHIP FUND	SAXBY CHAMBLISS	(R-GA)	\$39,500
AMERIPAC: THE FUND FOR A GREATER AMERICA	STENY HOYER	(D-MD)	\$36,000
FEDERAL VICTORY FUND	TOM DAVIS	(R-VA)	\$23,500
AMERICA'S FOUNDATION	RICK SANTORUM	(R-PA)	\$21,500
AMERICAN RENEWAL PAC (GROWPAC)	JC WATTS	(R-OK)	\$21,250
ALLIANCE FOR THE WEST	LARRY E. CRAIG	(R-ID)	\$17,500
LONE STAR FUND	MARTIN FROST	(D-TX)	\$16,000
FUND FOR A RESPONSIBLE FUTURE	FMR REP. THOMAS BLILEY	(R-VA)	\$14,000
AMERICA'S MAJORITY TRUST	ROB PORTMAN	(R-OH)	\$13,000
FUND FOR A FREE MARKET AMERICA	PHILIP CRANE	(R-IL)	\$12,500
SEARCHLIGHT LEADERSHIP FUND	HARRY REID	(D-NV)	\$10,500
21ST CENTURY MAJORITY FUND	JOHNNY ISAKSON	(R-GA)	\$10,000
TOGETHER FOR OUR MAJORITY	TOM REYNOLDS	(R-NY)	\$10,000
PROMOTING REPUBLICANS YOU CAN ELECT PROJECT	DEBORAH PRYCE	(R-OH)	\$9,500
FUTURE LEADERS PAC	JERRY LEWIS	(R-CA)	\$8,500
VISION FOR AMERICA PAC	FMR REP. TILLIE FOWLER	(R-FL)	\$8,500
LEADERSHIP 21	JOHN TANNER	(D-TN)	\$8,000
NATIONAL LEADERSHIP PAC	CHARLES B. RANGEL	(D-NY)	\$8,000
SANDHILLS PAC	CHUCK HAGEL	(R-NE)	\$8,000
CONGRESSIONAL MAJORITY COMMITTEE	BILL THOMAS	(R-CA)	\$7,000
SENATE VICTORY FUND PAC	THAD COCHRAN	(R-MS)	\$7,000
AMERICAN DREAM PAC	HENRY BONILLA	(R-TX)	\$6,250
- continued on next page -			

**Recipients of Tobacco PAC Contributions Among Congressional Leadership PACs  
January 1, 1999 – October 2, 2002 (partial cycle)**

- continued from previous page -

CITIZENS FOR A COMPETITIVE AMERICA	ERNEST HOLLINGS	(D-SC)	\$6,000
CAMPAC (CONTINUING A MAJORITY)	DAVE CAMP	(R-MI)	\$5,500
BATTLE BORN POLITICAL ACTION COMMITTEE	JOHN ENSIGN	(R-NV)	\$5,000
GUMBO PAC	CHRIS JOHN	(D-LA)	\$5,000
PIONEER PAC	DAVID HOBSON	(R-OH)	\$5,000
DEFEND AMERICA PAC	RICHARD SHELBY	(R-AL)	\$4,500
OHIO'S 17 STAR PAC	MIKE DEWINE	(R-OH)	\$3,500
CAT PAC	JOHN DOOLITTLE	(R-CA)	\$3,000
CONGRESSIONAL BLACK CAUCUS PAC	VARIOUS MEMBERS		\$2,500
FUND FOR A CONSERVATIVE FUTURE	JAMES INHOFE	(R-OK)	\$2,500
MIDNIGHT SUN PAC	DON YOUNG	(R-AK)	\$2,500
RESTORE AMERICA PAC	SAM BROWNBACK	(R-KS)	\$2,500
SALT PAC	CHIP SALTSMAN	(R PARTY CHAIR-TN)	\$2,500
VOLUNTEER PAC	BILL FRIST	(R-TN)	\$2,500
COMMITTEE FOR SOUTHWEST VIRGINIA	RICK BOUCHER	(D-VA)	\$2,000
FRIENDS OF THE BIG SKY	CONRAD BURNS	(R-MT)	\$2,000
GOOD GOVERNMENT FOR AMERICA	GEORGE ALLEN	(R-VA)	\$2,000
NEBRASKA LEADERSHIP PAC	BEN NELSON	(D-NE)	\$2,000
PEOPLE FOR ENTERPRISE, TRADE AND ECONOMIC GROWTH	PETE SESSIONS	(R-TX)	\$2,000
PASTOR'S PAC	ED PASTOR	(D-AZ)	\$1,500
VICTORY PAC	BILL YOUNG	(R-FL)	\$1,500
BUILDING OUR LEADERSHIP DIVERSITY PAC	JOE BACA	(D-CA)	\$1,000
HELP AMERICA'S LEADERS PAC	HAROLD ROGERS	(R-KY)	\$1,000
KEEP OUR MAJORITY PAC	DENNIS HASTERT	(R-IL)	\$1,000
KPAC	KAY BAILEY HUTCHISON	(R-TX)	\$1,000
MAINSTREAM AMERICA PAC	JOHN BREAUX	(D-LA)	\$1,000
NEW DEMOCRAT NETWORK	VARIOUS MEMBERS		\$1,000
RHODE ISLAND PAC	PATRICK KENNEDY	(D-RI)	\$1,000
SENATE MAJORITY FUND	JON KYL	(R-AZ)	\$1,000
VALUE IN ELECTING WOMEN PAC	DEBORAH PRYCE	(R-OH)	\$1,000
WASHINGTON FUND	JENNIFER DUNN	(R-WA)	\$250
TOTAL			\$1,204,973

*Totals include full data for the 1999-2000 cycle and partial data for the 2001-2002 election cycle (based on data released by the FEC on October 2, 2002).*

## **Tobacco Money to Other Non-Party Committees**

Detailed information on contributions to other non-party committees are not available for the election cycles prior to 1999. Since 1999, tobacco company PACs have donated \$145,350 to non-party committees that are not identified as leadership PACs. These non-party PACs can consist of industry committees or ideological committees.

<b>Recipients of PAC Money From Tobacco PACs Among Other Non-Party Committees January 1, 1999 – October 2, 2002 (partial cycle)</b>	
KRAFT FOODS NORTH AMERICA	\$61,500
STIMSON LANE LTD PAC	\$14,500
INTERNATIONAL ICE CREAM ASSN, MILK INDUSTRY FEDERATION AND NATIONAL CHEESE INSTITUTE	\$10,000
NATIONAL ASSOCIATION OF CONVENIENCE STORES PAC	\$8,350
EDUCATION AND TECHNOLOGY PAC	\$6,000
WELPAC	\$6,000
AMERICAN MEAT INSTITUTE PAC	\$5,000
GROCERY MANUFACTURERS OF AMERICA PAC	\$5,000
MILLER BREWING COMPANY	\$4,000
NATIONAL BUSINESS AVIATION ASSOCIATION	\$4,000
CONSERVATIVE NATIONAL COMMITTEE	\$3,000
PAC '96	\$2,500
SMOKELESS TOBACCO COUNCIL	\$2,500
TEXANS FOR EXCELLENCE IN GOVERNMENT	\$2,500
LEASE PAC	\$2,000
AMERICAN FROZEN FOOD INSTITUTE	\$1,000
CAMP & BARSH	\$1,000
RECORDING INDUSTRY ASSOC	\$1,000
TRUSTMARK INSURANCE COMPANY PAC	\$1,000
HAWKEYE PAC	\$1,000
NATIONAL CONFECTIONEERS ASSOCIATION	\$1,000
NATIONAL RESTAURANT ASSOCIATION PAC	\$1,000
TITANS FUND	\$1,000
HUDSON VALLEY VICTORY FUND	\$500
	<b>\$145,350</b>

More than half of tobacco PAC donations to other non-party committees are donations to affiliated organizations. Philip Morris's PAC transferred \$61,500 to the PAC operated by Kraft Foods and \$4,000 to the PAC operated by Miller Brewing Company (when it was a division of Philip Morris). U.S.

Smokeless Tobacco Company transferred \$14,500 to the Stimson Lane Ltd PAC, which it lists as an affiliated group. There is no limit on the amount of money that can be transferred between affiliated PACs.

PACs established by affiliates of tobacco companies (such as the Kraft PAC) provide tobacco companies with a way to direct more funds to each recipient candidate than they could if they had only their own PAC (because each PAC can contribute no more than \$5,000 to any single candidate per election). Such affiliated PACs also enable tobacco companies to provide contributions to candidates who do not want to be seen as accepting money directly from tobacco company PACs. The close relationships between these affiliated company PACs and the tobacco company PACs -- and their use to re-direct tobacco company funds -- is further revealed when the tobacco company PAC makes direct contributions to the affiliated PAC (such as the \$61,500 in contributions made by the Philip Morris PAC to the Kraft PAC since 1999).

Since 1999, Philip Morris's contributions to other non-party committees total \$107,500. Other tobacco companies have contributed to non-party committees as well. Since 1999, U.S. Smokeless Tobacco Company has contributed \$21,500, Brown & Williamson contributed \$8,000, and R.J. Reynolds has contributed \$5,500 to other non-party committees.

### **Tobacco Industry Contributions to 527 Groups**

"527 groups" are named after Section 527 of the Internal Revenue Code that covers political organizations. Sometimes referred to as "stealth PACs," 527s are political committees formed for the purpose of influencing elections, but do not support or oppose specific candidates.

While members of Congress may only raise limited amounts of hard money for their own campaign committees or leadership PACs, they can raise *unlimited soft money* from individuals, corporations and unions if they set up a 527 group.

The non-profit consumer group Public Citizen released a major study of 527 groups, analyzing the contributions and expenditures of the 25 leading federal politician 527s and non-politician 527s known to exist. According to Public Citizen, "politician 527s" generally serve as soft money arms to leadership PACs and "non-politician 527s" promote issues or partisan orientations.

The full report is available on the Public Citizen website at <http://www.citizen.org/>. Among the report's findings:

- "In the one-year period from July 1, 2000 to June 30, 2001, the top 25 politician 527s collected more than \$15.1 million in contributions. (More recent reports are not completely available from the IRS.) This suggests that the top 25 politician 527 groups would collect approximately \$30 million in a two-year election cycle."
- "The majority of contributions to the top 25 from July 1, 2000 to June 30, 2001 came from 27 major industries (including individuals, such as executives, associated with these major industries) which gave at least \$100,000." The tobacco industry was among the top contributors, donating \$341,286 to the top 25 politician 527s in a one-year period.
- Two tobacco companies – Philip Morris (\$153,547) and U.S. Tobacco (\$106,500) were among the top 10 corporate contributors to politician 527s.
- In one of three "corporate influence studies," Public Citizen examined tobacco industry contributions to Rep. Tom DeLay's 527 group. His group garnered \$131,500 from tobacco interests between July 1, 2000 and June 30, 2001 (amounting to one-fifth of the group's entire

receipts). The report states that in October 2001, Delay helped add a provision into the Financial Anti-Terrorism Act at the last minute that would shield tobacco companies from pending foreign lawsuits regarding their alleged non-payment of taxes. Although the House passed the bill, the Senate stripped the tobacco provision from the final legislation.

A supplemental report issued by Public Citizen in June 2002 stated that the tobacco industry was among the top contributors to 527 groups in the first quarter of the year (January 1, 2002 to March 31, 2002). The report noted that Rep. DeLay's 527 group (ARMPAC) garnered an additional \$75,000 from tobacco interests (\$50,000 from Philip Morris and \$25,000 from U.S. Tobacco).

### **Cigarette Company Lobbying**

In addition to their campaign contributions, the cigarette companies spend millions of dollars to lobby and influence members of the U.S. Congress. According to the most recently available figures, the major cigarette companies spend, on average, \$106,415 each legislative day on professional lobbying firms and in-house lobbyists.

<b>Cigarette Company Lobbying Expenditures January 1, 1999 - June 30, 2001</b>				
<b>CIGARETTE COMPANY</b>	<b>1999</b>	<b>2000</b>	<b>2001*</b>	<b>Total</b>
1. Philip Morris	\$14,700,000	\$11,200,000	\$5,700,000*	\$31,600,000
2. Brown & Williamson	\$2,300,000	\$2,500,000	\$820,000*	\$5,620,000
3. RJ Reynolds	\$1,500,000	\$1,400,000	\$650,000*	\$3,550,000
4. Lorillard	\$1,100,000	\$1,400,000	\$1,000,000*	\$3,500,000
<b>TOTAL</b>	<b>\$19,601,999</b>	<b>\$16,502,000</b>	<b>\$8,170,000*</b>	<b>\$44,270,000</b>
<p><i>*The most recent lobbying figures available for 2001 are incomplete, partial-year expenditures (as of June 30, 2001). Source: Figures from U.S House and Senate lobbying reports, as detailed in the Richmond Times – Dispatch October 23, 2001.</i></p>				

The lobbying expenditures do not include expenses associated with creating and supporting grassroots lobbying efforts. To further support their direct lobbying efforts, the cigarette companies often work to get individual smokers or the owners or employees of tobacco-related businesses to contact their elected representatives in support of tobacco company positions.<sup>1</sup> Internal industry documents revealed in the state tobacco lawsuits show that as early as 1986 Philip Morris alone had a database of nearly three million smokers which it would use to generate letters and phone calls to members of Congress, governors, or other elected officials.<sup>2</sup>

<sup>1</sup> Mitchell, Alison, "The Influence Industry: A New Form of Lobbying Puts Public Face on Private Interest," *New York Times* (September 30, 1998).

<sup>2</sup> Nelson, Jack, Philip Morris USA Interoffice Memorandum to Guy L. Smith (April 15, 1986), PM document 2025858760, [www.pmdocs.com](http://www.pmdocs.com).

## **Tobacco Money and Tobacco Votes**

Several past congressional votes reveal a clear relationship between tobacco money and tobacco votes:

- In June 2000, the U.S. House of Representatives voted twice on whether to fund the U.S. Department of Justice lawsuit against the tobacco companies. On the first vote (June 19), the 207 House Members who voted to block funding for the lawsuit had taken, on average, five times as much tobacco PAC money in the previous two election cycles as the 197 who voted to continue funding (\$9,712 vs. \$1,750). On a subsequent vote (June 23), the 183 Members who voted to cut off funding had taken, on average, nearly seven times as much tobacco PAC money in the previous two cycles as the 215 Members who supported funding for the lawsuit (\$10,715 vs. \$1,539).
- The tobacco industry's biggest victory over public health policy was the June 1998 defeat in the U.S. Senate of comprehensive tobacco legislation sponsored by Senator John McCain (R-AZ). The bill was defeated by filibuster on June 17, 1998, three votes shy of the 60 votes necessary to end the filibuster. The 42 senators who voted to kill the McCain bill received, on average, nearly four times as much money from the tobacco industry in the two years before their last election as the 57 senators who supported the bill (\$17,902 vs. \$4,810, with one senator not voting).
- In 1997, the House and Senate voted on funding for enforcement of the FDA's initiative to prevent illegal tobacco sales to minors. In the Senate (September 3), the 28 senators who voted against funding for compliance checks received, on average, more than two and a half times the tobacco PAC contributions in the two years before their last election as the 70 senators who supported the funding (\$17,651 vs. \$6,840). In the House (July 24), the 248 Members voting against the funding had taken, on average, nearly five times as much tobacco PAC money in the previous cycle as the 177 Members who voted to fund the compliance checks (\$5,636 vs. \$1,142).

There have been no significant votes on tobacco policy since the July quarterly report. There is legislation pending in Congress to grant the U.S. Food and Drug Administration (FDA) authority to regulate tobacco products, including weak bills supported by Philip Morris, the nation's largest tobacco company, and opposed by every major public health organization.

In the Senate, the main sponsor of the weak FDA bill (S. 190) is Senator Bill Frist (R-TN). While Sen. Frist has not accepted any tobacco PAC contributions for his re-election campaign, the Republican National Senatorial Committee, which Senator Frist has chaired since 2000, has accepted more than \$2.2 million dollars (hard and soft money contributions) from the tobacco industry since 1999. In the House, the main sponsor of the bill supported by Philip Morris is Rep. Tom Davis (R-VA) (H.R. 2180). Since 1999, Rep. Davis has accepted more than \$14,000 in tobacco PAC contributions for his re-election campaign. More importantly, as the chair of the National Republican Congressional Committee, Davis helped raise more than \$2.4 million dollars (hard and soft money contributions) from the tobacco industry since 1999.

There are currently 17 members of the House who have sponsored H.R. 2180, the weak FDA regulation bill supported by Philip Morris and introduced by Rep. Davis (R-VA). Public health groups support H.R. 1097, a bill introduced by Reps. Greg Ganske (R-IA), John Dingell (D-MI) and Henry Waxman (D-CA) that would grant the FDA meaningful, effective authority to regulate tobacco products.

Altogether, the 17 representatives who are sponsoring the Davis bill have received \$202,025 in tobacco campaign contributions since 1999, including \$129,000 from Philip Morris. Since 1999, the same 17 received, on average, 19 times as much money from the tobacco industry as the 126

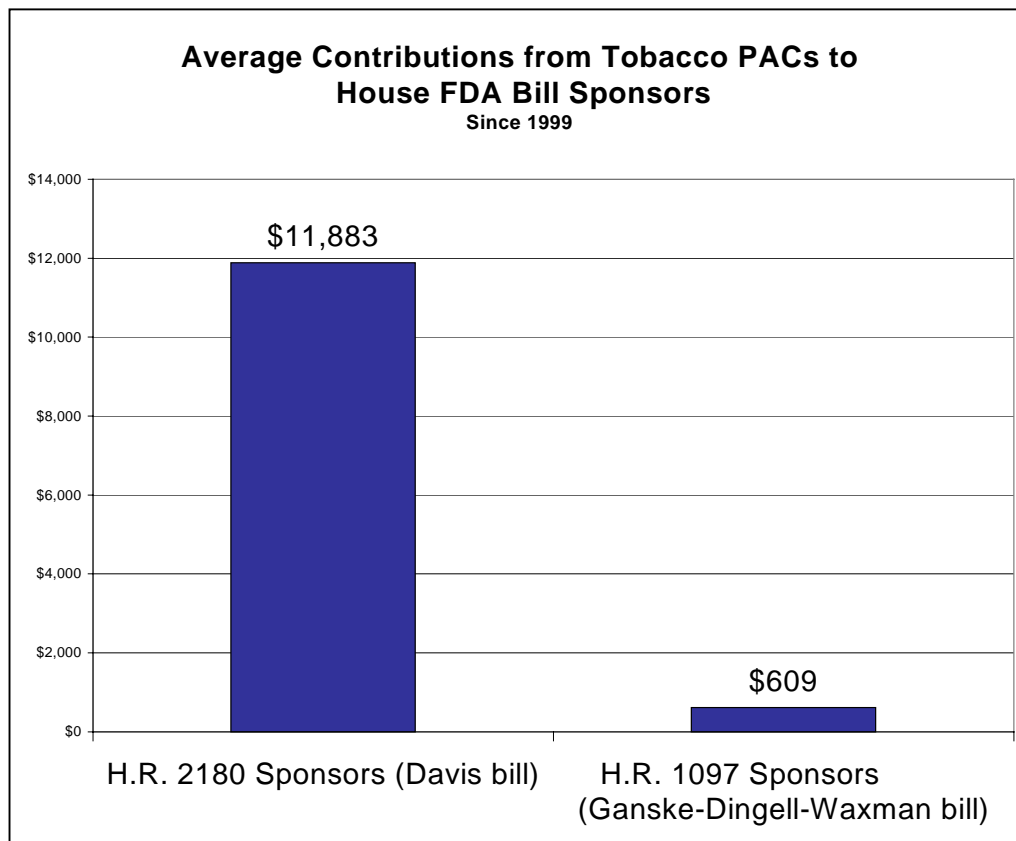
representatives who are sponsoring the bill supported by the public health community (\$11,883 vs. \$609).

The three senators who are sponsoring the Frist bill have received an average of \$1,000 in tobacco industry contributions since 1997. The 20 senators who are sponsoring the stronger Kennedy-Dewine have received an average of \$150 in campaign contributions from the tobacco industry in that same time period.

Congress is also working on legislation that would establish fire-resistant standards in cigarettes that would prevent many cigarette related fires and protect smokers and their families. H.R. 4607 introduced by Rep. Ed Markey (D-MA) and Rep. James Hansen (R-UT) and the companion bill in the Senate, S. 2317 introduced by Sen. Richard Durbin (D-IL) and Sen. Sam Brownback (R-KS) are being supported by the public health community. This legislation is known as the Joe Moakley Memorial Bill in memory of the late Rep. Moakley who fought for this legislation ever since a family in his district perished in a cigarette-caused fire in their home.

While Philip Morris has paid lip service to supporting this legislation, they have now asked their allies to introduce weak legislation in the House, H.R. 4981 and H.R. 5059, that would preempt New York from implementing strong standards for fire safe cigarettes as it is scheduled to do in January 2003. H.R. 4981 and H.R. 5059, introduced by Rep. Cliff Stearns (R-FL) and Rep. Edolphus Towns (D-NY), would preempt a New York law that is scheduled to go into effect next year, prevent future actions by other states and includes other unacceptable provisions.

Altogether, the 14 sponsors of the Stearns and Towns legislation have received \$211,524 in tobacco campaign contributions since 1999. Therefore, the 14 sponsors received, on average, 162 times as much money from the tobacco industry as the 16 representatives who are sponsoring the Markey – Hansen bill supported by the public health community (\$15,108 vs. \$93).



## **Additional Resources**

- The Federal Election Commission (FEC) (<http://www.fec.gov>). The FEC is the official source of federal campaign finance data. Information on donations to and from candidate committees, official corporate political action committees (PACs), individual donations, soft money contributions, and political party committees is available through the FEC web site and the Washington DC office. Some state level data is available through the FEC at <http://www.fec.gov/pubrec/cfsdd.htm>. The combined federal/state disclosure and election directory identifies organizations and individuals at the state and national level who have a responsibility to disclose information on money in politics.
- Common Cause (<http://www.commoncause.org>) is an independent non-profit advocacy organization that focuses on campaign finance reform. Congressional member profiles with PAC contributions and soft money donations searchable by party, donor, and industry among other data are available from Common Cause. Common Cause also provides select information on state level campaign finance issues. For example, in October 2002, the Common Cause Education Fund released a report detailing the campaign contributions and lobbying expenditures of the tobacco industry and its allies. The report states that the tobacco companies and their industry trade groups have given \$5 million to California legislators since the beginning of the 1997-1998 election cycle (through June 30, 2002). The full report is available at <http://www.commoncause.org/states/california/>.
- The Center for Responsive Politics (<http://www.opensecrets.org>) is a non-partisan, non-profit research group that tracks money in politics and its effect on elections and public policy. This web page includes most of the data available at the FEC but in a more user friendly format. Searches can be done by industry (<http://www.opensecrets.org/industries/index.asp>), candidate, contributor, soft money, and political party. The Center for Responsive Politics also does industry and donor ranks. Select state level and lobbying information is also available.
- The Campaign for Tobacco Free Kids / Common Cause / American Heart Association / American Lung Association March 2001 report "Buying Influence - Selling Death Report" explains how the tobacco industry's campaign contributions harm public health policies. (<http://tobaccofreekids.org/reports/influence/>).
- Public Citizen (<http://www.citizen.org>) has a variety of tobacco-related information available through its internal search engine. Available information includes lobbying statistics as well as background information on campaign finance reform.
- Campaign Finance Information Center ([www.campaignfinance.org](http://www.campaignfinance.org)) provides a searchable database and links to state level campaign finance information. The Center has information on most states and some federal data is available.
- The University of California - San Francisco web site contains state reports on tobacco industry political activity, (<http://www.library.ucsf.edu/tobacco/state.html>) that provide an in-depth look at the tobacco industry's political activities and the influence on state level policies.
- National Institute on Money in State Politics (<http://www.followthemoney.org/>) is another database of state level campaign finance data. States are searchable by candidate or contributor.
- Americans4Reform ([www.americans4reform.com](http://www.americans4reform.com)) is a bipartisan coalition of organizations working for passage of meaningful campaign finance reform.