



Congressional Ethics and Lobbying Bill Should Include Amendment to Disclose Lobbyist Bundling

Proposed amendments currently being debated on the Senate floor would require lobbyists to report bundling of campaign contributions as part of filings under the Lobbying Disclosure Act, and would be a significant step for the Congress in reducing the undue influence of lobbyists in Washington.

“Bundling” is the practice of pooling a large number of contributions from political action committees (PACs) and individuals to maximize a contributor’s political influence. Bundling often means that a person delivering “earmarked” contributions to a candidate is duly recognized as the source of those contributions.

Industry’s participation in lobbyist bundling is often quite calculating: one lobbyist for the Westar Corporation delivered a bundled contribution to an earmarked Republican congressman as part of the company’s strategy to buy favorable legislation.¹

According to Federal Election Commission (FEC) regulations, when a corporate executive or a lobbyist physically touches a bundled contribution and delivers the check to a campaign, the bundler, as well as the original contributor, must be disclosed in campaign reports to the FEC. But if a bundler does not physically touch a check, she or he need not be disclosed as the pass-through source of the contribution.² For this reason, modern campaigns often assign bundlers a tracking number to avoid public disclosure.

Public Citizen Research Shows Lobbyist Bundling Is Rampant

- Of the 132 lobbyists who gave at least \$100,000 to members of Congress between 1998 and 2005, nine were designated as “Rangers” or “Pioneers” by George W. Bush in his 2004 presidential campaign, signifying that they raised at least \$100,000 for Bush by soliciting contributions from others. Three of these raised at least \$100,000 for Bush in 2000, as well. These lobbyists also personally gave \$1.7 million to members of Congress between 1988 and 2005.³

¹ For more on the Westar scandal, go to http://www.citizen.org/cmep/energy_enviro_nuclear/electricity/energybill/westar/.

² See Bundling Contributions for Favors, available at <http://www.whitehouseforsale.org/contributorsandpaybacks/>.

³ See The Bankrollers, available at <http://www.citizen.org/document/BankrollersFinal.pdf>

- Sen. John Kerry (D-Mass.) mirrored Bush’s technique of bestowing an honorary title upon fundraisers for his 2004 presidential campaign. Kerry raised \$248 million in the primaries, breaking all previous records for a Democrat. Nearly 17 percent of that – at least \$41.5 million – came from 564 bundlers – although this number is likely closer to 21 percent.⁴ Of lobbyists who have personally contributed at least \$100,000 to members of Congress since 1998, three earned “Vice Chair” status by raising at least \$100,000 in bundled contributions for Kerry’s presidential bid.
- Bush and Kerry were permitted to accept only \$2,000 per person in the 2004 presidential campaign. Yet 12 lobbyists were able to raise at least \$100,000 each for Bush or Kerry in 2004, and four were able to organize donations of at least \$200,000 into Bush’s coffers – more than 100 times as much as they were permitted to contribute personally.⁵
- Former Freddie Mac lobbyist Mitchell Delk contributed \$41,950 to members of Congress from 1998 through 2006, ranking him No. 454 among lobbyist-contributors. But in an April 2006 news report on Freddie Mac’s record FEC fines cited a document in which Delk claimed he organized more than 75 events for House Financial Services Committee members from 2000-2003. Delk claimed the events raised nearly \$3 million in bundled contributions.
- Disgraced lobbyist Jack Abramoff contributed \$180,503 to members of Congress from 1998 through 2006. That’s a healthy sum that places him 30th among lobbyist-contributors. But it’s hardly a measure of his true influence. Abramoff’s personal contributions were merely 7 percent of the \$2.6 million that he and his clients funneled to members of Congress and congressional candidates between 1997 and the end of 2004, according to an analysis by CRP of their bundling activity.
- In 1996, the lobbyist couple Denny and Sandra Miller hosted a pair of fundraisers for Sen. Ted Stevens (R-Alaska). The total the Millers could have contributed under campaign finance law at the time was \$4,000, but the fundraisers garnered \$160,000 for Stevens.

The Bottom Line

Lobbyists who aggrandize their influence by bundling often expect specialized access to lawmakers in return, distorting the democratic process and producing policies tailored more to special interests than the public interest.

We urge Senators to SUPPORT amendments to disclose lobbyist bundling.

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⁴ *Id.*

⁵ *Id.*