

Trevor Potter Quoted in The Washington Post: More Shareholders Call On Companies to Disclose Their Political Spending

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Excerpt taken from the article.

One of the most polarizing fights over money in politics has been unfolding this spring at annual corporate meetings, where shareholders are mounting an intensifying effort to push companies to disclose the money they spend on lobbying and political campaigns.

The transparency push, playing out at shareholders meetings from coast to coast this spring, has received cheers from campaign finance reformers and some corporate governance experts. It has drawn ridicule from critics such as the U.S. Chamber of Commerce, who see the effort as an attempt by liberal groups to squelch the voice of the business world.

"This is all about intimidation," Tom Donohue, longtime president of the Chamber, told reporters during a breakfast event Monday.

He noted that some proposals ask companies to stop spending on politics altogether.

"That's the dumbest thing I have ever heard," said Donohue, whose business-funded organization plans to spend a record \$50 million on political campaigns this year.

For years, socially active shareholder groups -- a universe that includes public pension funds, unions and religious environmental groups -- have pushed companies to disclose details about their political spending. But the number of those proposals and support for them among established institutional investors have been on the rise.

The Sustainable Investments Institute, a Washington nonprofit that tracks shareholder resolutions, found that 109 -- nearly a third of those up for votes at annual meetings in 2012 -- sought more disclosures about spending on politics and lobbying.

The disclosure debate has taken on new urgency in an election year marked by anxiety over the economy and angst about the bigger role that wealthy individuals and special interests now play in political campaigns.

"We really have no idea how much is being spent and where it's being spent," said Nell Minow, a longtime corporate governance consultant who supports the push for transparency. "This is the defining issue of our time -- the way that money and politics combine. If we don't want the United States government to become a wholly owned subsidiary of corporate America, we need to do something about it."

At the heart of the ongoing fight over increased disclosure lies the growing world of third-party groups that are not required to disclose their donors. For years, such groups have given cover to liberals and conservatives, allowing them to fight battles over issues such as abortion rights and cutting taxes in virtual anonymity.

Lifting the veil on that secret spending could endanger their business model.

None of the shareholder provisions aimed at increased disclosure have succeeded this year, though some have received votes exceeding 35 percent, a high number compared with most shareholder resolutions. But passing the measures is not necessarily the point, advocates say. The main goal is to pressure companies to increase their disclosures, especially with the lack of action on Capital Hill and within federal agencies.

"The ball has been tossed into the laps of shareholders and corporations," said Trevor Potter, a former chairman of the Federal Election Commission who advised Sen. John McCain (R-Ariz.) on campaign finance and other issues during his presidential bid.

To read the rest of the article on companies and their disclosure of political spending, [click here](#).

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