



Campaign Contributions By Tobacco Interests Quarterly Report: January 2004

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

Quarterly Highlights

- In the first year of the 2003-2004 election cycle¹, the tobacco industry has given more than \$1.3 million in PAC contributions to federal candidates, political parties and other political action committees. Since 1997, tobacco interests have given more than \$27 million in political donations to federal candidates, national parties and non-party political action committees.
- In the 2003-2004 election cycle to date, tobacco company PACs have donated more than \$760,000 directly to federal candidates.² Overall, 71 percent of the tobacco PAC contributions went to Republican candidates. In the 2001-2002 election cycle, these PACs donated \$2.4 million directly to federal candidates, with 77 percent (\$1.8 million) of the total donations going to Republican candidates.
- Tobacco PACs have donated more than \$620,000 to non-candidate committees so far in the 2003-2004 election cycle. In the 2001-2002 election cycle, tobacco PACs donated more than \$980,000 to non-candidate committees, including Democratic and Republican party committees and leadership PACs established by individual members of Congress.
- According to the most recent figures compiled by Common Cause, the tobacco industry spent \$10.6 million on professional lobbying firms and in-house lobbyists in the first six months of 2003. That amounts to more than \$116,000 for every day Congress was in session. In 2002, the tobacco industry spent more than \$20.9 million on professional lobbying firms and in-house lobbyists.

¹ This report includes figures based on full-cycle data from the 2001-2002 election cycle and the two previous election cycles. Contributions listed in this report for the 2003-2004 cycle are based on incomplete, partial-cycle data released by the Federal Election Commission on January 13, 2004.

² The amount includes \$12,000 from tobacco PACs to President Bush's reelection campaign, but does not include any contributions by executives or employees of tobacco companies. Although Edward D. Kratovil, Vice President of UST, is listed as one of the Bush-Cheney "Pioneers" (a group of individuals who have raised a minimum of \$100,000 for the Bush 2004 reelection effort), those contributions are not included in this report.

- Tobacco companies contributed more than \$3.6 million to “527 groups” since August 2000. Sometimes referred to as “stealth PACs,” 527s are political committees formed for the purpose of influencing elections, but cannot directly contribute to federal candidates or use words that expressly advocate someone’s election or defeat.
- The tobacco industry has continued to stymie efforts to pass meaningful Food and Drug Administration (FDA) regulation of tobacco products and their marketing. There has been a significant amount of discussion in recent months regarding legislation to grant the FDA authority to regulate tobacco products and negotiations continue, but legislation has not moved through the House or Senate.

Lawmakers also considered FDA regulation in the last Congress. Legislation was introduced in the 107th Congress to grant 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. Between 1999 and 2002, the sponsors of the House bill supported by Philip Morris received, on average, 20 times as much money from the tobacco industry as the sponsors of the House bill supported by the public health community (average of \$12,707 vs. \$613 per sponsor).

All campaign contributions cited in this report are based on data released by the Federal Election Commission (FEC) on January 13, 2004. This report contains the final numbers for the 2001-2002 election cycle as well as the first contributions during the 2003-2004 election cycle. The Campaign for Tobacco-Free Kids Action Fund and Common Cause will issue the next quarterly report on campaign contributions by tobacco interests in April 2004.

Report Contents

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.** The Bipartisan Campaign Reform Act of 2002 (effective November 6, 2002) prohibits national political parties and federal candidates and officeholders from raising “soft money” – unlimited donations that corporations, labor unions and individuals made to political parties prior to implementation of the campaign finance reform law. Corporations such as tobacco companies made these soft money contributions directly from their corporate treasuries. *On December 10, 2003, the U.S. Supreme Court upheld nearly all elements of the Bipartisan Campaign Reform Act, including the ban on soft money fundraising by national parties, federal candidates and federal officeholders.* This report details past soft money donations, including donations to the major party committees as well as

contributions to committees affiliated with the major parties, such as dinner committees and other fundraising committees.

- **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, pending tobacco legislation, and recent congressional votes.

Reforms under the Bipartisan Campaign Reform Act of 2002 (the McCain-Feingold/Shays-Meehan bill) took effect on November 6, 2002. The Bipartisan Campaign Reform Act prohibits national political parties and federal candidates and officeholders from raising soft money, prohibits the use of corporate and union treasury 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 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 \$27 million in political donations to federal candidates, national parties and non-party political action committees. Republican candidates and committees have received 80 percent of the tobacco industry's contributions (\$21.9 million), and Democratic candidates and committees have received 19 percent of the industry's contributions (\$5 million).

The overall total includes \$7.8 million in PAC money to federal candidates and \$16.8 million in soft money donations to political parties. Tobacco company PACs have also donated \$2.5 million to non-candidate committees since 1999, including party committees, leadership PACs and other non-party committees.

CONTRIBUTIONS FROM TOBACCO INTERESTS								
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	\$644,171	\$1,680,683	869,677	4,595,641	--	--	--	\$7,790,172
1999-2000	\$631,988	\$1,733,801	623,522	4,750,893	\$99,850	\$723,041	\$128,850	\$8,691,945
2001-2002	\$551,310	\$1,857,094	1,220,060	4,813,166	\$110,500	\$745,432	\$127,050	\$9,424,612
2003-2004*	\$220,500	\$544,000	N/A	N/A	\$115,500	\$466,499	\$41,970	\$1,388,469
Total	\$2,047,969	\$5,815,578	\$2,713,259	\$14,159,700	\$325,850	\$1,934,972	\$297,870	\$27,295,198

****All of the figures for the 2003-2004 election cycle are based on incomplete, partial-cycle data released by the FEC on January 13, 2004.***

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 \$23,250 since 1997. 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 Common Cause based on contributions from January 1, 1997 to December 31, 2002.

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 readily available.

TOTAL TOBACCO INDUSTRY CONTRIBUTIONS
January 1, 1997 – January 13, 2004 (partial cycle)

Tobacco Company	PAC Contributions to Federal Candidates	Soft Money to Parties	PAC Contributions to Non-Candidate Committees	Total
1. Altria/Philip Morris	\$2,832,690	\$7,541,419	\$873,850	\$11,247,959
2. RJ Reynolds	\$1,910,500	\$1,997,561	\$515,500	\$4,423,561
3. U.S. Smokeless Tobacco Co.	\$1,181,600	\$2,369,274	\$594,549	\$4,145,423
4. Brown & Williamson	\$1,008,695	\$1,560,654	\$322,500	\$2,891,849
5. Lorillard	\$263,150	\$705,243	\$51,500	\$1,019,893
6. Swisher	\$137,000	\$424,875	\$119,000	\$680,875
7. Vector Group Ltd***	\$0	\$667,090	\$0	\$667,090
8. Tobacco Institute**	\$75,000	\$474,940	\$0	\$549,940
9. Conwood Co./Asworth	\$134,955	\$338,802	\$26,350	\$500,107
10. Smokeless Tobacco Council	\$12,878	\$285,950	\$491	\$299,319
11. Universal Leaf Tobacco Co.	\$44,300	\$110,000	\$28,000	\$182,300
12. Cigar PAC/Cigar Assn. of America	\$66,034	\$96,150	\$17,300	\$179,484
13. Pinkerton Tobacco	\$146,495	\$0	\$5,652	\$152,147
14. Imperial Trading Co Inc***	\$0	\$99,817	\$0	\$99,817
15. General Cigar Holdings Inc***	\$0	\$90,000	\$0	\$90,000
16. Dimon	\$55,500	\$0	\$4,000	\$59,500
17. Dosal Tobacco Corp***	\$0	\$26,180	\$0	\$26,180
18. NTI Inc***	\$0	\$25,000	\$0	\$25,000
19. S&M Brands Inc***	\$0	\$19,004	\$0	\$19,004
20. Standard Commercial Tobacco Co.	\$18,000	\$0	\$0	\$18,000
21. Swedish Match North America Inc***	\$0	\$16,000	\$0	\$16,000
22. Roco Tobacco USA Inc***	\$0	\$15,000	\$0	\$15,000
23. Premier Marketing Inc***	\$0	\$10,000	\$0	\$10,000
TOTAL	\$7,886,797	\$16,872,959	\$2,558,692	\$27,318,448

***All of the figures for the 2003-2004 election cycle are based on incomplete, partial-cycle data released by the FEC on January 13, 2004.**

** Disbanded as a result of the 1998 Master Settlement Agreement.

*** Company has not established a Political Action Committee (PAC).

PAC Contributions to Federal Candidates include contributions to Democratic, Republican and independent candidates for federal office. Totals are based on contributions from January 1, 1997 to January 13, 2004.

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 Common Cause based on contributions from January 1, 1997 to December 31, 2002.

PAC Contributions to Non-Candidate Committees include donations to leadership PACs, party committees and non-party committees. Totals are based on contributions from January 1, 1999 to January 13, 2004.

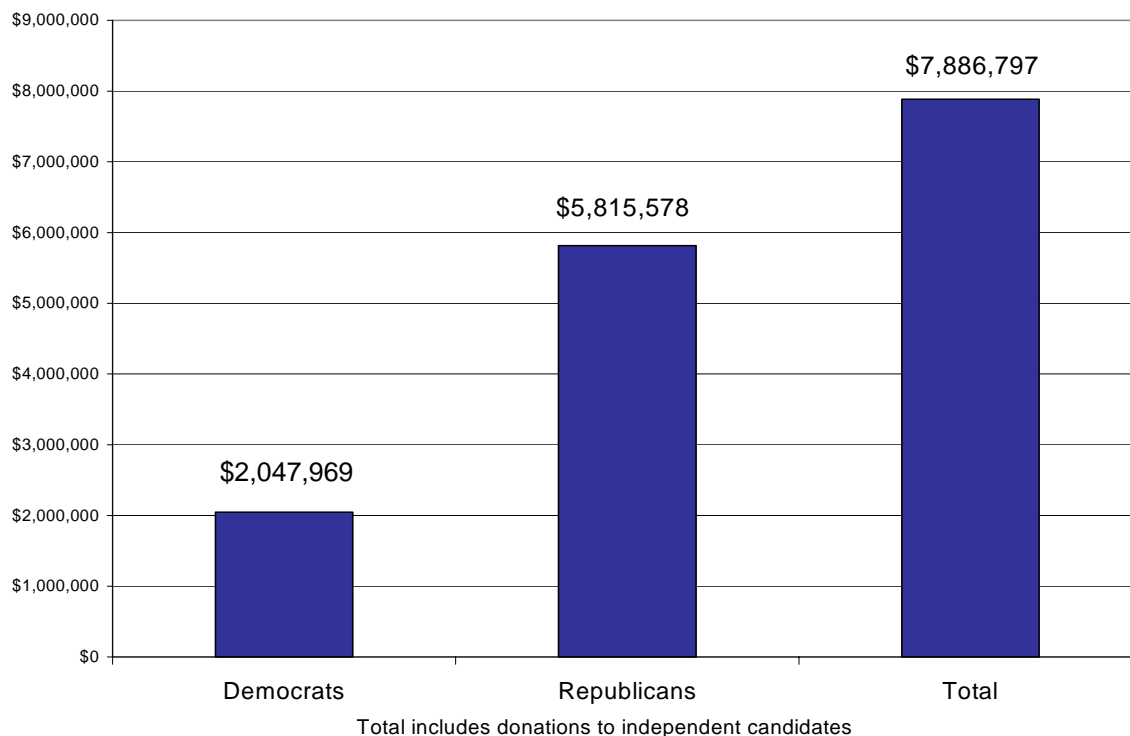
Tobacco PAC Money to Federal Candidates

Since 1997, the PACs established by tobacco companies have contributed more than \$7.8 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. So far in the 2003-2004 election cycle, these PACs have contributed \$764,500 to federal candidates, and Republican candidates have received 71 percent of the total contributions. In the 2001-2002 election cycle, these PACs contributed \$2,408,404 to federal candidates, with Republican candidates receiving \$1,857,094 and Democratic candidates receiving \$551,310.

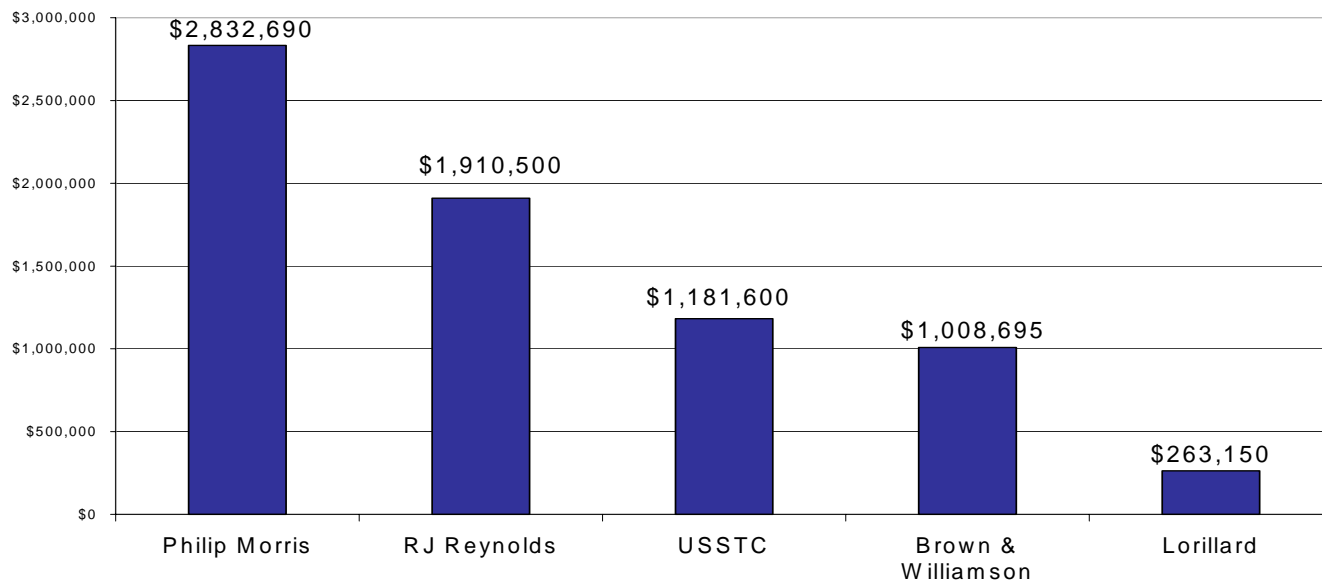
A detailed list of tobacco PAC contributions to all current members of Congress is available in Appendix A of this report. A list of tobacco PAC contributions to defeated challengers for federal office and former members of Congress who received tobacco industry contributions in the 2003-2004 election cycle is available in Appendix B of this report.

TOP TOBACCO PAC CONTRIBUTIONS TO FEDERAL CANDIDATES					
January 1, 1997 – January 13, 2004 (partial cycle)					
Tobacco PAC	2003-2004*	2001-2002	1999-2000	1997-1998	PAC Total
1. Philip Morris	\$274,500	\$896,500	\$867,157	\$794,533	\$2,832,690
2. RJ Reynolds	\$237,000	\$624,750	\$521,750	\$527,000	\$1,910,500
3. U.S. Smokeless Tobacco Co.	\$124,500	\$357,000	\$352,750	\$347,350	\$1,181,600
4. Brown & Williamson	\$53,000	\$242,324	\$362,550	\$350,821	\$1,008,695
5. Lorillard	\$27,500	\$92,100	\$83,050	\$60,500	\$263,150
6. Pinkerton Tobacco	\$9,000	\$40,495	\$48,750	\$48,250	\$146,495
7. Swisher	\$11,000	\$48,000	\$44,000	\$34,000	\$137,000
8. Conwood Co./Asworth	\$2,500	\$55,000	\$45,955	\$31,500	\$134,955
9. Tobacco Institute**	-----	-----	-----	\$75,000	\$75,000
10. Cigar PAC	\$14,000	\$16,860	\$19,974	\$15,200	\$66,034
11. Dimon	\$2,000	\$14,000	\$23,500	\$16,000	\$55,500
12. Universal Leaf Tobacco Co.	\$8,500	\$15,000	\$11,800	\$9,000	\$44,300
13. Standard Commercial Tobacco Co.	\$1,000	\$6,000	\$5,000	\$6,000	\$18,000
14. Smokeless Tobacco Council	\$0	\$375	\$1,803	\$10,700	\$12,878
TOTAL	\$764,500	\$2,408,404	\$2,388,039	\$2,325,854	\$7,886,797
*All of the figures for the 2003-2004 election cycle are based on incomplete, partial-cycle data released by the FEC January 13, 2004. Figures for the 2001-2002 election cycle are full-cycle data. Table includes total contributions to Democratic, Republican, and independent federal candidates.					
** Disbanded as a result of the 1998 Master Settlement Agreement.					

Tobacco PAC Contributions to Federal Candidates January 1, 1997 - January 13, 2004



Tobacco PAC Contributions to Federal Candidates January 1, 1997 - January 13, 2004



Tobacco Soft Money Totals

The Bipartisan Campaign Reform Act of 2002 (the McCain-Feingold/Shays-Meehan bill) prohibits national political parties and federal candidates and officeholders from raising soft money. The new law also prohibits the use of corporate and union treasury money to fund broadcast ads that mention federal candidates and that are aired close to an election. *On December 10, 2003, the U.S. Supreme Court upheld nearly all elements of the Bipartisan Campaign Reform Act, including the ban on soft money fundraising by national parties, federal candidates and federal officeholders.*

In previous years, the tobacco companies embraced the soft money loophole in the national campaign finance law to contribute millions of dollars to political parties³. Between 1997 and 2002, the tobacco industry gave more than \$16.8 million in soft money donations to the Democratic and Republican parties. Eighty-four (84) percent of the soft money donations went to the Republican party (\$14,159,700) and 16 percent went to the Democratic party (\$2,713,259). The soft money totals reflect contributions made by individuals associated with individual tobacco companies as well as official company contributions.

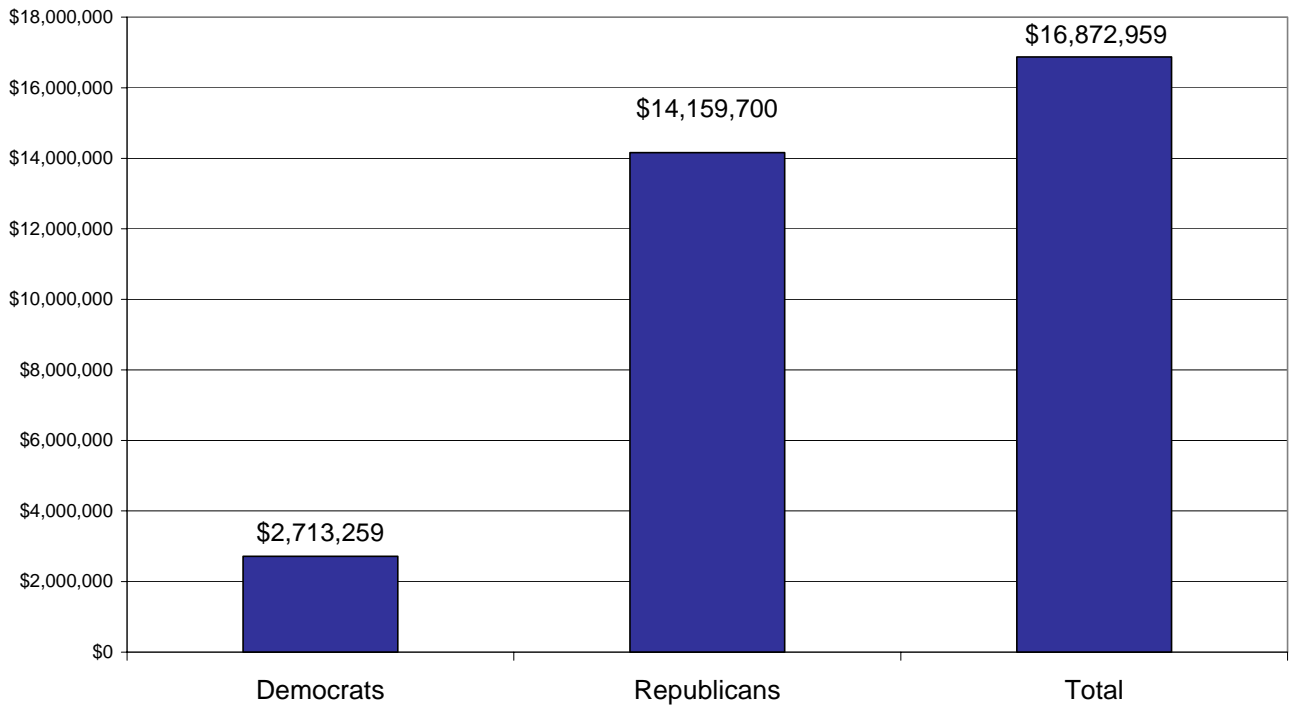
In the 2001-2002 election cycle, the tobacco industry gave more than \$6 million in soft money contributions – well over twice as much as the tobacco PACs gave in hard money.

SOFT MONEY CONTRIBUTIONS BY TOBACCO INTERESTS				
January 1, 1997 – December 31, 2002				
	2001-2002	1999-2000	1997-1998	Total
1. Altria/Philip Morris	\$2,714,752	\$2,390,289	\$2,436,378	\$7,541,419
2. U.S. Smokeless Tobacco Co.	\$915,470	\$1,048,939	\$404,865	\$2,369,274
3. RJ Reynolds	\$422,981	\$429,657	\$1,144,923	\$1,997,561
4. Brown & Williamson	\$411,679	\$584,725	\$564,250	\$1,560,654
5. Loews Corp/ Lorillard	\$422,613	\$227,630	\$55,000	\$705,243
6. Vector Group Ltd	\$561,000	\$90,000	\$16,090	\$667,090
7. Tobacco Institute*	\$0	\$0	\$474,940	\$474,940
8. Swisher Intl Inc	\$159,350	\$203,025	\$62,500	\$424,875
9. Conwood Co/Asworth	\$160,980	\$119,250	\$58,572	\$338,802
10. Smokeless Tobacco Council Inc	\$5,000	\$54,150	\$226,800	\$285,950
11. Universal Leaf Tobacco Co	\$50,000	\$45,000	\$15,000	\$110,000
12. Imperial Trading Co Inc	\$14,217	\$85,600	\$0	\$99,817
13. Cigar Association of America	\$60,000	\$35,150	\$1,000	\$96,150
14. General Cigar Holdings Inc	\$90,000	\$0	\$0	\$90,000
15. Dosal Tobacco Corp	\$26,180	\$0	\$0	\$26,180
16. NTI Inc	\$0	\$25,000	\$0	\$25,000
17. S&M Brands Inc	\$19,004	\$0	\$0	\$19,004
18. Swedish Match North America Inc	\$0	\$11,000	\$5,000	\$16,000
19. Roco Tobacco USA Inc	\$0	\$15,000	\$0	\$15,000
20. Premier Marketing Inc	\$0	\$10,000	\$0	\$10,000
Total	\$6,033,226	\$5,374,415	\$5,465,318	\$16,872,959

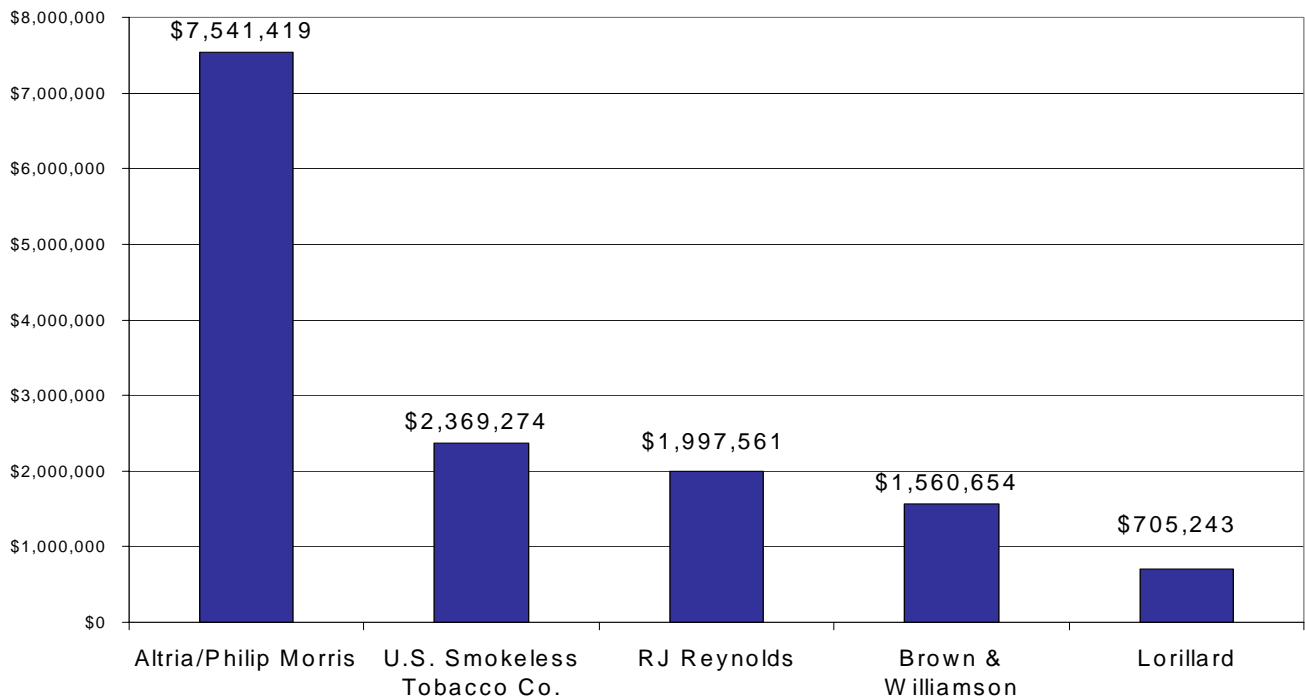
Soft money data is from Common Cause. The totals reflect contributions made by individuals associated with that organization as well as official company contributions. *Disbanded as a result of the 1998 Master Settlement Agreement.

³ Philip Morris has consistently been among the very largest soft money donors. The Center for Responsive Politics (CRP) recently issued a report detailing the 100 biggest contributors in American politics. Philip Morris is the second largest soft money donor since 1991 and the number one corporate soft money since 1991 according to the data in CRP's report. The Center for Responsive Politics report is available at (<http://www.opensecrets.org/orgs/index.asp>). Philip Morris is number six on CRP's time contributor list (number one among corporate donors), including both PAC and soft money contributions.

Tobacco Soft Money Contributions By Party
January 1, 1997 - December 31, 2002



Soft Money Contributions by Tobacco Interests
January 1, 1997 - December 31, 2002



Tobacco Money to Major Party Committees

Nearly all of the soft money contributions from tobacco interests to national political parties were made *directly* to the Republican and Democratic party committees. The overall total also includes soft money contributions made to other committees affiliated with the major parties, such as fundraising committees⁴. 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, donated more than \$16.8 million in soft money to the major party committees since 1997, with 84 percent going to Republican party committees and 16 percent going to Democratic party committees.

SOFT MONEY CONTRIBUTIONS TO PARTY COMMITTEES January 1, 1997 – December 31, 2002

	DCCC	DSCC	DNC	NRCC	NRSC	RNC	Total Dems	Total Repubs	TOTAL
1. Altria/Philip Morris	\$605,663	\$496,583	\$140,500	\$1,516,215	\$1,290,550	\$3,491,909	\$1,242,746	\$6,298,673	\$7,541,419
2. U.S. Smokeless Tobacco Co.	\$130,800	\$80,640	\$0	\$671,341	\$578,244	\$908,249	\$211,440	\$2,157,834	\$2,369,274
3. RJ Reynolds	\$127,800	\$76,773	\$0	\$599,910	\$468,500	\$724,578	\$204,573	\$1,792,988	\$1,997,561
4. Brown & Williamson	\$42,500	\$15,000	\$0	\$465,450	\$456,350	\$581,354	\$57,500	\$1,503,154	\$1,560,654
5. Loews Corp	\$10,000	\$30,000	\$0	\$192,500	\$253,780	\$218,963	\$40,000	\$665,243	\$705,243
6. Vector Group Ltd	\$76,000	\$285,000	\$210,000	\$80,000	\$16,090	\$0	\$571,000	\$96,090	\$667,090
7. Tobacco Institute*	\$72,200	\$70,000	\$0	\$106,750	\$100,740	\$125,250	\$142,200	\$332,740	\$474,940
8. Swisher Intl Inc	\$138,500	\$0	\$0	\$131,125	\$107,500	\$47,750	\$138,500	\$286,375	\$424,875
9. Conwood Co LP	\$2,500	\$0	\$0	\$172,500	\$157,802	\$6,000	\$2,500	\$336,302	\$338,802
10. Smokeless Tobacco Council Inc	\$36,800	\$0	\$0	\$133,150	\$105,000	\$11,000	\$36,800	\$249,150	\$285,950
11. Universal Leaf Tobacco Co	\$0	\$0	\$0	\$30,000	\$50,000	\$30,000	\$0	\$110,000	\$110,000
12. Imperial Trading	\$0	\$0	\$0	\$0	\$0	\$99,817	\$0	\$99,817	\$99,817
13. Cigar Assn of America	\$1,000	\$0	\$0	\$54,000	\$25,000	\$16,150	\$1,000	\$95,150	\$96,150
14. General Cigar Holdings Inc	\$5,000	\$10,000	\$0	\$50,000	\$25,000	\$0	\$15,000	\$75,000	\$90,000
15. Dosal Tobacco	\$0	\$0	\$0	\$12,500	\$12,500	\$1,180	\$0	\$26,180	\$26,180
16. NTI Inc	\$12,500	\$12,500	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000
17. S&M Brands Inc	\$0	\$0	\$10,000	\$0	\$0	\$9,004	\$10,000	\$9,004	\$19,004
18. Swedish Match North America Inc	\$0	\$0	\$0	\$11,000	\$5,000	\$0	\$0	\$16,000	\$16,000
19. Roco Tobacco USA	\$7,500	\$7,500	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
20. Premier Marketing	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000	\$10,000
Total	1,268,763	1,083,996	360,500	4,226,441	3,662,056	6,271,204	2,713,259	14,159,700	16,872,959

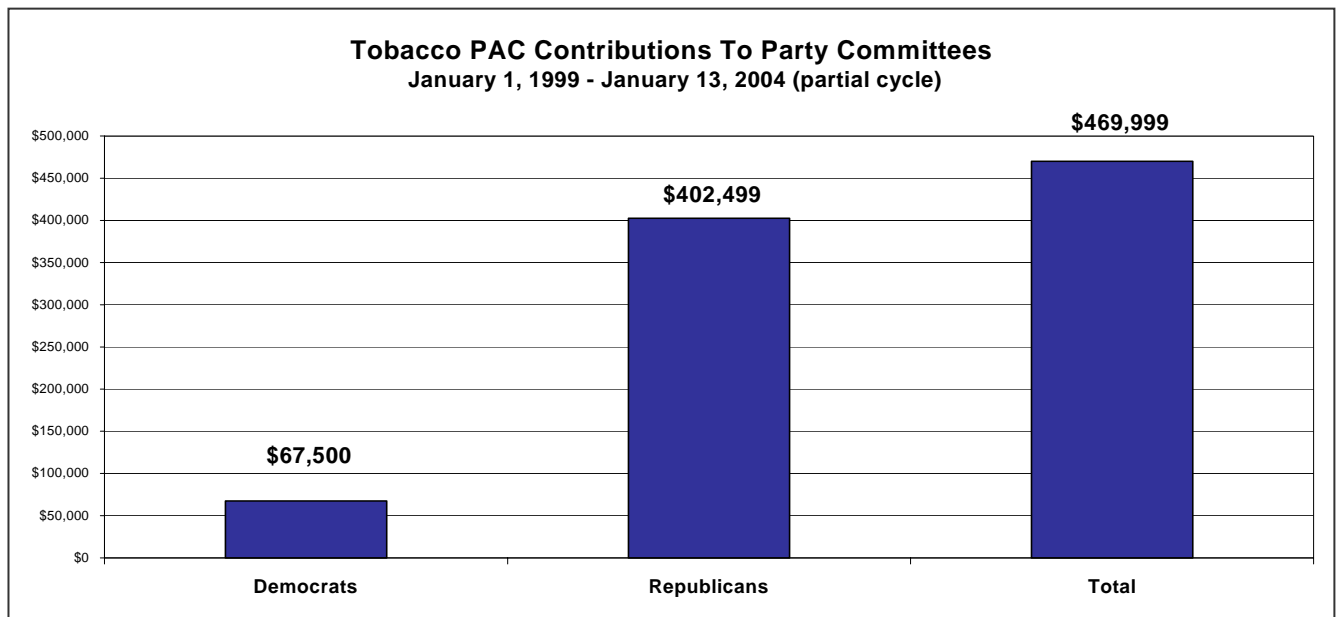
Soft money data is from Common Cause. The totals reflect contributions made by individuals associated with that organization as well as official company contributions. *Disbanded as a result of the 1998 Master Settlement Agreement.

⁴ Soft money donations to Senate joint fundraising committees (known as "Victory Committees") are included with the totals for the NRSC and DSCC. Contributions to another Republican fundraiser, the President's Dinner Committee, are divided evenly between the NRSC and NRCC.

Tobacco interests also donate a significant amount of hard dollars to the major party committees through PAC contributions. So far in the 2003-2004 election cycle, tobacco PACs have donated \$182,499 to the major party committees (\$45,000 to Democratic party committees and \$137,499 to Republican party committees). The donations to party committees in the first year of this election cycle have already surpassed the amount tobacco PACs donated to party committees in the entire 2001-2002 election cycle (\$124,500) or in the 1999-2000 election cycle (\$163,000). 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 or employees.

TOBACCO PAC CONTRIBUTIONS TO PARTY COMMITTEES									
January 1, 1999 – January 13, 2004 (partial cycle)									
TOBACCO PAC	DNC	DCCC	DSCC	RNC	NRCC	NRSC	Total Dem	Total Repub	TOTAL
1. Altria/Philip Morris	\$15,000	\$25,000	\$22,500	\$15,000	\$45,000	\$60,000	\$62,500	\$120,000	\$182,500
2. RJ Reynolds	\$0	\$0	\$0	\$5,000	\$45,000	\$45,000	\$0	\$95,000	\$95,000
3. USST	\$0	\$0	\$0	\$15,000	\$34,999	\$35,000	\$0	\$84,999	\$84,999
4. Brown & Williamson	\$0	\$0	\$5,000	\$15,000	\$17,000	\$30,000	\$5,000	\$62,000	\$67,000
5. Universal Leaf	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000	\$15,000
6. Lorillard	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$0	\$10,000	\$10,000
7. Asworth Corporation	\$0	\$0	\$0	\$0	\$7,500	\$0	\$0	\$7,500	\$7,500
8. Dimon	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$2,000	\$2,000
9. Swisher	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$1,500	\$1,500
10. Cigar-PAC	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$1,000
11. Pinkerton Tobacco	\$0	\$0	\$0	\$0	\$3,500	\$0	\$0	\$3,500	\$3,500
12. Smokeless Tobacco Council	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$15,000	\$25,000	\$27,500	\$65,000	\$162,499	\$175,000	\$67,500	\$402,499	\$469,999

Totals include full data for the 1999-2000/2001-2002 cycles and partial data for the 2003-2004 election cycle (based on data released by the FEC on January 13, 2004).



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 Common Cause, the Center For Responsive Politics and Political Money Line) 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 readily 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 \$1.6 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 2003-2004 election cycle, tobacco PACs have contributed \$389,500 to leadership PACs (\$68,500 to Democratic PACs and \$321,000 to Republican PACs). In the 2001-2002 election cycle, tobacco PACs contributed \$660,432 to leadership PACs (\$87,000 to Democratic PACs and \$573,432 to Republican PACs).

CONTRIBUTIONS TO LEADERSHIP PACS January 1, 1999 – January 13, 2004 (partial cycle)			
TOBACCO PAC	Democratic	Republican	Total
1. U.S. Smokeless Tobacco Co.	\$91,000	\$331,500	\$422,500
2. Altria/Philip Morris	\$56,500	\$360,500	\$417,000
3. RJ Reynolds	\$44,500	\$360,500	\$405,000
4. Brown & Williamson	\$1,000	\$234,000	\$235,000
5. Swisher	\$32,000	\$80,000	\$112,000
6. Lorillard	\$6,500	\$21,500	\$28,000
7. Asworth Corporation	\$3,000	\$12,000	\$15,000
8. Cigar-PAC	\$500	\$14,800	\$15,300
9. Universal Leaf Tobacco Company	\$0	\$6,000	\$6,000
10. Dimon	\$0	\$2,000	\$2,000
11. Pinkerton Tobacco	\$0	\$1,182	\$1,182
12. Smokeless Tobacco Council	\$0	\$491	\$491
Total	\$235,000	\$1,424,473	\$1,659,473
<i>Totals include full data for the 1999-2000/ 2001-2002 cycles and partial data for the 2003-2004 election cycle (based on data released by the FEC on January 13, 2004).</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 \$129,000 to the leadership

PAC of Representative John Boehner (R-OH), chair of the Education and Workforce Committee, \$122,991 to the leadership PAC of Senator Don Nickles (R-OK), Chairman of the Senate Budget Committee, and \$97,000 to House Majority Leader Tom DeLay's (R-TX) leadership PAC. A detailed list of tobacco industry contributions to congressional leadership PACs is available in Appendix D of this report.

Tobacco Money to Other Non-Party Committees

Detailed information on contributions to other non-party committees are not readily available for the election cycles prior to 1999. Since 1999, tobacco company PACs have donated \$297,870 to non-party committees that are not identified as leadership PACs (see Appendix E for full listing). These non-party PACs can consist of industry committees or committees associated with a particular issue or ideology.

CONTRIBUTIONS TO OTHER NON-PARTY COMMITTEES	
January 1, 1999 – January 13, 2004 (partial cycle)	
Tobacco PAC	Total
1. Altria/Philip Morris	\$227,000
2. U.S. Smokeless Tobacco Co.	\$51,550
3. Brown & Williamson	\$9,500
4. RJ Reynolds	\$5,500
5. Swisher	\$2,500
6. Asworth Corporation	\$850
7. Pinkerton Tobacco	\$970
8. Cigar-PAC	\$0
9. Dimon	\$0
10. Lorillard	\$0
11. Smokeless Tobacco Council	\$0
12. Universal Leaf Tobacco Company	\$0
Total	\$297,870
<i>Totals include full data for the 1999-2000/ 2001-2002 cycles and partial data for the 2003-2004 election cycle (based on data released by the FEC on January 13, 2004).</i>	

Two-thirds (66 percent) of tobacco PAC donations to other non-party committees are donations to affiliated organizations. Since 1999, Philip Morris's PAC transferred \$147,500 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 \$44,550 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) 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 revealed when the tobacco company PAC makes direct contributions to the affiliated PAC (such as the \$147,500 in contributions made by the Philip Morris PAC to the Kraft PAC since 1999).

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 cannot directly contribute to federal candidates or use words that expressly advocate someone's election or defeat.

In its September 2003 report, "Silent Partners: How political nonprofits work the system," (<http://www.publicintegrity.org/527/>) the Center for Public Integrity examines how these 527 groups raise and spend money outside of federal and state campaign finance regulations. Their report focuses on donations to organizations possessing one or more of the following traits:

- The committee is not required to report financial activities to state or federal election authorities.
- The committee is tied to or formed by a federal lawmaker.
- The committee is active in many states and spends most of its money on election-related activities like broadcast advertisements, mailings and political research.

According to the Center for Public Integrity's database, tobacco companies contributed more than \$3.6 million to 527 groups since August 2000. This includes nearly \$1 million to the Democratic Legislative Campaign Committee, a national fundraising organization for Democratic state legislators. Tobacco companies also donated more than \$400,000 to the Democratic Governors Association and nearly \$300,000 to the Republican Governors Association. A detailed list of tobacco industry contributions to 527 groups is available in Appendix F of this report.

CONTRIBUTIONS TO 527 GROUPS BY TOBACCO INTERESTS	
August 2000 – October 20, 2003	
	Total
1. Philip Morris	\$1,536,044
2. U.S. Smokeless Tobacco Co.	\$781,489
3. RJ Reynolds	\$525,954
4. Brown & Williamson	\$367,030
5. Lorillard	\$260,500
6. Swisher	\$61,839
7. General Cigar Company	\$60,000
8. Cigar Association of America	\$8,500
9. Universal Leaf Tobacco Co.	\$5,000
Total	\$3,606,356

Totals include contributions since August 2000 based on data entered into the Center For Public Integrity database by October 20, 2003.
(<http://www.publicintegrity.org/527/searchform.aspx?act=con>)

The non-profit consumer group Public Citizen has also released a series of reports on 527 groups (<http://www.citizen.org/congress/campaign/legislation/section527/>), analyzing the contributions and expenditures of federal "politician 527s" and "non-politician 527s". According to Public Citizen, "politician 527s" generally served as soft money arms to leadership PACs and "non-politician 527s" promote issues or partisan orientations. The group notes that different types of 527 groups spend money in different ways. "Politician 527s" often spend their money to pay for staff and consultants, help local candidates and underwrite fundraising functions. "Non-politician 527 groups" use their funds to pay for "issue ads," direct mail, campaign organizers and polling.

The Bipartisan Campaign Reform Act of 2002, which went into effect November 6, 2002, prohibits “politician 527s” from raising or spending soft money. However, Public Citizen notes that “the staff and political operatives of these politicians will be able to set up such groups and politicians will be able to attend fundraiser events as long as they are not directly soliciting the funds. Non-politician 527s may still raise and spend soft money, except in relation to an ‘electioneering communication’ broadcast by the group within 60 days of a general election or 30 days of a primary election.”

Tobacco Industry Lobbying

In addition to their campaign contributions, the tobacco companies spend millions of dollars to lobby and influence members of the U.S. Congress. According to the most recent figures compiled by Common Cause, the tobacco industry has spent more than \$91 million since 1999 on professional lobbying firms and in-house lobbyists.

These figures reflect lobbying expenditures reported to the Secretary of the Senate and the Clerk of the House. They do not include the expenses associated with advocacy and education activities not legally classified as lobbying. Additionally, 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.⁵ 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.⁶

TOBACCO INDUSTRY LOBBYING EXPENDITURES						
January 1, 1999 – June 30, 2003						
TOBACCO COMPANY	1999	2000	2001	2002	2003*	Total
1. Altria/Philip Morris	\$14,720,000	\$11,220,000	\$12,520,000	\$14,040,000	\$6,500,000	\$59,000,000
2. Brown & Williamson	\$2,330,000	\$2,460,000	\$1,560,000	\$1,600,000	\$1,120,000	\$9,070,000
3. Lorillard	\$1,060,000	\$1,500,000	\$1,980,000	\$1,840,000	\$1,140,000	\$7,520,000
4. RJ Reynolds	\$1,519,320	\$1,365,525	\$1,333,800	\$1,290,450	\$665,175	\$6,174,270
5. U.S. Smokeless Tobacco Co.	\$1,020,000	\$940,000	\$1,200,000	\$1,460,000	\$800,000	\$5,420,000
6. Smokeless Tobacco Council	\$871,990	\$300,000	\$300,000	\$420,000	\$220,000	\$2,111,990
7. Cigar Association of America	\$485,000	\$300,000	\$100,000	\$110,000	\$80,000	\$1,075,000
8. Swisher	\$160,000	\$160,000	\$160,000	\$160,000	\$80,000	\$720,000
Totals	\$22,166,310	\$18,245,525	\$19,153,800	\$20,920,450	\$10,605,175	\$91,091,260
Lobbying data are from Common Cause. * 2003 totals are from the first six months of the year						

⁵ Mitchell, Alison, "The Influence Industry: A New Form of Lobbying Puts Public Face on Private Interest," *New York Times* (September 30, 1998).

⁶ Nelson, Jack, Philip Morris USA Interoffice Memorandum to Guy L. Smith (April 15, 1986), PM document 2025858760, www.pmdocs.com.

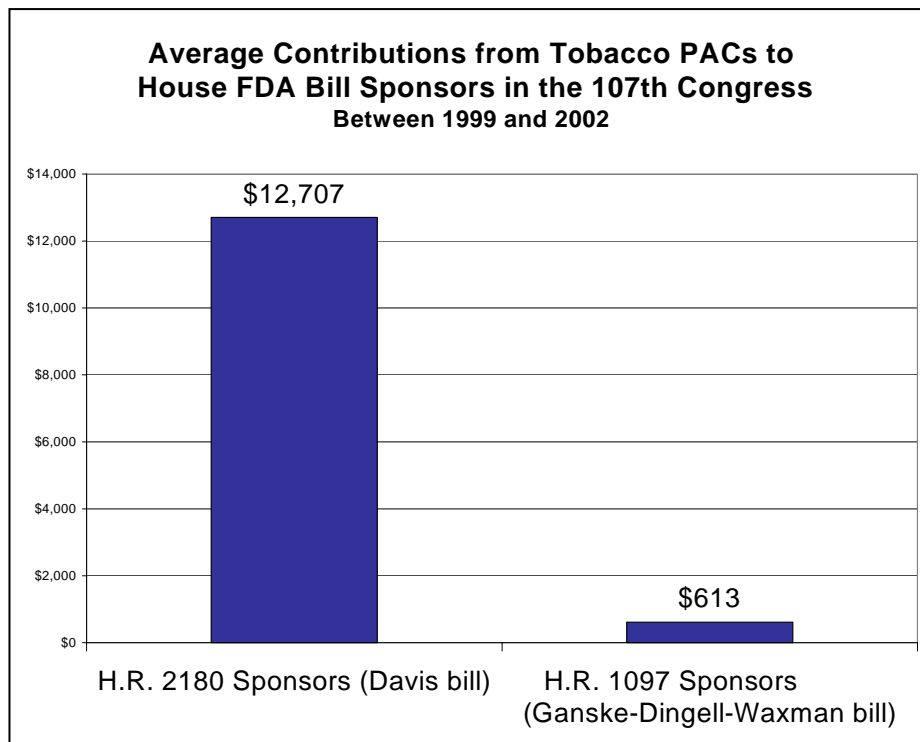
Tobacco Money and Tobacco Votes

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

- Legislation was introduced in the 107th 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) was Senate Majority Leader Bill Frist (R-TN). While Senator Frist did not accept any tobacco PAC contributions for his re-election campaign, the National Republican Senatorial Committee, which Senator Frist chaired from 2000-2002, accepted more than \$2.2 million dollars (hard and soft money contributions) from the tobacco industry between 1999 and 2002. In the House, the main sponsor of the bill supported by Philip Morris (H.R. 2180) was Rep. Tom Davis (R-VA). Between 1999 and 2002, Rep. Davis accepted more than \$14,000 in tobacco PAC contributions for his re-election campaigns. More importantly, the National Republican Congressional Committee, which Rep. Davis chaired from 1998-2002, accepted more than \$2.5 million dollars (hard and soft money contributions) from the tobacco industry between 1999 and 2002.

At the close of the 107th Congress, there were 17 members of the House sponsoring H.R. 2180, the weak FDA regulation bill supported by Philip Morris and introduced by Rep. Davis (R-VA). Public health groups supported 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 sponsored the Davis bill received \$216,025 in tobacco campaign contributions between 1999 and 2002, including \$142,000 from Philip Morris. Over this same time period, the same 17 received, on average, 20 times as much money from the tobacco industry as the 127 representatives who sponsored the bill supported by the public health community (average of \$12,707 vs. \$613 per sponsor).



The three senators who sponsored the Frist bill received an average of \$1,000 in tobacco industry contributions between 1997 and 2002. The 21 senators who sponsored the stronger Kennedy-Dewine bill received an average of \$436 in campaign contributions from the tobacco industry in that same time period.

- The 107th Congress also worked on legislation to establish fire safety standards for cigarettes. These standards 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), were supported by the public health community.

While Philip Morris paid lip service to supporting this legislation, they asked their allies to introduce weak legislation in the House, H.R. 4981 and H.R. 5059, that would have preempted New York from implementing a law that established strong standards for fire safe cigarettes. The New York State Office of Fire Prevention and Control issued the nation's first fire safety standard for cigarettes on December 31st, 2003 and the regulations are scheduled to go into effect June 28th, 2004. The final New York regulation implements a 2000 state law requiring that all cigarettes sold in New York be manufactured to extinguish more quickly when left unattended. H.R. 4981 and H.R. 5059, introduced by Rep. Cliff Stearns (R-FL) and Rep. Edolphus Towns (D-NY), would have preempted the law in New York and prevented future actions by other states.

Altogether, the 14 sponsors of the Stearns-Towns legislation received \$232,524 in tobacco campaign contributions between 1999 and 2002. Therefore, the 14 sponsors received, on average, 177 times as much money from the tobacco industry as the 16 representatives who sponsored the Markey – Hansen bill supported by the public health community (average of \$16,609 vs. \$94 per sponsor).

- 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).

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 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 focusing on campaign finance reform and other issues that enhance citizens' participation in democracy. Their soft money database is searchable by party, donor and industry. Common Cause has also undertaken a study of tobacco contributions in several states, and has released reports on tobacco influence in California, Colorado, Connecticut, Delaware, Florida, Georgia, Maryland, Massachusetts, New Mexico, North Carolina, Vermont and Wisconsin. These reports are available at <http://www.commoncause.org/tobacco>.
- The American Lung Association of California's Center for Tobacco Policy launched a website-based contribution tracking system to help California citizens find out if their state representatives accept campaign contributions from the tobacco industry. By entering their zip code at www.californialung.org/thecenter, California residents will receive a report that includes how much money, if any, their local Assembly and state Senate representatives received from the major tobacco companies.
- The Center for Responsive Politics (<http://www.opensecrets.org>) is a non-partisan, non-profit research group that tracks money in politics and its impact on elections and public policy. The website allows for searches by industry (<http://www.opensecrets.org/industries/index.asp>), candidate, contributor and political party. Select state level data is available at <http://www.opensecrets.org/states/index.asp>.
- The Campaign for Tobacco Free Kids / Common Cause / American Heart Association / American Lung Association March 2001 report "Buying Influence - Selling Death Report" details how the tobacco industry's campaign contributions harm public health policies. (<http://tobaccofreekids.org/reports/influence/>).
- In its September 2003 report, "Silent Partners: How political nonprofits work the system," (<http://www.publicintegrity.org/527/>) the Center for Public Integrity examines how these 527 groups raise and spend money outside of federal and state campaign finance regulations.
- Public Citizen (<http://www.citizen.org>) has a variety of tobacco-related information available through its internal search engine. Available information includes a searchable database of contributions to 527 groups (<http://www.citizen.org/congress/forms/527search.cfm>), lobbying statistics and background information on campaign finance reform.
- National Institute on Money in State Politics (<http://www.followthemoney.org/>) maintains a database of state level campaign finance data. States are searchable by candidate, contributor and sector (including tobacco).
- 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.
- The Center for Public Integrity provides information on how to access state records and reveals the limitations of state disclosure laws <http://www.public-i.org/>