How Leading U.S. Corporations Govern and Spend on State Lobbying

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Sources and Acknowledgements

Si2 collected corporate governance data used in this study from company websites and used federal lobbying data reported by the Center for Responsive Politics. Companies were given the opportunity to verify data we collected.

This report was written by Heidi Welsh. Ms. Welsh and Robin Young conducted the research.

The Sustainable Investments Institute (Si2), a nonprofit organization based in Washington, D.C., conducts impartial research and publishes reports on corporate and investor responsibility issues, particularly those raised at corporate annual meetings in shareholder resolutions. Si2 also conducts research into emerging sustainability issues to better help investors and the general public understand the implications they hold for companies and their key stakeholders. www.siinstitute.org

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Executive Summary

This project looks at how corporations oversee and govern money spent on corporate lobbying at the state level. It establishes a baseline for that spending by a representative sampling of the biggest U.S. publicly-listed corporations.

Alongside intense public and investor attention about corporate involvement in elections, institutional investors and others have increasingly called for more transparency about corporate lobbying expenditures designed to influence legislation and regulation. Since 2014, more than half the shareholder proposals at public companies which concern political activity have included requests for actions related to lobbying. Indeed, more than 40 percent of the shareholder proposals about corporate political activity disclosure have focused specifically on lobbying, rather than campaign contributions.

While considerable information is available about federal political spending, including lobbying, data are not available for all the states. Even where disclosure requirements do exist they are mixed in their comprehensiveness and utility. Disclosure requirements are missing entirely in 22 states.

This report explores what is known now, under current reporting rules, so that investors and the public can contemplate whether reforms are needed and if a more precise voluntary corporate lobbying disclosure code makes sense.

Findings

Corporate Policies

- Just one-quarter of the S&P 500 have board-level policies regarding lobbying. However, this is an increase from only 16 percent in 2013. *(Chart, p. 9, shows corporate governance trends.)*
- By contrast, company oversight and disclosure of election spending is commonplace among the largest American companies, with 90 percent of the S&P 500 having a policy that addresses election contributions and half of the index companies specifically requiring board oversight. Further, 75 percent of the S&P 500 explains which corporate officials oversee election spending.
- The contrast between the level of disclosure about election spending and lobbying is stark. Only 12 percent of S&P 500 companies report how much they spend on lobbying; most only report on spending at the federal level. Voluntary disclosure about state lobbying on company websites is nearly non-existent: Just two companies report appear to report on all their state expenditures, while 5 percent identify the states where lobbying occurs but not the amounts spent, and 2 percent report on aggregate state spending.
- Companies are revealing more about how much they spend in elections and lobbying but remain reticent about disclosing how much they give to intermediary groups that use corporate money to pursue political objectives—trade associations, non-profit "social welfare" organizations or charities that have clear partisan goals. These intermediaries pursue their goals at all levels of government through election spending and lobbying. Half of the S&P 500 have some sort of policy on these groups, up from only 14 percent in 2010; and 31 percent of companies make public at least some of their payments to these groups, a three-fold increase from just 9 percent in 2010. Yet most policies are about money in elections, not lobbying.

State Spending Trends

- State lobbying spending is concentrated among a small number of very large companies. **AT&T, Altria, Verizon** and **Chevron** top the list, with each incurring four-year state lobbying expenses of more than $13.5 million in the six states analyzed.[1] Transparent reporting requirements about state lobbying in California and New York provide a wealth of detail about the efforts of each of these firms. Both the telecom firms sought advantage as communications networks continue to move from wireline to broadband amidst evolving regulatory parameters. Altria continued its efforts to fight tobacco control. And Chevron sought to affect how California implements climate change mitigation regulation. Records from the first half of 2016 show these efforts continue apace today. *(Spending details, p. 22-38.)*
- The average company in this study spent a total of $2.6 million in the six states over the four years. Looking at spending intensity, the average company spent $11.40 per $1 million of revenue during the same period.
- Big companies spend much more than smaller firms and usually are more transparent about their disbursements. **Berkshire Hathaway** is a notable exception and is the only one of the 100 largest S&P 500 companies not to disclose any policy on political activity.
- Examining the intensity of state lobbying (normalized by calculating expenditures per $1 million of revenue), provides a slightly different list of top spending companies, but largely confirms that the biggest companies are the heaviest spenders, and that health care firms top the list. **Altria** stands out starkly among consumer staples companies with a rate four times that of its closest finisher, laying out $143.70 per $1 million in revenue earned. In contrast, runner-up **Pfizer** spent $36.40 (compared to the average, noted above, of $11.40.) Other sector leaders were **Comcast (**$28.60, consumer discretionary), **Chevron** ($31.60, energy), **Berkshire Hathaway** ($23.60, financials), **Honeywell International** ($23.10, industrials) and **Accenture** ($23.10, information technology). No materials sector or utility firms had spending intensity above $20. *(List of companies and their spending, pp. 36-38.)*
- Health care firms dominate the spending of the 100 biggest companies in the six states studied. This sector spent $41 million from 2012 to 2015 in those six states. Health insurers in particular opened their wallets to influence state governments as the Affordable Care Act was being set up—five companies spent $19.3 million and **UnitedHealth Group** alone spent $5.5 million. A third of the spending by insurers occurred in California. *(Details, pp. 23-24.)*
- State lobbying by energy companies rose at a rapid clip and **Chevron's** expenditures dominated those companies' spending. Chevron accounted for $15.7 million, or 52 percent of the $27.7 million spent by the sector in four years. Nearly all of this was in California, where the state is implementing its Global Warming Solutions Act to curb greenhouse gas emissions and bolster a renewable energy economy. Chevron is based in California. *(Details, pp. 24-25.)*
- Just two utility companies spent in the six states studied, but the collective spending to influence state government by **Duke Energy** and **Exelon** rose more quickly from 2012 to 2015

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[1] California, Florida, Minnesota, New Jersey, New York, and Washington. The states were selected because they had the greatest amount of known lobbying spending, according to *The Washington Post* (Wilson, Reid. "Amid gridlock in D.C., influence industry expands rapidly in the states," *The Washington Post*, May 11, 2015, p. A15. http://www.washingtonpost.com/blogs/govbeat/wp/2015/05/11/amid-gridlock-in-d-c-influence-industry-expands-rapidly-in-the-states/.

than in any other sector. Duke spent four times more in Florida in 2015 than it did four years earlier, as the state rejected efforts to expand rooftop solar, while Exelon turned its attention to New York State, where a new Clean Energy Standard announced in August 2016 will provide up to $1 billion in subsidies for the company's three upstate nuclear plants. (The aim is to capitalize on nuclear plants' zero-carbon power generation capacity to achieve aggressive emissions reductions for the state.) *(Details, pp. 25-26.)*

- Reported lobbying in California grew over the four years examined, reaching $23.5 million in 2015 for the 100 companies in our sample. But overall reported lobbying in New York and Florida actually fell, although the Florida drop was not substantial. There were modest increases in New Jersey, Minnesota and Washington for the 100 studied companies. *(Details, 35-36.)*

Investor Views

- There is growing demand by investors for transparency about how companies spend to influence state legislators, and for information about how companies govern such spending. There have been more filings of shareholder resolutions and subsequent votes on this topic than about elections since 2013. Lobbying oversight and disclosure shareholder resolution earn on average about 25 percent support at corporate annual general meetings (compared to 33 percent for election spending). Five lobbying oversight and disclosure resolutions have won a majority of shares voted. Companies and investors can expect more proposals on these subjects in 2017, which is likely to drive continued interest in the subject. *(Details, pp. 39-43.)*

Conclusion

- Even if there is voluntary reporting by companies, the state level disclosures required by law do not allow for an easy understanding of what companies spend on lobbying. Instead, they often provide an illusory sense of transparency that in practice explains little. When companies indicate they are in compliance with mandatory disclosure requirements and provide links to state websites, that, in and of itself, does not in general provide investors with meaningfully useful data on what they spend in the states on lobbying. Investors therefore may want to consider what the shape might be of a more helpful disclosure regime. [2]

Key questions therefore remain for investors who want to know more about their portfolio companies' lobbying at the state level. Only half the states mandate any sort of lobbying disclosure at present and much more could be done to better illuminate the picture. If investors want to see this more precise map of spending, to better understand the related risks and benefits it involves, they may want to develop a model framework for voluntary disclosure, with standardized metrics to allow benchmarking.

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[2] California provides substantial amounts of information, but extracting and parsing the data on an aggregated basis is challenging and makes it difficult to track spending from start to finish for a large number of companies. The new New York open government initiative website launched in January 2016 makes it easier to track election and lobbying spending, providing details of what laws and regulations were lobbied about, which legislators were supported in elections, and by whom. This facilitates a start-to-finish understanding of how companies influence public policy and lawmakers and provides a robust model to which other states can aspire. New York is currently considering additional changes to its disclosure law, as discussed in Appendix B.

Research Approach

The focus of this study is on corporate-wide policies governing lobbying, coupled with an examination of publicly discoverable state lobbying expenditures. To date, there is a dearth of such analysis despite investor interest exemplified by scores of shareholder resolutions on the subject (*See Section III, p. 39-43.)*.

The report examines how the governance of corporate political activity has changed since 2010, showing how companies have—or have not—put in place oversight and disclosure mechanisms, and what they disclose to their investors, with attention to state-level information.

The study uses a sampling of 100 of the largest S&P 500 companies, in six states that have the largest discoverable corporate lobbying, for the most recent four full years (2012-2015). *(More information on the study methodology is included in Appendix A, p. 44.)* The analysis includes the corporate governance of spending and the amounts reported spent by those 100 companies in these states— California, Florida, Minnesota, New Jersey, New York, and Washington. *(Details about the six states appear in Appendix B, p. 47.)* To provide context, the report also looks at federal lobbying data for the entire S&P 500.

Contents

I. The Governance of Corporate Political Activity

Leading U.S. companies have moved with some alacrity to establish election spending oversight and disclosure governance models in the last decade. That uptake accelerated in the wake of the loosening of legal constraints on corporate election spending in 2010. Since 2013, in response to shareholder resolutions pressing for the same model to be applied to lobbying, companies also have started to address this connected issue. In both cases, adoption of corporate reporting on the amounts spent lags adoption of oversight policies, especially when it comes to indirect spending through intermediary groups.

S&P 500 Trends

Since the 2010 *Citizens United* decision by the U.S. Supreme Court, many large corporations in the United States have adopted an oversight and disclosure model for election spending that proponents believe mitigates risks posed by company involvement in the political arena. This has occurred as the tenor of national political discourse has become increasingly rancorous. Policies and disclosures about federal lobbying lags but also have increased. Companies provide far less disclosure about contributions to intermediary groups that play a critical role in shaping national and state public policies than about election spending or about their oversight policies.[3] *(Summary findings that show changes in corporate practices since 2010 appear in the table below, next page.)*

Electoral spending: It is much more common now than it was five years ago for S&P 500 companies to have some kind of political activity policy. Indeed, only 10 percent do not. Management transparency of political spending, mostly regarding election spending, has significantly grown, and only 25 percent of the companies in the index do not explain which officials make decisions on spending. Board oversight (rather than management oversight) of political activity has steadily grown as well, rising from only 23 percent of companies in 2010 to 50 percent today.

The number of companies which appear to spend corporate treasury funds on elections has dropped, falling from just over three-quarters of the S&P 500 in 2011 to 62 percent today. Stated policies on independent expenditures[4] have grown from non-existent to being in place at more than one-third of

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[3] Since 2010, Si2 has collected and analyzed data annually to track key performance indicators about the corporate governance of election spending and lobbying, most recently in 2016. The governance assessments track changes from the findings set out in two initial reports supported by the IRRC Institute, *How Companies Influence Elections –Campaign Spending Patterns and Oversight at the S&P 500* (2010) and *Corporate Governance of Political Expenditure: 2011 Benchmark Report on S&P 500 Companies* (2011). In addition to examining governance practices, Si2 focused in 2011 on corporate election expenditures at the state and federal level—as well as on federal lobbying. We did not collect governance data in 2012 for the whole index but began doing so annually in 2013; in 2015 we added additional detail about lobbying governance and disclosure, with attention to state-level policies. The combination of governance and spending data in 2011 provided an initial comprehensive picture of the differences between S&P 500 revenue quintiles and the 10 economic sectors defined by the Global Industrial Classification Standards (GICS); the current study seeks to replicate this approach with its state lobbying sample.

[4] An independent expenditure pays for advocacy for or against a political candidate but is done without officially coordinating with the candidate or the candidate's party.

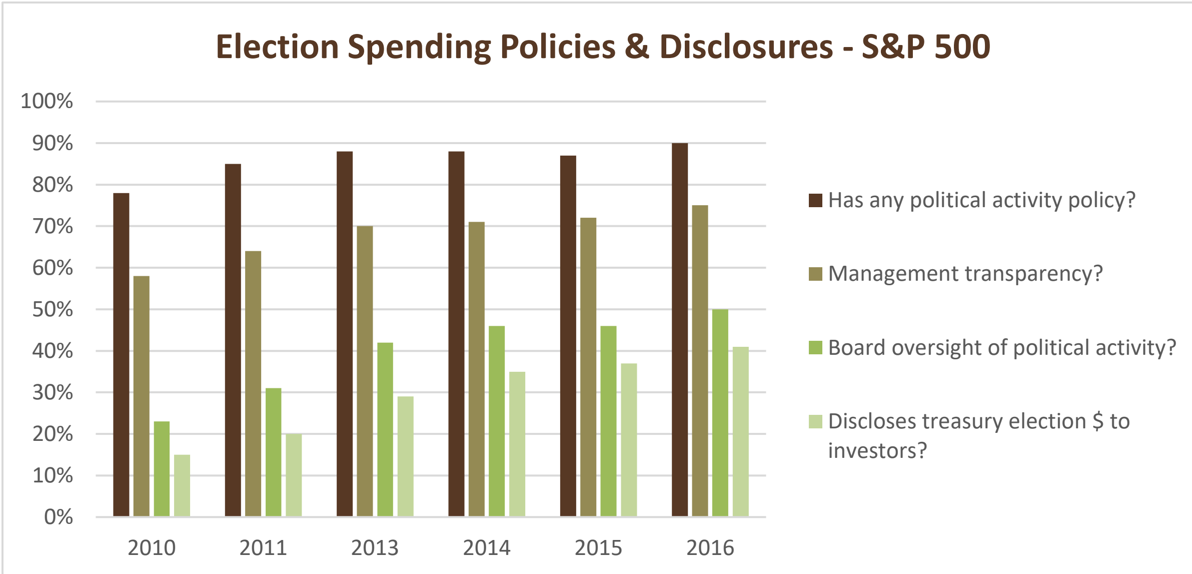
the index—a big jump even though this still leaves a large gap in investors' understanding of whether firms are availing themselves of their new allowance under *Citizens United* to electioneer directly. Disclosure to investors of treasury spending has continued to climb, and is now featured at 41 percent of S&P 500 companies, up from only 15 percent at the start of the decade.

Campaign Spending and Lobbying Governance in the S&P 500, 2010-2016

Key Performance Indicator	2010	2011	2013	2014	2015	2016
Has any political activity policy?	78%	85%	88%	88%	87%	90%
Electoral Spending Policies and Disclosures						
Management transparency on decisions?*	58%	64%	70%	71%	72%	75%
Board oversight of political activity?	23%	31%	42%	46%	46%	50%
Spends from treasury on elections?	NA	76%	73%	68%	64%	62%
Policy on independent expenditures?	1%	16%	18%	25%	29%	34%
Discloses treasury election $ to investors?	15%	20%	29%	35%	37%	41%
Lobbying Policies and Disclosures						
Lobbying included in policy?	NA	36%	53%	57%	61%	62%
Lobbying governance disclosed?	NA	NA	39%	44%	47%	51%
Board oversight of lobbying?	NA	NA	16%	19%	23%	26%
Discloses lobbying $ to investors?	NA	3%	7%	8%	12%	12%
State-specific lobbying disclosure on website:						
Aggregated amount in all states?					3%	2%
States identified, no $ amounts?					5%	5%
State-specific $ amounts disclosed?					0.4%	.01%
Non-Profit Groups						
Policy on trade association spending?	14%	24%	39%	46%	51%	54%
Policy on other non-profit groups?	NA	5%	11%	17%	23%	30%
Bans political use of company $ by non-profits?	NA	1%	4%	6%	6%	7%
Discloses non-profit memberships?#	NA	20%	29%	36%	40%	44%
Discloses non-profit payments?#	9%	14%	21%	26%	29%	31%

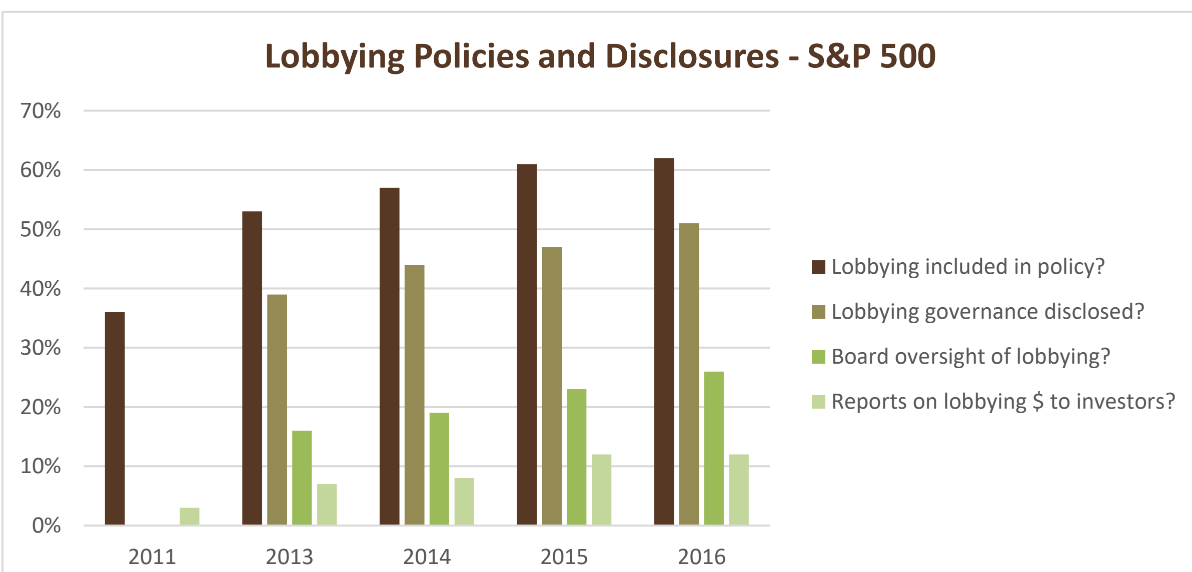
*Management official making decisions on election spending identified.
#Yes and Partial

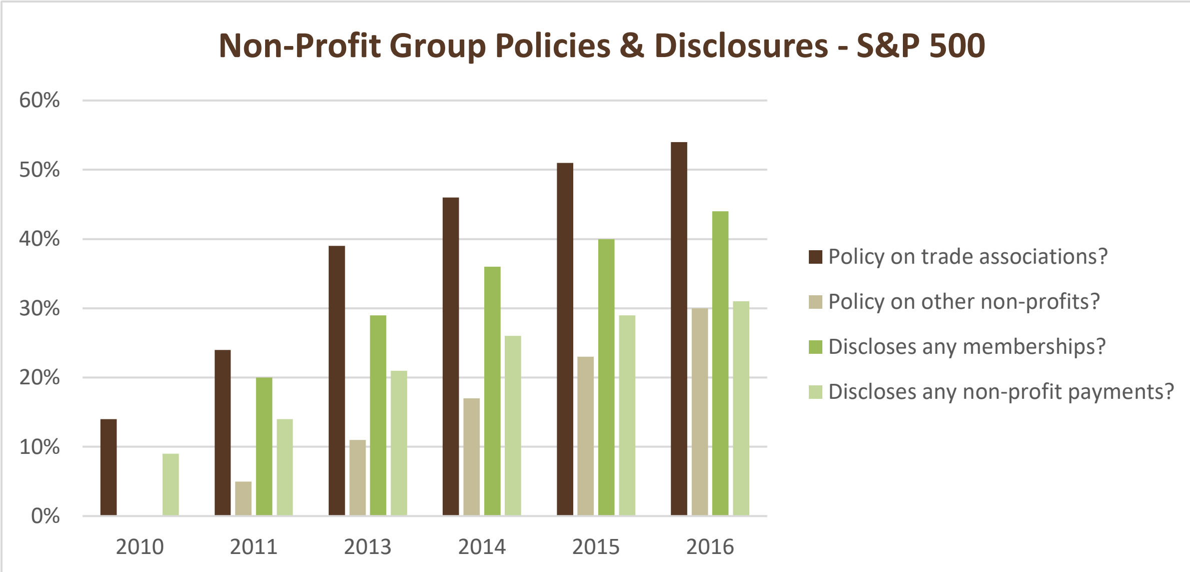
Lobbying: A firm majority (62 percent) of S&P 500 companies now includes mention of lobbying in stated policies, and just over half disclose something about lobbying governance. Both seem to be affirmative responses to investor demands for more transparency. Board oversight of lobbying also is increasing, growing to just over one-quarter, up from only 16 percent in 2013. While just 12 percent now report directly to investors about how much they spend on any lobbying, this is up from a scant 3 percent that did so four years earlier. But voluntary disclosure on company websites about state lobbying remains nearly non-existent: just two companies report all specific state expenditures, while 5 percent identify the states where they lobby but not the amounts spent, and 2 percent report the aggregated amount they spend in all states.



Non-profit groups: In a major shift, more than half of all companies now disclose a policy about trade associations' political spending, up from only 14 percent in 2010. Policies about other non-profit groups like 501(c)4s ("social welfare" organizations) and non-profit charities such as the American Legislative Exchange Council, which concerns itself with articulating state legislation, still are relatively uncommon. Nonetheless, three in ten companies mention such groups, up from only 5 percent in 2011. Very few (just 7 percent) forbid the use of corporate funds for political activity by these groups, however. But a growing number, 44 percent—twice as many as in 2011—discloses at least some of the groups in which they are members. Further, 31 percent publicly disclose at least some of their payments to politically active non-profits—a more than three-fold increase from 2010.

Background and spending patterns from 2010: The vast majority of companies' political activity spending footprint relates to lobbying, not elections, as the original Si2 study established, using 2010 data. Those data provide context for the current study and showed that in 2010, federal lobbying accounted for $979.3 million (about 90 percent) of the $1.1 billion in S&P 500 company expenditures





during that year (counting federal lobbying and direct contributions to federal 527 political committees, state candidates, parties and ballot initiatives.)

Footprint—The study with 2010 data determined a total political spending footprint and a related metric—"political spending intensity"—for each company and sector in the S&P 500, the amount spent per $1 million in revenue earned. The Utilities sector had the highest spending intensity at $255 per million in 2010, while the Consumer Discretionary sector came in at only $84 per million.

Firms that had in place board oversight in 2010 were far more likely to disclose spending, but they spent more, too: 20 percent more than the average S&P 500 firm and 31 percent more than those with no oversight. Si2's study did not examine *how* spending differed for these subsets, but it seems clear board scrutiny makes for more robust policies that can insure against the risks shareholder proponents highlight. It seems likely that boards have taken on board the oversight and disclosure model promulgated by the Center for Political Accountability and its allies precisely because of the increased public attention to corporate election spending. But it was clear from our examination of data that more oversight and disclosure did not serve as a brake on spending back in 2010, either.

As will be shown in this new examination of state activity on lobbying, these same conclusions continue to hold, with the bigger companies spending more and tending to have more detailed policies.

Lobbying Governance and State Activity

As noted, almost every company in the S&P 500 today has articulated some kind of policy about political activity. This section explores how the 100 companies in the study govern their lobbying, compared to the S&P 500 as a whole, noting sectoral differences. The 100 largest companies are much more likely to include lobbying in their governance policies, and to talk about it at the state level. Health care companies, which have spent the most at the state level, also discuss state political spending more than any other types of companies. The biggest companies also are much more likely to provide details about how they govern lobbying—with the exception of big energy companies, which are under particular scrutiny given their activities to address public policies on climate change. The relative lack of transparency from these large energy companies about their lobbying governance seems to conflict with the desires of institutional investors, which by and large believe that climate change risks and opportunities are critical long-term strategy concerns for the companies, the energy sector, and society at large.

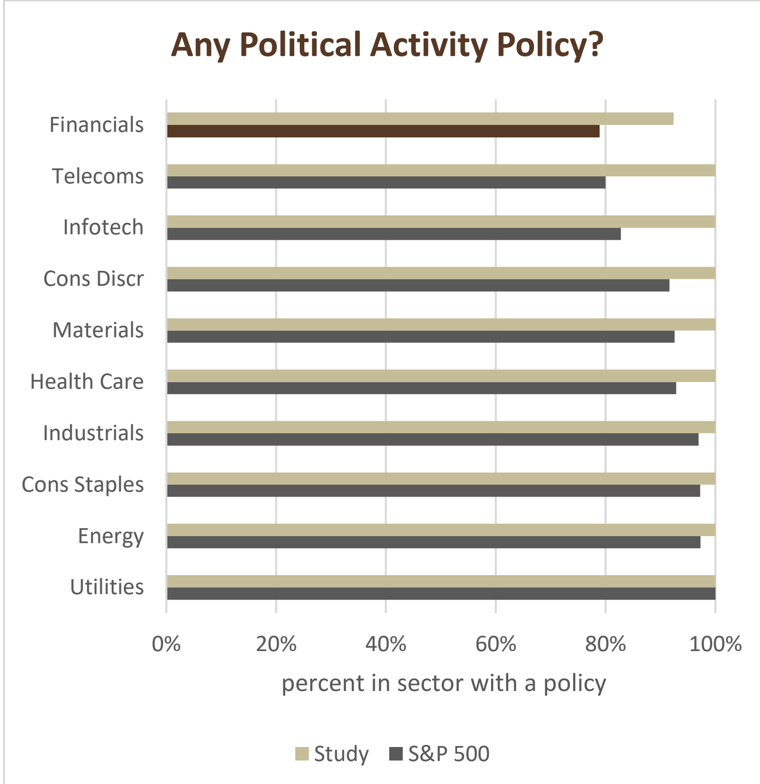
Board oversight: Board oversight of election spending (as opposed to disclosure of managerial oversight) is in place at half the S&P 500 and four-fifths of the 100 biggest firms. But company boards generally leave responsibility for lobbying oversight to management. State lobbying oversight is not a responsibility currently taken up by many corporate boards; only 7 percent of the S&P 500 mention it and only 16 percent of the 100 larger-company study group. Despite this, substantial spending occurs in the states about important policy issues, such as energy and electricity, health care and communications.

Indirect spending: There is a large gap between attention to intermediary group political activity by the biggest companies and the rest of the S&P 500 companies. Just over half of the index companies has a policy on intermediary groups but nine-tenths of the 100 biggest do. Non-profit groups not organized as trade associations—either "social welfare" 501(c)4 organizations or 501(c)3 charities that weigh in on public policy—are mentioned by one-third of the S&P 500 but by half the study group. Notably, only three out of the 12 energy companies in the study mention these other non-profit groups.

Spending disclosure: Almost no companies tell their investors how much they spend on state lobbying. Usually, companies indicate that interested parties should consult state government websites, but this disclosure in most cases is highly opaque, with the notable exceptions of California and New York. Even in those states, it remains nearly impossible to uncover corporate funding for intermediary groups that spend on lobbying at the state level.

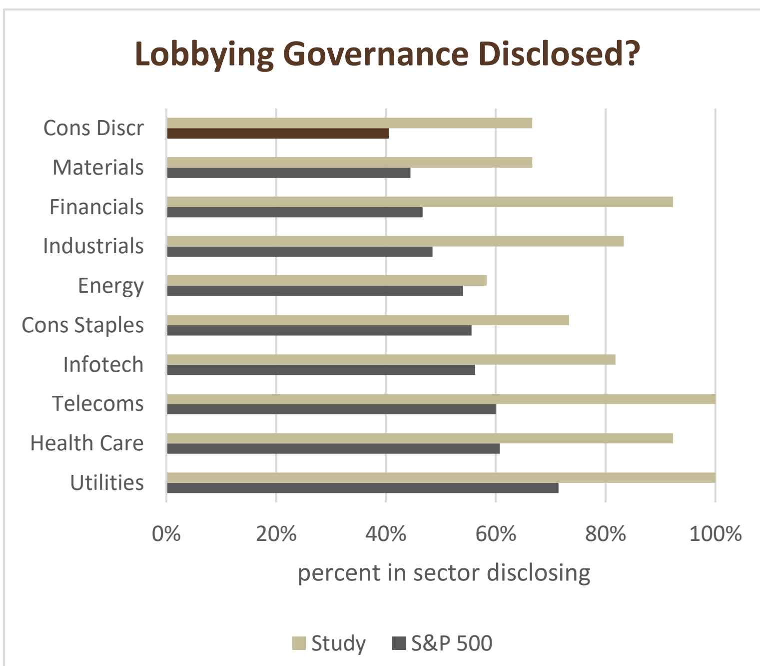
Elections—Fully 80 percent of the 100 largest companies tell investors about treasury spending on elections, although only two-fifths do for the S&P 500 as a whole.

Lobbying—Companies generally do not voluntary disclose to their investors how much they spend on lobbying: just 12 percent of the S&P 500, but 30 percent of the 100 largest companies. At the federal level, disclosure requirements under federal law make it possible to discern what formal lobbying is done. However, the rise of so-called "shadow lobbying" means the number of registered federal lobbyists has fallen, even as corporate public affairs work outside the legal definition of lobbying has grown (*see p. 21*). At the state level, investors are largely on their own if they want to find out how much companies spend on lobbying, and they get little help from state laws. Just 17 companies in the entire S&P 500 discuss state lobbying in their communications to investors, although one in ten of the 100 largest do (which means that only seven of the remaining 400 do, or just under 2 percent). A notable exception is the health care sector, where state lobbying is the heaviest in the states we examined: 9 percent of the S&P as a whole in the health care sector mention state efforts as do nearly one-quarter in the study group sector subset. Telecoms, which have spent heavily in the states and boast two of the top four overall spenders (**AT&T** and **Verizon**) do not discuss state lobbying at all in their policies. A handful of companies identify the states in which they lobby, and a dozen out of the index as a whole report how much they spent in the aggregate for all state lobbying, without identifying where they spent it.



Full state lobbying disclosure comes only from one company we studied: **Wal-Mart Stores**. Wal-Mart agreed to start releasing a detailed state lobbying accounting in fall 2015 and makes this information available on its website; it reported a total of $2.6 million spent in 38 states and gives the total amount spent per state, with links to the relevant state reporting filings and/or websites, which in some cases provide more detail. To Si2's knowledge, no other company provides such reporting now. Wal-Mart noted in its 2016 Global Responsibility Report that it has

> made it easier for Shareholders and other interested parties to understand details around our state lobbying efforts and related reported expenses. A state lobbying "report card" is posted on our corporate website providing our annual reported lobbying expense and links to state lobbying reports. In 2016 we will also provide a statement related to expenses reported for federal lobbying so that information is easier to access. The state and federal lobbying information is updated quarterly.

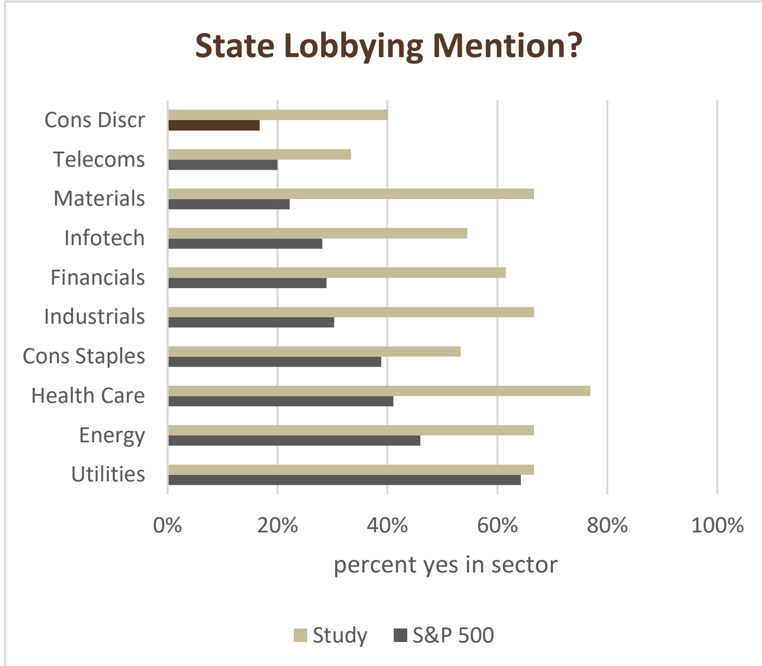


Valero Energy publishes on its website a link to its California disclosures, but nothing for any other states, the same as **Chevron**.

Policies

Financial companies are the least likely to have a policy on political activity (just under 80 percent do so), while utilities are the most likely (all three in the study do).

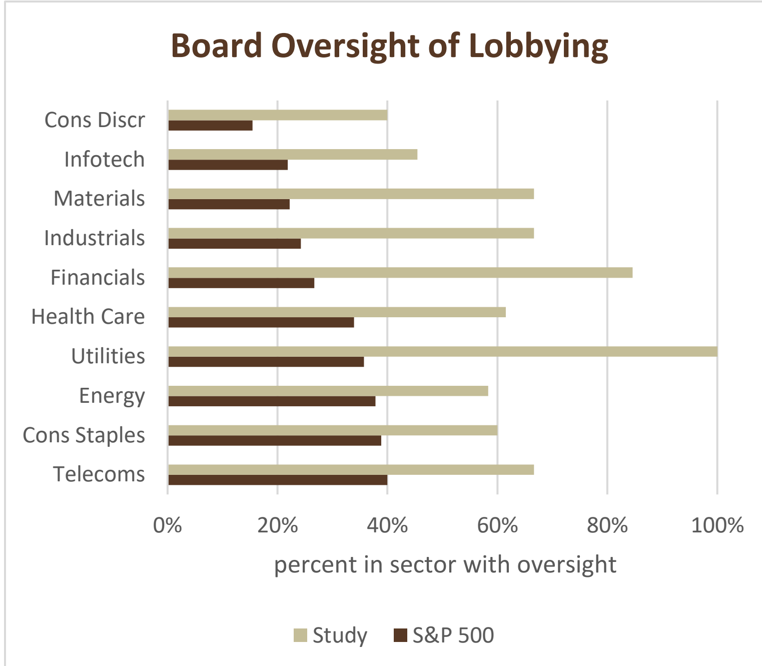
Federal lobbying: The 100 biggest companies are much more likely (92 percent) to mention federal lobbying in their policies than the S&P 500 as a whole (62 percent). Consumer discretionary firms are the least likely in both groups to make such mentions, with just over half of the S&P 500 sector as a whole and nearly three-quarters in the study subgroup. Utilities are the most likely to mention federal lobbying among S&P 500 sectors as a whole (89 percent); in the study group, aside from Consumer discretionary, more than 90 percent in each sector discuss federal lobbying.

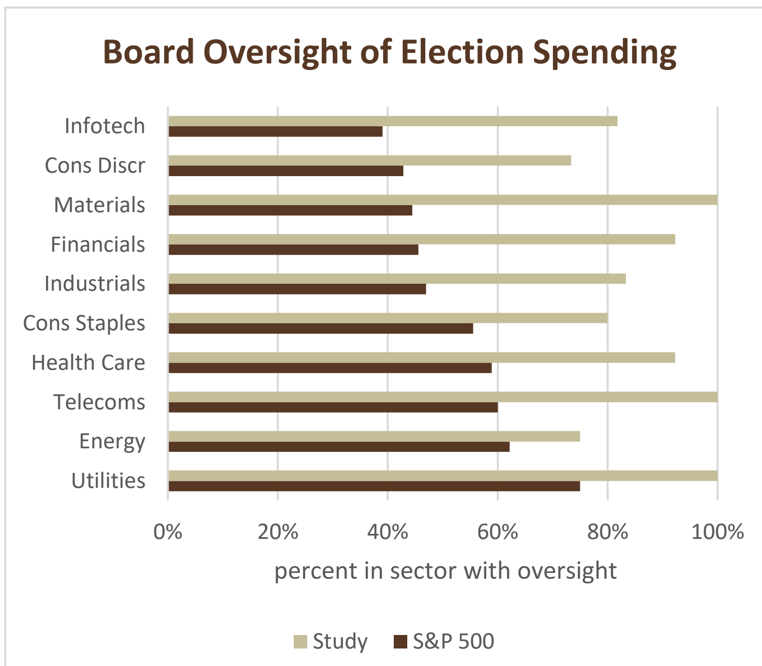


State lobbying: Compared to the S&P 500 as a whole, the 100 biggest companies are much more likely to mention state lobbying in their policies, with the exception of telecoms where the gap is narrower (although the number of companies is tiny: one of three in the study sector, compared with one out of five in the whole S&P 500). Health care companies are the most likely to mention state lobbying (77 percent). Consumer discretionary companies in the S&P 500 as a whole are the least likely by far to mention state lobbying. Utilities, which are fundamentally affected by state regulation, also are within the study group the most likely to mention state lobbying—two-thirds do—a not unsurprising finding.

Governance transparency: Among companies in the S&P 500 as a whole, Consumer discretionary firms are least likely (40 percent) and utilities the most likely (71 percent) to discuss lobbying governance, identifying which official(s) make decisions on where lobbying dollars are spent. Taken as a whole, the 100 biggest companies are far more likely to talk about how they govern lobbying (nearly 8 out of 10), compared with only about half of the S&P 500. The 12 big energy companies are the least likely to mention lobbying governance (just over half, or 7 out of 12). Given the intense interest expressed by many institutional investors about the role energy companies play in influencing climate change legislation and regulation, this is notable.

Board oversight





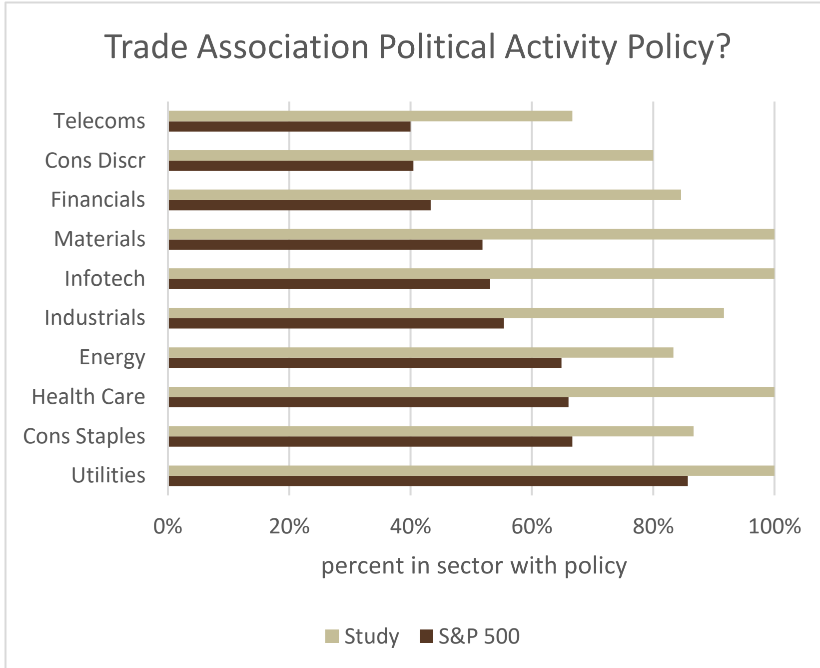
Board oversight of election spending is more common than board oversight of lobbying. Precisely half of the S&P 500 as a whole has put in place board-level oversight of electoral spending, in company charters or other formal governance documents, while 84 percent of the study group companies have done so. The utilities sector is the most likely to have board oversight of election activity in the index as a whole (75 percent) and information technology is the least likely (39 percent). Looking just at the 100 largest companies, consumer discretionary firms are the least likely to charge boards with oversight of elections (73 percent), along with energy firms (75 percent). In contrast, more than 80 percent of all other sectors in the study group have board oversight.

But board oversight of lobbying is far less common, in both the S&P 500 as a whole (27 percent) and among the 100 biggest firms (60 percent). Consumer discretionary companies in the index as a whole are by far the most unlikely to have board oversight of lobbying (just 15 percent), as well as in the study group (40 percent). The most likely sectors in the index as a whole to have lobbying oversight by the board are consumer staples (39 percent) and utilities (40 percent). Among the 100 biggest companies, utilities and financials firms are the most likely to have board oversight of lobbying.

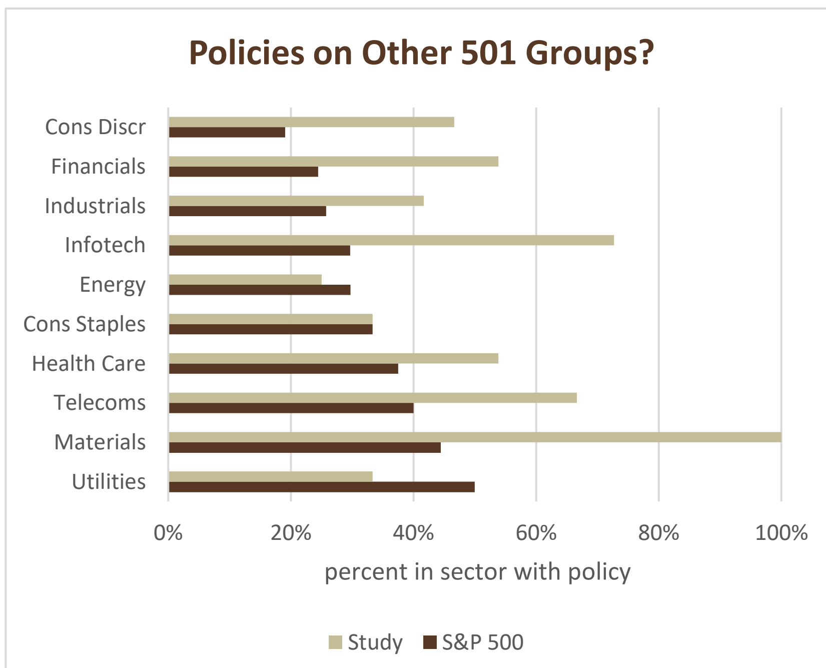
Corporate boards generally do not have in place explicit oversight obligations for state-level lobbying: seven percent of the S&P 500 mention this, as do 16 percent of the study group. For the index as a whole, health care companies are more likely to have such oversight (16 percent, or nine companies). Among the 100 biggest companies, two of the three utilities mention state lobbying board oversight.

Intermediary Groups

Trade associations: The 100 biggest companies are much more likely to have a formal policy on trade association activity to influence elections and lobbying (89 percent) than are companies in the entire S&P 500 (54 percent). Looking at the index as a whole, utilities are most likely to have such a policy (86 percent), while consumer discretionary firms and telecommunications are the least likely (40 percent). But in the study group, every firm in the health care, info tech, materials and utilities sector subgroups addresses trade group political activity.

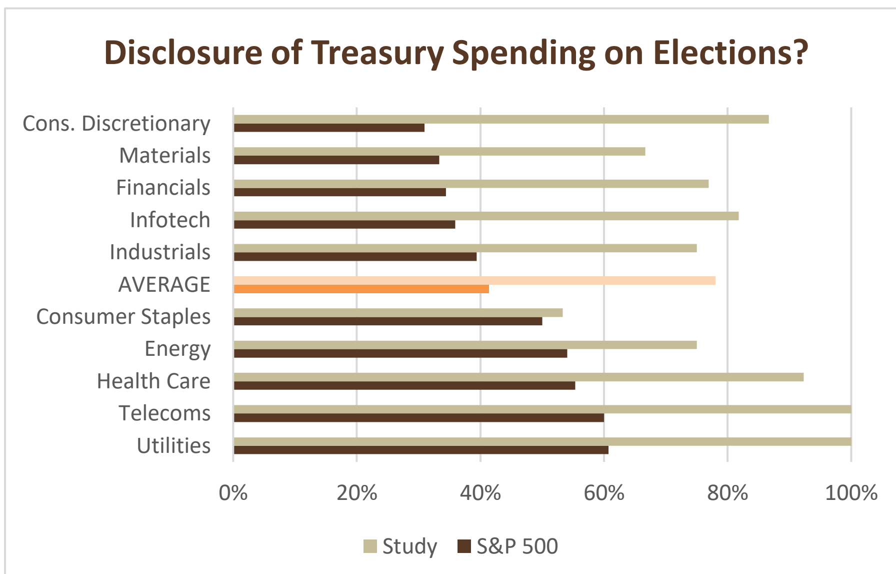


Other non-profit groups: Spending disclosure advocates and critics of "dark money" are particularly interested in expenditures on politics and lobbying by 501(c)4 "social welfare" groups and 501(c)3 charities, although the latter technically are not allowed to spend on lobbying or elections. Just under one-third of companies in the S&P 500 have policies on these "other 501" groups. Among study group companies, the proportion is just under one-half. Utilities in the index as a whole are the most likely sector to have a policy on these groups, while among the 100 biggest companies the most likely are firms in the information technology, materials and telecommunications sectors. Energy companies in the study group are the least transparent about these sorts of relationships, with only three out of the 12 firms mentioning them.



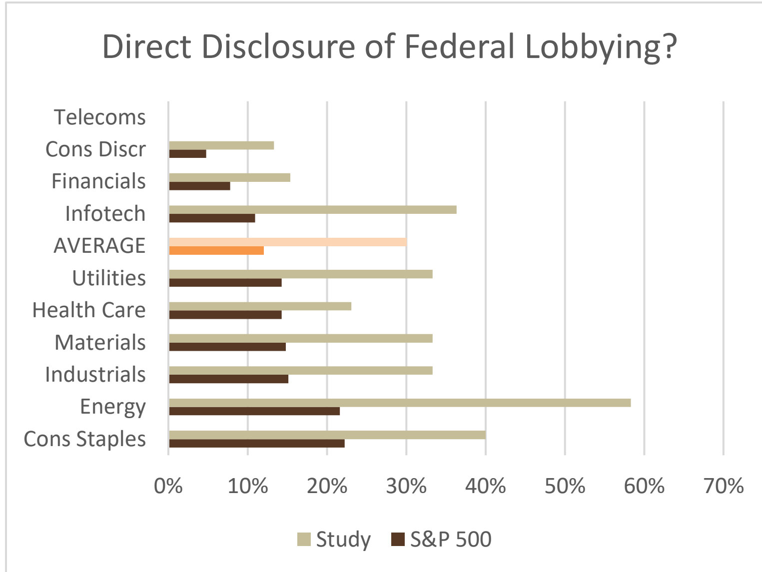
Spending Disclosure

While there has been relatively rapid uptake of governance reforms to oversee corporate political activity, disclosure to investors of the amounts spent lags. It is increasingly common to disclose direct spending on election, but far less common for lobbying spending, particularly at the state level where almost no companies provide figures to their investors. When companies do discuss state lobbying, they usually direct investors to state disclosure websites, which remain quite opaque in nearly all cases. (The exceptions are California and New York.) Some progress has been made in producing more corporate disclosure of indirect spending on elections through intermediaries, with more companies now revealing the proportion of their dues (and more rarely the actual amount) that these groups spend. When it comes to intermediary group lobbying, which shapes legislation and regulation from the federal government on down to municipalities, it remains nearly impossible to uncover which companies provide the funds for this activity since it is usually not required by law and rarely proffered by corporations.



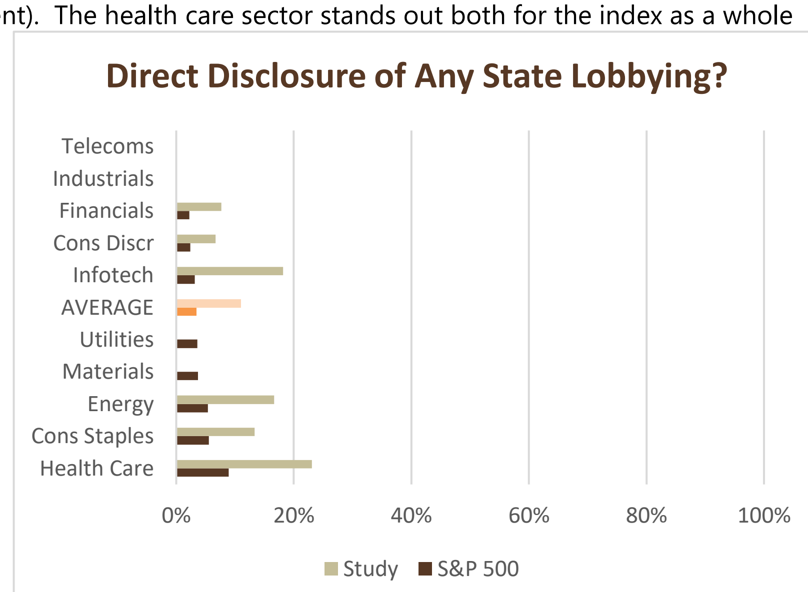
Treasury spending on elections: Nearly eight in 10 of the 100 biggest companies disclose to investors their treasury spending on elections, nearly twice the rate of the S&P 500 overall (41 percent). Consumer discretionary and materials firms are the least likely within the S&P 500 as a whole to disclose election spending (less than one-third of each sector). Among both the 100 biggest firms and the index as a whole, health care, telecoms and utilities sectors provide the most electoral spending disclosure, with more than 90 percent of the 100 biggest companies in these sectors reporting.

Federal lobbying: Companies must adhere to the Lobbying Disclosure Act of 1995, which was strengthened by the Honest Leadership and Open Government Act of 2007.[5] These laws put in place reporting provisions about federal lobbying, and required that lobbyists register with both the U.S. House of Representatives and the U.S. Senate.



It is therefore possible to discern what companies spend on direct federal lobbying *(see page 18)*. However, few companies directly provide their investors easy access to this information. Only 12 percent of S&P 500 companies disclose federal lobbying figures directly to investors, although 30 percent of the 100 biggest companies do. The least likely to disclose are telecoms (none in either the S&P 500 or the study). In the study group of 100 larger companies, energy firms are far more likely than any other sector to directly disclose lobbying (58 percent), while those in consumer staples are somewhat more likely than others in the subgroup to do so (40 percent). Consumer discretionary companies in the study group also are less likely (13 percent) to directly disclose federal lobbying.

State lobbying: Few companies (17 or 3 percent) in the S&P 500 as a whole discuss their state lobbying expenditures in communications to investors. However, more than three times that proportion do so among the 100 biggest firms (11 percent). The health care sector stands out both for the index as a whole and in the study as having more state lobbying disclosure: Nine percent for the index, 23 percent for the study subset. Telecoms, which have spent handsomely in the states on lobbying, are silent about this activity.



States, not dollars—Some companies disclose the states where they lobby, but not how much they spend on this lobbying. Eight of the study companies do this:

[5] Guidance from Congressional counsel provides more detail on the laws at http://lobbyingdisclosure.house.gov/ldaguidance.pdf.

Amazon.com	EMC (now part of Dell)	Tesoro
Apple	Marathon Petroleum	United Technologies
Citigroup	Phillips 66	

In the S&P 500 as a whole, another 15 firms also disclose states but not amounts:

Amgen	Eastman Chemical	PPL
Applied Materials	Eversource Energy	Public Service Enterprise Group
Bank of New York Mellon	General Mills	Raytheon
Corning	MasterCard	Southwestern Energy
Discover Financial Services	PG&E	Texas Instruments

Aggregate state amounts—A handful of companies disclose how much they spend in the aggregate on state lobbying. This includes among the 100 biggest companies the following:

Accenture	American Express	Microsoft
Aetna	AmerisourceBergen	Procter & Gamble
Amazon.com	Anthem	

In the S&P 500 as a whole, another four firms also disclose the aggregate:

Eastman Chemical	Endo International	St. Jude Medical	WEC Energy Group.

Full state lobbying disclosure—Only three companies in the S&P 500 as a whole (including one in the study group) provide full disclosure to investors of the states in which they lobby, and the amounts they spend in these states. This includes only **Wal-Mart Stores** among the 100 biggest companies, and **Lincoln National** and **Staples** in the rest of the S&P 500. Chevron reports on its website about its California state lobbying; it does not report on its lobbying in other states, including among those examined here $355,000 spent over four years in Washington and about $360,000 in Florida during the same period. **Valero Energy** also reports on its website about its California state lobbying ($1.4 million over four years, but nothing in other states). It did not report any lobbying in the other five states Si2 examined but may have lobbied in other states not examined, given its national business footprint.

II. Lobbying Spending in Six States

To set the context for our look at the six states with the highest amounts of discernable corporate lobbying, it is worth noting that overall S&P 500 federal lobbying has fallen since the start of the decade, although it has continued to grow at the biggest companies.

Key Takeaways

Sector standouts: The sectoral analysis below shows that:

- State-level lobbying by health care companies in the study was the greatest for any sector from 2012-15 ($41 million in all), followed closely by consumer staples ($37 million) and telecommunications firms ($35 million). Health care companies also increased their state lobbying by one-quarter, especially between 2014 and 2015 as the Affordable Care Act was being implemented; much of this spending was in California and a large proportion (60 percent of the amount spent by insurers) came from **Anthem**, the dominant private health insurance player in the state.
- Energy companies doubled their lobbying from 2012, with the lion's share coming from **Chevron** ($15.7 million)—and most of that in California, where its landmark climate change law is being implemented.
- Reported lobbying by utilities (just two spent in the states studied) rose sharply over the four years, with most of it spent by **Exelon** in New York State, where a new climate change control effort has borne fruit for the company in the form of significant subsidies for its three nuclear power plants located upstate. **Duke Energy**, which spent heavily to protect its interests in Florida and fought consumer-owned rooftop solar, saw its lobbying total in the state grow four-fold.

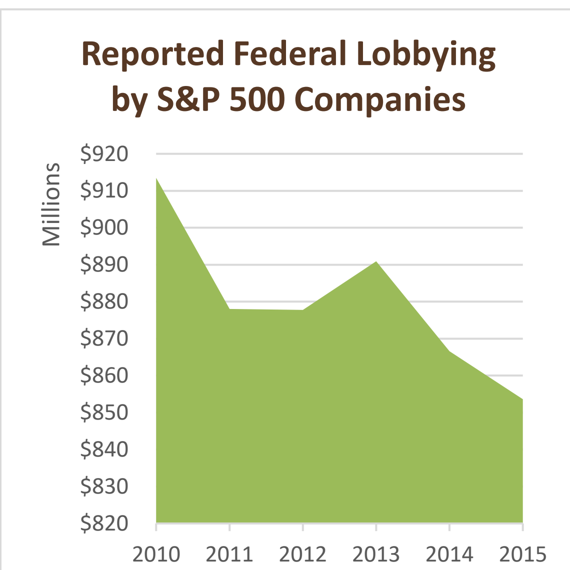
Top-heavy concentration: State lobbying expenditures were heavily concentrated among a small number of companies, with four clear standouts—**AT&T** (8.4 percent of the total, or $19.8 million); **Altria** (7.1 percent of the total, or $16.8 million, with a big bump in New York in 2013); **Chevron** (6.7 percent of the total, or $15.7 million, 94 percent of it in California); and **Verizon** (5.8 percent or $13.6 million). Detail from New York State reporting provide a glimpse of the types of activities the company's lobbyists performed in Albany *(pp. 26-28)*, which may be indicative of what happens in other state capitals.

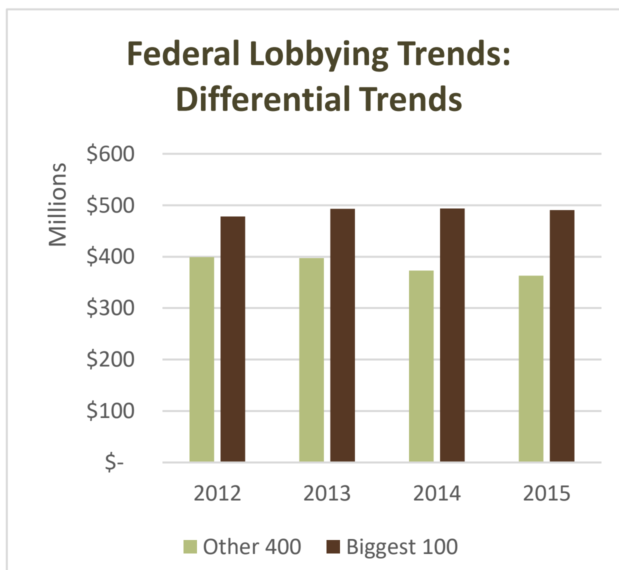
Intensive lobbying by a few: Normalizing for company size using revenue shows that health care companies were not only the biggest spenders, but this sector also had the largest number of intensive spenders. Yet **Altria**, long known for its persistent efforts to fight tobacco control, was the most intensive by far. On average, companies spent $11.40 on lobbying for every $1 million of revenue they earned. Altria spent more than 12 times that: $143.70. Altria's spending intensity also dwarfed even the $30 in state lobbying expenditure per $1 million of revenue range of the next most intensive companies (**Pfizer, Chevron** and **HCA Holdings**).

Federal Trends

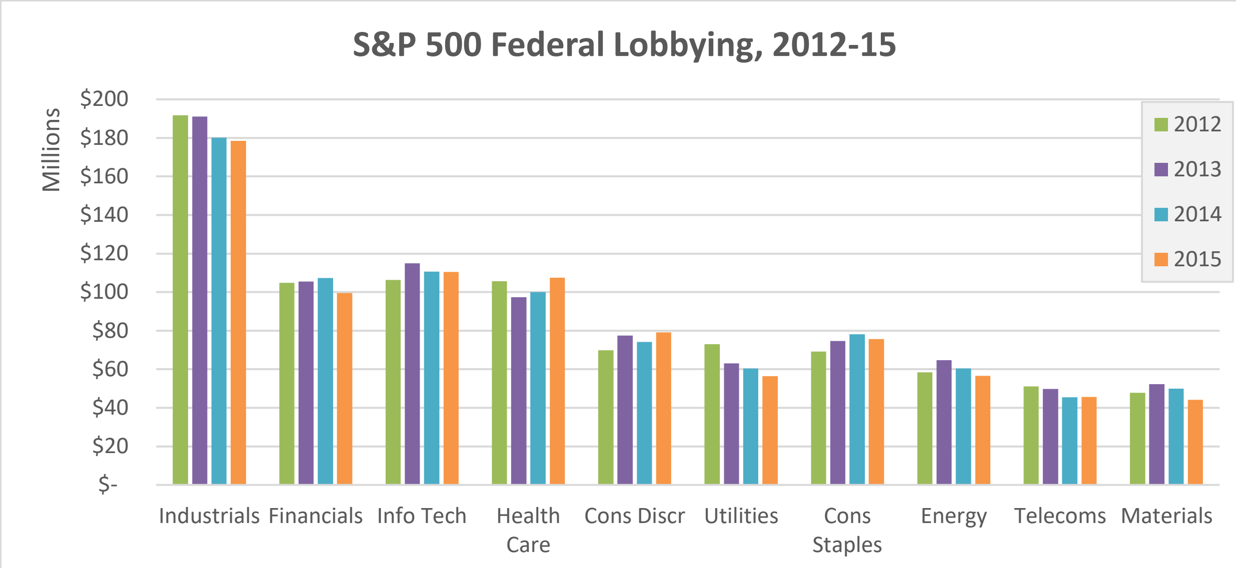
How much companies report on federal lobbying, as aggregated by the Center for Responsive Politics, provides important additional context for the state-specific lobbying data examined here. S&P 500 companies now are reporting less federal lobbying than they did a few years ago, although this is not true for the very largest companies. The total fell by about seven percent between 2010 and 2015—dropping from $913.5 million to $853.6 million—and by about three percent between 2012 and 2015, the period we examine for state-level spending. *(Left graph, below.)* This does not necessarily mean that companies actually are spending less on federal lobbying, but rather that how they are spending on what most would call lobbying has changed. The Sunlight Foundation in April 2016 examined "shadow lobbying," which it defined as public affairs work that skirts the definition of lobbying. It noted that the number of registered lobbyists in Washington has fallen from a peak of 14,829 in 2007 to 11,504 as of 2015, although the total amount spent has not dipped as sharply—it was about $3.2 billion in 2015, down from $3.5 billion in 2009. The foundation concluded that stiffer rules and non-compliance penalties elucidated in the 2007 Honest Leadership and Open Government Act meant that registered lobbyists simply stopped registering. Yet enforcement of federal lobbying rules is rare, and the Department of Justice has never filed suit against anyone for failing to register as a lobbyist, the Sunshine Foundation notes.

At the federal level, the 100 biggest companies spent more than their relatively smaller compatriots in the S&P 500, however, and saw a modest *increase* of 3 percent in reported lobbying from 2012 to 2015, rising from $478 million in 2012 to $490 million in 2015. The 400 other relatively smaller companies saw their reported federal lobbying *drop* by 9 percent during this time, falling from about $399 million in 2012 to $363 million in 2015. *(Right chart, below.)*





Source for both charts: Center for Responsive Politics, www.opensecrets.org



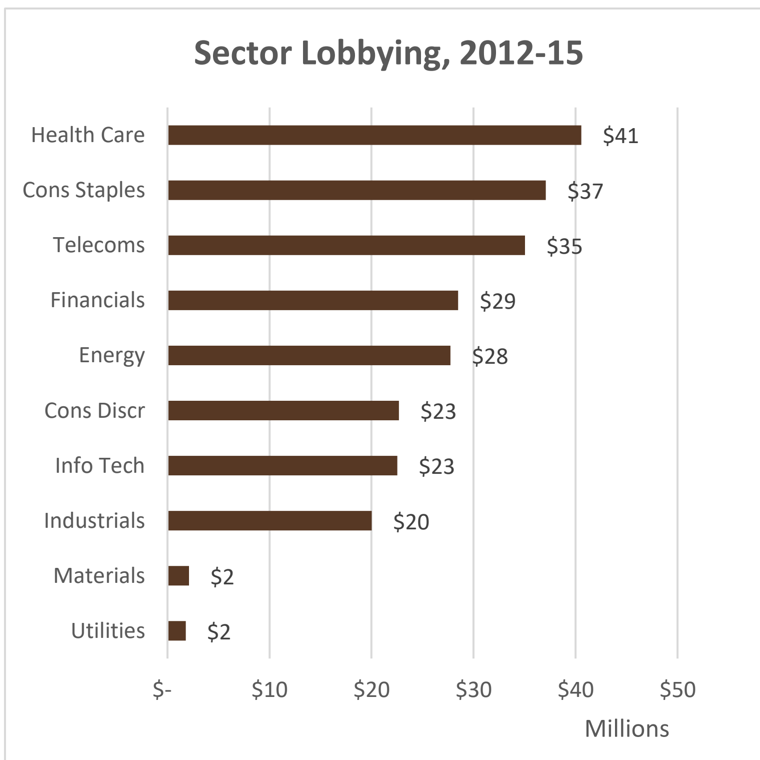
Spending within the sectors varied, with the biggest changes being drops of 23 percent between 2012 and 2015 for utilities and by 11 percent during the same time frame for telecoms, alongside increases of 13 percent for consumer discretionary companies and 10 percent for consumer staples firms. *(Chart, above.*

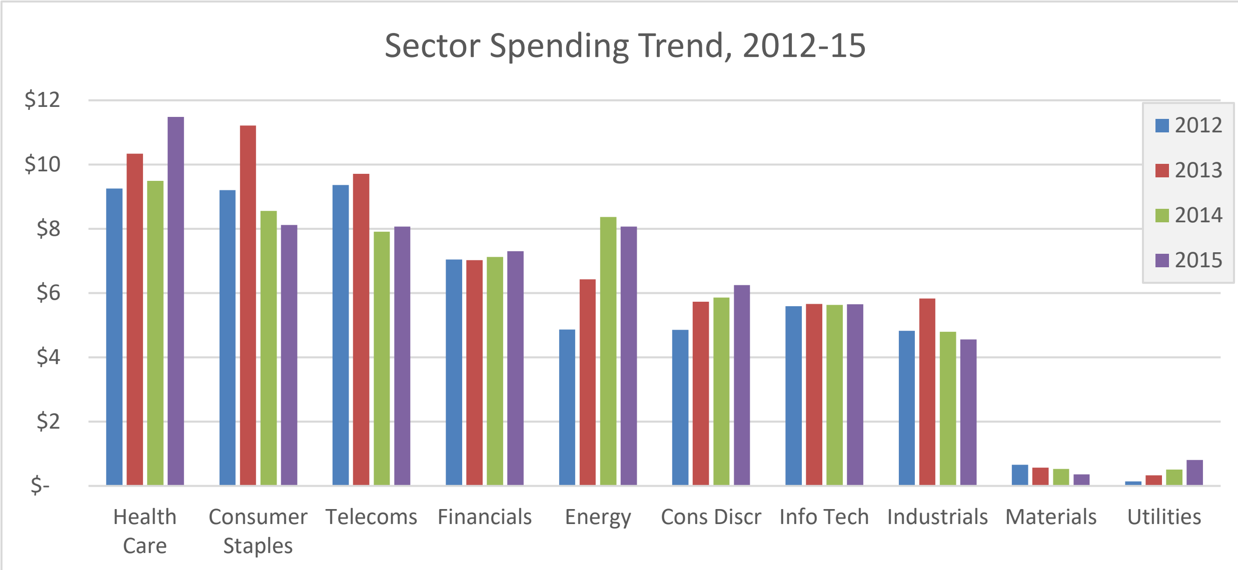
State Lobbying Expenditures

As noted at the start of this section of the report, company lobbying expenditures at the state level varied by sector and were heavily concentrated among a few companies; high lobbying intensity for the most part correlated with high spending.

Sectors

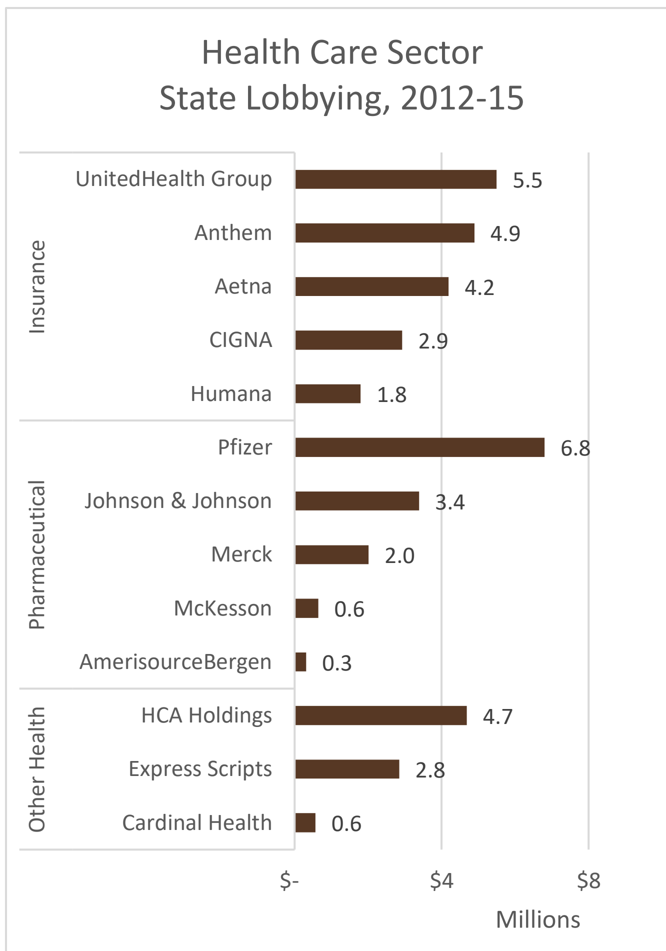
The amount of lobbying expenditures in the economic sectors varied widely, with those in health care, consumer staples and telecoms clearly leading (each spent $35 million or more over four years), followed by financials ($29 million) and energy ($28 million). A look at spending over time shows that health care companies increased their state lobbying by one-quarter, particularly between 2014 and 2015, and from what was already a high baseline. Energy firms nearly doubled their lobbying since 2012. The





increase for utilities was the greatest by far, but from a much lower baseline. *(Chart, above; real estate included with financials.)*

Health care—A closer look at the health care sector shows that the subset of pharmaceutical companies, collectively some of the heaviest hitters at the federal level, also spent vigorously in the states, with four companies accounting for about one-third of the sector total among the 100 largest companies, or $13.2 million over the four years. But a different subsector, the five health insurers we examined, spent far more than either drug makers or the others in the sector, totaling about half of the sector total, or $19.3 million. They did so as the Affordable Care Act (ACA) and its implementation in the states was being sorted out and state health insurance exchanges were set up in four of the six states we studied (California, Minnesota, New York and Washington). **UnitedHealth Group** and **Aetna** both initially participated in state ACA insurance marketplaces, but decided to pull out from most states after unexpected losses; UnitedHealth still participates in New York,

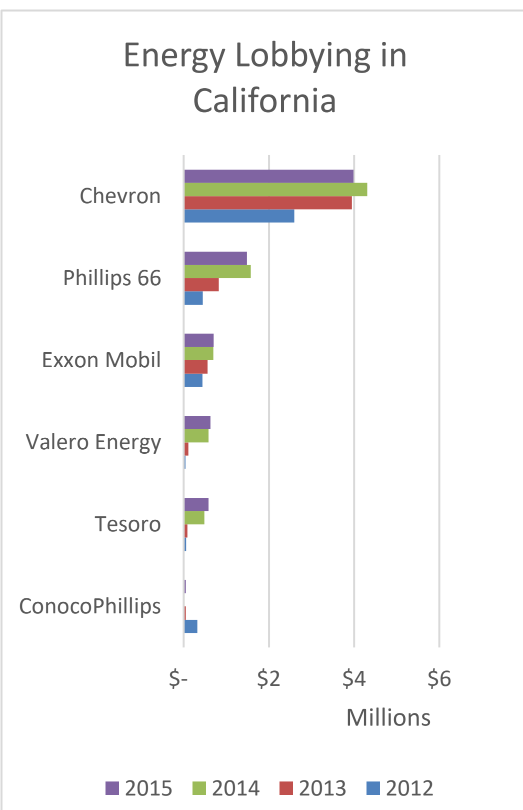


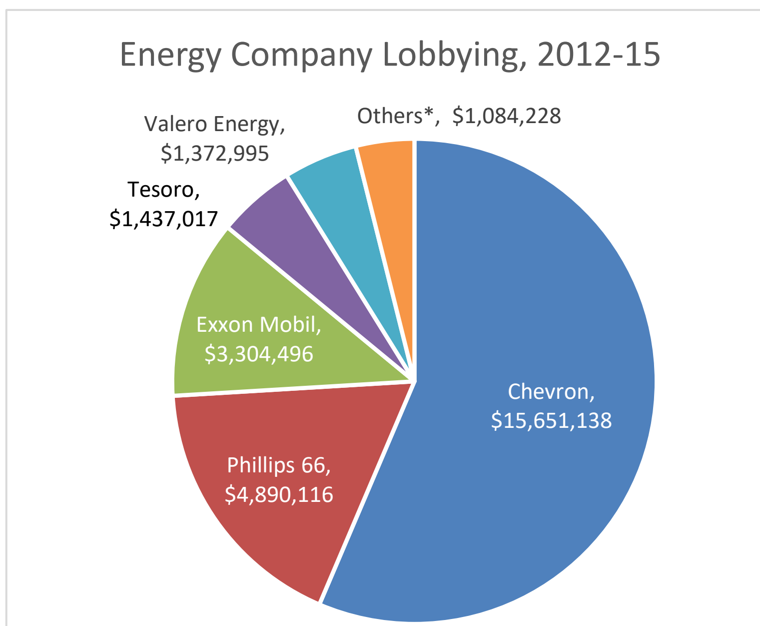
however. **Anthem** is the sole other participant in ACA exchanges among the health care companies studied. *(Table, right.)*

Insurers' Participation in ACA Exchanges*				
Company	**California**	**Washington**	**Minnesota**	**New York**
UnitedHealth	2016 only	No	No	Yes
Anthem	Yes	No	No	No
Aetna	No	No	No	No
Cigna	No	No	No	No
Humana	No	No	No	No
*Florida and New Jersey do not have ACA exchanges				

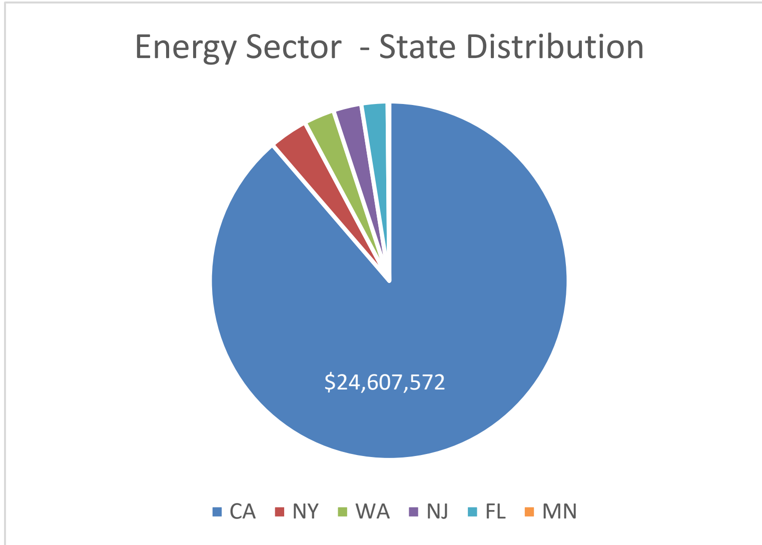
Not surprisingly, given the size of the market, one-third of the $19.3 million spent on lobbying in the six states by the health insurers we examined occurred in California. Fully 60 percent of this $6.3 million came from **Anthem**, a dominant player in the market. **UnitedHealth Group** also spent $1.6 million during the four years in California, but it participated in ACA offerings only in 2016 and then exited. Likewise, it spent a total of $1.3 million from 2012 through 2015 in New York—but just $2,000 in 2015, down from close to half a million dollars the three previous years.

Energy—State lobbying for energy companies rose at a rapid clip. It was also significantly dominated by Chevron, one of the four largest overall lobbyists among all the 100 biggest companies. Chevron, by itself, accounted for 52 percent of the sector's lobbying total. Energy lobbying also was heavily concentrated in California, where the nearly $25 million expended over four years made up 80 percent of the total. In California, aside from Chevron, **Phillips 66** and **ExxonMobil** also increased their lobbying over the four years, while the others lobbying in the state spent much more modestly.





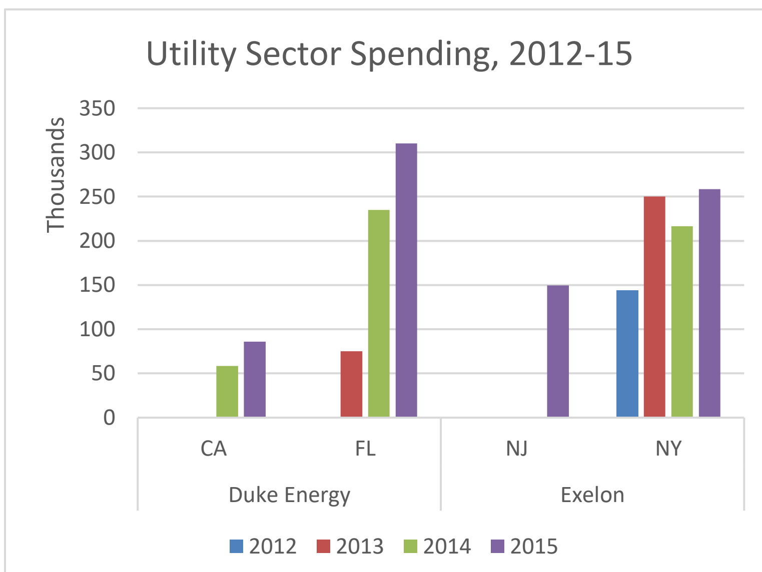
*ConocoPhillips, Chesapeake Energy, Marathon Petroleum, Halliburton



In California, Chevron has been one of the chief opponents of the California Global Warming Solutions Act of 2006 (AB 32).[6] The law aims to cut the state's greenhouse gas emissions to 1990 levels by 2020. In each of the years examined in this study, Chevron's lobbying related in some fashion to the law and associated regulations in different state agencies. As *The Sacramento Bee* noted in February 2015, the oil industry as a whole more than doubled its state lobbying expenditures as the law's January 1, 2015 deadline approached for participation in its new greenhouse gas emissions cap-and-trade program. The American Lung Association provides a detailed breakdown of this spending from 2009 to 2013 and updated its analysis in 2015 and again in 2016.

Utilities—There were just two utilities with state lobbying expenditures in the study, **Duke Energy** and **Exelon**. Their spending rose significantly, but from a much lower baseline than the other firms:

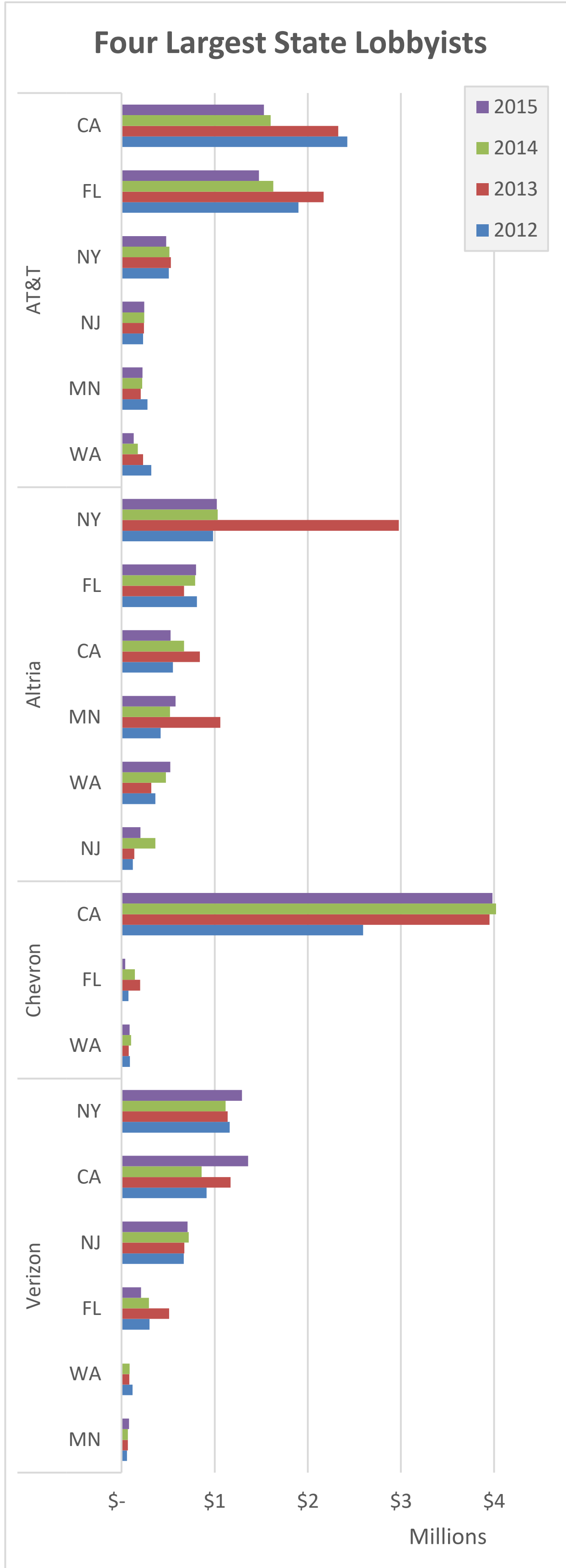
- The increase was particularly marked for Duke. In Florida, it spent about $75,000 in 2013 and grew this four-fold to nearly $310,000 in 2015. A detailed analysis of Duke's business from the Energy and Policy Institute, a watchdog group, posits the company has spent to protect its current business model and fought measures that would have allowed consumers to install rooftop solar panels, as delineated in a *Miami Herald* article in April 2015. The company has installed new solar capacity of its own in Florida, with a small project at Walt Disney



[6] The Natural Resources Defense Council in 2014 discussed lobbying by energy companies about AB 32, noting Chevron's prominent role. See https://www.nrdc.org/experts/merrian-borgeson/oil-industry-doubles-spending-lobbyists-california. Additional coverage in November 2015 about oil industry lobbying in California from *The Los Angeles Times* noted industry spending in a "pitched battle" over proposed new climate-related restrictions, as well. See http://www.latimes.com/politics/la-pol-sac-oil-industry-pumped-cash-into-capitol-lobbying-campaign-20151102-story.html.

World and in a new 22-acre solar power plant in its Perry Solar Facility in Taylor County, announced in September 2016.

- Exelon, in contrast, spent more consistently, starting with just under \$150,000 in 2012 and then disbursing between \$200,000 to \$250,000 in each of the three subsequent years. Most of this was in New York, which has included in its new Clean Energy Standard announced by the Public Service Commission on August 1, 2016 what could total \$1 billion in subsidies for nuclear power, according to a July 2016 article in *The New York Times*. The *Times* noted that Exelon at the time owned two of the three nuclear plants in upstate New York which could benefit (it has since acquired the third), and pointed to the company's recent lobbying expenditures in the state. *EENews*, an industry publication, pointed out in August that the company is girding for expected multi-faceted legal challenges to the plan that aims for the state to obtain half its energy from carbon-free sources by 2030. At issue in part for the nuclear plants is the new concept of a "zero emissions credit" for nuclear facilities, with the subsidy amount based on the "social cost of carbon" defined by the U.S. government's Interagency Working Group, a concept upheld by the 7th U.S. Circuit Court of Appeals. Incoming Trump administration officials have expressed skepticism about the "social cost of carbon" concept.



Concentration at the Top

The top four spenders accounted for 28 percent of all the lobbying examined for the 100 companies, with each contributing more than \$13 million from 2012-15. *(See table, starting on p. 29 for all firms.)* Details from New York and California about what has been occurring in each case provide illustrative examples of how much these companies spent, why they did so, and who they employed:

- **AT&T** by itself contributed 8.4 percent of the total ($19.8 million), with disbursements in each of the six states. It spent the most in California (nearly $8 million), closely followed by Florida ($7 million). Expenditures in California have dropped each year, though, falling from a high in 2012; Florida reported spending per year also has dropped from previous levels and a high in 2013.

  Examining the company's role in influencing California public policy in 2012, *The Los Angeles Times* concluded, "no single corporation has spent as much trying to influence lawmakers as AT&T. At the same time, a tide of consumer protections has ebbed and the company has been unshackled from the watchful eye of state regulators." The article quotes Ken McNeely, president of AT&T California, who noted the company's large employee and retiree presence in the state, in addition to its customers and shareholders and said, "It's important for us to participate, and participate actively, in the public policy arena." The *Times* notes that the annual company-sponsored Speaker's Cup golf tournament in Pebble Beach is "the centerpiece of a corporate lobbying strategy so comprehensive and successful that it has rewritten the special-interest playbook in Sacramento."

  One recent fruit of the company's lobbying was AB 57, a new law signed by the governor in October 2015. It allows for automatic approval of new cell phone antennas on existing sites within three to five months if local officials do not act on company siting applications. AT&T listed the bill in its reports to the state about lobbying in the period leading up to the bill's passage and reported spending $1,226 for San Francisco Giants game tickets for legislative aides to Assembly members who ultimately voted for the measure. An article in the February 2016 newsletter of the Northern California chapter of the American Planning Association suggests the bill "turns the development process in California upside down to accelerate wireless infrastructure deployment...[and] grants wireless site projects a free pass irrespective of environmental or constitutional concerns." The bill was promoted, however, with an eye to streamlining broadband infrastructure deployment in the state for broad public benefit, by streamlining investment.

- **Altria** was the second highest overall spender, with a tally of $16.8 million, also in all six states. New York prompted its most extensive lobbying, $6 million, but the company also spent consistently elsewhere, with $2 million or more disbursed in California, Florida and Minnesota. Its overall total was pushed up significantly because of New York expenditures during 2013, which were three times greater than in any other year—just under $3 million and a figure that stands out sharply *(see bar chart, previous page)*. That year, among the amounts paid to specific firms, the largest portion (just under $300,000) went to the public relations firm DCI Group, which has longstanding ties to the tobacco industry and efforts to fight tobacco control.

- **Chevron** was in third place among the top lobbyists. It spent almost all (94 percent) of its $15.7 million total spent in the six states examined in its home, California ($14.8 million), with the rest in Florida and Washington. This was more than half of all the examined state lobbying for the energy sector. Its California spending was the highest in 2014 and from 2013-15, the company paid out more annually than any one of the other top spenders. As discussed above, the company has taken exception to implementation of the state's climate change law.

- Like AT&T, competitor **Verizon** spent in each of the six states, with overall disbursements totaling $13.6 million. Its biggest spend was in New York ($4.7 million overall), although it also paid out $4.3 million in California, $2.7 million in New Jersey and $1.3 million in Florida.

The California spending has increased over time, although it dipped in 2014. Notably, the company spent $331,333 in the third quarter of 2015 lobbying the state's Public Utility Commission (PUC) and the governor's office about the sale of its wireline assets to **Frontier Communications**. Earlier, the PUC had launched an investigation of both Verizon and AT&T in September 2015 about their management of landline networks and complaints about service quality, according to the industry publication *FierceTelecom*. *FierceTelecom* said Frontier plans to upgrade the broadband and wireline network infrastructure, using about $32 million in federal funds from the Connect America Fund, an initiative of the Federal Communications Commission that is to upgrade voice and broadband access across the country.

In New York, 80 percent of the company's lobbying expenditures over four years went to nine firms, for work on a range of telecommunications issues before both houses of the state legislature and the governor. These firms' self-described offerings provide a glimpse of how they assist clients; those which received the highest compensation from Verizon were:

- ***Hinman Straub Advisors***, an Albany law firm, as a government affairs team that promises "extensive experience," where "comprehensive representation, strong relationships with government leaders and experience with the nuances of government allow us to gain an advantage." It notes, "We offer a full range of services, including analyzing and drafting legislation, monitoring legislative committee activity, advocating before government leaders and their senior staff, and formulating strategic and tactical plans to help our clients get their messages to key elected officials and senior policy makers." The firm received $605,230 from Verizon from 2012-2016.
- ***Brian R. Meara Public Relations*** received from the company $585,063 over the four years. Meara is routinely listed as one of the key behind-the-scenes players in Albany.
- ***Tonio Burgos & Associates*** provides "government relations and strategic business planning" and for clients "navigates today's public policy and economic uncertainty to strategically address your business needs." It received $572,437 from Verizon over the four years.

The companies shown in the table below *(next page)* appear in descending order of their spending. (Cumulative four-year state tallies of more than $1 million appear in **bold**.)

State Lobbying Expenditures, 2012-15								
Company	**California**	**Florida**	**Minnesota**	**New Jersey**	**New York**	**Washington**	**Total**	**% of Total**
AT&T	**$7,880,609**	**$7,175,950**	$932,061	$959,572	**$2,031,578**	$858,713	$19,838,482	8.4%
Altria	**$2,590,011**	**$3,069,955**	**$2,580,000**	$824,567	**$6,017,016**	**$1,681,825**	$16,763,373	7.1%
Chevron	**$14,835,145**	$459,996				$355,997	$15,651,138	6.7%
Verizon	**$4,302,796**	**$1,314,990**	$274,000	**$2,773,460**	**$4,712,645**	$285,085	$13,662,976	5.8%
Comcast	**$3,096,818**	$639,992	$600,000	**$1,514,522**	$433,574	$971,247	$7,256,153	3.1%
Pfizer	**$2,525,336**	$639,992	$318,913	$834,795	**$2,165,685**	$316,562	$6,801,283	2.9%
Honeywell Intl	$358,000	**$1,830,000**	$10,505	**$2,912,994**	$589,339		$5,700,838	2.4%
UnitedHealth Group	**$1,550,912**	**$1,468,487**	$328,203	$764,625	**$1,277,512**	$107,774	$5,497,512	2.3%
Wal-Mart Stores	**$1,534,967**	$594,995	$420,000	$462,736	**$1,679,870**	$703,732	$5,396,300	2.3%
Anthem	**$3,774,434**	$199,996	$36,000	$105,064	$527,017	$250,800	$4,893,311	2.1%
Phillips 66	**$4,333,136**			$291,252	$73,066	$192,662	$4,890,116	2.1%
HCA Holdings	$543,549	$4,144,966					$4,688,515	2.0%
Aetna	$314,828	**$1,395,988**		**$1,189,694**	**$1,167,193**	$125,005	$4,192,708	1.8%
Walgreens Boots Alliance	**$1,362,850**	**$1,269,980**	$3,125	$509,021	$675,133	$272,637	$4,092,745	1.7%
Prudential Financial	$208,372	$389,996	$30,000	**$2,959,555**	$297,114		$3,885,037	1.7%
Citigroup	**$1,521,179**	**$1,109,990**	$4,237	$96,486	$834,230	$240,000	$3,806,122	1.6%
Oracle	$893,153	$704,993	$193,900	$280,500	**$1,323,985**	$217,000	$3,613,531	1.5%
CVS Health	$755,199	$649,993	$216,008		**$1,560,239**	$321,267	$3,502,705	1.5%
Microsoft	$702,671	$509,997	$320,000		**$1,118,925**	$744,127	$3,395,720	1.4%
Johnson & Johnson	**$1,375,417**	$569,995	$295,000	$220,825	$748,067	$175,246	$3,384,550	1.4%
Walt Disney	**$1,483,634**	**$1,389,983**			$456,967		$3,330,584	1.4%
Exxon Mobil	**$2,406,611**	$55,000		$368,628	$474,257		$3,304,496	1.4%
Coca-Cola	$454,900	$469,997	$340,000		**$1,894,737**		$3,159,634	1.3%
General Motors	**$1,179,423**	$469,993	$180,000	$248,280	$603,909	$439,467	$3,121,071	1.3%
Bank of America	**$1,243,000**	$389,995	$162,331	$238,643	$715,305	$283,700	$3,032,974	1.3%
CIGNA	$525,378	$469,998		$853,211	$957,511	$120,000	$2,926,098	1.2%
Allstate	**$1,004,968**	$269,998	$160,681	$560,795	$613,951	$238,605	$2,848,998	1.2%
Express Scripts	$702,008	$459,992	$300,000	$544,577	$481,598	$358,865	$2,847,040	1.2%

State Lobbying Expenditures, 2012-15

Company	California	Florida	Minnesota	New Jersey	New York	Washington	Total	% of Total
Cisco Systems	$956,141	$639,994	$100,000	$218,287	$770,162	$96,563	$2,781,147	1.2%
FedEx	**$1,055,292**		$236,000		**$1,195,764**	$237,697	$2,724,753	1.2%
Goldman Sachs	$80,630			$49,141	**$2,533,311**		$2,663,082	1.1%
Hewlett-Packard	$844,241	$429,996	$70,000	$146,100	**$1,103,872**	$5,358	$2,599,566	1.1%
General Electric	$883,831	$509,997	$115,000		**$1,074,500**		$2,583,328	1.1%
JPMorgan Chase	$611,453	$219,996		$365,915	**$1,200,457**	$42,736	$2,440,557	1.0%
Accenture		**$1,139,990**		$7,500	**$1,113,559**		$2,261,049	1.0%
Berkshire Hathaway	**$1,180,438**		$390,000			$554,469	$2,124,907	0.9%
Amazon.com	$726,831	$509,988	$143,524		$225,484	$486,954	$2,092,781	0.9%
Wells Fargo	$738,860	$389,995	$860,000		$33,568	$53,500	$2,075,923	0.9%
Merck	$183,977	$339,998	$40,000	$665,469	$465,085	$316,050	$2,010,578	0.9%
IBM	$243,388	$399,996	$300,000		$921,412	$140,400	$2,005,196	0.9%
Ford Motor	$1,408,721	$344,995	$26,200		$192,762	$12,000	$1,984,678	0.8%
Alphabet (Google)	$894,547	$439,995		$112,151	$390,190	$146,709	$ 1,983,592	0.8%
American Intl Group	$345,000	$309,996	$158,800	$306,543	$522,678	$168,000	$1,811,017	0.8%
Humana	$180,000	**$1,518,982**			$96,915		$1,795,897	0.8%
Apple	$547,738	$269,997	$156,276	$273,957	$529,931	$4,507	$1,782,406	0.8%
DirecTV	$972,883	$94,999	$94,250		$393,748	$114,431	$1,670,311	0.7%
Boeing	$392,673					**$1,267,720**	$1,660,393	0.7%
United Parcel Service	$709,000	$379,993		$77,908	$420,708		$1,587,609	0.7%
CenturyLink		$142,000	$489,286			$921,616	$1,552,902	0.7%
Tesoro	**$1,221,017**					$216,000	$1,437,017	0.6%
Delta Air Lines	$111,968	$119,998	$492,000		$640,010	$50,651	$1,414,627	0.6%
Lockheed Martin	**$1,141,790**	$269,999					$1,411,789	0.6%
Morgan Stanley	$360,311	$80,000		$37,851	$928,875		$1,407,037	0.6%
United Technologies	$474,528	$439,994	$150,000		$294,941	$30,164	$1,389,627	0.6%
Valero Energy	**$1,372,995**						$1,372,995	0.6%
PepsiCo	$546,197	$384,996			$380,797		$1,311,990	0.6%

State Lobbying Expenditures, 2012-15								
Company	**California**	**Florida**	**Minnesota**	**New Jersey**	**New York**	**Washington**	**Total**	**% of Total**
American Express	$389,991	$274,998	$140,000		$292,569	$104,274	$1,201,832	0.5%
Du Pont	$225,646	$90,000	$130,000	$577,169	$109,953	$10,000	$1,142,768	0.5%
Home Depot	$491,071	$559,993					$1,051,064	0.4%
Exelon				$149,437	$868,758		$1,018,195	0.4%
McDonald's		$164,999			$660,550	$144,729	$970,278	0.4%
EMC		$374,994			$585,044		$960,038	0.4%
Procter & Gamble	$296,077		$240,000		$192,528	$147,000	$875,605	0.4%
Intel	$542,145	$160,000			$119,086		$821,231	0.3%
Target	$423,314	$94,999	$300,000				$818,313	0.3%
Best Buy	$343,790	$40,000	$400,000				$783,790	0.3%
Duke Energy	$144,443	$619,996					$764,439	0.3%
Travelers	$240,000	$50,000	$40,000		$359,157		$689,157	0.3%
McKesson	$336,647	$305,496			$5,243		$647,386	0.3%
Archer Daniels Midland	$419,614		$192,000				$611,614	0.3%
Costco Wholesale	$104,504		$35,000			$456,216	$595,720	0.3%
Time Warner				$165,210	$426,410		$591,620	0.3%
Cardinal Health	$289,167	$279,997					$569,164	0.2%
Metlife	$50,342	$105,000		$99,537	$235,972	$23,333	$514,184	0.2%
American Airlines	$194,162				$312,000		$506,162	0.2%
Alcoa					$501,076		$501,076	0.2%
ConocoPhillips	$438,668			$43,758	$12,334		$494,760	0.2%
Deere	$322,325	$34,999			$46,450	$85,194	$488,968	0.2%
Dow Chemical	$466,107						$466,107	0.2%
Caterpillar	$305,221	$30,000			$63,223		$398,444	0.2%
Kimberly-Clark	$285,337				$75,000		$360,337	0.2%
Qualcomm	$332,989						$332,989	0.1%
AmerisourceBergen	$314,463						$314,463	0.1%
Chesapeake Energy					$287,271		$287,271	0.1%

State Lobbying Expenditures, 2012-15								
Company	**California**	**Florida**	**Minnesota**	**New Jersey**	**New York**	**Washington**	**Total**	**% of Total**
Johnson Controls		$70,000	$140,522		$60,800	$15,000	$286,322	0.1%
21st-Century Fox					$252,193		$252,193	0.1%
Kroger						$247,950	$247,950	0.1%
Marathon Petroleum		$139,999	$80,000				$219,999	0.1%
Sysco					$180,433		$180,433	0.1%
General Dynamics	$32,540	$20,000			$92,000		$144,540	0.1%
Halliburton					$122,198		$122,198	0.1%
Macy's					$51,682		$51,682	0.0%
Grand Total	$88,632,317	$44,906,571	$13,223,822	$22,809,735	$54,771,082	$15,359,537	$239,703,056	

Lobbying Intensity

The lobbying intensity metric, normalized by 2015 revenue, largely confirms that the most intensely active lobbying companies were also those which spent the most overall. **Altria**, the nation's largest tobacco company, clearly stands out as having spent much more intensively than others in efforts to influence public policy. Its spending intensity was more than 12 times the study-group average and nearly four times that of the next largest, drug maker **Pfizer**. The table below shows the companies in descending order of lobbying intensity, noting the average and median.

Company	Lobbying Intensity[7]
Altria	143.7
Pfizer	36.4
Chevron	31.6
HCA Holdings	31.1
Comcast	28.6
AT&T	27.8
Verizon	27.8
CIGNA	25.2
Anthem	25.1
Berkshire Hathaway	23.6
Accenture	23.1
Honeywell Int'l	23.1
Tesoro	22.3
Aetna	22.1
Oracle	22.0
Allstate	22.0
Walt Disney	18.7
CenturyLink	18.5
Prudential Financial	17.3
Duke Energy	16.9
Goldman Sachs	16.4
Phillips 66	16.4
Coca-Cola	15.5
Merck	14.3
Exelon	13.9
Johnson & Johnson	13.8
Humana	13.0
Citigroup	12.8
Delta Air Lines	12.6
EMC	12.3

Company	Lobbying Intensity[7]
Microsoft	11.8
AVERAGE	**11.4**
FedEx	11.2
Cisco Systems	10.0
American Int'l Group	9.5
Lockheed Martin	9.3
Kimberly-Clark	8.6
American Express	8.5
Morgan Stanley	8.5
United Parcel Service	8.4
Bank of America	8.1
Alphabet (Google)	7.4
JPMorgan Chase	7.3
Valero Energy	7.2
IBM	7.0
Walgreens Boots All.	7.0
MEDIAN	**6.9**
Express Scripts	6.8
United Technologies	6.6
Du Pont	6.5
CVS Health	6.2
UnitedHealth Group	6.2
Amazon.com	6.1
PepsiCo	5.8
Travelers	5.8
Wells Fargo	5.7
General Motors	5.3
HP	4.5
Metlife	4.4
Deere	4.1

[7] The fiscal year end for several companies was not 12/31/15 but the following date in 2016: Best Buy (1/30), FedEx (5/31), Home Depot (1/31), Johnson & Johnson (1/3), Kroger (1/30), Macy's (1/30), McKesson (3/31), Oracle (5/31), Target (1/30), Wal-Mart Stores (1/31).

Company	Lobbying Intensity[7]
General Electric	4.1
Boeing	4.0
Best Buy	3.8
Exxon Mobil	3.6
Alcoa	3.5
McDonald's	3.5
Target	3.4
Ford Motor	3.2
American Airlines Group	3.1
Intel	3.0
Procter & Gamble	2.9
Qualcomm	2.9
21st Century Fox	2.9
Caterpillar	2.6
Home Depot	2.4
Dow Chemical	2.4

Company	Lobbying Intensity[7]
Archer Daniels Midland	2.1
Wal-Mart Stores	2.0
Apple	1.9
Time Warner	1.8
General Dynamics	1.7
T-Mobile US	1.7
ConocoPhillips	1.6
Costco Wholesale	1.6
Johnson Controls Int'l	1.4
Marathon Petroleum	1.2
McKesson	0.7
Cardinal Health	0.7
Kroger	0.6
AmerisourceBergen	0.6
Macy's	0.2
Sysco	0.1

Sector standouts: Parsing lobbying intensity within each sector shows which companies clearly stand out from the pack as having spent well above the average (the average is $11.4 per $1 million in revenue; these companies spend at a $20/million in revenue rate, or better), as shown in the table at right. There were more health care companies among the most intensive lobbyists. But **Altria** outstripped all the others using this metric.

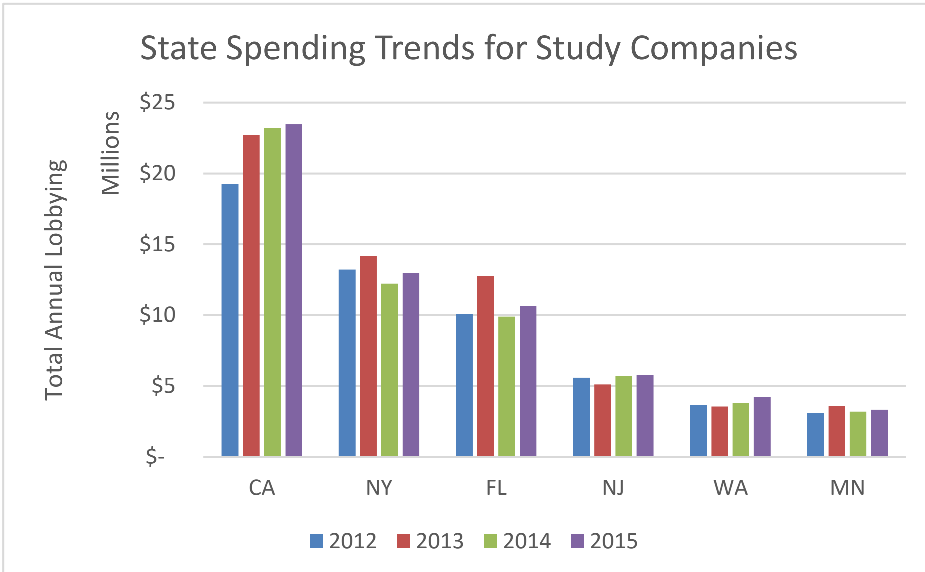
Most Intensive Lobbyists by Sector

Sector	Company	2015 Lobbying	Lobbying Intensity
Consumer Discretionary	Comcast	$2,129,454	28.6
Consumer Staples	Altria	$3,654,656	143.7
Energy	Chevron	$4,109,102	31.6
	Tesoro	$639,671	22.3
Financials	Berkshire Hathaway	$567,264	23.6
	Allstate	$784,891	22.0
Health Care	Pfizer	$1,777,914	36.4
	HCA Holdings	$1,235,574	31.1
	CIGNA	$954,588	25.2
	Anthem	$1,988,071	25.1
	Aetna	$1,334,215	22.1
Industrials	Honeywell Int'l	$891,820	23.1
Infotech	Accenture	$761,410	23.1
	Oracle	$815,560	22.0
Telecommunication	AT&T	$4,082,786	27.8
	Verizon	$3,653,722	27.8

(No materials or utilities companies had spending intensity above 20.0.)

Lobbying Trends by State

Reported lobbying by the 100 firms in the study was the most in California and also grew there the most out of the six states over the four years examined, reaching almost $23.5 million in 2015. But the totals in New York and Florida actually fell, though the drop in Florida was not as substantial. In New Jersey, Washington and Minnesota the totals rose modestly. *(See chart.)*



What the data *do not* show may be more important than what is readily apparent. Lobbying disclosure requirements vary substantially in the states, as described in more detail in Appendix B. That the totals in California are bigger makes sense given the size of its economy—it produces 14 percent of the total U.S. domestic product[8]—and what is at stake for companies doing business there. New York is not far behind in the high stakes influence game, with 2015 GDP of $1.4 trillion, 8 percent of the national total. As we have seen, meaningful detail can be found about where company lobbying money goes in both these states.

But disclosures in Florida, just behind New York in the size of its economy, do not provide enough information to illustrate anything beyond the names of lobbying firms hired by companies and the totals they receive, in ranges of $10,000. The state does not require companies or their lobbyists to reveal the subjects or legislation lobbied upon, other than to say they are for influencing the state's executive bodies (including agencies) or the legislature.

In New Jersey, amorphous descriptions of lobbying intent are provided, but they leave much to the imagination. For instance, in 2015 lobbyists reported $60,000 spent on "Oversight and involvement in New Jersey legislative, regulatory, and executive matters that may affect General Motors," while in 2012

[8] Department of Commerce Bureau of Economic Analysis data show California's gross domestic product in 2015 was $2.5 trillion, 13.8 percent of the U.S. total. See http://www.bea.gov/iTable/drilldown.cfm?reqid=70&stepnum=11&AreaTypeKeyGdp=5&GeoFipsGdp=XX&ClassKeyGdp=NAICS&ComponentKey=200&IndustryKey=1&YearGdp=2015Q2&YearGdpBegin=-1&YearGdpEnd=-1&UnitOfMeasureKeyGdp=Levels&RankKeyGdp=1&Drill=1&nRange=5

part of the $217,000 spent in New Jersey for JPMorgan Chase was to "[r]epresent the interests of JPMorgan Chase on banking matters."

For Washington State, the details are included in PDF reports that must be downloaded one at a time. This presents a significant barrier to analysis.

Minnesota data show totals, but the details again are not easily extracted, as the state's online database provides limited interactivity. Minnesota does identify how much trade groups spend individually and which companies support these groups, but not the amounts each company contributes to each group.

Company Variations

One additional way to examine company lobbying in the states is to see how much it changed for individual firms over time. Available data suggest that firms clearly ramp up or scale down their lobbying efforts as key issues ebb and flow.

Three companies saw their state lobbying grow enormously, on a percentage basis, during the period we examined:

- **General Dynamics** went from reporting just over $2,000 in 2012 to $55,000 in 2015;
- **MetLife** increased its spend 14-fold from just under $22,000 to more than $310,000;
- The biggest dollar increase came at **Valero Energy**, where all its lobbying was in California and its spending grew from about $46,000 in 2012 to around $631,000 in 2015.

About half of the companies with the biggest increases were either in the energy or utilities sector: **Tesoro** (up 484 percent), **Duke Energy** (up 428 percent from 2013-15), **Marathon Petroleum** (up 200 percent), **Exelon** (up 183 percent) and **Phillips 66** (up 179 percent). The rest of this group of firms where lobbying grew the most were in an array of sectors, with the companies noted below.

Some companies also saw a big fall in their reported lobbying in the six states, however. Most notably, the **Wal-Mart Stores** total fell from $2.3 million in 2012 to $960,000 four years later—down 58 percent. Another notable drop was at **ConocoPhillips**, where its tally dropped almost 90 percent, from $375,000 in 2012 to just under $50,000 in 2015, in contrast to the overall trend of increased expenditures at energy companies.

Changes in Company Spending Trends in Six States

Company	2012	2013	2014	2015	Total	% change, 2012-15
General Dynamics	$2,180	$18,180	$69,180	$55,000	$144,540	2423%
Metlife	$21,667	$62,707	$119,537	$310,274	$514,184	1332%
Valero Energy	$45,780	$108,924	$587,192	$631,099	$1,372,995	1279%
Tesoro	$109,459	$145,640	$542,247	$639,671	$1,437,017	484%
Duke Energy		$74,999	$293,537	$395,903	$764,439	428%*
Marathon Petroleum	$29,999	$20,000	$40,000	$90,000	$179,999	200%
Exelon	$143,908	$249,948	$216,478	$407,861	$1,018,195	183%
Phillips 66	$580,450	$969,477	$1,719,082	$1,621,106	$4,890,116	179%
Anthem	$786,866	$1,414,124	$704,250	$1,988,071	$4,893,311	153%

Changes in Company Spending Trends in Six States						
Company	**2012**	**2013**	**2014**	**2015**	**Total**	**% change, 2012-15**
Accenture	$337,735	$411,684	$750,220	$761,410	$2,261,049	125%
Humana	$324,997	$329,996	$435,000	$705,904	$1,795,897	117%
Kimberly-Clark	$75,337	$60,000	$66,000	$159,000	$360,337	111%
Kroger	$36,000	$57,550	$83,950	$70,450	$247,950	96%
Caterpillar	$69,212	$106,585	$100,150	$122,497	$398,444	77%
DirecTV	$252,839	$359,953	$612,634	$444,885	$1,670,311	76%
Delta Air Lines	$292,556	$289,236	$318,389	$514,446	$1,414,627	76%
Target	$159,314	$197,000	$208,000	$253,999	$818,313	59%
CIGNA	$607,241	$655,746	$708,523	$954,588	$2,926,098	57%
Amazon.com	$432,754	$495,426	$515,635	$648,966	$2,092,781	50%
Chevron	$2,760,558	$4,227,741	$4,553,738	$4,109,102	$15,651,138	49%
Walt Disney	$667,131	$940,810	$740,803	$981,840	$3,330,584	47%
Comcast	$1,497,833	$1,625,153	$2,003,713	$2,129,454	$7,256,153	42%
Lockheed Martin	$302,423	$303,600	$378,907	$426,859	$1,411,789	41%
Merck	$400,971	$432,167	$612,535	$564,907	$2,010,578	41%
IBM	$406,164	$570,471	$457,635	$570,926	$2,005,196	41%
AmerisourceBergen	$60,000	$85,292	$85,171	$84,000	$314,463	40%
HCA Holdings	$900,945	$1,380,649	$1,171,347	$1,235,574	$4,688,515	37%
Johnson & Johnson	$707,268	$931,621	$777,611	$968,049	$3,384,550	37%
Exxon Mobil	$685,137	$775,844	$909,579	$933,936	$3,304,496	36%
Aetna	$985,152	$947,175	$926,167	$1,334,215	$4,192,708	35%
American Express	$223,378	$325,555	$361,071	$291,827	$1,201,832	31%
American Int'l Group	$426,237	$434,012	$396,815	$553,953	$1,811,017	30%
United Technologies	$289,306	$362,036	$367,409	$370,876	$1,389,627	28%
EMC	$237,416	$210,895	$208,429	$303,298	$960,038	28%
Microsoft	$798,734	$828,809	$764,743	$1,003,433	$3,395,720	26%
UPS	$404,999	$396,220	$294,216	$492,174	$1,587,609	22%
Deere	$98,159	$94,640	$177,004	$119,165	$488,968	21%
CVS Health	$791,473	$874,036	$885,364	$951,831	$3,502,705	20%
Express Scripts	$577,501	$775,650	$804,471	$689,419	$2,847,040	19%
PepsiCo	$307,204	$305,890	$334,479	$364,417	$1,311,990	19%
Berkshire Hathaway	$479,141	$445,636	$632,866	$567,264	$2,124,907	18%
Alphabet (Google)	$471,045	$501,518	$457,100	$553,929	$1,983,592	18%
Allstate	$683,236	$632,108	$748,764	$784,891	$2,848,998	15%
Verizon	$3,218,104	$3,645,065	$3,146,085	$3,653,722	$13,662,976	14%
Altria	$3,247,725	$6,007,020	$3,853,973	$3,654,656	$16,763,373	13%
General Motors	$734,553	$734,215	$852,375	$799,928	$3,121,071	9%
Costco Wholesale	$169,430	$59,495	$182,395	$184,400	$595,720	9%
Prudential Financial	$953,578	$976,641	$964,093	$990,725	$3,885,037	4%
Procter & Gamble	$216,238	$216,418	$219,767	$223,182	$875,605	3%
Dow Chemical	$113,174	$121,000	$116,240	$115,693	$466,107	2%

Changes in Company Spending Trends in Six States						
Company	**2012**	**2013**	**2014**	**2015**	**Total**	**% change, 2012-15**
21st Century Fox		$84,110	$84,050	$84,033	$252,193	0%*
American Airlines	$128,012	$114,000	$136,500	$127,650	$506,162	0%
Apple	$440,127	$449,634	$454,007	$438,639	$1,782,406	0%
ADM	$141,518	$159,825	$169,746	$140,525	$611,614	-1%
Qualcomm	$74,711	$88,940	$95,571	$73,767	$332,989	-1%
Bank of America	$777,171	$746,061	$753,924	$755,819	$3,032,974	-3%
JPMorgan Chase	$674,740	$564,040	$546,483	$655,293	$2,440,557	-3%
Ford Motor	$499,305	$515,094	$485,798	$484,481	$1,984,678	-3%
Pfizer	$1,837,382	$1,591,576	$1,594,412	$1,777,914	$6,801,283	-3%
Wells Fargo	$541,388	$520,919	$504,423	$509,193	$2,075,923	-6%
Morgan Stanley	$326,147	$377,324	$403,836	$299,731	$1,407,037	-8%
Coca-Cola	$777,122	$836,128	$861,045	$685,339	$3,159,634	-12%
Home Depot	$239,998	$470,002	$130,009	$211,055	$1,051,064	-12%
Best Buy	$175,290	$255,000	$201,500	$152,000	$783,790	-13%
FedEx	$658,744	$591,175	$909,890	$564,944	$2,724,753	-14%
Oracle	$962,287	$904,876	$930,808	$815,560	$3,613,531	-15%
Citigroup	$1,031,740	$941,939	$959,205	$873,238	$3,806,122	-15%
Travelers	$188,037	$189,223	$156,009	$155,888	$689,157	-17%
McKesson	$178,058	$164,468	$162,771	$142,089	$647,386	-20%
Goldman Sachs	$723,970	$807,518	$575,596	$555,998	$2,663,082	-23%
Boeing	$519,684	$460,360	$293,099	$387,250	$1,660,393	-25%
AT&T	$5,662,346	$5,705,276	$4,388,074	$4,082,786	$19,838,482	-28%
General Electric	$693,138	$763,942	$643,932	$482,316	$2,583,328	-30%
Hewlett-Packard	$682,039	$761,205	$688,224	$468,099	$2,599,566	-31%
CenturyLink	$482,285	$363,509	$376,330	$330,777	$1,552,902	-31%
Walgreens Boots	$1,093,660	$1,324,004	$948,081	$726,999	$4,092,745	-34%
Intel	$254,155	$195,769	$203,133	$168,174	$821,231	-34%
Honeywell Int'l	$1,365,239	$2,331,259	$1,112,520	$891,820	$5,700,838	-35%
UnitedHealth Group	$1,613,849	$1,486,083	$1,428,935	$968,645	$5,497,512	-40%
Cisco Systems	$927,764	$736,745	$625,113	$491,525	$2,781,147	-47%
Du Pont	$368,847	$297,052	$312,392	$164,477	$1,142,768	-55%
Alcoa	$174,922	$148,774	$99,380	$78,000	$501,076	-55%
Wal-Mart Stores	$2,290,989	$1,251,949	$895,842	$957,520	$5,396,300	-58%
Macy's	$20,968	$14,152	$10,303	$6,259	$51,682	-70%
Johnson Controls	$176,662	$40,000	$18,660	$51,000	$286,322	-71%
Cardinal Health	$272,165	$146,117	$78,292	$72,590	$569,164	-73%
ConocoPhillips	$375,103	$50,917	$21,082	$47,658	$494,760	-87%
Sysco	$62,401	$61,747	$52,672	$3,613	$180,433	-94%
Chesapeake Energy	$205,309	$81,962			$287,271	-100%
Halliburton	$71,184	$51,014			$122,198	-100%
*2013 to 2015						

III. Investor Interest in Disclosure

Shareholders have evinced strong interest in more disclosure by companies about how and how much they spend in elections and on lobbying. Significant work on board oversight and disclosure had been underway by investors since the 2003 founding of the Center for Political Accountability (CPA), and this interest intensified after the *Citizens United* decision in 2010. Questions about how corporations influence public policy have long been articulated by public interest groups such as Common Cause and Public Citizen, as well as academic researchers.[9] Institutional investor organizations have echoed concerns by good government advocates in the last few years, and particularly after some well-publicized situations where companies' political spending seemingly contradicted their public positions, causing reputational damage and, at least temporarily, affecting share prices. In addition, some investors see these issues as affecting the social and financial systems which are necessary for their portfolios to prosper. Initially these investor efforts were focused on election spending, but in the last several years—as shown below—a robust effort to encourage greater transparency about corporate lobbying has blossomed.

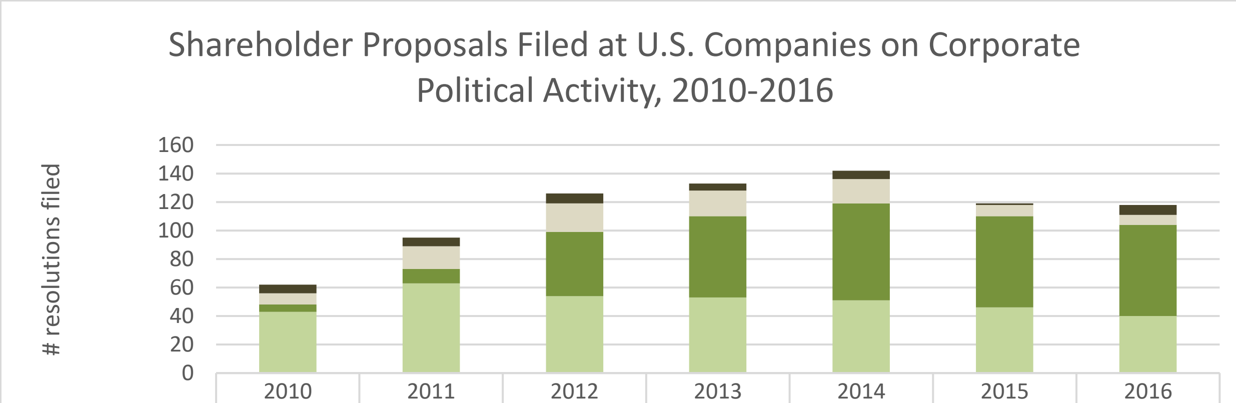
Investor Organization Policies

Key institutional investor trade groups have formulated policies to address concerns about corporate political involvement. The Council of Institutional Investors' (CII) policy addresses charitable and political contributions, though not lobbying, while the International Corporate Governance Network's Global Governance Principles say that where companies are allowed to make political donations, "a policy should exist on political engagement, covering lobbying and donations to political causes or candidates where allowed under law." It "should ensure that the benefits and risks of the approach taken are understood, monitored, transparent and regularly reviewed." US SIF, the trade association for sustainable and responsible investors in the United States, noted in its 2015 annual report that it believes public companies should "disclose their political contributions and support efforts to provide the public with greater information about campaign expenditures," but it does not mention lobbying.

The Business Case for Disclosure to Investors

The investor viewpoint tends to see election spending and political lobbying separately, as exemplified by the CII policy. For shareholders who want to see their portfolio companies maintain good financial results, questions about corporate lobbying might be somewhat different than for the public at large. If companies gain advantage from lobbying that accrues to the bottom line, many investors may see this

[9] See the recent study of the federal lobbying impacts on companies and government, *The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate*, by Lee Drutman (Oxford University Press, 2015). Drutman establishes the pervasive nature of corporate lobbying, explains its growth and why it has occurred, and illustrates how companies work together and against each other. He concludes that policy expertise increasingly has become taken over by the private sector at the expense of government capacity and says solutions such as procedural reforms could increase government ability and improve democratic outcomes. He also contends that the current predominance of corporate lobbying distorts markets and growth—key issues for long-term investors to consider.



	2010	2011	2012	2013	2014	2015	2016
Conservatives	6	6	7	5	6	1	7
Other	8	16	20	18	17	8	7
Lobbying	5	10	45	57	68	64	64
Elections	43	63	54	53	51	46	40

as in their best interests; furthermore, groups such as the U.S. Chamber of Commerce view campaigns for more required disclosure about corporate political activity as an effort to silence free speech rights. Yet efforts to game the political system to benefit a company individually can undercut both overall economic competitiveness for the country, and long-term individual firm value, as well as perhaps disadvantaging larger "universal owners" such as pension funds and index funds which will own not just the company engaged in lobbying, but also its competitors, suppliers and customers. Some investors and academicians therefore suggest that putting a finger on the economy's scales through lobbying is generally not in the long-term interest of investors. Harvard Law School professor John Coates makes this point in his work that quantifies firm value and corporate lobbying, concluding that more politically active companies have lower value.[10]

Shareholder Campaigns

Shareholder resolutions provide a useful measure of investors' interest in corporate disclosure of both election spending and lobbying.[11] This interest has been sustained over time and is on the increase, as measured by voting results, although the volume of proposals has dropped a little in the last few years.

Between 2010 and 2016, investors filed 795 shareholder resolutions about corporate political activity. The vast majority (84 percent) asked companies for more board oversight and/or disclosure of corporate spending on elections or lobbying. Since 2013, more of the disclosure proposals have asked about

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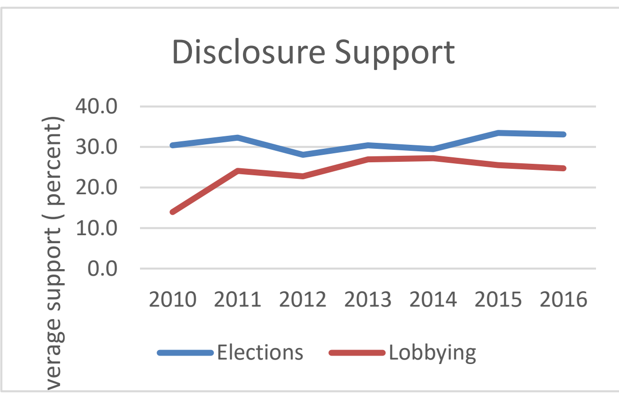
[10] Coates, IV, John C., Corporate Politics, Governance, and Value Before and After Citizens United (July 6, 2012). *Journal of Empirical Legal Studies*. Available at SSRN: https://ssrn.com/abstract=2128608

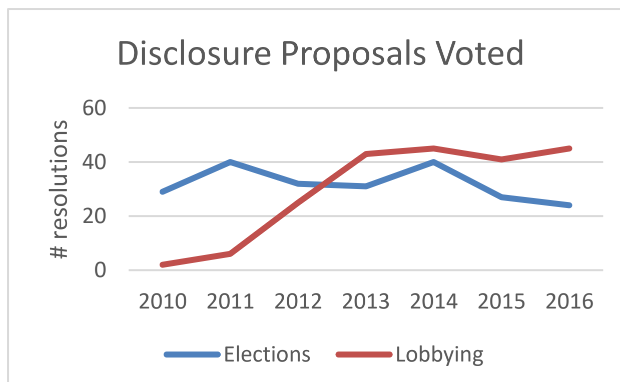
[11] Current Securities and Exchange Commission rules, promulgated under the 1934 Securities and Exchange Act, allow shareholders who hold at least $2,000 of a company's stock to propose resolutions for consideration by all investors at a company's annual meeting. These shareholder resolutions are in nearly all cases advisory and must conform to Rule 14a-8 of the law; they provide a good barometer of investor concerns about current public policy issues that affect companies in which they invest.

lobbying than elections A small number have come from political conservatives and focus on alleged efforts to silence companies' putative free speech rights, invoking a variety of policy concerns on the right such as LGBT rights, health care reform and climate change while a few have been on other political subjects. *(Bar chart, previous page.)* Nearly all the 350 proposals filed since 2010 about *elections* have used a template from the [Center for Political Accountability] requesting board oversight and data on both direct spending in political campaigns and indirect spending by trade groups. In all, 313 proposals have focused on lobbying in a campaign led by the social investing firm Walden Asset Management and the American Federation of State, County and Municipal Employees (AFSCME).

Major Filers of Political Activity Proposals, 2010-16

	Proposals Filed	
	Elections	**Lobbying**
AFL-CIO		23
AFSCME		36
Clean Yield Asset Mgt.	11	
Domini Social Inv.	15	
Kansas City Firefighters	11	
Mercy Investment Services	12	
Miami Firefighters	10	
Midwest Capuchins		15
Nathan Cummings Foundation	18	
Needmor Fund		13
NYSCRF	86	19
NYC pension funds	45	
Philadelphia PERS	17	
Teamsters	12	
Trillium Asset Mgt	24	10
Walden Asset Mgt		36



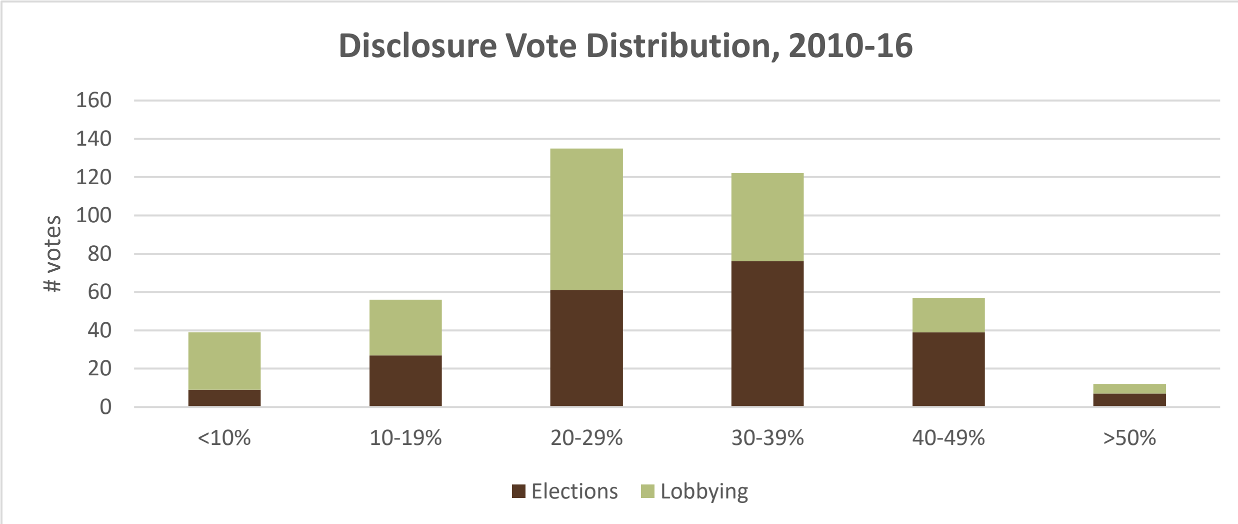


Both election disclosure and lobbying disclosure proposals count among their supporters many of the same actors. The New York State Common Retirement System and the New York City pension funds have filed the greatest number by far, but Walden Asset Management, AFSCME, the AFL-CIO and Trillium Asset Management also were major players. *(See box above for top filers.)* Faith-based investor members of the Interfaith Center on Corporate Responsibility also have co-filed.

Majority Votes on Disclosure, 2010-16

	Company	**Year**	**Vote (%)***
Elections	CF Industries Holdings	2013	66.0
	Dean Foods	2014	51.8
	Fluor	2016	61.9
	H&R Block	2014	50.6
	NiSource	2016	50.3
	Sprint	2011	53.4
	WellCare Health Plans	2012	52.7
Lobbying	Lorillard	2014	53.7
	Orbital ATK	2013	64.8
	SLM	2014	58.6
	Smith & Wesson Holding	2014	55.8
	Valero Energy	2014	51.6

*Shares cast for divided by those cast for and against, excluding abstentions; company reporting may differ.



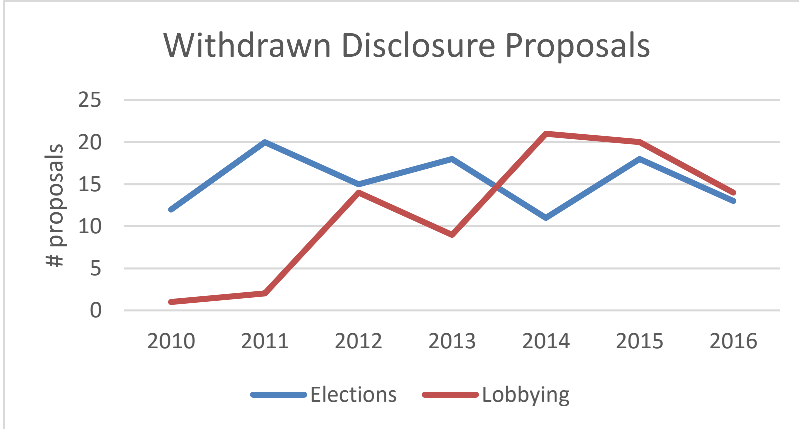
Lobbying Votes Above 40 Percent					
	2012	2013	2014	2015	2016
Ameren				41.0	
BB&T*		41.7	41.1		
CenterPoint Energy				41.2	
Chesapeake Energy	44.7				
Darden Restaurants			41.1		
Emerson Electric			41.7		
Equity Lifestyle Prop.*		46.3	40.3		
Lorillard		44.2	53.7		
Marathon Oil		42.2	43.2		
Marathon Petroleum			47.7		
NRG Energy*					49.4
Olin*			41.0		
Orbital ATK		64.8			
Peabody Energy		42.8			
Raytheon				42.6	
SLM			58.6		
Smith & Wesson *			55.8		
Travelers					43.9
Valero Energy			51.6		

*Election spending and lobbying disclosure
Votes stated as shares cast for divided by those cast for and against, excluding abstentions; company reporting may differ.

Investor support for board oversight and disclosure of election spending—both directly from companies and indirectly through nonprofit intermediaries such as trade associations—reached an all-time high of just over 33 per cent in 2016. Lobbying disclosure proposals typically earn support from fewer investors—about 25 percent—but support for those proposals also has increased and seems to be holding steady. *(Graphs, p. 41.)*

A closer look at the vote distribution shows that a dozen disclosure resolutions have earned majority support—seven on elections and five on lobbying *(list, previous page).* Another 59 (41 on elections, 18 on lobbying) have earned between 40 and 40 percent. *(Bar chart, above.)* The depth of investor support is significant; in an arena where support of 20 percent or more is deemed significant, fully 77 percent of these proposals have earned more than this threshold. *(Table, previous page, lists votes of 40 percent or more since 2010.)*

Agreements—Shareholder proponents and companies sometimes reach agreements which result in a proposal being withdrawn in return for a change in corporate action or policy. This has happened with regard to oversight and governance of lobbying 108 times from 2010 through the end of



2016; additional agreements on disclosure have occurred outside the corporate annual meeting season. Proponents also have negotiated agreements on lobbying and have withdrawn 81 proposals. A key stumbling block for investors and companies reaching agreement for both types of proposals is reporting on payments to trade groups and/or other politically active non-profits. (These other groups need not report either donors or spending.) The total number of withdrawn proposals has dropped some in the last two years, but this may have occurred because companies and proponents reached agreements on disclosure before any proposals were even filed, not because there is less agreement on the value of public disclosure.

Appendix A: Research Methodology

The study examines the relationship between governance practices and lobbying using a representative sampling of S&P 500 companies, in states identified as having the greatest amount of corporate lobbying, for the last four years.

Governance:

- **100 companies:** Included are 100 of the largest earning firms in each of the ten GICS-defined economic sectors, using a proportional sampling from each sector based on their collective contribution to total S&P 500 revenue. This works out to 15 companies from both consumer discretionary and consumer staples, 13 each from financials and health care, 12 each from energy and industrials, and three each from materials, telecommunications and materials. *(List, p. 45; real estate is included in financials.)*
- **Governance:** Si2 examined the published policies from each of the selected companies, determining the extent to which there is board oversight, management transparency and disclosure of lobbying, with particular attention to policies that discuss state lobbying. Also included are metrics on companies' disclosure and oversight of their memberships and contributions to non-profit groups that spend on both elections and lobbying; these groups are the focus of critics worried about the implications of large sums of "dark money" from undisclosed sources in our political system, both before and after elections.

Spending:

- **Six states:** A May 2015 review by *The Washington Post* found the highest levels of recent lobbying expenditures in six states spread around the United States—California and Washington (in the West), Florida (in the Southeast), Minnesota (in the Midwest) and New Jersey and New York (in the Northeast), with more than $100 million spent overall in each during 2013-14.[12]
- The *Post* noted that no data were available from 22 states. State lobbying offices in the 28 states where data were available reported a total of $2.2 billion in the two years examined by *The Post*. Si2's study focuses on the six states with the most reported spending.
- **Four years:** To deepen the lens beyond the *Post's* findings, Si2 compiled available data from each state about lobbying spending for the four years ended 2015, providing the most recent data available.

The analysis also establishes revenue-normalized spending ratios for the companies, by sector, and compares and contrasts the relationship between spending, oversight and governance transparency. Since each of the states takes a different approach to required disclosure, with varying levels of detail, we describe below each regime and explain how reporting requirements differ.

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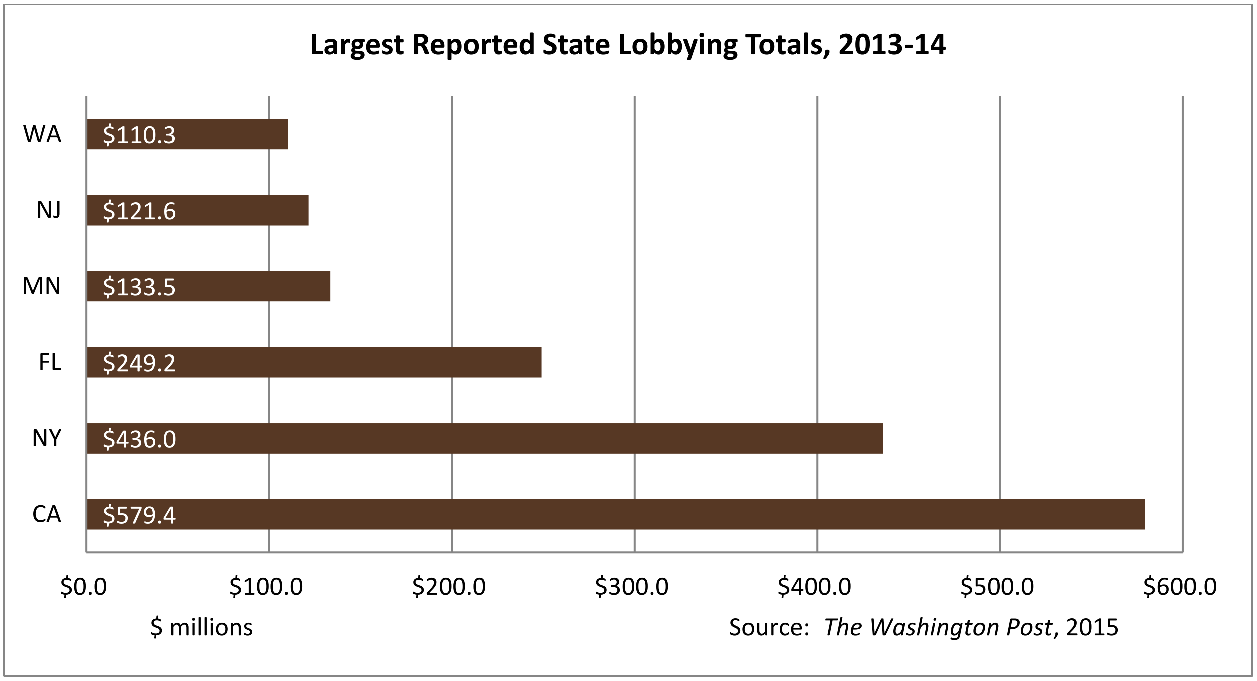
[12] Wilson, Reid. "Amid gridlock in D.C., influence industry expands rapidly in the states," *The Washington Post*, May 11, 2015, p. A15. http://www.washingtonpost.com/blogs/govbeat/wp/2015/05/11/amid-gridlock-in-d-c-influence-industry-expands-rapidly-in-the-states/



Companies included: Si2 selected 100 companies from the S&P 500, as noted above, with proportionate representation from each of the economic sectors using revenue as of June 30, 2015. The list of companies selected appears below. Companies that provided comments to Si2 about the governance of their lobbying and/or their expenditures appear in italics. Those for which no discernable lobbying occurred in the six states studied appear in parentheses. (They may, of course, have spent in other states.) **EMC** is included in the study but is no longer a publicly traded company, having been acquired by privately-held Dell in September 2016.

Consumer Discretionary

Amazon.com
Best Buy
Comcast
Ford Motor
General Motors
Home Depot
Johnson Controls
Macy's
McDonald's
(Nike)
Target
Time Warner
(TJX)
Twenty-First Century Fox
Walt Disney

Consumer Staples

Altria
Archer Daniels Midland
Coca-Cola
Costco Wholesale
CVS Health
Kimberly-Clark
Kroger
*Mondelez Intl**
PepsiCo
(Phillip Morris Intl)
Procter & Gamble
Sysco
(Tyson Foods)
Walgreens Boots Alliance
Wal-Mart Stores

Energy

(Baker Hughes)
Chesapeake Energy
Chevron
ConocoPhillips
Exxon Mobil
Halliburton
Marathon Petroleum
(National Oilwell Varco)
Phillips 66
(Schlumberger)
Tesoro
Valero Energy

Financials

Allstate
American Express
American Intl Group
Bank of America
Berkshire Hathaway
Citigroup
Goldman Sachs
JPMorgan Chase
Metlife
Morgan Stanley
Prudential Financial
Travelers
Wells Fargo

Health Care

Aetna
AmerisourceBergen
Anthem
Cardinal Health
CIGNA
Express Scripts
HCA Holdings
Humana
Johnson & Johnson
McKesson
Merck
Pfizer
UnitedHealth Group

Industrials

American Airlines
Boeing
Caterpillar
Deere
Delta Air Lines
FedEx
General Dynamics
General Electric
Honeywell Intl
Lockheed Martin
United Parcel Service
United Technologies

Information Technology

Accenture
Apple
Cisco Systems
EMC
Google
Hewlett-Packard
Intel
IBM
Microsoft
Oracle
Qualcomm

Materials

Alcoa
Dow Chemical
Du Pont

Telecommunications

AT&T
CenturyLink
Verizon

Utilities

Duke Energy
Exelon
(Southern)

Profile verification: After compiling profiles for the 100 companies, with information on their lobbying governance and publicly reported state spending data for the first three years examined, in early December 2015, Si2 sent the profiles to the companies for verification and input from the companies on their profiles and the project. This largely confirmed that what appears in the public record for these states as accurate, though in a few cases, corrections were made—usually for data inaccurately reported by lobbying firms. About one-quarter of the sample responded, and several firms explained their approach to lobbying in more detail.

Appendix B: State Disclosure Requirements

This six states in the study have varying degrees of required disclosure, some far more robust than others. The state synopses below identify:

- The **state website** where company-specific lobbying information may be found.
- The relevant **state entity** responsible for collecting and maintaining information on lobbying.
- The **time frame** for which data must be reported, and when the data archive started.
- Key **requirements** that trigger a reporting obligation by those who lobby.
- Where to locate **more information** about states' reporting requirements.
- What kind of **company-specific lobbying information** can be found, and the extent to which it can be downloaded for further comparative analysis.
- How lobbying expenditures are **classified** in the reporting scheme, including whether in-house as well as hired lobbyists' expenditures must be disclosed.
- Whether the lobbying **subject** matter and **targeted officials and/or departments and agencies** are identified, and if Public Utility Commission lobbying is separately reported.
- If **trade association** lobbying relationships and/or expenditures provided by companies are disclosed.

California	http://cal-access.ss.ca.gov/Lobbying/Employers/
	• The California Secretary of State's Political Reform Division (PRD) administers and maintains the Cal-Access database, which provides extensive detail and raw data downloads of all election and lobbying contributions made in the state, starting in 1999. • Quarterly reporting is categorized in two-year legislative cycles; this study uses data from the second half of the 2011-12 session, 2013-14 and the first half of the 2015-16 session. • Any lobbying entity that incurs more than $2,500 of lobbying activity in a quarter must file information about it electronically; this covers lobbying firms, lobbyist employers, lobbyists themselves, lobbying coalitions and anyone else who meets the minimum threshold of $2,500 spent. • More information is on the Cal-Access website. • Users of Cal-Access may look up lobbyist employers, then drill down to determine the corporate officer responsible for lobbying activity, the names of company lobbyists and a list of all the lobbying firms used by the company. Digging further, reports from companies show how much they have paid to in-house lobbyists and firms, the total of their expenses and how much else they spent to influence policy, identifying the name and the official position of the person targeted for influence and what it was for. For example, **Chevron** reported spending $6.39 on a lunch from Cahoot's Catering for a field engineer in the Division of Oil, Gas and Geothermal Resources on April 11, 2012—noted within a report for that quarter filed by the company that listed a total of $595,027.33 in payments. • Expenditures are identified as being for either "general" or "public utility commission" lobbying. • For purposes of comparison, Si2 uses in this study the total amount reported for each company—which includes both reportable internal company expenses as

	well as money spent by those hired by the company to lobby. The public reporting of in-house lobbying expenditures is unique for the states examined in this study and pushes the total for the state higher.
Florida	https://floridalobbyist.gov/LobbyistInformation/LobbyistSearch
	• The Florida Lobbyist Registration office collects and maintains data about money paid to entities that seek to influence the state's executive branch or its legislature. Data are reported separately for each, stretch back to 2007 and may be downloaded in bulk for analysis. • Covered are any payments to lobbying firms for any effort to influence or attempt to influence "legislative action or non-action" or for executive action, efforts that seek "to influence an agency with respect to a decision of the agency in the area of policy or procurement or an attempt to obtain the goodwill" of the governor, cabinet, any department, division, bureau, board, commission or other authority of the executive branch. • Lobbyist compensation must be reported in ranges of $10,000, although if the total is more than $50,000 it must be rounded to the nearest $1,000. This requirement for reporting in ranges make the data imprecise. • More information on is on the website FloridaLobbyist. • The most recent data are available by quarter for the last eight calendar quarters; earlier amounts are available in annual totals. • Information is reported by lobbying principals, such as lobbying firms or individuals, and not necessarily by companies—which several firms responding to Si2 noted. Some companies also noted that some lobbying firms reported figures that did not always align with companies' internal lobbying expenditure records and Si2 corrected information used in the study when companies provided specific corrections. • Which state official or department is targeted by the lobbying, and why, is not reported—only the amount spent on lobbyist compensation. For example, Accenture paid CLA Consultants of Tallahassee between $20,000 and $29,000 in the first quarter of 2014, but no other information is available. • When compensation was reported in a range, Si2 conservatively has used the average of the two extremes, which may under- or overstate corporate expenditures significantly. Since the Florida reporting regime does not require companies to report on internal lobbying expenditures budgets, the sums for each company understate the total, as well.
Minnesota	http://www.cfbreport.state.mn.us/rptViewer/viewRptsLob.php
	• Minnesota's Campaign Finance and Public Disclosure Board (FPDB) collects and maintains information on election campaign contributions, political committees and funds, political party units and lobbyists. Its database starts in 2005. • Anyone who communicates with public or local officials, or urges others to do so, must report if he or she is paid more than $3,000 annually from all sources of lobbying, spends more than $250 on lobbying or spends more than 50 hours in any month if a non-elected local official or "employee of a political subdivision." • Data are available on all expenditures made annually by lobbying principals (those that spend $50,000 or more annually) to influence legislative action, administrative action and/or the official actions of metropolitan governmental units. Within these three jurisdictional categories further reportable

	subcategories cover expenditures for preparing and distributing lobbying materials; media advertising; telephone and communications; postage and distribution; fees, allowances and public relations campaigns; entertainment; food and beverages; travel and lodging; support staff administrative costs and salaries; and all other disbursements. • Lobbyist disbursement reports also must indicate, in the three jurisdictional categories, the subject on which they sought influence—with the current list of suggested subjects running to more than 900 different descriptions. But individual bills are not identified, nor are specifically targeted government departments or officials. There appears to be no issue coding or subject organization. • Reporting may be rounded to the nearest $20,000, which means the state's records can understate or overstate the totals significantly. More precise reporting within this range is not required but some reporters do disclose exactly how much they spend. • From 2012, data have been separately reported on how much lobbyists spend to influence administrative action by the Minnesota Public Utilities Commission in rate setting, power plant and power line siting and granting certificates of need. • More information is in a handbook for lobbyists. • Si2 downloaded the annual expenditure data identified for individual companies. As with Florida, these amounts do not include how much companies paid internal staff—they cover only those hired externally to lobby. This understates the total. • Annual reports from the FPDB identify relationships between companies and other groups that are politically active in the state—including trade associations. The listing does not designate how much support each company provides to the groups, however. This linkage of companies to specific trade associations is unusual.
New Jersey	https://wwwnet1.state.nj.us/lpd/elec/AGAA/lobby_reports.aspx
	• The New Jersey Election Law Enforcement Commission receives reports on both election spending and lobbying in the state, with downloadable data stretching back to 2011 showing company-specific information. Earlier summary data showing annual totals for the combined total spent in the state on lobbying go back to 1982. • Persons who lobby for more than 20 hours and receive more than $100 for their efforts in a three-month period must report, as must those with annual expenses over $2,500. • Lobbying data must be reported in several categories: Operational costs include *salaries* for in-house personnel and *compensation paid to outside agents*; *support personnel*; *fees* (assessments, membership fees and dues); *communication costs* (printed materials, postage, telephone calls, faxes, receptions, direct mail pieces, newspaper advertisements and television and radio broadcasts); and *travel and lodging* for employees. *Benefit passing* includes meals, entertainment, gifts, travel and lodging paid for state officials and their families by the lobbying entity (only eight instances in the three years examined for the companies in this study). Another reportable category is for *reimbursed expenses*, but for the companies and years studied this involved only

	one expenditure. Grassroots lobbying (communications to the general public) also are covered by the law and must be reported. • Reports must explain the lobbying purpose, but only for outside lobbyists, not company employees. The categories reported are not precise and do not identify who is lobbied or which bills or regulations are lobbied on, although there is a 16-page listing of the subjects provided on the ELEC website. For example, Cigna lobbying is reported as being done to "Represent Cigna related entities before state government." • Additional information is in a manual for lobbyists. • Data on how much companies pay to specific trade associations are available, showing membership fees and dues paid annually. Such identification of third-party intermediary players, who are the focus of many disclosure advocates, is unusual among the states included in the study.
New York	https://onlineapps.jcope.ny.gov/lobbywatch/Menu_reports_public.aspx
	• The New York State Joint Commission on Public Ethics (JCOPE) maintains a public database of state lobbying information, with information starting in 2007. • Any entity that spends or receives more than $5,000 in compensation for lobbying at the state or municipal level must report on their efforts to influence or block legislation and resolutions in the legislature, executive orders, state agency rules and regulations and state agency rate making—including efforts in the courts as well as various tribal actions. • Lobbying is reported in the categories of state and municipal lobbying, procurement on state contracts and public disbursements over $15,000. • Reports from lobbyists are submitted in bi-monthly reports, and expenses over $75 must be itemized. Any compensation to lobbyists must be reported, as well as expenses incurred or reimbursed to lobbyists; the latter may include anything from advertising to food, receptions and consultant services. • Lobbyists' clients must submit reports twice a year if they spend more than $5,000 on lobbying—bookending the lobbyists' reports. • Public procurement lobbying disclosure is extensive, covering the purchase of commodities, services, technology, public works, construction, revenue contracts and real estate. • Starting in June 2012, lobbying clients who have more than $50,000 in lobbying compensation and have New York lobbying expenses that make up at least 3 percent of their total expenditures must identify the source of funds from those that give them more than $5,000. "Social welfare" groups organized under 501(c)4 of the federal tax code are exempt from the requirement if they can provide evidence the disclosure "will cause a reasonable probability of harm, threats, harassment or reprisals." Charities organized under 501(c)3 of the federal tax code need not report. • More information is on the JCOPE website. • Data may be downloaded that identify companies (lobbyist clients), what each paid for lobbying at the state and/or local level, and whether the lobbyist in question was retained, employed or designated by the clients. For each two-month period, the download shows total expenses, total compensation and the total amount reimbursed.

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Information on which bills are lobbied on, the subjects coved and which state or local official or agency is also included in the download—providing a level of detail comparable only to that available in California, among the states examined in Si2's study.

Recent Developments

On January 25, 2016, the New York Attorney General relaunched NYOpenGovernment.com, a new user-friendly tool that links JCOPE lobbyist filings with specific bills and information on their sponsors, what law is affected and the nature of the proposed legislation. It lists all the lobbying firms hired by each client and how much they have been paid, and provides contact information for the lobbyist. This is the most detailed reporting available among the states examined and makes linkages between companies and issues far more transparent than in any other state.
Annual reports from JCOPE about lobbying in the state discuss trends and enforcement; the most recent was issued in 2016 with 2015 data, showing a record $243.1 million spent for the year—a 61 percent increase over the amount spent a decade earlier.
Recent changes: The latest JCOPE report notes that in 2015 its purview extended further down in municipal government and now covers towns with populations of just 5,000; previously the threshold was a population of 50,000. It also issued new guidance on consulting services and whether they constitute lobbying and beefed up its audit system. It notes a new online lobbying filing system will be launched in 2017.
Enforcement: JCOPE has the authority to investigate possible violations of the state's ethics laws and to impose penalties; information about the investigations and fines is made public on the commission's website. Penalties totaled $189,300 in 2015, including a few paid by firms retained by leading public companies. Potomac Communications Strategies, which was retained by Verizon in 2015, paid a $12,000 settlement in May of that year in an ethics case. DCI Group AZ Services, retained by Verizon and Altria Client Services during the year, paid a $15,000 settlement in May, as well. In 2012, Mercury Public Affairs, a leading public affairs firm retained by a number of companies including among others AT&T, IBM and Macy's, also paid a penalty.
Proposed changes: The JCOPE staff is now considering further changes to its regulations and as of early December 2016 was holding hearings on its proposal to tighten up registration and reporting requirements.

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<tr><td>Washington</td><td>http://www.pdc.wa.gov/MvcViewReports/Lobbying/employers</td></tr>
<tr><td></td><td>

The Washington State Public Disclosure Commission oversees public disclosure and publishes information on its website, with information starting in 2001.
Lobbyists or their employers must file monthly reports, itemizing any amounts over $50 for lobbyist compensation; food and refreshments; living accommodations; advertising; travel; contributions; and other expenses or services. For any entertainment amount over $25, the reports must specify the date, place, all participants and the proportionate amount benefitting each person present.
More information is available in the PDC's reporting instructions.

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- The monthly reports also must identify the legislative action, rule or rate which the lobbyist sought to influence, or the state agency—and also the amount the lobbyist spent on any form of political campaign advertising, including independent expenditures and support for PACs, and public relations. Like California, Washington combines in this way reporting on lobbying and on elections, explicitly linking the two while many other states do not.
- Those engaged in grassroots lobbying aimed at the general public in efforts to influence state legislation must file monthly reports if they spend more than $500 in one month or more than $1,000 in three months.
- Downloadable data aggregate company totals by year, showing total lobbyist compensation and expenses, and lobbyists' campaign contributions. The additional details about how the money is disbursed appear only in scanned PDF reports, however, displayed one page at a time, and they are not electronically aggregated. This makes it onerous to further parse company-specific information. For this study, Si2 excluded from each company's tally any reported campaign contribution information by retained lobbyists.(Such data were only reported by lobbyists for **Amazon.com, Chevron, Express Scripts, Johnson & Johnson, Microsoft, Pfizer, Phillips 66, Procter & Gamble** and **Wells Fargo**.)

<table>
<tr><th colspan="7">Type of Required State Disclosures</th></tr>
<tr><th></th><th>CA</th><th>FL</th><th>MN</th><th>NJ</th><th>NY</th><th>WA</th></tr>
<tr><td>E-filing?</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Data download available?</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td colspan="7">REPORTING PERIOD AVAILABLE ONLINE</td></tr>
<tr><td>Annual</td><td>X</td><td>X</td><td>X</td><td>'12-'13</td><td>X</td><td>X</td></tr>
<tr><td>Quarterly</td><td>X</td><td></td><td></td><td>2014-15</td><td></td><td></td></tr>
<tr><td>Semi-Monthly</td><td></td><td></td><td></td><td></td><td>X</td><td></td></tr>
<tr><td colspan="7">LEVEL OF GOVERNMENT IDENTIFIED AND PERSONNEL</td></tr>
<tr><td>State-wide</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>Department</td><td>X</td><td></td><td></td><td></td><td>X</td><td></td></tr>
<tr><td>Municipal</td><td>X</td><td></td><td>X</td><td></td><td>X</td><td></td></tr>
<tr><td>Identification of Personnel</td><td colspan="6"></td></tr>
<tr><td>Lobbyist Name/Firm</td><td>X</td><td></td><td></td><td></td><td>X</td><td></td></tr>
<tr><td>Company Official</td><td>X</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Public Official/Department</td><td>X</td><td></td><td></td><td></td><td>X</td><td>X</td></tr>
<tr><td colspan="7">PURPOSE/TARGET SPECIFIED</td></tr>
<tr><td>Public Utility Commission</td><td>X</td><td></td><td>X</td><td></td><td>X</td><td></td></tr>
<tr><td>Procurement</td><td>X</td><td></td><td></td><td></td><td>X</td><td>X</td></tr>
<tr><td>Executive</td><td>X</td><td>X</td><td></td><td>X</td><td>X</td><td></td></tr>
<tr><td>Legislative</td><td>X</td><td rowspan="2">In legislative reports*</td><td></td><td>X</td><td>X</td><td>"non-procure-ment"</td></tr>
<tr><td>Details</td><td>Bill #s, issues</td><td></td><td></td><td>Bill #s, issues</td><td>Bill #s, persons lobbied*</td></tr>
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<tr><th colspan="7">Type of Required State Disclosures</th></tr>
<tr><th></th><th>CA</th><th>FL</th><th>MN</th><th>NJ</th><th>NY</th><th>WA</th></tr>
<tr><td colspan="7">AMOUNTS</td></tr>
<tr><td>To nearest $10K</td><td></td><td>X</td><td></td><td></td><td></td><td></td></tr>
<tr><td>To nearest $20K</td><td></td><td></td><td>X</td><td></td><td></td><td></td></tr>
<tr><td>Compensation</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr>
<tr><td>In-house</td><td>X</td><td rowspan="4">Expenses</td><td></td><td>X</td><td></td><td rowspan="4">General expenses</td></tr>
<tr><td>Support personnel</td><td></td><td>X</td><td>X</td><td></td></tr>
<tr><td>Communications</td><td>X</td><td>X</td><td>X</td><td></td></tr>
<tr><td>Travel/Lodging</td><td>X</td><td>X</td><td>X</td><td></td></tr>
<tr><td>Benefits reimbursed</td><td>X</td><td></td><td>X</td><td>X</td><td>X</td><td></td></tr>
<tr><td>Election $ from lobbyists</td><td>X</td><td></td><td></td><td></td><td></td><td>X</td></tr>
<tr><td>Outside agents</td><td></td><td></td><td></td><td>X</td><td></td><td></td></tr>
<tr><td colspan="7">TRADE ASSOCIATIONS</td></tr>
<tr><td>Organization Name</td><td>X</td><td></td><td>X</td><td>X</td><td></td><td></td></tr>
<tr><td>Amount given</td><td>X</td><td></td><td></td><td>X</td><td>X</td><td></td></tr>
<tr><td>Multiple records totaled?</td><td>X</td><td></td><td></td><td>X</td><td></td><td>X</td></tr>
<tr><td>Issues of interest identified</td><td></td><td></td><td>X</td><td></td><td></td><td></td></tr>
<tr><td colspan="7">*PDF-reports only, not downloadable in bulk format</td></tr>
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Fifty-state information: Altria provides a clickable map with links to the state disclosure websites in all 50 states on its website, which gives helpful context for the information provided below. The Wal-Mart report provides state-specific links to reports in all 50 states, as well.[13] The National Conference on State Legislatures provides additional information about state laws, definitions and reporting requirements.

[13] Eli Lilly provided a similar accounting for its state-level lobbying in 2014 but has not provided any updates since.

Resources

- **National Conference of State Legislatures**
  Details on state lobbying laws, regulations and reporting requirements.
  http://www.ncsl.org/
- **The Center for Responsive Politics**
  Searchable database lists federal lobbying reporting to the U.S. Congress.
  http://www.opensecrets.org
- **U.S. Senate Lobbying Disclosure Database**
  Information on all registered federal lobbyists as required under the Lobbying Disclosure Act, including links to all contributions and detailed quarterly reports filed by lobbyists.
  http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm