

Lobby Watch • Tobacco Spends Big Bucks for Political Favor

Texas' Hired Guns Reap Hundreds of Thousands in Tobacco Related Fees

Tobacco companies have come under fire recently for spending millions of dollars to battle public health legislation in the states and Congress. Big Tobacco uses a wide range of tactics to buy political influence: contributing lavishly to candidates and parties, hiring contract lobbyists to do its bidding, creating private "think tanks" to crank out self-serving research, hiring public relations firms to produce "puff" pieces, and creating phony "front groups."

Millions in Political "Grease Money"

Much of the tobacco industries' political activity skirts the bounds of regulation, making it virtually impossible to calculate their total political expenditures. However, public records do document a \$50 billion a year industry spending freely to buy political protection for its deadly products. Some facts:

* Philip Morris was the leading supplier of unregulated "soft-money" to the national political parties in the 1996 elections, giving more than \$3 million to Republican and Democratic party committees. Four of the top-ten 1996 donors to the Republican Party were tobacco companies (Philip Morris, \$2.5 million; RJR, \$1.2 million; Brown & Williamson, \$635,000; U.S. Tobacco, \$556,603).¹

* Political spending by Big Tobacco is increasing sharply. The 13 tobacco companies reported \$8.6 million in contributions in the 1996 federal elections, an 85% increase over what they spent in the 1994 elections.²

* Philip Morris employs 240 lobbyists to carry out its bidding. Ethics Commission filings reveal Philip Morris has nine lobbyists currently under contract in Texas. Philip Morris spent \$13 million in 1996 on direct lobbying activities at the state and federal levels.³

Texas' Hired Guns

* Tobacco interests are spending up to \$725,000 on 17 lobbyists to influence the Texas Legislature. Philip Morris leads the way, with six of the 17 tobacco lobbyists under contract.⁴

¹ Beyond the Limits, Center for Responsive Politics, February, 1997.

² Smoking Them Out, U.S. PIRG, February, 1997.

³ PR Newswire, April 23, 1997.

⁴ Reports filed with Texas Ethics Commission.

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* Other paid lobbyists are also working on behalf of Big Tobacco. For instance, The Texas Civil Justice League is opposing HB 912, a bill to end tobacco's special immunity from product liability lawsuits. Ralph Wayne, who testified against HB 912 for TCJL, is receiving up to \$150,000 from TCJL. Jack Dillard of Philip Morris sits on TCJL's board of directors.

* Last year, Philip Morris was smoked out after creating several phony front groups to discredit its political enemies. Using tactics reminiscent of the McCarthy Era, the groups, Contributions Watch and University Research, embarked on a project to investigate and smear the credibility of a number of citizen groups including the Sierra Club and Audubon Society. Working with Texans for Lawsuit Reform locally, they targeted several Texas consumer groups for investigation including Consumers Union, Public Citizen, and Citizen Action.⁵

* Philip Morris is covering all its political bases. In February, it hired the big gun firm of Verner, Lipfert, Bernard, McPherson & Hand, employer of former Gov. Ann Richards and Senate Majority Leader George Mitchell. The company also recently retained the lobby firm Barbour, Griffith & Rogers, headed by former GOP Chairman Haley Barbour.

The Texas Hired Guns: Lobby Contracts and Tobacco Interests.⁶

<u>Lobbyist</u>	<u>Company/Organization</u>	<u>Max. Compensation</u>
Dawson, Sam	Tobacco Industry Labor Management Comm.	\$100,000
Longley, Susan	Tobacco Institute	\$100,000
Munoz, Manuel Mario	Brown & Williamson	\$100,000
Toomey, Michael	Philip Morris Management Corp.	\$100,000
Dillard, Jack K.	Philip Morris Management Corp.	\$50,000
Lopez, Edward	Philip Morris, Inc.	\$50,000
White, Michael	Philip Morris Management Corp.	\$50,000
Johnson, Jr., Robert E.	R. J. Reynolds	\$25,000
Johnson, Gordon	R. J. Reynolds	\$25,000
Lauderback, James	National Smokers Alliance	\$25,000
Schlueter, Randy	Philip Morris Management Corp.	\$25,000
Schlueter, Stan	Philip Morris Management Corp.	\$25,000
Anderson, Gary	Tobacco Institute	\$10,000
Clark, James M.	US Tobacco Co.	\$10,000
Culley, Robert D.	Smokeless Tobacco Council	\$10,000
Ingram, Dick	Smokeless Tobacco Council	\$10,000
Polan, Kraege	Smokeless Tobacco Council	<u>\$10,000</u>
	Total	\$725,000

Working Both Sides of the Cancer Ward—Strange Lobbying Bedfellows

Five Texas tobacco lobbyists appear to have clients with conflicting health policy interests. R.J. Reynolds lobbyists, Robert and Gordon Johnson, are registered lobbyists of the "Alliance for Managed Care," as is Philip Morris lobbyist Mike Toomey. Randy and Stan Schlueter lobby for the Baylor College of Medicine as well as Philip Morris.

⁵ Washington Post, Sept. 30, 1996; Dallas Morning News, Oct. 17, 1996.

⁶ Reports filed with Texas Ethics Commission.