

Lobbyists Aren't The Campaigns' Only Bundlers

The Senate's newly approved rules requiring lobbyists to disclose the sources of the campaign checks that they bundle together for politicians are a welcome — if puzzling — reform. Welcome because bundling circumvents established limits on individual contributions. Puzzling because most bundlers, at least the ones we know about, aren't lobbyists at all. Meaningful disclosure would allow us to "follow the money" by connecting the dots behind every bundling transaction.

Bundling, the practice of collecting or orchestrating a number of contributions that each comply with federal limits yet collectively exceed them, is invisible under current disclosure law. Campaigns are free to keep secret tally sheets tracking their bundlers' fundraising progress as they accumulate more and more clout. Only candidates and the bundlers know how extensive the practice has become. Some limited voluntary disclosures by recent presidential campaigns unmask a growing reliance on bundling operations.

The "Pioneer" bundling model that President Bush introduced during his 2000 campaign has become the fundraising gold standard for every major presidential candidate since. During the 2004 primaries, Bush and Democratic rival Sen. John Kerry (Mass.) quietly released the names of 1,112 individual bundlers who delivered a collective total of at least \$118 million to the two campaigns and likely much more.

To grasp the importance of bundling disclosure — and the absurdity of limiting this disclosure to registered lobbyists — consider two of Bush's most infamous bundlers: Jack Abramoff and Kenneth Lay. Abramoff and Lay were just two of hundreds of pioneer bundlers identified by the campaign who delivered at least \$100,000. Nonetheless, the Bush camp never disclosed information they held detailing which colleagues, clients and cronies of

Abramoff and Lay supplied the funds. Nor did they release the total amount of contributions credited to the two pioneers.

Under the new Senate rules, this fascinating money trail would have to be disclosed for registered lobbyists such as Abramoff, but not corporate executives such as Lay. While lobbyists obviously have a keen interest in bundling checks, they are not alone. During Bush's 2004 reelection campaign, 83 percent of his elite bundlers were not lobbyists. If it is important to connect the dots when Abramoff delivers a bundle of money, why is it unnecessary when the bundler is an executive such as Lay? It is hard to believe that Lay was less aggressive than Abramoff in pushing his political agenda.

Disclosure could be all the more important for corporate executives because they are better positioned than most lobbyists to coerce contributions. You didn't have to be the smartest guy in the room at Enron to know that Lay could find out if you followed his advice to send a \$2,000 check to the Bush campaign.

The vast majority of Bush's bundlers were corporate executives or business owners who would not be subject to the new disclosure requirements. Boasting several elite bundlers apiece, for example, executives from the investment banks Bear Stearns, Goldman Sachs and Morgan Stanley each delivered at least \$400,000 to the 2004 Bush campaign. These types of massive bundles circumvent the ban on corporate and union contributions to political parties established by the 2002 McCain-Feingold reforms.

When candidates credit individuals with delivering contributions in excess of the legal limit (currently \$2,100 per election), the public has a right to know exactly how much money was delivered regardless of whether the bundler is a lobbyist. Campaigns should be required to disclose exactly which contributions are credited to a bundler. Limiting disclosure requirements to lobbyists overlooks most of the bundling action.

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