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Press Contact:
Bruce F. Freed
bffreed@politicalaccountability.net
(301) 233-3621

Political Disclosure Hits 100 Companies

WASHINGTON – In a major milestone, 100 companies have adopted disclosure and oversight of their political spending. This comes as 12 additional companies embraced the corporate governance standard, the Center for Political Accountability announced today.

The companies which took this step as the 2012 proxy season unfolds include Halliburton Co., one of the largest oil field service companies; Safeway, the large supermarket chain; and railroad giant CSX Corp.

“Hitting the century mark in the drive for corporate disclosure and accountability is tremendously significant,” said Bruce F. Freed, CPA president. “It reflects growing acceptance of the need to address the heightened risks posed by political spending, especially in a new political environment created by the Supreme Court’s *Citizens United* decision.”

“The action by the companies to follow the Center for Political Accountability’s framework for political transparency and accountability reinforces voluntary disclosure and oversight of political spending as a mainstream practice,” Freed said.

The latest companies adopting the framework in response to shareholder resolutions are Halliburton Co. (NYSE:HAL); Safeway (NYSE:SWY); CSX (NYSE:CSX); State Street Corp. (NYSE:STT); Tenet Healthcare Corp. (NYSE:THC); The Hershey Co. (NYSE:HSY); Reynolds American Inc. (NYSE:RAI); Sempra Energy (NYSE:SRE); Chubb Group of Insurance Cos. (NYSE:CB); R.R. Donnelley & Sons (NYSE:RRD); Aflac Inc. (NYSE:AFL). Goldman Sachs (NYSE:GS) on its own adopted a level of disclosure that meets CPA standards, although the company did not specifically adopt the Center’s model.

The companies have agreed to disclose their direct corporate political contributions, indirect political spending through trade associations and other groups such as secretive 501(c)(4)s and implement board oversight. Goldman Sachs prohibits the use of corporate funds for political contributions, including those to 527 organizations, as well as for independent expenditures and electioneering communications. It also requires its trade associations to not use its payments for political purposes, excluding lobbying activities.

In 2010, *Citizens United* lifted key restraints and allowed much greater corporate political spending. Secret political spending has surged in the current presidential election cycle. Against this backdrop, Freed applauded the companies that have embraced disclosure and oversight.

“At a time when everyone expects massive shadow spending to influence elections, these companies offer hope for increasing corporate political transparency,” he said.

In the 2011 proxy season, average shareholder votes in support of a resolution for corporate political disclosure and accountability rose from 30 percent in the prior year to almost 33 percent, a record high. High shareholder votes were recorded at several of the companies that subsequently moved to adopt disclosure and accountability: R.R. Donnelley & Sons, 48.7 percent; Halliburton, 46.5 percent; and State Street Corp., 44.1 percent.

“These companies are to be congratulated for responding to compelling shareholder votes by adopting political disclosure,” Freed said.

The shareholder partners that worked to secure disclosure agreements with the companies were the New York State Comptroller’s Office, with CSX, R.R. Donnelley & Sons, Safeway, Sempra Energy, and Reynolds American; Trillium Asset Management, with State Street, Chubb, and Halliburton; Responsible Wealth, with AFLAC and Hershey; and the Nathan Cummings Foundation, with Tenet Healthcare.

[In a recent article](#) that appeared in *The Conference Board Review*, CPA documented an explosion in the outsourcing of campaign spending to third-party groups and recommended ways for American corporations to navigate the resulting minefields.

The article by Freed and CPA Counsel Karl Sandstrom was published in the Review’s winter 2012 issue. The Conference Board is the foremost business-membership and research organization.

“The very practices of Watergate – corporate cash being funneled secretly to a campaign – are now on full, legal display,” they wrote. Companies face a heightened level of potential hazards that was unimaginable before *Citizens United*, yet they “can seize this moment to take more control of their political spending,” Freed and Sandstrom said.

About the Center for Political Accountability

A non-profit organization, CPA has gained widespread respect for its expertise and advocacy and helped persuade 100 major public corporations, including half of the S&P 100, to adopt political disclosure. It has spearheaded since 2003 a nationwide investor initiative to bring transparency and accountability to corporate political spending.

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