For Immediate Release

May 20, 2010

Press Contact:

Bruce F. Freed,
Center for Political Accountability
301-233-3621
bffreed@politicalaccountability.net

Adam Kanzer
Domini Social Investment
212-217-1027
akanzer@domini.com

High Votes Show Strong Support for Political Disclosure

Goldman Sachs Vote Up Nearly 40 Percent Over Last Year

Washington - The Center for Political Accountability applauds an exceptionally strong show of support for corporate political disclosure and accountability as Goldman Sachs shareholders voted on a resolution for the investment bank to report its trade association payments used for political purposes.

The resolution, filed by Domini Social Investments, won backing from 37 percent of shareholders at the Goldman Sachs annual meeting on May 7. That was a jump of 10 percentage points-a 37 percent vote increase-compared to a year earlier, when the resolution had captured 27 percent support.

This year's annual meetings have brought a continuing surge in support for disclosure and board oversight of political spending. Political disclosure resolutions at seven companies, including Goldman Sachs, received at least 30 percent of shareholders support. In the case of Express Scripts the vote was 42 percent.

"Shareholders are delivering a powerful plea to management to end the secrecy that has surrounded corporate political spending, including payments to trade associations and 501(c (4) groups," said CPA president Bruce F. Freed. The Center has spearheaded a nationwide investor initiative to bring transparency and accountability to corporate political spending.

"At Goldman Sachs and elsewhere, shareholders are adding to national momentum for corporate political disclosure," Freed said. "These resolutions can change the way companies approach their political spending. A call from thirty percent of a company's shareholders is powerful, especially when you consider the outstanding number of shares not held by management and their inner circle."

Adam Kanzer, Domini's managing director and general counsel, said the vote signaled "strong support for transparency and accountability and a strong message to industry trade associations that they are seen as increasingly extreme and decreasingly responsive to their membership."

"Associations continue to exert influence over our political system without any meaningful system of checks and balances," Kanzer said. "Even Goldman acknowledges that the groups they fund may take positions the bank disagrees with. Goldman is battling to preserve a critical asset that is already severely impaired -- its name and its reputation. It does not seem possible to win that fight while also engaging in undisclosed political activity."

In response to Domini's engagement of the company last year, Goldman Sachs adopted a new policy to avoid making direct political contributions with corporate funds, including contributions to 527 organizations. The company did not adopt board oversight or disclosure of trade association and c4 payments. The 2010 resolution called on the company to disclose its remaining indirect political spending.

Goldman Sachs is a major political player and it deploys dozens of lobbyists. It recently has faced fraud charges filed by the U.S. Securities and Exchange Commission and the start of a criminal investigation. It is in the spotlight for its perceived role in the current financial crisis. Its stock values have plunged.

The political disclosure resolutions were based on CPA model proposals urging companies to disclose and to require board oversight of their political spending. Institutional investors and allied shareholders filed the resolutions.

Investors cast these other recent votes for political disclosure resolutions:

- **Express Scripts**, 42 percent in favor on May 5, resolution filed by The Miami Firefighters' Relief and Pension Fund. There was no resolution last year.

- **Citigroup**, 30 percent in favor on April 20, resolution filed by The City of Philadelphia Public Employees Retirement System and The Firefighters' Pension System of the City of Kansas City, Missouri, Trust. A resolution won 30 percent support last year.

- **BB&T**, 31 percent in favor on April 27, resolution filed by Laborers' International Union of North America. There was no resolution last year.

- **DTE Energy**, 32 percent in favor on May 6, resolution filed by New York City Pension Funds. A similar resolution won 31 percent support last year.

- **Nucor**, 32 percent in favor on May 13, resolution filed by Green Century Capital Management. There was no resolution last year.

- **Norfolk Southern**, 33 percent in favor on May 13 (according to preliminary results), resolution filed by New York City Pension Funds. A resolution last year gained the same support.

These votes show continued strength. To gain the level of support required for re-filing a resolution the following year, a proposal must get at least 3 percent support the first year, 6 percent the second, and 10 percent the third. It is rare for shareholder resolutions to win a majority of shares voted.

Last year, political disclosure resolutions were among the proposals that received the highest shareholder support. This year's votes have come in the wake of the Supreme Court's landmark ruling in *Citizens United v. Federal Election Commission* that permits unlimited corporate spending on independent political advertising. Because of the ruling, companies now face even greater pressure to spend politically directly or indirectly through conduits such as trade associations, where their payments often go undisclosed.

CPA announced last month that two new companies had moved to adopt disclosure and oversight of their political spending with corporate dollars. This brought to 50, or half, the number of public companies in the trend-setting S&P 100 that have embraced the corporate governance standard. It also brought to 75 the corresponding number of public companies in the S&P 500 that have taken this step.

##########

Center for Political Accountability | 1233 20th St. NW | Suite 205 | Washington | DC | 20036