

# Lobbying Disclosure Best Practice Examples

(compiled by John Keenan, AFSCME, December 2016)

Lobbying disclosure shareholder proposals are requesting that a company prepare a single report updated annually with information about all of its lobbying activities, direct and indirect.

**Specifically, the proposal is asking for an annual report that provides disclosure in the following four areas:**

1. **Federal Lobbying** – disclosure of yearly federal lobbying expenditures
2. **State Lobbying** – disclosure of yearly state lobbying expenditures, including the states lobbied in
3. **Indirect Lobbying** – disclosure of memberships in trade associations and other similar tax exempt organizations, including all payments and all non-deductible portions of those payments used for lobbying. This disclosure should also include any involvement in social welfare organizations (501(c)(4) organizations<sup>1</sup>) that make political expenditures and lobby.
4. **Tax Exempt Groups that Write and Endorse Model Legislation** - membership in and contributions to any tax exempt organization that writes and endorses model legislation

**Examples of companies that provide disclosure in all or nearly all of these four areas include:**

- CoreCivic
- Eastman Chemical
- Microsoft

The following provides some best practice examples for each of the four areas.

## I. Federal Lobbying Totals

1. **Accenture**<sup>2</sup>  
In calendar 2014, the company disclosed (1) \$2,800,000 in U.S. federal lobbying expense and (2) \$2,000,000 in lobbying expense at the U.S. state and local level.
2. **Aetna**<sup>3</sup>  
“In 2015 Aetna spent \$5,773,324 on state lobbying expenses and \$3,080,000 on federal lobbying expenses.”
3. **Anthem**<sup>4</sup>

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<sup>1</sup> A 501(c)(4) may engage in an unlimited amount of lobbying, as long as the issues relate to the exempt purposes of the organization. In addition, a 501(c)(4) may engage in some partisan political campaign activities in accordance with federal and state campaign finance laws, provided that its political activities do not become its primary activity. (B. Holly Schadler, “Lobbying and Political Activities by 501(c)(4)s,” *Alliance for Justice*, 2012).

<sup>2</sup> <http://www.accenture.com/us-en/company/governance/Pages/political-contributions-policy.aspx>

<sup>3</sup> <https://www.aetna.com/about-us/political-activities/political-contributions-related-activities-reports.html>

“Anthem spent approximately \$7.4 million on state lobbying activities and \$6.1 million on federal lobbying activities [For 2015].”

4. **Baxter International**<sup>5</sup>

“In 2015, Baxter spent approximately \$2,240,000 on federal lobbying-related activities in the United States, to promote policies that support the company's objectives.”

5. **CoreCivic**<sup>6</sup>

“In 2015, CoreCivic expended approximately \$1.48 million in fees and other payments relating to lobbying at the Federal, state, and local levels. Of this amount, approximately \$713,000 was attributable to Federal lobbying-related activities and the remainder (approximately \$767,000) to state and local activities.”

6. **Microsoft**<sup>7</sup>

“Public Policy Advocacy Spending  
US Federal \$8.0M (2015)  
US State \$7.0M (2015)”

7. **Noble Energy**<sup>8</sup>

“In 2015, the Company's federal lobbying expenses totaled approximately \$2,130,000.00. This amount includes employee time and travel associated with lobbying activity, payments to external consultants and lobbyists, and trade association dues used for lobbying.”

8. **Orbital ATK**<sup>9</sup>

“For Orbital ATK's nine-month transition period ended December 31, 2015, the company reported \$1,120,000 in federal lobbying expenses.

9. **Procter & Gamble**<sup>10</sup>

“For the 2015 calendar year, P&G reported U.S. lobbying expenditures of \$4.5 million in the lobbying disclosure reports filed with the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate and a total of \$800,000 in lobbying expenditures in U.S. states.”

10. **Wisconsin Energy**<sup>11</sup>

“Lobbying expenditures – state and federal \$1,548,054 (2015)”

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<sup>4</sup> <http://www.antheminc.com/AboutAnthemInc/GovernmentRelations/PoliticalContributions/index.htm>

<sup>5</sup> <http://www.baxter.com/corporate-responsibility/resources/political-contributions-reports.page>

<sup>6</sup> <http://www.cca.com/investors/corporate-governance/political-lobbying-activity>

<sup>7</sup> <http://www.microsoft.com/about/corporatecitizenship/en-us/working-responsibly/principled-business-practices/integrity-governance/political-engagement/>

<sup>8</sup> <http://investors.nobleenergyinc.com/governance.cfm>

<sup>9</sup> <http://phx.corporate-ir.net/phoenix.zhtml?c=81036&p=irol-disclosureAndCompliance>

<sup>10</sup> [http://www.pg.com/en\\_US/company/global\\_structure\\_operations/governance/governance\\_political.shtml](http://www.pg.com/en_US/company/global_structure_operations/governance/governance_political.shtml)

<sup>11</sup> <http://www.wecenergygroup.com/csr/cr2015/wec-corporate-responsibility-report-2015.pdf#pagemode=bookmarks>

## II. State Lobbying Totals

1. **Accenture**<sup>12</sup>

In calendar 2014, the company disclosed (1) \$2,800,000 in U.S. federal lobbying expense and (2) \$2,000,000 in lobbying expense at the U.S. state and local level.

2. **Aetna**<sup>13</sup>

“In 2015 Aetna spent \$5,773,324 on state lobbying expenses and \$3,080,000 on federal lobbying expenses.”

3. **Anthem**<sup>14</sup>

“Anthem spent approximately \$7.4 million on state lobbying activities and \$6.1 million on federal lobbying activities [For 2015].”

4. **CoreCivic**<sup>15</sup>

“In 2015, CoreCivic expended approximately \$1.48 million in fees and other payments relating to lobbying at the Federal, state, and local levels. Of this amount, approximately \$713,000 was attributable to Federal lobbying-related activities and the remainder (approximately \$767,000) to state and local activities.”

5. **Microsoft**<sup>16</sup>

“Public Policy Advocacy Spending  
US Federal \$8.0M (2015)  
US State \$7.0M (2015)”

6. **Orbital ATK**<sup>17</sup>

“In instances when Orbital ATK engages in state or local lobbying activities, Orbital ATK fully complies with all governing rules, regulations, and transparency measures required by the individual state. During the nine-month transition period ended December 31, 2015, Orbital ATK did not engage in state or local lobbying activity except as identified below. Utah < \$20,000; Virginia < \$75,000.”

7. **Procter & Gamble**<sup>18</sup>

“For the 2015 calendar year, P&G reported U.S. lobbying expenditures of \$4.5 million in the lobbying disclosure reports filed with the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate and a total of \$800,000 in lobbying expenditures in U.S. states.”

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<sup>12</sup> <http://www.accenture.com/us-en/company/governance/Pages/political-contributions-policy.aspx>

<sup>13</sup> <https://www.aetna.com/about-us/political-activities/political-contributions-related-activities-reports.html>

<sup>14</sup> <http://www.antheminc.com/AboutAnthemInc/GovernmentRelations/PoliticalContributions/index.htm>

<sup>15</sup> <http://www.cca.com/investors/corporate-governance/political-lobbying-activity>

<sup>16</sup> <http://www.microsoft.com/about/corporatecitizenship/en-us/working-responsibly/principled-business-practices/integrity-governance/political-engagement/>

<sup>17</sup> <http://phx.corporate-ir.net/phoenix.zhtml?c=81036&p=irol-disclosureAndCompliance>

<sup>18</sup> [http://www.pg.com/en\\_US/company/global\\_structure\\_operations/governance/governance\\_political.shtml](http://www.pg.com/en_US/company/global_structure_operations/governance/governance_political.shtml)

8. **Wisconsin Energy**<sup>19</sup>  
“Lobbying expenditures – state and federal \$1,548,054 (2015)”

### III. Indirect Lobbying Disclosure Best Practice Examples

These companies disclose all payments and all non-deductible portions of those payments.

1. **CoreCivic**<sup>20</sup>  
“list of such organizations to which CoreCivic paid dues or fees of \$25,000 or more in 2015, of which a portion were not tax deductible as a result of being used by the organization for lobbying purposes”
2. **Edison International**<sup>21</sup>  
“The non-deductible portion of dues or other payments by EIX and SCE to trade associations that were used for lobbying or political activities, to the extent that the total annual payment received by the trade association from us is at least \$50,000 and such non-deductible amount is provided to us by the trade association.”
3. **Exelon**<sup>22</sup>  
“Set forth below are the trade associations and other similar non-profit organizations to which Exelon Corporation and its subsidiaries (including Constellation) paid dues of \$50,000 or more during calendar year 2015. Exelon Corporation has asked these organizations to identify the portion of those dues that were used for expenditures or contributions that are non-deductible”
4. **Fifth Third**<sup>23</sup>  
“The report will disclose: the non-deductible portion of annual payments (including dues and special payments) made by the Company to trade associations (when the total annual payments exceed \$50,000 and to the extent such non-deductible portion is known by the Company and provided by the trade association);”
5. **Genworth Financial**<sup>24</sup>  
“Listed below are the national and state trade associations and other non-profit organizations in the United States to whom Genworth made payments of \$50,000 or more in 2015.”
6. **Northrop Grumman**<sup>25</sup>

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<sup>19</sup> <http://www.wecenergygroup.com/csr/cr2015/wec-corporate-responsibility-report-2015.pdf#pagemode=bookmarks>

<sup>20</sup> <http://www.cca.com/investors/corporate-governance/political-lobbying-activity>

<sup>21</sup> <http://www.edison.com/home/investors/corporate-governance.html>

<sup>22</sup> <http://www.exeloncorp.com/performance/governance/overview.aspx>

<sup>23</sup> <https://www.53.com/about/corporate-governance/>

<sup>24</sup> <http://investor.genworth.com/investors/corporate-governance/political-contributions-and-expenditures/default.aspx>

<sup>25</sup> <http://www.northropgrumman.com/InvestorRelations/TradeAssociations/Pages/default.aspx>

“We publicly disclose and update annually on [www.northropgrumman.com](http://www.northropgrumman.com) a list of those trade associations to which Northrop Grumman paid \$25,000 or more in annual dues, the total contribution to each such trade association and the amount of our contributions that each such association estimates are used for non-deductible or lobbying purposes.”

7. **Prudential**<sup>26</sup>

“Annual dues, assessments and contributions of \$25,000 or more to trade associations and tax-exempt groups”

8. **Qualcomm**<sup>27</sup>

“The Company shall post to its website and update at least twice annually all payments of dues and special assessments made through its Government Affairs department to US-based trade associations receiving annually \$25,000 or more in total payments. The Company will disclose the portion of those dues and special assessments that were used for activities that are not deductible under Chapter 162(e) of the Internal Revenue Code, if such information is available after making reasonable efforts to obtain the information from the associations.”

9. **Sempra Energy**<sup>28</sup>

“Sempra Energy discloses all corporate political contributions, political committee contributions (PACs, political parties and other committee types, including 501(c)(4) and 501(c)(6) organizations), and employee-sponsored PAC contributions. Sempra also discloses payments to other tax-exempt organizations such as business or trade association memberships where the cost of the membership exceeds \$20,000 wherein organizations reported to us that a portion of the fees were used for lobbying expenditures or contributions considered non-deductible under Section 162(e)(1)(B) of the IRS.”

10. **United Technologies**<sup>29</sup>

“list of trade associations to which UTC paid dues of \$10,000 or higher in last fiscal year and the portion of these dues not deducted under Section 162(e)(1) of the Internal Revenue Code.”

11. **Valero Energy**<sup>30</sup>

“Reports containing (a) a list of trade associations or other organizations to which Valero makes payments of \$50,000 or more, and (b) the portion of annual membership dues to trade associations or payments to other organizations of \$50,000 or more that were non-deductible under section 162(e) of the Internal Revenue Code”

#### **IV. Tax exempt groups that write and endorse model legislation**

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<sup>26</sup> <http://www.prudential.com/view/page/public/18550>

<sup>27</sup> <http://investor.qualcomm.com/disclosures.cfm>

<sup>28</sup> <http://www.sempra.com/about/governance/political-engagement/transparency-and-disclosure.shtml>

<sup>29</sup> <http://www.utc.com/Our-Company/Corporate-Governance/Pages/Public-Activities.aspx>

<sup>30</sup> <http://www.investorvalero.com/phoenix.zhtml?c=254367&p=irol-govHighlights>

1. **3M**<sup>31</sup>

3M is also aware that some groups write and endorse model legislation without the appropriate transparency as to the person or group actually supporting the model legislation. 3M does not support such groups. Accordingly, 3M has not been a member in groups such as the American Legislative Exchange Council (ALEC).

2. **Anthem**<sup>32</sup>

**Anthem, Inc. Statement on American Legislative Exchange Council (ALEC) Participation** - Anthem, Inc. last attended an American Legislative Exchange Council (ALEC) meeting in the Summer of 2011. Our representative participated in the Health and Human Services Task Force discussion around a resolution calling on the states to oppose setting up their own exchanges. Our perspective was (and is) that states should establish their own exchange mechanisms. We lost the debate that day and ALEC passed a resolution calling on the states to not enact their own exchanges. We have not attended an ALEC meeting since, nor have we contributed any financial support to the organization. We have no current plans to support ALEC or attend any of their meetings.

3. **Celgene**<sup>33</sup>

Celgene also participates with tax-exempt state legislative membership organizations that write and endorse model legislation, including providing support in 2015 to the Council of State Governments (\$8,500.00) and the American Legislative Exchange Council (\$13,187.34).

4. **Citigroup**<sup>34</sup>

When Citi participates in a tax-exempt organization that writes and endorses model legislation, we will disclose that information on our website.

5. **Eastman Chemical**<sup>35</sup>

Eastman has no participation in or payments to organizations that develop and promote model legislation.

6. **General Mills**<sup>36</sup>

We are not members of, nor make any payments to, any tax-exempt organization in the U.S. that writes and endorses model legislation.

7. **Orbital ATK**<sup>37</sup>

Orbital ATK is not a member of, nor does Orbital ATK make any payments to, any tax-exempt organization that writes and endorses model legislation, other than the trade associations in the lists above. Any changes will be disclosed on this website.

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<sup>31</sup> <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjI2MTIwfENoaWxkSUQ9LTF8VHlwZT0z&t=1>

<sup>32</sup> <https://www.antheminc.com/AboutAnthemInc/GovernmentRelations/PoliticalContributions/index.htm>

<sup>33</sup> <https://www.celgene.com/responsibility/governance/public-policy-engagement/>

<sup>34</sup> [http://www.citigroup.com/citi/investor/corporate\\_governance.html](http://www.citigroup.com/citi/investor/corporate_governance.html) (Corporate Political Activities Statement)

<sup>35</sup> [http://www.eastman.com/Company/investors/Corporate\\_Governance/Political\\_Activity/Pages/Political\\_Activity\\_Policy.aspx](http://www.eastman.com/Company/investors/Corporate_Governance/Political_Activity/Pages/Political_Activity_Policy.aspx)

<sup>36</sup> <http://www.generalmills.com/en/Responsibility/Communities/civic-involvement>

<sup>37</sup> <http://phx.corporate-ir.net/phoenix.zhtml?c=81036&p=irol-disclosureAndCompliance>

8. **Peabody Energy**<sup>38</sup>

“Following is a listing of such organizations in which we are members and to which we paid annual dues or other payments of \$10,000 or more in 2015:

...

- American Legislative Exchange Council” (pull 2015 CSR report)

9. **Visa**<sup>39</sup>

With regard to tax exempt organizations that write and endorse model legislation, other than the Council of State Governments, we are not currently a member of any such organization.

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<sup>38</sup> <http://www.peabodyenergy.com/content/506/Political-and-Lobbying-Activities>

<sup>39</sup> <https://usa.visa.com/about-visa/operating-responsibly.html#4>