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500,000 Americans Urge SEC to Require Disclosure of Corporate Political Spending

WASHINGTON, D.C. – The [Corporate Reform Coalition](#) calls on newly confirmed SEC Chair Mary Jo White to act now to require disclosure of corporate political spending. A record-breaking 500,000 investors and members of the public have submitted comments supporting the rule, demonstrating the importance of this issue. Chair White should seize this pivotal opportunity to safeguard shareholders by providing them with information necessary for their investing decisions.

In a telephone press conference today, coalition members urged the agency to move swiftly on the rule in response to the overwhelming investor concern.

In December, the agency announced that it would consider the proposed rule to require that public companies provide disclosure to shareholders regarding the use of corporate resources for political activities. A petition requesting this rulemaking was filed in 2011 by a bipartisan committee of leading law professors. The SEC has a responsibility to protect investors by regulating the securities markets to ensure that they have the information they need to make investment decisions.

Investors and members of the public have deluged the SEC with half a million comments urging the agency to act to protect their investments. [These comments](#) have come from such diverse sources as John Bogle (former CEO of the Vanguard Group), U.S. Representatives Chris Van Hollen (D-MD), Mike Capuano (D-MA) and 70 other members of the House, more than a dozen U.S. Senators, five state treasurers, the Maryland State Retirement Agency, over 200,000 CREDO activists, US SIF: The Forum for Sustainable and Responsible Investment, the Sustainable Investments Institute, a large group of firms managing more than \$690 billion in assets, and many, many more.

“The fact that the SEC has received over 490,000 public comments asking for disclosure of political spending from corporations shows there is wide demand from both shareholders and the public for greater transparency. It seems that some opponents of transparency have forgotten who owns any corporations – the shareholders, not the hired executives. I continue to urge the SEC to move forward with its rulemaking as Congress also explores avenues to address shareholder demands legislatively” said Congressman Michael E. Capuano (MA-07).

“Shareholders have a right to know how companies in their investment portfolio are spending corporate money and that their political expenditures are advancing proper corporate purposes. The SEC should act now to protect investors,” stated New York State

Comptroller Thomas P. DiNapoli, trustee of the state's \$152.9 billion Common Retirement Fund.

This area requires particular investor protections because certain corporate political spending choices may diverge from a company's stated values or policies, or may endanger the company's brand or shareholder value by embroiling it in hot-button issues.

Trevor Potter, President of the Campaign Legal Center and general counsel to John McCain's 2008 and 2000 presidential campaigns said, "The proposed rule is a logical response from the SEC to address the changed landscape in the wake of the Supreme Court's ruling in *Citizens United v. Federal Election Commission*, striking down laws restricting corporate spending to influence elections. That decision has exposed investors to significant new risks and the SEC is in the right in moving forward to issue this rule in order to require disclosure of corporate political spending in order to allow investors to make informed decisions in the markets."

In *Citizens United*, Justice Kennedy emphasized the importance of disclosure and accountability for corporate political spending, writing that disclosure requirements "provide[] shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters."

"America should be a place where everyone has an equal say and an equal chance. But right now, investors don't have a chance to say anything about the political spending that public corporations may be engaged in because they don't even know about it. If corporate managers choose to spend corporate money to influence elections, there must be rules that ensure transparency and accountability" said Liz Kennedy, Counsel at Demos.

"As the nation's pioneer coalition of active investors, the Interfaith Center on Corporate Responsibility has more than four decades of experience identifying areas where corporate transparency leads to good investment decisions for our members. We know that transparency undergirds policies promoting value creation as well as justice and sustainability," said Laura Berry, executive director of ICCR. "Time and time again we've seen the catastrophes wrought by opacity in corporate spending. The SEC must adopt investor protections to ensure transparency in the post-Citizens United environment."

"Political spending disclosure is critical to ensure honest competition and a strong economy that rewards transparency and innovation, not secrecy and pay-to-play politics," said Tim Christiansen, owner of vino per tutti in Bozeman, Montana and a leader with the Montana Small Business Alliance. "When the U.S. Chamber and other big trade groups defend secrecy in political spending, they're defending a system that stacks the deck against small businesses. Secrecy may be part of the U.S. Chamber's business model, but it's not part of mine."

“The American public believes in this reform, and the American investor demands it. Both polling of the general public and the influx of shareholder comments to the SEC demonstrates that fact,” stated Lisa Gilbert, Director of Public Citizen’s Congress Watch.

Americans across the political spectrum strongly support requiring transparency and accountability in corporate political spending. [Polling](#) shows that eight out of 10 Americans (81%) believe that corporations should only spend money on political campaigns if they disclose their spending immediately (including 77 percent of Republicans and 88 percent of Democrats). Eighty-six percent of Americans agree that prompt disclosure of political spending would help voters, customers, and shareholders hold companies accountable for political behavior (support ranged from 83 percent to 92 percent across all political subgroups).

"It's hard to believe there are people who object to this," said Common Cause President Bob Edgar. "Every shareholder is a part owner. When management decides to spend an owner's money on influencing elections, surely the owner ought to at least be able to find out about it."

Lisa Woll, CEO of US SIF said “Representing the only US association of professionals engaged in sustainable and responsible investing, we strongly believe that corporate political spending transparency is in the best interests of investors, companies and the general public. The Securities and Exchange Commission should require this disclosure so that investors can fully understand the actions and risks being taken by companies.”

"The American people have waited long enough. We need an overhaul of political spending to be at the top of Ms. White's agenda. With a vote, she can force the kind of disclosure we've been sorely lacking since the Citizens United ruling, and shed light on the millions in shadowy spending distorting our elections," said Public Advocate Bill de Blasio, trustee of the New York City Employee Retirement System and founder of the Coalition for Accountability in Political Spending (CAPS).

“Hundreds of thousands of Americans have asked the SEC to move forward with a rule requiring the disclosure of political spending by publicly traded corporations,” said Marge Baker, Executive Vice President of People For the American Way. “There is tremendous momentum around this issue. With a newly-confirmed SEC chairman, now is the time to pull back the corporate curtain on election spending. Without the increased transparency and accountability that comes with public disclosure, unchecked corporate spending on our elections will continue to threaten our democracy.”

“College students benefit from the \$400 billion in endowments at this country's institutions of higher education. These students are fighting for real policy change on issues from climate change to student loans, and support disclosure of corporate political spending

because they want to know how the companies their colleges and universities invest in are spending their money,” said Dan Apfel, Executive Director of the Responsible Endowments Coalition.

Public Citizen, Demos, Coalition for Accountability in Political Spending, Trillium Asset Management LLC, Walden Asset Management, Sunlight Foundation, People for the American Way, the Campaign Legal Center, Democracy 21, New Progressive Alliance, Main Street Alliance, Alliance for a Just Society, U. S. PIRG, Responsible Endowments Coalition, the Coffee Party, Harrington Investments, Inc., CREDO, Social Equity Group, and US SIF: The Forum for Sustainable and Responsible Investment participate in the Corporate Reform Coalition working to increase transparency and accountability for corporate political spending.