

Menendez: Corporations must disclose political acts

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WASHINGTON — Sen. Robert Menendez on Thursday urged the Obama administration to require publicly traded companies to disclose their political activities to shareholders.

Menendez, a New Jersey Democrat, said he drafted a letter to the SEC signed by 15 Democratic senators — including Sen. Frank Lautenberg, D-N.J. — pushing for additional disclosures by such companies.

His effort is backed by the Corporate Reform Coalition, an advocacy group whose members include investors with \$800 billion in holdings as well as public officials and corporate-law professors.

The letter supports a petition that prominent law professors filed with the SEC in August seeking more corporate disclosures to help shareholders figure out how their money is used to influence elections.

The push for greater disclosure comes two years after the Supreme Court's landmark ruling in *Citizens United v. the Federal Election Commission*, which allows corporations, labor unions and other special-interest groups to spend unlimited amounts on ads supporting or opposing individual candidates and on other election activities, as long as the money isn't given to candidates directly.

Menendez, who disagreed with the Supreme Court ruling, said greater corporate disclosures are the "least we should be doing to remedy the problems caused by *Citizens United*."

"We need to know who is contributing millions of dollars to influence American elections," said Menendez, who's up for re-election this year. "We need to know who those corporate interests are. We need to know where they're from so we can openly determine what they want."

Since the *Citizens United* ruling, groups unaffiliated with candidates have spent hundreds of millions supporting or opposing candidates — often without having to

disclose their donors. So far in the 2012 cycle, such independent groups have spent about \$25 million in the GOP primaries alone, according to Menendez.

Critics of the court ruling, including President Barack Obama, say it allows wealthy special interests to play an unprecedented role in picking electoral winners and losers.

Citizens United is “not an endorsement of free speech, it’s an endorsement of free cash,” said Menendez, who also has introduced legislation calling for shareholders to approve corporate political expenditures.

Supporters of the Citizens United ruling say it correctly protects free speech rights for everyone — including corporations and other special interests.

“Any shareholder who wants to find out can find out from the corporation, or else he can sell his shares,” said Roger Pilon, vice president of legal affairs at the libertarian Cato Institute. “There’s an obsession among left-wing academics and politicians with the Citizens United decision... This is just another appeal to the Obama administration to do by executive order what Congress is unwilling to do.”

Pilon accused critics of the court ruling of targeting only corporations, not Democrat-friendly labor unions that also spend lavishly on elections.

According to Common Cause, a government watchdog group, labor unions are subject to higher disclosure requirements under federal law. For instance, they must disclose all direct and indirect political expenditures on their annual reports, a requirement that doesn’t apply to corporations.

Oregon State Treasurer Ted Wheeler, who oversees a \$70 billion investment portfolio, said investors are interested more in corporations than in other groups.

“We’re not investing in labor unions,” he said during a conference call with reporters. “We’re shareholders and we’re investing in companies, and that’s why we’re talking about corporate disclosures today.”