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## Bundling Contributions for Favors

The Bipartisan Campaign Reform Act of 2002 (BCRA), also known as the McCain-Feingold law, has significantly improved the campaign finance landscape. It prohibits six-figure “soft money” contributions to political parties involved in federal elections from those seeking to buy influence with federal officeholders. But the influence peddlers have not faded away.

Many of them have shifted gears into the “hard money” world. [For a discussion of the nature of “soft money,” please see [http://www.citizen.org/congress/campaign/issues/soft\\_money/](http://www.citizen.org/congress/campaign/issues/soft_money/). For more information on “hard money, please see <http://www.whitehouseforsale.org/understand/page.cfm?pageid=59> ] This time, instead of handing over one \$100,000 check to a candidate’s party from a corporation or union (soft money), the influence peddler now directly hands a candidate 50 checks from different contributors of \$2,000 each (hard money). This is all perfectly legal, and has an enormous effect on buying influence with the candidate or officeholder.

This collection racket is called “bundling.”

Bundling is the fundraising practice of pooling together a large number of contributions from PACs and individuals in order to maximize the political influence of the bundler and the interests they represent. Most often, the bundler is a corporate executive or lobbyist, with expectations of something in return.

The most pernicious form of bundling involves a “conduit” who delivers the “earmarked” contributions to a candidate in a manner that ensures the conduit is duly recognized as the source of the contributions. This can be done through a very simple and crude method, such as when the Westar Corp. lobbyist delivered a bundled contribution to an earmarked Republican congressman as part of the company’s strategy to buy favorable legislation. [For more on the Westar scandal, go to [http://www.citizen.org/cmep/energy\\_enviro\\_nuclear/electricity/energybill/westar/](http://www.citizen.org/cmep/energy_enviro_nuclear/electricity/energybill/westar/) ] Or it can be done through a more sophisticated method, such as the Ranger/Pioneer bundling operation, which is intended to “buy” the re-election of President George W. Bush.

According to Federal Election Commission (FEC) regulations, when a corporate executive or a lobbyist physically touches a bundled contribution and delivers the check to a campaign, the bundler as well as the original contributor must be publicly disclosed in the campaign’s FEC reports. But if the bundler does not physically touch the checks, s/he need not be disclosed to the public as the conduit source of the contribution.

This epitomizes the Bush Ranger/Pioneer bundling program.

**Ralph Nader, Founder**

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This program was first employed in the 2000 election cycle. Orchestrated by the Bush campaign committee, bundlers – called Pioneers – signed a written pledge to raise at least \$100,000 in bundled contributions from many different individuals. On this pledge form, each fundraising bundler was assigned a tracking number. [To see an example of a Pioneer pledge letter, go to [http://www.whitehouseforsale.org/images/pioneer\\_pledge.jpg](http://www.whitehouseforsale.org/images/pioneer_pledge.jpg).] These bundlers would in turn ask each of their solicited contributors to write the tracking number on their checks, and then mail in the checks on their own. This way, the bundler would get credit with Bush for the contribution, yet avoid any need to disclose to the public that the contribution was in fact solicited through a conduit bundler. [To see an example of a bundler’s fundraising letter, go to [http://www.whitehouseforsale.org/documents/bundler\\_letter.pdf](http://www.whitehouseforsale.org/documents/bundler_letter.pdf).]

Corporate executives, lobbyists and other well-connected business leaders would receive tracking numbers from the Bush campaign, and solicit bundled contributions from their employees, associates, friends or business colleagues to be mailed independently with the tracking number. Bundlers who succeeded to raise at least \$100,000 through this method were given the honored title of “Pioneer” and privileged treatment by the campaign committee.

One such solicitation letter by Bush Pioneer Thomas Kuhn, head of the Edison Electric Institute, the lobbyist group for much of the energy industry, read as follows:

“As you know, a very important part of the campaign’s outreach to the business community is the use of tracking numbers for contributions. Both Don Evans [then chair of the campaign and current Secretary of Commerce] and Jack Oliver [then finance director of the campaign] have stressed the importance of having our industry incorporate the #1178 tracking number in your fundraising efforts.”

Kuhn received credit from the Bush campaign for the contributions, yet he did not have to disclose his fundraising activities. President Bush is now promoting the Clear Skies Act, an effort to weaken the Clean Air Act, advocated by Kuhn and the energy industry.

Through the Pioneer bundling program, the Bush campaign raised at least \$22 million from 212 Pioneers for the 2000 primary election. Previously undisclosed records that have since been made available to the public in the court case challenging the constitutionality of BCRA – *McConnell v. FEC* – suggest that the number of Pioneers and the amounts they raised for the Bush campaign was considerably greater – numbering at least 535 Pioneers who may have bundled contributions of more than \$53 million.

The Bush campaign is now waging a similar bundling operation in the 2004 election – but it has ratcheted up the stakes. The Pioneer program remains in effect. But, with the doubling of the amount individuals can give to a candidate from \$1,000 to \$2,000 under BCRA, Bush believes he can benefit from a whole new class of “Rangers” – bundlers who can raise \$200,000 or more.

Such is indeed the case. Though Bush’s campaign finance disclosure records with the FEC provide no identification of bundlers, the campaign voluntarily released a list to help quell criticism. The Bush campaign identifies 23 Rangers and 45 Pioneers in the first two quarters of campaign fundraising in 2003. [For a list of Pioneers/Rangers, click [http://www.whitehouseforsale.org/ContributorsAndPaybacks/pioneer\\_search.cfm](http://www.whitehouseforsale.org/ContributorsAndPaybacks/pioneer_search.cfm). ]

But this list of Rangers and Pioneers is only part of the story. Since the FEC does not require disclosure of these bundlers in the candidate's campaign activity reports, it is not possible for anyone other than the Bush campaign to figure out how much money each bundler raised for the campaign. Some of the particularly well-connected bundlers have, and can, raise much more than the quarter million dollars they have pledged to the President. Clearly, a half million dollar bundler is of more value to the President than a quarter million dollar bundler. But who are these super-bundlers? Are these the ones who have been appointed to high-level cabinet posts by the President? Or received the lucrative Homeland Security government contracts? The campaign finance disclosure reports won't tell.

No doubt the list of Rangers and Pioneers that Bush has so far volunteered will grow substantially as the campaign kicks into high gear. As an incumbent president, bolstered with Republican control of both houses of Congress, businesses and special interest groups are lining up to join the privileged ranks of Rangers and Pioneers. The Bush campaign may raise \$200 million from private donors for the primary election alone – an election in which Bush has no opponent. This amount is nearly five times the amount that candidates can spend who remain in the partial public financing system for the primaries.

With no opponent running in the primary, why are all these business leaders and lobbyists throwing so much money at the President's feet?

For information about favors bestowed on Bush's Rangers and Pioneers, please see <http://www.whitehouseforsale.org/contributorsandpaybacks/>.

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