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**Corporate Disclosure of Political Spending Now Norm as  
Companies Restrict Campaign Outlays, New CPA-Zicklin Index  
Reveals**

*Names Top Companies for Political Disclosure*

America's largest publicly traded companies are voluntarily moving to disclose their corporate expenditures on politics, a new index shows on the eve of a blockbuster election year for political spending.

Less than two years after the U.S. Supreme Court's landmark Citizens United ruling allowed much greater corporate political spending, almost one-third of these companies also place some limits on how they spend corporate dollars on politics, the index reveals. The companies include Microsoft, Wells Fargo, Merck, Colgate-Palmolive and IBM.

These are among the key findings of the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, released today by the Center for Political Accountability in conjunction with the Carol and Lawrence Zicklin Center for Business Ethics Research at The Wharton School of the University of Pennsylvania.

The Index provides the first comprehensive portrait of how S&P 100 companies are navigating political spending both as to disclosure and board oversight since Citizens United.

"Our findings are striking. They offer hope for increasing corporate political transparency and accountability at a time when everyone expects massive hidden spending to influence elections," said CPA president Bruce Freed.

"When CPA opened its doors eight years ago, few companies, if any, disclosed their political spending," Freed said. "Today, the CPA-Zicklin Index shows that the largest companies have heard the public outcry and are responding. S&P 100 companies are making voluntary disclosure of political spending a mainstream practice."

"A significant number of companies recognize the risk associated with political spending and a growing number are not taking advantage of Citizens United, at least directly," he added. The CPA-Zicklin Index shows that nearly one in four companies declines to make independent political expenditures, which Citizens United permits.

"The CPA-Zicklin Index is launched at a time when corporate political transparency is slowly emerging as a convention of good governance, corporate responsibility, and accountability," said Prof. William S. Laufer of the Zicklin Center at Wharton.

"Disclosure and corporate oversight of political spending are now held out as metrics of risk management and, more importantly, may reflect the faithful exercise of fiduciary responsibility to shareholders" Laufer said. "We welcome the opportunity to join CPA in crafting an annual Index that charts the progress of corporations in meeting and, now, exceeding this important convention."

Based on seven key indicators, the Index identifies the following S&P 100 companies as the top 10 for political transparency and accountability: Colgate-Palmolive Co., Exelon Corp., International Business Machines, Merck & Co. Inc., Johnson & Johnson, Pfizer Inc., United Parcel Service Inc., Dell Inc., Wells Fargo & Co., and EMC Corp.

In its January 2010 decision, the Supreme Court lifted all but a handful of restraints on corporate spending on politics. Anonymous spending through outside groups has exploded, while companies face increasing pressure to spend politically. Shareholders, meanwhile, are demanding that companies disclose and adopt board oversight on their expenditures with corporate treasury funds.

While many leading companies have taken steps to disclose political spending and safeguard shareholders from its potential risk, the CPA-Zicklin Index "also reflects troubling gaps that leave many shareholders, and citizens in the dark," says the accompanying report, *The CPA-Zicklin Index of Corporate Political and Accountability: How Leading U.S. Companies Navigate Political Spending in the wake of Citizens United*.

Here are major findings from the report on the CPA-Zicklin Index, which is based on a survey of information publicly available on company websites:

**DISCLOSURE and OVERSIGHT, OR NO SPENDING:** Fifty-seven companies, or almost three-fifths of the largest publicly traded companies in the United States, disclose on their websites their direct corporate political spending and have adopted board oversight, or they prohibit spending corporate cash on politics. The two companies that prohibit such spending are Colgate-Palmolive and IBM.

**RESTRICTIONS:** One-third of the S&P 100 -- 32 companies -- place some restrictions on how their money can be used politically, including the two companies, Colgate-Palmolive and IBM, that decline to spend corporate funds on political activity.

**INDIRECT SPENDING:** Forty-three companies disclose some information about their indirect spending through trade associations or other tax-exempt groups, including 501(c)(4)s.

**INDEPENDENT EXPENDITURES:** Twenty-four companies, or one-quarter of the S&P 100, state on their websites that they will not make independent expenditures, as Citizens United allows.

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CPA is a non-profit, non-partisan organization created in November 2003 to bring transparency and accountability to corporate political spending.

The Carol and Lawrence Zicklin Center for Business Ethics Research at The Wharton School works to sponsor and disseminate leading edge research on critical topics in business ethics.

The CPA-Zicklin Index report is available from the CPA website at [www.politicalaccountability.net](http://www.politicalaccountability.net).