



Few companies stick with pledge to shut off funding for GOP objectors

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Six months after the Capitol attack, only a small number of powerful corporations have made good on their pledge to suspend PAC donations to the 147 Republican lawmakers who voted against certifying the 2020 election results.

Among the 10 biggest corporate PAC donors that pledged to pause their contributions to election objectors, Amazon, Google, Microsoft and Verizon have followed through on their promises, according to the most recent Federal Election Commission filings.

Other top PACs that vowed to withhold contributions, such as AT&T, Comcast, General Electric, Home Depot, Pfizer and Walmart, have been bankrolling party committees or leadership PACs that can easily funnel campaign cash to election objectors. Those company PACs have not made direct donations to the lawmakers' campaigns.

Together, the 10 company PACs gave millions of dollars to many of the 147 Republicans in the 2020 election cycle before turning off the spigot in the wake of the Jan. 6 attack, shining a spotlight on political spending that largely went under the radar in previous years. For many corporations, the decision earlier this year was driven in part by potential consumer and employee backlash.

"Criticism of a company can go viral," said Bruce Freed, president of the Center for Political Accountability, which pushes companies to disclose their political activity. "And when it goes viral, that can threaten the bottom line, because you're seeing consumers shifting their buying."

Some companies are responding to that growing pressure.

Japanese automaker Toyota on Thursday said it would no longer support lawmakers who objected to the election results after its PAC donations to 37 of those Republicans sparked intense criticism from shareholders and the public.

Celebrities and activists with huge social media followings vowed to boycott Toyota unless it changed course. The company's announcement came shortly after the Lincoln Project super PAC — created by a group of Republicans opposed to former President Trump — launched an ad campaign Thursday criticizing the company over its campaign contributions.

“If they don't reconsider where they send their money, Americans will reconsider where we send ours,” the ad said.

But many companies that are focused more on government funding, and not consumer dollars, have resumed PAC donations to election objectors after a brief pause. In recent months, defense contractors such as Lockheed Martin, Boeing and Northrop Grumman contributed to GOP objectors serving on key committees that control defense spending.

Companies are balancing the risk of public backlash with the prospect of enraging Republicans, who are increasingly confident that they will retake the House and Senate in next year's midterm elections.

“They don't want to do anything to limit their access when Republicans have committee chairmanship gavels and the leadership again,” said Timothy Werner, an associate professor at the University of Texas at Austin who specializes in corporate social responsibility.

For decades, corporate PACs avoided scrutiny while regularly donating to incumbents on both sides of the aisle. PACs can only give \$5,000 per election cycle to lawmakers' campaign accounts, but lobbyists have credited those donations with helping them get their message across to members of Congress.

“For candidates, it's rare that this is a substantial amount of their fundraising,” Werner said. “From the firm's perspective, there's evidence to suggest that this does facilitate access.”

AT&T and Comcast each gave roughly \$2.7 million to federal candidates and groups in the 2020 cycle, ranking among the top PAC donors, according to OpenSecrets.org.

They're part of the small group of corporations that pledged to pause donations to election objectors but never ruled out funding closely tied GOP groups. Following the Jan. 6 attack, AT&T donated \$5,000 to the House Conservatives Fund, a leadership PAC affiliated with Rep. Mike Johnson (R-La.), who backed the effort to overturn the 2020 election based on Trump's false claims of widespread voter fraud.

Comcast gave \$15,000 to the National Republican Senatorial Committee, which is run by Sen. Rick Scott (R-Fla.), and \$15,000 to the National Republican Congressional Committee, which is closely affiliated with House Minority Leader Kevin McCarthy (R-Calif.). Both lawmakers voted against certifying the 2020 election results.

Pfizer, Walmart and Home Depot also donated to one or both of the GOP party committees, which are working to reelect Republican election objectors.

Those three firms do not voluntarily disclose their donations to "dark money" 501(c)(4) nonprofit organizations, according to the Center for Political Accountability. The nonprofit groups are able to spend money on elections while keeping corporate donors hidden from the public.

Companies taking the pledge have not ruled out making donations to corporate-funded outside groups. Those include the Republican Attorneys General Association, which supported the Jan. 6 rally that ultimately turned violent.

Most companies have not said how long they will suspend PAC donations, giving them time to resume donations next year, when lawmakers are focused on raising money for their reelection campaigns.

Companies and business groups that rely on GOP support have attempted to draw the line between members who voted against certification and those who sought to undermine democracy. The U.S. Chamber of Commerce said in a March memo it would not judge members of Congress "solely based on their votes on the election certification."

Corporations are more closely scrutinizing their political spending amid pressure from the public and their own shareholders and employees. According to a recent survey conducted by the Public Affairs Council, 51 percent of corporate and trade association PACs made changes to their contribution criteria following the Jan. 6 attack.

“PAC managers have been talking with and listening to employees, members, senior leadership and other stakeholders to review and develop criteria and guidelines to assist in decisions around contributions,” said Kristin Brackemyre, director of PAC and government relations at the Public Affairs Council.

Douglas Chia, a corporate governance consultant, said he is advising corporate boards to weigh the benefits and drawbacks of their PACs and even consider shutting them down entirely in some cases. He cited Charles Schwab’s decision to discontinue its PAC this year.

“Companies should really look at the return on investment of their PAC, and whether their PAC actually gets them something they can’t get any other way,” he said. “If you do that calculation, it might not be worth it to have the PAC in the first place.”