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What Cos. Risk In Funding Pols Who Back Voting Restrictions

By [Sue Reisinger](#) | July 15, 2021, 5:17 PM EDT

The nonpartisan Center for Political Accountability released a detailed report Thursday laying out how public corporations have played a key role in underwriting the elections of lawmakers who are now pushing for more restrictive voting laws across the country.

Titled "Corporate Enablers," the report dives into businesses' direct contributions to lawmakers and so-called 527 committees — groups formed under Section 527 of the U.S. Tax Code — in Arizona, Florida, Georgia, Iowa, Michigan, Pennsylvania and Texas.

The report lists donations by major companies and groups in each state, including Coca-Cola and Delta in Georgia; NextEra Energy in Florida; ExxonMobil in Texas; General Motors in Michigan; [Comcast](#) in Pennsylvania and Pinnacle West Capital in Arizona.

Law360 reached out to several companies, but only Arkansas-based [Walmart Inc.](#) responded before deadline. "Our political contributions do not mean we support

every view of an elected official. We adjust our political giving strategy every election cycle and that is ongoing," said spokesman Randy Hargrove.

The 39-page report noted that some of these same corporations have taken public stances opposing laws that would restrict voting, especially voting by minorities.

In the report's foreword, Thomas Lyon, the Dow chair of Sustainable Science, Technology and Commerce at the University of Michigan's Ross School of Business and the School of Environment and Sustainability, notes the hypocrisy of corporate giving that seems to contradict a company's public statements.

"When people see companies giving money to politicians and interest groups who support policies that run counter to the vision corporate leaders espouse," there could be the potential for a backlash, Lyon wrote.

The report shows that 182 companies and 17 trade associations donated at least \$79 million in the 2018 and 2020 election cycles to groups and individual campaigns, with \$21.5 million of it supporting key legislators and governors in states considering restrictive voting laws.

Even though that sum "is not large in itself," the report states, it raises questions about companies' bankrolling restrictions on voting rights.

"General counsel need to deal with company statements and make sure they align with the company's political spending and the consequences of that spending," Bruce Freed, president of the Center for Political Accountability in Washington, D.C., told Law360 Pulse on Thursday.

Failure to align statements and spending, Freed said, creates greater risk and potential legal challenges for a company.

"Companies could start running afoul of the [[U.S. Securities and Exchange Commission](#)] for having policies that conflict," Freed said. He noted that many companies are already moving to enact "strong accountability policies" on political giving, as well as on climate and diversity issues.

Other experts have made similar suggestions. [The Conference Board](#) nonprofit, for one, has recommended that companies align their political activity with their corporate values.

Although the study looked at donations to both Democrats and Republicans, donations to GOP candidates and groups that support more restrictive voting laws were found most in conflict.

Politicians and groups that support voting restrictions often argue that they only seek to eliminate fraud from elections and are not targeting minorities.

But "there is a difference between rhetoric and reality, and it's very clear what their goals are," Freed said. "It's clear if you step back and look ... that there is a significant difference between their rationales and what their motivation and the consequences are."

Lyon notes in the foreword that "data shows that voter fraud is vanishingly small at around 0.0025% of votes cast — nowhere near enough to change the outcome of a presidential election. Nevertheless, in the name of 'election security,' politicians around the country have introduced hundreds of bills that make it harder to vote."

"In a world where politics has become hyper-partisan, business leaders can play the role of a 'third side' ... and can stand for larger principles and courageous choices,"

Lyon added. "I hope the present report will encourage more of them to take on this role."