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Corporations Donated Millions to Lawmakers Who Voted to Overturn Election Results

One year after the Capitol riot, many businesses resumed corporate donations to lawmakers who voted against certifying the 2020 election.

<u>Companies Donated Millions to Those Who Voted to Overturn Biden's Win - The New York Times</u> (nytimes.com)

By <u>Alan Rappeport</u>, <u>Madeleine Ngo</u> and <u>Kate Kelly</u> Jan. 6, 2022, 3:32 p.m. ET

WASHINGTON — At its annual summit on the state of American business last January, officials from the U.S. Chamber of Commerce expressed disgust at the siege of the Capitol that had unfolded days earlier, and declared that lawmakers who discredited the 2020 election would no longer receive the organization's financial backing.

"There are some members who, by their actions will have forfeited the support of the U.S. Chamber of Commerce. Period. Full stop," Neil Bradley, the executive vice president and chief policy officer for the chamber, <u>said at the time</u>.

Less than two months later, the nation's biggest lobbying group reversed course. "We do not believe it is appropriate to judge members of Congress solely based on their votes on the electoral certification," Ashlee Rich Stephenson, the Chamber's senior political strategist, wrote in a memo.

In the year since the riot at the Capitol, many corporate giants and trade groups have moved from stern statements about the sanctity of democracy to reopening the financial spigot for lawmakers who undermined the election. Millions of dollars in donations continue to flow to what watchdog groups deride as the "Sedition Caucus," highlighting how quickly political realities shift in Washington.

A report published this week by <u>Citizens for Responsibility and Ethics in Washington</u>, a nonprofit watchdog group, showed how corporate money continued to support most of the 147 lawmakers who voted to overturn the election results.

In the last year, 717 companies and industry groups gave more than \$18 million to 143 of those lawmakers. Businesses that pledged to stop or pause their donations to those

lawmakers have since given nearly \$2.4 million directly to their campaigns or leadership political action committees, according to CREW.

Many of the corporations that have donated are household names, including Boeing, Pfizer, General Motors, Ford Motor, AT&T and UPS. Trade groups such as the Chamber of Commerce have also continued to be big donors, with such associations, or their political actions committees, giving \$7.67 million to political groups associated with lawmakers who voted to overturn the election or to PACs that support them.

To be sure, many companies have kept their word and maintained their pause on donations. Jeffrey Sonnenfeld, a professor of leadership at the Yale School of Management, said his <u>own research</u> showed that a majority of corporations that pledged to slow or cease their PAC donations to election certification objectors had followed through with those promises.

According to the CREW report, more than half of the nearly 250 companies that said they would evaluate their political giving after the attack have not made a donation to the lawmakers who tried to stop the certification of the election. Microsoft has held firm on its pledge to cease donations to those lawmakers and Hewlett-Packard decided to shut down its PAC entirely after Jan. 6.

But many companies have restarted campaign donations, with some saying they are doing so in the spirit of nonpartisanship.

"Our employee PAC program continues to observe longstanding principles of nonpartisan political engagement in support of our business interests," said Trent Perrotto, a spokesman for the defense contractor Lockheed Martin, which contributed \$145,000 to 72 lawmakers who voted against certifying the election.

Sharon J. Castillo, a Pfizer spokeswoman, said in a statement that "following the events of Jan. 6, 2021, the company adhered to its commitment to pause political giving to the 147 members of Congress who voted against certifying the election for six months." She added that "monitoring elected officials' conduct and statements is a part of our governance process, and we will continue to do so as we consider future Pfizer PAC disbursements."

CREW noted that some lawmakers who had downplayed the riot or sought to sow doubts about what happened on Jan. 6 had continued to be magnets for corporate money. Representative Madison Cawthorn, a North Carolina Republican who has blamed Democrats for instigating the violence and has <u>called those taken into custody</u> in connection with the riot "political hostages," received \$2,000 in donations from the National Association of Insurance & Financial Advisors and the Farmers' Rice Cooperative Fund.

Representative Louie Gohmert, a Texas Republican who has said there is <u>no</u> <u>evidence</u> that an "armed insurrection" took place, received \$1,000 from the National Association of Insurance & Financial Advisors.

In the immediate aftermath of the riot, associating with lawmakers who appeared to abet it was viewed by many companies as a political liability. But in many cases, those concerns did not last.

Charles Spies, a Republican campaign finance lawyer who helped run Mitt Romney's presidential super PAC, said that while the initial shock of the attack made corporate donors risk-averse, their thinking shifted with the politicization of the Jan. 6 congressional inquiry. Republicans have sought to <u>downplay the attack</u> and have accused Democrats of using the investigation to hurt the G.O.P.'s image.

"It's now a bit more politicized, which makes it harder for companies to just pick one side," Mr. Spies said.

Melissa Miller, a Ford Motor spokeswoman, justified the carmaker's donations by explaining that they were not driven by a single issue.

"Our employee PAC makes bipartisan contributions based on a variety of considerations important to customers, our team and our company. They span things like manufacturing, mobility, innovation and trade," Ms. Miller said. "We resumed contributions in April after refining our process based on input from PAC members."

After the riot, JPMorgan Chase, the country's largest bank by assets, vowed not to use funds from its corporate PAC to support lawmakers who had objected on Jan. 6 to certifying the election results at least until the end of the current donation cycle. Still, it has given money to groups that support Republicans for both the Senate and the House, contributions that will likely find their way to individual objectors.

"A PAC is an important tool for JPMorgan Chase employees to engage in the political process in the United States," the bank's political action committee wrote in a note that was distributed to workers last June, when a temporary ban on all PAC contributions from JPMorgan employees was first lifted.

Citigroup, which had also paused its PAC giving in the immediate aftermath of the riot, reopened the doors to PAC contributions to lawmakers around the same time, saying it would evaluate candidates to which it donated on a case-by-case basis rather than committing to any blanket prohibitions.

Crisis communications experts said that the resumption of donations was not surprising, particularly given President Biden's weak poll numbers and the prospect that Republicans might retake control of Congress in 2022.

"Companies will need to do business with Republicans, period, so they'll give them money," said Eric Dezenhall, a Washington-based expert in corporate damage control.

"Heavily regulated companies need to defend themselves from multiples threats -— hostile legislation, boycotts, shareholder actions."

The donations also reflect the fact that, over time, lawmakers are a more influential constituency for companies than consumers.

"Consumers have short memories but lawmakers have long memories," said Gene Grabowski, who specializes in crisis communications for the public relations firm globalK. "Doing business with the 'Sedition Caucus,' as distasteful as it might be, is a political reality for many companies."

Although companies that have continued to halt donations to some Republicans could be burning bridges with those lawmakers, there is also an economic logic behind not donating to those who have demonstrated a willingness to undermine elections.

Bruce F. Freed, the president of the Center for Political Accountability, argued that firms that resumed the donations were being shortsighted and suggested that there was a strong business case that the health of America's democracy should take precedence over political access.

"Companies need a healthy democracy to compete and grow and thrive," Mr. Freed said. "They still look at political spending too narrowly as a matter of access. They're not looking at what the broader interests and broader risks are."