



Financial Sector Investments In Congress and the Senate Banking Committee

January 21, 2010

The financial sectorⁱ greased the wheels of deregulation in Congress in the decade leading up to the economic meltdown. In the wake of the crisis, financial firms hope to erect enough roadblocks in the way of reform to preserve the status quo.

As the Senate returns to work this week, a major overhaul of financial regulation is at the top of the agenda for the Senate Banking, Housing and Urban Affairs committee. Big bank and Wall Street executives have publicly professed support for financial reform. Behind the scenes, however, they send legions of lobbyists to Capitol Hill to fight every substantive proposal to overhaul financial regulation.

Of the many different ways to measure the financial industry's influence and access on Capitol Hill, here we examine four: campaign contributions, fundraising, lobbying and the revolving door between financial firms and the Senate Banking committee that may determine the fate of financial reform legislation.

Campaign Contributionsⁱⁱ

The financial sector is the largest source of campaign contributions to federal candidates and parties. Members of the Senate Banking committee are top recipients of that largesse. Senate Banking committee members have received \$41.9 million in campaign contributions from PACs and individuals in the financial sector since 2005.

Committee chairman Christopher Dodd (D-CT) raised \$9 million from the financial sector, 51% of his fundraising over the five-year period. Ranking member Richard Shelby (R-AL) raised \$2.5 million, 28% of his total money raised, from the financial sector.

TABLE 1

Last November, Chairman Dodd tasked himself and seven other Banking committee members with re-drafting the major sections of financial reform legislation. These eight senators – Dodd, Shelby, Corker, Crapo, Gregg, Reed, Schumer, and Warner – have received the lion's share of financial sector contributions to the committee: a total of

\$26.1 million. Seven of the eight (excepting Sen. Gregg) rank among the committee's top 10 recipients of financial sector donations.

TABLE 2

Securities and Investment firms (aka Wall Street) were the biggest spenders over the period, giving committee members \$13.9 million. Commercial Banks, primary opponents of creating an independent consumer financial regulator, gave \$3.8 million to committee members.

TABLE 3

A brief look at the top Wall Street and banking donors to all of Congress last year found that the top five securities and investment donors in 2009 were: Investment Co Institute, FMR Corp, Morgan Stanley, Paloma Partners, and Goldman Sachs. The top five commercial bank donors were: the American Bankers Association, Independent Community Bankers of America, Citigroup, Bank of America, and JPMorgan Chase.

TABLE 4

Fundraising

What better way to ingratiate yourself with a member of Congress than to write him a check? Throw the party where he collects them. The financial sector and its lobbyists hosted at least 43 fundraisers for 11 members of the Senate Banking committee in 2009.

Lobbyists for 155 financial sector firms hosted the fundraisers. (Many events were hosted by lobbyists for multiple firms.) The most frequent host was the American Council of Life Insurers, whose lobbyists hosted 7 fundraisers for Banking committee members. Apollo Advisors, Centerpoint Properties, Mortgage Insurance Companies of America, Online Lenders Alliance, and Visa, each hosted 5 events.

Senator Robert Bennett (R-UT) scheduled 8 industry-hosted fundraisers, more than any other committee member.

Fundraising events included: A \$1,000 a plate Mexican dinner at La Loma for Senator Crapo; a 'meet-and-greet' hosted by the Securities Industry & Financial Market Association "welcoming the newest member of the Senate Banking Committee," Senator DeMint; \$2,500 to sponsor a concert "Evening With Fleetwood Mac" at the Verizon Center for Senator Bayh; \$4,800 to host breakfast at The Monocle, the "first table cloth restaurant" on the Hill, for Senator Schumer; and, a March luncheon for Senator Vitter jointly hosted by the banking industry and Senator Shelby.

TABLES 5 & 6

Although our analysis shows no events hosted by the financial sector for 12 members of the committee, this figure is not the whole picture. All but two of the 12 Senators with no hosted events scheduled are up for reelection in 2012 or 2014, making

them less likely to have held fundraisers in 2009. Furthermore, fundraiser information is obtained from a database which receives invitations to events on a strictly volunteer basis. Many fundraisers undoubtedly go unreported.

Fundraiser totals include events hosted by lobbyists for the US Chamber of Commerce, an active opponent of financial reform and the proposed consumer protection agency.

Revolving Door

The financial industry's access and influence in Congress multiplies when its lobbyists are drawn from the ranks of Congress and Congressional staff. 24 former Senate Banking committee members or committee staff currently lobby on behalf of the financial sector. The total includes 4 former Senators and 7 former committee staff directors.

95 financial firms employ lobbyists with ties to the Senate Banking committee. They include: Visa, which employed six lobbyists in 2009 who used to work for the Senate Banking committee; and Citigroup, the American Bankers Association, Goldman Sachs, and FINRA (the Financial Industry Regulatory Authority), all of which employed three lobbyists last year who are former Banking committee staff.

TABLE 7

Lobbying

Just as the financial sector is the largest campaign contributor to federal candidates, it also spends more than any other sector to lobby those candidates once they reach Congress. (Lobbying totals include contacts with all of Congress, not the Senate Banking Committee exclusively.)

The financial sector hired 2567 lobbyists in 2009 and, in the first three quarters of the year, spent over \$336 million lobbying Congress. The US Chamber of Commerce hired 127 lobbyists and paid them \$52 million through September 2009.

TABLE 8

ⁱ The financial sector, as identified by the Center for Responsive Politics, includes the following industries: Securities & Investment, Commercial Banks, Real Estate, Insurance, Finance & Credit, Accountants, Savings & Loans, Credit Unions and a catch-all Miscellaneous Finance.

ⁱⁱ Data for this report was obtained from multiple sources, including: The Center for Responsive Politics (<http://www.opensecrets.org>), the Sunlight Foundation (<http://www.politicalpartytime.org>), and the US Senate Lobbying Disclosure Act Database (http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm).

TABLE 1.

**CONTRIBUTIONS: Senate Banking Committee Financial Sector
Contributions, 2005-2009**

Senator	Raised from Financial Industry	Total Raised	% of Total
Christopher J. Dodd (D-CT)	\$ 9,000,975	\$ 17,479,197	51%
Mark Warner (D-VA)	\$ 5,561,561	\$ 13,985,292	40%
Charles E. Schumer (D-NY)	\$ 3,086,349	\$ 9,895,490	31%
Evan Bayh (D-IN)	\$ 3,020,913	\$ 12,984,996	23%
Bob Corker (R-TN)	\$ 2,672,630	\$ 20,768,188	13%
Robert Menendez (D-NJ)	\$ 2,540,952	\$ 16,347,157	16%
Richard C. Shelby (R-AL)	\$ 2,461,009	\$ 8,815,915	28%
Jack Reed (D-RI)	\$ 1,732,958	\$ 5,262,977	33%
Tim Johnson (D-SD)	\$ 1,520,226	\$ 6,410,863	24%
Mike Crapo (R-ID)	\$ 1,419,555	\$ 4,302,690	33%
Kay Bailey Hutchison (R-TX)	\$ 1,380,399	\$ 9,831,232	14%
Robert F. Bennett (R-UT)	\$ 1,161,560	\$ 3,499,319	33%
Sherrod Brown (D-OH)	\$ 988,007	\$ 12,263,500	8%
Jim DeMint (R-SC)	\$ 940,856	\$ 6,525,130	14%
David Vitter (R-LA)	\$ 859,644	\$ 7,603,100	11%
Jeff Merkley (D-OR)	\$ 777,387	\$ 7,192,813	11%
Jon Tester (D-MT)	\$ 725,487	\$ 6,716,840	11%
Michael Bennet (D-CO)	\$ 617,676	\$ 3,661,380	17%
Jim Bunning (R-KY)	\$ 518,440	\$ 1,688,214	31%
Mike Johanns (R-NE)	\$ 462,440	\$ 4,039,261	11%
Daniel K. Akaka (D-HI)	\$ 242,750	\$ 2,914,231	8%
Judd Gregg (R-NH)	\$ 218,200	\$ 1,437,795	15%
Herb Kohl (D-WI)	\$ 9,400	\$ 5,838,823	0%
TOTALS	\$ 41,919,374	\$189,464,403	22%

Source: Center for Responsive Politics, <http://www.opensecrets.org>

TABLE 2.

**CONTRIBUTIONS: Financial Sector Contributions to Eight Senators
Tasked with Re-Drafting Financial Reform, 2009**

Senator	Raised from Financial Industry	Total Raised	% of Total
Mike Crapo (R-ID)	\$ 1,419,555	\$ 4,302,690	33%
Charles E. Schumer (D-NY)	\$ 3,086,349	\$ 9,895,490	31%
Bob Corker (R-TN)	\$ 2,672,630	\$ 20,768,188	13%
Mark Warner (D-VA)	\$ 5,561,561	\$ 13,985,292	40%
Christopher J. Dodd (D-CT)	\$ 9,000,975	\$ 17,479,197	51%
Richard C. Shelby (R-AL)	\$ 2,461,009	\$ 8,815,915	28%
Judd Gregg (R-NH)	\$ 218,200	\$ 1,437,795	15%
Jack Reed (D-RI)	\$ 1,732,958	\$ 5,262,977	33%
TOTALS	\$ 26,153,237	\$ 81,947,544	32%

Source: Center for Responsive Politics, <http://www.opensecrets.org>

TABLE 3.

**CONTRIBUTIONS: Industry Breakdown of Financial Sector
Contributions to Senate Banking Committee, 2005-2009**

Financial Industries	Contributions to Senate Banking Committee Members
Securities & Investment	\$ 13,943,320
Real Estate	\$ 8,974,423
Insurance	\$ 5,580,293
Misc. Finance	\$ 4,300,009
Commercial Banks	\$ 3,842,799
Finance / Credit Cos	\$ 3,136,806
Accountants	\$ 1,823,438
Savings & Loans	\$ 192,986
Credit Unions	\$ 125,300

Source: Center for Responsive Politics, <http://www.opensecrets.org>

TABLE 4.

CONTRIBUTIONS: Top Five Bank & Wall Street Contributors to Congress, 2009

	Contributor	Amount
Commercial Banks	American Bankers Assn	\$ 1,268,600
	Independent Community Bankers of America	\$ 513,050
	Citigroup Inc	\$ 468,300
	Bank of America	\$ 326,125
	JPMorgan Chase & Co	\$ 308,261
Securities/Investment	Investment Co Institute	\$ 487,875
	FMR Corp (Fidelity Investments)	\$ 470,350
	Morgan Stanley	\$ 450,453
	Paloma Partners	\$ 436,950
	Goldman Sachs	\$ 419,875

Source: Center for Responsive Politics, <http://www.opensecrets.org>

TABLE 5.

FUNDRAISING: Number of 2009 Fundraisers Hosted by Financial Sector Lobbyists for Senate Banking Committee Members

Senator	Fundraisers Hosted by Financial Sector
Robert F. Bennett (R-UT)	8
Jim DeMint (R-SC)	7
Mike Crapo (R-ID)	7
David Vitter (R-LA)	7
Charles E. Schumer (D-NY)	4
Michael Bennet (D-CO)	3
Evan Bayh (D-IN)	2
Mike Johanns (R-NE)	2
Christopher J. Dodd (D-CT)	1
Richard C. Shelby (R-AL)	1
Jon Tester (D-MT)	1
TOTAL	43

Sources: Sunlight Foundation, <http://www.politicalpartytime.org>

Center for Responsive Politics, <http://www.opensecrets.org>

The Sunlight Foundation obtains fundraiser invitations but neither receives invitations for all scheduled fundraisers, nor confirms if scheduled fundraisers have taken place

TABLE 6.

FUNDRAISING: 2009 Fundraisers Hosted by Financial Sector Lobbyists for Senate Banking Committee Members

Company	# of hosted fundraisers
American Council of Life Insurers	7
Apollo Advisors	5
Centerpoint Properties	5
Mortgage Insurance Companies of America	5
Online Lenders Alliance	5
Visa Inc	5
Bain Capital	4
Capmark Financial Group	4
Cherokee Investment Partners	4
Federal Home Loan Bank	4
Gmacch Investor LLC	4
Hudson Advisors	4
KKR & Co.	4
Liberty Mutual Insurance	4
Moody's Corp.	4
NASDAQ OMX Group	4
Private Equity Council	4
Stone Tower Capital	4
Tishman Speyer	4
Charles Schwab & Co	3
Deloitte LLP	3
Investment Co Institute	3
Lifelock Inc.	3
MBIA Insurance	3
Morgan Stanley	3
Securities Industry & Financial Mkt Assn	3
SLM Corp.	3
Vanguard Group	3
Zurich Financial Services	3
Amer Assn of Responsible Auto Lenders	2
AON Corp.	2
Assn of Catastrophe Adjusters	2
Bank of America	2

Company	# of hosted fundraisers
BDO International	2
Citigroup Inc	2
Dubai Group	2
Fiserv Inc.	2
Fortress Investment Group	2
Genworth Financial	2
GUS plc	2
Home Buyers Warranty	2
Independent Insurance Agents & Brokers	2
Institutional Credit Partners	2
Jones Lang LaSalle	2
Marathon Asset Management	2
MetLife Inc	2
Mortgage Bankers Association	2
National Assn of Federal Credit Unions	2
Parkwood Corp.	2
PricewaterhouseCoopers	2
Prudential Financial	2
Royal Bank of Scotland	2
Silicon Valley Bank	2
Universal American Corp.	2
US CHAMBER OF COMMERCE	2
AEGON	1
Agstar Financial Services	1
Alfa Bank	1
Allied Capital	1
Allstate Insurance	1
Alternative Investment Management Assn	1
Ambac Financial Group	1
American Assn/Independent Claims Profs	1
American Bankers Assn	1
American Equity Investmt Life Holding Co	1
American Financial Group	1
American Institute of CPAs	1
American Insurance Assn	1
American Land Title Assn	1

Company	# of hosted fundraisers
American Landmark Properties	1
Assn of Bermuda Insurers & Reinsurers	1
Babcock & Brown Holdings	1
Bank of New York Mellon	1
Banking Industry (co-host Richard Shelby)	1
Ben Franklin Technology Partners	1
BlackRock Inc.	1
C. V. Starr & Co	1
Capital One Financial	1
Caribbean Property Group	1
Cayman Finance	1
Chicago Deferred Exchange Corp	1
Chugach Alaska Corp.	1
Citadel Investment Group	1
CME Group	1
Coalition of Community Banker	1
CoBank ACB	1
Community Financial Services Assn.	1
DBR Ventures	1
Direct Edge ECN	1
Eaton Vance Corp	1
Educational Credit Management Corp	1
Egan-Jones Ratings Co	1
Elliott Management	1
Ernst & Young	1
Experian	1
Financial Accounting Foundation	1
Financial Industry Regulatory Authority	1
First Data Corp.	1
First View LLC	1
Fitch Ratings	1
Fundamental Financial	1
Goldman Sachs	1
H&R Block	1
HSBC Holdings	1
Huntington Bancshares	1

Company	# of hosted fundraisers
ICAP	1
Independent Community Bankers of America	1
ING Group	1
InsCap LLC	1
International Swaps & Derivatives Assn Level Global	1
Janus Capital Group	1
Knight Capital Group	1
KPMG International	1
Loop Capital Markets	1
Managed Funds Assn	1
Marsh & McLennan	1
Massachusetts Mutual Life Insurance	1
MassMutual Financial Group	1
MasterCard Inc	1
Merscorp Inc.	1
MetaBank	1
MoneyGram International	1
Mr. & Mrs. Jeff Campbells	1
Mubadala Development	1
Mutual of Omaha	1
National Assn of Real Estate Investment Trusts	1
National Association of Fixed Annuities	1
National Association of Realtors	1
National Venture Capital Assn	1
Natl Assn Real Estate Investment Trusts	1
Natl Council on Compensation Insurance	1
Network Branded PrePaid Card Assn.	1
OnPoint Technologies	1
Options Clearing Corp	1
Pacific Capital Bancorp	1
Pension Financial Services	1
Pinnacle West Capital	1
Prairie Capital	1
Property Casualty Insurers Assn/America	1
Protective Life Corp	1
Pyramid Companies	1

Company	# of hosted fundraisers
Quadriseve	1
R&D Credit Coalition	1
Rasameel Structured Finance	1
Real Estate Disposition Corp	1
Reinsurance Assn of America	1
REITPAC	1
RenaissanceRe Holdings	1
Savantage Financial Systems	1
Sawruk Management	1
Security Traders Assn	1
Shareholder Communications Coalition	1
Sigman International Construction	1
State Farm Insurance	1
Williams & Williams	1

Many fundraisers were hosted by lobbyists for more than one firm.

Sources: Sunlight Foundation, <http://www.politicalpartytime.org>

Center for Responsive Politics, <http://www.opensecrets.org>

TABLE 7.

REVOLVING DOOR: Former Senate Banking Committee Staff, and Senators, Lobbying for the Financial Sector in 2009

Companies in italics employ multiple lobbyists with Banking committee ties

Lobbyist Name	Former Banking Committee Position	Employer/Clients
Abernathy, Wayne	Staff Director	<i>American Bankers Assn</i>
Bechtel, Philip E	Chief Counsel	<i>Council of Federal Home Loan Banks</i>
Boland, James E	General Counsel	<i>Visa Inc</i>
Campbell, Ben Nighthorse	Member	Community Financial Services Assn
Childress, Kate	Subcommittee Staff Director	<i>JPMorgan Chase & Co</i>
Collins, John T	Counsel	<i>Federal Home Loan Bank</i> Institute of International Bankers TD Bank USA
D'Amato, Alfonse M	Member (Chairman)	Forest City Ratner Companies
Faircloth, Lauch	Member	Moody's Corp <i>Mortgage Insurance Companies of America</i>
Fennel, Melody H	Professional Staff Member	<i>Council of Federal Home Loan Banks</i> Gradient Analytics HBK Capital Management National Reverse Mortgage Lenders Assn
Feuer, Mitchell L	Counsel	<i>Appraisal Institute</i> <i>Barclays</i> <i>Chicago Board Options Exchange</i> <i>Citigroup</i> <i>Credit Suisse Group</i> <i>EWT LLC</i> <i>Financial Industry Regulatory Authority</i> <i>Genworth Financial</i> <i>GETCO Holding Company</i> <i>Goldman Sachs</i> <i>LPL Financial</i> <i>PricewaterhouseCoopers</i> <i>Visa</i> <i>Wellington Management</i>
Fogel-Bublick, Jenn	Counsel	Chubb Corp. Enterprise Community Partners <i>JPMorgan Chase & Co</i> RenaissanceRe Holdings

Lobbyist Name	Former Banking Committee Position	Employer/Clients
Gramm, Phil	Member (Chairman)	UBS Americas
Gray, Geoffrey P	Professional Staff Member	<i>Federal Home Loan Bank FMR Corp.</i>
Hesse, Christine F	Counsel	Bain Capital Hudson Advisors KKR & Co Liberty Mutual Insurance <i>Mortgage Insurance Companies of America</i> <i>Private Equity Council</i> Tishman Speyer
Hyland, James E	Staff Director	Seattle Home Loan Bank Texas Land Title Assn
Jones, Charles D (Chuck)	Subcommittee Staff Director	<i>American Council of Life Insurers</i> <i>Vanguard Group</i> <i>Visa</i>
Lowenthal, Andrew	Subcommittee Staff Director	<i>American Bankers Assn</i> Coalition of Private Investment Cos Kynikos Assoc Massachusetts Mutual Life Insurance NASDAQ OMX Group National Assn of Mortgage Brokers Promontory Interfinancial Network Prudential Financial <i>Vanguard Group</i>
Nappi, Douglas R	Counsel	<i>Financial Industry Regulatory Authority</i> Fundamental Financial Indep Insurance Agents & Brokers/America Options Clearing Corp
O'Connell, Janice M	Professional Staff Member	<i>Goldman Sachs</i> <i>Visa</i>
Oswald, Joel	Professional Staff Member	AEGON USA Allied Capital <i>American Council of Life Insurers</i> American Equity Investmt Life Holding Co Bloomberg LP Chicago Deferred Exchange Corp CME Group Direct Edge ECN Elliott Management

Lobbyist Name	Former Banking Committee Position	Employer/Clients
Oswald, Joel		Huntington Bancshares Janus Capital Group Knight Capital Group <i>Managed Funds Assn</i> Pension Financial Services Pyramid Companies Reinsurance Assn of America Security Traders Assn <i>Vanguard Group</i> <i>Visa</i>
Sheffield, Joi E	Minority Subcommittee Staff Director	Community Financial Services Assn Independent Community Bankers of America
Sternhell, Alex	Deputy Staff Director	Advantage Capital Partners <i>American Bankers Assn</i> American Insurance Assn Beacon Capital Strategies Beal Bank <i>Citigroup Inc</i> Cypress Realty Partners <i>Federal Home Loan Bank</i> Gmacch Investor LLC International Swaps & Derivatives Assn Investment Co Institute KeyCorp <i>Managed Funds Assn</i> National City Bank <i>PricewaterhouseCoopers</i> Travelers Companies US Bank Wachovia Corp
Thompson, Michael D	Professional Staff Member	<i>Appraisal Institute</i> <i>Barclays</i> <i>Chicago Board Options Exchange</i> <i>Citigroup Inc</i> <i>Credit Suisse Group</i> <i>EWT LLC</i> <i>Financial Industry Regulatory Authority</i> <i>Genworth Financial</i> <i>GETCO Holding Company</i> <i>Goldman Sachs</i> <i>LPL Financial</i> <i>PricewaterhouseCoopers</i>

Lobbyist Name	Former Banking Committee Position	Employer/Clients
Thompson, Michael D		<i>Visa</i> <i>Wellington Management</i>
Whonder, Carmencita	Advisor	Apollo Advisors Apollo Investment Management Ares Capital Corp Ares Management <i>FMR Corp</i> Genstar Capital <i>Genworth Financial</i> Guggenheim Investment Management LLC Inco-Check JG Wentworth & Co JLL Partners Lifelock Inc <i>Managed Funds Assn</i> NCM Holdings <i>Private Equity Council</i> Property Casualty Insurers Assn/America SL Green Realty Corp Vestar Capital Partners Welsh, Carson et al Western Union

Source: Center for Responsive Politics, <http://www.opensecrets.org>
US Senate Lobbying Disclosure Act Database,
http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm

TABLE 8.
LOBBYING: 2009

	No. of Lobbyists	Expenditures
Financial Sector	2567	\$ 336,005,436
US Chamber of Commerce	127	\$ 52,256,000

Source: Center for Responsive Politics, <http://www.opensecrets.org>