Democrats Push to Require Corporate Campaign Disclosure

By ERIC LICHTBLAU

WASHINGTON — The White House and leading Democrats in Congress are close to proposing legislation that would force private companies and groups to disclose their behind-the-scenes financial involvement in political campaigns and advertising, officials involved in the discussions said Monday.

One provision would require the chief executive of any company or group that is the main backer of a campaign advertisement to personally appear in television and radio spots to acknowledge the sponsorship, the officials said.

The legislation is being developed in response to a major Supreme Court decision in January that found that the government could not ban corporations from spending in political campaigns.

The decision, a break from precedent, drew strong personal protest from President Obama. White House and Congressional leaders have been working for the last three months to find a way to stem what they predict will be a flood of corporate money flowing into November’s midterm elections.

Democrats say they think the debate gives them an attractive political issue. It allows them to position themselves against Wall Street and corporate money in politics while railing against what they view as the Supreme Court’s pro-business stance just as a new vacancy has opened on the court.

Democrats in Congress, led in the Senate by Charles E. Schumer of New York and in the House by Chris Van Hollen of Maryland, could announce details of the plan as early as this week. They are trying to get a Republican in each chamber to sign on as a co-sponsor but plan to move ahead even without bipartisan support, the officials said.
In an interview Monday, Mr. Schumer said: “What we’re trying to do first is make sure everything we do is within the constitutional mandate set by the court. And second, we’re trying to make it a bill that can get broad bipartisan support.”

In reviewing the Supreme Court’s decision, lawyers for the administration and Congressional Democrats soon realized that the majority’s strong language left them little room to try to ban corporate money altogether, according to people involved in the discussions. They have focused instead on forcing public disclosure of political backers as a way to bring transparency to the process and, perhaps, to discourage excessive corporate involvement.

“What we’ve been trying to do,” said one Congressional official who has worked on the plan, “is to set up a really robust disclosure mechanism.”

As one example of the types of spending they want disclosed, officials pointed to the millions of dollars some of the nation’s biggest insurance companies gave to the Chamber of Commerce to help underwrite advertisements attacking the Obama administration’s health care plan.

The Democrats’ proposal would require corporations or groups like labor unions, advocacy groups and so-called 527 organizations that are involved in political expenditures to identify all their financial donors or set up separate accounts to handle political spending and identify the donors to that account.

With some exceptions, the proposal would also ban political expenditures by government contractors, companies that received bailout money from the government under the Troubled Asset Relief Program and companies that have more than 20 percent foreign ownership.

Officials at the White House have been closely involved in working out the details of the plan, but they have made sure to let lawmakers take the lead to smooth the legislative process.

The proposal could present political difficulties for Republicans in Congress. Some Republican leaders praised the Supreme Court decision in the January case, Citizens United v. Federal Election Committee, calling it an affirmation of free speech, but at the same time, Republicans have often endorsed more disclosure as the key to a campaign finance overhaul.

Mr. Van Hollen, the House sponsor of the plan, said in an interview Monday that the stakes were high to get the bill passed before the midterm campaigns heat up.

He predicted that without action by Congress, “we’ll see millions and millions of dollars in corporate money funneled into these campaigns through dummy corporations and front companies.”

Some advocates of a campaign finance overhaul pushed unsuccessfully for stronger remedies in the Democrats’ plan. One proposal would have required a company to get approval from its shareholders before spending money on political advertisements or campaigns.

For jurisdictional and political reasons, officials said, Democrats decided to leave that issue out of the legislation being drafted.