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Analysis: Pending Lobbying Reform Legislation Could Have Helped Prevent Much of the Jack Abramoff Scandal

The influence-peddling scandals of felon and former lobbyist Jack Abramoff have cast a pall over Capitol Hill and brought the integrity of the federal government into question. But corruption by lobbyists and lawmakers does not begin or end with Abramoff; it is a systemic problem. Lobbying today is essentially legalized bribery.

The system works like this. Lobbyists and their clients provide the money and resources needed for politicians and political parties to get elected – and maintain power. The industries those lobbyists represent later call in the chits with politicians. The lobbyists seek government contracts, congressional earmarks, regulatory rollbacks and tax breaks. Those same special interests entice lawmakers, their staffs and executive branch officials to pass through the revolving door to join them as high-paid lobbyists, dramatically increasing the power of the interests to secure even more favors. And to complete the circle of influence, corporate lobbyists and senior employees get appointed to key positions in the executive branch and on Capitol Hill, where they have even more power to dole out favors and push legislation.

Abramoff was an aberration only to the degree to which he engaged in outright bribery and the number of means he employed – securing large campaign contributions from clients, arranging for and hosting fundraisers, paying for foreign travel, providing gifts through his restaurant's expensive meals and use of personal skyboxes, offering lobbying jobs to officials and staff, employing politicians' spouses, setting up an Astroturf lobbying operation to collect tens of millions in fees and kickbacks from Indian gaming tribes, and laundering money through a charity to pay lobbyists to influence policy. These are all routine tools of the trade in Washington; Abramoff just used many more of them than do most lobbyists.

Several lobbying reform bills have been introduced in Congress. Sen. Russ Feingold (D-Wisc.) and Rep. Marty Meehan (D-Mass.) have written separate measures that would enhance much-needed lobbying disclosure and regulate the conduct of lobbyists. Sen. John McCain (R-Ariz.) and Rep. Christopher Shays (R-Conn.) have introduced similar measures that focus on enhancing disclosure more than regulating the behavior of lobbyists.

The question keeps arising – would their proposals change the system in Washington, not only to prevent an Abramoff-type scandal, but to change the fundamental nature of the beast?

Public Citizen's analysis of these bills, which is detailed below, shows that taken together, they could have had a significant impact on preventing many of Abramoff's most egregious abuses. But they clearly do not go far enough in fundamentally changing the system. There are five key requirements to accomplish that, which these bills meet to varying degrees:

- 1) Enact public financing of elections to remove special interest money from the system. Barring that, ban lobbyists from contributing to those whom they lobby, bundling campaign contributions from friends and colleagues, and organizing fundraising events.

- 2) Make it harder for public officials and staff to pass through the revolving door – either from government service to the private sector or vice versa.
- 3) Ban all privately funded travel for lawmakers, staff and federal officials, whether lobbyists attend the events or not.
- 4) Enact an iron-clad ban on all gifts from lobbyists to lawmakers.
- 5) Establish an independent ethics watchdog in Congress with significant powers that will not be stymied by partisanship and that has the resources to enforce the laws.

The chart below lists Abramoff’s transgressions and shows how the scandal could have been prevented had the bills before Congress been law.

Type of Influence-Peddling Activity by Jack Abramoff	McCain-Burns & Shays Bills (S. 2128/H.R. 4575)	Feingold Bill (S. 1398)	Meehan-Emanuel Bill (H.R. 2412)
CAMPAIGN CONTRIBUTIONS TO POLITICIANS	CURRENT LAW <ul style="list-style-type: none"> • Lobbyists are subject to the same \$2,100 per election contribution limit as all other individuals. • Contributions are reported to the FEC, not as part of disclosure reports filed by lobbyists with the Senate and House. • There are no reporting requirements for bundled contributions – money raised by lobbyists from their family, friends and colleagues. • There are no restrictions on who can organize fundraising events, such as lobbyists. 		
Abramoff made or arranged about \$4.5 million in campaign contributions to officeholders and party committees since 2000.	Requires disclosure of lobbyists’ campaign contributions on lobbying reports as well as to the FEC. No prohibition on campaign contributions from lobbyists to those whom they lobby.	Maintains current disclosure of campaign contributions to the FEC. No prohibition on campaign contributions from lobbyists to those whom they lobby.	Maintains current disclosure of campaign contributions to the FEC. No prohibition on campaign contributions from lobbyists to those whom they lobby.
Abramoff bundled at least \$100,000 in campaign contributions from friends and colleagues as a “Pioneer” in the 2004 Bush campaign	No reporting requirement for bundled contributions.	No reporting requirement for bundled contributions.	No reporting requirement for bundled contributions.
Abramoff arranged several campaign fundraising events for members of Congress, including Speaker Dennis Hastert.	Requires lobbyists and lobbying firms to report dates, total funds raised and recipients of funds at fundraising events. No prohibition on lobbyists organizing fundraising events.	No additional reporting requirement beyond current campaign finance law for lobbyists’ participation in fundraising events. No prohibition on lobbyists organizing fundraising events.	No additional reporting requirement beyond current campaign finance law for lobbyists’ participation in fundraising events. No prohibition on lobbyists organizing fundraising events.

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GIFTS	CURRENT LAW <ul style="list-style-type: none"> • Congressional rules cap gifts at \$50 per item and \$100 per year from any individual to a member of Congress and staff. • The value of a seat in a skybox is artificially set at below \$50. • There are no special reporting requirements for gifts that are not travel related. 		
Abramoff routinely provided free meals to members and their staff from Signatures Restaurant, which he owned.	Any gifts from lobbyists of \$20 or more are to be reported.	Gifts of any value from lobbyists are prohibited.	Gifts of any value from lobbyists are prohibited.
Abramoff provided free skyboxes at sporting events to members and their staff.	Gifts of sporting event tickets are to be awarded actual value and reported.	Gifts of any value from lobbyists are prohibited.	Gifts of any value from lobbyists are prohibited.
TRAVEL	CURRENT LAW <ul style="list-style-type: none"> • Congressional rules prohibit lobbyists from paying for travel for members of Congress and their staff. • Lobbyists may arrange travel and have their clients pay for it. • Corporations and special interests may pay travel expenses for members of Congress and staff, including luxurious accommodations, dinners and entertainment, with no limit. • Corporate jets may be used for travel valued usually at lower-cost first-class airfare, rather than the actual higher-cost charter rate. • The sponsor and cost of travel is to be reported shortly after the event and on annual personal financial disclosure forms. 		
Abramoff arranged travel junkets for many members and staff, including 85 members and staff to the Mariana Islands, and congressional leaders such as Reps. Tom DeLay, Bob Ney and others to golf outings in Scotland and elsewhere.	Requires disclosure of travel paid for or arranged by lobbyists only. Does not change the current House and Senate rules that prohibit lobbyists from paying for travel.	Prohibits only lobbyists from paying for, soliciting payment for, or arranging travel events.	Prohibits only lobbyists from paying for, soliciting payment for, or arranging travel events.
Abramoff arranged lavish accommodations and recreation for members and staff while on travel junkets, such as staying at the Four Seasons Hotel in London and playing golf at St. Andrews in Scotland.	Travel expenses by members and staff subject to government per diem rates.	Travel expenses by members and staff subject to government per diem rates.	Travel expenses by members and staff subject to government per diem rates.
Abramoff may have personally paid for or reimbursed some of these travel expenses.	Requires disclosure of travel paid for or arranged by lobbyists.	Prohibits lobbyists from paying for, soliciting payment for, or arranging travel events.	Prohibits lobbyists from paying for, soliciting payment for, or arranging travel events.
Abramoff usually went along on these travel junkets to conduct business.	No restriction.	Prohibits lobbyists from attending privately-sponsored travel events.	No restriction.

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Travel (cont.)			
Abramoff arranged for congressional staff to have free travel on corporate jets during some of these junkets (e.g., Rep. DeLay's deputy chief of staff, Tony Rudy, and others).	Corporate jets used for travel must be paid at full charter rate.	Corporate jets used for travel must be paid at full charter rate.	No restriction.
REVOLVING DOOR	CURRENT LAW <ul style="list-style-type: none"> • Executive branch officials are prohibited from negotiating future employment from persons with official business, unless a confidential waiver is received. • Members of Congress are advised not to create a conflict of interest through negotiating future employment, but there is no prohibition. • Congressional staff are required to inform members when they are negotiating future employment that may pose a conflict of interest and receive their approval. • Former members of Congress and their staff and executive branch officials may become lobbyists immediately upon leaving public service, but are generally prohibited from making lobbying contacts with their former colleagues for one year. 		
Abramoff negotiated lucrative private sector employment for public officials and congressional staff, such as for DeLay aide Tony Rudy.	No additional restrictions.	Requires public officials and staff to publicly report negotiations for future employment.	Requires public officials and staff to publicly report negotiations for future employment.
Abramoff enlisted Neil Volz, a former staffer for Rep. Bob Ney, to make lobbying contacts with former congressional colleagues on behalf of Abramoff during the one-year "cooling off" period when such contacts are prohibited.	Prohibits all former government officials-turned-lobbyists from making lobbying <i>contacts</i> with their former colleagues for two years.	Prohibits all former government officials-turned-lobbyists from making lobbying <i>contacts</i> with their former colleagues for two years.	Prohibits all former government officials-turned-lobbyists from making lobbying <i>contacts</i> with their former colleagues for two years.
Abramoff allegedly offered to employ as a lobbyist Steven Griles, then-Deputy Interior Secretary, and hired former congressional staffers as lobbyists immediately after leaving public service.	No additional restrictions.	Prohibits former members of Congress and senior executive branch officials from conducting <i>any</i> paid lobbying activity for two years after leaving office, including supervising others and developing lobbying strategy	No additional restrictions.

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DISCLOSURE	CURRENT LAW <ul style="list-style-type: none"> • Lobbyists file semi-annual financial disclosure reports that are made available on the Internet generally in a non-searchable format, which indicate the bills and issues lobbied on. • Specific lobbying contacts with “covered” officials – members of Congress, their senior staff, or officials in the executive branch – are not required to be disclosed. • Grass-roots lobbying activity (hiring consultants, advertising, phone banks, direct mail, paid state staff, grants to groups) is not subject to disclosure. 		
Abramoff had countless lobbying contacts with members of Congress and senior staff, and with executive branch officials.	No reporting requirements.	The date and subject matter of oral communications with members of Congress and senior executive branch officials must be reported.	The date and subject matter of all lobbying contacts with members of Congress and senior executive branch officials must be reported.
Abramoff made payments to relatives of covered officials, including funneling \$50,000 to a staffer’s wife from clients who benefited from the staffer’s lobbying.	No restrictions.	No restrictions.	No restrictions.
Abramoff used a grass-roots lobbying firm set up by Michael Scanlon to defraud Indian tribal clients and collect kickbacks.	Disclosure requirement for grass-roots lobbying activities would capture expenditures by registered lobbyists and media consulting firms that conduct lobbying activity.	Disclosure requirement for grass-roots lobbying activities would capture media expenditures by registered lobbyists.	Disclosure requirement for grass-roots lobbying activities would capture media expenditures by registered lobbyists.
Abramoff used a tax exempt charity to conceal the origins of gambling money transferred to Ralph Reed and other religious leaders, enlisting their support on behalf of Abramoff’s Indian gambling interests.	No additional requirements on money laundering, however the enhanced disclosure requirements for grass-roots lobbying activity would help expose front groups.	No additional requirements on money laundering, however the enhanced disclosure requirements for grass-roots lobbying activity would help expose front groups.	No additional requirements on money laundering, however the enhanced disclosure requirements for grass-roots lobbying activity would help expose front groups.