



The Chamber of Secrets

An Investigation into Who Funds the Notoriously Opaque U.S. Chamber of Commerce

Acknowledgments

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About Public Citizen

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About Chamber Watch

Chamber Watch is a project of Public Citizen. Its mission is raise awareness about the U.S. Chamber of Commerce, its reactionary, anti-worker, anti-consumer, anti-environmental agenda, and the central role it plays in the corporate capture of our democracy via its position as a leading lobbyist, dark money elections spender, and litigator.



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I. Introduction

The U.S. Chamber of Commerce holds its donors' identities as a jealously guarded secret. The Chamber went so far as to lobby Congress to restrict the Securities and Exchange Commission (SEC) from developing a rule that would have required publicly traded companies to disclose their political spending, including the monies they give to trade associations like the Chamber.¹ Regrettably, Congress acquiesced to the Chamber's demands and passed a budget rider preventing the SEC from finalizing the corporate political spending transparency rule.²

Having successfully halted the SEC from finalizing the corporate political spending disclosure rule, the Chamber next turned its attention to thwarting voluntary disclosure initiatives. With more and more large companies providing some degree of political spending transparency, the Chamber attempted to convince its member companies that such transparency was not in their best interests. Chamber president Tom Donohue sent a letter to Chamber members seeking to dissuade them from voluntarily disclosing the details of their relationship with the Chamber.³

Why is the Chamber so opaque with respect to its membership? Probably because much of its credibility as the voice of the American business community depends upon the perception that it speaks for a broad range of business interests, including most importantly, small businesses. Much of the Chamber's messaging is centered on its claim that a particular policy would either be good or bad for small businesses. In its letters, testimony before Congress, reports, and legal briefs, the Chamber almost always begins by claiming to represent "the interests" of more than three million businesses and to directly represent 300,000 businesses, 96 percent of which have fewer than 100 employees.⁴ It doesn't matter how far removed the issue at stake actually is from the concerns of small businesses, the Chamber will still attempt to make them the "face" of its advocacy.⁵ Indeed, Chamber president Donohue once admitted that small businesses "provide the foot soldiers, and often the political cover, for issues big companies want pursued."⁶

¹ See, e.g., *Letter with Recommendations to H.R. 5016, the "Financial Services and General Appropriations Act 2015"*, U.S. CHAMBER OF COMMERCE (July 14, 2014), <http://uscham.com/2qGqZqD>

² It is important to note, however, that this rider did not, however, restrict the agency from doing work on the rule in the interim.

³ *Letter from Tom Donohue, John Engler, and Jay Timmons to members*, Oct. 13, 2015, <http://bit.ly/2qQZA0Q> (viewed on June 1, 2017)

⁴ See, e.g., *Statement of the U.S. Chamber of Commerce and the Coalition for Derivatives End-Users*, U.S. CHAMBER OF COMMERCE (April 28, 2016), <http://bit.ly/2qY10Yi>; Motion for Leave to File and Brief for Amici Curiae the Chamber of Commerce of the United States of America, Montana Chamber of Commerce, National Federation of Independent Business, and American Tort Reform Association in Support of Petitioner, *BNSF Railway Company v. Tyrell*, Case No. 16-405, Mont. Sup. Ct. (2016), <http://bit.ly/2rMrNcU>

⁵ For a particularly egregious example of this, see, *Statement of the U.S. Chamber of Commerce and the Coalition for Derivatives End-Users*, U.S. CHAMBER OF COMMERCE (April 28, 2016), <http://bit.ly/2qY10Yi>, in which the Chamber has the audacity to claim that complex regulations of highly speculative derivatives and swaps are of great concern to "Main Street businesses."

⁶ *The Chamber Of Commerce Has Been Transformed Into One Of The Most Powerful Political Forces In Washington*, BUSINESS INSIDER (April 23, 2012), <http://read.bi/1glDaN2>

Unlike small businesses, large corporations do not enjoy broad public support, particularly those in scandal-plagued industries such as Wall Street, health insurance, fossil fuels, and tobacco. Were the Chamber transparent about its funding sources and this information were to reveal that small businesses accounted for a miniscule fraction of its funding while Big Business accounted for the lion's share, it would be less able to credibly claim to represent the nation's small business community. Going a step further, if the Chamber disclosed its funding sources and this information revealed that a significant portion of its funding came from *non-business* sources such as wealthy individuals and special interest groups, its very identity as a business group would be threatened. In either case, it would be a much less effective advocate as it would have been exposed as a lobby for wealthy special interests, corporate or otherwise.

Despite the great lengths to which the U.S. Chamber of Commerce goes to keep the identities of its donors secret, certain insights as to the makeup of its donor base can be gleaned from its tax returns as well as the voluntary disclosures that some large companies make with respect to their political expenditures.

We previously reported,⁷ based on an analysis of the Chamber's 2014 tax returns, that just 74 donors each giving at least \$500,000 provided nearly 60 percent of the Chamber's receipts in 2014 and that about 1,500 donors each giving at least \$5,000 provided 96 percent of the Chamber's money that year. These statistics largely discredit the Chamber's portrayal of itself as the voice of hundreds of thousands if not millions of American small businesses. Instead, these numbers suggest that the Chamber's primary constituency is a small group of exceptionally deep-pocketed entities.

While the Chamber's tax returns, which only reveal donation amounts and not donors, shed no light on the identities of these deep-pocketed entities, an examination of companies' voluntary political spending disclosures can provide some clarity as to *who* is funding the Chamber.

In this report, we examine the voluntary political spending disclosures of the companies that make up the S&P 500 index. The S&P 500 includes the vast majority of the very largest companies headquartered in the U.S., precisely the ones with the deepest pockets most able to donate large sums to the Chamber.

Our finding that somewhere between 35 and 78 percent of the Chamber's large dollar donors⁸ do *not* appear to be S&P 500 companies is therefore somewhat surprising. While this is admittedly a broad range, it raises an important question: if America's largest public companies may not even account for half of the Chamber's biggest donors, where is all the rest of the money coming from?

Much of it likely comes from big privately held companies, foreign multinationals, large publicly traded companies that aren't quite big enough to be included in the S&P 500. However, we believe the evidence suggests that the Chamber receives a significant part of this non-S&P 500 company funding from two *non-business* sources: politically active non-profits and the ultra-wealthy. If true,

⁷ David King and Dan Dudis, *The Gilded Chamber 2.0*, PUBLIC CITIZEN (Sept. 26, 2016), <http://bit.ly/2cBZfY5>

⁸ Defined as those donors that gave the Chamber at least \$50,000. There were 539 such donors in 2014.

these conclusions are damning for the group's claims to be the voice of the American business community – and would explain exactly why the Chamber fights so hard to keep the sources of its money secret.

II. Executive Summary

Our research found that 251 out of the 500 companies that make up the S&P 500 Index disclose at least some information relating to their membership in and/or payments to trade associations. Of these 251 companies:

- 98 (39 percent) disclose membership in the Chamber. 60 of these are large dollar donors (\$50,000 or more)
- 37 (15 percent) provide sufficient disclosure for the public to conclude that they are not Chamber members
- 116 (46 percent) do not disclose enough information to determine if they are Chamber members, however 38 of these companies disclose enough information to reveal that they are not large dollar donors to the Chamber

Extrapolating from this data set to the entire universe of S&P 500 companies, we found:

- Somewhere between 120 and 350 of S&P 500 companies are likely to be large dollar donors to the Chamber
- As the Chamber reported receiving 539 donations of \$50,000 or more in 2014, this suggests that somewhere between 189 and 419 large dollar donors are not S&P 500 companies

Considering alternative sources of large dollar donations, we concluded:

- Large privately held companies and foreign multinationals, neither of which are included in the S&P 500, might account for some of these large dollar donations. Large publicly traded companies that are not big enough to be included in the S&P 500 may also account for some of these large dollar donations, although given their comparatively smaller size, one would expect a smaller percentage of these firms to donate at least \$50,000 than the percentage of S&P 500 firms
- There is significant evidence, both direct and circumstantial, that the Chamber solicits and accepts large donations from politically active non-profits and the ultra-wealthy

III. Methodology

The S&P 500 is made up of the largest publicly traded American companies. Together, they account for approximately 80 percent of the cumulative market capitalization of publicly traded U.S.

companies.⁹ It does not include privately held companies or foreign multinationals. We examined companies that were part of the S&P 500 as of May 1, 2017.

We began by searching each company's website for disclosures relating to its political spending. When a company publicly disclosed information relating to its political spending, we looked to see if it included information regarding membership in and/or contributions to trade associations. We then checked to see if the company disclosed membership in or a donation to the U.S. Chamber of Commerce and/or any of its affiliates.¹⁰

For the purposes of this report, we first divided companies into three groups: those that publicly disclose Chamber membership, those whose public disclosures reveal that they are not Chamber members, and those whose public disclosures do not allow one to conclusively determine whether or not they are Chamber members. We then classified companies according to whether they gave or potentially gave the Chamber \$50,000 or more (large and potential large dollar donors) or whether they gave less than \$50,000 if at all (non-members and small and potential dollar donors).

We then availed ourselves of the one aspect of public disclosure that nonprofits such as the Chamber are compelled to make regarding their donors. They must provide the public, upon request, with their IRS tax form listing contributions of \$5,000 or more, although they may redact the identities of their contributors (as the Chamber did). We compared the number of S&P 500 companies reporting contributions of \$50,000 or more to the Chamber with the number of \$50,000-plus donations the Chamber reported receiving on its 2014 tax filing. We chose \$50,000¹¹ as the minimum threshold for large dollar donations because it is a large sum of money that no small business could afford to give and it is also the most common disclosure threshold used by companies that only report donations to trade associations if they exceed a certain amount.

Because most company disclosures were from 2016, we chose to examine the Chamber's 2014 filing as it is the most recent available that covers an election year. Since the Chamber traditionally spends tens of millions of additional dollars during election years on campaign ads, making an election year to election year comparison is likely to produce more accurate results

IV. Results

Two hundred fifty one S&P 500 companies (50 percent) disclose at least some information regarding their memberships in trade associations. [Figure 1] The amount of information disclosed varies significantly with respect to detail and specificity. Some companies are quite vague, limiting their disclosures to partial lists of trade associations to which they belong. Other companies provide a complete accounting of all trade associations to which they belong as well as how much money they donated and how much of this money was used for non-tax deductible political expenses, such as lobbying or elections spending. Then there are companies with intermediate

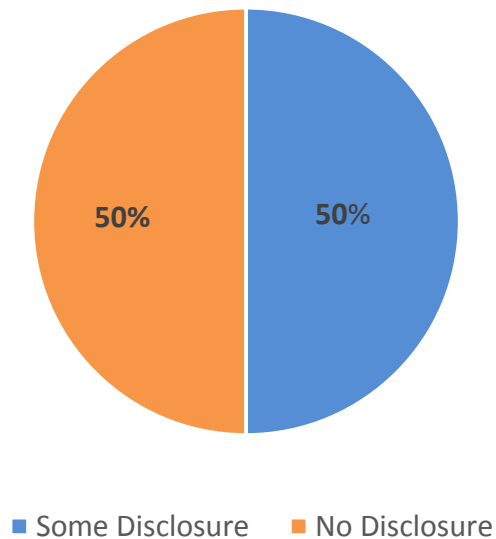
⁹ S&P 500, S&P GLOBAL, <http://bit.ly/1IrxexF> (viewed on June 1, 2017)

¹⁰ Including but not limited to the Institute for Legal Reform, the Chamber Litigation Center, the Chamber of Commerce Foundation, and various American Chambers of Commerce (AmChams) overseas.

¹¹ Donations of at least \$50,000 accounted for 88 percent of the Chamber's revenues in 2014.

levels of disclosure that list all trade associations to which they donated more than a certain threshold amount or only disclose the non-deductible portion of their donations.

Figure 1: Share of S&P 500 Companies Making Disclosures About Their Membership Trade Associations



Of the 251 S&P 500 companies that disclose at least some information regarding trade association membership, 98, or 39 percent, report that they are members of the U.S. Chamber of Commerce, the U.S. Chamber Institute for Legal Reform (ILR), and/or the U.S. Chamber Litigation Center (USCLC). [Table 1]

A small number of additional companies reported being members of or donating to one or more overseas American Chambers of Commerce (AmChams) or to the U.S. Chamber Foundation. The AmChams, while subject to accreditation by the U.S. Chamber of Commerce, are technically independent of it.¹² The Chamber Foundation is organized as a 501(c)(3) organization and as such is limited primarily to charitable endeavors. We chose not to count a company as a Chamber member if it only disclosed membership in or donations to the Chamber Foundation and/or one or more AmChams.

¹² *About AmChams in Europe*, AMCHAMS IN EUROPE, <http://bit.ly/2rxQb17> (viewed on June 5, 2017).

Table 1: Companies that Publicly Disclose Chamber Membership

Company Name	Industrial Sector	Total Donated to Chamber & Affiliates	Total for Political ¹³ Expenses	Reporting Year
Dow Chemical	Materials	≥ \$1,814,250	\$1,814,250	2016
Hartford Financial Services	Financials	\$1,114,065	\$180,000	2016
Chevron	Energy	\$1,000,000	Not Disclosed	2016
Southern Company	Utilities	≥ \$787,500	\$787,500	2016
American Electric Power	Utilities	≥ \$650,000	\$650,000	2016
Microsoft	IT	≥ \$525,000	\$216,000	FY 2015
Qualcomm	IT	\$524,000	\$180,300	FY 2016
Anthem	Health Care	\$500,000	\$225,000	2015
PepsiCo	Consumer Staples	≥ \$500,000	≥ \$100,000	2016
Johnson & Johnson	Health Care	≥ \$500,000	\$212,500	2016
MetLife	Financials	≥ \$396,500	\$396,500	2016
Mylan	Health Care	\$360,000	\$94,000	2015
Merck	Health Care	≥ \$345,000	\$345,000	2016
Apache	Energy	\$325,000	\$113,750	2015
Union Pacific	Industrials	≥ \$300,000	\$300,000	2016
Prudential Financial	Financials	\$285,000	\$120,250	2015
Sempra Energy	Utilities	\$275,000	\$96,250	2015
UnitedHealth Group	Health Care	\$252,000	\$63,600	2016
Aetna	Health Care	\$250,000	\$87,500	2015
Exelon	Utilities	\$250,000	\$87,500	2016
Tesoro Petroleum	Energy	\$250,000	\$152,500	2015
Cigna	Health Care	\$225,000	\$56,250	2016
American Express	Financials	≥ \$216,250	\$216,250	2016
Capital One	Financials	≥ \$155,000	\$155,000	2016
Xerox	IT	\$140,000	\$49,000	2015
Marathon Oil	Energy	≥ \$137,500	\$137,500	2015
Celgene	Health Care	≥ \$131,250	\$131,250	2016
3M	Industrials	≥ \$116,000	\$116,000	2016
Coca-Cola	Consumer Staples	≥ \$108,500	\$108,500	2015
AIG	Financials	≥ \$105,000	\$105,000	2016
John Deere	Industrials	≥ \$101,500	\$90,000	2016
Intuit	IT	≥ \$100,000	\$40,000	FY 2016
Accenture	IT	\$100,000	\$30,000	FY 2016
Lincoln National	Financials	\$100,000	\$35,000	2015

¹³ Political expenses are defined as non-tax deductible expenses and most often include lobbying and elections spending.

Marriott	Consumer	\$100,000	\$32,500	2016
Noble Energy	Energy	≥ \$91,000	\$91,000	2015
Dominion Resources	Utilities	≥ \$87,500	\$87,500	2015
Entergy	Utilities	≥ \$87,500	\$87,500	2015
Boston Scientific	Health Care	\$ 86,000	\$25,800	2015
Procter & Gamble	Consumer Staples	≥ \$84,000	\$84,000	2015
Intel	IT	\$70,000	\$21,000	2016
Allergan	Health Care	≥ \$67,500	\$67,500	2016
Amgen	Health Care	≥ \$60,000	\$60,000	2016
United Technologies	Industrials	\$ 56,667	\$11,107	2015
AFLAC	Financials	\$ 55,000	\$55,000	2016
Monsanto	Materials	≥ \$54,000	\$54,000	2016
AbbVie	Health Care	≥ \$50,000	Not Disclosed	2016
Abbott Labs	Health Care	≥ \$50,000	Not Disclosed	2016
Caterpillar	Industrials	≥ \$50,000	Not Disclosed	2016
ConocoPhillips	Energy	≥ \$50,000	≥ \$50,000	2016
Eli Lilly	Health Care	≥ \$50,000	Not Disclosed	2014
Express Scripts Holding	Health Care	≥ \$50,000	\$50,000	2015
Marathon Petroleum	Energy	≥ \$50,000	Not Disclosed	2016
Motorola Solutions	IT	≥ \$50,000	Not Disclosed	2015
Occidental Petroleum	Energy	≥ \$50,000	Not Disclosed	2016
Phillips 66	Energy	≥ \$50,000	Not Disclosed	2015
Rockwell Collins	Industrials	≥ \$50,000	Not Disclosed	2015
U.S. Bancorp	Financials	≥ \$50,000	\$35,000	2015
Yum Brands	Consumer	≥ \$50,000	\$20,000	2014
EQT	Energy	\$50,000	\$17,500	2016
Arconic	Industrials	≥ \$40,000	\$40,000	2015
CSX	Industrials	≥ \$35,000	\$35,000	2016
Norfolk Southern	Industrials	≥ \$30,000	\$30,000	2016
Unum Group	Financials	≥ \$30,000	\$30,000	2016
Bank of America	Financials	≥ \$25,000	Not Disclosed	2016
S&P Global	Financials	≥ \$25,000	Not Disclosed	2015
Symantec	IT	\$25,000	\$7,500	2016
Wells Fargo	Financials	≥ \$25,000	Not Disclosed	2016
Zimmer Biomet Holdings	Health Care	≥ \$25,000	≥ \$7,500	2016
Regions Financial	Financials	≥ \$25,000	\$22,500	2016
Campbell Soup	Consumer Staples	≥ \$10,000	\$4,000	FY 2016
Cummins	Industrials	≥ \$8,750	\$8,750	2015
Gilead Science	Health Care	≥ \$6,000	\$6,000	2016
Home Depot	Consumer	≥ \$5,000	Not Disclosed	2016
Gap	Consumer	≥ \$1,000	Not Disclosed	FY 2016
Lockheed Martin	Industrials	Not Disclosed	≤ \$50,000	2016
Allstate	Financials	Not Disclosed	Not Disclosed	2016
Alphabet (Google)	IT	Not Disclosed	Not Disclosed	2016

Altria Group	Consumer Staples	Not Disclosed	Not Disclosed	2016
Applied Materials	IT	Not Disclosed	Not Disclosed	2015
Cisco Systems	IT	Not Disclosed	Not Disclosed	2015
Citigroup	Financials	Not Disclosed	Not Disclosed	2016
Facebook	IT	Not Disclosed	Not Disclosed	2014
FedEx	Industrials	Not Disclosed	Not Disclosed	2016
Fluor	Industrials	Not Disclosed	Not Disclosed	2014
Hess	Energy	Not Disclosed	Not Disclosed	2014
Hormel Foods	Consumer Staples	Not Disclosed	Not Disclosed	2015
JPMorgan Chase	Financials	Not Disclosed	Not Disclosed	2015
Kroger	Consumer	Not Disclosed	Not Disclosed	2015
Lowe's	Consumer	Not Disclosed	Not Disclosed	2016
Morgan Stanley	Financials	Not Disclosed	Not Disclosed	2015
Nielsen Holdings	Industrials	Not Disclosed	Not Disclosed	2016
Pfizer	Health Care	Not Disclosed	Not Disclosed	2015
Philip Morris International	Consumer Staples	Not Disclosed	Not Disclosed	2016
PNC Financial Services	Financials	Not Disclosed	Not Disclosed	2016
Salesforce.com	IT	Not Disclosed	Not Disclosed	2016
Synchrony Financial	Financials	Not Disclosed	Not Disclosed	2016
Target	Consumer	Not Disclosed	Not Disclosed	2016

Of the 251 companies that disclose at least some information regarding trade association membership, the disclosures of 37 or 15 percent indicate that they are not members of the Chamber, the ILR, or USCLC. [Table 2]

Table 2: Companies That Provide Sufficient Disclosure to Indicate That They Are *Not* in the Chamber

Company Name	Industrial Sector	Reporting Year
AES Corp.	Utilities	2015
Albemarle*	Materials	2015
Ameren	Utilities	2016
Apple	IT	2016
Best Buy	Consumer	2016
C.H. Robinson Worldwide	Industrials	2017
Cabot Oil & Gas	Energy	2015
Comerica	Financials	2016
Dr. Pepper Snapple Group	Consumer Staples	2017
Eastman Chemical	Materials	2016
eBay	IT	2016
Fifth Third Bancorp	Financials	2016
Freeport McMoRan Copper and Gold	Materials	2016
Host Hotels & Resorts	Real Estate	2017

HP	IT	2017
Johnson Controls	Industrials	2016
MasterCard	IT	2016
McCormick & Company	Consumer Staples	2016
Navient	Financials	2016
NetApp	IT	2017
NiSource	Utilities	2016
Parker-Hannifin	Industrials	2017
Pinnacle West Capital	Utilities	2015
Pioneer Natural Resources	Energy	2015
Praxair	Materials	2017
Principal Financial Group	Financials	2017
Pulte Homes	Consumer Discretionary	2015
Sealed Air**	Materials	2014
Skyworks Solutions	IT	2017
The Williams Companies	Energy	2015
United Rentals	Industrials	2015
Vulcan Materials	Materials	2017
Waste Management	Industrials	2016
Waters Corp.	Health Care	2014
WEC Energy Group	Utilities	2014
Xcel Energy	Utilities	2016
Xylem	Industrials	2015

*Company disclosures indicate membership in one or more overseas AmChams

**Sealed Air did contribute to the Chamber's 501(c)(3) charitable arm, the U.S. Chamber Foundation

An additional 116 companies (46 percent of the 251 disclosing companies) make partial disclosures with respect to trade association membership. [Table 3] While these disclosures do not contain any mention of membership in the Chamber, they do not definitively exclude the possibility of Chamber membership, either. Some of these companies list all trade associations to which they have donated more than a certain threshold amount while other companies merely list some (but not all) trade association memberships.

Thirty eight of these 116 companies (15 percent of the 251 disclosing companies) have disclosure thresholds of \$50,000 or less. We characterize these companies as possible small dollar Chamber contributors, since we can exclude their having donated \$50,000 or more to the Chamber, the ILR, and/or the USCLC but we cannot exclude the possibility that they may have donated some lesser amount.

Seventy eight of these 116 companies (31 percent of the 251 disclosing companies) provide a partial list of trade association memberships with no minimum threshold for disclosure or have a

threshold that is effectively greater than \$50,000.¹⁴ For the purposes of this report, we characterize these companies as possible Chamber members.

Table 3: Companies Whose Partial Disclosures Do Not Include Chamber Membership

Company Name	Industrial Sector	Monetary Threshold for Disclosure	Reporting Year
Humana	Health Care	\$100,000	FY 2016
Newmont Mining	Materials	\$50,001 (Political expenses)	2016
AmerisourceBergen	Health Care	\$50,001	2016
Baxter International	Health Care	\$50,001	2015
Cardinal Health	Health Care	\$50,001	2015
CenturyLink	Telecoms	\$50,001	2016
Edwards Lifesciences	Health Care	\$50,001	2016
General Dynamics	Industrials	\$50,001	2015
Harley Davidson	Consumer Discretionary	\$50,001	FY 2016
PG&E	Utilities	\$50,001	2016
PPL	Utilities	\$50,001	2016
Reynolds American	Consumer Staples	\$50,001	2015
Walgreens Boots Alliance	Consumer Staples	\$50,001	FY 2016
Raytheon	Industrials	\$50,000	2016
Kraft Heinz	Consumer Staples	\$50,000	2016
Halliburton	Energy	\$50,000	2016
Bristol-Myers Squibb	Health Care	\$50,000	2015
CenterPoint Energy	Utilities	\$50,000	2016
Edison International	Utilities	\$50,000	2016
FMC	Materials	\$50,000	2016
General Motors	Consumer Discretionary	\$50,000	2016
H & R Block	Financials	\$50,000	2016
International Paper	Materials	\$50,000	2015
McKesson	Health Care	\$50,000	2016
Mondelez	Consumer Staples	\$50,000	2014
Pentair	Industrials	\$50,000	2015
Pub. Service Enterprise Grp	Utilities	\$50,000	2015
Schlumberger	Energy	\$50,000	2016
Starbucks	Consumer Discretionary	\$50,000	2014
Time Warner	Consumer Discretionary	\$50,000	2015
United Parcel Service	Industrials	\$50,000	2016
Valero Energy	Energy	\$50,000	2016
Corning	IT	\$40,000	2016
ConAgra Foods	Consumer Staples	\$30,000	2015
Electronic Arts	IT	\$25,000	2016

¹⁴ For the purposes of this report, any threshold that applied only to non-deductible political expenses was considered effectively greater than \$50,000, as the portion of a company's donation that goes for non-deductible political expenses may only represent a small fraction of its total donation.

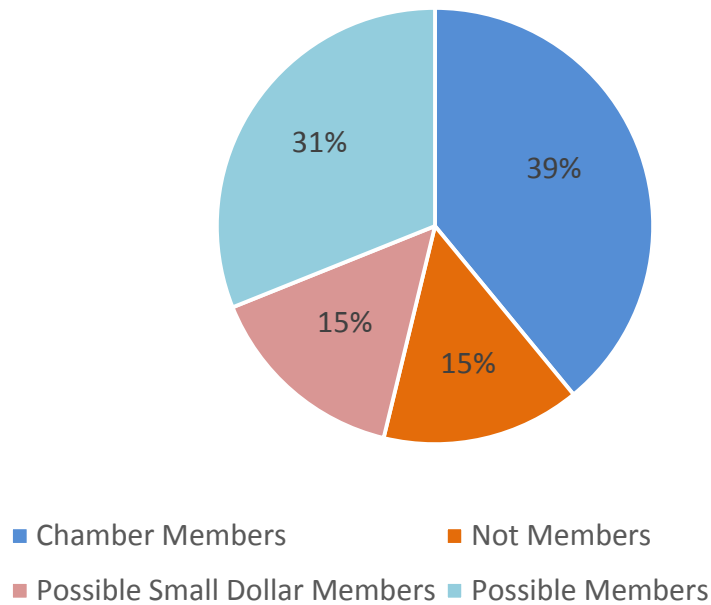
Company Name	Industrial Sector	Monetary Threshold for Disclosure	Reporting Year
McDonald's	Consumer Discretionary	\$25,000	2017
DuPont	Materials	\$25,000 (Political expenses)	2014
Whirlpool	Consumer Discretionary	\$25,000 (Political expenses)	2015
General Mills	Consumer Staples	\$25,000 (Political expenses)	2016
Biogen	Health Care	\$25,000	2015
Cerner	Health Care	\$25,000	2015
CMS Energy	Utilities	\$25,000	2016
CVS Health	Consumer Staples	\$25,000	2015
Darden Restaurants	Consumer Discretionary	\$25,000	2015
Medtronic	Health Care	\$25,000	2016
Nordstrom	Consumer Discretionary	\$25,000	2015
Northrop Grumman	Industrials	\$25,000	2016
Priceline.com	Consumer Discretionary	\$25,000	2016
Thermo Fisher Scientific	Health Care	\$25,000	2015
Visa	IT	\$25,000	2016
Yahoo	IT	\$25,000	2016
Kellogg	Consumer Staples	\$20,000 (Political expenses)	2015
CF Industries Holdings	Materials	\$20,000	2016
Hershey	Consumer Staples	\$10,000 (Political expenses)	2016
Staples	Consumer Discretionary	\$10,000	2016
Texas Instruments*	IT	\$5,000	2016
Ball Corp.	Materials	N/A	2016
WestRock	Materials	N/A	2016
Weyerhaeuser	Real Estate	N/A	2015
Total System Services	IT	N/A	2015
Signet Jewelers	Consumer Discretionary	N/A	2017
Adobe Systems*	IT	N/A	2017
Advanced Micro Devices*	IT	N/A	2016
Agilent Technologies	Health Care	N/A	2015
Air Products and Chemicals	Materials	N/A	2015
Akamai Technologies	IT	N/A	2015
Anadarko Petroleum	Energy	N/A	2015
Archer Daniels Midland	Consumer Staples	N/A	2015
AT&T	Telecoms	N/A	2016
Avery Dennison	Materials	N/A	2014
Bank of New York Mellon	Financials	N/A	2014
BlackRock	Financials	N/A	2017
CA*	IT	N/A	2017
Carnival	Consumer Discretionary	N/A	2014
Chesapeake Energy	Energy	N/A	2015
Coach	Consumer Discretionary	N/A	FY 2015
Comcast	Consumer Discretionary	N/A	2015
DaVita HealthCare Partners	Health Care	N/A	2013
Delta Airlines	Industrials	N/A	2015
Dentsply International	Health Care	N/A	2015
Discover Financial Services	Financials	N/A	2017
DTE Energy	Utilities	N/A	2015
Duke Energy	Utilities	N/A	2016
Eaton	Industrials	N/A	2016

Company Name	Industrial Sector	Monetary Threshold for Disclosure	Reporting Year
Ecolab	Materials	N/A	2015
Equity Residential	Real Estate	N/A	2016
Estee Lauder	Consumer Staples	N/A	2015
Eversource Energy	Utilities	N/A	2017
Expeditors International	Industrials	N/A	2015
Iron Mountain	Real Estate	N/A	2015
Jacobs Engineering Group	Industrials	N/A	2015
Kansas City Southern	Industrials	N/A	2015
KeyCorp	Financials	N/A	2015
Kimberly-Clark	Consumer Staples	N/A	2014
Kimco Realty	Real Estate	N/A	2014
L Brands	Consumer Discretionary	N/A	2015
Macerich	Real Estate	N/A	2015
Mettler-Toledo Int'l	Health Care	N/A	2015
Nucor	Materials	N/A	2015
Nvidia*	IT	N/A	2013
Oneok	Energy	N/A	2015
Oracle*	IT	N/A	2016
PerkinElmer	Health Care	N/A	2014
PPG Industries	Materials	N/A	2017
Republic Services	Industrials	N/A	2010
Simon Property Group	Real Estate	N/A	2016
State Street*	Financials	N/A	2015
Stryker	Health Care	N/A	2017
Sysco	Consumer Staples	N/A	2015
T. Rowe Price Group	Financials	N/A	2015
Universal Health Services	Health Care	N/A	2017
Verisk Analytics	Industrials	N/A	2016
Vornado Realty Trust	Real Estate	N/A	2015
Welltower	Real Estate	N/A	2015
Wynn Resorts	Consumer Discretionary	N/A	2015
Xilinx	IT	N/A	2016

*Company disclosures indicate membership in one or more overseas AmChams

Among the 251 S&P 500 companies that provide at least some information regarding their memberships in trade associations, we can conclude that at least 39 percent are Chamber members, 15 percent are not Chamber members, 15 percent are possible small dollar members, and 31 percent are possible Chamber members. [Figure 2]

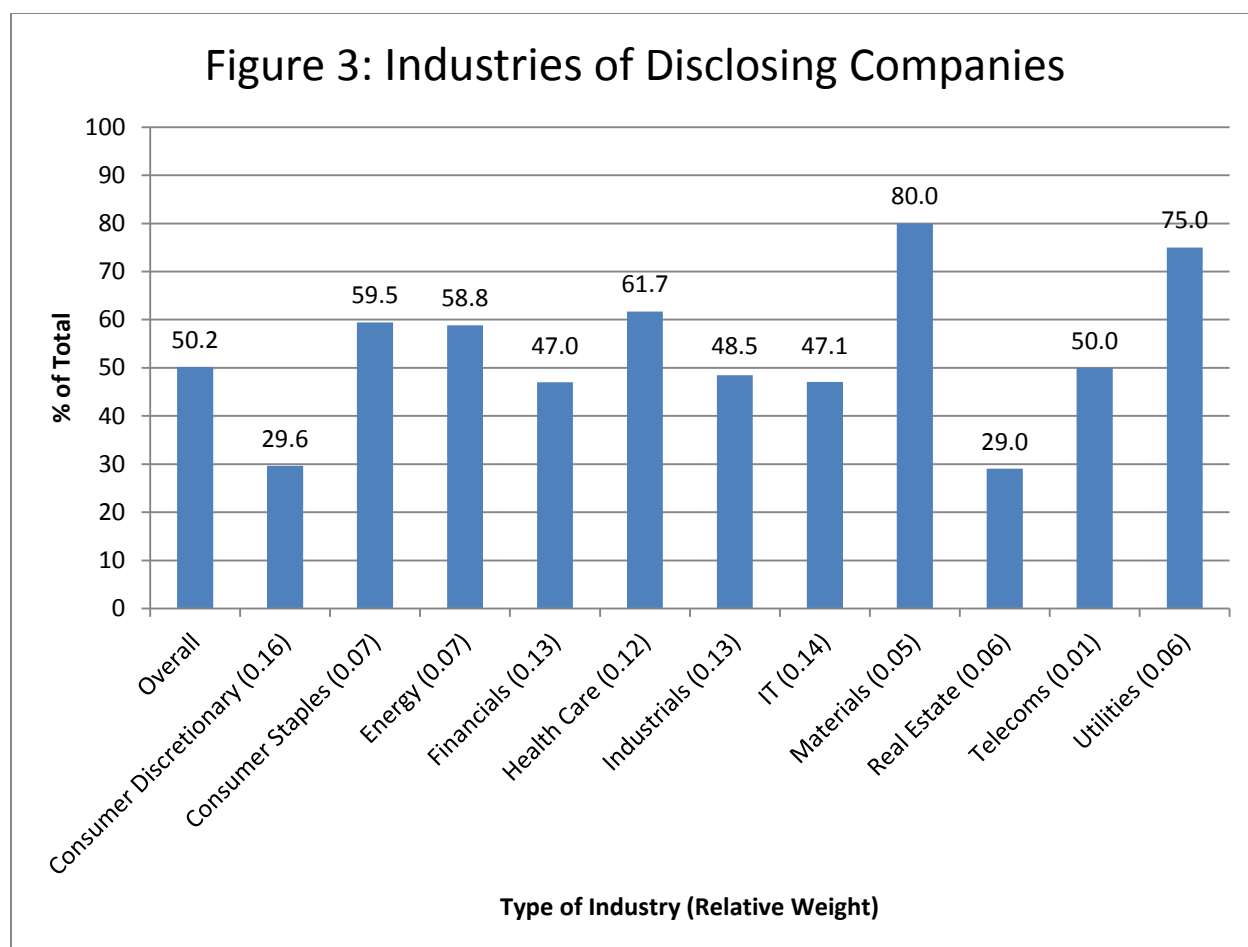
Figure 2: S&P 500 Companies Disclosing Trade Association Membership Information



V. Analysis

Are the percentages in Figure 2 representative for all S&P 500 companies? Recognizing that the decision to disclose trade association affiliations may be at least somewhat influenced by a corporation's line of business, we classified companies according to the Global Industry Classification Standard,¹⁵ a system for classifying companies into one of 11 industrial sectors. We found that with a few exceptions, the percentage of disclosing companies in each sector was relatively close to the 50.2 percent of S&P 500 companies overall that disclose at least some information about trade association memberships. [Figure 3]

¹⁵ GICS, MSCI, <http://bit.ly/1px7VWm> (viewed on June 7, 2017)



Assuming therefore that the 251 S&P 500 companies that disclose at least partial information relating to their trade association memberships are representative of the entire S&P 500, we can conclude that at a minimum, slightly less than a third (30 percent) are either not Chamber members or are small dollar Chamber members.¹⁶ We can also conclude that at a minimum, 24 percent of companies are large dollar Chamber members.¹⁷

The remaining 46 percent of companies are split between Chamber member companies that don't disclose enough information to determine if they are large or small dollar donors (15 percent)¹⁸ and companies that don't disclose enough information to determine if they are Chamber members

¹⁶ This figure is calculated by adding the 15% of companies that are not Chamber members, the 15% of companies that are possible small dollar Chamber members, and the 0.4% of companies that are small dollar Chamber members (Symantec from Table 1).

¹⁷ This figure includes the 60 companies in Table 1 that unambiguously disclose giving at least \$50,000. They are the first 60 companies listed in Table 1, running from Dow Chemical to EQT.

¹⁸ This figure includes the 37 companies in Table 1 that do not unambiguously disclose giving at least \$50,000. They run from Arconic through the end of the table (Target), with the exception of Symantec, which unambiguously discloses giving less than \$50,000.

at all (31 percent)¹⁹. Even if all of these companies were in fact high dollar Chamber members, that would mean that only 70 percent of S&P 500 companies were high dollar members.

It should be noted that it is extremely unlikely that all of these remaining companies are in fact Chamber members no less large dollar members. Most of the 31 percent of companies that are possible Chamber members say that they disclose the “top” or “principal” trade associations to which they belong or they provide long lists of trade associations without clearly stating that these lists are exhaustive. As such, unless there is an intentional effort to camouflage Chamber membership by these possible Chamber member companies, the majority of them are unlikely to give large dollar amounts to the Chamber.

We can therefore conclude that somewhere between 30 percent and 76 percent²⁰ of S&P 500 companies are either not Chamber members or are small dollar Chamber members. This leaves somewhere between 24 percent and 70 percent of S&P 500 companies as large dollar Chamber members, which works out to between 120 and 350 companies giving the Chamber at least \$50,000.

However we know that in 2014, the Chamber²¹ received 539 donations of \$50,000 or more.²² While most of the company disclosures we have analyzed are for 2015 or 2016, we will assume that they are representative of corporate donations in 2014. The question then becomes, if S&P 500 companies only account for between 120 and 350 donations of \$50,000 or more, what are the sources of the other 189 to 419 donations of \$50,000 or more?

VI. Alternative Funding Sources

The vast majority of small and medium-sized businesses cannot afford to give the Chamber \$50,000. In the business world, only deep-pocketed big corporations could afford to shower such sums on the Chamber. While the S&P 500 includes most of the largest American publicly traded companies – precisely the companies most able to give generously to the Chamber – it doesn’t include privately held companies or companies traded on foreign stock exchanges. There are some big privately held companies such as Cargill or Koch Industries or Albertsons that could supply some of these large dollar donations. Big foreign companies active in the U.S. might also account for some of them, although taking lots of cash from foreign companies would of course compromise the Chamber’s claim to represent *American* businesses. Large publicly traded corporations not quite big enough to be in the S&P 500 may also account for some of these donations, although one would

¹⁹ These are the possible Chamber members in Figure 2.

²⁰ This figure is calculated by adding the 30 percent figure discussed above to the 46 percent of companies that either don’t disclose enough information to determine if they are large or small dollar donors (15 percent) and companies that don’t disclose enough information to determine if they are Chamber members at all (31 percent).

²¹ Here we are counting donations to the Chamber only. The ILR received an additional 83 donations of \$50,000 or more while the USCLC received 43 donations of \$50,000 or more.

²² U.S. Chamber of Commerce Form 990, including Schedule O (2014). (Received by mail from the U.S. Chamber of Commerce, June 2016.)

expect that the likelihood that a company would give at least \$50,000 to decline with size. It is also possible that the Chamber might receive some large dollar donations from other trade associations. At any rate, one is left to wonder, if S&P 500 companies, comprising the vast majority of the very biggest American companies, only account for between 22 percent and 65 percent of large dollar donations, is it really possible for other businesses and even business groups to make up the rest?

There are some intriguing clues suggesting that the Chamber may derive a significant amount of its funding from two *non-business* sources: politically active non-profits and the ultra-rich.

For politically active non-profits, the evidence is incontrovertible that at least a few have made very large donations to the Chamber. For example, in 2014 the Chamber received \$5.25 million from Crossroads GPS, the politically active non-profit spun off from the Karl Rove-founded American Crossroads Super PAC.²³ This represented the third-largest donation the Chamber received in 2014.²⁴ The Chamber also received \$2 million from Freedom Partners Chamber of Commerce,²⁵ another politically active non-profit founded by the Koch brothers and funded by them and other wealthy donors.²⁶ This gift ties for the seventeenth largest donation to the Chamber in 2014.²⁷ What's more, Freedom Partners gave an additional \$3.5 million to the Chamber in 2012 and 2013.²⁸ The mysterious Kentucky Opportunity Coalition, yet another politically active non-profit, donated \$1 million to the Chamber in 2014.²⁹ The Kentucky Opportunity Coalition was itself one of the largest spenders on Kentucky's hard-fought 2014 Senate election,³⁰ where the Chamber also spent more than \$1.5 million.³¹ Both supported Senate Majority Leader Mitch McConnell.

For wealthy individuals, the evidence that they may be a significant source of funds for the Chamber is slightly less clear-cut. In 2016, billionaire Stan Hubbard told *The Guardian* that he gave the Chamber one "six-figure check" and then another "somewhat smaller" check in order to help the Chamber preserve Republican control of the U.S. Senate.³² Given some of the ultra-rich's

²³ *U.S. Chamber of Commerce Donors*, CENTER FOR RESPONSIVE POLITICS, <http://bit.ly/2sy364C> (viewed on June 12, 2017)

²⁴ U.S. Chamber of Commerce Form 990, including Schedule O (2014). (Received by mail from the U.S. Chamber of Commerce, June 2016.)

²⁵ *U.S. Chamber of Commerce Donors*, CENTER FOR RESPONSIVE POLITICS, <http://bit.ly/2sy364C> (viewed on June 12, 2017)

²⁶ Mike Allen and Jim Vandehei, *The Koch brothers' secret bank*, POLITICO (Sept. 11, 2013), <http://politi.co/2af6qo4>

²⁷ U.S. Chamber of Commerce Form 990, including Schedule O (2014). (Received by mail from the U.S. Chamber of Commerce, June 2016.)

²⁸ *U.S. Chamber of Commerce Donors*, CENTER FOR RESPONSIVE POLITICS, <http://bit.ly/2sy364C> (viewed on June 12, 2017)

²⁹ *Id.*

³⁰ Michael Beckel, *Flush with mystery money, Kentucky nonprofit haunts Grimes' Senate Bid*, THE CENTER FOR PUBLIC INTEGRITY (Oct. 29, 2014), <http://bit.ly/2oJGwQq>

³¹ *U.S. Chamber of Commerce Targeted Candidates, 2014 Cycle*, CENTER FOR RESPONSIVE POLITICS, <http://bit.ly/2rY2pQX> (viewed on June 12, 2017)

³² Peter Stone, *Republican mega-donors ramp up efforts to hold Congress after Trump tape*, THE GUARDIAN (Oct. 12, 2016), <http://bit.ly/2eg0xyr>

demonstrated interest in influencing American elections, it perhaps shouldn't be surprising that they would give to a major dark money elections spender like the Chamber.

Another clue that the Chamber may be taking considerable amounts of money from the very wealthy can be found in its strident positions on several issues where there isn't a clear cut business interest at stake.

Take incorporation transparency. The Chamber has consistently opposed legislation³³ that would require U.S. states to collect the beneficial ownership³⁴ information of companies incorporated under their laws. The Chamber's opposition comes despite the fact that the legislation is narrowly tailored to target shell companies by exempting publicly traded companies and companies with actual economic activity. Even The Clearing House, a trade group representing big commercial banks, is in favor of the legislation.³⁵

Whose interests might be harmed by this legislation? Certainly not those of most legitimate businesses, including medium-sized and large ones in the United States. As mentioned, publicly traded companies and those engaging in actual economic activity as determined by sales or employment are exempt from the reporting requirement.³⁶ And even those small mom and pop shops with no employees that would have to report wouldn't have to do anything more than fill out a simple form. What's more, the collected information would not be made public and would only be available to law enforcement.

In short, legitimate business interests would not be burdened, but *personal* interests might be harmed. Anonymous shell companies, often structured as Limited Liability Companies or LLCs, are the favored vehicle for the world's ultra-rich to move and stash assets around the world, allowing them to engage in considerable tax evasion.³⁷ Were the U.S. to adopt a law requiring the collection of beneficial ownership information for all shell companies incorporated in the 50 states, it would become both considerably riskier and more difficult for wealthy individuals to engage in tax evasion.

Or consider the case of the CEO pay ratio rule, an important provision of the Dodd-Frank Act that requires publicly traded companies to calculate the ratio of CEO pay to that of the median

³³ Carter Dougherty, *Wall Street Breaks With Business Lobby Over Corporate Registration Rules*, INSIDE SOURCES (Oct. 18, 2016), <http://bit.ly/2sASXEa>

³⁴ The beneficial owner is defined as the true owner of the company, the person who exercises substantial control over a corporation or limited liability company or has a substantial interest in or receives substantial economic benefits from the assets of a corporation or limited liability company.

³⁵ *Id.*

³⁶ H.R. 4450, Incorporation Transparency and Law Enforcement Assistance Act, Sec. 3, 114th Congress, <http://bit.ly/2mmIB5p>

³⁷ For an analysis of the extent to which the rich use shell companies to evade taxes, see Annette Alstadsæter, Niels Johannesen, and Gabriel Zucman, *Tax evaders exposed: why the super-rich are even richer than we thought*, THE GUARDIAN (June 14, 2017), <http://bit.ly/2s9BMH9>

employee.³⁸ A survey of businesses concluded that the costs of complying with this rule would be very low for companies.³⁹ Of course, the cost of complying might not be so low for the executives themselves. Given that the Dodd-Frank Act now gives shareholders the right to vote on executive compensation packages through non-binding so-called “say on pay” votes,⁴⁰ executives may well fear that publishing astronomically high pay ratios will result in shareholders being less likely to approve the exceptionally generous pay packages they have come to enjoy over the last two decades.

Despite the fact that many businesses themselves estimated that the costs of implementing the pay ratio rule would be very small, the Chamber waged an intense campaign against the rule.⁴¹ This is yet another instance of a policy issue where the Chamber spends time and money on an issue of far greater importance to the ultra-wealthy than to the business community.

VI. Conclusion

While the Chamber often claims to be speaking on behalf of small businesses, it’s already well-established that the Chamber’s primary focus is on advancing the interests of its Big Business donors. Our analysis of S&P 500 company relationships with trade associations suggests, however, that a sizeable percentage of the very largest publicly traded companies in the U.S. either aren’t members of the Chamber or are donating relatively small amounts.

As the Chamber loses Big Business members, often because of its reactionary policy agenda,⁴² it has presumably had to make up for this lost revenue by turning to non-business sources. There is significant evidence that the Chamber has mined both the opaque world of politically active non-profits and the rarefied world of the ultra-wealthy as sources of donations. And there is at least some evidence that this diversification of funding sources has had an impact on the Chamber’s policy agenda, leading it to lobby for or against policies that don’t have a clear nexus with business interests, but are rather of great importance to the super rich.

If the Chamber is soliciting and taking large donations from non-business interests, its very legitimacy as a voice for business of any kind is seriously called into question. Perhaps it’s time that the U.S. Chamber of Commerce considered renaming itself to reflect the interests it really represents. Come to think of it, Chamber of Oligarchs has a nice ring to it...

³⁸ *SEC Adopts Rule for Pay Ratio Disclosure*, THE SECURITIES AND EXCHANGE COMMISSION (Aug. 5, 2015), <http://bit.ly/2sB3hw4>

³⁹ *CEO Pay Ratio: The Costs of Compliance*, PEARL MEYER, <http://bit.ly/2t2xJN9> (viewed on June 14, 2017)

⁴⁰ *SEC Adopts Rules for Say-on-Pay and Golden Parachute Compensation as Required under the Dodd-Frank Act*, SECURITIES AND EXCHANGE COMMISSION (Jan. 25, 2011), <http://bit.ly/2sEFoUr>

⁴¹ See, e.g., *U.S. Chamber Report Finds SEC Woefully Underestimated Impact of Proposed Pay Ratio Rule*, U.S. CHAMBER OF COMMERCE (May 22, 2014), <http://uscham.com/2s6mEfB>; *Letter on SEC Conflict Minerals and Pay Ratio Rules Amendments to H.R. 5485, the “Financial Services and General Appropriations Act, 2017,”* U.S. CHAMBER OF COMMERCE (June 22, 2016), <http://uscham.com/2trS5OX>

⁴² Dominic Rushe, *Disney, the Gap and Pepsi urged to quit US Chamber of Commerce*, THE GUARDIAN (April 24, 2017), <http://bit.ly/2oEpKmN>