

## The Washington Post

# Companies that received bailout money giving generously to candidates

By T.W. Farnam  
Washington Post Staff Writer  
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Senate Minority Leader Mitch McConnell (Ky.) was a fierce critic of the federal bailout of General Motors and Chrysler last year, saying he could not "ask the American taxpayer to subsidize failure."

But GM doesn't seem to hold a grudge.

The political action committee formed by the company, which is now largely owned by taxpayers, cut McConnell a \$5,000 campaign check in September, a small piece of the \$190,000 it donated to campaigns in the past month.

Although GM suspended its contributions while it solicited the government for financial help, it is now back in the game of political giving, increasing donations from its federal PAC steadily over the past few months.

It is not alone: Companies that received federal bailout money, including some that still owe money to the government, are giving to political candidates with vigor. Among companies with PACs, the 23 that received \$1 billion or more in federal money through the Troubled Assets Relief Program gave a total of \$1.4 million to candidates in September, up from \$466,000 the month before.

Most of those donations are going to Republican candidates, although the TARP program was approved primarily with Democratic support. President Obama expanded it to cover GM and other automakers.

Greg Martin, a GM spokesman, said that the company's PAC donations come from voluntary contributions from its employees. "We contribute to candidates who thoughtfully approach issues that are important to the auto industry and manufacturing," he said. "If you look at our giving, we have given equally to both parties' leadership."

Some of the generosity to Republicans can be explained by the expectation that the party will make huge gains in Congress. But another factor is the Democratic Party's push for financial-regulation legislation this year.

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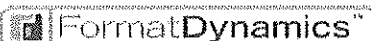


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The new law, which passed the Senate with the votes of three Republicans and all but one Democrat, placed new curbs on banks and introduced a regulator to vet financial products for consumers. Most Republicans, and banks, say the law creates too many new restrictions.

Scott Talbott, a lobbyist with the Financial Services Roundtable, said another factor could be the tone some Democrats used against financial firms. At one point, Obama called Wall Street executives "fat cats."

"The entire industry was painted with a broad brush, and there was dissatisfaction with that," Talbott said.

Democrats have been abandoned by individual Wall Street donors as well as corporate PACs, leaving the party without an important source of funding as it fends off aggressive Republican challengers.

The bailouts have become campaign fodder for Republicans to use against their Democratic rivals. In a television commercial, former Republican senator Dan Coats pilloried his opponent in the Indiana Senate race, Rep. Brad Ellsworth (D), for supporting "the Obama-Reid-Pelosi agenda," including "the disastrous bank bailout."

Coats has received more than \$30,000 for his Senate campaign from companies, including J.P. Morgan Chase and GM, that took government money. No companies on the

bailout list have donated to Ellsworth. Neither campaign responded to a request for comment.

One company that used TARP funds to invest in toxic assets from other banks is getting into the political giving mode for the first time. The investment fund BlackRock created a federal PAC in March, only a few months after the company used \$2 billion in government money to invest in those assets. Its newly formed PAC has cut campaign checks to federal lawmakers including Rep. Barney Frank (D.-Mass.), the chairman of the House Financial Services Committee.


The two top recipients of money from companies receiving TARP funds are the top two House Republicans, Minority Leader John A. Boehner (Ohio) with \$200,000 and Republican Whip Eric Cantor (Va.) with \$187,000. They are followed by the ranking members of two key House committees, Spencer Bachus (Ala.) on Financial Services and Da-

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ve Camp (Mich.) on the tax-writing committee.

The Republican Party itself is getting some of the bank contributions. Seven financial firms have given the maximum \$15,000 to the National Republican Senatorial Committee in each of the past two years, including American Express, Bank of America, Citigroup and Goldman Sachs - a total of \$210,000.

A new ad by the NRSC running in Alaska shows a black-and-white photo of Obama and House Speaker Nancy Pelosi. "They're out of control - government takeovers, Wall Street bailouts," the ad says as photos stamped with red ink pile up.

The Democratic Senatorial Campaign Committee has taken \$93,500 from companies that received TARP funds. The committee did not accept money from companies while they owed the government, except for one \$15,000 donation from Capital One.

Citigroup, one of the few top recipients that has not paid back all that it owes the government, in September gave \$30,000 to Republicans including Camp and Bachus. It also cut \$12,000 in checks to Democrats, including the Democratic Congressional Campaign Committee and House Majority Leader Steny H. Hoyer (Md.).

The DCCC also has found a way to use the issue leading up to the midterm elections. A DCCC ad attacks Republican Scott Rigell, a

car dealer opposing Democratic Rep. Glenn Nye in Virginia, for campaigning against the bailout while accepting money from the government's "Cash for Clunkers" program.

"Hypocrisy. That's politics these days," the ad says. "Rigell rails against the bailout, but his business raked in the cash, almost a half million of our tax dollars filling Scott Rigell's pocket. Mr. Rigell, that's hypocrisy. It's wrong."

Rigell said that it was his customers that chose to participate in the "Cash for Clunkers" program, and that he felt an obligation to participate so that he would not need to lay off any of his employees.

"Glenn Nye and his Democratic allies are attacking me for a program that Glenn Nye voted for," Rigell said in a statement. "That's real hypocrisy!"

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