

Details of Abramoff Indictment Should Cause Corporate PACs to Redouble Compliance Efforts

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Corporate PACs continue to be legal and effective tools to pool employee political contributions for the common purpose of supporting candidates for public office. Nonetheless, the recent plea agreement entered into between the federal government and lobbyist Jack Abramoff demonstrates how political contributions can be construed as impermissible bribes in certain circumstances and how corporate PACs should avoid such circumstances in the future.

The plea agreement states that Abramoff "engaged in a course of conduct through which . . . [he] . . . offered and provided a stream of things of value to public officials in exchange for a series of official acts." The plea agreement describes the following "things of value:"

Campaign contributions to campaign committees and to political action committees and organizations, including, but not limited to, the following: \$4,000 in contributions to Representative #1's campaign committee in 2000; and a \$10,000 contribution to the National Republican Campaign Committee (NRCC) in 2000 at Representative #1's request.

To avoid even the appearance that a corporate PAC is being used to bribe public officials, PAC managers should take all necessary precautions to stay within the letter and spirit of federal campaign finance laws. Here are three practical suggestions to this effect:

First, do not solicit contributions to a corporate PAC by indicating that contributions will be used to obtain specific legislative results or other official action. For example:

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- Solicitation materials should emphasize that PAC contributions will be made to support candidates who understand and share the views of the corporation on general issues of importance to it.
- Solicitation materials should not link PAC contributions to specific legislation or any official act and should not indicate that PAC contributions are used to "buy" access to officeholders.

Second, do not make PAC contributions to candidates or officeholders with the understanding that the contributions are in exchange for particular official action. For example:

- Do not deliver PAC contributions with a cover letter stating that the contributions are provided with the expectation of, or as a "thank you" for, some particular official act.
- Do not advise officeholders that PAC contributions will be withheld because of some specific official act taken or not taken by an officeholder.

Third, follow all the Federal Election Commission rules on PAC fundraising and make sure you know who is acting and saying things on behalf of the PAC during the solicitation and disbursement processes.