



Campaign Contributions and Lobbying Expenditures of Tobacco Interests in California

2007-2008 Election Cycle: January – June 2007

Introduction

This report details spending by tobacco interests on lobbying expenditures and campaign contributions for the first six months, January 1, 2007 through June 30, 2007, of the 2007-2008 election cycle. The information on lobbying expenditures comes from the 2007 first and second quarter disclosure reports, while the data on campaign contributions comes from the first of four semiannual contributions reports for the 2007-2008 election cycle. This report is one in a series of quarterly reports on campaign contributions and lobbying expenditures of tobacco interests produced by the Center for Tobacco Policy & Organizing.

Key highlights for this reporting period are: 1) tobacco interests spent nearly \$600,000 lobbying the California Legislature on seven tobacco-related bills (a total of thirteen tobacco-related bills were introduced during this reporting period); and, 2) tobacco interests provided campaign contributions to only 11 legislators. This is likely due to the fact that 2007 is not an election year.

Background

The tobacco interests profiled in this report hire lobbyists and are therefore considered lobbyist employers by the Secretary of State and are required to submit quarterly disclosure reports. These reports must state which legislative or administrative actions, such as bills or regulations, were lobbied during that quarter and how much money was spent on payments to lobbying firms and activity expenses, which is defined to include gifts, honoraria, consulting fees and salaries. Each quarter covers three months out of the cal-

endar year (January through March, April through June, July through September, and October through December) making a total of eight quarters for the two-year reporting period.

These tobacco entities, like other interest groups, are required by law to submit statements to the Secretary of State that detail campaign contributions twice annually and more often in election years. Campaign contributions include all monetary contributions and non-monetary contributions, such as donated goods or services. Philip Morris files its report of campaign contributions under the name Altria Group Inc.'s Affiliates, which includes Philip Morris USA Inc. and Kraft Foods Global, Inc. The campaign finance figures in this report contain all Altria Group contributions. The US Smokeless Tobacco Company files under the name UST Inc., which includes the US Smokeless Tobacco Company and UST Public Affairs. The campaign finance figures in this report contain all UST Inc. contributions.

The Secretary of State's website, <http://cal-access.ss.ca.gov>, contains a searchable database with all of the figures that are found in this report. While this report attempts to convey accurate campaign finance and lobbying data, it is important to note that these records are subject to amendment by donors and data is subject to change.

The Center for Tobacco Policy & Organizing produces regular reports on lobbying expenditures and campaign contributions as this information is filed with the Secretary of State. For past reports, including a report for the first quarter of 2007, please visit the Center's website at www.Center4TobaccoPolicy.org.

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Table 1: Lobbying Expenditures and Legislation Lobbied by Tobacco Interests (January 1, 2007 – June 30, 2007)

Table 1 shows the amount each tobacco entity spent on lobbying and the bills or administrative actions they lobbied during the first two quarters of 2007.

Philip Morris USA Inc.

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$183,678.07	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee
2nd Quarter 2007	\$161,546.64	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
TOTAL	\$345,224.72	

Reynolds American Inc. (R.J. Reynolds Tobacco Company)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$54,621.55	No legislation lobbied this quarter
2nd Quarter 2007	\$55,893.74	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
TOTAL	\$110,515.29	

UST Public Affairs, Inc. (U.S. Smokeless Tobacco Company)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$109,082.03	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement
2nd Quarter 2007	\$132.00	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
TOTAL	\$109,214.03	

California Distributors Association

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$13,533.23	SB 295 (Cogdill) Reporting of Tobacco Products Sales SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee
2nd Quarter 2007	\$13,079.68	SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee Board of Equalization – Taxation Regulation
TOTAL	\$26,612.91	

**Table 2: Historical Lobbying Expenditures of Tobacco Interests
(January 1, 1999 – June 30, 2007)**

Tobacco Interests have spent more than \$11 million on lobbying expenditures during the past eight and a half years. **Table 2** shows this historical spending from 1999 through the first two quarters of 2007.

Company	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008 (1/1/07 – 6/30/07)	Totals
Phillip Morris USA Inc.	\$714,986	\$799,693	\$1,070,237	\$884,694	\$345,225	\$3,814,934
RJ Reynolds Tobacco Company	\$472,184	\$615,058	\$489,916	\$598,507	\$110,515	\$2,286,180
Brown & Williamson*	\$611,531	\$587,781	\$304,239	-	-	\$1,503,551
UST Public Affairs, Inc. (US Smokeless Tobacco Company)	\$210,077	\$310,073	\$465,446	\$391,137	\$109,214	\$1,485,947
Lorillard Tobacco Company**	\$206,815	\$493,975	\$381,657	\$187,202	-	\$1,269,649
Smokeless Tobacco Council***	\$197,317	\$263,817	\$67,500	-	-	\$528,634
California Distributors Association****	\$20,564	\$87,537	\$95,378	\$99,324	\$26,613	\$329,416
TOTALS	\$2,433,474	\$3,157,934	\$2,874,372	\$2,160,864	\$591,567	\$11,218,211

* Brown & Williamson merged with RJ Reynolds in August 2004. | ** Lorillard terminated lobbying in December 2005. | *** Smokeless Tobacco Council terminated lobbying in December 2003. | **** California Distributors Association includes data from the last 2 quarters of 2000 to the present.

**Table 3: Contributions to Assembly Members from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

During the first six months of 2007, tobacco interests gave more than \$23,000 to Members of the California Legislature. While this number is small, it should be noted that 2007 is not an election year.

Table 3 shows the contributions from tobacco interests to Members of the California State Assembly. So far only five Assembly Members have received contributions from tobacco interests. However, it should be noted that during the 2005-2006 election cycle, 46 of these Assembly Members accepted contributions from tobacco interests.

Party/ District	Assembly Member	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	California Distributors Association PAC	Totals
R-59	Adams, Anthony	-	-	-	-	-
R-26	Aghazarian, Greg	-	-	-	-	-
R-77	Anderson, Joel	-	-	-	-	-
D-31	Arambula, Juan	-	-	-	-	-
D-47	Bass, Karen	-	-	-	-	-
D-24	Beall, Jim Jr.	-	-	-	-	-
R-64	Benoit, John	-	-	-	-	-
D-01	Berg, Patty	-	-	-	-	-
R-25	Berryhill, Tom	-	-	-	-	-
R-33	Blakeslee, Sam	-	-	-	-	-
D-41	Brownley, Julia	-	-	-	-	-
D-28	Caballero, Anna	-	-	-	-	-
D-58	Calderon, Charles	-	-	-	-	-
D-62	Carter, Wilmer Amina	-	-	-	-	-
R-65	Cook, Paul	-	-	-	-	-
D-23	Coto, Joe	-	-	-	-	-
D-48	Davis, Mike	-	-	-	-	-
D-50	De La Torre, Hector	-	-	-	-	-
D-45	de León, Kevin	-	-	-	-	-
D-11	DeSaulnier, Mark	-	-	-	-	-
R-70	DeVore, Chuck	-	-	-	-	-
R-72	Duvall, Mike	-	-	-	-	-
D-52	Dymally, Mervyn	-	-	-	-	-
R-63	Emmerson, Bill	-	-	-	-	-
D-49	Eng, Mike	-	-	-	-	-
D-07	Evan, Noreen	-	-	-	-	-
D-42	Feuer, Mike	-	-	-	-	-
D-39	Fuentes, Felipe	-	-	-	-	-
R-32	Fuller, Jean	-	-	-	-	-
R-04	Gaines, Ted	-	-	\$500	-	\$500
D-17	Galgiani, Cathleen	-	-	-	-	-
R-80	Garcia, Bonnie	-	-	-	-	-
R-74	Garrick, Martin	-	-	-	-	-
D-14	Hancock, Loni	-	-	-	-	-
D-18	Hayashi, Mary	-	-	-	-	-
D-57	Hernandez, Ed	-	-	-	-	-
R-78	Horton, Shirley	-	-	-	-	-
R-15	Houston, Guy	-	-	-	-	-
R-60	Huff, Bob	-	-	-	-	-
D-06	Huffman, Jared	-	-	-	-	-

**Table 3: Contributions to Assembly Members from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

continued

Party/ District	Assembly Member	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	California Distributors Association PAC	Totals
R-66	Jeffries, Kevin	-	-	-	-	-
D-09	Jones, Dave	-	-	-	-	-
D-54	Karnette, Betty	-	-	-	-	-
R-03	Keene, Rick	-	-	-	-	-
D-43	Krekorian, Paul	-	-	-	-	-
R-02	La Malfa, Doug	-	-	-	-	-
D-27	Laird, John	-	-	-	-	-
D-13	Leno, Mark	-	-	-	-	-
D-40	Levine, Lloyd	-	-	-	-	-
D-22	Lieber, Sally	-	-	-	-	-
D-53	Lieu, Ted	-	-	-	-	-
D-12	Ma, Fiona	-	-	-	-	-
R-34	Maze, Bill	-	-	-	-	-
D-56	Mendoza, Tony	-	-	-	-	-
D-19	Mullin, Gene	-	-	-	-	-
R-10	Nakanishi, Alan	-	-	-	-	-
D-35	Nava, Pedro	-	-	-	-	-
R-05	Niello, Roger	-	-	-	-	-
D-46	Núñez, Fabian	-	-	-	-	-
D-30	Parra, Nicole	-	-	-	-	-
R-75	Plescica, George	-	-	\$2,000	\$1,500	\$3,500
D-44	Portantino, Anthony	-	-	-	-	-
D-51	Price, Curren Jr.	-	-	-	-	-
D-55	Richardson, Laura	-	-	-	-	-
R-36	Runner, Sharon	-	-	\$1,000	-	\$1,000
D-21	Ruskin, Ira	-	-	-	-	-
D-79	Salas, Mary	-	-	-	-	-
D-76	Saldaña, Lori	-	-	-	-	-
R-67	Silva, Jim	-	-	-	-	-
R-38	Smyth, Cameron	-	-	\$1,500	-	\$1,500
D-69	Solorio, Jose	-	-	-	-	-
D-61	Soto, Nell	-	-	-	-	-
R-71	Spitzer, Todd	-	-	-	-	-
R-37	Strickland, Audra	-	-	-	-	-
D-16	Swanson, Sandre	-	-	-	-	-
D-20	Torrico, Alberto	-	-	-	-	-
R-68	Tran, Van	-	-	-	-	-
R-29	Villines, Michael	-	-	-	-	-
R-73	Walters, Mimi	\$3,600	-	-	-	\$3,600
D-08	Wolk, Lois	-	-	-	-	-
	TOTALS	\$3,600	\$0	\$5,000	\$1,500	\$10,100

**Table 4: Contributions to State Senators from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

Table 4 shows the contributions from tobacco interests to Members of the California State Senate. At this point, only six out of forty Senators have received contributions from tobacco interests. However, during the 2005-2006 election cycle, 24 of these Senators, or sixty percent, accepted contributions from tobacco interests.

Party/ District	Senator	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	California Distributors Association PAC	Totals
R-04	Aanestad, Sam	-	-	\$1,500	-	\$1,500
R-33	Ackerman, Richard	-	-	-	-	-
D-13	Alquist, Elaine	-	-	-	-	-
R-18	Ashburn, Roy	-	-	-	-	-
R-37	Battin, Jim	-	-	\$2,000	-	\$2,000
D-30	Calderon, Ronald	-	-	-	-	-
D-22	Cedillo, Gil	-	-	-	-	-
R-14	Cogdill, Dave	-	-	-	\$1,500	\$1,500
D-10	Corbett, Ellen	-	-	-	-	-
D-34	Correa, Lou	-	-	-	-	-
R-01	Cox, Dave	-	-	-	-	-
R-12	Denham, Jeff	-	-	\$4,153	-	\$4,153
D-40	Ducheny, Denise Moreno	-	-	-	-	-
R-31	Dutton, Bob	-	-	-	-	-
D-16	Florez, Dean	-	-	-	-	-
R-35	Harman, Tom	-	-	-	-	-
R-36	Hollingsworth, Dennis	-	-	-	-	-
D-39	Kehoe, Christine	-	-	-	-	-
D-23	Kuehl, Sheila	-	-	-	-	-
D-27	Lowenthal, Alan	-	-	-	-	-
D-05	Machado, Mike	-	-	-	-	-
R-15	Maldonado, Abel	-	-	-	-	-
R-29	Margett, Bob	-	-	-	-	-
R-19	McClintock, Tom	-	-	-	-	-
D-03	Migden, Carol	-	-	-	-	-
D-32	Negrete McLeod, Gloria	-	-	-	-	-
D-28	Oropeza, Jenny	-	-	-	-	-
D-20	Padilla, Alex	-	-	-	-	-
D-09	Perata, Don	-	-	-	-	-
D-26	Ridley-Thomas, Mark	-	-	-	-	-
D-24	Romero, Gloria	-	-	-	-	-
R-17	Runner, George	-	-	\$1,000	-	\$1,000
D-21	Scott, Jack	-	-	-	-	-
D-11	Simitian, Joe	-	-	-	-	-
D-06	Steinberg, Darrell	-	-	-	-	-
D-07	Torlakson, Tom	-	-	-	-	-
D-25	Vincent, Edward	-	-	-	-	-
D-02	Wiggins, Patricia	-	-	-	-	-
R-38	Wyland, Mark	-	-	\$3,543	-	\$3,543
D-08	Yee, Leland	-	-	-	-	-
TOTALS		\$0	\$0	\$12,197	\$1,500	\$13,697

**Table 5: Contributions to Constitutional Officers from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

Tobacco interests also gave contributions to constitutional officers, which includes statewide offices and the four Board of Equalization districts. While not being able to vote on tobacco-related legislation as state legislators can, these elected officials influence laws and government actions related to the tobacco industry. For example, the State Board of Equalization oversees the administration of cigarette and tobacco products taxes and tobacco licensing statutes. **Table 5** shows contributions to constitutional officers who were all elected in 2006.

Statewide Office	Name of Official	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	California Distributors Association PAC	TOTALS
Governor	Schwarzenegger, Arnold	-	-	-	-	-
Lieutenant Governor	Garamendi, John	-	-	-	-	-
Secretary of State	Bowen, Debra	-	-	-	-	-
Controller	Chiang, John	-	-	-	-	-
Treasurer	Lockyer, Bill	-	-	-	-	-
Attorney General	Brown, Jerry	-	-	-	-	-
Superintendent of Public Instruction	O'Connell, Jack	-	-	-	-	-
Insurance Commissioner	Poizner, Steve	-	-	-	-	-
Board of Equalization District 1	Yee, Betty	-	-	-	-	-
Board of Equalization District 2	Leonard, Bill	-	-	-	-	-
Board of Equalization District 3	Steel, Michelle	-	-	\$1,500	-	\$1,500
Board of Equalization District 4	Chu, Judy	-	-	-	-	-
TOTALS		\$0	\$0	\$1,500	\$0	\$1,500

**Table 6: Contributions to Candidates for Legislative and Constitutional Offices from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

Candidates who wish to challenge incumbent legislators or to vie for open legislative seats have already begun fundraising for the 2008 primary election scheduled for June 3, 2008. **Table 6** shows the contributions made by tobacco interests to candidates running for a state legislative or constitutional office who are not currently elected to one of those offices. This table includes only one candidate, but as the 2008 primary election gets closer, it is likely that tobacco interests will contribute to more candidates.

Name of Candidate	Elected Office	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	California Distributors Association PAC	TOTALS
Strickland, Tony	Senate District 19	\$3,600	-	-	-	\$3,600
TOTALS		\$3,600	\$0	\$0	\$0	\$3,600

**Table 7: Contributions to Political Committees from Tobacco Interests
(January 1, 2007 – June 30, 2007)**

Table 7 shows the contributions from tobacco interests to different political committees. Tobacco interests have contributed to only three political committees during the 2007-2008 election cycle. However, it is still early in the election cycle and tobacco interests will likely contribute to more political committees over the remainder of the election cycle. During the 2005-2006 election cycle, tobacco interests contributed to 22 political committees.

The names of political committees do not always make it clear what types of candidates and issues that committee supports or opposes. To provide a clearer picture about what type of committees are accepting contributions from tobacco companies, some background information about what each committee primarily spends its funds on is provided below.

California Republican Party – Uses funds to get Republican candidates elected

Voter Education and Registration Fund – Uses funds to register individuals to vote and to elect Democratic candidates

Voter Registration 2008 – Uses funds to register individuals to vote and contributes money to specific campaigns

Committee Name	Altria Group Inc.'s Affiliates (Philip Morris)	RJ Reynolds Tobacco Company	UST Inc. (US Smokeless Tobacco Company)	TOTALS
California Republican Party	\$45,000	-	\$25,000	\$70,000
Voter Education and Registration Fund	\$50,000	-	-	\$50,000
Voter Registration 2008	\$50,000	-	-	\$50,000
TOTALS	\$145,000	\$0	\$25,000	\$170,000

**Table 8: Historical Contributions from Tobacco Interests
(January 1, 1999 – June 30, 2007)**

Tobacco interests have contributed more than \$73 million to candidates and Members of the Legislature, constitutional officers, political committees and ballot initiative campaigns during the past four election cycles and the first six months of the 2007-2008 election cycle. **Table 8** shows this historical spending.

COMPANY	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008 (1/1/07 – 6/30/07)	TOTALS
Altria Group Inc.'s Affiliates (Phillip Morris) *	\$1,219,581	\$1,081,751	\$2,239,254	\$37,703,162	\$152,200	\$42,395,948
RJ Reynolds Tobacco Company	\$394,575	\$316,250	\$202,600	\$25,732,898	-	\$26,646,323
UST Inc. (US Smokeless Tobacco Company)**	\$192,779	\$76,792	\$327,768	\$3,097,642	\$43,697	\$3,738,678
Brown & Williamson***	\$207,520	\$270,000	\$24,500	-	-	\$502,020
Lorillard Tobacco Company	\$45,500	\$40,500	\$61,500	\$15,000	-	\$162,500
California Distributors Association PAC ****	\$11,331	\$57,250	\$39,400	\$34,400	\$3,000	\$145,381
Smokeless Tobacco Council	\$15,750	-	-	-	-	\$15,750
TOTALS	\$2,087,036	\$1,842,543	\$2,895,022	\$66,583,102	\$198,897	\$73,606,600

* Kraft and Philip Morris currently file a joint report under the name Altria Group, Inc.'s Affiliates (Philip Morris USA Inc. and Kraft Foods Global, Inc.). The campaign finance figures in this report contain all Altria Group contributions. | ** U.S. Smokeless Tobacco Company files under the name UST Inc., which also includes UST Public Affairs. The campaign finance figures in this report contain all UST Inc. contributions. | *** Brown & Williamson merged with RJ Reynolds in August 2004. | **** California Distributors Association PAC includes contributions from October 2000 to the present.

If you have questions about this analysis, please contact Justin Garrett (jgarrett@alac.org) or Paul Knepprath (pknepprath@alac.org) at (916) 554-5864 (LUNG).