

Democracy North Carolina

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LOBBY GROUPS SPEND \$22 MILLION – AND OFTEN LOSE

New Law Details Lobbyists' Pay and Grassroots Lobbying

Nearly 900 businesses, trade associations, and non-profit groups spent a record \$22 million lobbying state officials in 2007, the year of the last General Assembly “long session,” according to an analysis by the non-partisan election reform and watchdog group Democracy North Carolina.

That amounts to nearly \$25,000 per lobby group or \$125,000 for each of the 170 legislators.

Most of the money – \$19.5 million – paid for salaried or contract lobbyists. “That’s a \$5 million jump over the \$14.5 million paid in compensation in 2005, just two years earlier,” said Bob Hall, Democracy NC’s executive director. “That big a jump is largely due to the state’s new ethics law that requires more groups to file more complete reports about more activities.”

The new law, passed during the scandal surrounding House Speaker Jim Black, restricts “wining and dining” of public officials, Hall said, and requires more disclosure of spending that is allowed.

During 2007, the first year under the new law, reports detail \$455,000 spent for meals, events, gifts and entertainment. There’s a reception for legislators hosted by NC Association of Electric Cooperatives (price tag: \$29,905); a meal, meeting and tour of a nuclear power plant for members of the Economic Development Board by Duke Energy (\$1,751); and a party for various officials before the Coca-Cola 600 race, by Coca-Cola Bottling Co. Consolidated in Charlotte (\$7,617).

The NC Association of Realtors led the list of big spenders during 2007, with a total outlay of \$972,384 – more than twice any other group. The list (below), based on a compilation of disclosure reports filed with the NC Secretary of State, includes the NC Hospital Association (\$239,426), First Citizens (\$176,280), NC Press Association (\$99,555), Blue Cross (\$80,791), NC PTA (\$34,000) and NC Child Care Coalition (\$33,458).

“Lobbyists provide policymakers with valuable information from an amazing array of often competing interests,” said Hall. “Lobbying is a public process, not a private transaction, so the public should know who’s spending what to promote an agenda.”

Hall noted that interest groups spend more on lobbying in North Carolina than their PACs spend on campaign contributions to legislators. “It’s a huge enterprise – there were 888 lobbyists for 887 clients in 2007. The mix of conflicting interests can produce laws with useful compromises, but it can sometimes steer the debate away from the public good. Ultimately, the elected leaders make the decisions, so who gets elected is still the most crucial factor in policy debates.”

Contrary to the stereotype of powerful special interests always winning, Hall pointed out that the top-spending lobby group in 2007 suffered a defeat when a bill passed to let a county’s voters levy a new fee on property sales. Development interests led by the NC Association of Realtors and NC Home Builders Association spent more than \$1.2 million in direct and grassroots lobbying, but

lost the fight over the transfer tax in the legislature. However, they defeated all the ballot measures to add the fee in 16 counties later that year – after spending \$500,000 on “vote no” campaigns.

In another case, waste management companies and associations spent more than \$350,000 but failed to bury the Solid Waste Management Act of 2007 that toughens regulation of landfills and expands recycling. Key bill supporters – the Sierra Club, Conservation Council, Environmental Defense, NC Conservation Network, and Environmental NC – spent one third that amount.

The tobacco industry (five companies and associations, \$364,000) lost more public buildings and adjoining property to “no smoking” zones in 2007, but working in tandem with the NC Merchants Association (\$218,170), NC Restaurant & Lodging Association (\$58,250) and others, Big Tobacco defeated a bill that would have banned smoking in restaurants.

As part of its campaign, Reynolds America and Lorillard Tobacco invested \$150,487 in “soliciting others to lobby” – a new area of disclosure that reveals spending to generate constituent contacts to legislators. It’s a type of grassroots lobbying that is increasingly used, Hall said.

He noted that the NC Automobile Association reported spending \$244,326 on polling, publicity, mailings and other activities for its grassroots lobbying campaign in 2007. The group successfully killed a bill to raise the sales tax on car purchases, with the proceeds going to the Highway Fund.

For the first time, disclosure reports filed with the Secretary of State also list the compensation paid by a client to each lobbyist, not just a total for all payments. As a result, Democracy NC could assemble the first list of the highest paid lobbyists in North Carolina – see below. However, the payments are not exactly comparable because of variations in how they are calculated: They range from an estimate based on an employee’s time devoted to lobbying, to the total value of the client’s contract with a lobbyist’s firm that may include services performed by a non-lobbying associate.

Former state senator Steve Metcalf leads the “compensation” list, receiving \$485,362 from 14 clients for his firm, The Policy Group. “He deserves an A-plus for reporting the full value of the contracts,” Hall said. “That’s the easiest and most transparent practice for contract lobbyists to use.”

The top 25 on the compensation chart are all contract lobbyists, with an average of 17 clients. After Metcalf, the next five are former NC Attorney General and Secretary of State Rufus Edmisten (22 clients, \$396,764 compensation); Alexander “Sandy” Sands (33 clients, \$325,055); John McMillan (26 - \$294,888); John T. Bode (15 - \$280,201); and Mark C. Beason (16 - \$279,423).

Don Beason, Mark’s father and the lobbyist rated as “most effective” by capital insiders for 2003-2006, quit the lobbying business in mid-2007, after court testimony revealed he had given a \$500,000 loan to Speaker Jim Black. The list shows Beason got \$145,521 in 2007 from 16 clients.

In other findings, Democracy NC noted:

- The top 50 lobbyists received \$9.1 million or 47% of the total compensation paid in 2007.
- 164 of the 888 registered lobbyists received no compensation for lobbying, and 94 of the 887 registered clients or “principals” reported paying no compensation to a lobbyist.
- 657 or 74% of the 887 principals reported no other spending in 2007, beyond compensation. In 2005, 562 or 78% of the 721 principals reported no other spending.
- The principals in 2007 reported spending \$345,619 for food, \$96,721 for events, \$10,163 for entertainment, and \$3,041 for gifts.

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SPENDING ON LOBBYING IN CALENDAR 2007

PRINCIPAL/CLIENT	# LOBBYISTS	COMPEN- SATION	OTHER EXPENSES	TOTAL REPORTED
NC Association of Realtors	6	\$ 92,550	\$879,834	\$972,384
Land for Tomorrow	3	162,114	240,978	403,092
NC Automobile Dealers Assn	4	42,963	244,996	287,959
GlaxoSmithKline	9	278,753	347	279,100
NC Hospital Assn	12	232,239	7,187	239,426
Bellsouth BusSyst dba AT&T Business	3	228,800	-	228,800
ElectriCities of NC	14	179,484	41,851	221,335
NC Retail Merchants Assn	4	218,170	-	218,170
NC Assn of Nurse Anesthetists	2	85,419	109,891	195,311
State Employees Assn of NC	8	192,642	100	192,742
NC Assn of Electric Cooperatives	9	146,730	31,282	178,012
NC Beer & Wine Wholesalers Assn	4	171,379	6,129	177,508
Duke Energy Carolinas LLC	5	173,983	3,256	177,239
First Citizens Bancshares	3	116,526	59,755	176,280
Waste Industries USA	3	133,837	29,000	162,837
NC Academy of Trial Lawyers	8	136,226	23,956	160,182
NC Assn of County Commissioners	6	152,009	5,300	157,309
Hayes Seay Mattern & Mattern	3	151,753	-	151,753
NC Medical Society	9	144,775	670	145,445
Real Estate & Bldg Industry Coalition	2	142,720	517	143,237
Swedish Match North America	3	138,750	-	138,750
Reynolds American	1	55,000	82,087	137,087
SAS Institute	8	128,333	552	128,885
NC Farm Bureau Federation	10	125,859	1,367	127,225
Dominion Power	2	125,746	414	126,160
NC Home Builders Assn	5	32,355	84,963	117,318
Accenture LLP	6	113,610	-	113,610
Waste Management Carolinas	9	112,728	-	112,728
Charlotte Chamber of Commerce	3	110,901	1,140	112,041
Fibrowatt LLC	3	107,102	219	107,321
Amer Cancer Society S Atlantic Div	5	103,668	-	103,668
Lorillard Tobacco Company	3	28,716	73,550	102,266
Sigma Corp	3	100,500	268	100,768
Corning Inc	1	99,958	448	100,406
NC Press Assn	4	99,555	-	99,555
Bank of America Corp & Subsidiaries	41	98,987	-	98,987
NC Citizens for Business and Industry	3	90,231	7,865	98,096
CSX Transportation	3	96,778	-	96,778
NC Assn of Educators	7	95,095	1,600	96,695
Eastern Band of Cherokee Indians	1	96,200	-	96,200

PRINCIPAL/CLIENT	# LOBBYISTS	COMPEN- SATION	OTHER EXPENSES	TOTAL
Low Wealth Schools Consortium	2	87,500	-	87,500
Embarq Corp	3	64,894	16,590	81,484
AARP NC	4	74,350	6,509	80,859
Catawba Coalition	4	80,848	-	80,848
Blue Cross and Blue Shield of NC	6	80,142	648	80,791
Progress Energy	5	75,560	3,083	78,643
Carolinas Associated Gen Contractors	3	78,500	-	78,500
Assn of Community Pharmacists	2	77,742	-	77,742
NC Pork Council	4	73,918	1,540	75,457
GTECH Corp	3	72,000	-	72,000
City of Chesapeake	4	47,720	23,131	70,851
NC Manufactured Housing Institute	3	60,194	9,299	69,493
DaVita	1	68,173	415	68,588
General Motors Corp	2	67,671	-	67,671
NC Senior Citizens Forum	2	66,791	-	66,791
Merck & Company	2	66,351	-	66,351
NC Bar Assn	2	65,555	784	66,339
Bellsouth Telecomm dba AT&T NC	10	64,918	502	65,420
ValueOptions Inc	2	65,000	-	65,000
Childress Klein Properties	1	64,500	-	64,500
Connectinc Inc	1	63,600	-	63,600
Alligator River Recycling LLC	2	63,045	-	63,045
Stanly County	5	62,000	-	62,000
Eckerd Youth Alternatives	2	61,711	-	61,711
NC Bail Agents Assn	2	61,442	-	61,442
Charlotte-Meck Hospital Authority	3	46,104	14,000	60,104
Coventry	1	60,000	-	60,000
Festiva Resorts	1	60,000	-	60,000
Southern Wine and Spirits	1	60,000	-	60,000
Goodyear Tire & Rubber Company	2	60,000	-	60,000
Valley Development	2	60,000	-	60,000
Compucredit Corp	3	59,905	-	59,905
Rescare Inc	2	59,884	-	59,884
NC Justice Center	12	33,980	25,701	59,681
American Watercraft Assn	2	58,800	-	58,800
NC Restaurant & Lodging Assn	3	54,500	3,750	58,250
NC Comm Development Initiative	6	57,930	-	57,930
Pharmaceutical Res & Mfrs of Amer	3	57,750	-	57,750
Sprint Nextel Communications	6	56,668	207	56,875
Greensboro Area Chamber of Comm	2	49,738	6,708	56,446
Psychiatric Solutions	3	55,837	-	55,837
Philip Morris USA/Altria Group	3	52,701	3,000	55,701
Council on State Taxation	4	55,600	-	55,600
Dell Inc	6	55,595	-	55,595
TOTALS All Principals	1,839	\$19,501,413	\$2,498,165	\$21,999,578

Source: From disclosure reports filed by 887 principals with the NC Secretary of State for lobbying during 2007, compiled by the Secretary's office.

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TOTAL COMPENSATION PAID IN CALENDAR 2007 TO IN-HOUSE AND CONTRACT LOBBYISTS

LOBBYIST	# CLIENTS	COMPEN- SATION	RANK & LOBBYIST	# CLIENTS	COMPEN- SATION
Metcalf, Steve	14	\$485,362	Rohling, Martin G.	2	116,624
Edmisten, Rufus L.	22	396,764	Leonard, Kevin G.	23	116,328
Sands, Alexander P., III	33	325,055	Huskins, David P.	10	114,000
McMillan, John B.	26	294,888	Thompson, Michael A.	1	113,746
Bode, John T.	15	280,201	Kaplan, Harrison J.	22	113,180
Beason, Mark C.	16	279,423	Simpson, Dana E.	11	112,369
Bewley, Lawrence A.	13	264,178	Gray, R. Frank	6	112,340
Moore, Thomas	16	255,764	Hancock, Gerry	4	111,000
Horne, B. Davis, Jr.	18	238,085	Gray, Jeffrey P.	4	107,909
Cloud, Randolph E.	18	237,981	McClees, Joseph D.	9	107,061
Teague, George M.	18	237,590	Williams, T. Jerry	8	101,792
Jones, Henry W., Jr.	19	237,229	Eckel, Albert R.	1	99,958
Folger, Frank W.	19	236,854	Bussian, John	1	96,645
Thompson, R. Bruce, II	19	229,847	Case, Charles	2	95,093
Maynard, G. Peyton	7	228,290	Thomsen, Mary L.	1	92,720
Jernigan, Glenn R.	17	226,800	Shaber, Steven M.	2	87,490
Kostrzewa, Theresa	13	217,166	Kaylor, Robert W.	10	87,256
Carlton, Richard H.	16	213,390	Turlington, Ed	14	84,281
Kochanek, Colleen	13	210,975	Tramontin, John Michael	1	79,400
Harris, Angie D.	13	197,334	Dalton, Elizabeth L.	5	79,343
Kelly, Wendy	16	182,208	Grissom, B. Macon, Jr	1	78,900
Carr, Jonathan P.	18	176,906	Knight, Roger W., Esq	4	77,871
Scoggin, William	22	171,323	Rustin, William C., Jr.	1	77,742
Kimbrell, Tracy W.	19	164,658	Cozort, Jack	21	77,232
Neely, Charles B., Jr.	9	163,996	Miskew, Doug	8	76,426
Coman, Leslie Bevacqua	14	160,700	Everett, George T.	1	76,412
Valauri, Chris	5	154,079	Greene, K. Edward	4	76,385
Mann, Michael R.	5	152,795	Pulley, Paul	1	76,306
Beason, Donald	16	145,521	Watkins, Ardis L.	1	75,189
Salamido, Gary J.	1	141,801	McClees, Susan Henri	7	73,261
Baum, Daniel	19	140,903	Turner, Betty	1	71,338
Stevens, Joanne Schoen	5	131,450	Tillett, Johnny L.	19	71,307
Barnes, David M.	12	127,000	Porter, W. Travis	2	71,082
Ainsworth, W. Eugene	5	124,785	Hopper, Paula L.	3	70,900
Wicker, Dennis A.	11	122,925	Meece, Judd	1	70,500
Ellen, Andy	6	119,427	Wolf, Paula A.	8	70,453

LOBBYIST	CLIENTS	COMP.		
			Stock, Paul H.	1 42,457
			Miller, Hal M.	1 42,435
Plunkett, Dean	1	70,000	Turner, Denise Neomi	1 42,424
Musselwhite, Marvin D.	10	69,600	Gillikin, Claude E.	1 42,000
Bone, Roger W.	15	65,746	Keel, Jill Hinton	1 42,000
Wilson, Constance K.	3	65,500	Piercy, Lisa	3 41,904
Horne, Joseph Phillip	1	65,000	Yancey, Patricia A.	3 41,703
Savage, Jackie A.	1	63,600	Suddath, George H.	1 41,548
McAlister, John W.	2	63,058	Keene, Stephen W.	1 41,380
Killian, Leon M.	9	60,099	Taylor, Samuel M.	3 41,261
Hester, William F., Jr	1	60,000	McCorquodale, Don	2 41,079
Morgan, Bob	1	60,000	Shiple, Kaye	1 40,863
Bone, Frederick L.	12	59,346	Bost, William S., III	2 40,000
Heron, Douglas G.	1	58,709	Bowdish, John F.	1 40,000
Munford, Donavon, Jr.	2	58,341	Campbell, Ashley H.	2 40,000
Levitas, Steven J.	1	58,045	Weatherspoon, William	1 40,000
Miner, David	3	58,000	MacFadyen, Alex G., Jr.	1 39,600
Adams, J. Allen	7	56,840	Perkinson, Ashley M.	4 39,500
Causby, Gene	4	55,024	Sullivan, Murphy	1 38,441
Zechini, Richard A.	1	55,000	Finnegan, Kevin	1 38,351
Tilson, Hugh H., Jr.	1	54,000	Fullbright, Amy H.	6 37,917
Finlayson, J. Marc	2	53,900	Davis, Estherine King	1 37,724
James, F. Michael	2	53,000	Baggett, H. E.	2 37,724
Hawthorne, Evelyn S.	4	52,655	Suter, Thomas A.	1 37,661
Johnson, James D.	6	52,531	Wilson, Bill	1 37,625
Suitt, Marion A.	5	52,450	Gray, Rebecca Keb	1 37,500
Manthos, Chris	1	52,000	Blackburn, James B., III	1 37,496
Perryman, Luann C.	7	51,500	Ferrell, David P.	2 37,177
Preston, Fran	3	51,000	Barbee, Christie B.	1 35,618
Munn, Andrew Charlton	1	50,000	Hutaff, Henry G.	1 35,103
Mulvaney, Dan	1	48,750	Bocock, Martin H., Jr.	1 34,946
Simpson, David Norris	2	48,667	Midgette, John C.	1 34,750
Gunnells, Durward F.	1	48,115	Savitt, Roslyn S.	1 33,458
McConkey, Amy	10	47,712	Boxley, J. Mac	3 33,292
Lore, Anna Marie	1	47,026	Valauri, Susan R.	1 32,605
Chapman, Randi Greene	1	47,000	Rouse, James A., III	1 32,430
Hawkins, Kathy G.	1	45,800	Bethel, Mary	1 32,375
Harris, Lori Ann	10	45,771	Quick, John Craig	1 32,106
Dorsett, Jennie	7	44,920	Sanford, Jo Anne	3 32,100
Malysz, Suzanne B.	1	44,753	Troutman, Rebecca	1 31,626
Gardner, Scott Thomas	1	44,445	Dixon, Kate	1 31,439
Taylor, Michael W.	2	44,238	Cansler, Lanier M.	4 31,110
Thompson, Gregory J.	1	43,485	Miller, George W., Jr	1 31,000
Cover, Camilla B.	8	43,216	Taylor, Richard M., Jr.	1 30,600
Bean, Thomas G.	3	43,082	Black, Mark H.	1 30,499
Crowder, Courtney	10	42,794	Crawford, David	1 30,000
Thompson, John A.	1	42,735	Jones, Jamal	1 30,000

LOBBYIST	CLIENTS	COMP.		
			Copeland, Yvonne	1 21,922
			Wells, Karen	1 21,606
Lewis, Brian Mitchell	1	30,000	Tote, John, III	1 21,375
Myers, Gordon S.	2	30,000	Winner, Leanne E.	2 21,135
Pridgen, Jimmy R.	1	30,000	Thompson, David F.	1 20,930
Paschal, Robert C.	3	29,728	Stephenson, Jim	1 20,790
Page, Paula Gupton	1	29,600	Mason, Scott D.	1 20,675
Wrenn, James C., Jr.	2	29,600	Banks, Cecil S.	1 20,641
Lancaster, Henry M., II	5	29,430	Harding, Millie R.	1 20,520
Woodson, Stephen A.	1	29,325	Bell, Ashley G.	1 20,500
Stoller, David A.	1	29,250		
Allen, Dwight W.	3	29,083		
McLeod, Karen	1	28,738		
Wright, Kenneth D.	1	28,486		
Peterson, Erica Upton	1	28,000		
Fleming, Robert Mark	1	27,965		
Wells, Robert O.	1	27,792		
Black, Robert D., Jr.	2	27,708		
Stewart, Joseph R.	1	27,524		
Heckner, K. L.	1	27,464		
Foster, Marlowe	1	27,258		
Colo, Mike	1	27,200		
Edgerton, James B.	1	27,007		
Meyer, Paul A.	1	26,637		
Hans, Peter	3	26,375		
Jenkins, Berry G., Jr.	1	26,000		
Goodman, John	1	25,867		
Streb, Susanne	1	25,500		
Preston, Sarah Elizabeth	1	25,102		
Souza, John Craig	1	24,625		
Joyce, Katherine W.	1	24,614		
Potter, William H., Jr.	2	24,610		
McAulay, William A.	2	24,480		
Regan, Edmund P.	1	24,104		
Eason, Joseph W.	1	24,000		
Turner, Jeffrey Brian	1	24,000		
Romanet, Andrew L., Jr.	1	23,903		
Harris, Gary F.	1	23,750		
Brewer, Steven K.	1	23,603		
Cameron, Sally R.	1	23,500		
Policastro, T. John	1	23,482		
Presnell, Lacy	1	23,067		
Denning, John D.	1	22,834		
Vaughan, Donald R.	1	22,500		
Myers, Joan P.H.	2	22,375		
Pullen, Lucius W.	2	22,200		
Lawler, Patricia P.	1	22,128		

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