

A small, influential group of lobbyists, with their spouses, **donate as much as \$200,000 from their personal bank accounts** per election cycle.

Super Donors

■ By Eliza Newlin Carney

In the most recent election, lobbyist Larry O'Brien and his wife, Helen, personally donated more than \$150,000 to the Democratic Party and its candidates. By contrast, the median household income in the United States in 2006 was \$48,201, according to the Census Bureau. ■ The O'Briens have long been passionate and loyal Democrats, and their name is a fixture in the nation's capital. Still, it's pretty extraordinary, even by Washington standards, when your campaign donations amount to more than three times the earnings of the average American family. ■ O'Brien is candid about the questions that arise, even within his immediate family, about such large-scale political giving. At check-writing time, he says, his wife has been known to ask: "Are you out of your mind? You're completely insane. How long is this going to go on?" Helen is "a true Democrat," O'Brien assures, but is "a little disconcerted by the whole process."





■ Political donations since the start of the 2004 election cycle:

Tony and Heather Podesta—\$365,808, 98% to Democrats.

■ WHAT'S COOKING?

The Podestas host many political fundraising dinners at their elegant house in the Northwest Washington neighborhood of Woodley Park, raising hundreds of thousands of dollars for Democratic candidates.

aggregate limit on what an individual may donate to candidates—and political parties and political action committees. That limit, indexed for inflation, is \$108,200 in this election cycle.

Only a small slice of the K Street community can afford to give that much money, and it is an elite and often-overlooked group. Political scientists have exhaustively studied special-interest PAC money, and much has been made lately of so-called bundlers, fundraisers who round up millions of dollars in donations from friends, business associates, clients, and others to help their favorite candidates.

But lobbyists who dip generously into their personal bank accounts play a quiet yet powerful role on Capitol Hill. An analysis done for *National Journal* by the Center for Responsive Politics identified a select group of perhaps a dozen lobbyists who each double up with their spouses to give, as a couple, a staggering \$150,000 to \$200,000 to candidates and political parties per election cycle.

By pairing with their spouses—some of whom are fellow lobbyists—these top donors magnify their political giving and clout. (The center's analysis encompassed three election cycles: the current 2008 race along with the 2006 and 2004 cycles.)

No wonder he belongs to a small but influential breed. O'Brien and other K Street contributors like him—we'll call them "super-donors" for the huge personal sums they contribute—account for a disproportionate share of the total political donations from the Washington lobbying community.

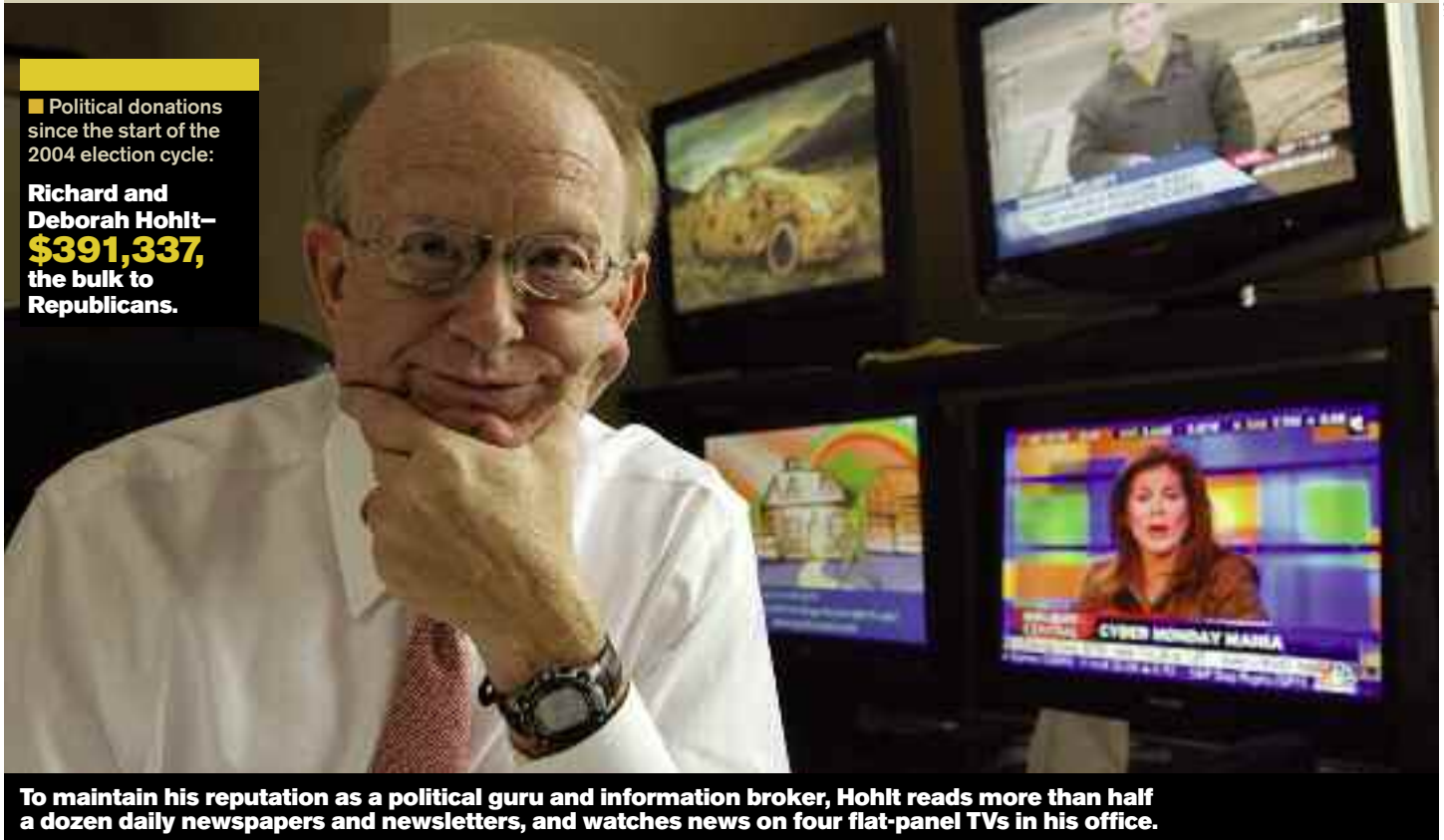
Political giving is obviously routine on K Street, but most of it takes place on a much smaller scale. Virtually all Washington lobbyists are well aware that the maximum individual contribution limit for the 2007-08 election cycle is \$4,600 per candidate (for the primary and general elections combined), and they have come to regard writing campaign checks and hosting fundraisers as integral to their jobs.

What sets O'Brien and the other super-donors apart is that they routinely hit the maximum

■ For the inner circle of highly motivated donors, writing campaign checks is often a matter of fierce ideological loyalty.

■ Top lobbyist donors receive invitations to quiet dinners with key lawmakers and party leaders, luxurious recreational junkets, and insider briefings on hot issues.

■ They have various motivations for plowing some of their handsome lobbying profits back into politics.



■ Political donations since the start of the 2004 election cycle:

Richard and Deborah Hohlt—\$391,337, the bulk to Republicans.

To maintain his reputation as a political guru and information broker, Hohlt reads more than half a dozen daily newspapers and newsletters, and watches news on four flat-panel TVs in his office.

For this inner circle of highly motivated donors, writing campaign checks is often a matter of fierce ideological loyalty. Many lobbyists in this upper echelon give almost exclusively to one party or the other. Some are driven by their passion for politics, reveling in the parties, gossip, and social events that accompany high-dollar fundraising. Others see underwriting campaigns as a logical and necessary extension of their lobbying work.

“They want to be part of the campaign team so when policy is being made, they can be part of the policy-making team and have their views heard,” says Paul S. Herrnsen, a professor of government and politics at the University of Maryland and a co-author of *The Financiers of Congressional Elections*.

Public-interest and campaign watchdog groups see a darker picture, arguing that the super-donors reap lopsided rewards from lawmakers and party leaders. Lobbyists who routinely “max out” by giving six-figure sums “are really getting something” for the money they dole out, says Taylor Lincoln, research director at Public Citizen’s Congress Watch.

Whatever their motivations, top lobbyist donors are aggressively courted by candidates and party leaders. Rewards range from quiet dinners with influential committee chairmen and party leaders to luxurious golf, ski, or theater junkets. There are legislative briefings and conference calls for top donors *only*. There are invitations to inaugural parties and weekends on Nantucket. And there are unseen payoffs when it comes time to write legislation, hand out defense contracts, or set aside federal money for top-dollar clients.

“I don’t know how you separate the fundraising from the legislating,” says Democratic lobbyist Julie Domenick, who is one of

the few women who rank in the top 20 of lobbyist campaign donors this year. “Because on any given day, there’s legislation and there are fundraisers. I don’t see the alternative.”

Still, Domenick and other super-donor lobbyists insist that the popular assumption of a quid pro quo misses the mark. Indeed, K Street’s most generous political contributors tend to have such long-standing, even intimate relationships with politicians that money is only part of the picture. Many invite lawmakers to their homes or even their weddings but say they’re too busy for golf or ski weekends. As Domenick puts it: “There are only so many nights in a week.”

A well-known K Street player such as Gerald S.J. Cassidy, for one, could probably open doors on Capitol Hill with or without the \$167,700 that he and his wife, Loretta, donated to Democrats in the last election. Cassidy, who founded and heads the mega-firm Cassidy & Associates, says he endorses public financing but maintains that money doesn’t influence the process, because opposing donors balance one another out.

“If you’re involved in politics and in lobbying and you live in Washington, you’re going to be exposed to campaigns and the people in them,” Cassidy says. “And it’s pretty logical that you’re going to end up in a situation where you’ll want to support the people you believe in. The closer you are to the system, the more you’re involved.”

Former Rep. Tom Loeffler of Texas, a Republican lobbyist who chairs the Loeffler Group, says that the \$193,587 he and his wife, Nancy, gave out in the 2006 race reflects his philosophy and his commitment to the political process.

“I do not give for the purpose of having access,” Loeffler says.

“Virtually everyone I deal with in representation of a client I know personally and I have known personally for 10, 15, [or] 20 years. So when I enter, I enter on the basis of my credibility and the issues at hand, and not based upon the fact that I have contributed to an individual and am seeking access to that individual.”

Still, it’s hard to fully isolate Loeffler’s stature in the GOP from his role as a donor and fundraiser. In addition to serving in the Ford White House and as an adviser to Presidents Reagan and George H.W. Bush, Loeffler has helped to raise money for more than half a dozen presidential campaigns. He’s on a first-name basis with members of the extended Bush family and is now national finance chairman for the presidential campaign of Sen. John McCain, R-Ariz.

“It’s the proverbial chicken-and-the-egg [question],” Domenick says. “Do people know you because you give money? Or do you give money so people will know you? There’s no bright line.”

For the very top political donors on K Street, says political scientist Michael J. Malbin, campaign money is “the price of entry,” but money alone does not explain their influence. “It’s going to events and giving, and hosting events, and participating in a Washington social mix that includes fundraising for charities, as well as for politics, that makes you a constant presence and a constant player,” says Malbin, executive director of the nonprofit Campaign Finance Institute.

Top lobbyist donors interviewed for this story cite different reasons for giving. But virtually all of them enjoy a level of influence and access that many others on K Street would envy. Some plot political strategy with party leaders and White House officials; some slog through nitty-gritty procedural battles on the Hill; others anchor their party’s social and fundraising networks. All have profited handsomely from their lobbying work and are plowing money back into politics.

Here is what a few K Street super-donors have to say about their contributions and what—if anything—they get in return.

Team Podesta

When veteran Democratic lobbyist Tony Podesta asked his wife, Heather, to marry him about five years ago, he warned her that she would have to factor “the marriage penalty” into their partnership. “She thought I was talking about taxes,” quips Podesta, 64.

In fact, he was talking about political contributions. As it happens, Heather Podesta, a fellow lobbyist whose previous jobs had included stints with several Democratic members of Congress, was more than happy to pitch in. Over the last three election cycles (including the current one), the Podestas have donated \$365,808, 98 percent to Democratic Party committees, candidates, and so-called leadership political action committees—the personal PACs run by members of Congress.

The Podestas handed out \$101,650 of that total through the third quarter of this year, ranking them in the top five among K Street donors so far in this election cycle, according to the Center for Responsive Politics’ analysis. (The center’s ranking examined only independent lobbyists. Research suggests that in-house lobbyists do not give as much personal money as lobbyists who hang out their own shingle. In-house lobbyists tend to use PACs as their donation vehicle.)

“Some people have hobbies or they have kids, and we have

the Democratic Party,” says Heather Podesta, 37, who in January opened her own lobby shop, Heather Podesta + Partners, after working as a partner for Blank Rome.

Podesta has also embraced the constant round of dinner parties that her husband had become known for over three decades as a Washington lobbyist and Democratic strategist. The Podestas host so many fundraisers at their elegant house in the tony Northwest Washington neighborhood of Woodley Park that they sometimes overbook themselves.

Podesta remembers well the night her husband scheduled a fundraiser for Sen. Jeff Bingaman, D-N.M., on the same date as their wedding anniversary. Although some wives might have drawn the line, Podesta showed a different instinct. “My e-mail out to folks said: ‘Come spend a romantic evening with Jeff Bingaman,’ ” she recalls. She estimates that the evening raised \$25,000 for Bingaman, who now chairs the Energy and Natural Resources Committee.

In addition, the Podestas have already raised about \$1 million on behalf of Democratic congressional candidates and party committees this year, Tony Podesta says. The Podestas are also playing on the presidential level. Tony Podesta has written campaign checks to New Mexico Gov. Bill Richardson and to Sens. Hillary Rodham Clinton, D-N.Y., and Christopher Dodd, D-Conn.

On November 5, the Podestas hosted a dinner for about 200 people that raised \$75,000 for Clinton. Guests paid \$250 to \$1,500 to enjoy an evening that featured the “Women of Hillaryland,” including Clinton’s chief of staff, Tamera Luzzatto, and her senior adviser, Ann Lewis. The concept was inspired by a feature in *The Washington Post* spotlighting Clinton’s trusted coterie of female aides.

For Tony Podesta, contributing to and raising money for Democrats is a family tradition. “This is what my mother trained me to do, and what I do by predilection and philosophy,” says Podesta, who fondly recalls how his late mother, Mary, used to cook for all his fundraisers. His brother, John Podesta, was President Clinton’s chief of staff and now heads the Center for American Progress, a progressive think tank.

With Democrats in charge on Capitol Hill, Podesta is reaping the rewards of sticking by his party even when it was out of power. His firm, the Podesta Group, netted \$12.2 million last year from biotech, media, and high-technology clients, among others. Top clients include BP America, General Dynamics, Lockheed Martin, Google, and the National Association of Broadcasters. Heather Podesta’s firm already boasts \$920,000 in income this year from such clients as Boeing, Cigna, and HealthSouth, according to the Center for Responsive Politics.

Tony Podesta says that personal relationships, not a desire for access, drive his donations. “In every case, they are people I know, people who are friends, people I have a relationship with,” he says. “It’s not a door-opener kind of thing. It’s rather an effort to keep in office or send to office people who are doing a good job.”

Public-interest critics who see a quid pro quo “have an exaggerated idea of our ability to influence members,” Podesta maintains. He adds: “I’ve never asked anybody on the Hill to do anything that they didn’t feel was good policy, and for them appropriate for what they believe.”

“The closer you are to the system, the more you’re involved.”

—Gerald S.J. Cassidy



■ Political donations since the start of the 2004 election cycle:

Larry and Helen O'Brien—\$411,000, to Democrats.

At the Democratic Senatorial Campaign Committee, O'Brien's loyalty during hard times has not been forgotten. This year, he was named chairman of the DSCC's new Legacy Circle for top individual donors.

Heather Podesta concurs. “Campaign funds are the mother’s milk of campaigns,” she says, but insists: “We would continue to do this even if we weren’t lobbyists.” Like many lobbyists interviewed for this story, the Podestas say they would have no problem with a ban on political contributions from lobbyists—something many public-interest groups endorse.

Out of the Spotlight

Unlike some Washington lobbyists, Richard F. Hohlt, 60, does not seek out publicity or media coverage. Hohlt only reluctantly agreed to be photographed and interviewed in person for this story.

His boutique lobbying shop, which netted slightly less than \$645,000 last year from a stable of clients that included Chevron, JP Morgan Chase, and Washington Mutual, boasts no pompous website or glossy brochures. Hohlt spends a lot of time talking to reporters, including some of Washington’s best-known columnists and political writers, but it’s almost always off the record.

“I’m not in the business of publicity,” Hohlt says. “It’s not my forte.”

Hohlt keeps such a low profile that when his name surfaced in connection with the perjury trial of Vice President Cheney’s

ex-chief of staff, I. Lewis (Scooter) Libby, some old Washington hands were taken aback. As Hohlt tells it, *Newsweek* reporter Michael Isikoff called to ask why he had never heard of him.

The subsequent story in February’s *Newsweek* tagged Hohlt as “A Man of Mystery” and “the heavy hitter you’ve never heard of.” It described how columnist Robert Novak gave Hohlt an advance copy of the article in which Novak identified Valerie Plame as a CIA officer. Hohlt then faxed the column’s details to top Bush adviser Karl Rove at the White House and later faxed the entire article to him, giving the administration time to prepare a reaction.

Novak shares “a lot of columns” with him, Hohlt says, playing down the incident.

Still, Hohlt concedes he was in regular e-mail contact with Rove at the White House and reveals that Rove invited him to his goodbye party when he left the administration earlier this year. Judging from the many carefully framed photos that adorn the walls of Hohlt’s shop in the Willard Office Building, he has stopped by the White House many times during his three decades working in Washington.

Many lobbyists have one or more assembly-line photos of themselves shaking hands with a president, but Hohlt has photo

after photo—lush color enlargements of himself with President Reagan, with Nancy Reagan, with President George H.W. Bush, with the current President Bush, and with Laura Bush. Some of the photos cause Hohlt to chuckle. One signed by Reagan was taken outside the White House at the 1983 NATO summit. It shows a cluster of world leaders, including then-British Prime Minister Margaret Thatcher and then-Canadian Prime Minister Pierre Elliott Trudeau—and right behind them, Richard Hohlt.

Hohlt was doing volunteer advance work for the event, he explains. Also hanging in his office is the Louisville Slugger baseball bat, labeled “Cleanup Hitter,” that he received as thanks for raising more than \$200,000 as a “Super Ranger” for President Bush in 2004. And there are framed montages of tickets to the dozens of inaugural festivities that Hohlt has attended and helped arrange over the years.

Over the last three election cycles, Hohlt and his wife, Deborah, have personally given \$391,337 in political contributions, all but \$4,000 to Republicans, according to the Center for Responsive Politics. Hohlt also holds fundraisers at various Washington watering holes for GOP candidates; in mid-July he co-hosted a major kickoff event for the presidential bid of former Sen. Fred Thompson of Tennessee that pulled in an estimated \$250,000.

“I don’t usually give out my personal money unless I know the person and I feel like I’ve got some kind of respect and relationship with that person,” Hohlt says. He describes Deborah, a Washington lobbyist for the state of Indiana, as a “political person” who picks her own candidates to support.

Hohlt, an Indiana native, started out on Capitol Hill in the late 1970s as an aide handling banking issues for Sen. Richard Lugar, R-Ind. He went on to work as a vice president of the U.S. League of Savings Institutions, a trade group that later renamed itself and most recently merged with the American Bankers Association. As a banking association lobbyist during the 1980s, Hohlt toiled to find a federal fix for the savings and loan crisis.

He opened his own shop in 1990 and has developed a reputation as someone who can help clients with strategy as well as direct lobbying. “Rick has an extensive network that dates all the way back to the Reagan administration and through the Clinton administration,” says Matthew Scott Gaspard, senior vice president for government and industry relations for Washington Mutual. “He’s extremely well connected, and also extremely task-oriented.”

Every morning Hohlt reads more than half a dozen daily newspapers and newsletters, and has four flat-panel TVs tuned to different cable channels on the wall next to his desk. His reputation as a political guru and information broker has made him an important member of the informally dubbed “Off the Record Club,” a regular dinner meeting of Republican lobbyists that includes the likes of Charlie Black, Ken Duberstein, and Vin Weber.

Hohlt says his success comes not from his contributions but from “being around a long time, knowing how rules operate, knowing how procedures operate.” Since August, he has been urging clients to keep an eye on Rule 28 of the new lobbying and ethics law, which makes it harder to “air drop” last-minute provisions into conference reports. That rule change has been blamed lately for helping to bog down congressional budget negotiations. “You can have the greatest network in the world, you can be the greatest fundraiser in the world,” Hohlt says, “but if Rule 28 trips you up, Rule 28 trips you up.”

■ The Super-Donors

Many lobbyists write personal campaign checks, but only a few come close to contributing the legal maximum to political parties and candidates as a whole. (In this election, that aggregate contribution limit is \$108,200.)

Virtually all of the top lobbyist donors give in concert with their spouses, some of whom are also lobbyists; that can double the amount of their contributions. Here are the top 20 individual K Street donors so far in this election cycle.*

Total to date in 2008 cycle (January 1–September 30, 2007)	Given to Democrats	Given to Republicans
Ben and Melanie H. Barnes Ben Barnes Group	\$177,899	\$0
Michael S. and Carol P. Berman Duberstein Group	\$138,650	\$0
Kenneth J. and Kathleen C. Kies Federal Policy Group	\$10,000	\$116,823
Joel and Carol Jankovely Akin Gump Strauss Hauer & Feld	\$112,050	\$0
Anthony T. and Heather M. Podesta Podesta Group Heather Podesta + Partners	\$101,190	\$500
Lawrence F. III and Helen O'Brien OB-C Group	\$86,300	\$0
Gerald S. and Loretta P. Cassidy Cassidy & Associates	\$83,800	\$0
Daniel J. and Jane G. Mattoon Mattoon & Associates	\$4,000	\$82,150
H. Stewart and Patricia A. Van Scoyoc Van Scoyoc Associates	\$43,550	\$41,525
Victor H. and Judy K. Fazio Akin Gump Strauss Hauer & Feld	\$83,625	\$0
Julie Domenick Multiple Strategies	\$79,100	\$0
Mark J. and Leslie A. Magliochetti PMA Group	\$50,500	\$27,200
Richard F. and Deborah M. Hohlt Hohlt Group	\$2,000	\$75,200
Robert J. and Pamela M. Thompson Jefferson Consulting Group	\$14,450	\$62,250
Steven M. Champlin Duberstein Group	\$74,000	\$0
Frederick H. Graefe Law Offices of Frederick H. Graefe	\$66,778	\$7,500
Jeffrey M. and Ellen G. Walter Walter Group	\$1,000	\$72,800
Paul J. and Jennifer L. Magliochetti PMA Group	\$53,000	\$17,500
David A. Castagnetti Mehlman Vogel Castagnetti	\$64,850	\$0
David A. and Jill S. Bookorny Bookorny Patrizio	\$0	\$64,400

*Includes contributions to candidates, party committees, and leadership political action committees through the third quarter of the 2008 election cycle. Does not include contributions to other types of PACs. In-house lobbyists, who tend to make their political contributions through PACs, are not listed.

SOURCE: Center for Responsive Politics

Hohlt does have one complaint about political fundraising: "It's an insatiable appetite that just keeps going, and going, and going," he says. "And it's sad that so much of the members' [and lobbyists'] time has to be spent on fundraising."

Walking the Walk

Larry O'Brien takes a certain pride in having donated the maximum to Democrats even during the lean years when they were out of power. In both the 2004 and 2006 election cycles, he was one of only a few top K Street donors in the Democratic column. Most super-donors were backing Republicans. Over the past three election cycles, O'Brien and his wife have personally given \$411,000 in political contributions, all to Democrats, according to the Center for Responsive Politics.

Now the tables have turned dramatically. Of the top 10 individual lobbyist donors in this election cycle, only two are solidly underwriting Republicans. Another is splitting donations between the two parties, and the rest are giving almost exclusively to Democrats.

At the Democratic Senatorial Campaign Committee, O'Brien's loyalty during hard times has not been forgotten. Earlier this year, DSCC Chairman Charles Schumer appointed O'Brien chairman of a new Legacy Circle for top individual supporters. The group's kickoff event, a luncheon during the committee's annual weekend retreat on Nantucket in July, honored contributors who have given the maximum level of personal contributions for five consecutive years.

"Particularly if you've been a stalwart, particularly if you've done this over a period of time, unquestionably you come to be viewed as a member of the political family, and appreciated as such," says O'Brien, 61.

O'Brien's Democratic roots are deep. His grandfather, the first Lawrence F. O'Brien, was an Irish immigrant who ran the Democratic Party organization in Springfield, Mass., out of his bar and grill. O'Brien's father, Lawrence F. O'Brien Jr., was a special assistant to President Kennedy and was riding in the motorcade in Dallas when Kennedy was assassinated. He went on to serve as postmaster general under President Johnson and to chair the Democratic National Committee.

Now Lawrence F. O'Brien III, better known around town as Larry, is carrying the torch. A Harvard graduate who received a law degree from Columbia University, O'Brien earned a Bronze Star during an Army tour of duty in Vietnam, served in the Treasury Department under President Carter, and practiced law in Washington before co-founding the lobbying shop O'Brien•Calio with Republican Nicholas Calio in 1993. Since Calio's departure in 2001, the firm has been renamed the OB•C Group but remains bipartisan. "I'm the founding Democrat in this organization," O'Brien says, in explaining why he donates so much money. "I present myself from a business perspective as a serious, bona fide Democrat. If that's the way you talk, inherent in that is walking the walk."

O'Brien's partisan instincts kicked in, he admits, when Republicans took over Capitol Hill in the 1990s with talk of a permanent majority and with a decided preference for GOP lobbyists. "They presented a very direct and dramatic challenge to

the Democratic Party, writ large," O'Brien recalls, and gave him "business reasons" to support his party as well.

O'Brien would never ask his two grown sons to donate politically, but he's not above turning to his 88-year-old mother, Elva, for help. As O'Brien describes it, the conversation usually starts: "Mom, what kind of mood are you in today?" After some back-and-forth, his mother usually agrees to help. In 2006, she gave \$25,000 to the Democratic Congressional Campaign Committee. "It's awkward, but it's sort of touching and humorous, too," he says.

O'Brien notes that the 2002 McCain-Feingold law, which limited the use of soft money in campaigns, put hard-money political donations at a premium. That law also doubled the individual contribution limit from \$1,000 to \$2,000 and indexed it to inflation. It now stands at \$2,300 and will continue to increase with every election cycle. That means that K Street donors, many of whom never contributed soft money, face increased pressure to give in ever-larger amounts.

The eight-person OB•C Group's income was just shy of \$3 million in 2006 and came from a wide range of clients that included Anheuser-Busch, General Motors, Honeywell International, and Motorola.

"It's very clear this is not about the money for him," one financial services industry client says of O'Brien. "He enjoys it. He enjoys the strategy. He enjoys the policy. And he tells you what he thinks."

O'Brien says he would have no objection to stricter limits on political giving, including a ban on donations from lobbyists. But if anything, he's inclined to argue that more people should be giving the maximum, as he does: "There's some obligation, actually, to engage in this sort of activity."

Republican Top Gun

From his perch on the seventh floor of the gleaming office building at 101 Constitution Ave. NW, Kenneth J. Kies has a better view of the Capitol than many members of Congress. It's not an overly large workspace, but in addition to the stunning view, it sports a sleek, flat-screen TV on one wall, a photo of Kies with President Bush, and a colorful array of political knickknacks.

These include a beanbag-size stuffed donkey, propped on a red-white-and-blue brick, that may well be a recent addition. When it comes to political donations, Kies solidly favors Republicans. More than 95 percent of the \$494,851 that he and his wife, Kathleen, have contributed politically in the past three elections has gone to GOP candidates and party committees.

This year, at a time when many Republican K Street donors are either sitting on their hands or rushing to assist Democrats, Kies has remained as generous as ever to the GOP. Indeed, he is the top Republican-friendly lobbyist donor to date in this election cycle.

As managing director of the Federal Policy Group, a division of Clark & Wamberg, the 55-year-old Kies could rely on his many deep-pocketed clients to keep lawmakers in the money. The firm hosts regular fundraisers at its impressive offices, including dinners on the deck in fine weather and catered meals in an angled conference room stylishly known as "the Point." A recent shindig for Sen. Kent Conrad, D-N.D., who chairs the Budget

“Do people know you because you give money? Or do you give money so people will know you? There's no bright line.”

—Julie Domenick

Committee, netted \$20,000. Although Kies leans Republican in his personal contributions, he makes a point of noting that his firm raises money for many Democrats.

"I could probably get by with just raising money from my clients if I wanted to," he says. "Because they do give a lot of money."

But Kies knows how important political money is to lawmakers, particularly when it comes from an individual as opposed to a PAC. "Personal money means a lot more to members of Congress than giving other people's money," Kies contends. "So it's more appreciated."

Kies says he contributes politically to support "things that I believe in, or things my clients believe in." The firm's top clients include Bank of America, Caterpillar, General Electric, and the Mortgage Insurance Companies of America. Kies specializes in tax and fiscal policy, and he has twice held senior posts on tax-writing committees on Capitol Hill. His previous jobs include stints as co-managing partner in the Washington national tax services office of PricewaterhouseCoopers and as a lawyer for Baker & Hostetler.

In a report last year titled "The Bank-rollers," Public Citizen singled out Kies as one of a handful of Washington lobbyists whose lavish campaign contributions have reaped legislative rewards. The watchdog group said that Kies won billions in tax breaks for companies that purported to produce synthetic fuels but were really making products that "barely differed" from conventional fuels.

Kies responds that "the industry always tried to comply" with the Internal Revenue Service but that the IRS had offered four different interpretations of legislation to encourage synthetic-fuel experimentation. "We represented the industry to encourage the Internal Revenue Service to basically take an interpretive position that was consistent with what Congress intended, and ultimately they did," he says.

Contributing politically "doesn't open any doors," Kies maintains, adding, "The doors that open to me are a function of the 30 years I've been a tax professional." Kies's tax expertise is indisputable. He is a regular commentator on radio and TV, has written extensively on tax policy, has given lectures all over the world, and helped moderate President Clinton's White House Conference on Social Security.

A big part of his work involves explaining arcane tax laws to members of Congress, he says. "It's not really their job to be technical tax experts," Kies contends. "But I'm pretty good at explaining things in ways that are understandable." Indeed, when he was chief GOP counsel to the Ways and Means Committee in 1986, reporters routinely called on him during press briefings to diagram provisions of that year's Tax Reform Act.

"If somebody was not viewed as technically or policy compe-



RICHARD A. BLOOM

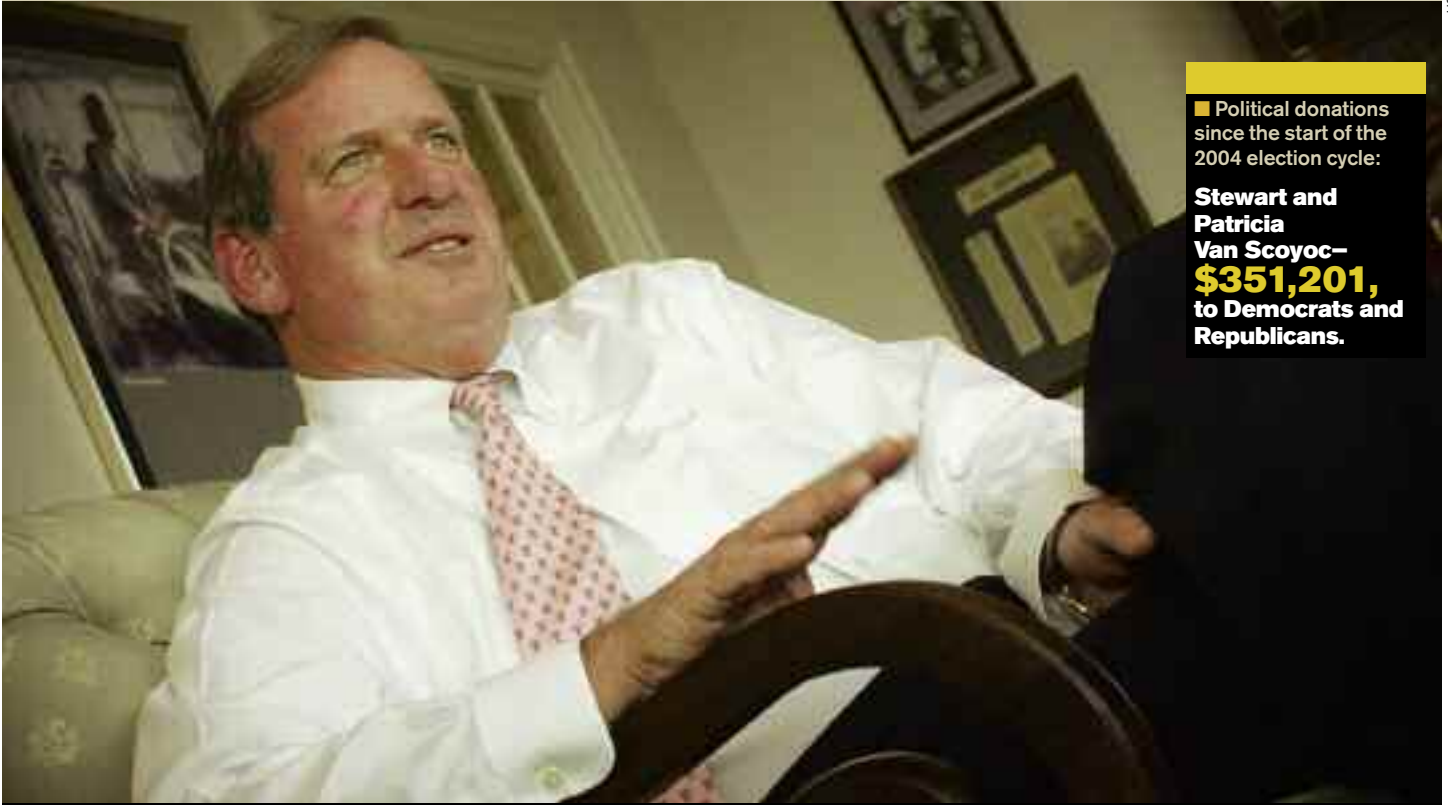
tent," Kies says, "all the money in the world would not give them the ability to influence decision makers in this area."

Republican, or Democrat?

In contrast to most high-level campaign donors in the lobbying community, H. Stewart Van Scoyoc does not wear his politics on his sleeve.

"I have the luxury of never having been in government," says Van Scoyoc, 60. "So nobody really knows whether I'm a Republican or a Democrat. And that's the way I like it. I am free to support good candidates on both sides."

There are hints, of course. Van Scoyoc helped bundle campaign money for candidate Bush in 2000. In the 2006 election cycle, 81 percent of the \$171,675 that he and his wife, Patricia, gave in political contributions went to Republicans. As a rule, though, Van Scoyoc likes to keep the balance closer to 60-40, whether it favors one side or the other. So far in this election, he



■ Political donations since the start of the 2004 election cycle:

Stewart and Patricia Van Scoyoc—\$351,201, to Democrats and Republicans.

Far from relishing the political fundraising scene, Van Scoyoc describes it as a necessary evil. He expressed little interest in the social events and junkets available to him as a big donor.

and Patricia have given out \$85,075, with a little more than half going to Democrats. Over the past three election cycles, the Van Scoyocs have personally donated \$351,201 to both Republican and Democratic candidates and parties.

“I think if you asked around, nobody could tell you whether he was a Republican or a Democrat,” says fellow lobbyist James P. Fabiani, who previously headed Cassidy & Associates and now runs Fabiani & Company. “But they could tell you he’s good to work for.”

Fabiani says it is Van Scoyoc’s business acumen that helped Van Scoyoc Associates grow from a two-person shop in 1990 to the 300-client powerhouse it is today. The firm ranked second only to Patton Boggs last year with \$24.2 million in revenues. For Van Scoyoc, donating politically is not a matter of personal ideology but one piece of a carefully thought out business plan that encourages firm-wide contributions to candidates on both sides of the aisle.

“I have felt from the beginning that if you’re going to do this kind of work, you have to participate in the political process,” Van Scoyoc says. Many of the firm’s clients, he notes, are nonprofits, including universities that either don’t have the means to contribute politically or are legally barred from doing so. The firm is also committed to remaining bipartisan, and to charitable giving, he notes.

Direct contributions are only part of that equation. Van Scoyoc Associates, which takes up almost the entire sixth floor of the same Constitution Avenue office building that houses Kies’s firm, boasts one of the most popular locations in town for host-

ing fundraising events, and lawmakers routinely take advantage of it. Van Scoyoc’s spacious office also overlooks the Capitol, which is only 10 minutes away.

Many people in his firm support public financing, Van Scoyoc says, and “a dramatic majority” would support banning contributions from lobbyists. But absent those changes, he adds, “we have to find a way to participate in the system as it exists.”

Van Scoyoc expresses little interest in the social events and junkets available to him as a big donor. As for his wife, he says, she’s “totally apolitical.” Her campaign giving, he explains candidly, simply doubles his contributions: It “increases my ability to support the people in this firm. And she’s happy to do that.” He has five children, none of whom he would ever ask to donate. “That is one of the very firm lines in concrete that I will draw.”

Far from relishing the political fundraising scene, Van Scoyoc describes it as a necessary evil. There are “many negatives, in the sense that the more you give, the greater are the expectations you create and the public scrutiny you invite.” He adds: “The press usually gets it wrong. This is a necessary part of life in this town for most of the members of Congress. Most of them don’t particularly enjoy doing it. And it’s very unfortunate that it has become such a part of life.” ■

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