

May 4, 2011

The Hon. President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

RE: Move ahead promptly with the proposed transparency in government contracting executive order

Dear President Obama:

The undersigned organizations, on behalf of our members and supporters, write today to express our strong support for the April 13th draft executive order that would require full disclosure of campaign spending and contributions by business entities that seek federal government contracts. We encourage you to move ahead promptly with the executive order.

While federal and state laws generally attempt to prevent any action to reward or penalize government contractors based on their political expenditures, there is a widespread public perception that companies and their executives who provide the most generous campaign financial support to winning candidates are rewarded with the most lucrative contracts. On far too many occasions that perception has been validated by scandal and the disgrace, resignation or even conviction of some governmental officials.

The proposed executive order attacks the perception and the reality of such “pay-to-play” arrangements by shining a light on political spending by contractors. It simply requires that a business entity, as a condition of bidding on a government contract, disclose the campaign contributions and expenditures of the company, its senior management and affiliated political action committees for all to see, so the public may judge whether contracts are being awarded based on merit rather than campaign money.

Transparency of campaign money in the government contracting process is nothing new at the state level. In response to numerous contracting scandals, more than a dozen states have imposed specific campaign finance disclosure requirements on government contractors.

At the federal level, many government contractors already are required to disclose some of their campaign finance activities as they are required to disclose their PAC contributions and expenditures. The executive order would also require government contractors to disclose their newly-permitted campaign finance activities that were authorized by the Supreme Court decision in the *Citizens United* case.

The Supreme Court in *Citizens United* strongly supported disclosure for these new campaign finance activities stating that disclosure requirements “do not prevent anyone from speaking.”

The Supreme Court also said in supporting disclosure:

“Shareholders can determine whether their corporation’s political speech advances the corporation’s interest in making profits, and citizens can see whether elected officials are ‘in the pocket’ of so-called moneyed interests.”

The flip side of transparency is secrecy and the specter of hundreds of millions of dollars in secret campaign cash coming from companies that derive much of their wealth from government contracts.

In order to keep in check actual or perceived corruption in government contracting, it is imperative that there be full disclosure of campaign contributions and expenditures by federal government contractors.

Sincerely,

Campaign Legal Center
Center for Corporate Policy
Center for Media and Democracy
Central Conference of American Rabbis
Citizen Works
Citizens for Responsibility and Ethics in Washington (CREW)
Common Cause
Consumer Watchdog
Corporate Ethics International/Business Ethics Network
Democracy 21
Democracy for America
Democracy Matters
Democrats.com
Dēmos
Illinois Campaign for Political Reform
League of Women Voters of the United States
Michigan Campaign Finance Network
National Community Reinvestment Coalition (NCRC)
Ohio Citizen Action’s Money in Politics Project
OMB Watch
OpentheGovernment.org

Oregon State Public Interest Research Group (OSPIRG)
People for the American Way
Project on Government Oversight (POGO)
Public Campaign
Public Citizen
Sanford Lewis, Counsel, Investor Environmental Health Network
SEIU
Social Equity Group
TakeAction Minnesota
Union of Concerned Scientists
U.S. PIRG
Wisconsin Democracy Campaign
Wisconsin Voices