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## **FETZER AND BURR CRITICIZE WALL STREET FUNDRAISING, BUT MISLEAD ON THE REPUBLICANS' HAUL**

The debate in the U.S. Senate over imposing new regulations on banks, derivative traders and other segments of the financial industry hit a snag yesterday, as Republicans and Democrats accused each other of blocking real reform and kowtowing to Wall Street. In an odd twist, U.S. Sen. Richard Burr (R-NC) and Tom Fetzer, chair of the NC Republican Party, both issued statements to discredit the Democratic leaders' legislation by highlighting the sizable donations they have taken from the financial services industry.

Democracy North Carolina, a nonpartisan watchdog group, decided to review the numbers Burr and Fetzer presented in their email releases. It's not often that one hears Republican Party leaders indicate that large amounts of private money can unduly sway public policy.

[Burr's statement](#) says he opposes the bill that "Democrats are marketing as financial reform" and adds: "Despite assertions, Democrats are the major recipients of Wall Street campaign funds, [with] Senators [Chris] Dodd and [Harry] Reid taking in over \$1.2 million each." The email message, from Samantha Smith, communications director of the Richard Burr Committee, doesn't say what period the donations cover, nor does it mention how much Burr received from similar sources.

[Fetzer's statement](#) is more forceful, but gives different numbers. He attacks the Democrats for "hypocrisy" and "demagoguery," and says Democrats have "falsely accused Republicans of being 'the party of Wall Street,' despite the fact that Democrats have accepted millions more in campaign contributions from the financial industry than Republicans." He then lists what he calls "the top five recipients of campaign cash from the securities and investment industry, since 1998," namely:

1. Barack Obama - almost \$16 million
2. Chuck Schumer - \$7.7 million
3. Chris Dodd - \$6.2 million
4. Arlen Specter - \$1.8 million
5. Harry Reid - \$1.1 million

Fetzer is correct that the securities and investment industry has donated more to Democrats than to Republicans since 1998 – although not by a large degree – but his list of the top recipients deceptively omits the names of Republicans who belong there. In truth, top Republican negotiator on the financial reform bill, Sen. Richard Shelby (R-AL) received \$1.2 million from the securities and investment sector during this period, more than the \$1.1 million received by Senate Democratic Majority Leader Harry Reid (D-NV).

Here are several findings from Democracy North Carolina's analysis of the data compiled by the same source cited by Fetzer (Center for Responsive Politics/OpenSecrets.org)

● Republicans raised 93% as much from the securities and investment industry (Wall Street) as the Democrats during the 1998-2010 period cited by Fetzer. Democrats raised \$290,100,000 while Republicans took in \$270,600,000 with each raising about half the amount for the national party committee and most of the rest raised by candidates. Here are the details:

	<b>Total Donations to Candidates &amp; Parties from Securities &amp; Investment Donors</b>	<b>Donations to Democratic National Committee</b>	<b>Donations to Republican National Committee</b>	<b>Total Donations to Democratic Candidates &amp; Committees</b>	<b>Total Donations to Republican Candidates &amp; Committees</b>	<b>% Total to Dems</b>	<b>% Total to Repubs</b>
2010	\$34,679,799	\$5,341,055	\$9,024,513	\$21,714,428	\$12,919,165	63%	37%
2008	\$157,510,964	\$31,389,223	\$39,905,842	\$89,233,219	\$68,053,761	57%	43%
2006	\$73,007,518	\$14,929,123	\$18,949,464	\$38,118,260	\$32,782,988	52%	45%
2004	\$97,568,814	\$23,202,820	\$21,973,172	\$46,820,842	\$50,512,414	48%	52%
2002	\$64,229,201	\$23,221,565	\$18,898,672	\$30,990,902	\$33,216,140	48%	52%
2000	\$98,074,197	\$30,833,850	\$25,286,787	\$44,914,026	\$52,802,348	46%	54%
1998	\$39,002,345	n/a	n/a	\$18,288,825	\$20,281,672	47%	52%
1998-2010	\$564,072,838			\$290,080,502	\$270,568,488	52%	48%

● Fetzer’s Top 5 list mysteriously omits Republicans George W. Bush, Sen. John McCain and other Republican candidates. It turns out Fetzer selected his Top 5 from a list of Congressional recipients from 1990 to 2010 compiled by the Center for Responsive Politics, rather than beginning in 1998. He then skipped the Republican names on the list to present his Top 5. In truth, the top 10 recipients of campaign donations from the securities and investment industry since 1998 are:

Obama, Barack (D)	\$16.0 million
Bush, George W (R)	\$13.4 million
Clinton, Hillary (D-NY)	\$10.4 million
McCain, John (R-AZ)	\$10.3 million
Schumer, Charles E (D-NY)	\$6.7 million
Giuliani, Rudolph W (R)	\$6.1 million
Kerry, John (D-MA)	\$5.7 million
Dodd, Chris (D-CT)	\$5.5 million
Romney, Mitt (R)	\$5.0 million
Lieberman, Joe (I-CT)	\$3.3 million

● Richard Burr does not rank in the top 10, nor does he sit on the Senate Banking Committee, which oversees legislation regulating Wall Street, but he has received a substantial amount of campaign donations from the industry. From 1998 to 2010, he took in \$610,422 from the securities and investment sector.

● The Burr campaign’s statement scolding Senators Dodd and Reid for “taking in over \$1.2 million each” in “Wall Street campaign funds” is a reference to the total the two raised in the 2010 cycle from the entire finance, insurance, and real estate sector – hardly an appropriate way to characterize

“Wall Street funds.” In other words, the \$1.2 million figure includes money raised from real estate developers, insurance agents, and health insurance PACs, not just donations from the securities and investment industry, where Fetzer focuses.

- Another way to evaluate Richard Burr’s reliance on financial industry money is to compare him to fellow North Carolina Senator, Democrat Kay Hagan, who worked for a bank before serving in public office. For the five-year period, 2005 through 2009, the Center for Responsive Politics has identified the economic or ideological interests behind \$4.4 million received by Burr and \$5.7 million received by Hagan. Much of Hagan’s money for her 2008 election came from Democratic loyalists donating to her campaign through EMILY’s List or ActBlue. Hagan received \$317,189 from donors related to the financial industry, including banking, credit unions, securities and investments, accounting, and other financial services. In the same period, Burr received \$380,999 from these same sectors, or 20% more than Hagan.

- Burr and Hagan each have leadership political action committees (PACs) which they use for political purposes, including making donations to other federal candidates who may return the favor with a donation to their campaigns. Hagan’s Longleaf Pine PAC received \$7,000 from the financial sector, while Burr’s Next Century Fund PAC received \$206,000. Here’s a summary of the donations coded to an interest by the Center for Responsive Politics. During 2005-2009, Burr’s campaign committee and leadership PAC received \$586,999 from the financial sector, or 10% of his total of identified funds. Hagan’s campaign committee and leadership PAC received \$324,189 from the financial sector or nearly 6% of her total:

<b>Funds Raised 2005-2009 By:</b>	<b>Campaign Committee</b>	<b>Leadership PAC</b>	<b>Total</b>
<b>RICHARD BURR</b>			
<b>Financial Services Sector</b>	\$ 380,999	\$ 206,000	<b>\$ 586,999</b>
<b>Total Identified by Source</b>	\$ 4,425,634	\$1,371,124	\$5,796,758
<b>KAY HAGAN</b>			
<b>Financial Services Sector</b>	\$ 317,189	\$ 7,000	<b>\$ 324,189</b>
<b>Total Identified by Source</b>	\$ 5,678,954	\$ 191,349	\$5,870,303

- In the past 12 months, Hagan and her PAC have each held one fundraising event tracked by the [Sunlight Foundation](#). By contrast, Burr’s campaign committee or PAC has been the beneficiary of at least 34 fundraisers during the same period, or one event about every 10 days since April 29, 2009, including several co-hosted by the financial service industry or lobbyists for finance-related clients.

Bottom line: Both political party and most federal candidates rely heavily on Wall Street and other financial interests for campaign contributions. Given that reliance, the media and public should be vigilant about the details of any financial reform legislation and attentive to the evaluations of independent consumer-protection groups. But it’s unrealistic to expect candidates of either party to abandon their dependence on Wall Street as a source of campaign money unless they have a significant alternative, such as the “voter-owned elections” programs that provide optional public financing for some state candidates in North Carolina.