

Where the Party Never Ends

By Juliet Eilperin

*Legislators have run circles
around their own gift rules*

On opening night at Washington, D.C.'s MCI Center, the brand-new luxury boxes were a sports fan's dream come true. Wood barstools were neatly lined up against the glass, offering visitors a clear view of the basketball court where the Washington Wizards were playing the Seattle Supersonics. A TV, phone and mini-fridge stood at the ready, in addition to a private bathroom that allowed guests to avoid hobnobbing with the masses. Arrayed on the main coffee table were a chocolate fondue with freshly-cut fruit and a big chocolate bar emblazoned with the city's skyline and the words, "MCI Center Grand Opening, December 2, 1997."

Thanks to a ruling in November by Senate ethics committee chairman Bob Smith (R-N.H.), all this was available free to senators and their staff—as long as they had the right connections. Sen. Tom Harkin (D-Iowa), for example, went as the guest of Washington lobbyist Paul Culver, a former Democratic senator from Iowa. Sen. Robert Torricelli (D-N.J.) had one of the best seats in the house, since he sat in President Clinton's box, thanks to the largesse of Wizards owner Abe Pollin.

In one of the oddest pronouncements in recent years, the Senate Select Committee on Ethics decided that a night in a sky box, which has no face value because corporations lease the rooms on an annual basis, is worth as much as the seats closest to them. Thus, one visit is officially valued at \$40, the price of a nosebleed seat, even though companies pay between \$100,000 and \$250,000 a year to lease them. The ruling means that these executive suites slip under the \$50 limit on gifts imposed by the Senate in 1995.

The new math in Smith's ruling highlights a far deeper and more disturbing trend that has come to characterize the congressional gift rules. Despite the reforms that lawmakers have adopted in recent years to limit gifts from lobbyists, perks are alive and well in our nation's capital. The dynamics of the system remain the same: Special interests provide politicians with food, drink and entertainment in exchange for access.

When the 104th Congress came to town, lawmakers were brimming with reformist fervor. The Republicans had just captured the majority in both chambers, many of them winning campaigns by painting their opponents as corrupt, old-time politicians. At the time, Congress allowed lawmakers and their staff to accept unlimited gifts under \$100, as long as offerings did not total more than \$250 annually from any one source. In July 1995, the Senate adopted a rule allowing senators to accept only gifts under \$50, with a \$100 annual cap for each donor. Just when the House was set to vote on that same bill, House Speaker Newt Gingrich (R-Ga.) rushed to the podium and suggested an even tougher standard, banning all gifts. This plan—which might have pleased voters but was hardly well-thought-out—passed by a margin of 422 to 6.

On one level, the new rules have dramatically changed the way politicians do business. Constituents traditionally offer their representatives homemade presents, ranging from crocheted scarves to cookies, which now must be refused. Members from both parties have complained that the rules prevent them from even sharing a meal with a constituent. Rep. Benjamin Cardin (D-Md.) has posted a list in his office instruct-



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ing staffers on where to deliver the presents that flood in. The reforms have also taken their toll on the Washington restaurants that thrive on lobbyists' expense accounts, now that these men and women can no longer take members and staffers out for pricey meals.

Still, a series of loopholes has allowed Congress members to travel, eat and drink at lobbyists' expense. The rules place no limits on travel financed by private interests or state and local governments, provided that these trips are connected to official business. "You basically get the same kind of private face time, doing fun things," says Common Cause director of legislation Meredith McGehee. "What's really being bought and sold is special access to members of Congress."

From Paris to Beijing, members and their aides regularly visit exotic locales without paying a penny. There are no official totals for these junkets, but the Center for Responsive Politics has collected a few telling examples. International oil giant ARCO spent \$42,000 to send Gingrich, his wife and two aides on a speaking trip to London in December. Warring telecommunications companies chauffeured House members and aides around the country during the 1996-97 winter recess: The United States Telephone Association (which represents the Baby Bell companies) spent \$10,145 transporting four staffers and Reps. Tom DeLay (R-Texas) and Cliff Stearns (R-Fla.) to Miami for a February conference; Pacific Telesis paid \$7,849 to send four congressional aides on a fact-finding trip and panel discussion on telecommunications

reform in San Francisco in early 1997; and MCI spent \$2,510 for five staffers to attend legislative seminars in historic Williamsburg, Va., in December 1996. Not to be outdone, the sugar industry spent more than \$10,000 in February 1997 bringing politicians to Florida to hear its pitch to preserve sugar subsidies. Fourteen lawmakers, including House agriculture committee chairman Rep. Bob Smith (R-Ore.), participated in this "educational trip to learn about cultivation, harvesting, processing and marketing of sugar cane."

These "educational campaigns," the bulk of which take place in popular vacation spots, are explicitly designed to influence national policy. For example, the Commonwealth of the Northern Mariana Islands (CNMI), a U.S. territory in the Pacific, has spent hundreds of thousands of dollars over the past year to transport seven lawmakers, five spouses and 75 staffers to the islands, where the temperature averages 83 degrees year-round, as part of a \$1 million lobbying campaign to oppose the imposition of federal labor, wage and immigration laws. Jack Abramoff, a lobbyist with the Seattle-based Preston Gates Ellis & Rouvelas Meeds firm that represents the CNMI, says that politicians who make the trip are much less inclined to force the islands to adopt the minimum wage and other worker protections. "Those who come with an open mind go away, Republican and Democrat, very impressed," he says. Ignoring reports from human rights groups and the Clinton administration, these lawmakers are now opposed to pending reform legislation, arguing that it might hamper the

islands' free-market principles.

The gift ban has put hardly a crimp in the incessant fundraising that continues inside the Beltway and across the country. Interest groups sponsor fundraisers in exclusive D.C. restaurants and clubs, which allow candidates to garner additional contributions and give lobbyists the opportunity to mingle with politicians. One prominent GOP lobbyist recently grumbled that because the gift ban has eliminated one-on-one meetings with politicians, lobbyists are under more pressure to attend fundraisers. He noted that while he was tempted to say that the demand for donations has increased, "I don't know how the hell you can make the pressure any greater."

In an effort to recapture the intimacy of the *tête-à-têtes* that flourished before the gift ban, fundraisers now arrange for lawmakers to meet with six or eight lobbyists at a time. Nancy Bocskor, who runs her own fundraising company, said she arranges these smaller dinners "in nicer restaurants where you'll have some quiet time. You're not as rushed. You have four hours instead of two hours at a reception." Ironically, these meals would be prohibited if lobbyists weren't bringing campaign contributions to the table. The gift rules, however, have no bearing on campaign functions.

Entertainment events provide another avenue for lobbyists to interact with lawmakers. Congress members and aides can attend these events as long as they pay the face value of a ticket. When the Rolling Stones performed at Jack Kent Cooke Stadium on October 23, lawmakers and staff from both chambers accepted Sprint's invitation to purchase seats at \$60 a person. A bipartisan crew, including Sens. Richard Bryan (D-Nev.) and John Kerry (D-Mass.), as well as Reps. Gene Green (D-Texas), David Hobson (R-Ohio) and Karen Thurman (D-Fla.), received both floor seats and transportation to the concert from Sprint, which spent more than \$3 million on lobbying during the first six months of 1997. These same politicians then got their photos taken backstage with Mick Jagger and Keith Richards.

Several lawmakers described the photo-op as brief, and said they did not discuss legislation with the Sprint officials that sat next to them at the concert. But Bob Schiff, a lobbyist at Public Citizen's Congress Watch, says lawmakers should have to buy tickets on the open market instead of using their position to obtain scarce seats. According to one executive, whose company was selling Rolling Stones tickets, scalpers were selling floor seats for between \$350 and \$800 prior to the show. "It's something I think is probably technically in compliance with the rule, but it shows that even under this rule, members continue to get special treatment," Schiff says. "Companies are interested in giving members that special treatment to curry favor with them."

The Rolling Stones concert, along with Sen. Smith's recent decision to allow senators to accept choice seats at the MCI Center, has disheartened the public interest groups who lobbied so vigorously for the new gift rules. "The chutzpah of it is just remarkable," says McGehee of Common Cause.

But Smith reacted angrily when New Hampshire reporters questioned him about the MCI Center decision in December. "I don't give a damn what somebody writes about my view on abortion or taxes," Smith told the *Concord Monitor*. "My rep-

utation is what matters to me. To see a headline that Senator Bob Smith gave free passes to his colleagues to sporting events is outrageous."

House members may make their lives easier by adopting the Senate's standard this session. According to several Republican sources, House ethics committee chairman Rep. James Hansen (R-Utah) may issue a blanket waiver for gifts worth less than \$50 next year, thereby sparing his colleagues the pain of voting on the issue yet again. Though ethics experts and public interest advocates agree that the \$50 limit is more sensible than a total gift ban, the idea of a back-door rules change makes them uneasy.

Common Cause has a number of proposals to solve the problems with the gift rules. McGehee would require politicians to pay their own way to fundraising events out of campaign or personal funds, instead of letting party committees or special interests foot their travel costs. When travel is connected to official business, Congress could allow the tab to be picked up only by non-profit groups that are not controlled by interests actively lobbying Congress.

But even these well-intentioned ideas neglect to address the larger issue. Piecemeal rules changes will never succeed in stemming the flow of freebies from lobbyists to politicians until these same lawmakers adopt meaningful campaign finance reform. Despite the popular conception of special interests as constantly salivating over the chance to mingle with policy-makers, the truth is that lawmakers are just as dependent on these dinners and junkets. In an era of multi-million dollar campaigns, senators and representatives need these relationships to collect donations. Until Congress imposes stricter campaign spending limits or implements some form of public financing of campaigns, national policy will continue to be dominated by wealthy players. After all, there is no such thing as a free lunch. ■

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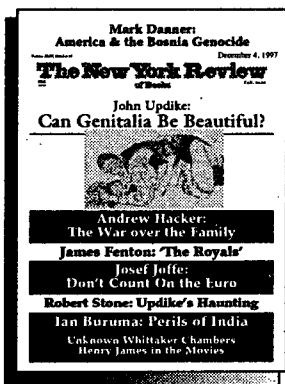
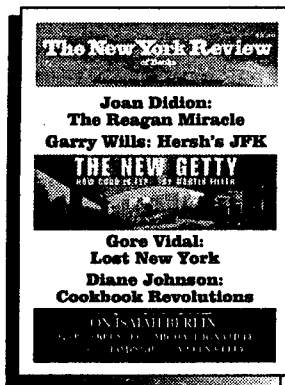
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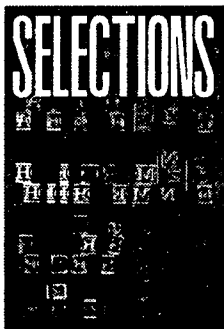
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Breaking AWAY

Mexican workers
rebel against
government-dominated
trade unionism

By Fred Rosen

At about 5:30 on a chilly September morning, 25 workers at Itapsa, a small disc-brake manufacturer in an industrial suburb of Mexico City, arrived at the company gate to encourage departing night-shift workers to vote for the insurgent Authentic Workers Front (FAT) in the union election slated to be held later that day. The workers, who had been recently fired by the company for pro-FAT organizing, were met at the gate by about 150 thugs brandishing metal pipes and heavy sticks who ordered them to leave. These thugs turned out to be members of a group called the Chiquiticos (or "Little Guys"), strongmen regularly contracted by the government-affiliated Confederation of Mexican Workers (CTM) to handle difficult labor disputes. Itapsa, a subsidiary of Echlin, a Connecticut-based auto parts producer, had long held a "protection contract" with the CTM—a contract, signed without the workers' knowledge or input, that was meant to "protect" the company from a real union with real demands.

While protection contracts have been successful in luring companies like Echlin to Mexico, the CTM and other government-affiliated unions are no longer able to deliver decent standards of living to their members. As a result, they are losing their once-tight hold on Mexican workers. Not only are small-scale conflicts such as the one at Itapsa becoming more common, but on a larger scale, there is a slow but inexorable movement of national unions away from the long-ruling Institutional Revolutionary Party (PRI).

Two months ago, several powerful unions broke away from PRI-dominated unionism to form a new independent labor federation. U.S. and Canadian trade unionists, in a new spirit of solidarity, are reaching out to these independent labor activists. The FAT drive to organize Echlin's Mexican workers has been actively supported by an alliance of eight unions that represent

Echlin workers in all three NAFTA countries. As many Mexican, Canadian and U.S. unions discard their old protectionist stance, a genuine labor internationalism may be in the making.

At Itapsa, FAT organizers thought that they would easily win the right to replace the invisible and corrupt CTM on election day if the count were fair. But they knew that getting a fair count would be the hardest part of the struggle. Indeed, on their way to cast their oral ballots, workers had to walk down a hallway lined with threatening Chiquiticos. The two competing unions had previously agreed that the vote would be monitored by just nine individuals—three each from the CTM, the FAT and the government Mediation and Arbitration Board. Yet in the small office used as a voting station, workers had to vote in front of management reps, a pack of CTM officials and several Chiquiticos wearing CTM buttons. Most workers, many in tears, prudently cast their votes for the CTM. When the first worker dared to vote for the FAT, CTM delegates jeered: "Remember him! Write his name down!" The final vote was 178 to 29 in favor of the government union.

The CTM has not always represented plain and simple thuggery. Founded in 1936 under the leadership of Marxist militant Vicente Lombardo Toledano, the CTM was embraced by then-President Lázaro Cárdenas, under whom the state took considerable responsibility for the just distribution of income and resources. Establishing the basic corporatist structure of the PRI (then called the Mexican Revolutionary Party), Cárdenas brought worker, peasant and urban popular movements firmly under state control. In the early '40s, Cárdenas' more conservative successor, President Manuel Avila Camacho, strengthened the corporatist structure while putting distributional concerns to the side. Avila Camacho forced out CTM leader Lombardo Toledano and replaced him with the ideo-