

PERSONALLY SPEAKING

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WHO'S BUYING THE WHITE HOUSE?

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Senator Obama's announcement that his campaign raised \$150 million in September from 632,000 new contributors, each giving an average of less than \$100, raises this question: who's buying the White House? Is it Joe six-pack? Or are other players contributing much more? To answer these questions, Mayo Research Institute turned to the non-partisan, non-profit Center for Responsive Politics (CRP) for basic financial data which was released to the public by the Federal Elections Commission (FEC) on September 29.

The following is a partial listing of the top contributors to Senator Obama and Senator McCain. Most are household names. It is essential to note that *the monies did not come from these organizations directly but from their PACs, employees, owners, their families, and others*. We refer to them as associates.

<u>OBAMA</u>		<u>McCAIN</u>	
Goldman Sachs	\$ 749,000	Merrill Lynch	\$ 307,000
University of California	626,000	Citigroup	277,000
J.P. Morgan Chase	493,000	Goldman Sachs	234,000
Harvard University	474,000	Morgan Stanley	234,000
Citigroup	468,000	AT&T	193,000
Google	426,000	J.P. Morgan Chase	185,000
University of Chicago	425,000	Credit Suisse Boston	166,000
UBS AG	423,000	Blank Rome LLP	155,000
Skadden, Arps	394,000	Greenberg Traurig LLP	149,000
Lehman Brothers	393,000	UBS AG	139,000
National Amusements	386,000	Pricewaterhouse	138,000
Microsoft	381,000	U.S. Government	138,000
Sidley Austin LLP	380,000	Bank of America	134,000
Kirkland & Ellis	376,000	Fedex	123,000
Moveon.org	347,000	Wachovia	123,000
Morgan Stanley	341,000	Pinnacle West Capital	123,000
Time Warner	339,000	Lehman Brothers	121,000
Wilmerhale LLP	335,000	Gibson,Dunn & Crutcher	104,000
Exelon	314,000	U.S. Army	104,000
Latham & Watkins	300,000	Bear Stearns	99,000

Source: Center for Responsive Politics

With one exception -- Merrill Lynch associates -- all of Obama's top contributors have given substantially more than McCain's top contributors. Six of the major contributors

have hedged their bets, making contributions to both Obama and McCain. All six represent huge financial institutions which have been in the financial news headlines of late. In every case, they have bet more on Obama than on McCain. Goldman Sachs associates have placed the highest wager of all, a total of \$983,000 on both candidates with Obama getting \$515,000 more than McCain.

Five of these six have not been shy about contributing to political campaigns in the past. Their total contributions from 1990-2008 are shown below:

Goldman Sachs	\$ 29,665,000
Citigroup	24,999,000
J.P. Morgan Chase	19,122,000
Morgan Stanley	17,278,000
Merrill Lynch	14,164,000

Source: Center for Responsive Politics

The frontrunner over this period is AT&T associates who have contributed a total of \$39,930,000.

Two sectors – finance-insurance-real estate (\$27,645,000) and lawyers-lobbyists (\$27,621,000) are the main identifiable contributors to Obama’s campaign. The two main sectors supporting McCain also are finance-insurance-real estate (\$22,912,000) and lawyers-lobbyists (\$9,304,000). The “other sector” gave \$42,787,000 to Obama and \$26,564,000 to McCain.

Slicing the data by city shows that both Obama and McCain drew heavy financial support from New York, Washington, Chicago, and Los Angeles. In each case, Obama has drawn in more from these cities (\$80,964,000) than has McCain (\$27,655,000). San Francisco is another major source for Obama but not McCain, while Phoenix is a major backer of McCain but not Obama.

As of August 31, Obama has raised a total of \$454,056,000 compared to the \$240,122,000 McCain has raised. Obama’s total nearly matches the funds raised by all 672 Democratic candidates running for seats in the U.S. House of Representatives. McCain’s total falls well short of the total for all 615 Republicans competing for those seats.

The FEC requires presidential candidates to itemize contributions \$200 or more. Smaller contributions are exempt. McCain reports that 34 percent of the monies received (\$81.6 million) came from persons contributing less than \$200. For Obama, 51 percent (\$231.6 million) has come from small contributions. Information on donors is available at the CRP website: www.opensecrets.org.

Both McCain and Obama depend heavily on bundlers -- persons who collect contributions from various sources and deliver them in a bundle. As of mid-August, McCain had 534 bundlers who delivered \$75,750,000. The 509 bundlers working for Obama turned in \$63,300,000. The top three bundlers for each candidate are:

McCain	Carl Lindner, American Financial Group, OH	\$706,600
	Ginny Knott, Knott Partners, NY	397,990
	Richard Chilton, Chilton Investment Co, NY	368,900
Obama	Frank Brosens, Taconic Capital Advisers, NY	\$275,580
	Elaine Wynn, Wynn Resorts, NV	262,100
	Peter Buttenweiser, Intermission Ltd, PA	254,300

Obama lists 37 bundlers with a Washington DC address. For more than 200 of his bundlers no contribution total is reported by CRP. McCain lists 16 bundlers with an address in Washington DC. Roughly 50 of his bundlers are listed by CRP with no contribution total.

The information from CRP does not provide a final answer to our leading question. It does not include data, for example, on the independent groups which either support or oppose one of the candidates. More on those groups in our next report.

However, the information on the huge amounts raised from small contributions which are not itemized raises another deeply-disturbing question. With more than \$300 million reported from Obama and McCain contributors, each one donating less than \$200, are bundlers taking large contributions from a few well-heeled supporters, splitting them up among a much larger number of small contributors, and delivering those contributions so that the identities of the parties involved are never disclosed to the public? What we are reporting and suggesting here drives home the importance of keeping such questions in mind beginning on the day after the election when the IOUs issued by the winning candidate become payable on demand.

We are reminded of the familiar warning: “power tends to corrupt, absolute power corrupts absolutely.” Money is power.

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