



Big Oil Floods the Capitol:

How California's Oil Companies Funnel Funds
Into the Legislature

A study brought to you by the ACCE Institute and Common Cause

April 2014



About the ACCE Institute

The ACCE Institute’s mission is to improve the lives of low income and working families in California by carrying out and supporting work that fosters community improvement and civic participation. The ACCE Institute conducts research on critical issues of concern to low- and moderate-income communities, educates the public and policy-makers about these issues, and provides capacity-building trainings to individuals and organizations.

The ACCE Institute partners with the organization Alliance of Californians for Community Empowerment (ACCE), which is a statewide community organization working with thousands of members in eleven counties creating transformative change by helping ordinary citizens to organize and take action.

About Common Cause

With a 40-year track record, chapters in 35 states, and nearly 400,000 supporters and activists across the country, Common Cause is one of the nation’s most effective grassroots advocacy organizations dedicated to reforming government and strengthening democracy in America.

As founder John Gardner put it, “Common Cause is about making political decision-makers accountable to their constituents.” In that vein, the issue of ethics in government has been paramount. In states across the country, Common Cause has played a lead role in putting ethics reform issues in the spotlight, leading the fight to pass the federal Honest Leadership and Open Government Act, and led the charge to create the Office of Congressional Ethics.

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Executive Summary

The oil and gas industry has significant influence over California politics. With profits at stake and public focus on the oil and gas industry's environmental and tax practices, Big Oil puts millions into Sacramento every year to help keep their interests in check. While there is nothing inherently wrong with making campaign contributions or spending money to lobby state elected officials, if this spending by the oil and gas industry buys access to, and influence over, leaders making key policy decisions, Californians should be concerned. As the state continues to recover from economic and environmental crisis, many Californians are still struggling to have their needs met. Without the same resources to ensure that their concerns are heard in Sacramento, Californians should be wary of the disproportionate influence of Big Oil in Sacramento.

The oil and gas industry does not have to pay taxes on resources they extract in California, a departure from the policy of most every other oil-producing state. Resource extraction can have an adverse environmental impact. Additionally, failing to tax this resource extraction and generate any revenue for California means less revenue for the State's general fund, further contributing to the inadequate funding of programs and services throughout the state.

Key members of Big Oil are some of the largest corporations in all of California, including Chevron, Exxon, Aera Energy and Occidental Petroleum. And these big corporations spend big time. Over the past 15 years, Big Oil spent a whopping \$143.3 million on political candidates and campaigns. That's nearly \$10 million per year.

Seated legislators received tens of thousands from Big Oil over their careers. Over the last 15 years, the top currently serving legislative recipients are Senator Rod Wright (\$83,100), Assemblymember Isadore Hall, III (\$80,600), Senator Jean Fuller (\$76,850), Assemblymember Henry Perea (\$73,050), and Senator Bob Huff (\$69,400). This report profiles the top recipients, as well as those legislators who are facing a vote on the Oil and Gas Extraction Tax (Senate Bill 1017) this month, April 2014.

In addition to its political contributions, Big Oil exerts considerable influence lobbying in Sacramento. Big Oil employs high profile, high powered lobbyists to ensure their interests are represented. In the past 15 years, the price tag for these lobbyists has totaled \$123.6 million. In 2013-2014 alone, the top lobbyist employer, Western States Petroleum Association, spent \$4.7 million.

The oil lobby presence in Sacramento is growing. So far during the 2013-2014 session, the Oil and Gas lobby has spent nearly \$15 million in Sacramento. Only halfway through the session, and with expenditure rates typically increasing late in the legislative season when more bills are up for a final vote, California is on track to surpass the roughly \$25.5 million spent on lobbying in the 2011-2012 legislative session. Similarly, the number of oil and gas industry lobbyists in Sacramento has gone from 22 lobbyist employer organizations registered with the FPPC in 1999-2000 to 32 registered sector for the current legislative session (2013-2014).



While much attention has been paid to the economic recovery in California in the last several years, the state is still in crisis. The safety-net for California's neediest is broken, higher education is less affordable and accessible than ever, and other vital social services are continually underfunded. This report shows the broad scope of the oil lobby's spending in order to influence public policy in California and illustrates that the oil and gas industry's spending is growing. Until laws are passed to truly curb the role of money in politics, the voices of regular citizens will invariably be drowned out by cash.

Methodology

To compile data on political donations, we looked at campaign finance data available from the California Secretary of State's Cal-Access Database (<http://cal-access.ss.ca.gov/Campaign/>) for 20 oil companies with donation records. Two additional companies had no California Secretary of State campaign finance data available, so data from the National Institute on Money in State Politics was used. The time period captures all available data for 1999-2014. To calculate which Assemblymembers and Senators received the largest contributions from the oil and gas industry, we considered only currently seated members of either house and calculated their total contributions for 15 years of available data (1999-2014). For this reason, members who have held office for a longer period of time would be more likely to appear at the top of our top ten list for oil and gas industry contributions.

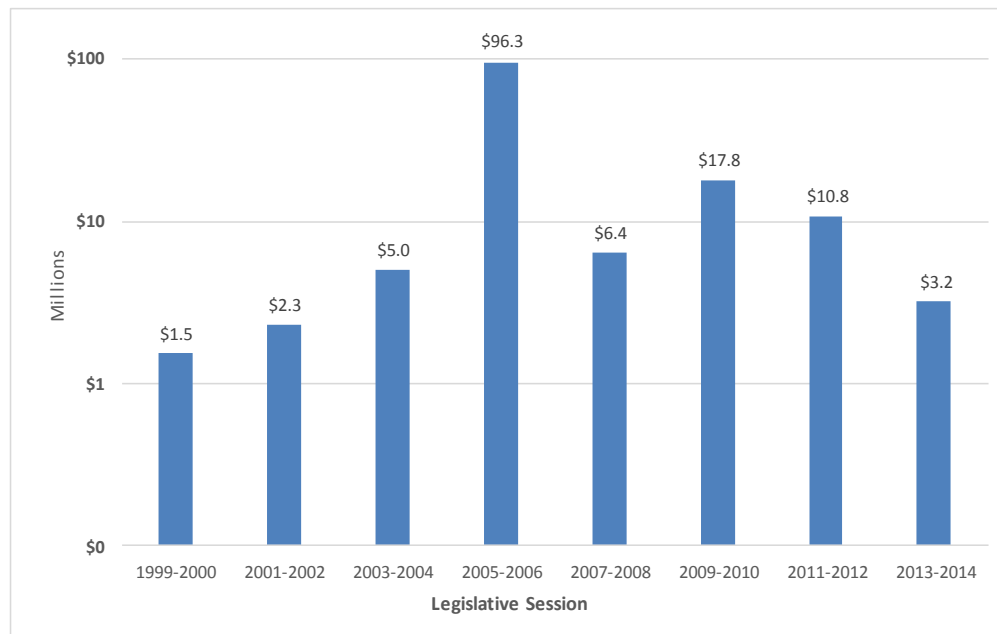
To analyze the lobbying activity of the oil and gas industry, we looked at 15 years of lobbying data (1999-2013) available from the California Secretary of State's Cal-Access Database (<http://cal-access.ss.ca.gov/Lobbying/>). Specifically, we analyzed lobbying activity by lobbyist employer organizations as reported on Fair Political Practices Commission (FPPC) Form 635 (Report of Lobbyist Employer and Report of Lobbying Coalition). We included those lobbyist employer organizations which self reported as belonging to the oil and gas industry on FPPC Form 603 (Lobbyist Employer or Lobbyist Coalition Registration Statement).

How California’s Oil Companies Funnel Funds into the Legislature

Big Oil’s record profits have put organizations in the industry in the position to funnel considerable cash into political candidates and campaigns. Year after year, Big Oil is one of the most prominent political donors in Sacramento. The oil and gas industry’s financial reach covers the Governor, the Senate, and the Assembly, with mass donations going to members of both the Republican and Democratic parties.

To analyze political giving by the oil and gas industry, we looked at 15 years of political contribution data available from the Secretary of State for the years 1999-2014 (see Methodology).

Figure 1: Total Oil and Gas Industry Campaign Contributions, 1999-2014

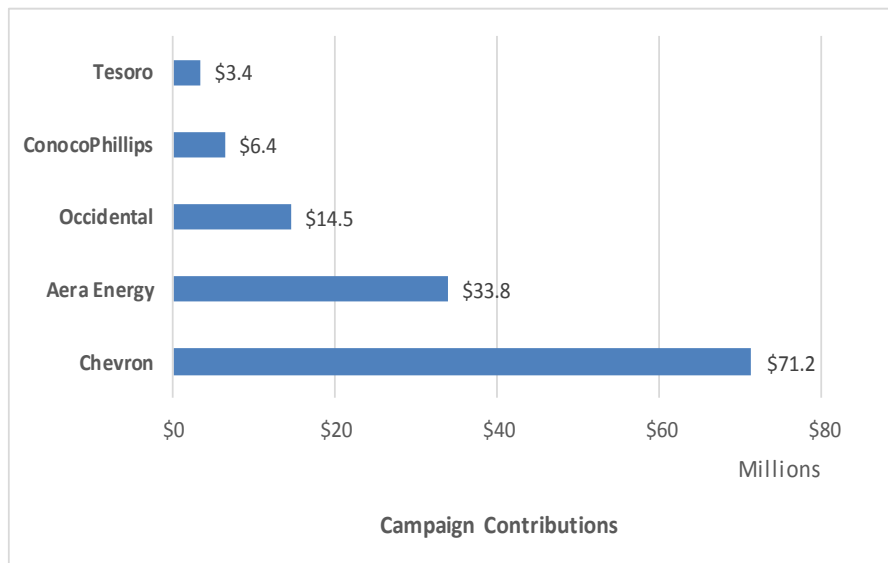


Note: Y-axis uses a logarithmic scale

Over the past 15 years, the oil and gas industry has funneled \$143.3 million into California candidates, campaigns, and elected officials. That total of nearly \$10 million per year for the past 15 years shows the commitment Big Oil has to influencing our elected officials (See Figure 1 for total campaign contributions by legislative session).

A few legislative cycles proved to be more active than others. In the 2005-2006 cycle, the oil and gas industry funneled \$96.3 million into candidates and campaigns. The biggest donors during the 2005-2006 cycle were Chevron (\$42.8 million) and Occidental (\$10.0 million). At the time, Proposition 87, an initiative that would have imposed a tax on oil producers in California to fund alternative energy sources, was a major ballot measure and campaign. Likely, Proposition 87 accounted for much of the dramatic increase in donations during that cycle. Proposition 87 was not successful.

Figure 2: Top 5 Oil and Gas Industry Campaign Contributors, 1999-2013

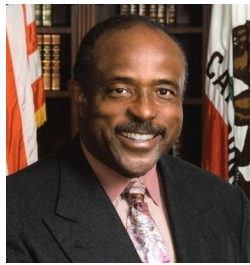


Some donors have contributed far more than others (See Figure 2 for the top five contributors). California based Chevron leads other organizations in political donations given, with a whopping \$71.2 million given during the 15 years reviewed for this report. Aera energy is also an industry donation juggernaut, giving \$33.8 million during the same time period. Companies like Chevron and Aera have gone to great lengths influence candidates and initiative campaigns in California elections.

Big Oil High Rollers

Out of the 120 Senators and Assemblymembers, some have developed particularly lucrative relationships with the oil and gas industry's top contributors. For the purposes of this report, the top 10 legislators who have received the most money from the Oil and Gas Lobby from 1999 through 2013 have been dubbed "Big Oil's Top 10 for Dirty Money." There are 7 senators and 3 Assembly members on the list, split between 6 Democrats and 4 Republicans.

Table 1: Top Ten Legislative Recipients of Oil & Gas Industry Contributions, 1999-2013



Senator Rod Wright (SD-35)

Carson, Compton, Gardena, Hawthorne, Inglewood, Lawndale, Long Beach, Los Angeles, Torrance.

TOTAL RECEIVED: \$83,100

Favorite Donors: Chevron, Occidental, ConocoPhillips



Assemblymember Isadore Hall III (AD-64)

Carson, Compton, Rancho Dominguez, Long Beach, Los Angeles, Willowbrook.

TOTAL RECEIVED: \$80,600

Favorite Donors: Chevron, ConocoPhillips, Exxon



Senator Jean Fuller (SD-18)

Bakersfield, Barstow, Big Bear City, California City, Ridgecrest, Porterville.

TOTAL RECEIVED: \$76,850

Favorite Donors: California Independent Oil Marketers, Chevron, Occidental



Assemblymember Henry Perea (SD- 31)

Fresno, Del Rey, Firebaugh, Monmouth, San Joaquin.

TOTAL RECEIVED: \$73,050

Favorite Donors: Chevron, Occidental, Tesoro



Senator Bob Huff (SD-29)

Diamond Bar, Anaheim, Fullerton, West Covina, Bueno Park

TOTAL RECEIVED: \$69,400

Favorite Donors: California Independent Oil Marketers, Occidental, Tesoro



Senator Mimi Walters (SD-37)

Anaheim, Huntington Beach, Irvine, Laguna Beach, Orange.

TOTAL RECEIVED: \$68,062

Favorite Donors: California Independent Oil Marketers, ConocoPhillips, Occidental, Valero



Senator Ron Calderon (SD-30)

Huntington Park, Whittier, Los Angeles, Hacienda Heights, South Gate

TOTAL RECEIVED: \$64,886

Favorite Donors: Chevron, ConocoPhillips, Exxon



Assemblymember Connie Conway (AD-26)

Bishop, Exeter, Porterville, Tulare, Visalia

TOTAL RECEIVED: \$62,800

Favorite Donors: California Independent Oil Marketers, Occidental, Valero



Senator Lou Correa (SD-34)

Long Beach, Anaheim, Garden Grove, Orange, Santa Ana

TOTAL RECEIVED: \$57,650

Favorite Donors: Chevron, Exxon, ConocoPhillips



Senator Cathleen Galgiani (SD-05)

Lodi, Stockton, Tracy, Modesto

TOTAL RECEIVED: \$47,600

Favorite Donors: BP, California Independent Oil Marketers, Chevron

Big Decision: With Big Oil or Not?

The following legislators will face an upcoming big decision. They will be the first to vote on the Oil and Gas Extraction tax in the Senate Education Committee and the Senate Governance and Finance Committee. Table 2 and Table 3 below show the Senators that sit on these committees and the total amount of campaign contributions they have received from the oil and gas industry since 1999.

Table 2: Senate Education Committee, Oil & Gas Industry Contributions, 1999-2014

Sentaor Carol Liu (SD-25) – Chair TOTAL RECEIVED: \$14,600	Senator Mark Wyland (SD-38) – Vice Chair TOTAL RECEIVED: \$28,550
Senator Marty Block (SD-39) TOTAL RECEIVED: \$2,000	Senator Lou Correa (SD-34) TOTAL RECEIVED: \$57,650
Senator Cathleen Galgiani (SD-05) TOTAL RECEIVED: \$47,600	Senator Loni Hancock (SD-09) TOTAL RECEIVED: \$6,700
Senator Ben Hueso (SD-40) TOTAL RECEIVED: \$13,900	Senator Bob Huff (SD-29) TOTAL RECEIVED: \$69,400
Senator Bill Monning (SD-17) TOTAL RECEIVED: \$700	

Table 3: Senate Governance & Finance Committee, Oil & Gas Industry Contributions, 1999-2014

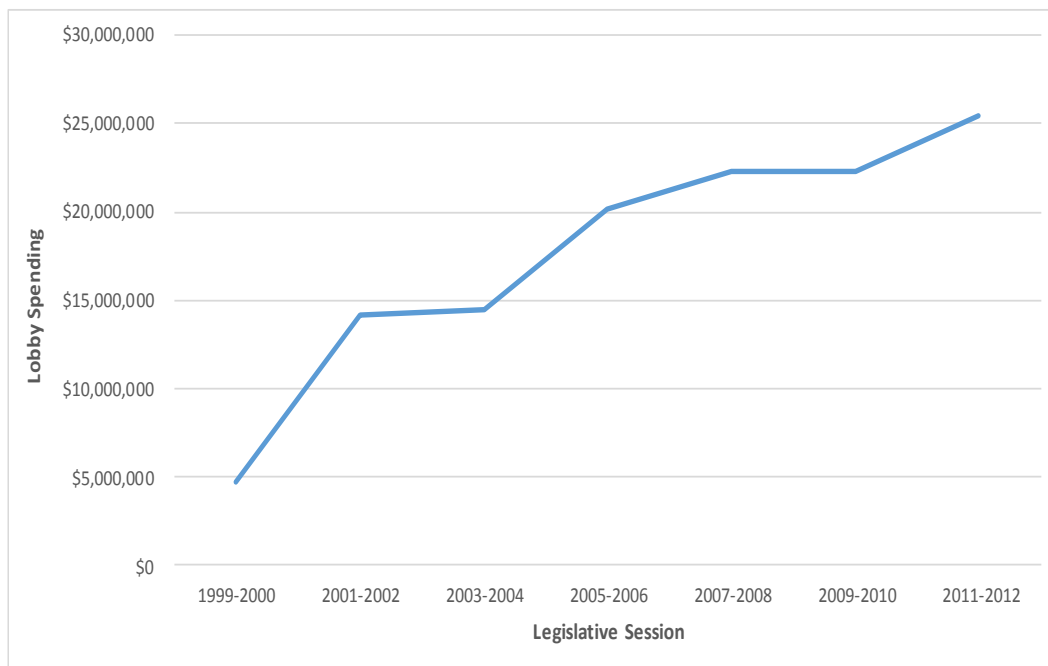
Senator Lois Wolk (SD-03) – Chair TOTAL RECEIVED: \$17,750	Senator Steve Knight (SD-21) – Vice Chair TOTAL RECEIVED: \$34,200
Senator Jim Beall (SD-15) TOTAL RECEIVED: \$3,000	Senator Mark DeSaulnier (SD-07) TOTAL RECEIVED: \$13,200
Senator Ed Hernandez (SD-24) TOTAL RECEIVED: \$34,500	Senator Carol Liu (SD-25) TOTAL RECEIVED: \$14,600
Senator Andy Vidak (SD-16) TOTAL RECEIVED: \$20,300	

Beyond Political Spending: The California Oil and Gas Lobby

While the Oil and Gas Lobby has exerted its influence through significant spending on political candidates and campaigns in California, it has also flexed its political muscle by lobbying the state legislature and state agencies on important legislation. Not only does the Oil and Gas Lobby spend millions to influence the outcome of elections, but just as importantly, it spends considerably to influence the policy decisions of our state officials once they take office.

Over the last decade, California has seen a dramatic increase in the amount that the Oil and Gas Lobby spends to lobby state officials. During the 1999-2000 legislative session, the Oil and Gas Lobby spent \$4.8 million on lobbying. Compare that to the most recent legislative session (2011-2012), when the Oil and Gas Lobby spent \$25.5 million, an increase of \$20.7 million, or more than 400 percent, in lobbying activity. Figure 3 below shows the overall trend in lobbying of this industry between 1999 and 2012.

Figure 3: Oil and Gas Lobbying in California Has Increased More than 400 Percent Since 1999



Beyond just an increase in the total spending of the Oil and Gas Lobby to lobby on legislation, California has also seen an increase in the number of registered lobbyist employers from the oil and gas sector. During the 1999-2000 legislative session, there were 22 lobbyist employer organizations in the oil and gas industry registered with the FPPC. Since then, there has been a steady increase in that number. At present, there are 32 lobbyist employers registered with the FPPC in the oil and gas sector for the current legislative session (2013-2014).

So who are the key players in the industry investing millions of dollars every year to lobby elected officials and state agencies on important policy decisions? It turns out that many of the top oil and gas lobbyist employers have been consistent over time. For example, since the 2001-2002 legislative session, the Western States Petroleum Association has spent the most of any other organization in the oil and gas sector on lobbying activity. Chevron Corporation, BP America, Conoco Phillips, and Shell Oil, and Exxon Mobile Corporation are also frequently seen in the top ten for all organizations in the oil and gas sector. Table 4 shows the top ten lobbyist employers for the oil and gas sector during 2013-2014 legislative session so far. An asterisk indicates those organizations which have been in the top ten for all oil and gas lobbyist employers since the 2001-2002 legislative session.

Table 4: Top Ten Oil and Gas Lobbyist Employers, 2013 –2014

<i>Company</i>	<i>Spending</i>	<i>Share of Total Oil & Gas Lobby Spending</i>
*Western States Petroleum Association	\$4,670,010	31.2%
*Chevron Corporation	\$3,950,445	26.4%
Aera Energy	\$1,335,941	8.9%
Phillips	\$822,717	5.5%
*BP America	\$604,992	4.0%
Occidental Petroleum Corporation	\$562,905	3.8%
*Exxon Mobile Corporation	\$465,482	3.1%
California Independent Petroleum Association	\$382,451	2.6%
Word Oil Corporation/Coffee Brimhall	\$324,455	2.2%
*Shell Oil Products/Shell Oil Company	\$317,666	2.1%
TOTAL LOBBYING, TOP TEN	\$13,437,064	89.6%
TOTAL LOBBYING, ALL OIL & GAS LOBBYIST EMPLOYERS	\$14,989,067	

**Organization has appeared in the top ten for lobby spending by the oil and gas industry since 2001-2002*

Not only do the same organizations lobby from year to year, but these top organizations dominate all lobbying for the oil and gas sector. So far during the 2013-2014 legislative session, the top ten lobbyist employers represent about 90 percent of all lobbying activity in the oil and gas sector. This means that roughly a third of all oil and gas lobbyist employers make up nearly all of the lobbyist spending by the Oil and Gas lobby in California.

With so few organizations dominating lobbying activity, Californians should be concerned that elected officials may not be hearing the whole story when it comes to making informed decisions on important policy. An organization like Western States Petroleum Association, which represents one small sector of the population with narrow interests, but that spends over \$4.5 million to target politicians on select issues, almost certainly skews the policy discourse in its favor. Lobbyist organizations with a vested interest in legislation effectively can buy access to politicians that the average Californian cannot, which may result in elected officials making important decisions without all of the relevant information.



Given the historical lobby spending of the oil and gas industry, what do the trends suggest part way through the current legislative session? To-date, the Oil and Gas lobby has spent nearly \$15 million to influence legislation during the 2013-2014 session. Only halfway through the session, already California is on track to surpass the roughly \$25.5 million spent on lobbying in the 2011-2012 legislative session. Moreover, lobbying activity generally spikes at the end of the legislative session when there is generally an increase in the number of votes in the legislature and lobbyist employers increase the amount of time they spend lobbying elected officials. This means that California could likely see lobbyist activity from the oil and gas industry well in excess of \$30 million for the 2013-2014 legislative cycle.

Conclusion: Why Every Californian Should Care

Big Oil has the resources and the impetus to buy influence with policymakers in Sacramento in order to ensure that their interests are protected. California politicians on both sides of the aisle have benefited from donations straight from the considerable profits accumulated by oil companies. Over the course of their careers, our currently seated Assembly and Senate have taken millions of dollars from Big Oil interests. Because of California's importance to the oil and gas industry, it will continue to be a hotbed for political donations and lobbying activity by the industry.

Everyday Californians continue to fight for a voice in the political arena. This struggle is made harder by the fact that Big Oil has consolidated millions of dollars of influence on their side, drowning out the voice of the average Californian. In order to correct this imbalance of speech, California needs broad, systemic change to ensure that politicians are accountable to their constituents rather than special interests like Big Oil.

Appendix

The table below shows total campaign contributions, by elected official. The full compiled list of donations is available by request. Email requests to info@calorganize.org.

Recipient	Total of Donations	Party Affiliation	Chamber	Money Rank
Wright, Rod	\$83,100	D	S	1
Hall, III Isadore	\$80,600	D	A	2
Fuller, Jean	\$76,850	R	S	3
Perea, Henry	\$73,050	D	A	4
Huff, Bob	\$69,400	R	S	5
Walters, Mimi	\$68,062	R	S	6
Calderon, Ron	\$64,886	D	S	7
Conway, Connie	\$62,800	R	A	8
Correa, Lou	\$57,650	D	S	9
Galgiani, Cathleen	\$47,600	D	S	10
Grove, Shannon	\$46,350	R	A	11
Bonilla, Susan	\$44,500	D	A	12
Harkey, Diane	\$43,450	R	A	13
Berryhill, Tom	\$43,400	R	S	14
Logue, Dan	\$41,150	R	A	15
Gorell, Jeff	\$37,600	R	A	16
Olsen, Kristin	\$36,950	R	A	17
Nestande, Brian	\$36,000	D	A	18
Gray, Adam	\$35,100	D	A	19
Gaines, Ted	\$34,900	R	S	20
Hernandez, Edward	\$34,500	D	S	21
Knight, Steve	\$34,200	R	S	22
Nielsen, Jim	\$34,050	R	S	23
Achadjian, Katcho	\$33,800	R	A	24
Yee, Leland	\$33,650	D	S	25
Cannella, Anthony	\$31,800	R	S	26
Perez, John	\$31,000	D	A	27
Gaines, Beth	\$30,200	R	A	28
Padilla, Alex	\$29,450	R	S	29
Morrell, Mike	\$29,150	R	S	30
Wyland, Mark	\$28,550	R	S	31
Anderson, Joel	\$27,650	R	S	32
Bradford, Steven	\$26,569	D	A	33
Lara, Ricardo	\$26,481	D	S	34
Hagman, Curt	\$26,050	R	A	35

Recipient	Total of Donations	Party Affiliation	Chamber	Money Rank
Salas, Rudy	\$24,500	D	A	36
Bocanegra, Raul	\$22,800	D	A	37
Frazier, Jim	\$21,400	D	A	38
Daly, Tom	\$20,900	R	A	39
Jones, Brian	\$20,400	R	A	40
Steinberg, Darrell	\$20,400	D	S	40
Vidak, Andy	\$20,300	R	S	41
Calderon, Ian	\$18,600	D	A	42
Buchanan, Joan	\$18,100	D	A	43
Lowenthal, Bonnie	\$17,950	D	A	44
Wolk, Lois	\$17,750	D	S	45
Rendon, Anthony	\$15,900	D	A	46
Maienschein, Brian	\$15,800	R	A	47
Atkins, Toni	\$15,750	D	A	48
Torres, Norma	\$15,500	D	S	49
Chesbro, Wesley	\$15,000	D	A	50
De Leon, Kevin	\$14,700	D	S	51
Liu, Carol	\$14,600	D	S	52
Eggman, Susan	\$14,550	D	A	53
Hueso, Ben	\$13,900	D	S	54
Wieckowski, Bob	\$13,525	D	A	55
Jones-Sawyer, Reggie	\$13,500	D	A	56
Gordon, Richard	\$13,450	D	A	57
DeSaulnier, Mark	\$13,200	D	S	58
Pan, Richard	\$12,800	D	A	59
Mullin, Kevin	\$12,639	R	A	60
Mansoor, Allan	\$12,550	R	A	61
Quirk, Bill	\$12,500	D	A	62
Gonzalez, Lorena	\$12,100	D	A	63
Bigelow, Frank	\$12,000	R	A	64
Perez, Manuel V.	\$11,650	D	A	65
Brown, Cheryl	\$11,600	D	A	66
Skinner, Nancy	\$11,400	D	A	67
Alejo, Luis	\$11,000	D	A	68
Wilk, Scott	\$10,000	R	A	69
Ridley-Thomas, Sebastian	\$9,850	D	A	70
Garcia, Cristina	\$9,100	D	A	71
Weber, Shirley	\$9,100	D	A	71
Corbett, Ellen	\$9,000	D	S	72
Hernandez, Roger	\$8,900	D	A	73

Recipient	Total of Donations	Party Affiliation	Chamber	Money Rank
Campos, Nora	\$8,500	D	A	74
Waldron, Marie	\$7,900	R	A	75
Cooley, Ken	\$7,600	D	A	76
Holden, Chris	\$7,100	D	A	77
Melendez, Melissa	\$7,000	D	A	78
Hancock, Loni	\$6,700	D	S	79
Linder, Eric	\$5,100	R	A	80
Evans, Noreen	\$5,000	D	S	81
Leno, Mark	\$5,000	D	S	81
Allen, Travis	\$4,500	R	A	82
Chavez, Rocky	\$4,500	R	A	82
Patterson, Jim	\$4,000	D	A	83
Donnelly, Tim	\$4,000	R	A	83
Hill, Jerry	\$3,900	D	S	84
Beall, Jim	\$3,000	D	S	85
Fong, Paul	\$2,300	D	A	86
Quirk-Silva, Sharon	\$2,200	D	A	87
Gatto, Mike	\$2,000	D	A	88
Medina, Jose	\$2,000	D	A	88
Stone, Mark	\$2,000	D	A	88
Dahle, Brian	\$2,000	R	A	88
Pavley, Fran	\$2,000	R	S	88
Block, Marty	\$2,000	D	S	88
Rodriguez, Freddie	\$1,250	D	A	89
Chau, Ed	\$1,000	D	A	90
Dababneh, Matt	\$1,000	D	A	90
Fox, Steve	\$1,000	D	A	90
Gomez, Jimmy	\$1,000	D	A	90
Williams, Das	\$1,000	D	A	90
Yamada, Mariko	\$1,000	D	A	90
Lieu, Ted	\$1,000	D	S	90
Monning, Bill	\$700	D	S	91
Ammiano, Tom	\$0	D	A	92
Bloom, Richard	\$0	D	A	92
Blumenfield, Bob	\$0	D	A	92
Bonta, Rob	\$0	D	A	92
Dickinson, Roger	\$0	D	A	92
Jackson, Hannah-Beth	\$0	D	S	92

Recipient	Total of Donations	Party Affiliation	Chamber	Money Rank
Levine, Mark	\$0	D	A	92
Mitchell, Holly	\$0	D	S	92
Muratsuchi, Al	\$0	D	A	92
Nazarian, Adrin	\$0	D	A	92
Roth, Richard	\$0	D	S	92
Ting, Phil	\$0	D	A	92
Wagner, Don	\$0	R	A	92
Grand Total	\$2,237,712			