

Shareholder Efforts to Improve Transparency of Corporate Political Spending

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In *Citizens United v. FEC*, 558 U.S. 310 (2010), the United States Supreme Court made it easier for corporate directors and executives to use company funds - shareholder assets - to support political candidates or causes. In response to *Citizens United*, the institutional investor community has urged public companies to enhance their disclosures of political spending.

Because compliance is voluntary, however, these efforts cannot account for the companies for whom disclosure is most important - those who have something to hide in their political spending. Without meaningful regulation from the SEC or legal precedent to require public disclosures, shareholder efforts to improve transparency faced a roadblock.

Since Summer 2012, BLB&G's Corporate Governance team, working on behalf of the New York State Common Retirement Fund, pursued a novel alternative for addressing this problem - a Section 220 books and records request. The Fund demanded that technology giant Qualcomm Inc. provide the Fund with corporate books and records reflecting its prior political spending. While Section 220 is regularly used by shareholders seeking to investigate corporate malfeasance, it had never before been used to obtain disclosure of corporate political spending.

After Qualcomm refused to provide the Fund with the requested books and records, BLB&G filed a lawsuit on behalf of the Fund to enforce its rights under Section 220. On February 22, 2013, Qualcomm adopted a Political Contributions and Expenditures Policy that will provide its shareholders with comprehensive disclosures regarding the Company's political activities.

The Fund and BLB&G may have broken important new ground that can help the shareholder community obtain more fulsome disclosure of corporate political spending.

To examine what the state of shareholder efforts to obtain improved disclosure of corporate political spending looks like going forward, BLB&G partner **Mark Lebovitch** moderated an esteemed panel of experts including:

- **Ian Bassin** - Former Associate Counsel to President Obama;
- **John Coates** - John F. Cogan, Jr. Professor of Law and Economics, Harvard Law School; and
- **Bruce Freed** - President and Founder of the Center for Political Accountability.

Click [here](#) to view the recorded webcast.