

Testimony of Senator John McCain
Lobbying Reform Proposals
U.S. Senate Committee on Homeland Security and Governmental Affairs
January 25, 2006

Madam Chairman, let me begin by thanking you and Senator Lieberman for holding this important hearing today. There is no doubt that a crisis of confidence exists in how Congress is perceived by the American people. Poll after poll reveals that a majority of the American people see those of us who serve in Congress as the lowest of the low. We need to fix that. We need to restore the confidence of the American people by proving to them that we can make tough decisions and end corrupting practices. We need to restore the confidence of the American people in their government, not so that we can all stay in office, but so that our children and our grandchildren will have a trustworthy, reliable government upon which they can depend.

As you all know, over the past year and a half, the Indian Affairs Committee has unearthed a story of excess and abuse by former lobbyists of a few Indian tribes. The story is alarming in its depth and breadth of potential wrongdoing. It has spanned across the United States, sweeping up tribes throughout Indian Country. It has taken us from Tribal reservations across America to luxury sports boxes here in town, from a sham international think tank in Rehoboth Beach, Delaware to a sniper workshop in Israel, and beyond. It involves tens of millions of dollars that we know about, and likely more that we do not. Much of what the Committee learned was extraordinary. Yet, much of what we uncovered in the investigation was unfortunately the ordinary way of doing business in this town.

How these lobbyists sought to influence policy and opinion makers is a case study in the ways lobbyists seek to curry favor with legislators and their aides. For example, they sought to ingratiate themselves with public servants with tickets to plush skyboxes at the MCI Center, FedEx Field, and Camden Yards for sports and entertainment events. They arranged extravagant getaways to tropical islands, the famed golfing links of St. Andrews, and elsewhere. They regularly treated people to meals and drinks. Fundraisers and contributions abounded.

During its investigation, the Committee also learned about unscrupulous tactics employed to lobby Members and to shape public opinion. We found a sham international think tank in Rehoboth Beach, Delaware, established, in part, to disguise the true identity of clients. We saw phony Christian grassroots organizations consisting of a box of cell phones in a desk drawer. I would submit that in the great marketplace of ideas we call public discourse, truth is a premium that we cannot sacrifice. Through these practices, the lobbyists distorted the truth, not only with false messages, but also with fake messengers.

Many cast blame only on the lobbying industry. But, we should not forget that we, as Members, owe it to the American people to conduct ourselves in a way that reinforces, rather than diminishes, the public's faith and confidence in Congress.

Because of the pressing need to address the cynicism of the American public, I introduced a bill to provide greater transparency into the process of influencing our government, and to

ensure greater accountability among public officials. The legislation does a number of things. It provides for faster reporting and greater public access to reports filed by lobbyists and their employers under the Lobbying Disclosure Act of 1995. It requires greater disclosure of the activities of lobbyists, including for the first time, grassroots lobbying firms. The bill also requires greater disclosure from both lobbyists, and Members and employees of Congress, about travel that is arranged or financed by a lobbyist or his client.

To understand more thoroughly the actions lobbyists take to influence elected officials, the bill requires lobbying firms, lobbyists, and their political action committees to disclose their campaign contributions to federal candidates and officeholders, their political action committees, and political party committees. It further mandates disclosure of fundraisers hosted, co-hosted, or otherwise sponsored by these entities, and disclosure of contributions for other events involving legislative and executive branch officials.

To get behind anonymous coalitions and associations and discover who actually is seeking to influence government, the bill requires registrants to list as clients those entities that contribute \$10,000 or more to a coalition or association. The bill expressly keeps intact, however, existing law governing the disclosure of the identities of members and donors to organizations designated as 501(c) groups under the Internal Revenue Code.

I have read news reports that the Department of Justice is investigating job negotiations that some public officials may have had with lobbying firms while still in government, negotiations that may have compromised their job performance. I have long been concerned with the revolving door between public service and the private sector, how that door is spun for personal gain, and the corrupting influences that can creep through that door into government decision-making. To address the problem, I am proposing to expand the cooling-off period to two years for Members of Congress and senior staff, and certain Executive Branch officials. And, to ensure a level playing field, I am seeking to close a loophole that has existed in Federal conflict of interest laws for those who represent Indian tribes.

To ensure compliance with Congressional restrictions on accepting gifts, the bill requires registrants under the Lobbying Disclosure Act to report gifts worth \$20 or more. To more accurately reflect the true value of benefits received, the bill also requires Members of Congress and staff to pay the fair market value for travel on private planes, and values sports and entertainment tickets in skyboxes at the cost of the highest priced ticket in the arena.

Madam Chairman and Sen. Lieberman, an informed citizenry is essential to a thriving democracy. And, a democratic government operates best in the disinfecting light of the public eye. The Senate's approach should be one of greater disclosure of and transparency into the interactions of lobbyists with our public officials. My legislation is intended to balance the right of the public to know with its right to petition government; the ability of lobbyists to advocate their clients' causes with the need for truthful public discourse; and, the ability of Members to legislate with the imperative that our government must be free from corrupting influences, both real and perceived. We must act now to ensure that the erosion we see today in the public's confidence in Congress does not become a collapse of confidence.

Again, thank you for holding this important hearing, and thank you for giving me the opportunity to present my views.