SEC ‘taking a look’ at having companies disclose political spending

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The Securities and Exchange Commission may soon take steps to require companies disclose how all their money is spent on politics.

Meredith Cross, the director of the SEC’s division of Corporate Finance, told MarketWatch Thursday that the unit is taking a look at a political disclosure petition filed by Harvard Law School Professor Lucian Bebchuk and other academics.

“We are looking at the rulemaking petition that was filed requesting mandatory disclosure of political spending and we have 300,000 comments on it. So in light of the interest, we’re taking a look at whether to make a recommendation to the commission,” Cross said.

According to a column by Bebchuk, companies can engage in political spending that is not publicly disclosed by channeling expenditures through lobbying groups such as the U.S. Chamber of Commerce. (Direct political spending by corporations does appear in public records) Bebchuk and others are seeking to have the SEC adopt rules that would require public corporations to disclose information about their political spending.

Investor groups in recent years have been pressing corporations to provide more details about their political spending. For example, the Needmor Fund, a small foundation based in Toledo, Ohio, sought unsuccessfully earlier this year to have Goldman Sachs lift the veil on its lobbying activities and the advocacy groups it backs financially.