

**FOLLOW THE MONEY: EXPOSING BIG TOBACCO FRONT GROUPS***November 2004*

*“If existing coalition does not exist to sponsor grassroots campaign, new organization needs to be created.... Budget estimates for weeks 1 through 24... Grassroots expenses – \$150,000 (depends on number of states, extent of programs, etc.).”<sup>1</sup>*

-- Philip Morris (1993)

The tobacco industry is a formidable political opponent. At both the federal and state levels, the industry has used its deep financial resources and powerful lobbyists are to undermine strong smokefree air policies. At the local level, however, Big Tobacco has been less effective; industry representatives are seen as outsiders, and lavish campaigns are conspicuous. Experienced smokefree advocates now prefer to take on the industry where it is most vulnerable—at the grassroots level, community by community—finding a broad base of support for strong statewide law. This strategy has been incredibly successful. Across the United States, over 4,800 municipalities are covered by a 100% smokefree provision in workplaces, and/or restaurants, and/or bars. Big Tobacco has responded by changing its tactics over the years. While down-playing its public visibility in local politics, the tobacco industry sponsors “astroturf” organizations – grassroots organizations that are funded, organized, and sometimes run by Big Tobacco. This paper will help smokefree advocates and supporters expose these organizations for what they are – tobacco industry front groups. By tracking down the real source of funding for these organizations, advocates can effectively expose Big Tobacco’s underhanded tactics to policymakers, the media, and the public.

**INITIAL STRATEGIES**

When tracking down information on tobacco industry front groups, know who and/or what to research. The tobacco industry may appear in your community in a number of guises, including nonprofit organizations, lobbying groups, or out-of-town consultants.

**Nonprofit Organizations**

Nonprofits come in all shapes and sizes: charities, literary societies, social welfare organizations, trade associations, and religious groups, to name a few. Typically, smokefree opponent groups have registered as 501(c) organizations, meaning they are exempt from paying federal taxes. Although there are several different types of 501(c) organizations, all are subject to similar disclosure requirements. Federal law requires that nonprofit organizations make their recent federal annual information returns (Form 990), their application for tax-exempt status (Form 1023), and nearly all associated materials available to the public for inspection.

When researching the financial backing of a nonprofit group, the first step is to obtain copies of an organization’s Form 1023 and most recent Form 990. This can be done in a number of ways:

- The **Internal Revenue Service (IRS)**, [www.irs.gov](http://www.irs.gov), provides a cumulative list of all tax-exempt organizations. The IRS database is a useful tool for determining whether or not an organization is a nonprofit and what its exempt status is. Insert “Exempt Organizations Search” into the IRS’s search engine to locate the appropriate forms. Provide the IRS with the name,

address, and, ideally, the Employer ID number of the organization being researched. To contact the IRS, make sure to contact the appropriate division.

- In order to obtain an organization's Form 1023, write to:  
Internal Revenue Service  
PO Box 2508  
Room 4010  
Cincinnati, OH 45201
- In order to obtain an organization's Form 990 plus Schedule A, write to:  
Internal Revenue Service  
Ogden Service Center  
PO Box 9941, Mail Stop 6734  
Ogden, UT 84409
- **Guidestar**, [www.guidestar.com](http://www.guidestar.com), is a database of more than 850,000 nonprofits and includes information on an organization's mission, activities, officers, and financial status. Links to some organizations' 990 forms are available.
- The **National Center for Charitable Statistics**, [www.nccs.urban.org/990](http://www.nccs.urban.org/990), provides a database of nonprofit organizations and includes copies of recent Form 990 filings. No other organizational information is provided on this site.
- If no information is found online or if problems in obtaining the forms from the IRS are encountered, try contacting the organization directly. Most nonprofit organizations are required by federal law to provide copies of their 990 filings within 30 days of a request.

Tax forms can be bewildering at first glance, but they are loaded with important organizational and financial information. Once a nonprofit's recent 990 filings are obtained, it is important to examine it for relevant information, including:

- **Main officers, employees, contributors, and contractors in an organization.** While not all employees are listed on a 990 form, there is a list of officers, major contributors, the five highest paid employees, and the five highest paid independent contractors. Check to see if these individuals have any history with the tobacco industry by using the ANR Foundation's Tobacco Industry Tracking Database, [www.tidatabase.org](http://www.tidatabase.org), and tobacco companies' internal document websites (these resources are described later in this paper).
- **Organization affiliation.** Is the organization affiliated with other exempt or nonexempt organizations? Does the organization have a record of lobbying activities? Spend some time going over the forms in detail, and research any items that may indicate tobacco industry involvement.

## Lobbyists and Political Action Committees (PACs)

Often referred to as the fourth branch of government, lobbying is a longstanding and direct method of influencing public policy. Lobbyists and political action committees (PACs) are subject to stringent public disclosure rules. Resources are available for monitoring the activities of professional lobbyists and their expenditures.

Begin by familiarizing yourself with the terrain. Lobbying disclosure laws for municipal campaigns vary from city to city. Find out what the disclosure laws are in your community. Sometimes, lobbying or election information does not have to be released until *after* a campaign. Therefore, it may not be possible to obtain lobbying information for a campaign currently in progress.

If lobbying records for a current campaign cannot be accessed, use statewide databases to research the history of an organization, lobbyist, or politician. The appendix to this paper provides a list of websites with state-specific campaign finance information. Additionally, there are a number of comprehensive websites that provide campaign information for every state. These websites will provide a good idea of what Big Tobacco has been spending in your state or municipality:

- The **Campaign Finance Information Center**, [www.campaignfinance.org](http://www.campaignfinance.org), is a resource for state election finance information. Although a fee is required to search the database, links to state-specific sites with campaign finance data can be accessed for free. If a state does not provide campaign finance information online, the site provides instructions on how to collect the information and the relevant addresses.
- The **National Institute on Money in State Politics**, [www.followthemoney.org](http://www.followthemoney.org), maintains a large database of state campaign finance data. Searches can be done on specific contributors, candidates, and across several states. The database covers several election cycles and provides basic information for all states.
- The **Center for Responsive Politics**, [www.opensecrets.org](http://www.opensecrets.org), is a good place to research individuals who may be aligned with the tobacco industry. Search databases for registered lobbyists (and the industries they are associated with), PACs, donors, and soft money contributions. The election overview database on this site is limited to federal elections.
- **TRKC Inc.**, [www.tray.com/fecinfo](http://www.tray.com/fecinfo), is similar to *OpenSecrets.org*; it maintains a list of federal and state donors and information on PACs. Although the site offers few free services, it may be more up-to-date than other sites.
- **Search Systems**, [www.searchsystems.net](http://www.searchsystems.net), offers links to more than 6,900 public document databases. Court decisions, corporate licenses, and lobbying directories are just a few of the useful documents that are accessible through this site. The databases can be searched nationally, by state, or by city.

## Individuals and “Consultants”

The tobacco industry is clever. It knows that a group of industry representatives will stick out like a sore thumb in a small community. Consequently, tobacco companies will often make use of third party organizations and independently contracted individuals. These “consultants” will claim that they are not directly affiliated with the tobacco industry, and frequently say that they are merely public relations (PR) experts or lawyers. The firms they work for usually handle a variety of issues in addition to representing tobacco interests. If a lawyer, PR representative, or other individual is covertly working with the tobacco industry, there are excellent resources you can use to gather more information:

- **Lawyers.** When doing background research on a lawyer or law firm, refer to, [www.martindale.com](http://www.martindale.com) or [www.directory.findlaw.com](http://www.directory.findlaw.com) -- online directories of lawyers and law firms. These sites provide information on lawyers’ practice areas and the names and addresses of their firms.
- **Public relations representatives.** PR representatives often try to keep a low profile. To research a specific PR representative or firm, try *PR Watch*, [www.prwatch.com](http://www.prwatch.com), a group which monitors the public relations industry and reports any disreputable firms, campaigns, or representatives.

## DIGGING DEEPER

So far, this paper has described strategies for looking closely into an organization’s structure and history to determine whether or not it has ties to the tobacco industry. Another strategy is to start at the other end. Looking at internal tobacco industry documents can provide a quick and informative way of finding out where, when, and with whom the industry has been involved.

### Tobacco Industry Internal Documents

Start by going straight to the source! The 1998 Master Settlement Agreement forced tobacco companies to make many of their internal documents available to the public. These documents can be found online and are an invaluable source of information on tobacco industry activities. The ANR Foundation website offers a directory with links to a number of document sites.

- **ANR Foundation Tobacco Industry Tracking Database** [www.tidatabase.org](http://www.tidatabase.org)
- **Legacy Tobacco Documents Library**, <http://legacy.library.ucsf.edu/>

## OTHER STRATEGIES

When researching an issue, organization, or individual, it is important to be as informed as possible. Simple search engines can be quite powerful. Google provides a very basic but thorough search page at [www.google.com](http://www.google.com). An “Advanced Search” will link to a specific site, web pages that are similar to a

specific site, and recent news articles on a topic. Even basic searches of names, organizations, and corporations occasionally bring up some interesting results.

Local and national news clippings are excellent places to gather information, as well.

[www.Journalistexpress.com](http://www.Journalistexpress.com) and [www.newslink.org](http://www.newslink.org) are websites that provide access to hundreds of news articles from across the nation.

Lastly, the ANR Foundation has been documenting the misdeeds and misrepresentations of the tobacco industry for more than a decade. We are more than happy to share knowledge and expertise. Contact the ANR Foundation at (510) 841-3032 or [www.no-smoke.org](http://www.no-smoke.org).

## Appendix: State Campaign Finance Information

STATE	WEBSITE
Alabama	<a href="http://www.sos.state.al.us/election/index.cfm">http://www.sos.state.al.us/election/index.cfm</a>
Alaska	<a href="http://www.gov.state.ak.us/ltgov/elections/homepage.html">http://www.gov.state.ak.us/ltgov/elections/homepage.html</a>
Arizona	<a href="http://www.sosaz.com/cfs/">http://www.sosaz.com/cfs/</a>
Arkansas	There is neither electronic filing nor is there any campaign finance information posted by the state.
California	<a href="http://www.ss.ca.gov/prd/prd.htm">http://www.ss.ca.gov/prd/prd.htm</a>
Colorado	<a href="http://www.sos.state.co.us/pubs/elections/main.htm">http://www.sos.state.co.us/pubs/elections/main.htm</a>
Connecticut	<a href="http://www.sots.state.ct.us/ElectionsDivision/CampaignFinance.html">http://www.sots.state.ct.us/ElectionsDivision/CampaignFinance.html</a>
Delaware	<a href="http://www.state.de.us/election/index.htm">http://www.state.de.us/election/index.htm</a>
Florida	<a href="http://election.dos.state.fl.us/campfin/cfindb.shtml">http://election.dos.state.fl.us/campfin/cfindb.shtml</a>
Georgia	<a href="http://www.sos.state.ga.us/elections/default.htm">http://www.sos.state.ga.us/elections/default.htm</a>
Hawaii	<a href="http://www.hawaii.gov/campaign/index.html">http://www.hawaii.gov/campaign/index.html</a>
Idaho	<a href="http://www.idsos.state.id.us/elect/finance.htm">http://www.idsos.state.id.us/elect/finance.htm</a>
Illinois	<a href="http://www.elections.state.il.us/">http://www.elections.state.il.us/</a>
Indiana	<a href="http://www.state.in.us/sos/elections/">http://www.state.in.us/sos/elections/</a>
Iowa	<a href="http://www.state.ia.us/government/iecdb/index.htm">http://www.state.ia.us/government/iecdb/index.htm</a>
Kansas	<a href="http://www.accesskansas.org/ethics/">http://www.accesskansas.org/ethics/</a>
Kentucky	<a href="http://www.state.ky.us/agencies/kref/krefhome.htm">http://www.state.ky.us/agencies/kref/krefhome.htm</a>
Louisiana	<a href="http://www.ethics.state.la.us/general/index.html">http://www.ethics.state.la.us/general/index.html</a>
Maine	<a href="http://www.state.me.us/ethics/">http://www.state.me.us/ethics/</a>
Maryland	<a href="http://www.elections.state.md.us/">http://www.elections.state.md.us/</a>
Massachusetts	<a href="http://www.state.ma.us/ocpf/">http://www.state.ma.us/ocpf/</a>
Michigan	<a href="http://www.michigan.gov/sos/0,1607,7-127-1633---,00.html">http://www.michigan.gov/sos/0,1607,7-127-1633---,00.html</a>
Minnesota	<a href="http://www2.mainserver.state.mn.us/cmpfin/index.htm">http://www2.mainserver.state.mn.us/cmpfin/index.htm</a>
Mississippi	<a href="http://www.sos.state.ms.us/elections/CampFinc/">http://www.sos.state.ms.us/elections/CampFinc/</a>
Missouri	<a href="http://www.moethics.state.mo.us/">http://www.moethics.state.mo.us/</a>
Montana	<a href="http://www.state.mt.us/cpp/css/default.asp">http://www.state.mt.us/cpp/css/default.asp</a>
Nebraska	<a href="http://nadc.nol.org/">http://nadc.nol.org/</a>
Nevada	<a href="http://sos.state.nv.us/nvelection/index.htm">http://sos.state.nv.us/nvelection/index.htm</a>
New Hampshire	<a href="http://www.state.nh.us/sos/electionsnew.htm">http://www.state.nh.us/sos/electionsnew.htm</a>
New Jersey	<a href="http://www.elec.state.nj.us/">http://www.elec.state.nj.us/</a>
New Mexico	<a href="http://www.sos.state.nm.us/">http://www.sos.state.nm.us/</a>
New York	<a href="http://www.elections.state.ny.us/">http://www.elections.state.ny.us/</a>
North Carolina	<a href="http://www.sboe.state.nc.us/">http://www.sboe.state.nc.us/</a>
North Dakota	<a href="http://www.state.nd.us/sec/">http://www.state.nd.us/sec/</a>
Ohio	<a href="http://www.state.oh.us/SOS/">http://www.state.oh.us/SOS/</a>
Oklahoma	<a href="http://www.sos.state.ok.us/">http://www.sos.state.ok.us/</a>
Oregon	<a href="http://www.sos.state.or.us/elections/elechp.htm">http://www.sos.state.or.us/elections/elechp.htm</a>

Pennsylvania	<a href="http://www.dos.state.pa.us/bcel/site/default.asp">http://www.dos.state.pa.us/bcel/site/default.asp</a>
Rhode Island	<a href="http://www.state.ri.us/ethics/Financial%20Disclosure/Financial%20Disclosure.htm">http://www.state.ri.us/ethics/Financial%20Disclosure/Financial%20Disclosure.htm</a>
South Carolina	<a href="http://www.state.sc.us/ethics/index.htm">http://www.state.sc.us/ethics/index.htm</a>
South Dakota	<a href="http://www.state.sd.us/sos/">http://www.state.sd.us/sos/</a>
Tennessee	<a href="http://www.state.tn.us/sos/election.htm">http://www.state.tn.us/sos/election.htm</a>
Texas	<a href="http://www.ethics.state.tx.us/">http://www.ethics.state.tx.us/</a>
Utah	<a href="http://elections.utah.gov/">http://elections.utah.gov/</a>
Vermont	<a href="http://vermont-elections.org/soshome.htm#campaign">http://vermont-elections.org/soshome.htm#campaign</a>
Virginia	<a href="http://www.sbe.state.va.us/">http://www.sbe.state.va.us/</a>
Washington	<a href="http://www.pdc.wa.gov/default.asp">http://www.pdc.wa.gov/default.asp</a>
West Virginia	<a href="http://www.state.wv.us/ethics/default.htm">http://www.state.wv.us/ethics/default.htm</a>
Wisconsin	<a href="http://www.wisdc.org/">http://www.wisdc.org/</a>
Wyoming	<a href="http://soswy.state.wy.us/election/election.htm">http://soswy.state.wy.us/election/election.htm</a>

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<sup>1</sup> Merlo, E. “[Memo re: budgeting.],” Philip Morris, February 19, 1993, Bates No: 2021252097-2110. Accessed on October 22, 2004. Download at <http://legacy.library.ucsf.edu/tid/hwl46e00>.