



# **NAMES IN THE NEWS: AMERICAN INTERNATIONAL GROUP (UPDATED)**

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On Sept. 23, 2008, Federal Reserve Chairman Ben Bernanke and Treasury Secretary Henry Paulson testified before the U.S. Senate Banking Committee. They urged Congress to take steps to stabilize the economy, an action that would likely involve the Treasury Department purchasing up to \$700 billion in troubled mortgage assets.<sup>1</sup>

News of a \$700 billion government sponsored bailout comes just days after the Federal Reserve announced plans to loan American International Group (AIG) \$85 billion to prevent the collapse of the company. Citing “already significant levels of financial market fragility,” the Board determined that the failure of AIG could lead to further economic turmoil in national and international markets.<sup>2</sup>

As the world’s largest insurance provider, AIG possesses more than \$1 trillion in assets and employs more than 116,000 people worldwide.<sup>3</sup> During the 2004, 2006, and 2007 election cycles, AIG used its assets to contribute nearly \$4 million to state-level candidate, party and ballot measure committees.

#### CONTRIBUTIONS TO COMMITTEES

AIG contributed to 404 political committees in 28 states from 2004 to 2007. The company gave the vast majority of its contributions, more than \$3 million, to recipients in California. Only two other states, New York and Nevada, received more than \$100,000 from AIG during the same period.

#### CONTRIBUTIONS TO COMMITTEES BY STATE, 2004-2007

<b>STATE</b>	<b>CANDIDATE CMTES</b>	<b>PARTY CMTES</b>	<b>BALLOT MEASURE CMTES</b>	<b>TOTAL</b>
California	\$1,024,452	\$1,470,000	\$531,410	\$3,025,862
New York	\$281,675	\$110,000	\$0	\$391,675
Nevada	\$10,000	\$0	\$130,185	\$140,185
Florida	\$15,000	\$39,500	\$0	\$54,500
Georgia	\$37,250	\$3,000	\$0	\$40,250
Indiana	\$21,400	\$15,750	\$0	\$37,150
Oregon	\$4,500	\$0	\$30,000	\$34,500
Delaware	\$1,200	\$28,500	\$0	\$29,700
Virginia	\$28,800	\$0	\$0	\$28,800
Washington	\$2,000	\$0	\$25,000	\$27,000
Texas	\$26,437	\$0	\$0	\$26,437
Colorado	\$500	\$0	\$20,000	\$20,500
Illinois	\$16,150	\$0	\$0	\$16,150
Hawaii	\$6,500	\$7,500	\$2,000	\$16,000
Nebraska	\$0	\$15,000	\$0	\$15,000

<sup>1</sup> “Text of Draft Proposal for Bailout Plan,” The New York Times, available from <http://www.nytimes.com/2008/09/21/business/21draftcnd.html>, accessed Sept. 23, 2008.

<sup>2</sup> “Press Release (Release Date: September 16, 2008),” *Board of Governors of the Federal Reserve System*, available from <http://www.federalreserve.gov/newsevents/press/other/20080916a.htm>, accessed Sept. 19, 2008.

<sup>3</sup> “Fed Steps in with \$85B Bailout for AIG,” *ABC News*, available from <http://abcnews.go.com/Business/PersonalFinance/story?id=5819481&page=1>, accessed Sept. 23, 2008.

<b>STATE</b>	<b>CANDIDATE CMTES</b>	<b>PARTY CMTES</b>	<b>BALLOT MEASURE CMTES</b>	<b>TOTAL</b>
Tennessee	\$12,200	\$0	\$0	\$12,200
Ohio	\$8,700	\$2,750	\$0	\$11,450
New Mexico	\$6,500	\$0	\$0	\$6,500
Pennsylvania	\$6,443	\$0	\$0	\$6,443
Missouri	\$4,800	\$1,000	\$0	\$5,800
Maryland	\$5,750	\$0	\$0	\$5,750
South Carolina	\$3,500	\$0	\$0	\$3,500
Kansas	\$3,000	\$0	\$0	\$3,000
Mississippi	\$2,000	\$0	\$0	\$2,000
New Hampshire	\$600	\$0	\$0	\$600
Alabama	\$500	\$0	\$0	\$500
Louisiana	\$200	\$0	\$0	\$200
Vermont	\$100	\$0	\$0	\$100
<b>TOTAL</b>	<b>\$1,530,157</b>	<b>\$1,693,000</b>	<b>\$738,595</b>	<b>\$3,961,752</b>

AIG contributed the most money, nearly \$1.7 million, to party committees. Candidate committees came in a close second, receiving more than \$1.5 million in contributions. Coming in a distant third were ballot measure committees, receiving less than \$750,000 in contributions.

#### CANDIDATE COMMITTEES

AIG and its affiliates contributed to 370 candidates in 27 states from 2004 to 2007. They gave the majority of their contributions, nearly 950,000, to legislative candidates. Gubernatorial candidates were the second-largest recipient group, receiving more than \$393,000.

AIG gave 58 percent of its contributions to Republican candidates and 42 percent of its contributions to Democratic candidates. Nonpartisan candidates received less than 1 percent of their contributions.

AIG gave more than \$1.45 million to winning candidates and incumbents. Losing candidates received less than \$75,000.

Only three candidates received more than \$50,000 from AIG:

- Former New York Gov. George Pataki, a Republican, received \$145,000 while governor of New York in 2003 and 2004.
- Steve Westly, a Democrat, received more than \$105,000. He received \$58,000 while state controller of California in 2003 and 2004. He also received \$47,000 to fund his unsuccessful challenge to Gov. Arnold Schwarzenegger in 2005 and 2006.
- California Gov. Arnold Schwarzenegger, a Republican, received nearly \$88,000 in 2005 and 2006.

By contributing to both Westly and Schwarzenegger, AIG funded potential general-election rivals. AIG contributed \$2,900 more to Westly than to Schwarzenegger prior to the primary election in 2006. After Westly lost to Phil Angelides in the Democratic primary, however, AIG contributed an additional \$43,300 to Schwarzenegger during the general election.

#### TOP 10 CANDIDATES RECEIVING CONTRIBUTIONS, 2004-2007

CANDIDATE	OFFICE	STATE	PARTY	TOTAL
Pataki, George E.	Governor	NY	Republican	\$145,000
Westly, Steve	Controller/Governor	CA	Democrat	\$105,513
Schwarzenegger, Arnold	Governor	CA	Republican	\$87,900
Machado, Michael J.	Senate	CA	Democrat	\$34,200
Calderon, Ron	Assembly/Senate	CA	Democrat	\$25,500
Kilgore, Jerry W.	Governor	VA	Republican	\$25,000
Hevesi, Alan G.	Comptroller	NY	Democrat	\$20,000
	Equalization			
Horton, Jerome E.	Board/Assembly	CA	Democrat	\$17,200
Garcia, Bonnie	Assembly	CA	Republican	\$15,100
Spitzer, Eliot L.	Governor	NY	Democrat	\$15,000

#### PARTY COMMITTEES

AIG contributed to 20 party committees in 10 states from 2004-2007. Twelve state party committees received more than \$1.6 million while eight legislative caucus committees received less than \$50,000. AIG gave 83 percent of their contributions to Republican party committees and 17 percent of their contributions to Democratic party committees.

The largest beneficiary of AIG was the California Republican Party, which received \$1.3 million, one-third of all the political contributions made by AIG from 2004-2007. The California Democratic Party and the New York State Democratic Party received the second and third largest contribution amounts. Their combined total, however, was five times less than what the California Republican Party received in the same period.

#### TOP 10 PARTY COMMITTEES RECEIVING CONTRIBUTIONS BY YEAR, 2004-2007

COMMITTEE	2004	2006	TOTAL
California Republican Party	\$575,000	\$725,000	\$1,300,000
California Democratic Party	\$30,000	\$140,000	\$170,000
New York State Democratic Party	\$77,500	\$0	\$77,500
Florida Republican Party	\$29,500	\$10,000	\$39,500
Delaware Democratic Party	\$15,000	\$10,000	\$25,000
Republican Assembly Campaign Committee of New York	\$21,500	\$1,000	\$22,500
Nebraska Democratic Party	\$0	\$15,000	\$15,000
Indiana Republican Party	\$10,000	\$0	\$10,000
Senate Republican Campaign Committee of New York	\$9,000	\$1,000	\$10,000
Hawaii Republican Party	\$5,000	\$0	\$5,000

## BALLOT MEASURE COMMITTEES

AIG contributed to 14 ballot measure committees in six states from 2004-2007. The majority of the ballot measures that AIG supported or opposed dealt with limiting lawsuit liability or government regulation of businesses. Committees supporting or opposing these types of ballot measures received more than \$355,000.

Three ballot measure committees received more than \$100,000 from AIG:

- Yes on 64: Californians to Stop Shakedown Lawsuits received \$175,000 in 2004. The committee supported Proposition 64 that would have limited an individual's right to sue a company because of unfair business practices.
- Californians Against Higher Taxes: No on 56 received more than \$107,000 in 2004. The committee opposed Proposition 56 that would have allowed budget-related bills to be enacted by the California state legislature with only 55 percent of the vote, rather than 66.67 percent of the vote.
- Nevadans Against Frivolous Lawsuits received more than \$105,000 in 2004. The committee opposed Question 4 which would have added provisions governing insurance rates and practices to the Nevada constitution. It also would have voided statutes that limited compensation to victims of medical negligence unless malpractice liability rates for medical providers were lowered.<sup>4</sup>

Eight of the nine ballot measures that AIG supported passed and six of the eight ballot measures that AIG opposed failed.

## BALLOT MEASURE COMMITTEES RECEIVING CONTRIBUTIONS

COMMITTEE	STATE	YEAR	MEASURE	POSITION	TOTAL
Yes on 64 Californians to Stop Shakedown Lawsuits	CA	2004	Prop. 64	Pro	\$175,000
Californians Against Higher Taxes No on 56	CA	2004	Prop. 56	Con	\$107,500
Nevadans Against Frivolous Lawsuits	NV	2004	Question 4	Con	\$105,185
Californians For An Open Primary PAC					
Yes on 62 No on 60	CA	2004	Prop. 60 & 62	Con/Pro	\$75,000
Taxpayers For Fair Elections	CA	2006	Prop. 89	Con	\$59,010
Californians Against Government Run Healthcare A Committee Against Proposition 72	CA	2004	Prop. 72	Con	\$49,900

<sup>4</sup> Sean Whaley, "Duplicity Alleged of Ballot Measures," Las Vegas Review-Journal, June 8, 2004, sec. A, p. 1.

<b>COMMITTEE</b>	<b>STATE</b>	<b>YEAR</b>	<b>MEASURE</b>	<b>POSITION</b>	<b>TOTAL</b>
Oregonians Against Insurance Rate Increases	OR	2006	Measure 42	Con	\$30,000
Consumers Against Higher Insurance Rates	WA	2007	Referendum 67	Con	\$25,000
Governor Schwarzeneggers California Recovery Team	CA	2005	Prop. 74	Pro	\$25,000
Keep Our Doctors in Nevada	NV	2004	Question 3	Pro	\$25,000
Rebuilding California, Yes on Propositions 1A, 1B, 1C, 1D and 1E	CA	2006	Prop. 1A, 1B, 1C, 1D & 1E	Pro	\$25,000
Coloradans for Responsible Reform 2004	CO	2004	Amendment 34	Con	\$20,000
Yes on 1A Californians to Protect Local Taxpayers & Public Safety	CA	2004	Prop. 1A	Pro	\$15,000
Victims Voice	HI	2004	Question 3	Pro	\$2,000