



SAVING FOR A RAINY DAY

**How Congress Turns
Leftover Campaign Cash
Into "Golden Parachutes"**



Kevin Chaffee

THE CENTER FOR PUBLIC INTEGRITY

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The Center for Public Integrity is an independent, non-profit organization examining public service and ethics-related issues in Washington with a unique approach combining the substantive study of government and in-depth journalism. The Center is funded by foundations, corporations, labor unions, individuals, and revenue from news organizations.

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I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts.

Abraham Lincoln

Kevin Chaffee was one of the first journalists to describe the phenomenon of former members of Congress converting leftover campaign funds to personal use. His article in the September 1984 issue of *Washington Monthly*, "Money Under the Mattress: What Congressmen Don't Spend," was nominated for three major journalism awards and was the subject of a National Public Radio program. Chaffee has researched or written about campaign finance issues for many years, for *The Almanac of American Politics*, *Campaign & Elections Journal*, and the Campaign Research Center, all in Washington, and the Citizen's Research Foundation in Los Angeles. He has also worked as a consultant to Congressional Quarterly Inc. Chaffee holds **A.B.** and **M.A.** degrees in history from Georgetown University and an M.A. degree from the Johns Hopkins University School of Advanced **International** Studies in Washington.

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OVERVIEW

In the current Congress, 165 members of the House of Representatives are covered by a "grandfather" clause that exempts them from legislation restricting personal use of campaign funds after they leave office. They can legally take their election money with them into retirement if their congressional service began before January 8, 1980.

The current "grandfathered" members remain eligible to convert *\$41 million* to personal use, but only if they leave office before the beginning of the next Congress, in January 1993. A host of disparate political analysts, other members of Congress, and even former President Richard M. Nixon have agreed that a record number may call it quits, although it is unknown how many will decide to take all or part of their warchests with them. Reduced incumbent margins, an aging membership, redistricting problems, and recent pension incentives are also factors that are expected to create an unprecedented turnover in seats.

For many, the stakes are enormous because of the unprecedented amount of campaign contributions they received from PACs and individuals during the past decade. Two of the grandfathers could transfer more than \$1 million each to personal use; another 18 have the potential to take between \$500,000 and \$1 million; 42 have between \$250,000 and \$500,000; and 60 have between \$100,000 and \$250,000.

Although some have claimed they will abide by the rule that requires their less senior colleagues to give leftover money to political or charitable causes, many have remained silent in order to keep their options open.

If past behavior is any indication, the possibility exists that a good number will take their "rainy day funds" with them, because that is precisely what many of their former colleagues have done since the loophole was passed into law 11 years ago.

The Center for Public Integrity examined the Federal Election Commission (FEC) records of over 200 members of Congress who left office during the period 1979–1991. This study details how *73 of them disposed of almost \$6.4 million in leftover campaign funds* for what were, in most cases, non-election-related expenditures.

The findings cast light on a phenomenon stretching across partisan and ideological lines. Former members whose election funds were directly transferred to personal use, or who used them for expense-account purposes, include such well-known public figures as former Vice Presidential candidate Geraldine Ferraro, former Office of Management and Budget Director David Stockman, ex-Senator John Tower, current Veterans Affairs Secretary Edward Derwinski, former House of Representatives Speakers Thomas P. "Tip" O'Neill and Jim Wright, former House Majority Whip John Brademas, former House Minority Leader John Rhodes, and former House Ways & Means Committee Chairman Al Ullman.

In addition, *over \$3.7 million remains in active or inactive accounts of former members.* The ultimate disposition of these funds is unknown. Individuals holding such accounts include Vice President Dan Quayle (with almost \$400,000 in his old Senate fund) and Defense Secretary Richard Cheney.

The study also shows that some members were defeated in re-election contests where available funds were not spent during the campaign and were converted later to personal use. Two of these, Reps. Fernand St Germain of Rhode Island and Joseph Minish of New Jersey, each declined to spend more than \$200,000 in available funds for races in which each was the losing candidate.

Another aspect of the study points out that many of the ex-members who dipped into campaign funds are currently drawing very generous pensions based upon their years of service in Congress. *Those who retire in 1993 are eligible for even larger pensions,* because their annual benefits will be calculated according to the recent 40 percent congressional pay raise. If these members leave at the end of the next Congress in 1993, it will be possible for the grandfathers to carry *double golden parachutes—campaign funds as well as inflated pensions—into retirement.*

I. ORIGINS OF THE GRANDFATHER CLAUSE

It generally comes as a surprise to the American public that there is a complex legal loophole allowing ex-congressmen to pocket money that was given to their campaign committees to cover the cost of running for **office—legal**, that is, for members sworn in before January 8, 1980, who will also be leaving office before the beginning of the next Congress, in January 1993.

The anomaly exists because members of the 96th Congress exempted, or “**grandfathered**,” themselves from one provision of **1979** amendments to the Federal Election Campaign Act. That provision outlawed the diversion of leftover campaign funds to personal use, requiring instead that they be used for charitable or political **purposes—but** only for those members sworn in after the **1980** cut-off date.

According to the law, such funds could not "be converted by any person [i.e., *any future* member of Congress] for any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of federal office, or to repay to a candidate any personal loans the proceeds of which were used in connection with his or her **campaign.**"

In a recent interview, Rep. Andrew Jacobs (**D-Ind.**) remembered that the House Administration Committee "bootlegged the **grandfathering** provision so deep in the original bill that most members **didn't** even hear about it until a couple of days afterward. It wouldn't have passed in a million years on a record vote."

When the committee's then-chairman Frank Thompson (D-N.J.), who later used \$24,000 in campaign funds for legal fees related to his **Abscam** trial, was asked by *Congressional Quarterly* why a ban on personal use for all members had not been adopted, he replied that "it would present too many problems. Some members have stashed away money for campaigns and other purposes They might have objected."

Although the Senate passed the same legislation, a prohibition in the form of a Senate rule was placed on *any* personal use of campaign funds by senators or former senators, although there could be little enforcement over ex-members except by withdrawing such courtesies as floor and dining room privileges. Of all senators departing in recent years, only Harrison Williams (D-N.J.), who used \$65,000 in campaign funds to pay legal costs related to his **Abscam** trial, has been called in for an accounting, and he was allowed to keep the money.

II. GROWTH OF CONGRESSIONAL WARCHESTS IN THE 1980s

Over the next 10 years, 1979–89, a major change occurred in the way in which congressional elections were financed. Many members began amassing larger and larger nest eggs from vast amounts of special-interest contributions. In many cases, especially those of powerful members with safe seats, the ability to raise enormous warchests with lobbyists' money had little to do with actual need, and this further increased the tendency to discourage or "shut out" viable opposition in many districts. Facing the prospect of being outspent 10- or 20-to-1, many potential challengers simply decided not to run, leaving incumbents facing fringe candidates or no opponents at all.

This is the primary reason for the development of what has been termed an "incumbent protection system," which in 1990 produced 233 congressmen winning re-election with over 65 percent of the vote. Of this number, 79 won in races in which they faced no major party opponent—a virtual doubling of the 40 uncontested races in 1980. By 1990, no-opponent congressional elections were not just confined to one-party districts in big cities and the South. Even traditionally strong two-party states witnessed numerous uncontested congressional races in the last election: three out of six districts in Iowa; three out of nine in Wisconsin; and in Pennsylvania, six out of 23.

With the incumbent re-election rate higher than 95 percent in election after election, more and more members of Congress found themselves able to carry over huge fundraising surpluses. In 1982, for example, there were 10 members of Congress who ended races with \$250,000 or more to carry over into their next race. After the 1988 election, this number had risen to 77. Those finishing races with over \$500,000 in cash-on-hand grew during the same period from two to 20, with two members of Congress each amassing more than a million dollars in campaign funds for the first time.

Preliminary FEC data indicates that the trend continued its upward climb after the 1990 election. As of December 31, 1990, an unprecedented 60 incumbent congressmen reported campaign surpluses of more than \$250,000. Of this total, 15 had between \$500,000 and \$1 million, and four had more than \$1 million.

The common rationale for continuing to accumulate these enormous warchests was and continues to be the hypothetical future appearance of a multimillionaire opponent willing to spend vast resources on an election challenge that the unwealthy incumbent will be required to counter. This scenario, while occasionally occurring in Senate races, has been the political *rara avis* in elections for the House in recent years, with a minuscule number of incumbents losing races to better-funded opponents.

In reality, the systematic building up of large warchests could be described more accurately, in many cases, as a situation whereby the "rainy day" money stockpiled by grandfathered members was destined for other than campaign purposes. Despite an extremely generous pension plan (see Appendix IV), many members were unable to resist helping themselves to campaign funds as an additional retirement benefit.

III. DISPOSAL OF THE RAINY DAY FUNDS

The Center for Public Integrity examined the campaign finance records of more than 200 former members of Congress who left office throughout the decade. Although there were many cases where the personal use of campaign funds might be considered an abuse of the public trust, it should be noted that the majority of individual senators and representatives did *not* directly or indirectly convert political funds to personal use.

Instead, many of those leaving Congress transferred existing campaign treasuries to committees financing other races in which they were a candidate (**Senate**, gubernatorial, state attorney general, etc.).

Of those who **retired**, many had ceased fundraising efforts or had little or nothing left over in the way of campaign funds after their last election. **Others**, although **grandfathered**, felt honor-bound to abide by the rules that required their un-grandfathered colleagues to make donations to state and local party **organizations**, candidates at various levels of government, or charitable and educational entities.

Manuel Lujan Jr., for example, the Republican congressman from New Mexico who resigned in 1989 to become Secretary of the Interior, used \$123,062 in leftover campaign money to set up a scholarship fund. Rep. Charles Whitley (D-N.C.) gave \$40,000 to two small colleges in his district; Rep. Don Fuqua (D-Fla.) established a \$100,000 endowment fund at the University of Florida; former Sen. Clifford Hansen (R-Wyo.) gave \$25,000 for scholarships at the University of Wyoming; and the funds of the late Sen. Henry M. Jackson (D-Wash.) were used to make a \$658,000 bequest to the University of Washington International Studies program and a \$100,000 contribution to a local school district.

Only a tiny minority have refunded contributions in their entirety or given back a pro-rated amount based on the amount of funds left over, as was suggested by Common Cause and other citizens groups. Former Reps. Harley O. Staggers (D-W.Va.) and Dan Mica (D-Fla.) returned \$59,000 and \$69,000, respectively, to PACs and individual donors; Rep. William Broadhead (D-Mich.) gave back more than \$72,000; and former Sen. Russell B. Long (D-La.) refunded \$360,000 after leaving office. Paul Trible (R-Va.), who suddenly decided to retire from the Senate after having raised a large war chest, diversified his distribution by refunding \$797,282: contributing \$227,747 to political committees and candidates; and giving \$176,633 to various charities and non-profit groups.

Those who decided to make personal use of their campaign war chests did so in a number of different ways (see Appendix I). The easiest method **was—and continues to be—merely** liquidating funds by writing oneself a check for the remaining **balance—perfectly** legal with nothing more required except payment of the applicable personal income tax on the windfall. Most of those who made personal use of their election funds took advantage of this simple **expedient**, converting amounts that varied from a few thousand dollars to the \$345,000 taken by ex-Rep. Gene Taylor (R-Mo.), the highest amount taken by a *living* former member.

Some of the largest conversions of campaign funds to personal use have taken place after the death of an incumbent, when the warchest is transferred, often intact, to beneficiaries as part of the decedent's estate. The largest transfer from any campaign fund on record is the \$605,252 willed by the late Rep. John J. Duncan Sr. (R-Tenn.) to his wife, three daughters, and a son, John J. Duncan Jr., who succeeded his father in Congress in 1988. Other bequests include **\$326,561** inherited by the widow of Rep. James J. Howard (D-N.J.), \$438,561 left to the heirs of Rep. Bill Nichols (**D-Ala.**), and \$37,353 transferred to the estate of Rep. Claude Pepper (**D-Fla.**).

In a few cases where campaign cash would appear to have been "permanently borrowed" rather than transferred outright, it is unclear whether income tax has ever been paid, since personal taxes are not reported to the FEC. For example, one ex-congressman, Kenneth L. Holland (D-S.C.) kept a \$75,000 interest-free loan to himself on the books of his campaign committee from 1983 until it was written off (i.e., transferred to personal use) last year.

Much like their former colleagues Sen. Harrison Williams and Rep. Frank Thompson, members of Congress needing legal assistance have not hesitated to use election funds to help pay for high-priced legal talent. Former New York Democratic Reps. Robert Garcia and Mario Biaggi, for example, spent \$144,859 and \$386,164 respectively, to cover legal fees during their criminal prosecutions in the Wedtech case. Among those who have used campaign warchests for legal counsel in ethics-related cases are ex-Speaker of the House Jim Wright (\$382,256) and former House Banking Committee Chairman Fernand St Germain (**D-R.I.**), who has reported spending at least \$92,500 on legal and accounting fees.

Although some distinction can be made fairly between a criminal indictment on a bribery charge and a transgression of House ethics rules, the use of campaign funds to pay legal fees, while permitted by law, is considered to be "highly questionable" by Rep. Andrew Jacobs and others. In Jacobs' opinion, candidates are given funds "for a specific purpose," i.e., getting elected. Congressmen with personal problems "should set up separate defense funds" if they wish to solicit contributions for other than election purposes.

Another entirely legal method of putting campaign money to personal use is simply using residual funds as an expense account to cover post-retirement "office" and career "transition" costs. Expenditures are recorded for "constituent meetings" (usually restaurant bills); "political conferences" (including hotel and airfare charges); limousine service; purchase, lease, and maintenance of "campaign automobiles"; moving expenses; office rental; computer equipment; staff and consultant salaries; floral arrangements; and other "gifts to constituents." These types of expenditures are documented as "operating expenditures" in FEC reports until nothing is left of the remaining funds, at which point the account is officially terminated. Almost any conceivable use for the money is allowed, both for current and past members [even the purchase of silver flatware and jewelry and clothing for the wife of ex-Rep. Robert Badham (**R-Calif.**)], as long as some "political" **use—no matter how far-fetched—can be ascribed to the expenditure.** In many instances, former members do not bother with such **justifications**, since they are not required to itemize individual disbursements at all if the recipient has received under \$200 in a given year.

The expense-account disposition method also reduces the tax burden since taxes need be paid only on earnings (**interest, dividends, etc.**) of political funds. In a direct transfer to personal use, a higher amount of income tax would have to be paid on the total amount converted. Whittling down a warchest piecemeal over a number of years is also far less likely to attract negative media attention than in cases where an ex-congressman closes out his election fund by writing himself a check for several hundred thousand dollars.

Contributions to political entities and charitable and other non-profit organizations also regularly show up alongside many of the expense-account type expenditures in the FEC reports of ex-members. While many contributions are no doubt given with the best interest of the recipient in mind, critics have argued that even such "public-spirited" use allows former members to enjoy the prestige and personal benefits (attending charity affairs, VIP political fundraising dinners, etc.) more properly due to those who contributed to the campaigns in the first place. Political contributions seem to be particularly questionable in cases where former members distribute funds to colleagues who are still serving in Congress—at the same time these former members also are lobbying them in post-retirement legal careers.

In any case, it seems reasonable to assume that the vast majority of those who give election money to members of Congress are unaware that it may eventually end up in the hands of another candidate or a non-profit organization.

Former Sen. John Tower (R-Texas) is a good example of an ex-member who made "mixed" use of his residual funds. Tower had built up an enormous campaign fund prior to announcing his intention to retire in 1983. Before leaving office he refunded about \$120,000 and made more than \$392,400 in political donations to GOP House and Senate candidates and Texas Republican groups, **helping**, no doubt, to maintain his influence in national and Republican Party affairs.

After his term ended, Tower donated \$100,000 to Southwestern University and gave another \$200,000 to Republican groups. He also found ways to spend approximately \$620,000 on office and travel expenses, hotels, **meals**, consultants' fees, etc. from the beginning of 1984, his last year in office, until the funds ran out in early 1987. In these **cases**, pay-outs are often considered to be "politically" justifiable in light of a former senator's wish to sustain, with election funds, the expense of continuing a personal career in non-elective public service.

A distinction should certainly be made in the case of expenditures of defeated members who attempt to regain their old seats, although it is often difficult to distinguish between personal and political use. For **example**, current Veterans' Affairs Secretary Edward Derwinski, who attempted a political comeback after losing his Illinois congressional seat in 1982, slowly ran down a \$32,000 campaign **fund**, mostly through purchasing office furniture, car rentals, airfare for himself and family members, and tickets to sports events and political fundraisers.

Former Congresswoman and 1984 Democratic vice presidential candidate Geraldine A. Ferraro, on the other hand, transferred a lump sum of \$67,000 from her old campaign fund to an "Exploratory Committee" to "study the feasibility" of a 1986 Senate race. As this was not an FEC-registered entity, it is unclear how the money was actually spent, although Ferraro also took \$20,405 as a direct pay-out to herself.

If funds are carefully invested and managed, their interest earnings can ensure that they last almost indefinitely. A good example is the campaign committee of former Rep. Donald Mitchell (R-N.Y.), which contained about \$60,000 when Mitchell retired in 1983. In the eight years since then, he has reported expenditures of approximately \$50,000 for wedding, anniversary, and graduation gifts: flowers; contributions to local churches and political campaigns; subscriptions; and other small expenses. Because of interest earnings over the period, his account still contains \$32,439, according to the most recent FEC data.

A political action committee, or PAC, may also be established with leftover funds and used primarily as an "expense account" in the manner described above, although some members have used these "personal PACs" for their intended purpose and have made campaign contributions from time to time. When he retired from office, former Speaker of the House Thomas A. "Tip" O'Neill, for example, closed out his re-election committee by transferring \$25,302 to his PAC, the Democratic Candidate Fund. Over the next four years, the PAC (which had raised funds separately from the campaign committee) gave \$25,930 to federal candidates and \$13,500 to local politicians and charities. It also reported spending approximately \$40,000 on airfare, hotel, and restaurant expenses; office and consultants fees; and other disbursements, including \$4,750 for limousine service, \$918 for golf-related supplies and fees, \$881 for flowers, and \$7,418 for gifts of Lenox crystal and Lord Jeff sweaters.

When former Rep. David Stockman (R-Mich.) resigned to become Reagan's OMB director in 1981, he established the Free Enterprise Fund PAC with \$31,000 left over from his campaign committee. Before terminating the aptly named entity five years later with a \$9,735 personal payout to **himself**, Stockman spent most of the rest on limousine service. White House Mess fees, and catering and liquor for parties, including \$250 for a clown rental. The PAC reported only \$4,000 in campaign donations during its brief existence.

IV. AMENDING THE LAW TO EFFECT A GRADUAL PHASE-OUT

As word leaked out that former members of Congress were taking their campaign treasuries with them into retirement, a movement in the House to end the practice began to be pushed slowly along by several of the younger grandfathered members who found themselves having to deny intentions of doing the same. According to one senior aide. "Many of the seniors felt that the funds were theirs, period, and **that** any further discussion was inappropriate. But times had changed, and the younger members found the political heat to be increasingly embarrassing."

Reps. Andy Jacobs, Dan Glickman (D-Kan.), and Vic Fazio (D-Calif.) emerged as the most outspoken leaders of the reform movement. At first, there was little momentum to spur their efforts, according to Jacobs, because of a passive acceptance of the *status quo*: "When institutional corruption is **endemic**, it becomes the norm: when it becomes the norm, it is no longer considered wrong."

Prospects appeared dim until 1989, when government ethics and, later, a pay raise became major national issues. Attention focused on Speaker Jim Wright and other legislators accused of financial improprieties while in office, which heightened public awareness of ethics issues and began to increase a consensus in Congress for correcting abuses involving political money.

Because it was also perceived that a 40 percent salary increase could never be enacted without being counterbalanced by some sort of reform **measure**, and because President Bush announced that he would refuse to sign an increase without reforms, the movement to sacrifice the grandfather clause began to gain ground. In ethical terms, the issue was clearly perceived as being more offensive than the other items that were at least theoretically on the table, such as banning honoraria and the franking privilege.

Enough votes to end the loophole should have existed, technically speaking, because the number of **un-grandfathered** congressmen (who had nothing to lose) had steadily risen to 251—a safe **majority**—in the 10-year period since the loophole was enacted. **It** also became clear that none of the vested members was going to publicly defend his right to a "golden parachute" for his years of congressional service.

Eliminating the clause, however, was more than a matter of gathering votes. In order to get a bill through the complex process leading to approval on the House floor, one had to take into account the backstairs maneuvering of the "Old Guard." Those favoring change risked incurring the wrath of powerful senior members, many of whom were committee and subcommittee **chairmen**, if they pushed too hard to end the retirement perquisite.

Unsuccessful in their efforts to muster enough support to abolish the loophole outright, the reformers finally succeeded in including a *future* prohibition within the Ethics Reform Act, which

was passed into law at the end of 1989. The provision would take effect after three years and cover all members of the 103rd Congress without regard to seniority.

According to most observers, speeding up the process of a gradual phase-out was the best outcome that could be achieved in light of the internecine political machinations that had to be taken into account. "The compromise was worth it in the end, because we got the pay raise as well as a major ethics bill through," says one Hill aide. "The senior members could have threatened to undo the entire package, and since some of them had longstanding plans for their nest eggs, it was felt that an immediate ban might be too draconian a solution."

The idea of the gradual phase-out took on a life of its own, part of a tacit "political decision made by the House leadership," according to Rep. Glickman, "as an incentive to get the old-timers to retire."

The agreement requires the grandfathers to decide to either take their funds or remain in office without the right to do so after the convening of the 103rd Congress in January 1993.

The new rule also limits them from taking an amount exceeding that which was on hand in their campaign accounts on November 30, 1989, the day the law was passed. Anything in excess of this figure (campaign contributions; interest or other earnings) may not be converted to personal use.

In addition to being the expiration date for keeping campaign money and leaving office, 1992 could also be a high turnover year, political analysts generally agree, since the uncertainties of post-census redistricting may cause many senior members to consider retirement. "We are moving toward a scenario where there is going to be an extraordinary number of voluntary retirements, probably the largest in 50 years," according to Glickman. "The booting-out of two veteran committee chairmen by the Democratic Caucus [Glenn Anderson (Calif.) from Public Works and Transportation and Frank Annunzio (Ill.) from House Administration] also sends a very strong message to a lot of the senior members."

Another strong message is the growing threat of "anti-incumbent" sentiment as expressed by the electorate in the 1990 election. Although the re-election rate for incumbents remained high, many of their victory margins declined in spite of their ability to vastly outspend their challengers. According to the *National Journal*, incumbents re-elected with 60 percent or more of the vote declined from 88 percent in 1988 to 77 percent in 1990. That figure is all the more telling when it is pointed out that 49 of the 91 incumbents whose margin dropped 10 percent or more were grandfathered members.

There is also good reason to believe that members who might not have run in 1990 put off the decision to leave office until after the 40 percent congressional pay raise went into effect. After January 1991, salary for House members climbed to \$125,100 per year. Since pensions are based on salary levels in the three years before retirement, there was a real incentive for many members to hold on for another term.

An October 1990 National Taxpayers Union report shows that members who chose to serve at least one more term stand to receive a pension averaging \$49,125 instead of the \$34,993 they would have received in 1991. Benefit hikes for senior members at the scale's upper reaches are considerable. Minority Leader Robert Michel's (R-III.) pension, for example, rises automatically from an estimated \$77,058 per year to approximately \$104,118. If the increase is computed in actuarial terms, the average member serving another two years would receive an additional \$400,000 in lifetime pension benefits, with as many as 14 receiving between \$1 million and \$1.2 million apiece in *extra earnings*.*

* In terms of the overall membership of the House, 231 Representatives, the majority of them grandfathered, could collect over \$1 million each in lifetime pension benefits after 1993, compared to 139 after 1991. Almost all of the 69 "pension multi-millionaires" (57 eligible for \$2 million or more and 12 eligible for \$3 million) are grandfathered.

V. CONCLUSION

The amount of potentially convertible funds now totals more than \$41 million for the 165 members of the new Congress who remain exempted under the original ruling (see Appendix III). Two members, Reps. Stephen Solarz (D-N.Y.) and Dan Rostenkowski (D-Ill.), could convert over \$1 million apiece, and another 18 are eligible for amounts in the \$500,000 to \$1 million range. Another 42 have \$250,000–\$500,000; 60 are in the \$100,000–\$250,000 range; and 43 have \$100,000 or less.

Although there were some exceptions, most of the grandfathered members running for re-election in 1990 were able to win their races without significantly reducing their warchests. Interestingly enough, FEC reports covering the post-election period through December 31, 1990, indicate that 37 of the 63 grandfathers eligible to convert \$250,000 or more actually finished their 1990 race with more cash-on-hand than their 1989 convertability ceiling allows them to take. Only 13 of the 63 ended the 1990 campaign with leftover funds reduced by a factor of more than 20 percent from their 1989 totals (also reflected in Appendix III). These losses, of course, can be restored by continued fundraising, whether or not the member plans to run for office again in 1992.

It is not the purpose of this report to engage in speculation about the possibility of one congressman retiring with campaign funds, or another not doing so. Most of the grandfathered members have been asked, in one way or another, what they intend to do with leftover campaign funds. Some refuse to say. Others have stated that they would not "use funds for personal use," although there is nothing to prevent them from following in the footsteps of colleagues who made the same claim and did so anyway. Nor does this reply necessarily preclude use of funds for "political" expenses that few besides themselves would consider to be justifiably political.

According to most observers' predictions, much of the "rainy day" money will in some way end up being personally used by former congressmen in the next few years. The failure to enact an immediate ban is an indication that Congress did not consider the matter to be one involving serious political consequences. Most of the current membership of the House feel it to be a "dead" issue and consider it highly unlikely that Congress would risk revamping ethics legislation that is regarded as a major success in spite of its flaws.

Unless an extraordinary amount of public pressure causes a change in this scenario, a good portion of Congress' leftover election funds will continue to provide the most generous retirement benefits ever received by American elected officials. The final analysis may well be best summed up by a prevailing sentiment, voiced by one of the congressional reformers, that "getting some new blood in Congress will be worth the price."

APPENDIX I

USE OF POLITICAL CAMPAIGN FUNDS BY FORMER MEMBERS OF CONGRESS

The information in this Appendix is based upon an exhaustive search of campaign committee records of former members of Congress on file at the Federal Elections Commission in Washington, D.C. The Center examined the records of members who left office between January 1, 1979, and December 31, 1990.

Dollar amounts shown are broken down by individual member. "Amount taken" indicates a direct transfer from a campaign committee to personal use by an ex-member or the heirs or estate of an ex-member. "Amount used" refers to other dispositions of funds as explained in the sections after each entry.

The annual pensions of former members shown below are 1991 estimates calculated from information published by the National Taxpayers' Union in June 1989. The cumulative amount is an estimation of the total pension amount the ex-member has received since leaving office. Those with no pension shown are either deceased, did not serve long enough to become vested, are not yet old enough to collect, or did not participate in the voluntary congressional pension system. At the time of publication, information was unavailable for those members who retired in 1991.

KEY

- (*) deceased
- (L) defeated for re-election
- (+) funds remaining in
existing campaign account

HOUSE OF REPRESENTATIVES

Party & State	Years of Service	Member	Amount Taken or Used
D-NY	1961-86	Joseph P. Addabbo (*) funds transferred to estate	\$145,118
D-OH	1955-81	Thomas L. Ashley (L) converted to personal use	20,000
		"It didn't give me a hell of a lot of trouble. I used it to help tide me over." (<i>Washington Monthly</i> , September 1984)	
		Annual pension	\$ 53,988
		Pension to date	\$ 466,897
R-CA	1977-89	Robert E. Badham	approx. 40,000
		During his last term in office, Badham spent thousands on travel, formal wear, and jewelry from Saks and Garfinckels for his wife; "political attire" for himself; club dues; gifts; "constituent entertainment" in his home and restaurants; dry cleaning, etc.	
D-RI	1975-81	Edward P. Beard (L) converted to personal use	11,185
		Beard told <i>U.S. News & World Report</i> that he "used the money to live on."	
D-IN	1977-82	Adam Benjamin Jr. (*) funds given to widow	9,896
D-NY	1969-89	Mario Biaggi (L) legal fees/criminal trial	386,064
		Pension	\$ 38,521
		Pension to date	\$ 84,415
D-TN	1979-89	William E. Boner legal fees relating to House ethics committee and Justice Department inquiry	197,969
D-MS	1973-83	David R. Bowen converted to personal use	114,567
		"As long as the law provides for it. and I'm eligible for it, I've never been able to see any reason why I shouldn't use [it] so long as it is in my interest." (<i>Congressional Quarterly</i> , January 21, 1989)	

Party & State	Years of Service	Member	Amount Taken or Used
D-IN	1959-81	John Brademas (L)	20.334
		The former Majority Whip used funds for travel , office expenses and equipment , consulting services , purchase of a \$2,500 painting by artist Robert Indiana , etc.	
		Pension	\$ 41.775
		Pension to date	\$ 361.360
D-CA	1975-83	John Burton converted to personal use	18,000
		"I don't really give a [expletive], I took it because I needed it." (<i>Washington Monthly</i> , September 1984)	
R-NY	1979-87	William E. Carney converted to personal use	83.695
D-FL	1969-89	William V. Chappell Jr. (L *) \$34,000 converted to personal use prior to his death: estate received \$2,348	36.348
R-CA	1963-83	Donald H. Clausen (L) automobile purchase , dinners , travel , private office & moving charges , unitemized expenses , etc.	approx. 22.000
D-CA	1978-89	Anthony L. "Tony" Coelho approx. \$27,000 in misc. expenses after leaving office (food , office , travel , flowers , etc.), and approx. \$30,000 in legal fees in ethics case	approx. 57,000
		Pension	\$ 39,950 (1991)
D-NH	1977-85	Norman D'Amours used funds from failed Senate campaign for travel expenses , purchase of an automobile , etc.	approx. 20.000
D-VA	1969-89	W. C. "Dan" Daniel (L *) transferred to estate	112,910
D-SC	1971-81	Mendel J. Davis	42.047

Davis stated he used money to "pay medical bills."

Party & State	Years of Service	Member	Amount Taken or Used
R-IL	1959-83	Edward Derwinski (L) (Secretary of Veterans Affairs) travel, constituent entertainment, restaurants, office furniture, etc.	approx. 29,000
R-OH	1959-81	Samuel L. Devine (L) converted to personal use	29,712
When asked by <i>Congressional Quarterly</i> (January 21, 1989) what he did with the money, Devine said, "Jeez, I can't remember."			
		Pension	\$ 49,665
		Pension to date	\$ 428,988
R-TN	1965-88	John J. Duncan Jr. (*) funds divided among widow and four children	605,252
D-NY	1979-85	Geraldine A. Ferraro converted to personal use; she also used \$67,000 for non-FEC registered "Exploratory Committee" to study the viability of a 1986 Senate campaign	20,405
R-IL	1960-83	Paul Findley (L) \$55,000 converted to personal use \$15,000 expenses (travel, office, etc.)	70,000(+)
"It was permitted by law and I had use for it." (<i>Washington Monthly</i> , September 1984)			
		Pension	\$ 41,059
		Pension to date	\$ 291,666
R-NJ	1970-84	Edwin B. Forsyth (*) transferred to estate	41,259
D-NC	1953-83	L. H. Fountain	14,880
Upon retirement, Fountain received a new Cadillac subsidized by residual funds, according to his former campaign treasurer.			
		Pension	\$ 55,985
		Pension to date	\$ 397,610

Party & State	Years of Service	Member	Amount Taken or Used
D-NY	1978-90	Robert A. Garcia legal expenses/criminal trial	146,969
R-OH	1973-81	Tennyson Guyer (*) funds given to widow	24,897
D-TX	1976-85	Sam B. Hall converted to personal use	58,433
D-NY	1965-81	James M. Hanley campaign fund terminated with remaining assets being used for unspecified purposes Pension \$ 36,888 Pension to date \$ 318,752	29,406
D-TX	1975-85	Jack Hightower (L) expenses: personal travel and computer equipment, office, gifts, and consultants Pension \$ 17,590 Pension to date \$ 69,682	14,057
R-IN	1971-87	Elwood H. Hillis \$816 converted to personal use; \$6,032 repayment of an educational loan Pension \$ 36,209 Pension to date \$ 133,227	6,848
D-SC	1975-83	Kenneth L. Holland \$75,000 interest-free loan to himself during period 1977-90 (later converted to personal use along with a direct pay-out of \$7,477); Holland also apparently kept an automobile purchased by his committee that cost \$5,735	88,212
R-MD	1973-87	Marjorie S. Holt converted to personal use Pension \$ 29,274 Pension to date \$ 107,709	60,743
D-NJ	1965-88	James J. Howard (*) funds transferred to widow	326,306

Party & State	Years of Service	Member	Amount Taken or Used
D-TN	1969-89	Ed Jones converted to personal use	130,686
		"The contributors didn't care what I did with (the fund). I just decided to close the sucker out and be through with it." (<i>Baltimore Sun</i> , February 9, 1990)	
		Pension	\$ 34,626
		Pension to date	\$ 64,758
D-TX	1973-79	Barbara C. Jordan expenses	13,895(+)
		"Most contributors want the recipient to be free with the funds." (<i>Los Angeles Times</i> , October 19, 1984)	
R-FL	1975-81	Richard Kelly (L) legal fees/criminal trial	23,731
D-MD	1963-85	Clarence D. Long (L) \$15,200 converted to personal use, plus \$4,300 expenses	19,500
		Pension	\$ 45,281
		Pension to date	\$ 245,381
D-LA	1963-65 1973-85	Gillis Long (*) used by his widow for her congressional race	448,663
R-CA	1979-89	Daniel E. Lungren reimbursed self for moving expenses	16,170
D-NJ	1963-85	Joseph G. Minish (L) converted to personal use	200,000(+)
		Minish told <i>Congressional Quarterly</i> he was "not a hungry man."	
		Pension	\$ 41,524
		Pension to date	\$ 224,972
D-NY	1963-81	John M. Murphy (L) committee terminated with funds on hand	2,715
		Pension	\$ 50,784
		Pension to date	\$ 439,223

Party & State	Years of Service	Member	Amount Taken or Used
D-IL	1971-81	Morgan F. Murphy committee terminated with funds on hand	18,148
D-AL	1967-89	William F. Nichols (*) transferred to estate	438,561
R-IL	1973-86	George M. O'Brien (*) funds transferred to widow	65,355
D-MA	1953-87	Thomas ("Tip") O'Neill (former Speaker of the House)	approx. 65,000

From 1985 (the beginning of his last term in office) through 1990, O'Neill's campaign committee and his PAC, the Democratic Campaign Fund, made over \$69,000 in political and charitable distributions. They also paid for approximately \$36,000 in restaurant, hotel, and travel expenses; \$5,000 in limousine rentals, \$10,000 in purchases of Lenox crystal and other gifts; \$9,000 in misc. staff and office expenses; etc.

		Pension	\$ 68,725	
		Pension to date	\$ 252,840	
D-NJ	1963-81	Edward Patten converted to personal use		3,327
		Pension	\$ 37,730	
		Pension to date	\$ 321,413	
D-FL	1962-89	Claude Pepper (*) funds transferred to estate		37,353
R-NY	1978-83	Peter F. Peyser (L) converted to personal use		12,000

"I am not a wealthy person and I needed the money after I left office." (*Washington Monthly*, September 1984)

		Pension	\$ 21,422	
		Pension to date	\$ 152,168	
R-WA	1973-85	Joel M. Pritchard (currently serving as Lt. Gov. of Washington) converted to personal use		3,986
		Pension	\$ 24,839	
		Pension to date	\$ 127,273	

Party & State	Years of Service	Member	Amount Taken or Used
D-WI	1955-83	Henry S. Reuss \$45,000 transferred to personal use for later unspecified "charitable contributions" plus \$7,100 in payments to personnel during two-year period after retirement Pension \$ 55.457 Pension to date \$ 393.821	51,100
R-AZ	1953-83	John J. Rhodes During his last term in office, the former House Minority Leader purchased gifts, an oil portrait of himself, paid for club memberships, etc. Pension \$ 60.496 Pension to date \$ 429,581	approx. 24,500
D-TX	1962-81	Ray Roberts \$13,014 converted to personal use, plus \$2,383 expenses "I took it, I'm glad I got it, and I wish it had been more." (<i>U.S. News & World Report</i>). Pension \$ 53,636 Pension to date \$ 469.176	15,397
R-VA	1971-85	J. Kenneth Robinson (*) \$7,500 converted to personal use plus \$3,250 for office furniture	10,750
D-NY	1963-83	Benjamin S. Rosenthal (*) transferred to widow	47,367
R-AZ	1977-87	Eldon Rudd \$53,835 placed in "Eldon Rudd Fund." plus \$18,078 in payments to his OPM account and approx. \$8,700 for computer equipment, a reception, and other expenses "Winding it [the committee] all down is a real pain in the neck," he told <i>Congressional Quarterly</i> . Pension \$ 54,163 Pension to date \$ 199,282	75,913

Party & State	Years of Service	Member	Amount Taken or Used
D-RI	1961-89	Fernand J. St Germain (L) legal and accounting fees relating to House ethics case Pension \$ 60,043 Pension to date \$ 83,619	92,773(+)
R-KS	1969-81	Keith Sebelius (*) \$1,877 expenses \$14,588 transfer to estate \$14,000 placed in personal foundation	30,465
D-WV	1959-80	John M. Slack (*) funds transferred to widow	91,888
R-KY	1963-65	Gene Snyder 1967-87 converted to personal use "I don't think it's any of your business what I am going to do with it. I'm not a public figure." (<i>Louisville Courier-Journal</i> , February 8, 1990) Pension \$ 41,461 Pension to date \$ 152,550	173,202
R-MI	1977-81	David Stockman (former director of OMB) \$9,735 converted to personal use, plus \$18,857 in expenses: catering, limousines, "clown rental," etc.	28,592
D-NY	1959-89	Samuel S. Stratton (*) converted to personal use prior to his death	198,795
R-MO	1973-89	Gene Taylor converted to personal use, plus \$52,811 given to the Gene Taylor Library & Museum, Inc. located in Sarcoxie, Mo. "I haven't done anything wrong. I do a lot of things for public service and I'm going to use some of it for that." (<i>New York Times</i> , August 22, 1989) Pension \$ 27,013 Pension to date \$ 50,358	345,044
D-NJ	1955-81	Frank Thompson, Jr. (*) legal fees/criminal trial	24,020

Party & State	Years of Service	Member	Amount Taken or Used
D-OR	1957-81	Al Ullman (L) (former chairman of House Ways and Means Committee) converted to personal use	17,332
R-VA	1953-55 1967-83	William C. Wampler (L) \$15,100 loan to self \$6,000 for furniture purchase, office expenses. Pension \$ 31,309 Pension to date \$ 222,440	approx. 21,000
D-TX	1965-83	Richard C. White \$40,808 converted to personal use, plus \$8,669 for interest on a personal loan, and office furniture. In October 1981, White told the <i>Dallas Morning News</i> that he planned "a public use" for the funds, "a use people would like." Pension \$ 34,162 Pension to date \$ 242,646	49,477
R-CA	1953-81	Robert C. "Bob" Wilson converted to personal use Pension \$ 54,050 Pension to date \$ 466,915	2,030
D-TX	1955-89	James C. Wright Jr. (Former Speaker of the House) \$354,257 legal fees in ethics case, plus est. \$27,175 expenses from 6/89 through 6/90 Pension \$ 83,070 (1991)	approx. 381,432(+)
R-NY	1963-81	John C. Wydler (*) terminated committee with funds on hand prior to his death	38,519
D-MO	1977-87	Robert A. Young (L) expenses: meals, airfare, moving, travel and auto, etc.	approx. 21,500

SENATE

Party & State	Years of Service	Member	Amount Taken or Used
R-TX	1961-85	Senator John G. Tower expenses: office, travel, meals, consultant fees, etc.	approx. 175,000
<p>In addition to the above, Tower made \$200,000 in political contributions and gave \$100,000 to Southwestern University after leaving office.</p> <p>Also, Tower dispersed large amounts of campaign funds in 1984, his last year in office. Although he was no longer a candidate, his re-election committee reported operating expenditures of \$359,624. (It also made political donations totalling \$392,400 and refunded \$120,605 to contributors in 1983 and 1984.)</p>			
		Pension	\$ 48,836
		Pension to date	\$ 253,558
R-CT	1971-89 Senate 1969-71 House	Senator Lowell P. Weicker converted to personal use	11,634
<p>Weicker reportedly gave the funds to charity after the conversion was raised as an issue in his 1990 Connecticut gubernatorial race.</p>			
		Pension	\$ 33,709
		Pension to date	\$ 63,044
D-NJ	1959-82 House 1953-57 Senate	Senator Harrison Williams legal fees related to his criminal trial	65,781
		Pension	\$ 51,010
		Pension to date	\$ 395,326
HOUSE AND SENATE TOTAL			
73 individuals			\$6,396,113

APPENDIX II

Funds Remaining In Accounts Of Former Members

(as of December 31, 1990)

Key:

(*) deceased
(L) defeated for re-election
(+) Last report filed 6/87
(‡) Last report filed 6/89

Note: Members of the U.S. Senate are prohibited by Senate rules from converting campaign funds to personal use.

R-SD	1981-87	Senator James A. Abdnor (L)	68,331
R-WY	1979-89	Richard C. Cheney (currently serving as Secretary of Defense)	71,173
R-MA	1959-91	Silvio O. Come (*)	258,038
D-MI	1980-91	George W. Crockett	43,717
R-MN	1971-91	Bill Frenzel	117,447
D-CA	1963-91	Augustus F. Hawkins	141,684
D-OK	1973-87	James R. "Jim" Jones	2,322(+)
D-TX	1973-79	Barbara Jordan	7,023
R-OH	1959-89	Delbert L. Latta	108,250
D-TX	1979-91	Marvin Leath	447,030
		Leath has apparently kept a 1990 Lincoln Town Car that his committee purchased for \$23,284 on January 30, 1990	
D-TX	1978-89	George T. "Mickey" Leland (*)	7,568(‡)
R-IL	1973-91	Edward R. Madigan (currently serving as Secretary of Agriculture)	542,570

D-HI	1977-90	Senator Spark M. Matsunaga (*)	332.842
R-ID	1973-91	Senator James A. McClure	219.873
D-NJ	1963-85	Joseph G. Minish (L)	7.032
R-NY	1973-83	Donald J. Mitchell	32.439
R-UT	1983-91	Howard C. Nielson (not grandfathered)	42.577
R-IN	1980-89 Senate 1977-81 House	Senator Dan Quayle (currently serving as Vice President of the United States)	395.116
R-NB	1975-91	Virginia Smith	27,070
R-MN	1977-91	Arlan Stangeland (L)	25.250
D-R1	1961-89	Fernand J. St Germain (L)	159,949
R-KS	1979-91	Bob Whittaker	536,257
D-TX	1955-90	James C. Wright Jr.	6.555
D-WI	1947-83	Clement J. Zablocki (*)	20,867
D-NB	1976-87	Senator Edward Zorinsky (*)	129.691
	TOTAL		<hr/> \$3.750.671

APPENDIX III

House Members Eligible to Convert Campaign Funds to Personal Use Before January 1993 (Based on information supplied by the candidate to the FEC)

Since the FEC did not require filings for 11/30/89, conversion limits are based on cash-on-hand as of 12/31/89. Numbers in parentheses under 12/31/90 cash-on-hand take into account debts owed *to* the committee (by other campaigns, candidates, etc.) and debts owed *by* the committee. Negative balances indicate that the committee has a debt exceeding cash-on-hand.

Party & State	Date of Service	Member	Conversion Limit Based on Funds at Hand on 12/31/89	Cash on Hand as of 12/31/90
\$500,000 and above			13 Democrats 7 Republicans	
D-NY	1975	Stephen Solarz	\$1,393,257	\$1,859,603
D-IL	1959	Dan Rostenkowski	1,052,336	1,114,068
R-TN	1963	James H. Quillen	881,704	1,044,255
R-NJ	1973	Matthew J. Rinaldo	879,738	967,326
D-CA	1979	Robert T. Matsui	756,099	1,128,637
R-CA	1973	Carlos J. Moorhead	720,386	666,684
D-WA	1965	Thomas S. Foley	704,836	596,708
R-KY	1979	Larry J. Hopkins	660,682	691,433
R-MI	1957	William Broomfield	655,652	754,678
R-TX	1971	William Archer Jr.	644,472	670,901
D-FL	1963	Sam M. Gibbons	623,643	278,960
R-NY	1971	Norman F. Lent	600,166	687,015
D-FL	1955	Dante B. Fascell	596,914	539,060
D-AL	1967	Tom Bevill	563,037	566,499

Party & State	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
D-GA	1977	Douglas Barnard	554,853	359,869 (271,869)
D-NJ	1969	Robert A. Roe	547,596	577,940
D-MA	1979	Brian J. Donnelly	541,521	669,414
D-TX	1953	Jack Brooks	527,629	330,424
D-NY	1975	John J. LaFalce	516,075	645,138
D-CA	1979	Vic Fazio	502,863	194,935 (196,402)
\$250,000—\$500,000			32 Democrats 10 Republicans	
D-MA	1976	Edward J. Markey	495,521	579,994
D-WV	1977	Nick J. Rahall II	481,236	353,763
D-CA	1975	George Miller	480,017	438,229
D-GA	1977	Ed Jenkins	467,600	448,273
D-CA	1975	Henry A. Waxman	465,297	468,893
R-AL	1965	William L. Dickinson	451,756	250,325
D-NY	1975	Thomas J. Downey	443,755	486,556
D-NC	1973	Charles Rose	438,720	540,833 (490,833)
D-MS	1941	Jamie L. Whitten	435,184	435,724 (443,966)
R-OH	1975	Willis D. Gradison	408,104	442,751
R-AR	1967	John Paul Hammerschmidt	403,846	500,684
D-MA	1973	Joe Moakley	394,172	489,816
R-PA	1975	William F. Goodling	383,561	6,251

Party & State	Date of Service	Member	Conversion Limit Based on Funds al hand on 12/31/89	Cash on Hand as of 12/31/90
D-OR	1975	Les AuCoin	373,960	361,578
D-TX	1979	Martin Frost	369,744	311,062
D-CA	1975	Norman Y. Mineta	368,526	342,701
R-PA	1975	Richard T. Schulze	356,012	182,353
D-AR	1979	Beryl Anthony Jr.	354,194	364,662 (385,479)
D-MN	1975	James L. Oberstar	347,843	393,552
D-IA	1959	Neal Smith	344,864	376,309
R-WI	1979	Thomas E. Petri	339,979	397,666
R-FL	1971	C. W. (Bill) Young	332,266	341,773
D-NY	1971	Charles B. Rangel	331,198	304,007
D-OH	1977	Donald J. Pease	320,936	221,677
R-PA	1963	Joseph M. McDade	318,227	335,857
D-FL	1949	Charles E. Bennett	317,943	280,990
D-MO	1977	Ike Skelton	317,244	311,648
D-WA	1977	Norman D. Dicks	310,852	107,649
D-LA	1977	Jerry Huckaby	309,896	273,331
D-WI	1969	David R. Obey	307,182	334,565
D-NC	1966	Walter B. Jones	297,227	328,428
D-MI	1974	Bob Traxler	295,029	367,405
D-OH	1979	Tony P. Hall	287,533	312,635
D-MN	1979	Martin O. Sabo	279,688	216,221
D-OK	1975	Glenn English	271,272	324,042
D-MI	1955	John D. Dingell	268,707	490,871

Party & Slate	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
D-KY	1975	Carroll Hubbard Jr.	266,876	335,477
R-WI	1979	Toby Roth	261,346	93,841
R-PA	1969	Lawrence Coughlin	260,846	356,517
D-PA	1974	John P. Murtha	256,392	33,122
D-CO	1973	Patricia Schroeder	255,297	182,156
D-NJ	1979	Frank J. Guarini	251,868	330,515
<hr/> \$100,000—\$250,000 38 Democrats 22 Republicans				
D-MO	1977	Richard A. Gephardt	248,565	193,485
D-IL	1949–63 1965-	Sidney R. Yates	247,037	53,828
R-NY	1978	Bill Green	243,935	310,107 (73,107)
D-CA	1973	Fortney (Pete) Stark	243,198	362,004 (450,649)
D-MI	1977	David E. Bonior	238,637	89,849
D-NC	1975	W. G. (Bill) Hefner	234,685	111,471 (101,471)
D-WA	1979	Al Swift	234,591	168,462
D-WI	1971	Les Aspin	230,510	162,669
D-IL	1973	Cardiss Collins	227,094	90,094
D-MI	1965	William D. Ford	223,418	186,614
D-IN	1975	Philip R. Sharp	219,755	29,944
D-FL	1973	William Lehman	216,381	275,781
D-MN	1977	Bruce F. Vento	214,503	155,180

Party & Stale	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
R-IL	1975	Henry J. Hyde	212,572	187,768
D-OH	1969	Louis Stokes	208,537	241,864
D-NY	1975	Henry J. Nowak	205,384	238,550
R-WI	1979	F. James Sensenbrenner	201,303	312,478
D-CA	1963	Edward R. Roybal	197,879	196,852
D-IL	1965	Frank Annunzio	190,777	35,720
R-CA	1979	William M. Thomas	187,683	157,393 (167,393)
D-NJ	1975	William J. Hughes	186,613	208,172
D-SC	1975	Butler Derrick	183,056	106,192
D-TX	1963	J.J. Pickle	182,344	66,442
R-LA	1977	Robert L. Livingston	181,112	282,513
R-PA	1973	Bud Shuster	174,595	102,101
D-PA	1969	Gus Yatron	168,319	157,501
R-NY	1963	Frank Horton	165,180	162,845
R-MI	1977	Carl D. Pursell	154,564	240,044
R-NY	1973	Benjamin A. Gilman	153,546	68,257
D-MI	1975-81 1983-	Bob Carr	149,195	255,444
D-TX	1965	Kika de la Garza	148,388	137,477
R-NY	1969	Hamilton Fish Jr.	147,815	134,830
D-CA	1969	Glenn M. Anderson	147,260	31,783
D-CA	1977	Leon E. Panetta	147,037	204,599
D-MO	1977	Harold L. Volkmer	146,382	159,821
D-TN	1975	Marilyn Lloyd	144,125	184,618

Party & State	Date of Service	Member	Conversion Limit Based on Funds at Hand on 12/31/89	Cash on Hand as of 12/31/90
R-MI	1979	Robert W. (Bob) Davis	143,085	114,637
D-MT	1979	Pat Williams	142,752	214,350 (215,350)
D-OH	1977	Douglas Applegate	139,381	161,523
R-CA	1979	Jerry Lewis	137,805	338,797
D-IN	1965	Lee H. Hamilton	135,217	58,592
R-MI	1966	Guy A. Vander Jagt	133,864	104,106
R-NY	1975	Matthew McHugh	131,680	137,521
R-NY	1979	Gerald B. Solomon	131,680	111,840
R-AZ	1977	Bob Stump	131,034	113,651
R-IL	1957	Robert H. Michel	128,604	241,996
R-MO	1976	Tom Coleman	127,908	33,407
D-KS	1977	Dan Glickman	127,475	192,262
R-PA	1979	William Clinger Jr.	126,728	84,577 (73,577)
D-MA	1975	Joseph D. Early	125,091	111,190
D-NC	1975	Stephen L. Neal	123,251	27,665
R-CA	1974	Robert J. Lagomarsino	121,893	13,120 (-19,480)
D-PA	1977-81 1983-	Peter H. Kostmayer	118,950	10,140 (-36,288)
D-MI	1979	Howard E. Wolpe	117,486	59,327 (56,327)
D-MS	1967	G.V. Montgomery	116,627	171,908
D-PA	1968	Joseph M. Gaydos	114,555	123,222
R-IL	1969	Philip M. Crane	111,550	115,919 (123,419)

Party & State	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
R-OH	1967	Clarence E. Miller	105,581	126,334
D-MT	1977	Ron Marlenee	104,381	76,486
D-OK	1979	Mike Synar	104,327	24,882 (31,882)

\$50,000—\$100,000 16 Democrats 9 Republicans

D-MA	1979	Nicholas Mavroules	97,748	61,574 (58,499)
R-IN	1967	John T. Myers	96,292	102,885
D-CA	1971	Ronald V. Dellums	96,288	82,629 (41,129)
D-MA	1973	Gerry E. Studds	92,785	21,192
R-FL	1977	Andy Ireland	90,333	98,267
R-OH	1973	Ralph Regula	89,918	52,654
D-CA	1977	Anthony C. Beilenson	81,535	45,449
D-PA	1977	Austin J. Murphy	81,453	111,255
R-NB	1979	Douglas K. Bereuter	81,064	54,731
D-FL	1979	Earl D. Hutto	80,789	109,103
D-NY	1977	Ted Weiss	77,462	80,492
D-AZ	1961	Morris K. Udall	75,879	73,749
D-CA	1979	Julian C. Dixon	74,156	136,981
D-MO	1969	William L. (Bill) Clay	71,878	122,168
R-PA	1979	Don Ritter	69,721	25,821
R-OH	1967	Chalmers P. Wylie	65,638	18,194

Party & State	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
D-TX	1961	Henry B. Gonzalez	64,501	35,482 (5,383)
D-MD	1978	Beverly B. Byron	61,305	33,737
R-OK	1977	Mickey Edwards	59,927	13,371
D-TX	1979	Charles W. Stenholm	58,785	89,736
D-CA	1963-71 1973-	George E. Brown Jr.	56,260	4,345 (-53,910)
R-ME	1979	Olympia J. Snowe	56,015	3,335 (-2,165)
R-PA	1977	Robert S. Walker	55,480	35,408
D-TX	1973	Charles Wilson	51,833	860 (-16,774)
D-IL	1975	Marty Russo	51,052	8,789 (6,168)
		Under \$50,000	12 Democrats	6 Republicans
D-AR	1969	Bill Alexander	46,770	4,763 (-108,071)
D-CA	1963	Don Edwards	43,653	55,464
D-OH	1977	Mary Rose Oakar	39,048	57,025 (54,525)
R-CA	1979	William E. Dannemeyer	38,742	97,744
R-IA	1977	Jim Leach	35,551	46,917
R-SC	1971	Floyd D. Spence	33,270	62,190
D-PA	1979	William H. Gray III	32,649	57,559 (113,242)
R-GA	1979	Newt Gingrich	31,915	24,739 (-72,989)

Party & State	Date of Service	Member	Conversion Limit Based on Funds at hand on 12/31/89	Cash on Hand as of 12/31/90
R-CA	1977-83 1985-	Robert K. Dornan	30,464	185,200 (176,488)
D-KY	1971	Romano L. Mazzoli	19,721	1,484 (-38,384)
D-MI	1965	John Conyers Jr.	18,466	33,192 925
D-IN	1965-73 1975-	Andrew Jacobs Jr.	17,858	32,188
D-MI	1977	Dale E. Kildee	14,626	39,580
R-AK	1973	Don Young	10,986	5,543 (-94,576)
D-TN	1975	Harold E. Ford	6,486	-373 (-22,124)
D-VI	1973-79 1981-	Ron de Lugo	982	1,567
D-NY	1965-73 1975-	James H. Scheuer	264	7,002 (-260,307)
D-KY	1953	William H. Natcher	<u>0</u>	<u>0</u>
		TOTALS	\$40,911,603	\$37,423,339 (37,264,786)

165 grandfathered members

54 Republicans (33 percent)

111 Democrats (67 percent)

with the possibility of converting up to \$41 million in campaign funds

31% of House Republicans (54 out of 173) are grandfathered

43% of House Democrats (112 out of 259) are grandfathered

Predominance of senior Democrats among members with the largest warchests:

73 percent of grandfathered members with funds in excess of \$250,000 are

Democrats, and 27 percent are Republicans.

Appendix IV

Legislation and Senate Rule Barring Conversion of Campaign Funds for Personal Use

Amendment to the Federal Election Campaign Act, passed in 1979, which created the "grandfather" clause:

Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his or her activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, may be contributed to any organization described in Section 170(c) of Title 26, or may be used for any lawful purpose, including transfers without limitation to any national, state or local committee of any political party; except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress on January 8, 1980, no such amounts may be converted by any person to any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of federal office.

(Federal Election Campaign Act, Section 439a)

1989 Repeal of Grandfather Clause:

(a) **IN GENERAL**—Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by striking “, with respect to” and all that follows through “1980”.

(b) **EFFECTIVE DATE**—The amendment made by subsection (a)—

(1) in the case of an individual who serves as a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress in the 102nd Congress or an earlier Congress, shall apply except as provided in paragraph (2), to the use of excess amounts totaling more than the amount equal to the unobligated balance on hand on the date of the enactment of this Act; and

(2) in the case of an individual who serves as a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress after the 102nd Congress (including an individual referred to in paragraph (1) who so serves), shall apply to the use of any excess amount on or after the first day of such service.

(Ethics Reform Act of 1989: Section 504)

Senate Rule Barring Conversion of Campaign Funds to Personal Use:

No contribution (as defined in section 301(8) of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431)) shall be converted to the personal use of any Member or any former Member. For the purposes of this rule "personal use" does not include reimbursement of expenses incurred by a Member in connection with his official duties.

(Senate Rule XXXVIII, 2)