



CALIFORNIA

**The Campaign Contributions and
Lobbying Expenditures of the
Tobacco Industry and Its Allies**

OCTOBER 2002

a special report prepared by

Common Cause Education Fund



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ABOUT COMMON CAUSE EDUCATION FUND

Established by Common Cause in February 2000 as a separately chartered (501)(c)(3) organization, the Common Cause Education Fund (CCEF) seeks to promote open, honest and accountable government through research, public education and innovative programs.

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EXECUTIVE SUMMARY

California's Legislature recently passed a 2003 budget that should benefit the tobacco industry's bottom line. The California Legislature failed to increase taxes on cigarettes despite a huge budget deficit this year. The Legislature also cut funding to tobacco control programs and mortgaged the proceeds California would have received over the next 22 years from the state's legal settlement with the tobacco industry, also to cover the deficit.

The cuts to California's tobacco prevention and cessation programs have added significance because of the success the state has had curbing tobacco use. Since the inception of tobacco prevention and cessation programs in California, the incidence of smoking-caused heart disease and other critical illnesses has declined dramatically. Californians spend billions in tax dollars every year treating tobacco-caused sicknesses among its residents, making smoking cessation a logical priority for the state. Yet, the recently passed budget actually weakens the state's tobacco prevention and cessation programs.

While these decisions were being made in Sacramento, the lobbying activities of tobacco companies and their allies steadily intensified. From April through June 2002, for example, R.J. Reynolds increased its lobbying spending by 70 percent from the previous three months. Overall, large tobacco companies have increased lobbying spending by 18 percent in the second quarter of 2002, spending \$449,755 lobbying California legislators. Since 1997, tobacco companies have spent \$9.1 million lobbying the California Legislature. That total does **not** include the \$229,395 Kraft Foods and Miller Brewing spent lobbying, sometimes along side their parent organization, Philip Morris.

Tobacco companies and their industry trade groups have given \$5 million to California legislators, legislative candidates and political committees since the beginning of the 1997-1998 election cycle through June 30, 2002. Two subsidiaries of Philip Morris, Kraft Foods and Miller Brewing, also contributed \$163,113 to California legislators during that period as well. In total, the current members of the California State Senate have received \$993,199, and the current members of the State Assembly have received \$1,367,333 since the beginning of the 1997-1998 election cycle through June 30, 2002, from the tobacco companies (including subsidiaries) and their trade groups.

This Common Cause Education Fund (CCF) report takes a look at the ability of the tobacco industry to influence the California Legislature through campaign contributions and lobbying. It focuses on recently enacted provisions that health advocates consider a threat to tobacco prevention and cessation programs in the state.

INTRODUCTION

California has done more than most states to reduce smoking among adults and teens. However, recent budget decisions have put this process in jeopardy. The enormous amount of money the tobacco industry has spent on lobbying and contributions to legislators has helped to impair the public health agenda. The FY 2003 budget recently passed by the Legislature contains key provisions that will benefit the tobacco industry to the detriment of public health.

Tobacco companies' biggest priority was to stop proposals to increase the state's tobacco taxes made to help close the \$24 billion budget deficit. Since tobacco tax increases have been proven to reduce smoking – especially among kids – health advocates see a tax increase as a way to reduce sales and consumption of cigarettes in California in an effort to drive down smoking rates and save lives.

In May, the governor added to his budget a proposal for a 50-cent per pack increase in the cigarette tax. The budget package subsequently approved by the Senate and sent to the Assembly increased the governor's proposed cigarette tax increase to 63 cents per pack. In the Assembly, the Speaker proposed, and a majority of assembly members voted in favor of, increasing the tax by \$2.13 per pack. However, California requires a two-thirds majority to pass the state budget, and the budget that was finally approved included no cigarette tax increase at all.

The FY 2003 budget also "securitizes" or sells off most of the money California has yet to receive from the 1998 Master Tobacco Settlement Agreement (MSA). The state's tobacco prevention program has received significant funding from settlement revenue on which it can no longer depend. Governor Gray Davis (D) originally proposed spending \$35 million of the settlement money on tobacco prevention and cessation programs in 2003. With the passage of "securitization", however, it is likely there will be no money left for these programs. In addition, the 2003 budget cuts roughly \$26 million from other revenue sources that was earmarked for tobacco prevention and cessation programs. In total, the 2003 budget cut an estimated \$61 million from tobacco prevention and cessation programs in California – a significant victory for the tobacco industry.

CAMPAIGN CONTRIBUTIONS AND LOBBYING: LAYING THE GROUNDWORK

Lobbying Expenditures

The major tobacco companies and their trade associations in California spent \$449,755 lobbying the California Legislature during the second quarter of 2002 – an 18 percent increase over the first quarter of 2002. Through June 30 of this election cycle, tobacco companies and their trade associations have spent \$2.2 million lobbying the California Legislature.

As the legislature debated the budget during the first half of 2002, tobacco companies intensified their lobbying activities. R.J. Reynolds increased its lobbying spending by 70 percent to \$124,841 in the second quarter of 2002. Overall, tobacco companies and their trade associations spent \$829,306 on lobbying during the first six months of 2002.

In addition to the influence of the tobacco companies themselves, a number of other companies and organizations have interests that may coincide with those of tobacco companies. The California Distributors Association (CDA), for example, forms part of the supply chain for tobacco companies and relies on their products for business. The CDA lists a number of important tobacco-related bills among the issues it has lobbied on this year. During the first six months of 2002, the CDA spent \$23,377 on lobbying.

Two large companies, Miller Brewing and Kraft Foods, are subsidiaries of Philip Morris. While the lobbying efforts of these two companies includes some non tobacco-related legislation, the financial health of Philip Morris is critical to these subsidiaries and so their lobbying efforts often mesh with those of their parent company. Miller Brewing and Kraft Foods spent a total of \$2.2 million lobbying legislators during the first six months of 2002.

Campaign Contributions

Through June 30th of the current election cycle, several members in the Assembly and the Senate have benefited especially from tobacco industry donations. During this cycle, Speaker of the Assembly Herb Wesson (D-Culver City) received \$41,000 from tobacco companies through the second quarter of 2002. Since 1997, Assemblyman Bill Leonard (R-San Bernardino) has received the most tobacco money in the California Assembly, \$132,750. Assemblyman Dennis Cardoza (D-Merced) is a close second with \$128,250 in tobacco money over the same period. From 1997 through June 2002, tobacco companies (including subsidiaries) and their trade groups have given \$1.4 million to the current members of the California Assembly.

In the Senate, Senator James Brulte (R-Rancho Cucamonga) has received \$29,500 this election cycle. Senator Mike Machado (D-Linden) has received \$20,000 this cycle, adding to the \$127,844 in contributions he has received from tobacco companies (including subsidiaries) and their trade groups since 1997. Senator Ross Johnson (R-Irvine), however, has received more tobacco contributions than any other Senator, totaling \$245,000 from 1997 through June 2002. In total, the current members of the California Senate have received \$993,199 from tobacco companies (including subsidiaries) and their trade groups from 1997 through June 2002.

ANTI-SMOKING PROGRAMS IN CALIFORNIA

Historically, California has been one of the most successful states in curbing tobacco use among adults and teens. Since the inception of the state's tobacco prevention and cessation programs, smoking rates and the incidence of heart disease and other tobacco-related illnesses have declined dramatically. Since 1988, cigarette consumption in California has declined by more than 58 percent. Currently, California has the second lowest smoking rate among adults in the U.S. – 17.2 percent.

Yet adult smoking rates in California have remained stagnant over recent years, and some health advocates argue that the state's program to combat smoking has lost its edge. Once home to the largest tobacco prevention and cessation program in the world, California dropped to eighth place in the Campaign For Tobacco Free Kids' rankings in 2001 of the states funding tobacco prevention programs. With the cuts to tobacco prevention and cessation programs in the 2003 budget, its rank drops to twentieth.

The costs of tobacco use in California remain high. According to the Centers for Disease Control and Prevention (CDC), Californians spend over \$7 billion annually in health care costs directly related to tobacco-caused illnesses. Broken down by household, that equals \$548 yearly per household to treat illnesses caused by tobacco use. Productivity losses in California due to smoking add another \$7.5 billion, for a total cost of \$14.5 billion yearly in costs caused by tobacco use. The CDC estimates that every pack of cigarettes sold in California costs the state \$11.38 in health costs and productivity losses.

Despite this huge toll, former California Attorney General Dan Lungren (R) was one of the last attorneys general to join the state lawsuits against the tobacco companies in the 1990s. The litigation produced the Master Settlement Agreement (MSA) – a plan for tobacco companies to bear some of the costs of treating people with tobacco-caused illnesses and to restrict certain tobacco marketing practices. California established the Tobacco Settlement Fund in 2001 as the repository for the billions of dollars the state would receive in proceeds over the 25-year life of the 1998 settlement. The settlement, along with revenue from excise taxes, generated \$134.5 million for tobacco prevention and cessation in California during the 2002 fiscal year.

Even before the recent cuts, however, California's spending on tobacco prevention and cessation still fell far short of the minimum recommended spending for tobacco prevention and cessation programs. According to the CDC, California should be spending between \$165 and \$442 million per year if it is to make a significant reduction in smoking rates in the state. Compared to other spending priorities, tobacco prevention and cessation receives relatively little attention. For example, California taxpayers spent almost twice as much – \$250 million – in 2001-2002 on school energy cost assistance than on tobacco control.

NO INCREASE IN TOBACCO TAXES – PRIORITY #1

Tobacco taxes have been proven in state after state to reduce smoking – especially among kids. That is why raising the tax has been a primary goal of health advocates to save lives and improve health. According to a report by researchers at the University of California, San Francisco, the \$2.13 tax could have reduced the consumption of cigarettes in California by more than 500 million packs a year. Additionally, tobacco taxes always increase state revenue, which would help the state balance its budget, making increased tobacco taxes a win-win situation for California.

Across the country, tobacco companies have fought any increase in cigarette taxes because of its effect on cigarette sales over time. In its filing with the Securities and Exchange Commission in May 2001, Philip Morris reported: “[I]ncreases in excise and similar taxes have had an adverse impact on sales of cigarettes. Any future increases, the extent of which cannot be predicted, could result in volume declines for the cigarette industry.”

An internal Philip Morris document – released under the terms of the MSA – entitled *Cigarette Attributes and Quitting* further explains: “A high cigarette price, more than any other cigarette attribute, has the most dramatic impact on the share of the quitting population ... price, not tar level, is the main driving force for quitting.”

Not only did the Legislature vote not to pass the tax increase, it also cut a portion of the existing funding for tobacco prevention and cessation programs in the state. Under Proposition 99, a cigarette tax increase approved

by initiative in 1988, money from the new tax would be used to fund tobacco-caused disease research, health education against tobacco, and health care for poor families. The Legislature voted to divert \$26 million from these programs to help cover the state's budget deficit this year. Instead of drawing money from an increase in cigarette taxes – which could have also decreased smoking rates and health care costs in the state – the Legislature chose to bridge the deficit by using money earmarked for treating poor people sick from smoking.

SECURITIZATION OF TOBACCO SETTLEMENT MONEY

In January, Governor Davis unveiled his budget for fiscal year 2003. In it was a proposal to mortgage or “securitize” approximately 40 percent of the state's proceeds from the MSA. Although Davis' original plan called for the “securitization” of only \$2.4 billion of the settlement proceeds, that was later increased to \$4.5 billion, nearly all of the state's share of the MSA payments for the next 22 years. Were California to wait and receive the settlement payments over time, the state would have received a total of \$12.5 billion. The state will now get approximately 36 cents on the dollar it would have received in future MSA payments. Critics have likened this to taking out a second mortgage on your home to pay for groceries.

Moreover, California's securitization is riskier than traditional securitization. Normally, a company would issue bonds that investors could buy and then pay back the investors with the future proceeds over time. Because the company issued the bonds, it would assume the responsibility of repaying the investors. Under the securitization plan the Legislature has passed, the state will issue the bonds and therefore assume the responsibility for repaying the investors.

This means that California taxpayers are not only losing most of the proceeds from the original settlement agreement, but Californians are also liable for the payments to bondholders over time. If there is a decline in tobacco sales and companies cannot make their lawsuit payments to the state, then the state will have to draw money from other sources to cover the tobacco bond payments.

Because the Legislature has sold off the settlement money, that money will no longer be available to fund tobacco prevention and cessation programs. During the 2002 budget, the Governor proposed and the Legislature approved allocating \$20 million from the tobacco settlement funds toward tobacco prevention programs. When Governor Davis originally proposed selling off only a portion of the settlement money, he proposed allocating \$35 million from the settlement funds toward prevention programs in 2003. The Legislature voted to securitize the majority of the settlement money, however, meaning it is unlikely any settlement money will be available for tobacco prevention programs, now or in the future – possibly bankrupting the program that has helped more than 1.3 million Californians quit smoking – another significant victory for tobacco companies, and a great loss for Californians.

METHODOLOGY

The contribution data in this study is derived from campaign reports filed with the Secretary of State's office. The contributions to legislators are taken directly from contribution reports filed by tobacco companies, not the legislators' recipient committees. The period analyzed begins January 1, 1997, and ends in June 30, 2002. All monetary and non-monetary contributions are included. Loans made are counted as contributions unless they were re-paid. In cases where a contribution was given to a leadership committee, the report attributes the contribution to the legislator controlling the committee. Contribution data was provided to Common Cause Education Fund by the Capital Resource Group.

Every attempt has been made to locate all relevant reports and amendments filed by the contributors. Donors whose contributions are returned are required by law to amend their reports to so indicate. However, it is possible

that some donors may have failed to do so in a timely manner. Because the data is based on contributor reports and not recipient reports, it is possible some discrepancies may occur.

Lobbying information was obtained by CCEF from disclosure reports available from the California Secretary of State, Political Reform Division pursuant to the Political Reform Act of 1974. The Political Reform Act requires the disclosure of contributions and expenditures in connection with campaigns supporting or opposing state and local candidates and ballot measures as well as the disclosure of expenditures made in connection with lobbying the State Legislature and attempting to influence administrative decisions of the state government.

Because it is widely perceived that Philip Morris has used Miller Brewing and Kraft Foods as conduits for donating money to legislators reluctant to take money from the tobacco industry, the contributions of these Philip Morris subsidiaries are included in the total contributions to California legislators. However, because lobbying disclosure reports filed by Kraft and Miller indicate lobbying activity on some non tobacco-related issues, the lobbying expenditures of Kraft Foods and Miller Brewing have been segregated.

TOTAL LOBBYING EXPENDITURES OF TOBACCO COMPANIES, 1997 - JUNE 30, 2002				
Company	1997-98	1999-2000	2001-2002	Totals
Brown & Williamson Tobacco	799,467	611,531	422,163	1,833,161
Lorillard Tobacco Company	86,272	206,815	339,337	632,424
Philip Morris	1,678,748	714,986	555,938	2,949,672
RJ Reynolds	790,714	472,184	473,235	1,736,133
Smokeless Tobacco Council	256,624	197,317	453,941	
Tobacco Institute	713,357	-	-	713,357
UST Public Affairs Inc.	370,066	210,077	215,701	795,844
Totals	4,438,624	2,472,217	2,203,689	9,114,530
<i>Note: Lobbying totals include expenditures on all lobbying by a company, not a particular piece or pieces of legislation.</i>				

TOTAL CONTRIBUTIONS FROM TOBACCO COMPANIES, 1997 - JUNE 30, 2002				
Company	1997-1998	1999-2000	2001-2002	Totals
Brown & Williams Tobacco	100,920	207,520	44,500	352,940
Lorillard Tobacco	25,974	45,500	-	71,474
RJ Reynolds	331,913	394,575	165,500	891,988
UST	26,045	192,779	47,236	266,061
Philip Morris	1,173,698	1,219,581	656,501	3,049,780
Tobacco Institute	351,467	-	-	351,467
Smokeless Tobacco Council	NA	15,750	-	15,750
Totals	2,010,017	2,075,705	913,737	4,999,459
<i>Note: These figures include contributions to current state legislators, retired legislators, defeated legislative candidates and political committees. However, 1998 contributions do not include contributions to Committee Against Unfair Taxes (to stop passage of Prop 10) which totaled \$28,815,693.</i>				

**CONTRIBUTIONS TO CURRENT ASSEMBLY MEMBERS
FROM TOBACCO COMPANIES AND SUBSIDIARIES, 1997-JUNE 30, 2002**

District	Member	1997-1998	1999-2000	2001-2002	Totals
AD 01	Virginia Strom-Martin				-
AD 02	Richard L. Dickerson		20,000	5,095	25,095
AD 03	Samuel M. Aanestad		500		500
AD 04	Tim Leslie	5000	7250	5000	17,250
AD 05	Dave Cox		21,750	3,000	24,750
AD 06	Joe Nation				-
AD 07	Patricia Wiggins		7,500	8,000	15,500
AD 08	Helen Thomson		40,000		40,000
AD 09	Darrell Steinberg				-
AD 10	Anthony Pescetti		17,500	3,000	20,500
AD 11	Joseph Canciamilla		7,500	25,000	32,500
AD 12	Kevin Shelley				-
AD 13	Carole Migden		25,000	8,000	33,000
AD 14	Dion Aroner				-
AD 15	Lynne C. Leach		750		750
AD 16	Wilma Chan				-
AD 17	Barbara S. Matthews		20,000	3,000	23,000
AD 18	Ellen M. Corbett				-
AD 19	Louis J. Papan	32,000	30,750	1,000	63,750
AD 20	John A. Dutra		2,500	3,000	5,500
AD 21	S. Joseph Simitian		7,500	3,000	10,500
AD 22	Elaine Alquist				-
AD 23	Manny Diaz			3,000	3,000
AD 24	Rebecca Cohn			5,000	5,000
AD 25	Dave Cogdill		10,000	5,000	15,000
AD 26	Dennis Cardoza	20,250	104,000	4,000	128,250
AD 27	Fred Keeley				-
AD 28	Simon Salinas			3,000	3,000
AD 29	Mike Briggs	10,000	17,250	11,000	38,250
AD 30	Dean Florez	250	4,500		4,750
AD 31	Sarah L. Reyes		10,048	8,000	18,048
AD 32	Roy Ashburn	40,500	14,750	4,000	59,250
AD 33	Abel Maldonado		750		750
AD 34	Phil Wyman			5,000	5,000
AD 35	Hannah-Beth Jackson				-
AD 36	George Runner	750	11,500	3,000	15,250
AD 37	Tony Strickland		23,000	25,000	48,000
AD 38	Keith Richman			3,000	3,000
AD 39	Tony Cardenas		14,500		14,500
AD 40	Robert M. Hertzberg		43,000	3,000	46,000
AD 41	Fran Pavley				-

**CONTRIBUTIONS TO CURRENT ASSEMBLY MEMBERS
FROM TOBACCO COMPANIES AND SUBSIDIARIES, 1997-JUNE 30, 2002**

District	Member	1997-1998	1999-2000	2001-2002	Totals
AD 42	Paul Koretz				-
AD 43	Dario Frommer		15,000		15,000
AD 44	Carol Liu				-
AD 45	Jackie Goldberg				-
AD 46	Gil Cedillo				-
AD 47	Herb Wesson	500	36,589	41,000	78,089
AD 48	Roderick Wright	30,500	23,250	2,500	56,250
AD 49	Judy Chu				-
AD 50	Marco Antonio Firebaugh	1,100	23,500	6,000	30,600
AD 51	Jerome Horton		17,500	23,000	40,500
AD 52	Carl Washington		1,000		1,000
AD 53	George Nakano				-
AD 54	Alan Lowenthal				-
AD 55	Jenny Oropeza				-
AD 56	Sally Havice				-
AD 57	Ed Chavez		20,000	21,501	41,501
AD 58	Thomas M. Calderon	10,000	21,000		31,000
AD 59	Dennis Mountjoy		4,500	3,750	8,250
AD 60	Robert Pacheco		27,000	5,000	32,000
AD 61	Gloria Negrete McLeod				-
AD 62	John Longville	10,000	12,500	3,000	25,500
AD 63	Bill Leonard	121,750	9,000	2,000	132,750
AD 64	Rod Pacheco	500	7,000	5,000	12,500
AD 65	Russ Bogh			2,000	2,000
AD 66	Dennis Hollingsworth		5,000	3,750	8,750
AD 67	Tom Harman		4,500	4,750	9,250
AD 68	Ken Maddox		12,000	5,000	17,000
AD 69	Lou Correa				-
AD 70	John Campbell		7,000	5,000	12,000
AD 71	Bill Campbell	1,000	37,750		38,750
AD 72	Lynn Daucher		2,500	10,000	12,500
AD 73	Patricia C. Bates		8,750	5,000	13,750
AD 74	Mark Wyland		4,500	4,000	8,500
AD 75	Charlene Zettel			3,000	3,000
AD 76	Christine Kehoe				-
AD 77	Jay La Suer		7,500	3,750	11,250
AD 78	Howard Wayne				-
AD 79	Juan Vargas				-
AD 80	Dave Kelley		6,000	6,000	
	Totals	284,100	775,137	308,096	1,367,333

**TOTAL CONTRIBUTIONS TO CURRENT SENATE MEMBERS
FROM TOBACCO COMPANIES AND SUBSIDIARIES, 1997-JUNE 30, 2002**

District	Member	1997-1998	1999-2000	2001-2002	Totals
SD 01	Thomas "Rico" Oller	20,500	25,500	4,000	50,000
SD 02	Wesley Chesbro				-
SD 03	John L. Burton				-
SD 04	Maurice Johannessen	250	2,500	5,000	7,750
SD 05	Mike Machado	26,000	81,844	20,000	127,844
SD 06	Deborah V. Ortiz				-
SD 07	Tom Torlakson				-
SD 08	Jackie Speier		5,000		5,000
SD 09	Don Perata		5,000	3,000	8,000
SD 10	Liz Figueroa				-
SD 11	Byron Sher				-
SD 12	Dick Monteith		3,000	4,000	7,000
SD 13	John Vasconcellos				-
SD 14	Charles Poochigian		7,000	4,000	11,000
SD 15	Bruce McPherson		5,000	429	5,429
SD 16	Jim Costa	6,000	20,000	3,000	29,000
SD 17	Wm. "Pete" Knight		1,500	4,000	5,500
SD 18	Jack O'Connell				-
SD 19	Tom McClintock	500	30,818	5,000	36,318
SD 20	Richard Alarcón				-
SD 21	Jack Scott				-
SD 22	Richard Polanco	7,500	28,500	5,000	41,000
SD 23	Sheila James Kuehl				-
SD 24	Gloria Romero				-
SD 25	Edward Vincent		31,963	6,000	37,963
SD 26	Kevin Murray	15,500	20,000	5,500	41,000
SD 27	Betty Karnette				-
SD 28	Debra Bowen				-
SD 29	Bob Margett	900	7,750	5,000	13,650
SD 30	Martha M. Escutia				-
SD 31	James L. Brulte	1,495	82,000	29,500	112,995
SD 32	Nell Soto		18,000	3,000	21,000
SD 33	Dick Ackerman	24,000	26,250	4,500	54,750
SD 34	Joseph L. Dunn		5,000		5,000
SD 35	Ross Johnson	111,000	130,000	4,000	245,000
SD 36	Ray Haynes	6,000	12,000	4,000	22,000
SD 37	Jim Battin		31,500	6,000	37,500
SD 38	Bill Morrow	5,500	22,000	2,000	29,500
SD 39	Dede Alpert		10,000	3,000	13,000
SD 40	Steve Peace	5,000	18,000	3,000	26,000
	Totals	230,145	630,125	132,929	993,199

**TOTAL CONTRIBUTIONS TO POLITICAL COMMITTEES
FROM TOBACCO COMPANIES AND SUBSIDIARIES, 1997-JUNE 30, 2002**

Committee	1997-1998	1999-2000	2001-2002	Totals
Black Leadership PAC		5,000	60,000	65,000
Business & Taxpayers for Fair Fees		110,250		110,250
California African American PAC			7,000	7,000
California Democrat Moderates PAC			15,000	15,000
California Distributors Association PAC		3,300	1,250	4,550
California Farm Bureau		5,000		5,000
California Hispanic Chamber of Commerce PAC	26,000			26,000
California Hispanic Leadership Fund	5,000			5,000
California Latino Alliance			7,000	7,000
California Manufacturers & Technology		1,640	1,250	2,890
California Manufacturers Association PAC	15,500			15,500
California Middle PAC			3,000	3,000
California Republican Majority Committee			2,500	2,500
California Republican Party	110,000		40,000	150,000
California Voter Registration Project	300			300
Californians Against Hidden Taxes		110,000		110,000
Californians for Civil Justice Reform PAC	17,500		5,000	22,500
Californians for Common Sense			90,000	90,000
Californians for Fair Taxation	376,630			376,630
Californians United			40,000	40,000
CDA/PAC	2,100		5,500	7,600
Citizens' Right to Petition			80,000	80,000
CVRP Bash CA Assembly Dems	500	500		1,000
Dairy Institute Legislative Cmte			5,000	5,000
Democratic Legislative Campaign Committee	16,515			16,515
HAT PAC	2,000			2,000
Inland Democratic Education Assistance Project	30,000			30,000
Jobs PAC			40,000	40,000
Los Angeles Labor Federation Voter Improvement			5,000	5,000
Political Future PAC			25,000	25,000
Republican Party of Orange County			212	212
Republican Victory '98	5,000			5,000
Senate Republican Leadership Fund		1,500		1,500
Smokeless Tobacco Council Inc.	217			217
Taxpayers Political Action Committee		5,000		5,000
Voter Improvement Company	5,000	5,000		
We Can Vote	100			100
Totals	607,362	242,190	437,712	1,287,264



SUMMARY

As the California Legislature continues to wrestle with various issues relating to public health and smoking, it is important that the citizens of California are fully aware of the information contained in this report. In California, legislators diverted tobacco settlement money away from smoking prevention efforts and impeded efforts to enforce existing laws designed to reduce smoking. The tobacco industry investments, detailed in this report, in campaign contributions and lobbying will pay off in higher cigarette sales as a result of the cuts to the tobacco prevention and cessation programs and the state's failure to increase its cigarette tax.