

Cold Hard Cash, Cold War Politics

**How Cuban American Hard-Liners Influence
Congress With Campaign Contributions**



November 16, 2009

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EXECUTIVE SUMMARY

Since the 2004 election cycle, a network of Cuban-American donors and political action committees (PACs) has donated in excess of \$10 million to more than 300 federal candidates in order to thwart any changes in the U.S. embargo of Cuba.ⁱ Recipients are Democrats and Republicans, House and Senate members, rank-and-file members and party leaders. Contributions are sometimes coordinated and mutually reinforcing. These donations were often targeted to members of Congress who changed their positions on U.S.-Cuba policy to align them with opponents of change, sometimes within days or a few weeks of making the switch.

With support growing for reforms of U.S. policy toward Cuba, including lifting the ban on travel by all Americans to the island, and with congressional hearings on travel to Cuba about to take place before the House Foreign Affairs Committee, the question is whether reasoned policy or old-style politics driven by the corrosive influence of campaign donations will prevail.

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In the most extensive analysis of hard-line Cuban-American campaign donations to date, Public Campaign has made visible the following facts and findings. To preserve the U.S. embargo of Cuba, the U.S.-Cuba Democracy PAC and the network of hard-line Cuban American donors:

- Made donations of \$10,777,692 since the 2004 election cycle
- Gave to at least 337 federal candidates through the PAC, 53% of whom received reinforcing individual donations from hard-line Cuban-American donors
- Vastly increased Cuban-Americans' donations to the Democratic Senatorial Campaign Committee (DSCC) even as the DSCC has underperformed in overall fundraising compared to a similar point in the 2007-2008 election cycle
- Provided significant resources to their champions (with contributions aggregating as high as \$366,964), who include fifteen top recipients. Some of these champions recycle contributions to, or raise money for, other members, thereby building their power base to help stop Cuba policy changes

- Targeted donations to recipients whose voting record shows a shift in their position on Cuba policy, including seven who took money and switched their positions on dates that were in close proximity to one another
- Provided, through the PAC and the network of donors, more than \$850,000 to 53 members of Congress who recently publicized their opposition to changes in the policy just weeks before a key committee hearing on travel to Cuba

This report begins with a summary of the scope of this hard-line network, sections on both the momentum towards changing Cuba policy and the response from the hard-line community to counter that momentum, and a detailed analysis of the different ways in which they use campaign contributions to press for their views. The report closes with recommendations for policies to address the overarching problem of money in politics.

THE U.S.-CUBA DEMOCRACY PAC, ITS DONORS, AND ALLIES

Most extensive study of Cuban-American donations

Public Campaign's analysis in this report begins its focus with the U.S.-Cuba Democracy PAC. The PAC, which first began operating in the 2004 election cycle, has given \$1,703,264 to federal candidates since its inception. Already in the 2010 election cycle, the PAC has donated \$154,500 to federal candidates.

Since the 2004 election cycle, they have supported 337 federal candidates. More than half of those candidates (179, or 53.1 percent) also received reportable donations from individuals within the network of anti-Castro donors we identified. These individuals contributed \$2.9 million to federal candidates who had also received contributions from the PAC.ⁱⁱ

As we conducted this research, we also observed that the U.S.-Cuba Democracy PAC wasn't operating in isolation. Individual donors to previous Cuban-American hard-line PACs and to the leadership PAC, called Democracy Believers PAC, run by Rep. Lincoln Diaz-Balart (R-Fla.), often made donations to the same members of Congress or political committees supported by the U.S.-Cuba Democracy PAC.

All in all, Public Campaign identified a total of \$10,777,692 in campaign contributions from the hard-line PACs and their supporters. While we found patterns of giving – a handful of Miami Cuban-Americans making several thousand dollars in campaign contributions to a congressman in Montana after the PAC had made a gift, for example – we found no hard evidence that the U.S.-Cuba Democracy PAC instructed its donors to give to particular members of Congress.

A total of \$10,777,692 in campaign contributions from the hard-line PACs and their supporters.

That said, the intent of these donations is clear, and the impact of them is equally clear – recipients of these contributions, more often than not, cast their votes on Cuba policy issues with the hard-liners from the Cuban-American community, rather than in alignment with public opinion or the interests of their own constituencies.

MOMENTUM TOWARD CHANGING CUBA POLICY

From 2001-2009, the Bush administration hardened the policy toward Cuba and hewed to the hard-liners' positions on the embargo. Their actions included stopping categories of academic and cultural travel, increasing "regime change" funds under USAID democracy promotion programs, making regulatory changes to reduce legal sales of food to Cuba, increasing enforcement of the embargo against domestic and international corporations, and even acting to terminate most travel by Cuban-American families to reduce the flow of U.S. dollars to the island.

By contrast, during the early part of this decade, the House and Senate repeatedly passed appropriations amendments attempting to stop the use of federal funds to enforce the embargo in various ways. All of these proposals were eventually excised from the bills before they reached the White House, so that President Bush never had to make good on his veto threats.

Congress held 11 votes from 2003 to 2007 to change Cuba policy on measures that included lifting the trade embargo, restoring agriculture trade, ending the travel ban to the island for all Americans, and restoring family travel for Cuban-Americans. In general, these measures attracted a majority of votes in the House [see Appendix I: Vote analysis]. Beginning in 2004, though, these measures began to lose that base of support and then stalled completely.

During the 2008 election, then-Sen. Barack Obama (D-Ill.) pledged his support for repealing the limitations on family travel to Cuba and financial support for their families. Since his inauguration, he made good on this commitment, and also began to review other longstanding policies regarding the island nation. These changes have been welcomed among those who have fighting to change the Cuba policy, specifically those who believe

A September 2009 survey by Bendixen & Associates found that 59 percent of Cuban-Americans favored repealing the travel ban for all Americans.

that opening the island to travel and other forms of engagement will advance U.S. foreign policy interests, improve human rights conditions in Cuba, and enhance our nation's standing in Latin America.

In March and April 2009, bipartisan legislation, "The Freedom to Travel to Cuba Act," introduced by Sens. Byron Dorgan (D-ND) and Mike Enzi (R-WY), and by Reps. Bill Delahunt (D-MA) and Jeff Flake (R-AZ) gained momentum in both chambers. In the Senate, the legislation (S. 428) has attracted 32 additional cosponsors. In the House, the Delahunt-Flake bill (H.R. 874) counts 178 additional cosponsors on board, and it will be the topic of a congressional hearing entitled "Is it time to lift the ban on travel to Cuba?" that will be held November 19, 2009 in the House Foreign Affairs Committee.

This legislative momentum reflects a shift in public opinion on the Cuba issue among Cuban-Americans. A September 2009 survey by Bendixen & Associates found that 59 percent of Cuban-Americans favored repealing the travel ban for all Americans. Just 29 percent opposed the repeal. A similar survey done by the firm in 2002 found Cuban-Americans to be split on the issue, with 46 percent for repeal and 47 percent opposed.ⁱⁱⁱ

These viewpoints reflect what Americans of all backgrounds think. A national survey conducted by World Public Opinion in April 2009 found that 70 percent believed Americans “should be free to travel to Cuba” while just 28 percent felt that Americans “should continue to be prohibited from travel to Cuba.”^{iv}

MOMENTUM MEETS ENTRENCHED OPPOSITION

Historically, the Cuban-American community has relied on a combination of presidential electoral math and highly placed allies in Congress. For the eight years before President Obama’s election, the Cuban-American community relied on President George W. Bush to hold the line against changes in Cuba policy.

With a solid presence in Miami as powerbrokers for both financial contributions and votes, Miami’s Cuban-American community has long held a disproportionate impact on the positions taken by presidential candidates because the community held two things important to Florida’s critical 27 Electoral College votes: votes and money. In short, the political narrative emerged that a presidential candidate couldn’t carry Florida without currying favor with Miami’s hard-liners.

In 2008, this narrative was proven wrong. Obama, who came out forcefully for revisiting Cuba policy during the campaign, carried the state by three percent over Sen. John McCain (R-Ariz.), or 236,450 votes, including winning Miami-Dade County by 16 percent, or 139,280 votes.^v With young voters coming out for Obama in droves, including young Cuban-Americans, 31 year-old Ricardo Herrera gave *TIME Magazine* this new take on America’s role in Cuba, “There are no better ambassadors of American culture and American democracy than Americans themselves.”^{vi}

No member of the Florida’s congressional delegation criticizes either the hard-liners or the embargo.

The Cuban-American hard-liners also wield considerable clout in Florida politics. No member of the state’s congressional delegation criticizes either the hard-liners or the embargo. The Cuban-American hard-liners make significant amounts of campaign donations to leading Florida politicians, including Rep. Lincoln Diaz-Balart (R-Fla.), while Rep. Debbie Wasserman Schultz (D-Fla.) is a top national fundraiser for vulnerable Democratic House members. In addition to Rep. Lincoln Diaz-Balart, his brother, Rep. Mario Diaz-Balart (R-Fla.) and Rep. Ileana Ros-Lehtinen (R-Fla.) hail from the state’s Cuban-American community.

The Cuban-American community’s political clout is not limited to Florida. The other state with a high concentration of Cuban-Americans is New Jersey, and the community has been able to translate it into electoral representation. Sen. Bob Menendez (D-N.J.), a Cuban-American, first served in the House until he was appointed to the Senate by Gov. Jon Corzine (D-N.J.) to fill the seat Corzine had just vacated. Rep. Albio Sires (D-N.J.), another Cuban-American, was elected to fill Menendez’s seat.

Yet Florida’s and New Jersey’s congressional delegations, however influential, don’t add up to a majority in Congress. In fact, the senators from the two states represent just four

percent of their chamber, while the House delegations hold less than nine percent of the voting seats in the lower chamber.

Starting in the middle of the decade, Cuban-American hard-liners realized that they could not rely on a president or lawmakers from one or two states to preserve their interests. They began what only can now be seen in retrospect as a concerted effort to use campaign contributions to make Congress more responsive to its wishes.

In other words, the Cuban-American hard-liners targeted campaign contributions to lawmakers primarily in Florida and New Jersey who would champion their interests in the House and Senate; to members of Congress with no district-related interests in keeping Cuba policy as is, who would nonetheless be persuaded to vote their way; third, behind a concerted effort to switch the positions of Members of Congress using campaign contributions as a reward.

Top recipients of contributions from the PAC and its network

The chart below lists the top 15 recipients of contributions from the PAC and its network of donors.

Member	Individual	USCD PAC	Grand Total
Rep. Lincoln Diaz-Balart (R-Fla.)	\$361,964	\$5,000	\$366,964
Rep. Mario Diaz-Balart (R-Fla.)	\$354,176	\$10,000	\$364,176
Rep. Ileana Ros-Lehtinen (R-Fla.)	\$240,050		\$240,050
Sen. John McCain (R-Ariz.)	\$183,415		\$183,415
Sen. Robert Menendez (D-N.J.)	\$153,300	\$12,500	\$165,800
Sen. Bill Nelson (D-Fla.)	\$140,149	\$15,000	\$155,149
Sen. Joseph Lieberman (I-Conn.)	\$102,550	\$10,000	\$112,550
Rep. Kendrick Meek (D-Fla.)	\$88,000	\$15,500	\$103,500
Rep. Debbie Wasserman Schultz (D-Fla.)	\$48,700	\$27,000	\$75,700
Rep. Albio Sires (D-N.J.)	\$27,150	\$25,000	\$52,150
Rep. Ron Klein (D-Fla.)	\$39,700	\$11,000	\$50,700
Sen. Harry Reid (D-Nev.)	\$37,795	\$12,000	\$49,795
Rep. Frank Pallone (D-N.J.)	\$28,100	\$11,500	\$39,600
Rep. John Salazar (D-Colo.)	\$13,600	\$23,500	\$37,100
Rep. Eliot Engel (D-N.Y.)	\$12,950	\$20,500	\$33,450

As is quickly apparent, Cuban-American giving is highly concentrated to those members of Congress representing Florida and New Jersey. The exceptions on the list are primarily those who have run for president (Sens. John McCain and Joe Lieberman) or those in leadership (Senate Majority Leader Harry Reid).

Targeted contributions to those whose positions are changing

While these members have taken the most money from the PAC and its network of individual donors, it is a group of at least 17 House members whose positions have changed since 2004 on matters related to Cuba that attracted our curiosity. These 17 members of Congress, based on our analysis, appeared to have voted relatively consistently in favor of

easing travel restrictions, lifting the embargo or other shifts in policy toward Cuba throughout the early part of this decade. At a variety of points over the last four to five years, these members have all shifted their positions towards those held by hard-liners. Each of the 17 also received campaign contributions from the U.S.-Cuba Democracy PAC, the network of donors, or both.

Before going further, let us issue a caveat: members of Congress cast hundreds of votes every session. Many factors go into how a member of Congress decides to vote. We believe that two such factors are how the vote will be viewed by campaign donors and how the member of Congress perceives it will help or hurt their future fundraising prospects. When a member of Congress switches his or her position on a matter of public policy, it is important to look for reasons as to why.

The chart below identifies these 17 members, at what point their positions on Cuba policy appears to have shifted, when they first received contributions from the PAC, what their positions have been since they became less reliably supportive of changing policy, and how much funding they've received from the Cuban-American hard-line donors and PACs.

Name	Consistently voted to ease relations with Cuba on all votes through:	Date of First Contribution from US-Cuba Democracy PAC	Voting Record Since Position Change	Money from PAC and Network
Rep. Joe Baca (D-Calif.)	6/15/05	5/10/06	Mixed	\$22,050
Rep. Brad Sherman (D-Calif.)	9/21/04	9/28/04	Mixed	\$21,500
Rep. Adam Schiff (D-Calif.)	9/21/04	9/23/04	Opposed	\$19,838
Rep. Denny Rehberg (D-Mont.)	9/21/04	3/8/05	Opposed	\$15,500
Rep. Mike McIntyre (D-N.C.)	9/9/03	4/28/04	Opposed	\$14,500
Rep. Brad Miller (D-N.C.)	9/21/04	9/28/04	Mixed	\$14,500
Rep. Edward Whitfield (R-Ky.)	9/9/03	7/23/04	Opposed	\$12,000
Rep. Lee Terry (R-Neb.)	9/9/03	6/10/04	Opposed	\$11,500
Rep. Dennis Cardoza (D-Calif.)	9/22/04	9/8/04	Opposed	\$9,750
Rep. Artur Davis (D-Ala.)	9/9/03	8/19/04	Mostly opposed	\$9,000
Rep. Thomas Latham (R-Iowa)	9/9/03	7/8/04	Mostly opposed	\$8,000
Rep. Samuel Graves (R-Mo.)	6/30/05	9/21/04	Opposed	\$8,000
Rep. Kevin Brady (R-Texas)	9/9/03	7/14/04	Mostly opposed	\$6,000
Rep. Darrell Issa (R-Calif.)	9/9/03	9/28/04	Opposed	\$5,000
Rep. John Shimkus (R-Ill.)	6/15/05	12/13/05	Opposed	\$3,000
Rep. David Camp (R-Mich.)	7/7/04	4/21/04	Mostly opposed	\$3,000
Rep. Donald Manzullo (R-Ill.)	9/9/03	9/21/04	Mostly opposed	\$3,000

Some of these amounts are relatively small to those who study campaign finance matters, especially when compared to the amount given by major economic interests attempting to influence health care, energy policy, or banking regulation. But to many Americans, contributions totaling \$10,000 represent a troubling sign that a member of Congress is listening more to contributors than to voters. In fact, in a July 2009 public opinion survey, Rasmussen found that 40 percent of all Americans believed a member of Congress would sell their vote for as little as \$10,000. Just eight percent of Americans believed it would take more than \$100,000 for a politician to sell their vote.^{vii}

The Seven

We've profiled seven members of Congress whose donation or donations from the U.S.-Cuba Democracy PAC came in close proximity to when they switched their position, or where that switch in position has been clear and dramatic given the agricultural economics of the member's district. In most of the seven examples, the member of Congress had not received contributions from the PAC before he switched his vote.

Five of the seven districts listed below are ones identified by the U.S. Department of Agriculture within the top ten percent of districts in the value of agricultural products.^{viii} These five districts could stand to gain economically from additional agricultural trade with Cuba.

Before describing the seven individual members, it is important to note that the House Ethics Manual directs all Members and congressional staffers to:

[C]onduct themselves in a manner that will reflect creditably on the House, work earnestly and thoughtfully for their salary, and that they may not seek to profit by virtue of their public office, **allow themselves to be improperly influenced**, or discriminate unfairly by the dispensing of special favors.^{ix}

Here are the seven members of Congress who received support from hard-line Cuban-Americans in close proximity to their positions changing on Cuba.

Rep. Ed Whitfield (R-Ky.):

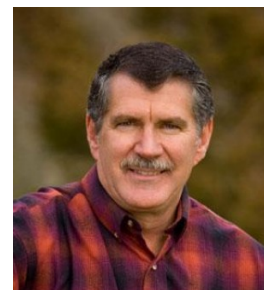
Rep. Whitfield voted repeatedly in 2003 (and before) to repeal the travel ban and ease relations toward Cuba. But since that time, he has been a consistent vote to maintain American policy toward Cuba. The change came on July 7, 2004 when he voted against a measure that would have prohibited funding for administering the ban on sending gift parcels to families in Cuba.



The money started flowing two weeks later with a \$1,000 check on July 23, 2004 from the U.S.-Cuba Democracy PAC. He received an additional \$3,000 check from the PAC on September 12, 2004, and two weeks later cast votes against lifting the travel ban for family members and against lifting the embargo on September 21 and 22, respectively. All in all, Rep. Whitfield, who represents a rural agricultural district, received \$12,000 from the PAC.

Kentucky's First Congressional District, represented by Ed Whitfield, ranks 34th of 435 in total value of agricultural products sold. In 2007, the district's 23,964 farms made \$1.9 billion in total sales.

Rep. Denny Rehberg (R-Mont.):



In 2003, Rep. Rehberg said about Fidel Castro, “While we may not like his government, food is not something that ought to be held back from any community in the world.”^x Regarding the anti-Castro caucus in the U.S. Congress, he said, unhappily, “I don't think they will end their opposition anytime soon. They are formidable.”^{xi}

But as the Associated Press reported, “In September 2004, Rehberg joined embargo supporters to oppose an amendment that would have lifted all existing economic embargoes on Cuba. Several months later, Rehberg's campaign received \$1,000 from a pro-embargo group, the U.S. Cuba Democracy Political Action Committee.”^{xii}

Since the 2004 election cycle, Rep. Rehberg received \$15,500 in campaign support from the PAC and its network.

Rep. Rehberg's district, the Montana At-Large District, ranks 20th of 435 in total value of agricultural products sold. In 2007, the district's 29,524 farms made \$2.8 billion in total sales.

Rep. Mike McIntyre (D-N.C.):

Like Rep. Whitfield, Rep. McIntyre had a consistent voting record in support of easing travel and trade restrictions until July 2004.

He received his first campaign contribution of \$1,000 on April 28, 2004 from the U.S.-Democracy PAC just before his July 7, 2004 vote regarding the ban on sending gift parcels to Cuba, and another \$2,000 following his September 2004 votes against allowing family members to travel to Cuba and against removing the embargo.



The U.S.-Cuba Democracy PAC also gave him \$1,000 at the end of May 2005, a few weeks before he voted their way that June on a series of three separate votes. Rep. McIntyre has received \$14,500 from the PAC and the network of donors. He was also among the 53 Democrats who recently signed a letter to House Speaker Nancy Pelosi (D-Calif.) arguing for the *status quo* in Cuba policy.

North Carolina's Seventh Congressional District, represented by Rep. McIntyre, ranks 26th of 435 in total value of agricultural products sold. In 2007, the district's 4,809 farms made \$2.5 billion in total sales.

Rep. McIntyre serves on the House Agriculture Committee, and as chair of the Subcommittee on Rural Development, Biotechnology, Specialty Crops, and Foreign Agriculture. The subcommittee's jurisdiction includes “Peanuts, sugar, tobacco, marketing orders relating to such commodities, rural development, farm security and family farming matters, biotechnology, foreign agricultural assistance, and trade promotion programs, generally.”^{xiii}

Rep. Adam Schiff (D-Calif.):

Rep. Schiff's voting record on Cuba policy was reliably in favor of easing relations with Cuba until the September 22, 2004, when he



apparently switched sides. Before that time, Schiff had cast four straight votes to allow travel, gift parcels, or remittances to Cuba.

A U.S.-Cuba Democracy PAC contribution of \$1,000 came on September 23, 2004, just a day after Rep. Schiff cast his first vote on the side of the hard-liners. The vote was to maintain the embargo. Another \$1,000 check came from the PAC on June 25, 2005, a week and a half after he had voted against humanitarian aid to Cuba, and a few days before he skipped a series of votes on travel to Cuba and ending the embargo. In all, Rep. Schiff has received \$19,838 from the PAC and its network.

Rep. Brad Sherman (D-Calif.):

Rep. Sherman has a mixed voting record on Cuba policy – opposing the elimination of the embargo while continuing to support some efforts to change relations with Cuba, like lifting travel and other restrictions.



Some of the timing of the gifts to Rep. Sherman raises questions. An initial contribution of \$1,000 from the U.S.-Cuba Democracy PAC to Rep. Sherman came in September 2004, a few days after he voted against an amendment to end the embargo. The PAC gave two additional \$1,000 contributions in May and June 2005, preceding three June votes.

In 2006, the PAC gave him another \$1,000 three days before he voted to keep the embargo in place.

In short, on the key votes to end the embargo, Rep. Sherman sided with the PAC, and on several votes to ease travel restrictions, Rep. Sherman sided against them. Given that Rep. Sherman sits on the House Foreign Affairs Committee, that there's new momentum to repeal the travel ban, and that he has received \$21,500 from the PAC and its network, his position bears watching. He also serves as the chair of the Foreign Affairs' Subcommittee on Terrorism, Nonproliferation, and Trade.^{xiv}

Rep. Sam Graves (R-Mo.):

In 2000, the *Kansas City Star* reported that, "[Rep.] Graves, who is also a farmer, said an open trade bill with Cuba would help farmers."^{xv} In 2002, the same paper listed him as among the local members of Congress who said "Cubans would benefit from more trade."^{xvi}



But starting in June 2005, he has voted against ending the embargo twice. He has received \$8,000 from the PAC since 2004, including, interestingly, one \$1,000 gift the same day Graves voted to suspend the embargo on September 22, 2004. The very next time that same amendment came up – on June 30, 2005 – Graves voted against it.

Rep. Graves serves on the House Agriculture Committee. His congressional district, the Sixth Congressional District in Missouri, ranks 42nd of 435 in total value of agricultural products sold. In 2007, the district's 22,337 farms made \$1.7 billion in total sales.

Rep. John Shimkus (R-Ill.):

In 2000, Rep. Shimkus, referring to a trade vote involving China, said, "We need to be in Cuba. If you say it's good for the Chinese people, it's also good for the Cuban people."^{xvii} Rep. Shimkus, in 2002, was listed by the Copley News Service as a supporter of "lifting the embargo with Cuba."^{xviii}



Yet starting in 2005, his voting record switched from a consistent supporter of easing relations with Cuba to opposition. Since then, he's been rewarded with \$3,000 in campaign contributions from the PAC.

Illinois's Nineteenth Congressional District, represented by Rep. Shimkus, ranks 29th of 435 in total value of agricultural products sold. In 2007, the district's 18,976 farms made \$2.3 billion in total sales.

Two PACs are better than one

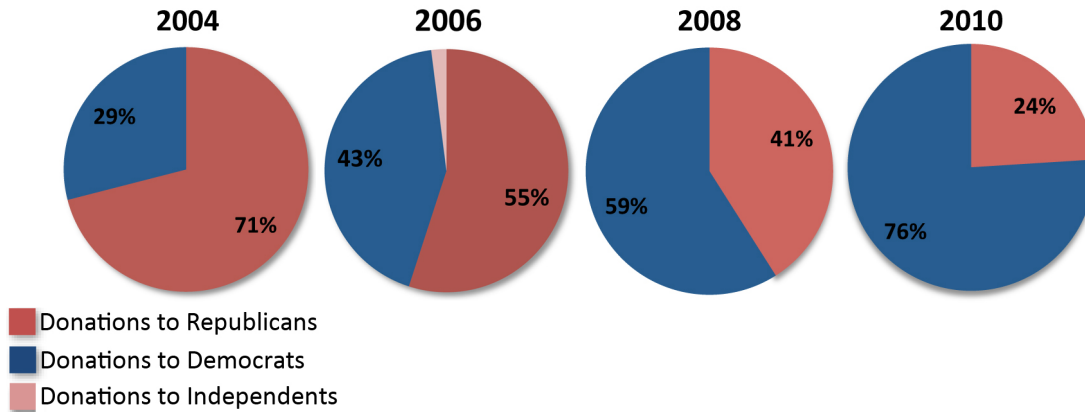
There are at least six occasions when the U.S.-Cuba Democracy PAC made contributions to federal candidates on the same day or within a few days that Democracy Believers PAC or Rep. Mario Diaz-Balart's campaign committee made a donation.

- On June 20, 2005, Democracy Believers PAC gave two \$1,000 gifts and U.S-Cuba Democracy PAC gave one \$1,000 gift to Rep. Charlie Dent (R-Pa.)
- On June 20, 2005, Democracy Believers PAC gave two \$1,000 gifts and U.S-Cuba Democracy PAC gave one \$1,000 gift to Rep. Heather Wilson (R-N.M.)
- On June 20, 2005, Democracy Believers PAC gave two \$1,000 gifts and U.S-Cuba Democracy PAC gave one \$1,000 gift to Rep. John Kuhl Jr. (R-N.Y.)
- On February 8, 2006, Democracy Believers PAC gave one \$1,000 gift and U.S-Cuba Democracy PAC gave one \$3,000 gift to Rep. Ted Poe (R-Texas)
- On February 24, 2006, Democracy Believers PAC gave one \$1,000 gift and U.S-Cuba Democracy PAC gave two gifts worth a total of \$5,000 to Sen. John Ensign (R-Nev.)
- On May 28, 2009, Rep. Diaz-Balart's campaign gave one \$1,000 gift and U.S-Cuba Democracy PAC gave one \$2,500 gift to Rep. Todd Tiahrt (R-Kan.)

Shifting contributions to Democrats

At its outset, the U.S.-Cuba Democracy PAC gave the overwhelming amount of its money to Republicans. But as power shifted on Capitol Hill, so did the PAC's giving, as the chart below demonstrates.

Percentage of Money to Political Parties from Cuban American Hard-Liners*



In 2004, the PAC gave just 29% of its donations to Democrats. During this election cycle, so far, it has made 76% of its donations to Democrats. In short, when the Republicans were in control of the House, they gave more to them. Now that Democrats control the agenda, the PAC has dramatically shifted its strategy to develop relationships with Democratic members.

And it appears to be having an impact. Earlier this month, 53 Democrats signed a letter to House Speaker Nancy Pelosi arguing against change in Cuba policy. The letter appeared timed to coincide with the announcement that there will be an upcoming congressional hearing on the Delahunt-Flake bill to repeal the travel ban.

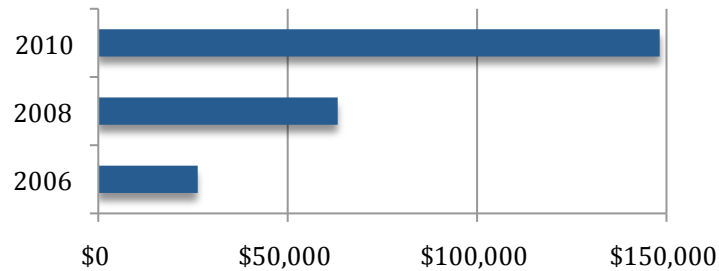
A Public Campaign analysis of those who signed the letter found that they received a total of \$510,000 from the U.S-Cuba Democracy PAC and another \$356,235 from the hard-liners identified by our research. The average signer received \$16,344. Just two of the 53 signers had not received PAC contributions.

Raising the Stakes in the Senate

Sen. Bob Menendez quickly ascended to a new perch earlier this year as the chair of the Democratic Senatorial Campaign Committee (DSCC), the party's chief fundraising committee for Democrats seeking election to the Senate. In this new role, Sen. Menendez has reached out to Cuban-Americans for financial support.

* The percentage breakdown for 2010 includes Senate receipts through June 30, 2009, but not receipts in the third quarter of 2009. Because of the way the FEC reports PAC and candidate filings, House figures were available through September 30, 2009, but Senate figures were not.

**Money to DSCC from
Cuban-American Hard-Liners
(By Election Cycle)**



In fact, the financial support he's received for the DSCC for the 2010 election cycle has already dwarfed what his predecessors had raised over the past three election cycles combined from the Cuban-American hard-liners. The DSCC raised \$26,250 in the 2006 cycle from the hard-liners identified in this report, and \$62,200 in 2008 election cycle. But in the first eight months of 2009, the DSCC has already raised an eye-popping \$148,200 from this network of individuals and the U.S.-Cuba Democracy PAC. In short, Sen. Menendez has raised more in the last eight months from hard-liners than his predecessors at the DSCC raised over four years.

The coziness between Sen. Menendez and hard-line Cuban-Americans, and Menendez's actions to support their cause, has also stirred controversy in his new role as DSCC chief. When Sen. Menendez placed a procedural hold on the 2009 omnibus spending bill earlier this year in protest of provisions that would have eased some Cuba travel restrictions, Hollywood donors noticed. A powerful force in Democratic politics, entertainment interests are major backers of the party and its candidates, giving \$37.6 million of its \$48 million in contributions to Democrats during the last election cycle.

The disconnect between Sen. Menendez's position and that of one of his most important fundraising base has, according the entertainment trade newspaper *Variety*, led many to "question his ability to lead the chief fund-raising arm for Senate Democrats while holding what they regard as an antiquated position." Well-know Hollywood political fundraiser and consultant Andy Spahn declared that "[Menendez's] actions will definitely hurt his fund-raising efforts as chair of the Democratic Senatorial Campaign Committee."^{xix}

CONCLUSION

The case of U.S.-Cuba Democracy PAC's use of targeted contributions to members of Congress raises serious questions about how our entire system of financing campaigns operates. Aside from a handful of major policy initiatives, the public depends on members of Congress to act in the best interest of all the people, not just a narrow slice of motivated individuals. When the motivated individuals use campaign contributions to shift the lawmakers' attention, and perhaps even shift his or her vote, the implications are troubling, to say the least.

This PAC and a network of like-minded donors are well-connected in both the House and Senate leadership. They are pursuing a strategy that contravenes popular opinion. And they are pushing back against the momentum against a shift in policy with the last tool in their arsenal – large campaign contributions.

Sometimes it's not the major national issues, like health care or climate change, that make the best case for changing the way that elections are paid for. The example laid out by this report underscores the need for an overhaul of our campaign finance system just as much as the hundreds of millions of dollars in campaign contributions handed over by the health care, financial, or energy industries over the last several elections cycles.

The best approach to dealing with the appearance of corruption and the real conflicts of interest in our campaign finance system is a program that mixes small donations and public financing. Legislation called the Fair Elections Now Act (S. 752, H.R. 1826), introduced by Rep. John Larson (D-Conn.) and Sen. Dick Durbin (D-Ill.), provides Congress the opportunity to act right away.

But its adoption won't come fast enough for the coming debate on whether Congress should repeal the Cuba travel ban. The outcome of the travel ban debate will be determined by how much members of Congress listen to money and how much they listen to what the public wants. In this case, they are two separate things.

Appendix I: Votes on Cuba Policy

Public Campaign identified ten votes from 2003-2006 that would indicate a position on Cuba policy. These included votes easing agricultural restrictions, permitting travel between the two countries, and lifting the embargo entirely.

In our analysis, we used the following ten votes:

September 9, 2003: Flake travel amendment to H.R. 2989, to permit no funds to be expended by the Department of the Treasury to enforce the ban on travel to Cuba. (Passed 227-188, 19 NV)

September 9, 2003: Delahunt remittances amendment to H.R. 2989, to prohibit funds in the bill from being used to enforce restrictions on remittances made to Cuban nationals or Cuban households. (Passed 222-196, 16 NV)

September 9, 2003: Davis educational travel amendment to H.R. 2989, to prohibit funds in the bill from being used to implement a regulation which would end licenses for travel to Cuba for educational purposes. (Passed 246-173, NV 15)

July 7, 2004: Flake gift parcels amendment, #647, to the Commerce, Justice, State Appropriations bill, H.R. 4754, to prohibit the use of funds to implement the Commerce Department's new restrictions on gift parcels to Cuba and the amount of personal baggage allowed for travelers to Cuba. (Passed 221-194)

September 21, 2004: Davis Cuban-American family travel amendment, #769, to H.R. 5025, to prohibit funds in the bill from being used to enforce certain regulations restricting family travel to Cuba. (Passed 225-174)

September 22, 2004: Rangel "end the embargo" amendment, #772, to H.R. 5025, to prohibit funds made available in this Act to implement, administer, or enforce the economic embargo of Cuba. (Failed 188-225, NV 20)

June 15, 2005: Amendment #254 to H.R. 2862: Prohibit implementation of regulations related to humanitarian donations to Cubans. (Failed 210-216, NV 7)

June 30, 2005: Amendment #345 to H.R. 3058: Prohibit the implementation of regulations on travel restrictions to Cuba. (Failed 208-211)

June 30, 2005: Amendment #348 to H.R. 3058: Prohibit the enforcement of the economic embargo of Cuba. (Failed 169-250)

June 14, 2006: Amendment #284 to H.R. 5576: Prohibit funds to enforce the economic embargo of Cuba. (Failed 183-245)

July 27, 2007: Amendment #749 to H.R. 2419: Ease restrictions on financial agricultural trade with Cuba. (Failed 182-245)

Appendix II: Methodology

Public Campaign assembled data, material, and information from this report from publicly available websites, databases, and documents.

Campaign finance data was downloaded in bulk from the nonpartisan Center for Responsive Politics and supplemented with additional data that appears on their website. We augmented this data with our own search of the Federal Election Commission filings for the third quarter of this year. Those data were then analyzed by comparing the names and addresses of donors to identify specific individuals. The individuals we examined as part of the hard-liners Cuban-American donor network were those who had made donations to leading hard-line PACs, including the U.S.-Cuba Democracy PAC. We then built a comprehensive database of these donations from which we identified the patterns of giving in this report.

In addition, Public Campaign assembled a comprehensive database of Cuba policy-related votes from 2003, when the PAC was first operational, through the present. We found ten significant votes between 2003 and 2006. The roll calls for each of these votes were inputted, and reviewed for any clear shifts in voting records for individual Members of Congress. We then linked the two sets of data – campaign finance and voting records.

We enhanced the report with searches through Lexis-Nexis of available newspaper archives, and web searches for more recent news stories and polling information.

Appendix III: About Public Campaign

Public Campaign is national, nonpartisan organization dedicated to reforming America's campaign finance laws. The organization conduct research into the impact of campaign contributions into the policy-making process, and use the research to educate the public and policymakers alike. Since its founding in 1997, Public Campaign has advanced comprehensive public financing laws at the state and national levels. It receives funding from a wide variety of public and private foundations, individual supporters, as well as its online subscriber base of 100,000 citizens. Learn more at <http://www.publiccampaign.org>.

ⁱ All campaign finance data in this report comes from the Center For Responsive Politics, www.opensecrets.org. For more information, see our Appendix II on methodology.

ⁱⁱ The total number of candidates receiving contributions from U.S-Cuba Democracy PAC is complete through the September 30, 2009, with the exception of Senate candidates, whose totals are complete through June 30, 2009. Because of the way the FEC reports PAC and candidate filings, Senate figures for the third quarter of this year were not available electronically by the time for this report. The analysis for the total number of these candidates who had also received contributions from individuals associated with the PAC and other hard-line PACs covers donations through June 30, 2009. Therefore, this percentage is likely to be slightly lower than the actual percentage of candidates who received contributions from both the PAC and the network of donors.

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