

Financial giants now being bailed out by the government spent millions underwriting the Democratic and Republican conventions last summer, just weeks before coming to Washington begging for multibillion-dollar handouts.

The big donors included AIG, Ford Motor Co., Citigroup, Goldman Sachs and Freddie Mac.

In all, major corporations, labor unions and individual millionaires dumped \$118 million into the nominating conventions for Barack Obama and John McCain, according to reports from the Campaign Finance Institute and the Center for Responsive Politics. The private groups compiled the numbers from filings required under federal law.

Wall Street financial institutions were by no means the largest donors.

Billionaire Kirk Kerkorian of Beverly Hills, Calif., was watching his investment in Ford Motor Co. dwindle in mid-August when he sent \$2 million to the Republican convention in Minneapolis and \$1.5 million to the Democrats.

"This man had a major investment in a troubled industry and had good reason to want to get political support," said Steve Weissman, associate director for policy at the Campaign Finance Institute, one of two nonpartisan private groups that analyzed the donations.

Ford spent \$100,000 on each of the two conventions. Ford could benefit from the proposed auto industry bailout being worked out in Washington. Ford wants a \$9 billion standby line of credit in case a competitor fails.

A potential bailout recipient, General Motors Corp., loaned hundreds of new cars to the Democratic and Republican convention committees.

Also getting into the act were operators of hedge funds, a huge and largely unregulated part of the financial services industry that hopes to remain as free from regulation as possible, notwithstanding its role in the financial meltdown.

Hedge fund operator Raymond Dalio of Bridgewater Associates in Westport, Conn., gave \$2 million for the Republican convention. The Democratic convention received \$500,000 from James Chanos of Kynikos Associates in New York City. In all, major hedge fund operators gave nearly \$4 million, \$2.7 million to support the Republican convention.

Private financing of the national political conventions is among the last avenues for corporations, unions and wealthy individuals to curry favor through big-bucks political contributions. Congress banned the giving of six- and seven-figure donations to the political parties, offerings known as "soft money," in a 2002 law that revamped campaign financing in response to concerns that large sums of money could give donors undue influence and lead to corruption.

Together, all the donors spent \$61 million on the Democratic convention and \$57 million on the GOP convention.

Among the corporate contributors:

_American International Group Inc. gave \$1.5 million, split down the middle between the Democratic convention in Denver and the Republican convention in Minneapolis-St. Paul. The government now is providing AIG a \$150 billion financial-rescue package.

_Citigroup, receiving tens of billions in bailout funds, spent \$600,000, including \$350,000 for the Republican convention.

_Goldman Sachs, the recipient of \$10 billion in bailout money, spent \$505,000 on the political conventions, including \$255,000 for the Republican gathering.

Some donors got their checks in early, like AIG, which sent its check for \$750,000 for the Republican convention over a year ago. Others gave early and late, like Morgan Stanley, which sent \$100,000 to the Democrats in April, and another \$50,000 on Sept. 10.

The corporate donors also include Freddie Mac, the financially stricken mortgage housing giant which the government took over in September along with its sister company, Fannie Mae. Freddie Mac gave \$250,000 for each convention a year ago. The company is asking for an injection of \$13.8 billion in government aid after posting a huge quarterly loss.

The Federal Election Commission has continued to allow large contributions to flow to local committees set up to host the political conventions, and those host committees promise donors special access to each party's top leaders.

Sheila Krumholz, executive director of the Center for Responsive Politics, said that by taking advantage of a false distinction between a political party and the committees hosting the conventions, labor unions were able to support the Democratic Party in a way that hasn't been allowed since the days of soft money, when labor was among the biggest contributors.

The Laborers' International Union provided \$1.6 million for the Democratic convention, and the Service Employees International Union gave \$1.35 million.

Among the biggest convention contributors, two retailers and a telecom company split their donations while giving mostly to the GOP: Target spent \$3 million on the Republican convention, \$400,000 on the Democratic; Qwest spent \$2.9 million to support Republicans, \$841,000 for the Democrats, and Best Buy gave \$2.3 million to the Republican convention, \$299,000 to support the Democrats.

[Source...](#)