

July 1999

CAMPAIGN FINANCE

Contributions From Gambling Interests Have Increased



General Government Division

B-282479

July 27, 1999

The Honorable Frank R. Wolf
House of Representatives

Dear Mr. Wolf:

As part of our overall response to your request for an analysis of the impact of gambling in the United States, this report provides information regarding contributions by gambling interests to federal candidates and national party committees. The information that you requested on campaign contributions to candidates from gambling interests in selected state elections will be provided at a later date.

As agreed with your office, our objectives were to determine for the 1992, 1994, 1996, and 1998 elections the total amount of contributions from gambling interests to (1) federal candidates, including the total number of federal candidates that accepted those contributions, and (2) national political party committees,¹ as well as separate totals for (3) the Republican National Committee (RNC) and the National Republican Congressional Committee (NRCC) and (4) the Democratic National Committee (DNC) and the Democratic Congressional Campaign Committee (DCCC).

Under the Federal Election Campaign Act (FECA) of 1971, as amended, contributions made in connection with a federal election are subject to contribution limits and source prohibitions and must be reported to FEC. Candidates are required to report the name and address of the source, the date and amount of the contribution, and if the contributor is an individual, his or her employer and occupation. Candidates are not required to report this information for individuals if the aggregate contributions from the individual to the candidate total less than \$200 in a calendar year. FEC issues periodic reports on contributions to candidates and national party committees, but does not tabulate contribution data by industry.

To obtain information on campaign contributions from gambling interests, we contracted with the Center for Responsive Politics (CRP), an independent research organization that categorizes, by industry or interest group, contribution data that have been identified and reported to FEC. Campaign contributions from the FEC database that were categorized by

¹ According to Federal Election Commission (FEC), a party's national committee, House campaign committee, and Senate campaign committee are defined as national party committees.

CRP as contributions from gambling interests included contributions from (1) individuals who listed an employer or occupation connected with the gambling industry, (2) political action committees (PACs) with a sponsor associated with the gambling industry, and (3) corporations that derive their primary source of revenue from the gambling industry.²

CRP's findings are reported in terms of "hard money" and "soft money." "Hard money" refers to contributions made for the purpose of influencing a federal election; these contributions are subject to the contribution limitations and prohibitions of FECA. "Soft money" refers to contributions raised outside of FECA's limitations and prohibitions. Soft money contributions must be maintained separately from hard money contributions and may be used only for state and local campaign activity or other party committee activities that do not influence federal elections.³

Results in Brief

Data we obtained on contributions from the gambling industry to candidates or parties are likely to be conservative, primarily because (1) specific sources of contributions from individuals that total less than \$200 in a year are not identified, (2) contributions from some corporations and organizations that may be associated with the gambling industry may not be included in CRP'S analysis if the primary source of their revenue is related to another industry, (3) the industry or interest associated with some contributions could not be identified, and (4) contributions from the gambling industry to state and local party committees are not included.

According to CRP's analysis, total contributions from gambling interests to federal candidates and national party committees rose from \$1.1 million in 1992, a presidential election year, to \$5.7 million in 1998, a midterm election year, an increase of about 400 percent.⁴ During this same period, overall election campaign receipts in hard money to congressional candidates and in soft money to national party committees increased from \$617 million to \$851 million, or about 40 percent, according to FEC data. In a CRP analysis of 1998 election contributions by 92 industry and interest

² According to FEC, unless a contribution is made by a tribe's PAC, only contributions from individuals of an Indian tribe are entered into the FEC database. Contributions to national party committees from tribal entities that fall outside of the limitations and prohibitions of FECA are disclosed to FEC by the national party committees and entered into the FEC database.

³ Because certain activities may have the combined purpose of benefiting both federal and nonfederal elections (e.g., get-out-the-vote drives), FEC regulations require committees to allocate the costs of such activities between hard (federal) and soft (nonfederal) accounts.

⁴ Reported in current dollars. Adjusted for inflation (constant dollars), overall contributions rose by about 340 percent during that period. Contributions in both current and constant dollars are reported in tables 2, 4, 5, 6, and 7.

groups, the contributions ranged from \$56,000 to \$59 million, and the gambling industry was the 37th highest contributor.

According to CRP's analysis of campaign contributions, hard money contributions from PACs and individuals to federal candidates from gambling interests rose from \$735,000 in the 1992 election to \$1.9 million in the 1998 election, an increase of about 160 percent. Contributions from PACs to federal candidates increased by about 320 percent, while contributions from individuals increased by about 80 percent from 1992 to 1998. During the same period, the total number of federal candidates receiving contributions from PACs and individuals representing gambling interests rose from 146 to 269.

Soft money contributions from gambling interests to national political party committees increased about 840 percent in the same period, from \$406,000 in the 1992 election to about \$3.8 million in the 1998 election, according to CRP's analysis.

Combined contributions to the RNC and NRCC from gambling interests totaled \$177,000 in the 1992 election and about \$1.4 million in the 1998 election. Combined DNC and DCCC contributions from gambling interests totaled \$290,000 in the 1992 election and \$850,000 in the 1998 election. Based on CRP's analysis, soft money accounted for a major portion of the total contributions from gambling interests to both parties' national and congressional campaign committees.

Background

FECA, as amended, imposes limitations on the amounts and sources of contributions that may be made to influence federal elections and requires public disclosure of fund-raising and expenditures in connection with federal elections.

FECA places limits on contributions by individuals or groups to candidates, party committees, and PACs in connection with a federal election.⁵ These hard money contributions are anything of value given to influence a federal election and include checks, cash, loans, donated items or services, and purchases of fund-raising items or tickets. Table 1 shows a summary of FECA contribution limits.

⁵ According to FEC, PAC is a popular term for a political committee that is neither a party committee nor an authorized committee of a candidate. A party committee is a political committee that represents a political party and is part of the official party structure at the national, state or local level.

Table 1: Summary of FECA Contribution Limits

Type of contributor	FECA maximum allowable contribution to			
	Candidate or candidate committee per election	National party committee per calendar year ^a	Any other political committee (including PACs) per calendar year ^b	Total per calendar year
Individual	\$1,000	\$20,000	\$5,000	\$25,000
Multicandidate committee ^c	5,000	15,000	5,000	No limit
Other political committee (including PACs)	1,000	20,000	5,000	No limit

^aThis limit applies separately to each party's national committee, House campaign committee, and Senate campaign committee.

^bException: If a contributor gives to a committee knowing that a substantial portion of the contribution will be used to support a particular candidate, then the contribution counts against the contributor's limit for that candidate. See 11 CFR 110.1 (h).

^cA multicandidate committee is a political committee with more than 50 contributors that has been registered for at least 6 months and, with the exception of state party committees, has made contributions to 5 or more candidates for federal office. See 11 CFR 100.5(e)(3).

Source: FEC.

The limits on contributions to a candidate committee apply to each election in which the candidate participates. Primaries, runoffs, and general elections are considered separate elections, with separate contribution limits for each. FECA also prohibits contributions from specific sources, such as corporations and labor unions, if such contributions are made to influence a federal election.

Scope and Methodology

To obtain the information required to meet our objectives, we contracted with CRP of Washington, D.C., to conduct an analysis of campaign contributions from gambling interests for the 1992, 1994, 1996, and 1998 elections. CRP is a research organization that uses the data reported to FEC to identify contributions by industry or interest group.⁶

Campaign contributions identified by CRP as contributions from gambling interests included contributions from individuals who reported an employer or occupation in the gambling industry, PACs with a sponsor connected with the gambling industry, and contributions from corporations that derive their primary source of revenue from the gambling industry. In referring to gambling interests, CRP included

⁶ The FEC database does not categorize contributions by industry. Information disclosed to FEC can help to identify the industry that might be associated with the contribution.

businesses that participate in casinos, pari-mutuel betting, lotteries, and their respective suppliers.

Our information on campaign contributions from gambling interests for the 1992, 1994, 1996, and 1998 elections came from CRP's analysis of FEC data available as of March 1, 1999. Contributions reported by election year cover a 2-year period. For example, the 1998 election year contributions include data from January 1, 1997, to December 31, 1998.

FEC requires candidates to disclose total contributions but does not require itemization of contributions of under \$200. FEC does not enter contributions of less than \$200 into its database. Because the CRP analysis is based on information in FEC's database, it did not include gambling interest contributions from individuals associated with the gambling industry that did not reach the \$200 threshold. According to an FEC analysis of total receipts and itemized receipts for the 1998 congressional elections, contributions from individuals of less than \$200 represented about 17 percent of total campaign receipts.

In addition, CRP was not able to categorize every contribution of over \$200 from individuals. In some cases, the occupation and employer information for the contributor was missing or incomplete. In other cases, the occupation or employer was listed but was insufficient to identify the industry or economic interest of a contributor. CRP said that, historically, it has been able to identify approximately 65-70 percent of individual contributions of over \$200 and 99 percent of PAC contributions.

Because CRP categorizes contributions based on the primary source of revenue of the contributor, contributions from some corporations and organizations associated with the gambling industry may not be included in CRP's analysis if the organization's primary source of revenue is related to another industry.

In summary, our analysis is limited to the extent that individual contributions of less than \$200 are not counted, some contributions whose source could not be identified may be from gambling interests, and contributions from corporations or organizations associated with gambling interests may not be counted if their primary source of revenue comes from another industry.

We selected CRP because it is an independent, nonprofit research organization that has conducted analyses of campaign contributions by industry in the past and has analyzed and reported on campaign

contributions from the gambling industry for the 1992, 1994, 1996, and 1998 elections.

Because of possible amendments to disclosure reports submitted after March 1999 and ongoing updates of the campaign contributions database by FEC staff, data used by CRP in its analysis may not have included all single campaign contributions of \$200 or more for the 1998 election year.

To obtain information about FECA and the FEC disclosure reporting system, we reviewed federal laws and regulations and interviewed officials at FEC. To obtain information about CRP and CRP's database, we reviewed CRP documents and interviewed officials at CRP. Although we did not do a comprehensive verification of the data in CRP's database, we did a limited test of the data to determine whether they accurately reflected the data contained in disclosure reports filed with FEC for the 1996 and 1998 elections. All the data we traced from CRP's database to the disclosure report images in the FEC database were accurate. Appendix I provides further details about the FEC disclosure database and the methodology used by CRP to provide an analysis of campaign contributions by industry.

To convert current dollar amounts for the 1992, 1994, and 1996 election years to 1998 constant dollar amounts, we divided each year's current dollar amount by the Gross Domestic Product (GDP) Price Index from the Department of Commerce's Bureau of Economic Analysis for those years, using 1998 as a base.

We conducted our audit work from February 1999 to June 1999 in Washington, D.C., in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from FEC's Chairman. On June 29, 1999, the FEC Chairman provided written technical comments, which we incorporated in the report where appropriate.

Contributions From Gambling Interests to Federal Candidates Increased From 1992 to 1998

According to the CRP analysis of FEC data as of March 1, 1999, hard money contributions by gambling interests from individuals and PACs to federal candidates increased by about 160 percent in current dollars, from \$735,000 in the 1992 election to \$1.9 million in the 1998 election. In constant dollars, hard money contributions by gambling interests rose by about 130 percent from 1992 to 1998. (See table 2.)

Table 2: Individual and PAC Hard Money Contributions from Gambling Interests to Federal Candidates for 1992, 1994, 1996, and 1998 Elections

Dollars in thousands

Type of contribution	Election year							
	1992		1994		1996		1998	
	Current	Constant	Current	Constant	Current	Constant	Current	Constant
Individual	\$508	\$573	\$849	\$910	\$1,404	\$1,445	\$940	\$940
PAC	227	256	350	375	975	1,004	961	961
Total	\$735	\$829	\$1,199	\$1,285	\$2,379	\$2,449	\$1,901	\$1,901

Note: Constant dollars are based on the GDP Price Index, Department of Commerce. Contribution amounts are based on FEC data as of March 1, 1999. Individual contributions include one-time contributions of \$200 or more.

Source: April 1999 analysis by CRP.

Hard money contributions from individuals to federal candidates increased in current dollars from \$508,000 in 1992 to \$940,000 in 1998, or about 80 percent. Hard money contributions from PACs increased by about 320 percent in current dollars during the same period, from \$227,000 to \$961,000.

According to CRP's analysis, overall individual and PAC hard money contributions to federal candidates from gambling interests increased from the 1992 presidential election to the 1996 presidential election, and from the 1994 midterm election to the 1998 midterm election.

Number of Federal Candidates Receiving Contributions From Gambling Interests Increased From 1992 to 1998

As shown in table 3, the total number of federal candidates reporting hard money contributions from gambling and casino interests rose from 146 in the 1992 election to 269 in the 1998 election, an increase of about 80 percent.

Table 3: Total Number of Federal Candidates Receiving Individual and PAC Hard Money Contributions From Gambling Interests in the 1992, 1994, 1996, and 1998 Elections

	Election year			
	1992	1994	1996	1998
Total number of federal candidates receiving contributions from gambling interests	146 ^a	239 ^a	378 ^a	269

Note: Candidate totals are based on FEC data as of March 1, 1999.

^aTotal number of federal candidates includes six presidential candidates in 1992, one presidential candidate receiving contributions in 1994, and eight presidential candidates in 1996.

Source: April 1999 analysis by CRP.

Contributions From Gambling Interests to National Party Committees Increased From 1992 to 1998

As shown in table 4, soft money contributions in current dollars from gambling interests to national party committees, as identified by the CRP analysis, rose from \$406,000 in the 1992 election to \$3.8 million in the 1998 elections, an increase of about 840 percent. Soft money contributions in constant dollars rose by about 740 percent during this period.

Table 4: Soft Money Contributions From Gambling Interests to National Party Committees in the 1992, 1994, 1996, and 1998 Elections

Dollars in thousands

	Election Year							
	1992		1994		1996		1998	
	Current	Constant	Current	Constant	Current	Constant	Current	Constant
Total soft money contributions from gambling interests	\$406	\$458	\$1,395	\$1,496	\$3,837	\$3,948	\$3,830	\$3,830

Note: Constant dollars are based on the GDP Price Index, Department of Commerce. Contribution totals are based on FEC data as of March 1, 1999. Amounts shown include each party's national committee, House campaign committee, and Senate campaign committee. Totals do not include transfers between party committees or contributions from gambling interests to state party committees.

Source: April 1999 analysis by CRP.

Soft money contributions from gambling interests totaled \$406,000 in current dollars in the 1992 presidential election year and about \$3.8 million in the 1996 presidential election year, an increase of about 840 percent. Soft money contributions from gambling interests rose in current dollars from \$1.4 million in the 1994 midterm election cycle to about \$3.8 million in the 1998 midterm election cycle, or about 180 percent.

Total RNC/NRCC Contributions From Gambling Interests Increased From 1992 to 1998

As shown in table 5, contributions to the RNC and NRCC from gambling interests totaled \$177,000 in current dollars in the 1992 election and about \$1.4 million in the 1998 election, an increase of 680 percent. Contributions rose in constant dollars by about 590 percent during this period.

Table 5: Hard and Soft Money Contributions From Gambling Interests to the RNC and NRCC in the 1992, 1994, 1996, and 1998 Elections

Dollars in thousands

	Election year							
	1992		1994		1996		1998	
	Current	Constant	Current	Constant	Current	Constant	Current	Constant
RNC								
Soft money ^a	\$151	\$170	\$785	\$841	\$1,085	\$1,117	\$1,178	\$1,178
Hard money	9	11	2	2	36	37	6	6
Subtotal	\$160	\$181	\$787	\$843	\$1,121	\$1,154	\$1,184	\$1,184
NRCC								
Soft money ^a	\$0	\$0	\$10	\$11	\$267	\$274	\$184	\$184
Hard money	17	19	4	5	14	14	8	8
Subtotal	\$17	\$19	\$14	\$16	\$281	\$288	\$192	\$192
Total	\$177	\$200	\$801	\$859	\$1,402	\$1,442	\$1,376	\$1,376

Note: Constant dollars are based on the GDP Price Index, Department of Commerce. Contribution amounts are based on FEC data as of March 1, 1999. Individual contributions include one-time contributions of \$200 or more. Amounts reported for soft money do not include transfers among party committees or contributions from gambling interests to state party committees.

^aThese soft money amounts are also included in the national party committee totals in table 4.

Source: April 1999 analysis by CRP.

According to CRP's analysis, soft money accounted for a major portion of the total contributions in current dollars from gambling interests to the RNC and RNCC. Total contributions in current dollars to the RNC and RNCC from gambling and casino interests for the 1998 election were lower than the 1996 contribution totals but higher than the \$801,000 gambling contribution total for the previous midterm election in 1994.

Total DNC/DCCC Contributions From Gambling Interests Increased From 1992 to 1998

As shown in table 6, overall contributions to the DNC and DCCC from gambling and casino interests totaled \$290,000 in current dollars in the 1992 election and \$850,000 in the 1998 election, an increase of about 190 percent. Contributions rose in constant dollars by about 160 percent during the same period.

Table 6: Hard and Soft Money Contributions From Gambling Interests to the DNC and DCCC in the 1992, 1994, 1996, and 1998 Elections

Dollars in thousands

	Election year							
	1992		1994		1996		1998	
	Current	Constant	Current	Constant	Current	Constant	Current	Constant
DNC								
Soft money ^a	\$204	\$230	\$570	\$611	\$1,438	\$1,479	\$398	\$398
Hard money	21	23	1	1	143	147	15	15
Subtotal	\$225	\$253	\$571	\$612	\$1,581	\$1,626	\$413	\$413
DCCC								
Soft money ^a	\$48	\$54	\$30	\$32	\$247	\$254	\$417	\$417
Hard money	17	19	16	17	49	51	20	20
Subtotal	\$65	\$73	\$46	\$49	\$296	\$305	\$437	\$437
Total	\$290	\$326	\$617	\$661	\$1,877	\$1,931	\$850	\$850

Note: Constant dollars are based on the GDP Price Index, Department of Commerce. Contribution amounts are based on FEC data as of March 1, 1999. Individual contributions include one-time contributions of \$200 or more. Amounts reported for soft money do not include transfers among party committees or contributions from gambling interests to state party committees.

^aThese soft money amounts are also included in the national party committee totals in table 4.

Source: April 1999 analysis by CRP.

According to CRP's analysis, soft money accounted for a major portion of the total contributions in current dollars from gambling interests to the DNC and DCCC. Total contributions in current dollars to the DNC and DCCC from gambling and casino interests for the 1998 election were lower than the 1996 contribution totals but higher than the \$617,000 gambling contribution total for the previous midterm election in 1994.

Overall Contributions From Gambling Interests Increased From 1992 to 1998

As shown in table 7, according to CRP's analysis, total combined contributions from gambling interests to federal candidates and national party committees increased from \$1.1 million in current dollars in the 1992 election to \$5.7 million in the 1998 election, an increase of about 400 percent. In constant dollars, total contributions from gambling interests rose about 340 percent during this period. During this same period, overall election campaign receipts in hard money to congressional candidates and soft money to national party committees increased from \$617 million to \$851 million, or about 40 percent, according to FEC. In a CRP analysis of 1998 election contributions by 92 industry and interest groups, the contributions ranged from \$56,000 to \$59 million, and the gambling industry group was the 37th highest contributor.

Total contributions in current dollars from gambling interests for the 1998 midterm election were lower than the 1996 contribution totals but higher than total gambling contributions for the previous midterm election in 1994.

Table 7: Overall Contributions From Gambling Interests to Federal Candidates and National Party Committees for the 1992, 1994, 1996, and 1998 Elections

Dollars in thousands

	Election year							
	1992		1994		1996		1998	
	Current	Constant	Current	Constant	Current	Constant	Current	Constant
Hard money to federal candidates (from table 2)	\$735	\$829	\$1,199	\$1,285	\$2,379	\$2,449	\$1,901	\$1,901
Soft money to national party committees (from table 4)	406	458	1,395	1,496	3,837	3,948	3,830	3,830
Total	\$1,141	\$1,287	\$2,594	\$2,781	\$6,216	\$6,397	\$5,731	\$5,731

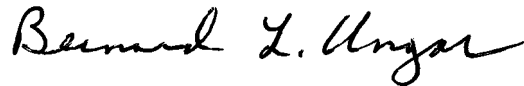
Note: Constant dollars are based on the GDP Price Index, Department of Commerce. Contribution amounts are based on FEC data as of March 1, 1999. Individual contributions include one-time contributions of \$200 or more. Amounts reported for soft money include each party's national committee, House campaign committee, and Senate campaign committee and do not include transfers among party committees or contributions from gambling interests to state party committees.

Source: April 1999 analysis by CRP.

We are sending copies of this report to Senator Fred Thompson, Chairman, and Senator Joseph I. Lieberman, Ranking Minority Member, Senate Committee on Governmental Affairs; and Representative Dan Burton, Chairman, and Representative Henry A Waxman, Ranking Minority Member, House Committee on Government Reform. We are also sending a copy of this report to Scott E. Thomas, Chairman of FEC. Copies will be made available to others upon request.

Major contributors to this report are acknowledged in appendix II. Please contact me or John Baldwin on (202) 512-8387 if you have any questions about this report.

Sincerely yours,



Bernard L. Ungar
 Director, Government Business
 Operations Issues

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Abbreviations

CRP	Center for Responsive Politics
DCCC	Democratic Congressional Campaign Committee
DNC	Democratic National Committee
FEC	Federal Election Commission
FECA	Federal Election Campaign Act
GDP	gross domestic product
NRCC	National Republican Congressional Committee
PAC	political action committee
RNC	Republican National Committee

Campaign Contribution Data

The information in FEC's disclosure database is derived from campaign finance disclosure reports filed under FECA. House candidates file disclosure reports with FEC. Senate candidates file disclosure reports with the Secretary of the Senate and copies are later forwarded to FEC.

FECA requires candidate committees to file periodic disclosure reports of campaign contributions and expenditures. During nonelection years, odd-numbered years in which there are no regularly scheduled federal elections, two semiannual reports are required. During an election year, quarterly reports must be filed by April 15, July 15, and October 15, and a year-end report, which includes activity from the fourth quarter, must be filed by January 31 of the following year.¹ For the 1998 election year, year-end disclosure reports were due on January 31, 1999. Data from the nonelection year and the election year disclosure reports can be aggregated to report results for the 2-year election cycle.

After receiving the campaign finance reports identifying contributions, FEC scans House, PAC, and party committee reports into a computerized imaging system. FEC staff initially enter totals from the summary page of the disclosure report and later enter itemized contributions of \$200 or more from the disclosure reports into FEC's database. Contributions from individuals that do not meet the \$200 threshold are not itemized in the FEC database. According to FEC, to improve data entry accuracy, disclosure report data that are entered into FEC's database are keyed into the database twice and the numbers are matched to reveal any data entry errors.

According to FEC, once the numbers from the disclosure reports are entered, FEC report analysts review the reports for accuracy and compliance with the law. If a report contains errors or suggests violations of the law, the analyst sends the reporting committee a request for additional information. Committees can then file an amended report to correct or add information. The review of disclosure reports by report analysts also serves as an additional check of the accuracy of FEC data entry procedures, according to FEC officials.

According to FEC, an update to the disclosure database is released at the beginning of each month. The new data in the FEC database can then be accessed by organizations or individuals seeking information on campaign contributions.

¹ Schedule is for congressional candidates. Presidential candidates file reports according to a different schedule.

According to CRP, data from FEC's disclosure database are downloaded into a CRP database a few days after the monthly FEC update. The date of the last download of FEC data used for CRP's analysis available for use in this report was March 1, 1999.

CRP assigns contribution source codes by industry to contributions from FEC's disclosure database, based on the contributor's occupation, specific industry, or interest group. CRP attempts to assign a code to every contribution of \$200 or more; however, in some cases, the employer or occupation field is left blank or the information gives no indication of the contributor's industry. Some examples of contributors that are hard to identify by industry are (1) homemakers, students, and others who can not be connected with a family income earner and (2) individuals who list vague occupations on reports filed with FEC, such as "consultant" or "self-employed," that do not reveal the industry of the contributor.

CRP uses a variety of procedures to assign as many contributions to an industry or interest group as possible. For example, contributions from non-income-earning spouses are classified according to the economic interest of the income earner within the family if CRP can identify the industry of the income earner. In cases where the family has two income-earning spouses, contributions are classified according to their particular industry or economic interest by CRP. CRP also attempts to identify multiple contributions from the same contributor. For example, an analysis of previous contributions or addresses can help to determine whether separate contributions from a "John Smith" and a "J. Smith" are actually contributions from the same person.

Contributions from some corporations and organizations that may be associated with the gambling industry may not be included in CRP's analysis. CRP assigns contributions from corporations to various industries based on the corporation's primary source of revenue. According to CRP, staff will check corporate annual reports, Standard & Poor's, and other sources to determine the primary industry of a corporation. The Hilton Hotels Corporation serves as an example of how CRP assigns a contribution industry code when a corporation making the contribution has revenues from two or more industries. According to CRP, a 1997 Hilton Hotels Corporation Annual Report shows that Hilton received 52 percent of its revenues from its hotel operations and 48 percent from its casino operations.² Thus, contributions from Hilton Hotels

² Hilton's casino operations were spun off to a new company called Park Place Entertainment in late 1998.

Corporation are coded by CRP as a contribution from the hotel industry because a majority of the firm's revenue derives from its hotel operations.

According to CRP, contributions from Indian tribes are assigned to the gambling and casino category if the tribe has a casino or other gambling facility. CRP staff use the Tribal-State Compact list produced by the Bureau of Indian Affairs and other information sources to determine whether an Indian tribe has gambling facilities.

Various organizations, including CRP, report information on campaign contributions from gambling interests that may differ from one another and from the information in this report. There are a number of reasons for this. First, different methods may be used for categorizing contributions from corporations and organizations involved in more than one industry. Second, total contributions from gambling interests in table 7 do not include hard money contributions to national party committees. According to CRP, hard money contributions from gambling interests to national party committees, including the Senate campaign committee, totaled about \$99,000 for the 1998 election.³ Third, our total for contributions from the gambling industry does not include soft money contributions that were reported by joint fund-raising dinner committees and later distributed to national party committees. According to our analysis of CRP data, soft money contributions from gambling interests to joint fundraising committees in the 1998 election totaled about \$139,000. Fourth, our total contributions amount does not include hard money contributions from gambling interests to state, local, and other party committees that did not fall under the FEC's definition of national party committees. According to our analysis of CRP data, hard money contributions from gambling interests to party committees that we did not identify as national party committees in the 1998 election totaled about \$163,000.⁴ Finally, soft money contributions from labor unions were not included in the CRP data we are reporting.⁵ Under FECA, labor organizations are prohibited from making hard money contributions to influence federal elections.

³ Analysis of data on PAC hard money contributions from gambling interests to party committees was not completed in time to be included in this report.

⁴ State and local party committees that did not register with and report contributions to the FEC are not included in this amount.

⁵ Because contribution patterns differ, CRP does not assign contributions from labor unions to an industry category. Union contributions are assigned to one of five broad categories: building trade unions, industrial unions, transportation unions, public sector unions, and miscellaneous unions.

GAO Contacts and Staff Acknowledgments

GAO Contacts

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In addition to those named above, Brad Dubbs, Lucy M. Hall, Abraham L. Logan, Michelle Sager, and Alan N. Belkin made key contributions to this report.

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