



For Immediate Release  
March 13, 2008

### **Reps. Slaughter and Baird Introduce Bill to Regulate Political Intelligence Gathering**

Washington, D.C. - With what started as only a handful of firms in the 1970s, the political intelligence community has grown into a \$40 million dollar industry that takes nonpublic legislative information from members of Congress and federal employees to turn it into trading tips for hedge funds and corporate companies.

In an effort to shed light on the way the political intelligence community does business, Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Rules Committee, and Congressman Brian Baird (D-WA-03) today introduced the Political Intelligence Disclosure Act, a bill that requires political intelligence firms to disclose their clients, profits, and activities, in the same way that lobbyists are required to do under the Lobbying Disclosure Act of 1995.

"The political intelligence industry gathers nonpublic legislative information to boost the investment profits of hedge funds and corporate clients," said Rep. Baird. "Although the potential for abuse is great, we don't know who these people are, who they represent, or how much money they are being paid. This bill will shine some much-needed light on this mysterious industry by requiring political intelligence firms to disclose the same information as lobbyists."

"The political intelligence industry is decades old, yet it has been operating in the shadows of Washington without regulation or accountability," said Rep. Slaughter. "These firms gather information on forthcoming legislative action to give their clients an advantage over other investors. This bill requires that their specific activities be made known to the public in order to bring transparency to this growing field."

The Political Intelligence Disclosure Act was inspired by legislation Reps. Slaughter and Baird introduced in the 109th and 110th Congresses that prohibits Members of Congress and federal employees from profiting from nonpublic information they obtained from their official positions. The Stop Trading on Congressional Knowledge Act, or STOCK Act, contains a provision that requires greater disclosure by the growing "political intelligence" industry.

The Political Intelligence Disclosure Act is intended to provide information on an industry that has thus far operated largely in secret and without controls. The bill will amend the Lobbying Disclosure Act of 1995 to require that political intelligence firms and consultants register with the House and the Senate and disclose of their activities in the same manner that lobbyists currently do. These requirements include registering within 45 days of being employed, disclosing client and employer information, and identifying issues and legislation lobbied for. A political intelligence firm would be required to satisfy these disclosure requirements if it gathers legislative information on behalf of a client for use in analyzing securities or commodities markets or informing investment decisions.

The Baird-Slaughter bill also includes an exception for members of the media who gather political intelligence for press purposes. The bill includes language that states that "political intelligence contact" does not include a communication that is made by or to the media if the purpose of communication is gathering and disseminating news and information to the public.

###