

US lawmakers have as much as \$196 million invested in defense companies

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WASHINGTON: Members of the U.S. Congress have as much as \$196 million (≈126.2 million) collectively invested in companies doing business with the Defense Department, earning millions since the start of the Iraq war, according to a new study by a nonpartisan research group.

The review of lawmakers' 2006 financial disclosure statements, by the Washington-based Center for Responsive Politics, suggests that members' holdings could pose a conflict of interest as they decide the fate of Iraq war spending. Several members who earned the most from defense contractors have plum committee or leadership assignments, including Democratic Sen. John Kerry, independent Sen. Joseph Lieberman and House Republican Whip Roy Blunt.

The study found that more Republicans than Democrats hold stock in defense companies, but that the Democrats who are invested had significantly more money at stake. In 2006, for example, Democrats held at least \$3.7 million (≈2.3 million) in military-related investments, compared to Republican investments of \$577,500 (≈372,000).

Overall, 151 members hold investments worth \$78.7 million (≈50.6 million) to \$195.5 million (≈125.9 million) in companies that receive defense contracts that are worth at least \$5 million (≈3.2 million). These investments earned them anywhere between \$15.8 million (≈10.1 million) and \$62 million (≈39.9 million) between 2004 and 2006, the center concludes.

It is unclear how many members still hold these investments and exactly how much money has been made. Disclosure reports for 2007 are not due until this May. Also, members are required to report only a general range of their holdings.

According to the report, presidential hopefuls Barack Obama and John McCain did not report any defense-related holdings on their filings; Hillary Rodham Clinton did note holdings in such companies as Honeywell, Boeing and Raytheon, but sold the stock in May 2007. All three are members of the Senate.

Not all the companies invested in by lawmakers are typical defense contractors. Corporations such as PepsiCo, IBM, Microsoft and Johnson & Johnson have at one point received defense-related contracts, the report notes.

"So common are these companies, both as personal investments and as defense contractors, it would appear difficult to build a diverse blue-chip stock portfolio without at least some of them," wrote the center's Lindsay Renick Mayer.

Still, earning dividends from companies tied to the military "could be problematic" for members that oversee defense policy and budgeting, Mayer adds.

Kerry, a Democrat, a member of the Senate Foreign Relations Committee, is identified as earning the most — at least \$2.6 million between 2004 and 2006 from investments worth up to \$38.2 million

(£24.6 million).

Spokesman David Wade said Kerry, who staunchly opposes the war in Iraq, is one of many beneficiaries of family trusts which he doesn't control. Wade also noted that Kerry does not sit on the Appropriations Committee, which has direct control of the defense budget.

"He has a 24-year Senate record of working and voting in the best interests of our men and women in the military, not of any defense contractors," Wade said.

Lieberman, an independent and chairman of the Senate Homeland Security and Governmental Affairs Committee and a member of the Armed Services Committee, held a considerably smaller share at \$51,000 (£32,848.13).

A spokesman for Blunt, a senior member of House Republican leadership who held at least \$15,000 (£9,660) in Lockheed Martin stock in 2006, said the insinuation that lawmakers' votes might be affected by their portfolios is "offensive."

"I don't pretend to speak for other offices, but I am fairly certain that no member would consider their personal finances when voting on issues as important as sending our men and women in uniform into harm's way," said Blunt spokesman Nick Simpson.

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On the Net:

Center for Responsive Politics' Capital Eye:

<http://www.capitaleye.org/inside.asp?ID342>

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Lieberman and Blunt support continued operations in Iraq.

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