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Capitol Riot Prompts Some Big Banks and Companies to Pause Political Funding

JPMorgan and Citigroup to halt all PAC donations; Blue Cross and Marriott pause funding to Republicans who objected to Electoral College results

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By

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Two of the biggest U.S. banks and other corporations said they are pausing or reviewing their political action committee donations in the wake of last week's [riot at the Capitol](#).

[JPMorgan](#) [JPM 0.11%](#) Chase & Co. and [Citigroup](#) Inc. [C -0.98%](#) said they are pausing all PAC donations to Republicans and Democrats in the coming months. Other companies, including the Blue Cross Blue Shield insurance group and [Marriott International](#) Inc., [MAR -0.51%](#) said they would pause donations to Republican lawmakers who objected to President-elect [Joe Biden](#)'s Electoral College win after supporters of President Trump [stormed the Capitol](#) on Wednesday.

The actions follow a week in which businesses and their chief executives have sought ways to [ensure a peaceful transition of power](#), with some calling for Mr. Trump's removal from office by invoking the [25th amendment](#) or [impeachment](#).

Others say they are holding back on such action as they await Mr. Biden's inauguration on Jan. 20.

The announcements could reflect an acceleration of recent trends among large companies to [limit or better disclose political spending](#).

JPMorgan, the largest bank in the country, made the decision to pause political giving for the next six months because of the growing political crisis following the violence at the Capitol alongside health and economic crises, said Peter Scher, JPMorgan's head of corporate responsibility, in an interview.

"The focus of business leaders, political leaders, civic leaders right now should be on governing and getting help to those who desperately need it most right now," said Mr. Scher, who is also chairman of the bank's Mid-Atlantic region. "There will be plenty of time for campaigning later."

JPMorgan's PAC raised about \$900,000 for federal candidates in the 2019-2020 cycle, according to data analyzed through Nov. 23 by the Center for Responsive Politics.

Citigroup's PAC will pause all its political donations through March 30, according to an internal memo reviewed by The Wall Street Journal. "We want you to be assured that we will not support candidates who do not respect the rule of law," according to the memo, which was sent Sunday.

Citigroup's PAC raised about \$740,000 for federal candidates in the 2019-2020 cycle, according to the Center for Responsive Politics. Bloomberg News earlier reported on Citigroup's decision to halt its PAC donations.

The JPMorgan and Citigroup PACs both gave more money to federal candidates who are Republicans compared to Democrats, according to the Center for Responsive Politics.

While the PACs' donations are a fraction of overall political giving, JPMorgan and Citigroup employees also donate directly to politicians and other political groups that may not disclose their donors. The Wall Street Journal reported last week that some CEOs, both Republicans and Democrats, were [considering withholding political contributions](#) from lawmakers seen as trying to impede a peaceful transition of power.

JPMorgan's PAC contributed \$2,000 since 2017 to a committee led by Missouri Sen. Josh Hawley, according to data from the Center for Responsive Politics. Citigroup told employees in the memo it gave \$1,000 in 2019 to Mr. Hawley's campaign. Mr. Hawley has come under fire from members of his own party, as well as Democrats, for what critics see as his [role instigating Wednesday's Capitol riot](#).

JPMorgan began discussing potential changes to its PAC giving several days ago, a person familiar with the discussions said. The decision to pause all political donations gives the bank time to think through future giving, the person said.

A spokeswoman for medical-device maker [Boston Scientific](#) Corp. said it is temporarily suspending its PAC activity for an unknown period of time given the recent violence and polarized political environment and will review its approach to future contributions. The company has given \$3,000 to Mr. Hawley's campaign committee since 2017.

The newsletter Popular Information earlier reported the Boston Scientific announcement and that three companies—health insurer Blue Cross Blue Shield Association, [Commerce Bancshares](#) Inc. [CBSH -0.79%](#) and hotel giant Marriott—would halt political spending to lawmakers who impeded the transition following the violence at the Capitol.

Marriott's PAC has given \$1,000 to Mr. Hawley's campaign, as well as another \$1,000 to a PAC he heads. A Marriott spokeswoman said the company would pause giving from its PAC to those [who voted against certification of the election](#). "We have

taken the destructive events at the Capitol to undermine a legitimate and fair election into consideration,” she said.

A spokeswoman for Commerce Bancshares said its employee-funded PAC suspended donations for “officials who have impeded the peaceful transfer of power.” The spokeswoman added: “Commerce Bank condemns violence in any form and believes the actions witnessed this week are abhorrent, anti-democratic and entirely contrary to supporting goodwill for Americans and businesses.”

Commerce Bancshares has given \$5,000 to Mr. Hawley’s campaign since 2017, according to Center for Responsive Politics data.

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— Kim Keck, CEO of Blue Cross Blue Shield Association

Blue Cross Blue Shield Association Chief Executive Kim Keck said it is suspending contributions to Republican lawmakers who “voted to undermine our democracy.”

“While a contrast of ideas, ideological differences and partisanship are all part of our politics, weakening our political system and eroding public confidence in it must never be,” Ms. Keck said in a statement.

The association has given \$500 to Mr. Hawley’s campaign since 2017, while [Anthem](#) Inc., [ANTM -0.09%](#) a Blue Cross Blue Shield licensee with health plans in more than a dozen states, has given \$5,000 to committees supporting the Missouri senator, Center for Responsive Politics data show.

CEOs and business groups have condemned the riots and taken other steps in recent days. The National Association of Manufacturers on Wednesday called on Vice

President Mike Pence to consider invoking the 25th amendment, which allows for a transfer of power when a president is unable to fulfill his duties. [Twitter Inc. TWTR - 1.62% banned President Trump's personal account](#) from its platform, citing a risk of further incitement of violence, while the Canadian e-commerce company [Shopify Inc. SHOP 2.53%](#) took [stores run by Mr. Trump's business and campaign offline](#) and Stripe Inc. will [no longer process payments](#) for Mr. Trump's campaign website.

Some CEOs, though, said they didn't plan to adjust their political funding for now. "I'm not thinking about that at this point," said Paul Sarvadi, CEO of Insperity Inc., a publicly traded provider of human-resources and other business services, who has donated to Republicans. "I think it pays for companies to be more deliberate, less reactive."

Companies face growing pressure from investors and shareholders over political spending. Since 2004, 200 of the S&P 500 companies have faced shareholder proposals seeking to limit political spending or to improve disclosure, according to the Center for Political Accountability, a nonpartisan group in Washington that works with investors to push companies to limit or better disclose political spending.

Nearly half of companies in the index fully disclose or prohibit contributions to candidates, parties and political committees, up from 183 in 2015, according to the group. Most of those prohibit at least one kind of contribution altogether, often independent expenditures or contributions to candidates and political committees.

A key factor is the backlash—from consumers, employees and investors—that companies can face for funding candidates who later take stands conflicting with popular sentiment or the company's own public positions, said Bruce Freed, the group's president. He expects companies to come under increasing scrutiny in coming weeks and months.

“All of their statements become hollow if their political money is going to members who voted to overturn this election,” Mr. Freed said. “The risk of political giving has gone up exponentially.”

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