

Philip Morris Donations Target Minority Groups

Internal Company Memos Indicate Strong Lobbying Effort Against Tax and Anti-Smoking Bills

By Charles R. Babcock
Washington Post Staff Writer

Philip Morris Cos. Inc. donated more than \$17 million to schools, hospitals and cultural and charity groups last year, targeting minority organizations that might help defeat tax and anti-smoking bills, according to internal company documents.

The documents, released by an anti-smoking group and dated between 1988 and last year, also show the giant tobacco, beer and food conglomerate's lobbying efforts in seven states. The memos made "political power assessments" of friendly and unfriendly legislators, and budgeted political and charitable donations alike for "constituency development."

One 1989 memo on legislative strategies said donations to one Texas politician were designed "at the very least" to buy his silence. The "tools" lobbyists used besides donations were honoraria, sponsoring events, trips and charitable donations. A contract lobbyist in Arizona was identifying "key members' pet [charitable] projects." Of giving to charity groups in Louisiana, the memo said: "We give where there is political benefit."

A list of 1988 donations to minority groups, including blacks, Hispanics and women, contained comments about new groups "to explore for cultivation" and how others voted down resolutions to increase tobacco, beer and wine taxes.

Alan Blum, head of Doctors Ought to Care (DOC) in Houston, which released the documents, said yesterday that he got them from someone who "found them." He timed their release for the start of the Republican National Convention, whose chairman is Craig Fuller, a former aide to George Bush and now a top Philip Morris executive.

Philip Morris and many other corporations are sponsoring parties for the convention delegates. "For the party that talks so much about a drug-free America to have this kind of relationship with a tobacco company is beyond hypocrisy," Blum said.

He said he is critical of Democrats taking tobacco money as well. Blum called the documents "a printed explanation for the silence of so many otherwise reputable organizations. The money they give to health groups is sickening."

Philip Morris spokeswoman Posie DiSesa said yesterday from California that she had no way to verify the authenticity of the documents Blum released. But she said, "We take great pains to report all contributions in all states where it is required and to comply with all lobbying laws and regulations because we are under such scrutiny." She said the company does not announce how much it gives out each year in charitable donations.

Philip Morris owns Miller Brewing and Kraft and General Foods but makes the majority of its profits from its tobacco products, led by Marlboro, the world's best-selling cigarette. DiSesa said tobacco accounts for about 42 percent of the firm's \$56.5 billion in annual revenues and about 65 percent of its \$9.9 billion annual profits.

The tobacco industry has been the subject of controversy periodically because of its alleged efforts to target its products at blacks, women or children and to cultivate minority groups.

The 1988 document on minority groups is 24 pages long and lists 115 black groups, 21 Hispanic organizations, seven Asian American, six American Indian, nine women's and 23 "business/political/cultural" groups. The "PM support" listed ranged from giving out samples to donating up to \$25,000 to sponsor dinners, conferences and other events.

The 1991 list of charitable donations is 26 pages long and lists 1,363 transactions that range from a few thousand dollars to \$300,000.

Ruth Kaplan, spokeswoman for the National Gallery of Art, which is listed as receiving \$300,000 as the third payment on a two-year, \$800,000 pledge, referred a caller back to Philip Morris because "they determine their contributions."

Evelyn Cooper, director of the

Arizona Historical Foundation, which is listed as receiving \$2,500, said she did not have immediate access to records to confirm the figure on the list. But she said her group has solicited and received donations from Philip Morris, among other corporations.

The donations to minority groups and charities are prominently mentioned in the company's budget plans and memos about lobbying members of the state governments in Arizona, Kansas, Louisiana, Missouri, New Mexico, Oklahoma and Texas.

For example, the Southwest region's 1989 "constituency develop-

ment budget" for Texas sets aside \$5,000 for a "PM new members' reception" in January, 25 tickets to a Virginia Slims tennis event in February in Austin, 50 tickets for "Latin American Presence" in El Paso and 50 more for several Marlboro country music events in Odesa, Dallas and Beaumont in October.

The unsigned 1989 memo about legislative strategy noted that the firm gave out about \$11,000 to Kansas legislators. "It may not sound like much, but that's the most we could give without sticking out like a sore thumb," the memo said.

Under trips and honoraria for Kansas, the memo said, "With these people you get just as much political clout by sponsoring a hunting or fishing trip rather than taking them to NYC."

Of Louisiana, the writer said, "We give these members so much money in campaign contributions and I think that knocks out the need for an honorarium . . ."

Another memo dated Aug. 16, 1989, is from a Louisiana lobbyist to Betsy LeMond, a Philip Morris lobbyist now based in Austin. It discussed Philip Morris's "proactive plan" for passing "smoker discrimination legislation" in the 1990 legislature. It named the legislators who should introduce the bill in each House. LeMond did not return a phone call yesterday.

Staff researcher Lucy Shackelford contributed to this report.

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