



**STAND OUT.**



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## Tobacco industry uses other groups to get message out

Tom Hamburger and Greg Gordon / Star Tribune

WASHINGTON, D.C. -- From his Bloomington law office, Tom Briant has been uniquely positioned to combat Minnesota's anti-tobacco forces.

At the slightest threat of an increase in the state's cigarette tax, he could release a harsh warning from the Minnesota Wholesale Marketers Association.

If a city proposed an anti-smoking measure, he could mobilize the Minnesota Coalition of Responsible Retailers.

Or he could activate the Coalition for Responsible Vending Sales.

An alert Minnesota legislator might have realized that the array of letterheads for these organizations -- which together represent hundreds of Minnesota businesses -- all bore the same address: Briant's office.

But few could have known the extent of his collaboration with the tobacco industry. Briant regularly provided tobacco officials with detailed intelligence reports on Minnesota legislative initiatives, while soliciting hundreds of thousands of dollars from the industry to finance his groups' activities.

Briant's tactics, detailed in newly released documents from the Minnesota tobacco trial, offer a glimpse of the smoke-and-mirrors lobbying effort the industry is using intensively this year to fight tobacco legislation in Washington and dozens of states.

In addition to a daunting lineup of big-name lobbyists, Philip Morris Cos., R.J. Reynolds and other cigarette makers have waged a broad, subterranean campaign, enlisting respected business and nonprofit groups as their front-line troops. Many of the battalions in the industry's lobbying army don't have "tobacco" in their names, and their industry connections are not immediately visible.

A spokesman for the Tobacco Institute, the industry's public relations and lobbying arm, declined to comment on the institute's lobbying tactics. Briant said his groups are not "fronts" for the tobacco industry, adding that he has never attempted to conceal those relationships.

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Similar relationships have turned up across the country.

In Portland, Ore., the Fairness Matters to Oregonians Committee ran a blitz of TV and radio ads in 1996 attacking a proposed increase in the cigarette tax. Responding to a complaint, the Federal Communications Commission required the Tobacco Institute to disclose that it financed the ads.

In **New York**, two organizations have taken politicians (including Minnesota's Gov. Arne Carlson) on lavish international trips. The groups -- the **New York Society** for International Affairs and America-European Community Association -- were formed to promote international trade but are quietly funded by the nation's largest tobacco producer, Philip Morris, and run by one of its vice presidents. Carlson denies knowing in advance that the trip he took was paid for with tobacco money.

Recently, tobacco companies employed similar tactics on a grand scale as the U.S. Senate debated, then last week stymied, legislation to extract a half-trillion dollars from tobacco companies over 25 years to settle health claims and curb teenage smoking.

### **Minnesota campaign**

The industry launched its covert efforts in Minnesota more than a decade ago because of concern about the zeal of the state's anti-smoking movement.

Michael Brozek, a regional vice president for the Tobacco Institute, wrote in a 1985 memo that "since Minnesota has seen fit to designate itself 'a model for the country' with regard to anti-smoking legislation, our only choice in this matter is a complete victory. Anything less could be used against us in other states. We will employ all means to secure that victory."

Given the atmosphere in Minnesota, industry representative Roger Mazingo noted in a Sept. 24, 1990, memo that "experts or economists speaking on behalf of the Tobacco Institute would be of little use" and suggested working with existing groups instead.

In discussing strategy for fighting a proposed increase in the excise tax on cigarettes, Mazingo said the Legislature "would be more inclined to absorb the message" if the industry were "able to induce a taxpayers group, an agriculture group or a union" to make its case.

In the early 1990s, the industry launched what it dubbed the "Minnesota Plan."

The tobacco companies had already hired well-connected lobbyists, such as Tom Kelm, who was chief of staff to former Gov. Wendell Anderson. They also had made \$2,500 monthly payments to the Teamsters union's chief Minnesota lobbyist, Wes Lane, who in turn provided the Tobacco Institute with intelligence reports between 1988 and 1992 and, without divulging his tobacco ties, voiced the union's opposition to anti-smoking measures at the state and local level.

Lane, now retired, contended in an interview that he supported the

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industry because the Teamsters "represented all the people that made [cigarettes] and delivered them and warehoused them." He said his consulting deal was approved by a now-deceased Teamsters official whom he declined to identify, adding that without approval, "I wouldn't be out doing that kind of crap."

To help assure that the public perceived the industry's anti-tax message as legitimate, tobacco executives developed relationships with Minnesota Citizens for Tax Justice (CTJ), a labor-backed watchdog group opposed to regressive taxation. The organization's director, Wayne Cox, said last week that industry contributions -- which he estimated to be \$10,000 to \$15,000 annually for several years in the early 1990s -- did not have any influence on the organization's policy. The industry also attempted to join forces with the Minnesota Taxpayers Association, a more conservative group whose studies of taxation have also received statewide attention. Both citizens groups opposed any increase in tobacco taxes but said that they would have held the same position even if the industry hadn't made donations.

A Feb. 21, 1995, memo from the Tobacco Institute recommended ghost-writing newspaper opinion articles to be signed and submitted by the Taxpayers Association, labor unions and a group of tobacco wholesalers. The Taxpayers Association received donations of \$3,000 in 1995 and \$2,000 in 1996 from the institute.

Taxpayers Association executive director Dan Salomone denied last week that the tobacco industry dictated policy or any action by his organization. He also denied that his organization distributed articles ghost-written by the tobacco industry. He said that the Tobacco Institute paid standard membership dues totaling \$5,000 between 1991 and 1996, and an institute representative briefly held a position on the association's board.

Salomone said that the industry asked the Taxpayers Association to conduct research on its behalf, but the association, concerned about maintaining independence, declined the offer.

Common Cause, a government watchdog group, said the tobacco industry's Minnesota lobby -- spending as much as \$2.4 million from 1994 to 1996 alone -- has been so effective that the state's rate of taxing tobacco products slipped from the highest in the nation in 1991 to 17th last year.

During the first 15 months of this election cycle, the industry contributed more than \$4.4 million to federal candidates and national parties. (During the 1995-96 election cycle, Philip Morris gave more than \$4.2 million in campaign contributions, making it the single largest donor in the country.)

The figures are even more impressive considering that many in Congress refuse to accept tobacco money. Some who have sided with the industry, including Sen. Rod Grams, R-Minn., say they will take donations. Rep. Collin Peterson, D-Minn., who has accepted \$4,000 this cycle from political action committees linked to tobacco, said simply, "I don't go for some of this politically correct stuff." Rep. Gil Gutknecht, R-Minn., accepts donations from non-tobacco subsidiaries

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such as Philip Morris' Kraft Foods. Kraft "does a lot of business in his district," Gutknecht's spokesman said.

### 'Astroturf' strategy

While lobbying and campaign contributions are important, legislative battles are increasingly being fought between consulting firms that specialize in launching grassroots campaigns to prompt voters to call or write their legislators. Critics say the tobacco industry's actions this year, like those of other businesses fighting government regulation, are a classic case of "Astroturf organizing" -- a strategy that creates the impression of a spontaneous grass-roots insurrection.

The industry has set up telephone banks with toll-free numbers, sometimes patching callers directly through to congressional offices, and has circulated printed postcards and petitions that require only a signature.

The chief Senate sponsor of the tobacco legislation, Republican John McCain of Arizona, knows all about "Astroturf." He has received 19,000 form letters and postcards -- about 17,000 of which opposed his bill, said his press secretary, Nancy Ives.

The \$40 million industry ad campaign assailing McCain's bill included blitzes in his home state and in New Hampshire and Iowa, where he may seek early support for a possible presidential run in 2000.

Orchestrated mail campaigns also have reached Minnesota legislators.

Gutknecht spokesman Lee Aase said his office has received nearly 1,000 constituent contacts opposing a cigarette tax increase -- about 75 percent of them "postcards from an organized campaign."

Grams has received about 1,500 calls, letters or e-mails opposing the tobacco legislation and only a few dozen supporting it, said his spokesman, Steve Behm. Behm said he did not know how many of the letters were identical.

Rep. Jim Ramstad, R-Minn., said that anti-smoking groups have also launched an organized grass-roots postcard campaign, though it is much smaller than the industry effort.

Many of the pro-industry postcards bear the imprint of the National Smokers Alliance, formed in 1993 when Philip Morris contributed "seed money" to create an "advocacy group for its customers," said Gary Auxier, a senior vice president at the alliance. The group was set up by executives of the tobacco giant's public relations firm, Chicago-based Burson Marsteller.

While the alliance now claims to be independent, with 3 million dues-paying members, it still gets funding from Philip Morris and now has help from two other tobacco companies, Lorillard Inc. and Brown and Williamson.

Other tobacco companies are distributing petitions in truck stops and convenience stores. Some convenience stores participating in these

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efforts are in Minnesota and are members of one of Briant's associations.

Briant said in an interview that it is no secret that his groups are backed by the tobacco industry and that he disclosed the funding sources in annual reports filed with the Ethical Practices Board, though he did not reveal dollar figures.

But beyond the disclosure on those forms, neither Briant nor his groups advertised their alliance with the industry. Indeed, in giving his group \$20,000 in 1990, the Tobacco Institute required him to pledge to keep their communications "in the strictest confidence," according to the written agreement. One of Briant's organizations -- the Minnesota Candy and Tobacco Association -- removed its obvious link to tobacco in 1994 when it was renamed the Minnesota Wholesale Marketers Association.

In 1991, he said in a letter to the Candy and Tobacco Association's state lobbyists that he had phoned the institute "to inquire whether we should begin lobbying our assigned legislators. . . . [They] said that we should proceed."

In 1993, Briant formed another group, the Minnesota Coalition of Responsible Retailers, to fight local anti-smoking ordinances. It linked five state trade associations whose members included grocers, retailers and service station operators.

In the interview, Briant said his groups were heavily outspent by the opposition, contending that \$6 million in federal money was distributed to Minnesota anti-smoking groups during the past five years.

"My role has been to assist the wholesalers, the vendors and the retailers in responding to a relentless attack by anti-tobacco groups on their legitimate business interests," he said.

The institute's national budgets in recent years allotted hundreds of thousands of dollars to help fund trade associations of retailers, wholesalers, liquor distributors and grocers, as well as anti-tax groups, in states across the country.

*— The Star Tribune library, Star Tribune staff writer John Stefany and researcher Chris Hamilton contributed to this report.*

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