

[American Legislative Exchange Council \(ALEC\)](#)

Ghostwriting the Law for Corporate America

AAJ's Report

The Koch Brothers, big tobacco, insurance companies, and the drug industry: all behind the shadowy corporate front group known as the American Legislative Exchange Council (ALEC). On the surface, ALEC is mostly comprised of thousands of state legislators, each paying a nominal fee to attend ALEC retreats and receive model legislation. In reality, corporations pay ALEC a king's ransom to access legislators to distribute radical legislation that puts corporate interests over American workers and consumers.

So, while the membership appears to be public sector, corporate money dominates ALEC. In fact, public sector membership dues account for only around one percent of ALEC's annual revenues. ALEC claims to be nonpartisan, but its pro-corporate, anti-consumer mission is clear.

Read about ALEC's hand in protecting oil companies, chemical manufacturers and Wall Street banks in AAJ's report here:

AAJ Release: Report Lifts Veil on ALEC's Pro-Corporate, Anti-Consumer Mission.

Executive Summary:

Few have ever heard of it, but the American Legislative Exchange Council, or ALEC, is the ultimate smoke filled back room.

On the surface, ALEC's membership is mostly comprised of thousands of state legislators. Each pays a nominal membership fee in order to attend ALEC retreats and receive model legislation. ALEC's corporate contributors, on the other hand, pay a king's ransom to gain access to legislators and distribute their corporate-crafted legislation.

So, while the membership appears to be public sector, the bankroll is almost entirely private sector. In fact, public sector membership dues account for only around one percent of ALEC's annual revenues. ALEC claims to be nonpartisan, but in fact its free-market, pro-business mission is clear.

The result has been a consistent pipeline of special interest legislation being funneled into state capitols. Thanks to ALEC, 826 bills were introduced in the states in 2009 and 115 were enacted into.

Behind the scenes at ALEC, the nuts and bolts of lobbying and crafting legislation is done by large corporate defense firm Shook, Hardy & Bacon. A law firm with strong ties to the tobacco and pharmaceutical industries; it has long used ALEC's ability to get a wide swath of state laws enacted to further the interests of its corporate clients.

ALEC's campaigns and model legislation have run the gamut of issues, but all have either protected or promoted a corporate revenue stream, often at the expense of consumers. For example, ALEC has worked on behalf of:

Oil companies to undermine climate change proponents;

Pharmaceutical manufacturers, arguing that states should be banned from importing prescription drugs;

Telecom firms to block local authorities from offering cheap or free municipally-owned broadband;

Insurance companies to prevent state insurance commissioners from requiring insurers to meet strengthened accounting and auditing rules;

Big banks, recommending that seniors be forced to give up their homes via reverse mortgages in order to receive Medicaid;

The asbestos industry, trying to shut the courthouse door to Americans suffering from mesothelioma and other asbestos-related diseases; and,

Enron to deregulate the utility industries, which eventually caused the U.S. to lose what the Securities and Exchange Commission (SEC) estimated as \$5 trillion in market value.