

# United States Senate

WASHINGTON, DC 20510

June 27, 2012

Mr. T. Timothy Ryan, Jr.  
President and CEO  
Securities Industry and Financial Markets Association  
120 Broadway, 35<sup>th</sup> Floor  
New York, NY 10271

Dear Mr. Ryan:

On February 2, 2012, a bi-partisan group of 60 Senators voted to require disclosure and transparency of so-called “political intelligence” activities. In addition to those 60 Senators, 286 Members of Congress co-sponsored legislation that contained a provision requiring transparency for political intelligence agents.

Transparency for political intelligence agents is especially important given that political intelligence firms often advertise the secret nature of their activities. For example, on their website, the Open Source Intelligence Group, a political intelligence firm, says the following:

Our political intelligence operation differs from standard ‘lobbying’ in that The OSINT Group is not looking to influence legislation on behalf of clients, but rather provide unique ‘monitoring’ of information through our personal relationships between lawmakers, staffers, and lobbyists. Providing this service *for clients who do not want their interest in an issue publicly known* is an activity that does not need to be reported under the Lobbying Disclosure Act, thus providing an additional layer of confidentiality for our clients. This service is ideal for companies seeking a competitive advantage by allowing a client's interests to remain confidential....

Leveraging “personal relationships” for “confidential” clients damages public trust in the political process and raises questions about the relationships political intelligence agents attempt to cultivate in Congress.

As we explore the concerns and questions raised by political intelligence, it is essential to learn more about the gathering and dissemination of political intelligence. One of the problems we have faced in exploring this issue is that, because political intelligence activities are not disclosed, there is little information available on the scope of political intelligence and how it is actively prepared, marketed, and sold to Wall Street. Generalizations are not as useful as studying the issue in the context of specific, factual examples.

On February 3, 2012, attorneys for the Securities Industry and Financial Markets Association (SIFMA) prepared a memorandum for SIFMA’s Executive Vice-President for Public Policy and Advocacy, Kenneth Bentsen Jr. This memorandum stated that the scope of the

political intelligence was “expansive” and “potentially extremely broad.” The memorandum suggested some potential “fixes” to the political intelligence provision in the STOCK Act, but did not go into great detail.

In an effort to understand the unique public policy implications of the growing political intelligence industry, please answer the following questions and provide the information, to the best of your ability:

1. Does SIFMA support some form of registration requirement for political intelligence agents?
  - a. If so, how would SIFMA recommend this registration be structured?
  - b. If not, why not?
2. Please provide a list of all SIFMA members who have retained political intelligence firms from 2007 to the present.
3. Please provide the names of the political intelligence firms SIFMA members have contracted with from 2007 to the present.
4. Please provide the total amount of money SIFMA members spent contracting with political intelligence firms from 2007 to the present, broken down by individual SIFMA member.

Thank you for your cooperation and attention in this matter. We would appreciate a response by July 25, 2012. If you have any questions, please do not hesitate to contact Chris Lucas for Senator Grassley at (202) 224-5225 or Adam Jones for Senator Udall at (202) 224-5941.

Sincerely,



Charles E. Grassley  
United States Senator



Mark Udall  
United States Senator