WASHINGTON POST del 16 maggio 2004

First of two articles

THE BUSH MONEY MACHINE : Fundraising's Rewards

Pioneers Fill War Chest, Then Capitalize

By Thomas B. Edsall, Sarah Cohen and James V. Grimaldi
Washington Post Staff Writers
Sunday, May 16, 2004; Page A01

GREENSBORO, Ga. - Joined by President Bush, Vice President Cheney and a host of celebrities, hundreds of wealthy Republicans gathered at the Ritz-Carlton Lodge here in the first weekend in April, not for a fundraiser but for a celebration of fundraisers. It was billed as an "appreciation weekend," and there was much to appreciate.

As Bush "Pioneers" who had raised at least $100,000 each for the president's reelection campaign, or "Rangers" who had raised $200,000 each, the men and women who shot skeet with Cheney, played golf with pros Ben Crenshaw and Fuzzy Zoeller and laughed at the jokes of comedian Dennis Miller are the heart of the most successful political money operation in the nation's history. Since 1998, Bush has raised a record $296.3 million in campaign funds, giving him an overwhelming advantage in running against Vice President Al Gore and now Sen. John F. Kerry (D-Mass.). At least a third of the total - many sources believe more than half - was raised by 631 people.

When four longtime supporters of George W. Bush in 1998 developed a name and a structure for the elite cadre that the then-Texas governor would rely on in his campaign for president, the goal was simple. They wanted to escape the restraints of the public financing system that Congress had hoped would mitigate the influence of money in electing a president. Their way to do it was to create a network of people who could get at least 100 friends, associates or employees to give the maximum individual donation allowed by law to a presidential candidate: $1,000.

The Pioneers have evolved from an initial group of family, friends and associates willing to bet on putting another Bush in the White House into an extraordinarily organized and disciplined machine. It is now twice as big as it was in 2000 and fueled by the desire of corporate CEOs, Wall Street financial leaders, Washington lobbyists and Republican officials to outdo each other in demonstrating their support for Bush and his administration's pro-business policies.

"This is the most impressive, organized, focused and disciplined fundraising operation I have ever been involved in," declared Dirk Van Dongen, president of the National Association of Wholesaler-Distributors, who has been raising money for GOP candidates since 1980. "They have done just about everything right."

For achieving their fundraising goals, Pioneers receive a relatively modest token, the right to buy a set of silver cuff links with an engraved Lone Star of Texas (Rangers can buy a more expensive belt buckle set). Their real reward is entree to the White House and the upper levels of the administration.

Of the 246 fundraisers identified by The Post as Pioneers in the 2000 campaign, 104 - or slightly more than 40 percent - ended up in a job or an appointment. A study by The Washington Post, partly using information compiled by Texans for Public Justice, which is planning to release a separate study of the Pioneers this week, found that 23 Pioneers were named as ambassadors and three were named to the Cabinet: Donald L. Evans at the Commerce Department, Elaine L. Chao at Labor and Tom Ridge at Homeland Security. At least 37 Pioneers were named to postelection transition teams, which helped place political appointees into key regulatory positions affecting industry.

A more important reward than a job, perhaps, is access. For about one-fifth of the 2000 Pioneers, this is their business - they are lobbyists whose livelihoods depend on the perception that they can get things done in the government. More than half the Pioneers are heads of companies - chief executive officers, company founders or managing partners - whose bottom lines are directly affected by a variety of government regulatory and tax decisions.

When Kenneth L. Lay, for example, a 2000 Pioneer and then-chairman of Enron Corp., was a member of the Energy Department transition team, he sent White House personnel director Clay Johnson III a list of eight persons he recommended for appointment to the Federal Energy Regulatory Commission. Two were named to the five-member commission.

Lay had ties to Bush and his father, former president George H.W. Bush, and was typical of the 2000 Pioneers. Two-thirds of them had some connection to the Bush family or Bush himself - from his days in college and business school, his early oil wildcatting in West Texas, his partial ownership of the Texas Rangers baseball team and the political machine he developed as governor.

"It's clearly the case that these networking operations have been the key driving Bush fundraising," said Anthony Corrado, a visiting scholar at the Brookings Institution and a political scientist at Colby College. "The fact that we have great numbers of these individuals raising larger and larger sums means there are going to be more individuals, postcampaign, making claims for policy preferences and ambassadorial posts."

Asked whether the president gives any special preference to campaign contributors in making decisions about policy, appointments or other matters, White House spokesman Trent Duffy said, "Absolutely not." The president, Duffy said, "bases his policy decisions on what's best for the American people."

Pioneers interviewed for these articles were reluctant to discuss on the record their contacts with the administration. "That's dead man's talk," one said. The Bush campaign declined repeated requests to reveal the entire 2000 list of Pioneers, saying it is contained in computer files they can no longer access.

Bush campaign spokesman Scott Stanzel said, "Our campaign enjoys support from nearly 1 million contributors from every county in this nation. We're proud of our broad-based support, and the Bush campaign has set the standard for disclosure."

M. Teel Bivins, a rancher, Pioneer and member of the Texas Senate awaiting confirmation as ambassador to Sweden, spoke more openly in an interview with the BBC in 01. "You wouldn't have direct access if you had spent two years of your life working hard to get this guy elected president, raising hundreds of thousands of dollars?" he said. "You dance with them what brung ya."

For the 2004 election, the composition of the Pioneers has changed, reflecting the broad support the Bush administration has given and received from industries ranging from health care to energy.

Of the 246 known Pioneers from the 2000 election, about half - 126 - are Pioneers or Rangers again. They are joined by 385 new Pioneers and Rangers whose backgrounds are less from Texas and the Bush circle than from the nation's business elite, particularly Wall Street and such major players as Bear Stearns & Co. Inc., Kohlberg Kravis Roberts & Co.; Goldman Sachs Group Inc., Merrill Lynch & Co. Inc., Credit Suisse First Boston Inc. and Morgan Stanley & Co. Inc.

The campaign's most productive Zip code this year is Manhattan's 10021: the Upper East Side, bounded by Fifth Avenue, East 80th Street, East 61st Street and the East River.

"This is the most successful political fundraising mechanism in the history of politics, and it will be emulated by other candidates and campaigns in the future," said Craig McDonald, executive director of Texans for Public Justice, a public interest group that has tracked the Pioneer network for five years.

First Goal: $50 Million

No candidate in recent history was better positioned than George W. Bush to draw on so many disparate sources of wealth. The task for the four Bush friends who met in Midland, Tex., in late 1998 - Texas Republican fundraiser and public relations specialist James B. Francis Jr., fundraiser Jeanne Johnson Phillips, state Republican chairman Fred Meyer and Don Evans, then a Texas oil man - was to figure out how to capitalize on the extensive network of rich and powerful people that the governor, his father, brothers, uncles, grandfather and great-grandparents had built up over the past century.

This account of the founding of the Pioneers is drawn from interviews with three of the four participants.

Two wings of the family, the Bushes and the Walkers, had long been entrenched in the industrial Midwest and on Wall Street. This establishment, in turn, had produced the investors who had bankrolled the venture of George H.W. Bush into the oil industry after World War II, his acquisition of wealth through oil and his ascent to national prominence.

The 41st president had, in pursuing his own political ambitions, built up a financial network that he in turn could pass on to two of his sons, George W. and Jeb.

At the time of the 1998 Midland meeting, Evans, Phillips, Francis and Meyer had the relatively modest goal of raising a minimum of $50 million to reject public financing for the 2000 Republican primaries and to be free to spend without limit until the summer nominating conventions.

Other Republicans had rejected public money for the primary season before, in order to spend their own wealth. Bush, in contrast, was not going to use his own money - he was going to raise it from hundreds of thousands of donors.

The early signs were favorable. For months, Bush's handlers had been signaling that the Texas governor was ready to run for the White House. Big givers, in turn, were promising support. The pledges posed two problems.

The first was that the Bush network was made up of men, and a scattering of women, who were used to writing big checks. Donations to Bush's gubernatorial campaigns, to the Republican National Committee's "Team 100," to Jeb Bush's Florida Republican Party and to the Bushes' earlier oil and baseball ventures had no contribution limits. Transfers and gifts of $100,000 or more were commonplace within this universe.

Federal elections, however, were different. A key provision of the 1974 Watergate reforms for the first time set a limit on individual contributions to a presidential campaign: a relatively paltry $1,000.

"We had to turn these people into money raisers instead of money givers," Francis said in a recent interview - to get them to do the dirty work of politics, to make hundreds of calls to clients, subcontractors, to their corporate subordinates, to their law partners and fellow lobbyists and plead for cash.

Their problem can be illustrated by looking at the $41 million Bush had collected for his two gubernatorial bids under rules allowing unlimited contributions. If the same number of people had contributed under federal campaign rules with a limit of just $1,000 each, Bush would have raised only $14.3 million.

At the 1998 Midland meeting, the goal was to figure how to get "two steps ahead" - to use Meyer's phrase - of the $1,000 contribution limit.

Francis came up with the idea of making it a competition. "We purposely set the bar high," Francis said. "These are very successful, very competitive people," and the requirement of raising at least $100,000 in contributions of $1,000 or less was designed "to tap into their competitive instincts."

Not only would the fundraisers compete to make Pioneer, they would also vie to see who could raise the most money, and, even more significantly, who could recruit the largest number of other Pioneers.

The second problem was accountability. Fundraisers are notorious for making extravagant promises and claiming credit for every name they recognize on a donor list. "You can have an event that pulls in $3 million, and there will be 20 guys each saying they raised $1 million," said a Republican fundraiser who spoke under the condition of anonymity.

A system was needed to make certain there was no double or triple counting, that when a check came in for $1,000, proper credit was given to the fundraiser who had solicited the money.

Phillips proposed a solution: Every fundraiser would be assigned his or her own four-digit tracking number. A Pioneer would get credit only for those checks that arrived with the correct tracking number clearly printed on them.

In addition, prospective Pioneers would have a direct line into the Bush campaign finance offices. There they could routinely find out where they stood, compared with the rest of the field. Every month, they would get printouts of donations. Everyone assigned a number could check regularly to see if their $1,000 pledges had been fulfilled.

Soon after the 1998 Midland strategy session, Francis, Evans, Phillips and Meyer joined other campaign operatives in Dallas to put the plan to work. The four reported directly to Karl Rove, Bush's principal political adviser. Francis took charge of the Pioneer program. In addition to Bush family members and friends, Francis had essentially four spheres of money to mine, all of which overlapped at various points.

The first sphere was formed by the group of men who had repeatedly gambled on George W. Bush as an entrepreneur, investing in failed Bush ventures in the oil business and then joining Bush in the highly profitable acquisition of the Texas Rangers baseball team. The Rangers made millions for Bush and his partners.

The second sphere was made up of the Texas political elite and business community that supported him as governor. Many were involved in the energy industry. Others sought tighter restrictions on lawsuits against corporations and physicians. Gov. Bush had won approval of state legislation favorable to both of these constituencies.

The third sphere was made up of the Republican financial elite with strong ties to Bush's father, the 41st president.

During the Nixon and Ford administrations, the senior Bush had cemented alliances on crucial fronts, serving in top posts at the United Nations, the Republican National Committee and the Central Intelligence Agency. More importantly, during three runs for the presidency, two terms as vice president and one as president, the elder Bush had cultivated and assiduously maintained a national base of major donors and fundraisers. Many were ready and willing to support his son - including some of the 252 members of the Republican National Committee's "Team 100," each of whom had given the party at least $100,000.

The importance of this legacy to George W. Bush is clearly reflected in the composition of the 246 men and women who would become Pioneers in 2000. At least 60 - 24 percent - had been supporters of Bush's father in the 1980 or 1988 campaigns.

The fourth sphere was composed of the supporters of Bush's fellow Republican governors, most importantly those of his brother, Jeb Bush in Florida. By November 1999, well before any primaries or caucuses had been held, George W. Bush already had the endorsements of 26 of 30 GOP governors.

The Bush campaign tapped these sources to raise a then-record $96.3 million for the primaries in 2000, far outdistancing Democrat Gore's $49.5 million. Both candidates received $68 million in public financing for the general election campaign.

In 2002, Congress enacted the McCain-Feingold bill banning contributions to political parties of what is known as "soft money" - unlimited donations from corporations, unions or the wealthy. Instead, the legislation raised the "hard money" limit on contributions to candidates from $1,000 to $2,000.

"The organization of the Pioneers and Rangers is significant, and it is the way of the future," said Ken Goldstein, a University of Wisconsin political scientist. "People with Rolodexes and the ability to raise money have always been valuable, but with the passage of McCain-Feingold, they have become especially valuable. [T]he ability to get friends, colleagues and business associates to give the maximum hard money amount is now even more valuable."

With soft money banned, the 2004 Bush campaign has greatly expanded the Pioneer program, setting a new record of more than $200 million raised so far. This year, Kerry, the presumptive Democratic nominee, followed Bush's lead and rejected public financing for his primary campaign, fearing he would be crushed by the Bush organization if he were forced to abide by the $45 million spending limits that accompany public financing. Kerry recently released a list of 182 people who have each raised a minimum of $50,000, helping to bring his total to at least $110 million.

The Democrats are increasingly relying on independent groups known as 527s, after their designation in the tax code. They currently raise unlimited funds for political ads that have been used to attack Bush. Two prominent examples are the Media Fund and Moveon.org. Financier George Soros and Peter B. Lewis, chairman of the Progressive Corp., have each given more than $7 million to these organizations.

For the general election campaign, Bush and Kerry are accepting public money; each will get $75 million.

Until the conventions this summer, Bush can enjoy his spending advantage over Kerry, saturating the airwaves with ads that help to define Kerry, particularly in the battleground states.

The Bush reelection campaign is currently riding a wave of Wall Street money and has consolidated the Republican establishment with the backing of prominent Washington lobbyists and trade association executives. They are not only highly effective fundraisers themselves but also their client and membership lists include some of the most regulated, and most politically active, corporations in every state.

At least 64 Rangers and Pioneers are lobbyists, including Jack Abramoff, who until recently specialized in representing Indian tribes with gambling interests; Kirk Blalock, whose clients include Fannie Mae, the Health Insurance Association of America, and the Business Roundtable; Jack N. Gerard, president of the National Mining Association; and Lanny Griffith, whose clients include the American Trucking Associations, Brown & Williamson Tobacco Corp., the Southern Co., a major energy concern, and State Street Corp.

On Track to Appointments

Big donors, Republican and Democrat, have always received benefits from the administrations that received their largess. Bill Clinton brought big donors into the White House and let them sleep in the Lincoln bedroom and appointed some to government jobs.

The Bush campaign's innovation in the late 1990s was to institutionalize what other administrations had done more informally, which is to create a special class of donors that can be singled out from the pack and tracked with precision. Some of their transactions with the administration can also be tracked.

Sometimes the interests of Pioneers are relayed in subtle, indirect ways, through members of Congress or Republican leaders, especially in the case of major administration bills enacted since Bush took office: three bills granting tax relief to the wealthy and to corporations, the 2003 Medicare bill supported by the drug industry and other major health lobbies, and pending legislation providing tax breaks and regulatory relief to the energy sector.

At another level, requests for tickets to an event, such as a White House party, are likely to be more overt than the nuanced approach needed to get on the radar for a presidential appointment.

"It is noticed that you are doing extra work and you have a lot of friends in the administration," said Rep. Jennifer Dunn (R-Wash.), a Pioneer who was considered for a presidential appointment. Her son, Reagan Dunn, was hired by the Justice Department, and her new husband, E. Keith Thomson, was appointed last year as the director of the Office of Trade Relations. "A lot [of Pioneers] have a particular interest and you have lots of contacts, and you say, 'I'd like to sign up to be an ambassador when one comes along.' "

The Pioneer tracking system ensures that hard work gets noticed. That's why Rep. Rob Portman (R-Ohio) signed up this year. He read that Dunn, Speaker J. Dennis Hastert (R-Ill.), and others were Pioneers. Portman had already raised money, "but I didn't have a tracking number. I finally decided to get one. I wanted to be supportive, and be *viewed* as supportive."

Critics complain that the Pioneer and Ranger program allows the campaign to track those who raise big money while cloaking details about them from the public; campaigns are required to report the names of the individual donors, but not the fundraisers who solicit the donations.

"The campaign is tracking them and giving them credit -- and supposedly all the access and influence that comes with huge campaign contributions," said McDonald of Texans for Public Justice. He said the Bush campaign has never released a complete list of Pioneers and Rangers with the specific amounts of money they have raised. Once, in response to a lawsuit, campaign officials said that such a list was not available.

"It is unbelievable that the most successful fundraising list in the history of politics has been misplaced," McDonald said.

Gary C. Jacobson, a University of California at San Diego political scientist who specializes in campaign finance, said the Pioneer program "is a way of allowing individuals to accumulate political clout despite the fact that contribution limits are relatively low."

"You can no longer give $100,000 and be an ambassador, but you might be able to raise that amount and accumulate the same kind of political debt," Jacobson said.

Nancy Goodman Brinker, one of the 23 Pioneers from the 2000 campaign who became an ambassador, said she does not remember exactly when or who first brought up a diplomatic appointment. She said it "seemed to evolve" after someone asked her whether she wanted to serve. The next thing she knew, she was talking to Clay Johnson in the White House personnel office about her choices. "One of the reasons why I chose and asked to be placed in Budapest," Brinker said at her Senate confirmation hearing, "was because I think there's been an amazing story of loyalty by this country."

Brinker said one of her primary concerns, before accepting the nomination, was her parents, who are in their eighties. The presidential personnel team works with a potential nominee to find a good fit, which she called "matching talent with interests." She knew George W. Bush from his days in Texas, where she founded the Susan G. Komen Breast Cancer Foundation, named for her sister who died of breast cancer.

"There were discussions where your talents fit in which country," Brinker said. "I specifically did not want to go - I could not - be farther than a 10-hour plane ride because of my [elderly] parents. I wanted to be in the European continent somewhere, particularly a country like this, where I thought I could try to make some kind of difference."

Patronage decisions for Pioneers and other friends of the president are made largely by Rove, the White House senior political adviser, and Andrew H. Card Jr., the chief of staff, in consultation with the Office of Presidential Personnel, which handles the vetting process, according to senior Republicans who would speak only on the condition of anonymity. Any donor who wants to be considered for a major job must indicate interest to one of those two men, the Republicans said.

These Republicans acknowledged that finance issues were taken into account, but said there were instances of donors being disappointed and people getting plum positions who had done little to help the campaign treasury.

In making decisions immediately after the election, Rove consulted Jack Oliver, a trusted insider in Bush's political family who managed the fundraising effort for both of his presidential campaigns. Oliver's main function was to tell Rove "what people had really done" to raise money, one of the senior Republicans said. Now, such decisions are made entirely within the White House, the official said, and Rove and Card also have sway over lesser favors, and "scrub the lists" of invitations to White House holiday parties.

"I can call Karl, and I can call about half of the Cabinet, and they will either take the call or call back," said one lobbyist Ranger, who described such access as "my bread and butter" and spoke only on the condition of anonymity. He and others noted that going to top officials in either the White House or in Cabinet departments is only used as a last resort on important issues and not always with success.

"It's much better to start with an assistant secretary or the White House public liaison office. Those people know who you are and can usually deal with the issue," another Ranger said. "You don't seek out the maitre d' unless you really need to."

Several major fundraisers in the lobbying community complained that as the election approaches, Rove has become a "little gun-shy" when dealing with association executives and lobbyists, fearful that his involvement with any special interest might produce adverse publicity.

"It's different now that we are in campaign mode," the lobbyist said. "Karl doesn't even want to be involved in courtesy visits [with clients]. 'Don't bring this to my office,' he'll say. He's been snakebitten" because of past controversies over his alleged involvement with groups seeking special favors, especially decisions involving steel import tariffs.

In response to questions about his contacts with Pioneers and Rangers, Rove said, "I talk to a wide variety of people, members of the campaign from the grass roots on up. It's part of my job to keep an open ear to what people are saying around the county."

White House sources said that if anyone refers to fundraising while seeking something from the administration, the policy is to then "vet" the request with the White House counsel's office to make sure no regulations or laws are being violated.

Commerce Secretary Evans also plays a key role. "Evans acts as a kind of court of appeals everybody knows that Evans is one of the president's best friends. So he can be very effective intervening for you with just about any department," one fundraiser-lobbyist said.

This lobbyist described the following situations as the type in which Evans can effectively help: "Say you've got a bunch of telecom companies that are frozen out of doing business in Russia, and [the] State [Department] won't do anything, or your sugar people can't get a fair hearing at USTR [the Office of the U.S. Trade Representative] in negotiations with Mexico [Evans] can make them stop and listen. He can get something unstuck."

Evans was the one fellow Pioneer Ken Lay turned to in desperation in the fall of 2001, when Enron spiraled toward bankruptcy. Lay wanted help with the company's credit rating, but Enron was in too much trouble, and Evans was unable to oblige.

For 2004: Super Rangers

Last month at the Ritz-Carlton Lodge on Lake Oconee, after the golf and the entertainment and a reception with Bush for the elite Rangers, the "appreciation" of the campaign's leading fundraisers gave way, inevitably, to a business meeting.

On a bright Saturday morning, more than 300 of Bush's Pioneers and Rangers eschewed the links to gather in a windowless conference room. Sipping imported mineral water and coffee, Wall Street mingled with Texas.

A Post reporter walked into the session, which the campaign described later as an event closed to the media. The speakers "were under the belief that they were speaking privately with our contributors," campaign communications director Nicolle Devenish said.

There they learned that the Rangers would soon lose their top status, just as the Pioneers had before them. Raising $200,000 was a starting point, they were told. But to qualify as a "Super Ranger," they would have to raise an additional $300,000 for the Republican National Committee, where the individual contribution limit is $25,000.

"The name of the game is maxing out the dollars," Oliver told the gathering.

As the Super Ranger notion was unveiled, attendees shifted in their seats. Some looked up eagerly, but others demurred. "The rest of us, who don't have members or clients with deep enough pockets to come up with $25,000 said, 'Oh, [expletive],' " said one attendee who asked to remain anonymous.

To reach the new goals, Travis Thomas, the Bush-Cheney finance director, explained to the gathered Rangers and Pioneers how they could hold fundraisers in their homes featuring an appearance by the president that would bring in $2 million to $3 million in bundled contributions. Private homes, he pointed out, are more comfortable for the president.

And, Thomas added, "If it is in a private residence, it can be closed to the press."

Staff writer Mike Allen and researcher Alice Crites contributed to this report.

WASHINGTON POST del 17 maggio 2004

Second of two articles

THE BUSH MONEY MACHINE : An Industry Gets Its Way

Fundraiser Denies Link Between Money, Access

EPA Rule on Hazardous Waste Favored Ohio Businessman Who Is a Big GOP Donor

By James V. Grimaldi and Thomas B. Edsall
Washington Post Staff Writers
Monday, May 17, 2004; Page A01

MASON, Ohio -- Richard T. Farmer is one of America's richest men and a Bush Pioneer by virtue of having raised at least $100,000 for the 2000 campaign. Over the past 15 years, he and his wife have given $3.1 million to Bush campaigns, the Republican Party and Republican candidates.

Farmer's family controls Cintas Corp., a $2.7 billion company that rents and launders uniforms and industrial shop towels. For years, Farmer's industry has been at odds with the Environmental Protection Agency over increased regulation of shop towels, particularly a Clinton administration proposal that, though not fatal, "would have cost us a lot of money," Farmer said.

In a recent interview at company headquarters here, Farmer said his campaign donations were made with no strings attached. He said he supports Republicans because they believe in "less government, more individual freedom, more individual responsibility."

"If you think I'm giving money to get access to [President Bush], you're crazy," Farmer said. "I'm just trying to get the right guy elected. That's all I care about."

The Clinton proposal would have required that woven shop towels contaminated with chemical solvents be wrung dry for them to be treated as laundry, not hazardous waste. Last November, the EPA changed its position, adopting a more lenient proposal for the woven towels. Farmer and his industry were overjoyed, because the change promised to save them millions and preserve their advantage over the competition - paper towels. "It would have been a big problem," Farmer said.

After a series of telephone calls, e-mails, letters and meetings with representatives of the laundry industry, the EPA had provided industrial-laundry lobbyists with an advance copy of a portion of the proposed rule, which the lobbyists edited and the agency adopted.

That same opportunity was not given to the rule's opponents - environmental groups, a labor union, hazardous-waste landfill operators and paper towel manufacturers who argue their product should be treated as environmentally equal to laundered towels. The opponents say industrial laundries send tens of thousands of tons of hazardous chemicals to municipal sewage treatment plants and landfills where toxics can get into groundwater, streams and rivers. Labor unions contend that the towels expose workers to cancer-causing fumes.

Cintas said in a statement that the rewritten rule will prevent pollution because "reusable shop towels are friendlier to the environment" than disposable paper towels.

The proposed shop towel rule is but one example of a policy change by the Bush administration that favors a company controlled by a Bush Pioneer or Ranger, who as a group have helped the president bank a record $200 million for the 2004 election campaign. The shop towel case reflects the subtle interactions between corporations and an administration determined to roll back what it considers to be regulatory overkill. For many big donors, getting "the right guy elected," as Farmer puts it, is an end in itself.

EPA Assistant Administrator Marianne Lamont Horinko said Farmer's campaign contributions had nothing to do with the agency's decision. Although Cintas was represented by the industrial-laundry lobbyists in discussions with the EPA, Farmer said he himself did not directly contact the administration about the proposed rule. He did say that, at the behest of the laundry industry, he called members of the Ohio congressional delegation, who wrote to then-EPA Administrator Christine Todd Whitman.

In a summary of the rule, the EPA said it would improve "clarity and consistency" of regulation, "provide regulatory relief, and save affected facilities over $30 million." Whitman - who resigned from the EPA last year and has since become a Bush Ranger - declined to be interviewed. But she said through a spokesman that contacts such as those from the Ohio congressional delegation "are helpful because they highlight an interest and a constituent's interest" and "that just feeds into the deliberative process."

Fred Meyer, the former chairman of the Texas Republican Party who in 1998 helped set up the Pioneers for then-Texas Gov. George W. Bush, said there is a good reason money will always flow to political campaigns. "There are too many things that are important to too many people," Meyer said. "The existence of businesses and billions of dollars are affected."

Democrats have their own history of rewarding large donors. President Franklin Delano Roosevelt appointed major contributor Joseph P. Kennedy to be ambassador to Britain. Lyndon B. Johnson funneled contracts to Texas firms.

Direct quid pro quos - specific benefits in exchange for cash - are illegal. There is nothing illegal, however, about the adoption of broad legislation or regulations benefiting sectors of the business community - such as laundries disposing of wastewater containing toxic chemicals - that happen be a source of major fundraisers and donors.

For example, securities and investment banking firms have benefited enormously from reduced capital gains and dividend taxes initiated by the Bush White House. Six produced 17 Pioneers and Rangers this year, and employees in those firms have raised $2.53 million. Altogether, finance industry employees have raised $19.68 million for the 2004 election campaign, according to an analysis produced for The Washington Post by Dwight L. Morris & Associates.

Twenty-four Rangers and Pioneers are either drug industry executives or lobbyists whose companies stand to get more business from the administration's Medicare drug benefit bill passed last year.

Twenty-five energy company executives, along with 15 energy industry lobbyists, are either Pioneers or Rangers. Many have been deeply involved in developing the administration's energy policy. Seven of those Pioneers served on the Bush energy transition team. The administration's energy bill, which remains stalled by a largely Democratic filibuster in the Senate, would provide billions of dollars in benefits to the energy industry.

Industry: $400 Million Cost

The proposed shop towel rule shows how the process can play out to the advantage of a Pioneer.

For more than two decades, the EPA has grappled with how to regulate the cloth towels used to wipe up chemicals in printing plants, factories and industrial shops. Each year, 3 billion of them sop up more than 100,000 tons of hazardous solvents such as benzene, xylene, toluene and methyl ethyl ketone.

"Why should these materials be regulated as a hazardous waste?" the EPA said in a document given to the laundry industry in 2000. "Because they have the potential to cause fires, or to be the source of fugitive air emissions, and ground water contamination."

In 1997, the Clinton administration proposed a clean-water rule requiring industrial laundries to pretreat their wastewater to remove chemical solvents. The Uniform & Textile Service Association (UTSA) and Textile Rental Services Association of America (TRSA) mounted a $1.2 million lobbying campaign against the proposed rule, arguing that toxic pollutants are removed at the laundries or by municipal wastewater treatment plants. The trade groups said the proposal would have cost them more than $400 million.

In 1999, the Clinton EPA withdrew the rule. The next year, with Clinton still in the White House, the EPA floated a new draft rule that proposed to exempt shop towels from hazardous-waste requirements only if factories squeezed the towels "dry" -- defined as containing no more than five grams of solvents -- before placing them in sealed containers and sending them to laundries.

Calling this "an extremist view in the EPA," the laundry industry forcefully opposed the new proposal as overregulation.

But environmental activists, labor groups and paper towel makers said the laundries and local treatment plants frequently exceed their mandated pollution limits. Sixty-five Cintas laundries in 15 states and Canada have exceeded pollution limits on more than 1,100 occasions in the past several years, according to public records gathered by the Sierra Club and the Union of Needletrades, Industrial and Textile Employees (UNITE).

For the EPA and the laundry industry, things changed when Bush took office in 2001. The industry pushed hard to derail the Clinton proposed rule in favor of a more lenient one that gives shop towels a hazardous-waste exemption without the need to wring them dry or store them in special containers.

Laundry trade groups appealed directly to EPA Administrator Whitman in February 2001: "The draft regulation in its current form increases the regulatory burden."

In May, Whitman sent a conciliatory response: "Partnerships with our stakeholders will be an important part of how we will do business at EPA."

To aid in the effort, the industry urged contributions to its Textile Rental Services Association's Political Action Committee. "Will PAC donations open doors, get appointments and allow your message to be delivered? *Absolutely*," Textile Rental magazine said in its March 2002 edition.

Exemption Sought at EPA

In Richard Farmer, the industry had one of the biggest political givers in the country.

For President George H.W. Bush, Farmer, now 69 , was a member of "Team 100," donors who gave more than $100,000 to Republican Party-building committees. When George W. Bush ran for office in 2000, Farmer's "golfing buddy," Cincinnati financier Mercer Reynolds III, recruited Farmer to be a Pioneer, Farmer said. This year, he earned the more exalted Ranger status by raising a minimum of $200,000 in individual contributions.

Farmer said that his big gifts are not connected to political favors.

In the case of shop towel regulation, Farmer said Cintas itself was unconcerned. "We huddled up and [decided] no matter what happens here, it will have no impact on Cintas," he said.

Later in the interview, when specifically asked about the Clinton-era proposal, he said it would have hurt Cintas by making it difficult for the company to provide the full range of services its customers demand. Shop towels are now about 5 percent of Cintas's business, but they remain an important service to customers who also rent uniforms.

Farmer said he never contacted the administration about the new rule. He said he did complain about the rule to Ohio Republican Sen. George V. Voinovich and Rep. Rob Portman, a fellow Bush Pioneer and chairman of Bush's campaign in Ohio this year.

Farmer said he made the calls in 2002 on behalf of the two laundry trade groups. Cintas is the biggest company in the industry, but Farmer said that complaints from hundreds of small laundries probably had more impact than his calls. "It would have put small guys out of business," he said.

Portman said in a recent interview that he was first contacted by one of the trade groups, which he knew represented Cintas, "one of those big companies in our district." He said he considered it a constituent issue. "I do remember talking to Dick about it at least once," he said.

About the same time in 2002 that Farmer was making his calls and the trade groups were contacting members of Congress, he made a major contribution. On March 19, 2002, Farmer gave $250,000 to the National Republican Congressional Committee.

On March 25, Portman and Voinovich co-wrote a letter to Whitman asking her to support a more encompassing waste exemption for shop towels -- this one from *solid* waste regulation. Gaining a solid-waste exemption would remove a further layer of regulation because some states apply additional taxes, fees and special handling requirements to solid waste.

Whitman spokesman Joe Martyak said such a letter from lawmakers "helps to precipitate a meeting to find out what's the glitch. You help to unglitch it, to move it along."

At this point , EPA attorneys were balking at the solid-waste exemption, Portman and Voinovich said in their letter.

A month later , Whitman wrote Portman and Voinovich that the EPA was considering the solid-waste exemption and assured that it would "incorporate suggested changes where appropriate."

Three weeks later, EPA officials signed off on the exemption, according to the trade group's timeline.

Jim O'Leary, the EPA official who wrote the original language that was rewritten, said there was no political interference from Whitman's office. "That's nonsense," O'Leary said. "We called it the way we saw it. No one interfered."

A Rule That Isn't 'Onerous'

On Aug. 2, EPA's Kathy Blanton, who replaced O'Leary, e-mailed to industry attorney William M. Guerry Jr. the "language we have put together to address the laundries' concerns," according to a copy of the e-mail obtained under the Freedom of Information Act.

Guerry wrote back on Aug. 15 with proposed changes, documents show. Among them was deletion of a phrase in the preamble stating that shop towels "remain regulated." Instead, the lobbyist wanted the words "regulatory status remains unchanged."

Guerry, in an interview, said the change was important to make sure that states did not misread the rule as a significant change in policy. Otherwise there would have been "chaos" and a "train wreck," he said. EPA officials shared the language with him, he said, because "they recognized that we had the expertise they needed."

Blanton said she sent Guerry just part of the regulatory language. "I can see how, from the outside, that it would look like colluding or something. [But] these were the people who were going to be most affected by the rule and they were the ones with the expertise." She said at this point the EPA had already had sufficient input from the paper towel people and others affected by the rule.

Opponents, including the union, environmentalists and paper towel makers, say they were not given an advance look at the language. Ralph Solarski, a Kimberly-Clark Corp. executive who chairs a task force of paper towel makers, said his group would have been glad to have one.

"Kathy Blanton and Bob Dellinger at EPA were asked on multiple occasions for advance copies and we were consistently denied," Solarski wrote in an e-mail to The Post.

EPA officials attended two industry meetings to discuss the proposed rule, one in Baltimore on Aug. 20 and one in Old Town Alexandria on Sept. 12. On Aug. 30, Farmer donated $250,000 to the National Republican Senatorial Committee.

EPA's Office of Solid Waste Director Dellinger spoke at the Alexandria meeting. His comments later appeared in the trade group's magazine: "EPA doesn't want to make this onerous."

Instead of screw-on, sealed containers for transporting contaminated woven towels from factories to laundries, which were proposed in 2000, Dellinger said, a piece of plywood over a barrel would meet the new EPA proposed standard.

Also, the EPA opted not to require the towels to be wrung out. "The point of that is not to make it harder to do than what you would do through your normal course of business," Dellinger said.

However, he told the group, the paper towel industry would have to wring out its towels to make sure they had no more than five grams of solvent on them before being dumped.

The new proposed rule was published in the Federal Register on Nov. 20, 2003.

Paper industry officials say that the EPA is ignoring its own studies showing that laundries create 30 percent more waste than paper towels in the form of sludge - lint, debris, toxics and other substances extracted from laundry wastewater -- sent to municipal landfills.

"This is a case study," Solarski said, "for how an industry has used the regulatory process to gain a market advantage."

Post database editor Sarah Cohen and researcher Alice Crites contributed to this report.