

HD Tax Panel Chief Mack Keeps Day Job As Lobbyist

BY By Rob Wells

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LP WASHINGTON (Dow Jones)--The chairman of President George W. Bush's tax reform panel hasn't given up his day job as a Washington lobbyist, but he's quick to rule out any suggestions of a conflict of interest.

Connie Mack, a former Republican senator from Florida, said he isn't lobbying on tax matters as a senior policy advisor for King & Spalding LLP, Atlanta's biggest law firm. He is co-chair of the firm's government relations practice, along with another former Republican senator, Daniel Coats of Indiana. The government relations practice has about a dozen people.

TD Mack said he and the firm are being careful to ensure his lobbying practice doesn't impact his work as chairman of the President's Advisory Panel on Federal Tax Reform. The nine-member panel is scheduled to recommend by Sept. 30 major rewrites of the U.S. tax code, a top domestic priority for Bush.

"I have not done any lobbying with respect to tax issues," Mack said in an interview. The firm has "isolated me," forbidding him to discuss tax issues with a client or anyone internally, he said.

Andrew Woods, a King & Spalding lobbyist who works with Mack, added: "There is a Chinese wall around him."

But Mack has significant lobbying clients, primarily in the health care field, and corporate board interests. Mack's major lobby clients include U.S. Oncology, Bacardi USA Inc., College Loan Corp., Junior Achievement Inc., and the Susan G. Komen Breast Cancer Foundation. A past major client was the Biotechnology Industry Corp., according to Senate disclosure records.

Companies that Mack participated in lobbying paid \$835,000 in fees since 2002 to his former law firm Shaw Pittman. Mack moved his government relations practice to King & Spalding in March 2005, just as the tax panel was beginning its work.

Mack also sits on several corporate boards, such as Genzyme Corp., Mutual of America, Moody's Corp., and Darden Restaurants Inc., owner of Red Lobster and Olive Garden. He's also president of the American Cancer Society Foundation.

Mack, a former banker, has a reputation not as a tax expert, but as a low-key, respected former senator and a cancer survivor who has championed the cause personally and professionally. Medicare prescription drug coverage for chemotherapy drugs is one issue he's pushed.

"He's highly respected by both sides," said Sen. Orrin Hatch, R-Utah, who served with Mack on the Senate Finance Committee. "He's a decent, humble man."

Groups Question Ties

Yet two public interest groups questioned whether Mack's business ties create a potential conflict of interest. That's because the panel's deliberations have the potential to affect 131 million individual taxpayers and millions

of corporate taxpayers.

Even though Mack isn't directly lobbying on taxes, "his clients, though, are very much affected by tax issues," said Larry Noble, executive director of the Center for Responsive Politics, a nonpartisan group tracking money in politics.

"The outcome of this would be of interest to his clients," he added.

'Taken It To An Extreme'

Mack replied that he hasn't advised anyone on tax matters during his tenure at the tax panel. "There frankly isn't anybody that could fill this position that I have that they couldn't make the same claim about," Mack said.

"Are they suggesting that we should find someone from outer space?" Mack asked. "I think they have taken it to an extreme."

Mary Boyle, spokeswoman for Common Cause, acknowledges membership on such advisory panels "can be tricky."

"You do want someone who is knowledgeable about this industry," she said.

Mack said he devotes significant time to his tax panel duties, a move King & Spalding is proud to support, Woods said. "The time I've been on the Hill has been related to the tax panel," Mack said. "I can't remember my last visit to the Hill for a lobbying issue."

The groups also cited concern about the nine-member panel's decision to meet in secret subcommittees.

Mack has directed the panel to split up into several subcommittees, which are analyzing aspects of the tax reform issue. Mack, along with his staff and other panelists, have refused to divulge membership of the subcommittees or the topics being discussed, despite requests from the news media, including Dow Jones Newswires.

Mack's corporate ties - and the potentially broad economic impact of the subcommittees' discussions - argue for openness to ensure conflicts don't arise, said Boyle.

"They are talking about tax policy, which is something that affects us all," Boyle said. "By all means, it must be done in the most transparent manner."

Such advisory panels increasingly have been using the cloak of secrecy. Vice President Dick Cheney's energy advisory panel and former first lady Hillary Rodham Clinton's health care task force are two examples cited by public interest lawyers.

Secret meetings of the tax subgroups "raises the suspicion that it's an insider's game," Noble said.

Panel Says Followed Legal Advice

Mack said the panel has followed legal advice on how the subgroups can be organized. "Any suggestion that there is something that's being done here in a manner inconsistent with that is just false," he said.

"To create the impression of secrecy is outrageous."

Jeffrey Kupfer, the tax panel's executive director, said the subcommittees will describe their issues in a public session of the full panel, probably in July. He emphasized the full panel will make final decisions.

As for potential conflicts of interest, Kupfer said White House and Treasury Department ethics lawyers reviewed each of the nine panelists before their appointment. The review "did not identify any particular conflicts of interest for any of the panel members," Kupfer said.

In addition, the Office of Government Ethics reviewed the panels responsibilities and found they are "devoted to

the broad policy options and directed to a large group of people."

As a result, "the work of the panel would not produce a conflict of interest," Kupfer said.

Mack is the only registered lobbyist on the nine-member panel, which also includes law professors, a Wall Street investment strategist and a former IRS commissioner. The tax panel's co-chairman, former Sen. John Breaux, D-La., works for the powerhouse lobby firm Patton Boggs LLP, but isn't registered as a lobbyist. He retired from the Senate in January and faces a one-year ban for any former lawmaker.

"He's providing strategic advice for clients on variety of issues," said Brian Hale, a Patton Boggs spokesman, referring to internal discussions with staff. "However, tax is not one of them."

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