



**THE SELECT COMMITTEE ON
ENERGY INDEPENDENCE AND GLOBAL WARMING**

**Statement of Chairman Edward J. Markey
Hearing before the Select Committee
On Energy Independence and Global Warming
“Fraudulent Letters Opposing Clean Energy Legislation”**

October 29, 2009

The Select Committee has held more than 70 hearings over the last few years. Most of them have focused on the best of America: innovation; new technologies; American entrepreneurs working to create new clean energy jobs.

Unfortunately, today we must focus on a troubling issue. A fraud has been committed on Congress.

The subject matter of today’s hearing is the fraudulent letters sent to Congress—letters that attempted to influence the vote on the Waxman-Markey clean energy legislation that passed the House this June.

Our investigation has uncovered four main findings:

1. More than a dozen fraudulent, manufactured letters were sent to Congress questioning the Waxman-Markey legislation – letters that featured text written by lobbyists, doctored on fake letterhead, and marked with forged signatures from civil rights, senior, women’s and veterans organizations.
2. Some here today will claim these letters can be attributed to a temporary employee, when, in fact, this fraud chiefly resulted from a systemic lack of oversight and quality control, mixed with a substantial disregard for the facts.
3. When the fraud was finally uncovered several days before the close affirmative vote for the Waxman-Markey bill, Members of Congress who had received these letters were not informed of the fraud until after the vote had occurred.
4. These events occurred within the context of a multi-million dollar so-called “shadow lobbying” campaign launched by the coal industry to influence clean energy legislation. Our investigation uncovered millions of unreported dollars spent on shadow lobbying by the coal coalition..

The story begins earlier this year, in June, as the Waxman-Markey bill was headed to the floor. The American Coalition for Clean Coal Electricity, a trade association funded by coal giants like Southern Company, Arch Coal and Peabody Coal,

directed its P.R. firm, The Hawthorn Group, to manufacture a “grassroots campaign” questioning the Waxman-Markey legislation.

This was nothing new. The Coal Coalition had been paying the Hawthorn Group at least one million dollars a year for lobbying and consulting activities since 2000. In the first six months of 2009, Hawthorn was paid nearly \$3 million dollars by the coal companies for their work, and more than \$7 million last year alone.

With two weeks left before the vote, Hawthorn was under the gun to produce results. They turned to Bonner & Associates, a firm with experience generating letters to support shadow lobbying efforts.

Bonner & Associates—a firm that regularly hires temporary employees to generate these letters—immediately hired a temporary employee who, within his first hours on the job, manufactured five letters from the Charlottesville chapter of the NAACP seeking changes to Waxman-Markey.

How was this employee so successful? Simple: the letters were forged. Did Jack Bonner or any other long-standing employee ask: how could a brand-new employee get 5 letters in one day? Did they why organizations like the NAACP were suddenly willing to oppose the clean energy legislation? No. No one seemed to care. Instead, these letters were simply sent to the targeted Congressional offices without further review by Bonner & Associates, Hawthorn or the Coal Coalition.

Bonner & Associates has admitted they did not confirm the authenticity of the letters before they were sent to Congress. And neither did Hawthorn. Nor did the Coal Coalition. Indeed, Bonner & Associates does not recall any conversations with Hawthorn or the Coal Coalition about oversight or quality control.

But even worse, although the fraud was uncovered days before the vote, neither Bonner, nor Hawthorn, nor the Coal Coalition took any steps to inform the affected Representatives. In fact, they were not told until weeks later. The Coal Coalition was willing to pay millions to peddle a point of view, but they were unwilling to spend a few cents to call the U.S. Capitol and clear the air. This point of view was based on scare tactics and misleading figures and had zero to do with educating the public on key issues.

These subterranean lobby campaigns—where millions of dollars are spent in the cynical attempt to buy the support ideas don’t earn—have become a substitute for an honest exchange of views and distort the playing field away from other Americans longing to have their voices heard.

Today’s hearing examines how a process that takes place in the dark leads to fraudulent conduct. I’ve always believed that sunlight is the best disinfectant, and so we’re here to see how this shadow campaign worked and why it went so terribly wrong.