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Pricey, private Davis events with finance industry fill war chest

By John Cheves  
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As the financial system began to collapse this year, U.S. Rep. Geoff Davis, R-Hebron, collected tens of thousands of dollars in campaign funds from the lobbyists, executives and political action committees of affected companies, including Fannie Mae, Freddie Mac, JPMorgan Chase and Morgan Stanley.

- Invitation to Davis' Kentucky Derby reception
- Davis invitation to dinner
- Invitation to "intimate breakfast"
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Davis has been a voice for deregulation on the House Financial Services Committee, which is playing a key role in this week's debate over the proposed \$700 billion Wall Street bailout.

In private invitations sent around Washington in recent months, Davis' re-election campaign touted his committee membership and then offered interested parties a chance to bend his ear for up to \$1,000 per person or \$2,000 per PAC. At least one event was hosted by Wall Street lobbyists now in the thick of the bailout debate.

The meals and cocktail parties would be "intimate," involving only five to 10 donors at a time, the invitations promised.

"We want to keep these events small so you can get some good time with Geoff," wrote Republican fund-raiser Mike Gula, who works for Davis, in one e-mail this summer. Gula listed four July events for Davis at upscale Washington restaurants and wine bars, then added: "If these dates don't work, I can get you some one-on-one times."

Gula concluded the e-mail: "Congressman Davis is on the following committees and subcommittees: House Committee on Financial Services (Financial Institutions, Capital Markets, Housing and Community Opportunity). ... Please send checks made payable to 'Davis for Congress.'"

Gula did not return calls this week seeking comment.

Davis is seeking a third term Nov. 4 against Democratic challenger Michael Kelley, a La Grange doctor. Davis had raised \$1.7 million as of June 30, dwarfing Kelley's \$15,571.

Davis refused to comment on his campaign fund-raising, as did his campaign manager, Jeremy Hughes.

His House spokeswoman issued a written statement in which Davis said he has opposed past financial bailouts but is undecided on how to handle the Wall Street meltdown. His committee heard Wednesday from Treasury Secretary Henry Paulson, who is pushing the bailout.

"The proposal sent to Congress by the Treasury Department is unprecedented in size and scope," Davis wrote in his statement. "Before any definitive action is taken, we must seriously evaluate the potential impact this proposal could have on taxpayers and our country's fiscal well-being."

Davis has proven a willing ally for his donors on subjects such as deregulation. Backed by the finance industry, he co-sponsored a bill — which the House passed last week — making it easier for insurance agents and investment brokers to do business in multiple states, answering to a private board rather than federal regulators.

Davis' bill won praise from groups including the Council of Insurance Agents and Brokers, which gave Davis \$1,000 in May, two months after he filed the bill.

Buying access

The Herald-Leader obtained the invitations and e-mail from the Sunlight Foundation, a non-partisan watchdog group in Washington dedicated to transparency in government.

The group's Party Time project collects campaign fund-raising invitations from various sources — usually, the people being hit up to donate — and releases them to the public so folks back home can learn what their representatives are doing, said Party Time director Nancy Watzman.

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"As Congress considers a \$700 billion bailout for the financial sector, it's interesting to see who they're eating and drinking with, and taking money from," Watzman said.

"Essentially, this is all done in secret," she said. "We eventually see the donations, but these invitations are not public, the language in them is not public, the 'intimate' events are closed. It's only for people who can afford to be in the room, to buy this level of access."

Since he first ran for Congress, Davis has taken \$1.5 million from the financial sector, 17 percent of his career fund-raising total, according to data provided by the Center for Responsive Politics.

The finance industry is playing a more prominent role this year.

In his latest campaign-finance report, filed June 30, Davis said he raised \$217,684 in the months of May and June, about 40 percent of which came from out-of-state donors in the financial industry, largely in Washington and New York, according to a Herald-Leader analysis.

At least once this summer, banking lobbyists didn't just attend Davis' fund-raisers. They organized one.

The Washington lobbying firm of Clark, Lytle and Geduldig represents more than a dozen clients in the financial sector, from the American Bankers Association to the Financial Services Roundtable, which is lobbying intensively for the Wall Street bailout.

The firm organized an "intimate breakfast" for Davis on June 5 a few blocks from the Capitol. The invitation mentioned his Financial Services Committee membership and asked PACs for \$1,000 and individuals for \$500.

Lobbyist and former Republican House aide Sam Geduldig, who gave Davis \$500 in addition to playing host, refused to discuss the event this week.

"I'm really not comfortable talking to you about this," Geduldig said. "I don't want to do anything that would hurt his campaign. I want to help his campaign."

Reach John Cheves at (859) 231-3266 or 1-800-950-6397, Ext. 3266.

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