

A Rising Blue Tide

Podesta Group's jump in revenue highlights Democratic stalwart Tony Podesta's longtime ties.

BY DAVID INGRAM

Tony Podesta's shop is bipartisan, but it's riding the Democratic wave.

The Podesta Group posted the largest percentage gain in gross revenue of any firm on the Influence 50 this year. The gains come after the Podesta Group reported flat revenue in 2007 in the wake of the Democrat's split with Republican partner Daniel Mattoon.

"We're doing a lot more work in financial services than we had done previously, and also doing more health care work and more energy work," Podesta says.

Disclosure reports show the firm's growth is grounded in the defense, medical, energy, and technology industries. And those issues are likely to remain the center of attention in Congress and in the executive branch—something that bodes well for the Podesta Group's 2009.

Podesta has spent decades building relationships with Democratic Party insiders, including running President Bill Clinton's 1996 campaign in Pennsylvania. But last year, he started off on what wound up being the losing side of the Democratic presidential primary. Podesta was an early donor to then-Sen. Hillary Clinton's campaign and his wife, Heather, was a Clinton bundler. Then again, then-Sen. Barack Obama didn't take money from federal lobbyists, which means Podesta couldn't have donated anyway, and Podesta says he and Obama know each other from working on campaigns in Pennsylvania in 2006. Also, Podesta's brother, John, who helped found the firm but no longer works there, served as the chief of Obama's presidential transition. Tony Podesta says he and his brother have been careful to avoid any appearance of impropriety, but the relationship could be giving the Podesta Group a boost, anyway.

"When your last name is the same as the guy who chaired the president's transition team, you're probably at the top of the list of those who are sought out by clients. That doesn't



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A GOOD YEAR: Tony Podesta's firm signed three major defense clients in 2008, and existing clients spent more money lobbying.

mean you'll have any more access, but there will at least be the perception that you'll be able to deliver," says Massie Ritsch of the Center for Responsive Politics.

One of the firm's biggest hires last year, principal John Shank, was a Republican appropriations staff member on Capitol Hill specializing in defense spending. He's listed as a lobbyist for 18 of the firm's clients, including defense contractors such as Textron and General Dynamics. A few clients, including defense contractors Phelps Dunbar and SAP America, are new as of 2008. SAP America, a software company, paid the firm \$350,000 in fees.

The Podesta Group filed registrations on 29 new clients in 2008, and disclosure reports show the firm's existing clients



The Influence 50
A Special Report

Top Lobbying Firms
Non-law firms that earned more than \$7 million in 2008.

RANK	FIRM NAME	GROSS
1	Dutko Worldwide	\$33,300,000
2	Cassidy & Associates	\$26,500,000
3	Van Scoyoc Associates	\$26,400,000
4	BGR Group	\$25,100,000
5	Ogilvy Government Relations	\$20,700,000
6	Podesta Group	\$19,000,000
7	Quinn Gillespie & Associates	\$17,900,000
8	Carmen Group	\$15,700,000
9	Livingston Group	\$14,000,000
10	PMA Group	\$13,700,000
11	Alcalde & Fay	\$12,000,000
12	Cornerstone Government Affairs	\$11,600,000
13	Capitol Tax Partners	\$11,300,000
14	Ferguson Group	\$11,200,000
15	Washington Council Ernst & Young	\$10,900,000
16	Johnson, Madigan, Peck, Boland & Stewart	\$10,100,000
17	Alpine Group	\$9,400,000
18	Duberstein Group	\$9,300,000
19	McBee Strategic Consulting	\$9,200,000
19	Mehlman Vogel Castagnetti	\$9,200,000
21	Blank Rome Government Relations	\$9,000,000
22	BKSH & Associates	\$8,700,000
23	Wexler & Walker Public Policy Associates	\$8,600,000
24	Breaux Lott Leadership Group	\$8,200,000
24	Fierce, Isakowitz & Blalock	\$8,200,000
26	American Continental Group	\$7,900,000
27	Bockorny Group	\$7,700,000

To qualify for the list, firms must have had more than \$2 million in Lobbying Disclosure Act filings during 2008 and \$7 million or more in overall lobbying fees.

spent more. Google paid \$580,000 in fees, up from \$360,000 in 2007, and Wal-Mart paid \$420,000, up from \$260,000.

The firm reported \$690,000 in fees from publishing company Reed Elsevier, which owns Lexis-Nexis, up from \$320,000 in 2007. Its work included lobbying on the company's acquisition of the data collection company ChoicePoint. Other existing clients that increased their tab included biotechnology company Genzyme, with \$400,000 in fees from \$160,000; kidney services company DaVita, \$360,000 up from \$60,000; and Altair Nanotechnologies, \$340,000, up from \$80,000.

The firm, which has represented Lockheed Martin since at least 2006, also signed other major defense contractors in 2008: Boeing, Northrop Grumman, and Raytheon. Together, the four companies paid \$620,000 in fees to the Podesta Group last year, and that could grow as the Defense Department's budget comes under heavier scrutiny by the new administration. "The president has signaled defense acquisition reforms, defense budget cuts," Podesta says. "The Hill will take up those issues, so there's a lot of work in that field."

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