```
***** ========================================================================
***** WHY DO POLITICIANS INTERVENE IN ACCOUNTING REGULATION?
***** THE ROLE OF IDEOLOGY AND SPECIAL INTERESTS
*****
***** Jannis Bischof, Holger Daske, Christoph J. Sextroh
*****
***** Journal of Accounting Research, Forthcoming
***** This version: January 2020
***** ========================================================================

*** ========================================================================
*** MABLE GEOCORR SCORES
*** ========================================================================

*** NOTES ==============================================================
*** This do-file prepares data from Missouri Census Data Center's MABLE-Geocorr2k
*** (http://mcdc2.missouri.edu/websas/geocorr2k.html) which will be used to allocate
*** county and MSA level data to House congressional districts based on population.
*** The scores will be used to transform employment data (U.S. Bureau of Labor Statistics).
*** GDP data (U.S. Bureau of Economic Analysis) and loan denial rate data (FFIEC).
*** ========================================================================

clear
set more off
set memory 500m


*** ========================================================================
*** PREPARE MABLE DATA: METROPOLITAN STATISTICAL AREA TO CONGRESSIONAL DISTRICTS
*** ========================================================================
use "$FILEPATH/MABLE_DATAFILE_MSA-CONG", clear

* fill missing data
replace cbsaname="Fort Walton Beach-Crestview-Destin, FL Metropolitan Statistical Area" if cbsa=="23020"
replace cbsaname="Bradenton-Sarasota-Venice, FL Metropolitan Statistical Area" if cbsa=="14600"
replace cbsaname="Weirton-Steubenville, WV-OH Metropolitan Statistical Area" if cbsa=="48260"

* drop first line
drop if cbsa=="cbsa"
drop intptlat intptlon

* rename and label variables
label var cbsa "Core Based Statistical Area (Metro/Micro)"
label var cbsaname "Name of Core Based Statistical Area (Metro/Micro)"
rename state statecd
rename cd109 districtcd109
label var districtcd109 "Cong District - 109th (2004)"
rename stab statepcd
label var statepcd "State Postal Code"
rename pop2k population
label var population "Total Population 2000 Census"
rename afact citydisalloc
label var citydisalloc "City to Congressional District Allocation"
rename AFACT2 discityalloc
label var discityalloc "Congressional District to City Allocation"

* extract metroname
split cbsaname, p(",")
rename cbsaname1 cityarea
drop cbsaname2 cbsaname3

* gen area variable
gen area=cbsaname
replace area=subinstr(area, "Metropolitan Statistical Area", "", .)
replace area=subinstr(area, "Micropolitan Statistical Area", "", .)
replace area=subinstr(area, "Metropolitan Statistical Are", "", .)
replace area=subinstr(area, "Metropolitan Statistical", "", .)
replace area=trim(area)

* gen indicator for METRO/MICRO area
gen areatype="Metro Area" if regexm(cbsaname, "Metro")
replace areatype="Micro Area" if regexm(cbsaname, "Micro")&areatype==""

* destring variables
local desvar statecd districtcd109 population citydisalloc discityalloc
foreach c of local desvar{
    destring `c', replace
}

* replace district code for states with only one district
bysort statepcd: egen maxdis=max(districtcd109)
replace districtcd109=1 if districtcd109==0&maxdis==0
drop maxdis

* clean and save
order cbsa cbsaname cityarea statecd statepcd districtcd109
```

```
sort statecd cityarea
compress
save "$FILEPATH/mable_cbsa-congdis_alloc.dta", replace



*** ======================================================================
*** PREPARE MABLE DATA: COUNTY TO CONGRESSIONAL DISTRICTS (108th DISTRICT DEFINITION)
*** ======================================================================

import delimited "$FILEPATH/MABLE_DATAFILE_COUNTY-CONG108", varnames(1) encoding(ISO-8859-1)clear

drop if county=="county02"

* rename and label variables
rename county02 countycd
rename state statecd
rename cd108 districtcd108
label var districtcd108 "Cong District - 108th"
rename stab statepcd
label var statepcd "State Postal Code"
rename cntyname county_raw
rename pop2k population
label var population "Total Population 2000 Census"
rename afact countydisalloc
label var countydisalloc "County to Congressional District Allocation"
rename afact2 discountyalloc
label var discountyalloc "Congressional District to County Allocation"

* destring
destring intptlon, replace
destring intptlat, replace
destring population, replace
destring countydisalloc, replace
destring discountyalloc, replace
destring statecd, replace
destring districtcd108, replace

* split county_raw into county and state
replace county_raw=substr(county_raw, 1, length(county_raw)-3)
replace county_raw=trim(county_raw)
rename county_raw county

* rename and reformat countycd (for merging)
rename countycd areacd
tostring areacd, replace format(%05.0f)

* replace district code for states with only one district
bysort statepcd: egen maxdis=max(districtcd108)
replace districtcd108=1 if districtcd108==0&maxdis==0
drop maxdis

* clean and save
sort statecd areacd
compress
save "$FILEPATH/mable_county2002-congdis_alloc_2k-cd108.dta", replace



*** ======================================================================
*** PREPARE MABLE DATA: COUNTY TO CONGRESSIONAL DISTRICTS (109th DISTTRICT DEFINITION)
*** ======================================================================

import delimited "$FILEPATH/MABLE_DATAFILE_COUNTY-CONG109", varnames(1) encoding(ISO-8859-1)clear

drop if county=="county02"

* rename and label variables
rename county02 countycd
rename state statecd
rename cd109 districtcd109
label var districtcd109 "Cong District - 109th"
rename stab statepcd
label var statepcd "State Postal Code"
rename cntyname county_raw
rename pop2k population
label var population "Total Population 2000 Census"
rename afact countydisalloc
label var countydisalloc "County to Congressional District Allocation"
rename afact2 discountyalloc
label var discountyalloc "Congressional District to County Allocation"

* split county_raw into county and state
replace county_raw=substr(county_raw, 1, length(county_raw)-3)
replace county_raw=trim(county_raw)
rename county_raw county
```

```
* destring
destring intptlon, replace
destring intptlat, replace
destring population, replace
destring countydisalloc, replace
destring discountyalloc, replace
destring statecd, replace
destring districtcd109, replace

* rename and reformat countycd (for merging)
rename countycd areacd
tostring areacd, replace format(%05.0f)

* replace district code for states with only one district
bysort statepcd: egen maxdis=max(districtcd109)
replace districtcd109=1 if districtcd109==0&maxdis==0
drop maxdis

* clean and save
sort statecd areacd
compress
save "$FILEPATH/mable_county2002-congdis_alloc_2k-cd109.dta", replace
```

```
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*** ========================================================================
*** COUNTY LABOR DATA
*** ========================================================================

*** NOTES ================================================================
*** This do-file prepares labor data from the Bureau of Labor Statistics
*** "Quarterly Census of Employment and Wages (QCEW) on county level. As the exact
*** industry information (6-digit NAICS) is only available in the detailed files,
*** we use these files to prepare labor data on county level. This data is later
*** match with congressional districts using the mable-geocorr score.
***
*** The data is used to compute the control variables "Workforce in finance"
*** and "Workforce in hightech"
*** ========================================================================

clear
set more off
set memory 500m


*** ========================================================================
*** PREPARE RAW LABOR DATA BASED ON NEW QCEW DETAILED DATA FROM BUREAU OF LABOR STATISTICS (2018/07)
*** ========================================================================

* IMPORT AREA TITLES
import excel "$FILEPATH/area_titles.xlsx", sheet("area_titles") firstrow clear
compress
save "$FILEPATH/area_titles.dta", replace

* IMPORT INDUSTRY TITLES
import excel "$FILEPATH/industry_titles.xlsx", firstrow clear
compress
save "$FILEPATH/industry_titles.dta", replace


** IMPORT CSV FILES
** ======================================================================

* 2003
import delimited using "$FILEPATH/2003.annual.singlefile.csv", encoding(ISO-8859-1) clear
compress
save "$FILEPATH/2003annualsinglefile_redux.dta", replace

* 2008
import delimited using "$FILEPATH/2008.annual.singlefile.csv", encoding(ISO-8859-1) clear
compress
save "$FILEPATH/2008annualsinglefile_redux.dta", replace


** APPEND FILES
** ======================================================================

cd "$FILEPATH/"
qui fs *annualsinglefile_redux.dta
clear
foreach file in `r(files)' {
    append using "`file'"
    *erase `file'
}

* keep relevant variables
keep area_fips own_code industry_code agglvl_code size_code year qtr annual_avg_emplvl

* focus on private employment
tab own_code
keep if own_code==5

* check size code
assert size_code==0

* keep county aggregation level (county aggregation beginning with '7'))
keep if agglvl_code>=70&agglvl_code<=79
*keep if agglvl_code>=50&agglvl_code<=59

* merge with area titles
merge m:1 area_fips using "$FILEPATH/area_titles.dta"
```

```
assert _merge!=1
drop if _merge==2
drop _merge
order area_title, after(area_fips)

* merge with industry titles
merge m:1 industry_code using "$FILEPATH/industry_titles.dta"
assert _merge!=1
drop if _merge==2
drop _merge
order industry_title, after(industry_code)
compress


** TOTAL EMPLOYMENT VARIABLES BY AREA FIPS
** ======================================================================

* total employment
gen help1=annual_avg_emplvl if industry_code=="10"
bysort area_fips year: egen totemp=max(help1)
drop help1
label var totemp "Total Employees in County (incl. 1023/11)"

* emp11 "Agriculture, Forestry, Fishing and Hunting"
gen help1=annual_avg_emplvl if industry_code=="11"
bysort area_fips year: egen emp11=max(help1)
drop help1

* total employment (excl. agricultural businesses)
gen totempnonagri=totemp-emp11
label var totempnonagri "Total Employees in County (Non-Agricultural) (incl. 1023)"

drop emp11


** INDUSTRY SPECIFIC EMPLOYMENT VARIABLES BY AREA FIPS
** ======================================================================

* emp52 "Employees NAICS Finance and insurance"
gen help1=annual_avg_emplvl if industry_code=="52"
bysort area_fips year: egen emp52=max(help1)
drop help1
label var emp52 "Employees NAICS Finance and insurance"


* hightech 2 -> based on ITIF Technation 2016 report
#delimit ;
gen help1=annual_avg_emplvl if
industry_code=="325"|
industry_code=="334"|
industry_code=="511"|
industry_code=="517"|
industry_code=="518"|
industry_code=="519"|
industry_code=="541"
;
#delimit cr
bysort area_fips year: egen empht2=sum(help1)
drop help1

* replace missings
foreach var of varlist tot* emp*{
    replace `var'=0 if `var'==.
}

* keep relevant variables
keep area_fips area_title year tot* emp*
duplicates drop

* check duplicates
duplicates tag area_fips year, gen(dtag)
assert dtag==0
drop dtag

* sort and save
sort area_fips year
compress
save "$FILEPATH/cr1bls_empcounty_singlefile.dta", replace


** Split for differenct congressional cycles
** ======================================================================
tab year

* 106th valid
keep if year>=1999&year<2003
```

```
* 108th valid
use "$FILEPATH/cr1bls_empcounty_singlefile.dta", clear
keep if year>=2003&year<2005
save "$FILEPATH/cr1bls_empcounty_singlefile_cong108.dta", replace

* 109th valid
use "$FILEPATH/cr1bls_empcounty_singlefile.dta", clear
keep if year>=2005&year<2009
save "$FILEPATH/cr1bls_empcounty_singlefile_cong109.dta", replace



** Merge with MABLE Geocorr transformation file
** ======================================================================

* 2003-2004
use "$FILEPATH/cr1bls_empcounty_singlefile_cong108.dta", clear
rename area_fips areacd
joinby areacd using "$FILEPATH/mable_county2002-congdis_alloc_2k-cd108.dta", _merge(_merge) unmatched(both)
tab _merge
keep if _merge==3
drop _merge

* order data
order areacd area_title statecd district statepcd county population countydisalloc discountyalloc
save "$FILEPATH/cr1bls_empcounty_singlefile_cong108_disalloc.dta", replace

* 2005-2008
use "$FILEPATH/cr1bls_empcounty_singlefile_cong109.dta", clear
rename area_fips areacd
joinby areacd using "$FILEPATH/mable_county2002-congdis_alloc_2k-cd109.dta", _merge(_merge) unmatched(both)
tab _merge
keep if _merge==3
drop _merge

* order data
order areacd area_title statecd district statepcd county population countydisalloc discountyalloc
save "$FILEPATH/cr1bls_empcounty_singlefile_cong109_disalloc.dta", replace


** Append merge data
** ======================================================================

use "$FILEPATH/cr1bls_empcounty_singlefile_cong108_disalloc.dta", clear
append using "$FILEPATH/cr1bls_empcounty_singlefile_cong109_disalloc.dta"
sort areacd year

gen district=districtcd108
replace district=districtcd109 if district==.

** Transform County Data to District Data
** ======================================================================
foreach c of varlist tot* emp*{
    gen `c'dis=`c'*countydisalloc
    drop `c'
}

* collapse data to congressional district level
collapse (sum) *dis, by(statecd district statepcd year)

* Gen proportion of industry-specific employment
foreach c of varlist emp*{
    gen `c'2totemp=`c'/totempdis*100
    gen `c'2totempnonagri=`c'/totempnonagridis*100
    order `c'2totemp `c'2totempnonagri, after(`c')
}

* keep relevant variables
keep statecd district statepcd year emp*
duplicates drop


* reshape and save
reshape wide emp*, i(statecd district statepcd) j(year)
sort statecd district
compress
save "$FILEPATH/cr1disemp_singlefile_wide.dta", replace
```

```
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*** ========================================================================
*** BASIC POLITICIAN SAMPLE AND VARIABLES
*** ========================================================================

*** NOTES ================================================================
*** This do-file creates the master dataset with basic politician variables used
*** as the basis for the stock option analyses (108th Congress) and the fair value
*** analyses (110th and 111th Congress). If not indicated otherwise, the data is
*** as available from source (but may have been reformatted/relabelled).
*** ========================================================================

clear
set more off


*** ========================================================================
*** START WITH CONGRESS MEMBER FILE
*** ========================================================================

** Open formatted congress member file
** Source: Charles Stewart III and Jonathan Woon’s Congressional database
** (Note: Raw data has been reformatted and relabelled)
** ======================================================================
use "$FILEPATH/CONGRESS_MEMBER_FILE", clear
duplicates drop

* gen cycle variable
gen cycle=2002 if cong==107
replace cycle=2004 if cong==108
replace cycle=2006 if cong==109
replace cycle=2008 if cong==110
replace cycle=2010 if cong==111
order cycle, after(cong)

* check duplicates
duplicates tag id cong office, gen(dtag)
assert dtag==0
drop dtag


** Merge with data on tenure/first election
** Source: Manual data-collection
** ======================================================================
merge m:m id using "$FILEPATH/CONGRESS_MEMBER_TENURE_DATA", update gen(mtenure)
drop mtenure comments cong109 cong110 cong111
order firstelection, before(chsenior)
duplicates drop

* check duplicates
duplicates tag id cong office, gen(dtag)
assert dtag==0
drop dtag

** Retirement Indicator
gen retired=1 if chstatus==8
replace retired=0 if retired==.
order retired, after(chstatus)
label values retired yesno

** Republican Party Indicator
gen rep=1 if partycd==200
replace rep=0 if rep==.
order rep, after(partycd)
label values rep yesno



*** ========================================================================
*** IDEOLOGY
*** ========================================================================

** Add DW Nominate Scores
** Source: Voteview.com
** (Note: Raw data has been reformatted and relabelled)
** ======================================================================
rename party party2
```

```
replace id=29747 if id==29387&name=="Strickland, Ted"
merge m:1 id cong using "$FILEPATH/DW-NOMINATE_DATA", update gen(mdw) keepusing(dwnom1 dwnom2)
replace id=29387 if id==29747&name=="Strickland, Ted"
drop if mdw==2
drop mdw
duplicates drop

* Note that the matching IDs for Ted Strickland were wrong, which is why it has
* been manually replaced for the matching.

* fill ideology information for members that left after the 110th Congress
sort id cong
by id: replace dwnom1=dwnom1[_n-1] if dwnom1==.&cong==111



*** ======================================================================
*** ELECTORAL MARGIN in 2006/2008 election
*** (Note: Raw data has been imported, reformatted and relabelled before merge)
*** ======================================================================

** 2002 elections for 108th congress (2003/2004 cycle)
** Source: Federal Election Commission (http://www.fec.gov)
merge m:1 id cycle using "$FILEPATH/cr1congmem_elec02.dta", update keepusing(incumbant primvoterel voterel primmargin margin repshare demshare partymargin) gen(melec02)
drop if melec02==2
drop melec02
duplicates drop

** 2006 elections for 110th congress (2007/2008 cycle)
** Source: Federal Election Commission (http://www.fec.gov)
merge m:1 id cycle using "$FILEPATH/cr1congmem_elec06.dta", update keepusing(incumbant primvoterel voterel primmargin margin repshare demshare partymargin) gen(melec06)
drop if melec06==2
drop melec06
duplicates drop

** 2008 elections for 111th congress (2009/2010 cycle)
** Source: Federal Election Commission (http://www.fec.gov)
merge m:1 id cycle using "$FILEPATH/cr1congmem_elec08.dta", update keepusing(incumbant primvoterel voterel primmargin margin repshare demshare partymargin) gen(melec08)
drop if melec08==2
drop melec08
duplicates drop

* export candidates with no prior election records (need to collect data on special elections)
sort cong name
compress
list cong id name district state statecd party2 if (cong==108|cong==110|cong==111)&house==1&margin==.
export delimited cong id name district state statecd party2 incumbant primvoterel voterel primmargin margin repshare demshare partymargin using "$FILEPATH/CANDIDATES_WO_ELEC_RECORDS.CSV" if (cong==108|cong==110|cong==111)&house==1&margin==., replace delimiter("|")

** Match hand-collected data for special elections
** Source: Manual data collection from Wikipedia etc.
merge m:1 id cong using "$FILEPATH/CANDIDATES_SPEC_ELEC_DATA", update
assert _merge!=2
drop _merge



*** ======================================================================
*** PERSONAL CHARACTERISTICS
*** ======================================================================

** Add Congressmember CV Data
** Source: Manual collection from Library of Congress and Opensecrets.org
** ====================================================================

* based on id
merge m:1 id using "$FILEPATH/CONGRESS_MEMBER_CV_DATA", update gen(mcv) keepusing(business)
assert mcv!=2
drop if mcv==2
drop mcv
duplicates drop

duplicates tag id cong office, gen(dtag)
assert dtag==0
drop dtag


** Letters to SEC/FASB
** Source: Manually collected from http://www.fasb.org and https://www.sec.gov/rules.shtml
** ====================================================================

* based on id
```

```
drop if mcl==2
drop mcl
duplicates drop

drop lastname firstname
replace accintcl=0 if accintcl==.
replace prevcl=0 if prevcl==.

* Merge with Politician - FASB/SEC Comment Letter data and gen indicator
merge m:1 id using "$FILEPATH/CONGRESS_MEMBER_SEC_COMMENT_LETTER_DATA", gen(mfasbsec)
drop if mfasbsec==2
foreach var of varlist divcorpfin mardis comdis gaapref singlestat multstat{
    replace `var'=0 if `var'==.
}

* gen fasbsec variable
egen fasbsec=rmax(prevcl divcorpfin)
label var fasbsec "Previous accounting interest (FASB/SEC)"


*** ========================================================================
*** MERGE WITH RECIPID (NECESSARY FOR MATCHING WITH CAMPAIGN CONTRIBUTIONS)
*** ========================================================================

* Source: Manual matching based on Charles Steward's congressional database and Opensecret.org data
tostring cycle, replace
merge m:1 id cycle using "$FILEPATH/CONGRESS_MEMBER_CRP_MATCH", keepusing(id cycle cid)
rename cid recipid
order recipid, after(id)
destring cycle, replace
drop if _merge==2
assert recipid!="" if _merge==3
drop _merge



*** ========================================================================
*** CONSTITUENT INTEREST CONSIDERATIONS
*** ========================================================================

** Industry Employment data
** Source: Bureau of Labor Statistics (transformed to district level using Mable Geocorr)
** ======================================================================
rename state statepcd
merge m:1 statepcd district using "$FILEPATH/cr1disemp_singlefile_wide.dta", update gen(mlabor) keepusing(emp*)
drop if mlabor==2
assert mlabor==1 if (office!="Representative"&cong>=109)
drop mlabor
rename statepcd state


*** ==============================================================
*** KEEP ONLY RELEVANT OBSERVATIONS FROM REPRESENTATIVES
*** ==============================================================

** Restrict Sample to Representatives and relevant Congresses
* focus on 110th and 111th U.S. Congress
keep if cong==108|cong==110|cong==111
* focus on House of representatives
keep if office=="Representative"
* drop Puerto Rico (error)
drop if state=="PR"

* drop Republican observation of Peter Griffith (switched parties from Democrats to Republicans on 12/22/2009)
duplicates tag state district cong, gen(dtag)
drop if cong==111&id==90901&dtag==1
drop dtag

* drop OH11 observation for Stephanie Tubbs Jones, who dies in August 2008
drop if id==29930&cong==110

** Check duplicates and keep relevant observations
bysort state district cong: egen minfe=min(firstelection)
bysort state district cong: egen maxfe=max(firstelection)

* keep replacements in 2008
duplicates tag state district cong, gen(dtag)
drop if dtag!=0&cong==110&firstelection==minfe
drop dtag

* drop replacements in 2009
duplicates tag state district cong, gen(dtag)
drop if dtag!=0&cong==111&firstelection==maxfe
drop dtag

* drop politicians that left or joined the Congress in 2003/2004
```

```
* we drop all politicians that were not a member throughout the entire Congress
duplicates tag cong state district, gen(dtag)
drop if cong==108&dtag!=0
drop dtag

* check duplicates
duplicates tag cong state district, gen(dtag)
assert dtag==0
drop dtag
tab cong



** sort and save
** ========================================================================
assert recipid!=""
sort name cong
compress
save "$FILEPATH/cr2master_politicians.dta", replace


** Save saparate datasets for respresentatives in 110/111 congress
** ========================================================================
order cong state district house senate name party2
sort cong state district
tab cong

preserve
keep if cong==108
save "$FILEPATH/cr2master_politicians108.dta", replace
restore

preserve
keep if cong==110
save "$FILEPATH/cr2master_politicians110.dta", replace
restore

preserve
keep if cong==111
save "$FILEPATH/cr2master_politicians111.dta", replace
restore
```

```
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*** ======================================================================
*** OPENSECRETS DATA - CAMPAIGN CONTRIBUTIONS
*** ======================================================================

*** NOTES ============================================================
*** This do-file prepares campaign finance data obtained from Opensecrets.org
*** for members of the US congress. Note that this do-file is based on
*** formatted and aggregated data based on raw data files for each congressional
*** cycle obtained from the Center for Reponsive Politics (opensecrets.org).
***
*** The code creates a general contribution dataset as well as a financial industry-
*** specific dataset (which includes relevant control variables such as the amount
*** of campaign contributions from the financial industry).
*** ======================================================================

clear
set more off
set memory 500m


*** ======================================================================
*** MATCH CANDIDATE FILE WITH CONTRIBUTION DATA
*** ======================================================================

** ========================================================================
** GEN CANDIDATE CYCLE SPECIFIC PAC CONTRIBUTIONS (GENERAL DATASET)
** ========================================================================

* use PAC dataset
use "$FILEPATH/CRP_PAC_DATA", clear

* append data from pac to pac file
append using "$FILEPATH/CRP_OTHER_PAC_DATA", gen(pac_other)

/*
NOTE: The datasets includes all contributions corresponding to a congressional cycle
irrespective of the timing of these contributions! This seems to be consistent with
the procedure of opensecrets.org and should not make a systematic difference
*/

preserve
duplicates drop
collapse (sum) amount, by(recipid cycle feccmteid)
duplicates drop
compress
save "$FILEPATH/cr1congos_candspacscmte.dta", replace
restore

* fill missing information for pac_other data
replace feccmteid=filerid if pac_other==1&feccmteid==""
gsort recipid cycle -feccandid
replace feccandid=feccandid[_n-1] if feccandid==""&recipid==recipid[_n-1]&cycle==cycle[_n-1]
keep cycle fectransid feccmteid recipid amount date realcd transtype transtype2 conttype feccandid pac_other

* Match committee industry codes
rename realcd catcd
merge m:1 catcd using "$FILEPATH/CRP_Categories", gen(mind)
rename catcd realcd
drop if mind==2
assert mind==1 if realcd==""
drop mind

* drop duplicates
duplicates drop

** Gen PAC contributions by candidate/cycle/INDUSTRY
bysort recipid cycle industry: egen indpacam=sum(amount)
order indpacam, after(industry)
label var indpacam "PAC Contributions by Industry"

** Gen PAC contributions by candidate/cycle/SECTOR
bysort recipid cycle sector: egen secpacam=sum(amount)
order secpacam, after(sector)
label var secpacam "PAC Contributions by Sector"

```

```
** Gen PAC contributions by candidate/cycle
bysort recipid cycle: egen pacam=sum(amount)
order pacam, after(amount)
label var pacam "PAC Contributions (full)"

** Gen PAC contributions by candidate/PAC
bysort recipid cycle feccmteid: egen pacidam=sum(amount)
order pacidam, after(amount)
label var pacidam "PAC Contributions by CMTE"

* drop duplicates
duplicates drop

* drop if recipid==""
drop if recipid==""

* save full pac dataset
order amount pacidam pacam realcd catname catorder industry indpacam sector sectorlong secpacam , after(pac_other)
gsort recipid cycle feccmteid
compress
save "$FILEPATH/cr1congos_candspacs.dta", replace

keep recipid cycle pacam
duplicates drop
save "$FILEPATH/cr1congos_candspacs_pacam.dta", replace



*** ======================================================================
*** GEN PAC CONTRIBUTIONS OF THE FINANCIAL INDUSTRY (QUARTERLY)
*** ======================================================================

* use full pac dataset
use "$FILEPATH/cr1congos_candspacs.dta", clear

/*
NOTE: This dataset focusses on the timing of the contributions. Because the
general dataset includes all contributions referring to a specific cycle,
there may be differences in the amount of contributions if there are
outside cycle contributions! However, these differences should be negligible .
*/

* gen quarter variable
gen quarter=qofd(date)
format quarter %tq
gen quarterno=quarter(date)
gen year=year(date)

* collapse
collapse (sum) amount, by(recipid quarter quarterno year industry sector)
rename amount indpacamq

* gen pacsum quarter
bysort recipid quarter: egen pacamq=sum(indpacamq)

* keep relevant sector
keep if sector=="Finance/Insur/RealEst"

* gen pacsum quarter
bysort recipid quarter: egen secpacamq=sum(indpacamq)

* reshape data
encode industry, gen(industry2)
tab industry2
drop industry sector
duplicates drop
reshape wide indpacamq, i(quarter quarterno year recipid pacamq secpacamq) j(industry2)

* label and rename variables
label var indpacamq1 "PAC Accountants"
rename indpacamq1 accpacq
label var indpacamq2 "PAC Commercial Banks"
rename indpacamq2 combankspacq
label var indpacamq3 "PAC Credit Unions"
rename indpacamq3 credunpacq
label var indpacamq4 "PAC Finance/Credit Companies"
rename indpacamq4 fincredpacq
label var indpacamq5 "PAC Insurance"
rename indpacamq5 inspacq
label var indpacamq6 "PAC Misc Finance"
rename indpacamq6 miscfinpacq
label var indpacamq7 "PAC Real Estate"
rename indpacamq7 realestpacq
label var indpacamq8 "PAC Savings & Loans"
rename indpacamq8 slpacq
```

```
rename indpacamq9 secinpacq

* gen sum of finpac contributions
egen finpacamq=rsum(combankspacq fincredpacq inspacq slpacq secinpacq miscfinpacq)
label var finpacamq "PAC Financial Industry (excl. Real Estate)"
order finpacamq, after(secpacamq)

* drop irrelevant obs
drop credunpacq fincredpacq inspacq miscfinpacq realestpacq slpacq secinpacq

* fill missings in variables
local pacvar accpacq* pacamq* secpacamq* finpacamq* combankspacq*
foreach c of varlist `pacvar'{
    replace `c'=0 if `c'==.
}

* reshape
drop if year==.
drop if recipid==""
tostring year, replace
tostring quarterno, replace
assert year!=""
assert quarterno!=""
gen quart=year+"q"+quarterno
drop quarter quarterno year
reshape wide accpacq pacamq secpacamq finpacamq combankspacq, i(recipid) j(quart) string

* save
compress
unique recipid
save "$FILEPATH/cr1congos_candspacs_2industry_quarterly.dta", replace



*** ========================================================================
*** GEN CANDIDATE-CYCLE-SPECIFIC PAC CONTRIBUTIONS FINANCIAL SERVICES
*** ========================================================================

* use full pac dataset
use "$FILEPATH/cr1congos_candspacs.dta", clear

** Create dataset on industry level
keep recipid cycle pacam indpacam industry secpacam sector
duplicates drop
compress

* keep only observations from the finance sector
keep if sector=="Finance/Insur/RealEst"

* keep only relevant variables
keep recipid cycle pacam indpacam secpacam industry

* reshape data
encode industry, gen(industry2)
tab industry2
drop industry
duplicates drop
reshape wide indpacam, i(cycle recipid pacam secpacam) j(industry2)

* label and rename variables
label var indpacam1 "PAC Accountants"
rename indpacam1 accpac
label var indpacam2 "PAC Commercial Banks"
rename indpacam2 combankspac
label var indpacam3 "PAC Credit Unions"
rename indpacam3 credunpac
label var indpacam4 "PAC Finance/Credit Companies"
rename indpacam4 fincredpac
label var indpacam5 "PAC Insurance"
rename indpacam5 inspac
label var indpacam6 "PAC Misc Finance"
rename indpacam6 miscfinpac
label var indpacam7 "PAC Real Estate"
rename indpacam7 realestpac
label var indpacam8 "PAC Savings & Loans"
rename indpacam8 slpac
label var indpacam9 "PAC Securities & Investments"
rename indpacam9 secinpac

* gen sum of finpac contributions
egen finpacam=rsum(combankspac fincredpac inspac slpac secinpac miscfinpac)
label var finpacam "PAC Financial Industry (excl. Real Estate)"
order finpacam, after(secpacam)

* keep relevant subindustries
keep cycle recipid pacam secpacam finpacam combankspac fincredpac inspac slpac secinpac
```

```
* fill missings in variables
local pacvar pacam secpacam finpacam combankspac fincredpac inspac slpac secinpac
foreach c of local pacvar{
    replace `c'=0 if `c'==.
}

* sort and save
keep cycle recipid pacam secpacam finpacam combankspac
compress
sort recipid cycle
save "$FILEPATH/cr1congos_candspacs_2industry_wide.dta", replace



*** ======================================================================
*** COMBINE DATA => CONTRIBUTION BASEFILE BASED ON CHARLES STEWARD IDS
*** ======================================================================

* open candidate file
use "$FILEPATH/CRP_CANDIDATE_DATA", clear
keep cid cycle
duplicates drop

* rename variables for merging
rename cid recipid
assert recipid!=""

** merge with total pac amounts
** ====================================================================
merge m:1 recipid cycle using "$FILEPATH/cr1congos_candspacs_pacam.dta", keepusing(pacam) gen(mpac1)
drop if mpac1==2
drop mpac1
duplicates drop

** merge with industry specific pac data
** ====================================================================
merge m:1 recipid cycle using "$FILEPATH/cr1congos_candspacs_2industry_wide.dta", gen(mpac) update


** MATCH WITH CHARLES STEWART IDS OF CONGRESS/SENATE MEMBERS
** (Source: Manual matching of RECIPID and Charles Steward IDs)
** ====================================================================
assert recipid!=""
assert cycle!=""
rename recipid cid
merge 1:m cid cycle using "$FILEPATH/CONGRESS_MEMBER_CRP_MATCH", gen(mcongmem) keepusing(id name)
assert mcongmem!=2
keep if mcongmem==3
drop mcongmem

* drop duplicates
duplicates drop

* fill id and name var
rename cid recipid
gsort recipid -cycle
by recipid: replace id=id[_n-1] if id==.
by recipid: replace name=name[_n-1] if name==""


* check availability of ids
assert id!=.
assert recipid!=""

* keep only relevant observations
drop if id==.

duplicates tag id cycle, gen(dtag)
assert dtag==0
drop dtag

* sort and save
destring cycle, replace
compress
sort id cycle
save "$FILEPATH/cr1congos_candscont.dta", replace
```

```
***** ========================================================================
***** WHY DO POLITICIANS INTERVENE IN ACCOUNTING REGULATION?
***** THE ROLE OF IDEOLOGY AND SPECIAL INTERESTS
*****
***** Jannis Bischof, Holger Daske, Christoph J. Sextroh
*****
***** Journal of Accounting Research, Forthcoming
***** This version: January 2020
***** ========================================================================


**** ==========================================================================
**** SIFI/SCAP 2009
**** ==========================================================================

*** NOTES ===================================================================
*** This do-file calculates the amount of contributions received from SIFI/SCAP
*** instituations based on a list of SIFI/SCAP banks. The data is used in robustness
*** tests (see online appendix, TABLE OF.2)
*** ========================================================================


clear
set more off


**** ==========================================================================
**** MATCH SIFI/SCAP 2009 LIST WITH CAMPAIGN CONTRIBUTION FILE
**** ==========================================================================

* *mport excel sheet with SIFI and SCAP coding
* Source: Manual data collection
* Note: We identify major financial institutions based on the list of systemically
* important financial institutions (SIFI) as defined by the Financial Stability
* Board on November 4, 2011 (http://www.fsb.org/2011/11/r_111104bb/), and the list
* of participants in the April/May 2009 Supervisory Capital Assessment Program (SCAP)
* (Board of Governors of the Federal Reserve System, 2009).
import excel "$FILEPATH/CHICAGOFED_SIFI_SCAP_MATCH", sheet("Sheet1") firstrow clear

* identify commercial banks
gen combanks=(primcd=="F1000"|primcd=="F1100")

* keep relevant observations
keep pacshort cycle feccmteid sifi_fsb20111104 scap2009 combanks
*keep cycle feccmteid sifi_fsb20111104 scap2009 combanks
duplicates drop

* merge with contribution data
merge 1:m feccmteid cycle using "$FILEPATH/cr1congos_candspacs.dta"
keep if _merge==3

* rename variables
rename *_fsb20111104 *
rename *scap2009 *scap


** COLLAPSE ON CYCLE LEVEL
** ========================================================================

preserve
* gen contributions received from SIFI/SCAP and non-SIFI/SCAP banks (quarterly)
foreach var of varlist sifi* scap*{
    bysort recipid cycle `var': egen help1=sum(amount)
    gen cont_`var'=help1 if `var'!=.
    gen cont_no`var'=help1 if `var'==.
    drop help1
}

* fill missings in variables
local pacvar cont_*
foreach c of varlist `pacvar'{
    replace `c'=0 if `c'==.
}

collapse (sum) amount (max) cont_* , by(recipid cycle)
save "$FILEPATH/cr2chicagofed_contmatch_paclist_SiFiTARP_cycle.dta", replace
restore


** GEN QUARTERLY DATA
** ========================================================================

* gen quarter variable
gen quarter=qofd(date)
format quarter %tq
gen quarterno=quarter(date)
```

```
gen year=year(date)
order quarter quarterno year, after(date)

* gen contributions received from SIFI/SCAP and non-SIFI/SCAP banks (quarterly)
foreach var of varlist sifi* scap*{
    bysort recipid cycle quarter `var': egen help1=sum(amount)
    gen cont_`var'=help1 if `var'!=.
    gen cont_no`var'=help1 if `var'==.
    drop help1
}

* fill missings in variables
local pacvar cont_*
foreach c of varlist `pacvar'{
    replace `c'=0 if `c'==.
}

collapse (sum) amount (max) cont_* , by(recipid quarter quarterno year)


** COMBINE AND SAVE
** ==========================================================================

drop if year==.
drop if recipid==""
tostring year, replace
tostring quarterno, replace
assert year!=""
assert quarterno!=""
gen quart=year+"q"+quarterno
drop quarter quarterno year
rename cont_* cont_*q
reshape wide amount* cont_*, i(recipid) j(quart) string

* merge with quarterly data
merge 1:m recipid using "$FILEPATH/cr2chicagofed_contmatch_paclist_SiFiTARP_cycle.dta"
assert _merge==3
drop _merge
erase "$FILEPATH/cr2chicagofed_contmatch_paclist_SiFiTARP_cycle.dta"


* save
order cycle amount cont_sifi cont_nosifi cont_scap cont_noscap, after(recipid)
rename amount totamount_sifiscapsample
sort recipid cycle
destring cycle, replace
save "$FILEPATH/cr2chicagofed_contmatch_paclist_SiFiTARP.dta", replace
```

```
***** ========================================================================
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***** ========================================================================

*** ========================================================================
*** STOCK OPTION FASB COMMENT LETTERS
*** ========================================================================

*** NOTES ================================================================
*** This do-file identifies campaign contributions from individuals and PACs
*** that also issued a comment letter regarding the accounting for stock options.
*** The data is used to create the special interest variable based on comment
*** letters as well as the control variable for employees' stock option interest
*** (both used in the analysis of political involvement the stock option debate).
*** ========================================================================

clear
set more off
set memory 500m


*** ========================================================================
*** MERGE INFORMATION ON COMMENT LETTER SUBMISSIONS (CRAWLED FROM FASB WEBSITE)
*** ========================================================================

** IMPORT COMMENT LETTER ISSUES
** Source: Manual collection from FASB Website
* 1101-001
import excel "$FILEPATH/FASB_CL1101-001.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="1101-001"
order clissue
save "$FILEPATH/temp/FASB_CL1101-001.dta", replace

* 1101-SCU
import excel "$FILEPATH/FASB_CL1101-SCU.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="1101-SCU"
order clissue
save "$FILEPATH/temp/FASB_CL1101-SCU.dta", replace

* 1102-001
import excel "$FILEPATH/FASB_CL1102-001.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="1102-001"
order clissue
save "$FILEPATH/temp/FASB_CL1102-001.dta", replace

* 1102-100
import excel "$FILEPATH/FASB_CL1102-100.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="1102-100"
order clissue
save "$FILEPATH/temp/FASB_CL1102-100.dta", replace

* 1102-SCU
import excel "$FILEPATH/FASB_CL1102-SCU.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="1102-SCU"
order clissue
save "$FILEPATH/temp/FASB_CL1102-SCU.dta", replace

* 1102-SCU
import excel "$FILEPATH/FASB_CLSBP-15.xlsx", sheet("Sheet1") firstrow clear allstring
gen clissue="SBP-15"
order clissue
save "$FILEPATH/temp/FASB_CLSBP-15.dta", replace


** COMBINE DATA
cd "$FILEPATH/temp/"
clear
qui fs *.dta
foreach f in `r(files)' {
    append using "`f'"
    erase "`f'"
}
rmdir "$FILEPATH/temp/"

* format index
destring index, replace
replace index = index + 1

* save variables
compress
```

```
sort clissue index
save "$FILEPATH/cr1stop_fasbcl.dta", replace



*** ========================================================================
*** PART I: IDENTIFY INDIVIDUAL CONTRIBUTIONS FROM EMPLOYEES
*** ========================================================================

*** ========================================================================
*** EXTRACT FIRMS WITH COMMENT LETTERS FROM EMPLOYEES
*** AND IDENTIFY AFFILIATED INDIVIDUAL CONTRIBUTORS IN CONTRIBUTIONS DATA
*** ========================================================================

* use prepared comment letter data
use "$FILEPATH/cr1stop_fasbcl.dta", clear

* extract potential employee comment letters
keep if regexm(upper(affiliation), "EMPLOYEE")==1
gen records=1
collapse (sum) records, by(affiliation)
gsort affiliation -records

* identify and exclude non employee comment letters
gen tag=1 if regexm(upper(affiliation), "EMPLOYEE ")==1
replace tag=1 if regexm(upper(affiliation), "EMPLOYEE'")==1
replace tag=1 if regexm(upper(affiliation), "EMPLOYEES ")==1
replace tag=1 if regexm(upper(affiliation), "EMPLOYEES'")==1
drop if tag==1
drop tag

* Extract affiliated firm name
gen affilfirm=affiliation
replace affilfirm=subinstr(affilfirm, "EMPLOYEES", "", .)
replace affilfirm=subinstr(affilfirm, "EMPLOYEE", "", .)
replace affilfirm=trim(affilfirm)

replace affilfirm=subinstr(affilfirm, ", INC.", "", .)

* save firmnames in local macro
levelsof affilfirm, local(firmnames)


** Identify individual contributions from firm employees (firm-specific, NOT individual-specific)
** ======================================================================


* Open individual contributor dataset
* Source: Center for Responsive Politics (raw data has been imported/reformatted/relabelled before use)
use "$FILEPATH/cr1congos_indivs_contributors.dta", clear

* gen tag for relevant affiliations
gen soemp=.
gen matchfirm=""
order matchfirm, after(ultorgname)
replace orgname = orgname + " "
replace ultorgname = ultorgname + " "
foreach firmname of local firmnames{
    replace soemp=1 if regexm(upper(orgname), "^`firmname' ")==1|regexm(upper(ultorgname), "^`firmname' ")==1
    replace matchfirm="`firmname'" if regexm(upper(orgname), "^`firmname' ")==1|regexm(upper(ultorgname), "^`firmname' ")==1
}
replace orgname = trim(orgname)
replace ultorgname = trim(ultorgname)

* keep matched observations
keep if soemp==1


** MANUALLY CHECK MATCHINGS
* export matchings for mannual check
preserve
keep orgname ultorgname matchfirm
duplicates drop
sort matchfirm orgname ultorgname
export excel using "$FILEPATH/cr1stop_fasbcl_empindiv_match.xlsx", firstrow(variables) replace


** Import checked matchings
import excel using "$FILEPATH/cr1stop_fasbcl_empindiv_match_checkDND20180509.xlsx", firstrow clear
keep if match==1
drop match matchfirm
duplicates drop
save "$FILEPATH/cr1stop_fasbcl_empindiv_match_check.dta", replace
restore
```

```
merge m:1 orgname ultorgname using "$FILEPATH/cr1stop_fasbcl_empindiv_match_check.dta"
assert _merge!=2
keep if _merge==3
drop _merge

*** match identified contributors with contributions
keep contribid
duplicates drop
sort contribid
merge 1:m contribid using "$FILEPATH/CRP_INDIV_DATA", keep(match master)
assert _merge!=1
keep if _merge==3
drop _merge

* keep relevant congressional cycles
keep if cycle=="2002"

* calculate ammounts for specific cycles
gen soempcont02=amount if cycle=="2002"

* sum amounts by candidate
collapse (sum) soempcont0*, by(recipid)

* save temp file
save "$FILEPATH/TEMPFILE", replace



** Calculate overall level of individual contributions per cycle
** ======================================================================

* Open individual contributor dataset
* Source: Center for Responsive Politics (raw data reformatted/relabelled)
use "$FILEPATH/CRP_INDIV_DATA", replace

* keep relevant congressional cycles
keep if cycle=="2002"

* calculate ammounts for specific cycles
gen indiv02=amount if cycle=="2002"

* sum amounts by candidate
collapse (sum) indiv0*, by(recipid)

** merge with controbutions from SO Firm-Employees
merge 1:1 recipid using "$FILEPATH/TEMPFILE"
assert _merge!=2
drop _merge
erase "$FILEPATH/TEMPFILE"

* replace missings
foreach var of varlist soempcont*{
    replace `var'=0 if `var'==.
}

*** combine with id match
rename recipid cid
merge 1:m cid using "$FILEPATH/CONGRESS_MEMBER_CRP_MATCH", keepusing(id)
*drop if _merge==2
*drop _merge
keep if _merge==3
drop _merge
duplicates drop

* sum information by id
collapse (sum) indiv* soempcont*, by(id)

* save dataset
sort id
compress
save "$FILEPATH/cr1stop_fasbcl_empindiv.dta", replace



*** ======================================================================
*** PART II: IDENTIFY COMMENT LETTERS FROM POLICICAL ACTION COMMITTEES
*** ======================================================================


** STEP 1: Filter relevant PACS for congressional cycles
** ======================================================================

* Open list of Political Action Committees
* Source: Center for Responsive Politics (raw data imported/reformatted/relabelled)
use  "$FILEPATH/CRP_CMTES_DATA", clear
```

```
* keep cmtes in 2002 or 2004 congressional cycle
keep if cycle=="2000"|cycle=="2002"|cycle=="2004"|cycle=="2006"

* keep relevant variables
keep feccmteid cycle pacshort affiliate ultorg
duplicates drop

* reshape
rename pacshort cmte_pacshort
rename affiliate cmte_affiliate
rename ultorg cmte_ultorg

reshape long cmte_, i(feccmteid cycle) j(cmt) string
drop cmt
drop if cmte_==""
drop cycle
duplicates drop

* gen matchvar
gen matchcmte=upper(cmte)
rename cmte cmtename
replace matchcmte=subinstr(matchcmte, ", INC.", "", .)
replace matchcmte=subinstr(matchcmte, " INC.", "", .)
replace matchcmte=subinstr(matchcmte, " BANCORPORATION", " BANCORP", .)
duplicates drop

* save temporary file
save "$FILEPATH/cr1stop_fasbcl_tempfile.dta", replace



** STEP 2: Filter relevant comment letter submissions associated with PACs
** ========================================================================

* Use prepared comment letter data
use "$FILEPATH/cr1stop_fasbcl.dta", clear

* keep only affiliation information
keep affiliation
drop if affiliation==""
duplicates drop
sort affiliation

* gen matchname
gen matchcmte=upper(affiliation)
replace matchcmte=subinstr(matchcmte, ", INC.", "", .)
replace matchcmte=subinstr(matchcmte, " INC.", "", .)
replace matchcmte=subinstr(matchcmte, " BANCORPORATION", " BANCORP", .)
duplicates drop

* joinby temporary PAC dataset
joinby matchcmte using "$FILEPATH/cr1stop_fasbcl_tempfile.dta", unmatched(both) _merge(_merge)
erase "$FILEPATH/cr1stop_fasbcl_tempfile.dta"
tab _merge
order _merge affiliation matchcmte cmtename feccmteid
sort matchcmte

gen check=(affiliation!="")
gsort -check affiliation
gen matchno=_n if affiliation!=""
drop check
sort matchcmte

** MANUALLY CHECK MATCHINGS
* export matching for hand-checking
export excel using "$FILEPATH/cr1stop_fasbcl_pac_match.xlsx", replace firstrow(variables)
drop matchno

** Import hand-matched dataset
preserve
* hand-matching file 1 (CS)
import excel using "$FILEPATH/FASB_PAC_MATCH_1CS.XLSX", firstrow clear
drop _merge
rename match matchno20180514
save "$FILEPATH/FASB_PAC_MATCH_1CS.DTA", replace

* hand-matching file 2 (TP)
import excel using "$FILEPATH/FASB_PAC_MATCH_2TP.XLSX", firstrow clear
drop _merge
rename matchno matchno20180528
save "$FILEPATH/FASB_PAC_MATCH_2TP.DTA", replace
restore

** MERGE HAND-CHECKED MATCHINGS
preserve
* merge information from hand-matching (CS)
```

```
merge m:1 matchcmte affiliation feccmteid using "$FILEPATH/FASB_PAC_MATCH_1CS.DTA", gen(mcheck)
*assert mcheck==3
drop mcheck

* merge information from hand-matching (TP)
merge 1:1 matchcmte affiliation cmtename feccmteid using "$FILEPATH/FASB_PAC_MATCH_2TP.DTA", gen(mcheck)
assert mcheck!=2
drop mcheck

* keep only observations with a PAC match
count if matchno20180514!=.|matchno20180528!=.
keep if matchno20180514!=.|matchno20180528!=.

* fill cl_affiliation information
gsort matchno20180514 -affiliation
replace affiliation=affiliation[_n-1] if affiliation==""&matchno20180514==matchno20180514[_n-1]&matchno20180514!=.
gsort matchno20180514 -feccmteid
replace feccmteid=feccmteid[_n-1] if feccmteid==""&matchno20180514==matchno20180514[_n-1]&matchno20180514!=.

gsort matchno20180528 -affiliation
replace affiliation=affiliation[_n-1] if affiliation==""&matchno20180528==matchno20180528[_n-1]&matchno20180528!=.
gsort matchno20180528 -feccmteid
replace feccmteid=feccmteid[_n-1] if feccmteid==""&matchno20180528==matchno20180528[_n-1]&matchno20180528!=.


* drop irrelevant observations
bysort affiliation: gen count=_N
drop if feccmteid==""&count>1
*assert feccmteid!=""
drop if feccmteid==""
drop count _merge match* matchcmte cmtename
duplicates drop

* save
save "$FILEPATH/cr1stop_fasbcl_tempfile2.dta", replace
restore



** COMPLETE COMMENT LETTER PAC MATCHING
** ======================================================================

keep if affiliation!=""
drop _merge matchcmte
duplicates drop

* joinby additional match information
joinby affiliation feccmteid using "$FILEPATH/cr1stop_fasbcl_tempfile2.dta", unmatched(both) _merge(merge)
erase "$FILEPATH/cr1stop_fasbcl_tempfile2.dta"
tab merge
drop merge

* keep only positive matchings
keep if feccmteid!=""
duplicates drop

* sort and save
sort affiliation feccmteid
compress
save "$FILEPATH/cr1stop_fasbcl_clpacs.dta", replace

* unique affiliations
unique affiliation
keep affiliation
duplicates drop
save "$FILEPATH/cr1stop_fasbcl_clpacs_uniqueaffil.dta", replace




** IDENTIFY RELEVANT COMMENT LETTERS
** ======================================================================

* use comment letter file
use "$FILEPATH/cr1stop_fasbcl.dta", clear

* merge with affiliations
merge m:1 affiliation using "$FILEPATH/cr1stop_fasbcl_clpacs_uniqueaffil.dta"
erase "$FILEPATH/cr1stop_fasbcl_clpacs_uniqueaffil.dta"
assert _merge!=2
keep if _merge==3
drop _merge

* sort and save
sort clissue index
tab clissue
```

```
** CHECK MATCHINGS
* export matching for hand-checking
export excel using "$FILEPATH/cr1stop_fasbcl_pac_match_relcl.xlsx", replace firstrow(variables)



** STEP 3: CALCULATE PAC CONTRIBUTIONS FOR IDENTIFIED COMMENT LETTER POSITIONS
** ======================================================================

capture mkdir "$FILEPATH/temp/"

** Import hand-coding of comment letter positions
import excel "$FILEPATH/FASBCL_PAC_MATCH_RELCL.XLSX", sheet("Sheet1") firstrow clear allstring
compress
save "$FILEPATH/FASBCL_PAC_MATCH_RELCL.DTA", replace

* drop Sun Microsystems Employees
drop if affiliation=="SUN MICROSYSTEMS EMPLOYEE"
tab clissue
tab position_expensing

** collapse position on affiliation level
gen opposition=(regexm(upper(position_expensing), "OPPOSITION")==1)
gen support=(regexm(upper(position_expensing), "SUPPORT")==1)
tab opposition support
assert opposition!=1 if support==1
assert support!=1 if opposition==1

collapse (max) opposition support, by(affiliation)
tab opposition support
assert opposition!=1 if support==1
assert support!=1 if opposition==1

* merge with PAC information
merge 1:m affiliation using "$FILEPATH/cr1stop_fasbcl_clpacs.dta"
assert _merge!=1
assert affiliation=="SUN MICROSYSTEMS EMPLOYEE" if _merge==2
keep if _merge==3
drop _merge

collapse (max) support opposition, by(feccmteid)



** Identify supporting and oppositing PAC contributions
** ========================================================================

* merge with file with all pac contributions per candidate
merge 1:m feccmteid using "$FILEPATH/cr1congos_candspacs.dta", gen(merge)

keep if merge==3
drop merge
duplicates drop

* keep relevant congressional cycles
keep if cycle=="2002"

* calculate ammounts for specific cycles
gen cloppacam02=amount if cycle=="2002"&opposition==1
gen clsuppacam02=amount if cycle=="2002"&support==1

* sum amounts by candidate
collapse (sum) cloppacam0* clsuppacam0*, by(recipid)

* drop irrelevant information
drop if recipid==""

* save
sort recipid
compress
save "$FILEPATH/clpacam_pacam.dta", replace
```

```
***** ========================================================================
***** WHY DO POLITICIANS INTERVENE IN ACCOUNTING REGULATION?
***** THE ROLE OF IDEOLOGY AND SPECIAL INTERESTS
*****
***** Jannis Bischof, Holger Daske, Christoph J. Sextroh
*****
***** Journal of Accounting Research, Forthcoming
***** This version: January 2020
***** ========================================================================

*** ======================================================================
*** STOCK OPTION ANALYSES - PREPARE FARBER ET AL. (2007) DATA
*** ======================================================================

*** NOTES ============================================================
*** This do-file identifies impact variables for proposed stock option regulations
*** based used as a special interest variable in the analysis of political
*** involvement in the stock option debate. The raw data is hand-collected data
*** from Farber et al. (2007). We are grateful to David B. Farber, Marilyn F. Johnson,
*** and Kathy R. Petroni for providing us with the raw data.
*** ======================================================================


clear
set more off
set memory 500m



*** ======================================================================
*** PART I: FORMAT RAW STOCKOPTION DATA
*** ======================================================================

* Import hand-collected stock option data from Farber et al. (2007)
import delimited "$FILEPATH/FJP2007_Corrected Option Expense.csv", encoding(ISO-8859-1) clear

/*
Note: Data items Data398_New and Data399_New contain the hand-collected option data
from Farber et al. (2007). Basic description:
Xpressfeed name     Legacy name     Description
stkco               A398            Stock Compensation Expense
xintopt             A399            Implied Option Expense
*/

* destring varables
destring eps, replace
destring eps_adj, replace
destring pforma_eps, replace

* rename
rename impliedoptionexpensedata399mm data399
rename actualoptionexpenseinpldata398mm data398
label var data399 "Implied Option Expense"
label var data398 "Stock Compensation Expense"
label var data399_new "Implied Option Expense (as hand-collected by Farber et al.)"
label var data398_new "Stock Compensation Expense  (as hand-collected by Farber et al.)"

* format gvkey
tostring gvkey, replace
gen len=length(gvkey)
replace gvkey="000"+gvkey if len==3
replace gvkey="00"+gvkey if len==4
replace gvkey="0"+gvkey if len==5
drop len
gen len=length(gvkey)
assert len==6
drop len

* save
compress
save "$FILEPATH/FJP2007_CorrectedOptionExpense.dta", replace

* export gvkey list
keep gvkey
duplicates drop
sort gvkey
export delimited "$FILEPATH/FJP2007_CorrectedOptionExpense_gvkeys.txt", replace nolabel noquote novarnames



*** ======================================================================
*** PART II: IDENTIFY RELEVANT PACs
*** ======================================================================

** Step 1: PREPARE COMPUSTAT LIST WITH HISTORICAL FIRM NAMES (to check PAC matchings)
** ====================================================================
```

```
* gen congressional cycle dataset
clear
input cycle
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
end
gen match=1
save "$FILEPATH/cycle.dta", replace

* use raw wrds data on historical company names
use "$FILEPATH/wrds_raw_historicalcompanynames.dta", clear

* keep relevant observations
keep coname fndate lndate gvkey
duplicates drop
order gvkey

* gen count of multiple obs per gvkey
drop if coname==""
sort gvkey lndate
by gvkey: gen count=_n

* match with cycle information
gen match=1
joinby match using "$FILEPATH/cycle.dta", unmatched(both) _merge(mcycle)
erase "$FILEPATH/cycle.dta"
assert mcycle==3

* reshape information to get unique gvkey cycle obs
reshape wide coname fndate lndate, i(gvkey cycle) j(count)
drop match mcycle

* save
destring gvkey, replace
tostring cycle, replace
save "$FILEPATH/FJP2007_CorrectedOptionExpense_gvkeys_histnames.dta", replace



** Step 2: FORMAT MATCHING DATA (MATCH COMPANY NAMES TO PACs)
** ======================================================================

* import manually prepared initial PAC matching file
import excel "$FILEPATH/PAC_MATCHING.XLSX", sheet("Corrected Option Expense") firstrow clear

* drop irrelevant variables
drop ImpliedOptionExpenseDATA399 ActualOptionExpenseinPLDAT Data399_New Data398_New EPS EPS_Adj PForma_EPS

* rename variables
rename GVKEY gvkey
rename FYR fyr
rename CONAME coname
rename Notes notes

rename feccmteid fec1
rename L fec2
rename M fec3
rename N fec4
rename O fec5
rename P fec6
rename Q fec7
rename R fec8
rename S fec9
rename T fec10
rename U fec11
rename V fec12
rename W fec13
rename X fec14
rename Z fec15
rename AA fec16
rename AB fec17
rename AC fec18

* reshape dataset
```

```
rename fec feccmteid
order notes, last

* drop irrelevant observations
unique gvkey
drop if feccmteid==""&feccmteidno>1
unique gvkey

* add PAC information from CMTE file
joinby feccmteid using "$FILEPATH/CRP_CMTES_DATA", unmatched(both) _merge(_merge)
tab _merge
drop if _merge==2
drop _merge

* keep relevant information
keep gvkey fyr coname feccmteid cycle pacshort affiliate ultorg notes
order gvkey fyr coname feccmteid cycle pacshort affiliate ultorg notes
duplicates drop
sort gvkey feccmteid cycle

* Add information on historical company names
merge m:1 gvkey cycle using "$FILEPATH/FJP2007_CorrectedOptionExpense_gvkeys_histnames.dta"
drop if _merge==2
drop _merge
sort gvkey feccmteid cycle

* keep relevant congressional cycle
keep if cycle=="2002"|cycle=="2004"

** MANUALLY CHECK MATCHINGS
* export checkfile
export excel using "$FILEPATH/PAC_MATCHING_TO_BE_CHECKED.XLSX", replace firstrow(variables)

* import and format revised checkfile
preserve
import excel "$FILEPATH/PAC_MATCHING_REVISED.XLSX", sheet("Sheet1") firstrow clear
drop if WRONGMATCH==1
*keep gvkey feccmteid cycle
duplicates drop
duplicates report feccmteid cycle
duplicates tag feccmteid cycle, gen(dtag)
gsort -dtag feccmteid cycle
order dtag feccmteid cycle
compress
keep gvkey feccmteid cycle
duplicates drop
save "$FILEPATH/PAC_MATCHING_REVISED.DTA", replace
restore

* identify correct matchings and ignore irrelevant matchings
merge 1:1 gvkey feccmteid cycle using "$FILEPATH/PAC_MATCHING_REVISED.DTA"
erase "$FILEPATH/PAC_MATCHING_REVISED.DTA"
assert _merge!=2
keep if _merge==3
drop _merge

* save
drop coname? fndate? lndate?
sort gvkey feccmteid cycle
compress
save "$FILEPATH/FJP2007_cmtematch.dta", replace
unique gvkey
unique feccmteid

keep feccmteid
duplicates drop
drop if feccmteid==""
sort feccmteid
save "$FILEPATH/FJP2007_cmtematch_cmteids.dta", replace


*** ======================================================================
*** PART III: CALCULATE IMLIED EFFECT OF FASB PROPOSAL BASED ON DATA FROM
*** FARBER ET AL. (2007) AND IDENTIFY CONTRIBUTIONS FROM AFFECTED PACs
*** ======================================================================


** CALCULATE ADDITIONAL VARIABLES AS IN FARBER ET AL. (2007) TO MEASURE THE
** FIRM-SPECIFIC EFFECT OF THE PROPOSED REGULATION (in order to separate more
** from less affected firms)
** ====================================================================


* PREPARE NECESSARY DATA ON TOTAL ASSETS FROM COMPUSTAT
* ====================================================================

```

```
keep gvkey fye at
duplicates drop
keep if fyear==2003

* check duplicates
duplicates tag gvkey fyear, gen(dtag)
drop if gvkey=="002547"&dtag!=0&at==90953
drop dtag

duplicates tag gvkey fyear, gen(dtag)
assert dtag==0
drop dtag

* save total assets dataset
save "$FILEPATH/cr1stop_farberetal_ta2003.dta", replace



* MERGE FARBER ET AL. RAW DATA WITH ADDITIONAL DATA FROM COMPUSTAT
* ======================================================================

use "$FILEPATH/FJP2007_CorrectedOptionExpense.dta", clear

* merge with compustat information on total assets for Farber et al. companies
merge m:1 gvkey using "$FILEPATH/cr1stop_farberetal_ta2003.dta"
keep if _merge==3
drop _merge

* generate variables
gen implied_option_expense2ta=data399_new/at*100

* keep relevant variables
keep gvkey implied_option_expense2ta
duplicates drop

* check remaining duplicates
duplicates tag gvkey, gen(dtag)
assert dtag==0
drop dtag
duplicates drop
save "$FILEPATH/cr1stop_farberetal_expensedata.dta", replace



*** MATCH FIRM CHARACTERISTICS TO POLITICIANS BASED ON CONTRIBUTIONS
*** ========================================================================

* use prepared candspacfile
use "$FILEPATH/cr1congos_candspacs.dta", clear

drop if recipid==""

* merge with Stock option relatec committees
joinby feccmteid using "$FILEPATH/FJP2007_cmtematch.dta", unmatched(both) _merge(_merge)
keep if _merge==3
drop _merge

* keep relevant congressional cycle
keep if cycle=="2002"|cycle=="2004"

* format gvkey
tostring gvkey, replace
gen len=length(gvkey)
replace gvkey="000"+gvkey if len==3
replace gvkey="00"+gvkey if len==4
replace gvkey="0"+gvkey if len==5
drop len
gen len=length(gvkey)
assert len==6
drop len

* keep relevant observations
keep cycle recipid gvkey
duplicates drop

* merge with Farber et al. variables
merge m:1 gvkey using "$FILEPATH/cr1stop_farberetal_expensedata.dta"
drop if _merge==1
drop if _merge==2
drop _merge

* Gen max by politician
foreach var of varlist implied_option_expense2ta{
    bysort recipid cycle: egen max_`var'=max(`var')
}

```

```
* keep relevant variables
keep cycle recipid max*
duplicates drop

* sort and save
rename max_implied_option_expense2ta max_implied2ta
reshape wide max_*, i(recipid) j(cycle) string
compress
save "$FILEPATH/FJP2007_maxfirmvars.dta", replace
```

```
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*** ========================================================================
*** PREPARE CONTRIBUTION DATA FOR THE STOCK OPTION SETTING
*** ========================================================================

*** NOTES ================================================================
*** This do-file identifies special interest group-specific contributions and
*** combines this data with previously calculated contribution and special interest
*** variables for the stock option setting. The variables are later used as
*** measures for special interests in the analysis of political involvement in
*** the stock option debate.
*** ========================================================================


clear
set more off


*** ========================================================================
*** CALCULATE GENERAL PAC CONTRIBUTIONS
*** ========================================================================

* open file with all pac contributions per candidate
use "$FILEPATH/cr1congos_candspacs.dta", clear

* keep relevant congressional cycles
keep if cycle=="2002"|cycle=="2004"

* calculate ammounts for specific cycles
gen pacam02=amount if cycle=="2002"

* sum amounts by candidate
collapse (sum) pacam0*, by(recipid)

* drop irrelevant information
drop if recipid==""

* save
sort recipid
compress
save "$FILEPATH/cr2stop_totalpacam.dta", replace



*** ========================================================================
*** IDENTIFY PAC CONTRIBUTIONS BY IESOC MEMBERS IN 2002 CONGRESSIONAL CYCLE
*** ========================================================================

* open file with all pac contributions per candidate
use "$FILEPATH/cr1congos_candspacs.dta", clear

* Merge with identified IESOC affiliated PACs
* Source: Hand-collection
merge m:1 feccmteid using "$FILEPATH/IESOCMembers_20032004_firms_PACs.dta", gen(merge) keepusing(feccmteid)
keep if merge==3
drop merge
duplicates drop

* keep relevant congressional cycles
keep if cycle=="2002"|cycle=="2004"

* calculate ammounts for specific cycles
gen IESOCpacam02=amount if cycle=="2002"

* sum amounts by candidate
collapse (sum) IESOCpacam0*, by(recipid)

* drop irrelevant information
drop if recipid==""

* save
sort recipid
compress
save "$FILEPATH/IESOCMembers_pacam.dta", replace
```

```
*** ========================================================================
*** IDENTIFY PAC CONTRIBUTIONS FROM TECH SECTOR
*** ========================================================================

* open file with all pac contributions per candidate
use "$FILEPATH/cr1congos_candspacs.dta", clear

* keep relevant congressional cycles
keep if cycle=="2002"|cycle=="2004"

* keep relevant industries based on CRP_IDs as of 6/15/15
replace catorder=trim(catorder)
#delimit ;
keep if
(catorder=="B09"&industry=="Telecom Services")|
(catorder=="B12"&industry=="Electronics Mfg & Equip")|
(catorder=="B13"&industry=="Internet")|
(catorder=="H04"&industry=="Pharmaceuticals/Health Products")
;
#delimit cr

* calculate ammounts for specific cycles
gen techsecpacam02=amount if cycle=="2002"

* sum amounts by candidate
collapse (sum) techsecpacam0*, by(recipid)

* drop irrelevant information
drop if recipid==""

* save
sort recipid
compress
save "$FILEPATH/techsec_pacam.dta", replace



*** ========================================================================
*** COMBINE PAC FILES AND GENERATE ID-SPECIFIC PAC FILES
*** ========================================================================

* open general PAC file
use "$FILEPATH/cr2stop_totalpacam.dta", clear

* merge with IESOC PAC contributions
merge 1:1 recipid using "$FILEPATH/IESOCMembers_pacam.dta"
assert _merge!=2
drop _merge

* merge with Tech Sector PAC contributions
merge 1:1 recipid using "$FILEPATH/techsec_pacam.dta"
assert _merge!=2
drop _merge

* merge with CL contributions
merge 1:1 recipid using "$FILEPATH/clpacam_pacam.dta"
assert _merge!=2
drop _merge

* merge with impact split of Farber et al. (2007) sample
merge 1:1 recipid using "$FILEPATH/FJP2007_maxfirmvars.dta"
assert _merge!=2
drop _merge

*** combine with id match
* Source: Manual matching of CRP IDs with Charles Steward IDs
rename recipid cid
merge 1:m cid using "$FILEPATH/cr1congmem_osmatch.dta", keepusing(id name)
keep if _merge==3
drop _merge
duplicates drop

* sum information by id
drop name
duplicates drop
collapse (sum) *am*, by(id max*)

* save
compress
sort id

duplicates tag id, gen(dtag)
assert dtag==0
drop dtag

save "$FILEPATH/cr2stop_pacam.dta", replace
```

```
erase "$FILEPATH/cr2stop_totalpacam.dta"
```

```
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***** ========================================================================
***** PREPARE BANK HOLDING COMPANIES REGULATORY DATA
***** ========================================================================

*** NOTES ================================================================
*** This do-file prepares Chicago Fed Bank Holding Company data obtained via WRDS.
*** The data is necessary to compute the measurement difference in non-guaranteed
*** Mortgage-backed-securities AfS, which is used as a measure of special interests
*** in the analysis of political involvement in the fair value debate.
*** ======================================================================


clear
clear matrix
set more off


**** ======================================================================
**** USE CHICAGO FED BHC DATA
**** ======================================================================

* use raw BHCs dataset prepared from WRDS
use "$FILEPATH/WRDS_BHC_DATA", clear

**** ======================================================================
**** GENERAL SAMPLE PREPARATION
**** ======================================================================

* General information
gen rssdid = rssd9001
gen name = rssd9017
gen country = rssd9005
gen street = rssd9028
gen city = rssd9130
gen countycd = rssd9150
gen state = rssd9200
gen statecd = rssd9210
gen zip = rssd9220
gen domestic = rssd9101

* Additional General Information
gen cusip = rssd9161
gen naics = rssd9132
gen orga_type = rssd9047
gen charter_type = rssd9048
gen complexity = rssd9057
gen largest_entity = rssd9397
gen enttype = rssd9346
gen bankcount = rssd9146

* Date variable
tostring rssd9999, replace
gen date=date(rssd9999, "YMD")
format date %td
gen month=mofd(date)
format month %tm
gen quarter=qofd(date)
format quarter %tq
gen year=year(date)
order date month quarter year, after(rssdid)

* Set panel format
xtset rssdid quarter


*** ======================================================================
*** DROP OBSERVATIONS FOR 2010 AND LATER

drop if year>=2010


*** ======================================================================
*** IDENTIFY LISTED AND NON-LISTED FIRMS

* SEC Reporting Status & Securities Information

```

```
* RSSD9056: A code indicating the registration or reporting status of an entity whose securities
* are traded and are subject to registration or reporting requirements pursuant to the Securities Exchange Act of 1934.
* 0 = Not applicable
* 1 = Registered with the SEC
* 2 = Not registered with the SEC
* 3 = Subject to section 13(a) or 15(d) of the Securities Exchange Act of 1934 and section 404 of the Sarbanes-Oxley Act of 2002.
* 4 = Subject to section 13(a) or 15(d) of the Securities Exchange Act of 1934 and NOT section 404 of the Sarbanes-Oxley Act of 2002
* 5 = Terminated or suspended its reporting requirements under section 13(a) or 15(d) of the Securities Exchange Act of 1934

gen secrepstat=rssd9056
gen listed = .
replace listed = 1 if !mi(rssd9056) & (rssd9056 == 1 | rssd9056 == 3 | rssd9056 == 4)
replace listed = 0 if !mi(rssd9056) & (rssd9056 == 0 | rssd9056 == 2 | rssd9056 == 5)


*** ======================================================================
*** DROP OBSERVATIONS WITH MISSING DATA FOR TOTAL ASSETS

* Generate different scalings for total assets
gen ta = bhck2170
format ta %12.0fc
label var ta "Total assets (in $1000s)"
gen mio_ta = ta / 1000
format mio_ta %12.0fc
label var mio_ta "Total assets (in $mio)"
gen bn_ta = ta / 1000000
format bn_ta %12.0fc
label var bn_ta "Total assets (in $bn)"

* Generate variable for log of total assets
gen lnta = ln(ta)

* Drop all observations where Total Assets are missing to exclude data from other reports (such as FR Y-9SP)
drop if missing(ta)


*** ======================================================================
*** IDENTIFY AND DROP SUBSIDIARIES

** Highest Holder Information
* regulatory high holder
gen hh_id = rssd9348
gen hh_eq = rssd9349

* financial high holder
gen hh_financial = rssd9364
gen hh_financial_eq = rssd9365

gen frn_own_pct = rssd9329

** Drop subsidiaries
drop if hh_id != 0
*drop if frn_own_pct != 0

*drop if hh_id != 0 & hh_eq > 50
*drop if hh_id != 0 & hh_eq == 0
*drop if frn_own_pct > 50

drop if rssdid == 1042351 // Drop Citicorp subsidiary of Citigroup Inc. (rssdid 1951350)
drop if rssdid == 3375370 // Drop Citicorp Holdings Inc. subsidiary of Citigroup Inc. (rssdid 1951350)
drop if rssdid == 2879844 // Drop Citigroup Holdings Company subsidiary of Citigroup Inc. (rssdid 1931350)
*Note for unknown reasons Citicorp (rssdid 1042351) has not been assigned the highest holder
*rssdid of its ultimate parent company Citigroup Inc. (rssdid 1951350), therefore all subsidiaries
*are deleted manually to ensure data consistency



**** ========================================================================
**** PREPARE FED VARIABLES
**** ========================================================================

*** MORTGAGE-BACKED SECURITIES VARIABLES
*** ======================================================================

** AVAILABLE FOR SALE
** ====================================================================

** Non-guaranteed, at amortized cost
* until 2009/03/31
egen mbsna_afsac1=rsum(bhck1711 bhck1735) if bhck1711!=.|bhck1735!=., missing
* since 2009/06/30
egen mbsna_afsac2=rsum(bhckg310 bhckg322 bhckg326 bhckg330) if bhckg310!=.|bhckg322!=.|bhckg326!=.|bhckg330!=.,
```

```
* combine
gen mbsna_afsac=mbsna_afsac1
replace mbsna_afsac=mbsna_afsac2 if mbsna_afsac==.&mbsna_afsac2!=.
drop mbsna_afsac1 mbsna_afsac2
label var mbsna_afsac "Non-Agency MBS, available for sale, at amortized cost"

** Non-guaranteed, at fair value
* until 2009/03/31
egen mbsna_afsfv1=rsum(bhck1713 bhck1736) if bhck1713!=.|bhck1736!=., missing
* since 2009/06/30
egen mbsna_afsfv2=rsum(bhckg311 bhckg323 bhckg327 bhckg331) if bhckg311!=.|bhckg323!=.|bhckg327!=.|bhckg331!=., missing
* combine
gen mbsna_afsfv=mbsna_afsfv1
replace mbsna_afsfv=mbsna_afsfv2 if mbsna_afsfv==.&mbsna_afsfv2!=.
drop mbsna_afsfv1 mbsna_afsfv2
label var mbsna_afsfv "Non-Agency MBS, available for sale, at fair value"

** Guaranteed, at amortized cost
* until 2009/03/31
egen mbsa_afsac1=rsum(bhck1701 bhck1706 bhck1716 bhck1731) if bhck1701!=.|bhck1706!=.|bhck1716!=.|bhck1731!=., missing
* since 2009/06/30
egen mbsa_afsac2=rsum(bhckg302 bhckg306 bhckg314 bhckg318) if bhckg302!=.|bhckg306!=.|bhckg314!=.|bhckg318!=., missing
* combine
gen mbsa_afsac=mbsa_afsac1
replace mbsa_afsac=mbsa_afsac2 if mbsa_afsac==.&mbsa_afsac2!=.
drop mbsa_afsac1 mbsa_afsac2
label var mbsa_afsac "Agency MBS, available for sale, at amortized cost"

** Guaranteed, at fair value
* until 2009/03/31
egen mbsa_afsfv1=rsum(bhck1702 bhck1707 bhck1717 bhck1732) if bhck1702!=.|bhck1707!=.|bhck1717!=.|bhck1732!=., missing
* since 2009/06/30
egen mbsa_afsfv2=rsum(bhckg303 bhckg307 bhckg315 bhckg319) if bhckg303!=.|bhckg307!=.|bhckg315!=.|bhckg319!=., missing
* combine
gen mbsa_afsfv=mbsa_afsfv1
replace mbsa_afsfv=mbsa_afsfv2 if mbsa_afsfv==.&mbsa_afsfv2!=.
drop mbsa_afsfv1 mbsa_afsfv2
label var mbsa_afsfv "Agency MBS, available for sale, at fair value"


** COMBINED VARIABLES
** ======================================================================
gen diffmbsna_afs=(mbsna_afsfv-mbsna_afsac) if mbsna_afsfv!=.&mbsna_afsac!=.



**** ========================================================================
**** GENERATE ADDITIONAL VARIABLES
**** ========================================================================

*** ======================================================================
*** SIZE

* Calculate average total assets
bysort rssdid year: egen avta=mean(ta)

* Gen variable for average total assets in 2007
gen avta2007=avta if year==2007
gsort rssdid -avta2007
replace avta2007=avta2007[_n-1] if avta2007==.&rssdid==rssdid[_n-1]

*** ======================================================================
*** SURVIVORSHIP INDICATOR

bysort rssdid: gen surv2009=(quarter>=tq(2009q2)) if quarter!=.
bysort rssdid: egen surv2009max=max(surv2009) if surv2009!=.
drop surv2009
rename surv2009max surv2009


*** ======================================================================
*** SCALING

local tavar diffmbsna_afs
foreach c of local tavar{
    gen `c'2ta=`c'/ta if `c'!=.&ta!=.
    order `c'2ta, after(`c')
}
```

```
*** SAVE BHC ACCOUNTING DATASET
*** ======================================================================

* drop irrelevant variables
keep rssdid name country state listed naics date quarter year diffmbsna_afs diffmbsna_afs2ta avta avta2007
surv2009
order rssdid name date

* save dataset
compress
sort rssdid date
save "$FILEPATH/cr2bhc_accdata.dta", replace
```

```
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***** ========================================================================
***** PREPARE BANK DATA FROM COMPUSTAT
***** ========================================================================

*** NOTES ================================================================
*** This do-file prepares Compustat Bank data obtained via WRDS.
*** The data is necessary to compute the decrease in the ratio of level 2 assets
*** to level 3 assets between Q4 2008 and Q1 2009, which is used as a measure of
*** special interests in the analysis of political involvement in the fair value
*** debate.
*** ======================================================================


clear
clear matrix
set more off


*** ======================================================================
*** USE COMPUSTAT BANK FILE
*** ======================================================================

use "$FILEPATH/WRDS_COMPUSTAT_BANK_DATA", clear

** Keep relevant variables
** ========================================================================

* keep relevant variables
keep gvkey datacqtr datafqtr finalq fyr fqtr fyear updq apdedateq datadate fdateq pdateq rdq tic cusip conm cik
atq ltq ahsq aol2q aqpl1q atq aul3q capr1q capr2q mbshsq tfvaq tfvceq cshoq
duplicates drop

* keep relevant time period
keep if fyearq>2005&fyearq<2010

* keep final data for the quarter (using update code)
tab updq
keep if updq==3
assert final!=""

* check duplicates
duplicates tag gvkey fqtr fyear, gen(dtag)
assert dtag==0
drop dtag

* gen calendar quarter
gen cquarter = quarterly(substr(datacqtr, 1, 4) + " " + substr(datacqtr, -1, 1), "YQ")
format cquarter %tq
order cquarter, after(datacqtr)

* define panel dataset
assert datafqtr!=""
encode datafqtr, gen(datafqtrenc)
encode gvkey, gen(gvkeyenc)
xtset gvkeyenc datafqtrenc


*** ======================================================================
*** FV VARIABLES
*** ======================================================================

** RATIOS FOR FVLEVEL VARIABLES
** ========================================================================

* L12 to L3
gen l12tol3fva = (aqpl1q + aol2q)/aul3q
label var l12tol3fva "Level 1 and Level 2 Assets to Level 3 Assets"

* L2 to L3
gen l2tol3fva = (aol2q)/aul3q
label var l2tol3fva "Level 2 Assets to Level 3 Assets"

* L3 Ratio
gen l3tofva = aul3q / (aqpl1q + aol2q + aul3q)
label var l3tofva "Level 3 Assets to Total FVAssets"

```

```
** CHANGE VARIABLES
** ======================================================================

* quarterly change (absolute and relative)
gen ch1l12tol3fva = S.l12tol3fva
gen ch1l12tol3fvarel = S.l12tol3fva/L.l12tol3fva
gen ch1l2tol3fva = S.l2tol3fva
gen ch1l2tol3fvarel = S.l2tol3fva/L.l2tol3fva
gen ch1l3tofva = S.l3tofva

* 2-quarter change (absolute and relative)
gen ch2l12tol3fva = S2.l12tol3fva
gen ch2l12tol3fvarel = S2.l12tol3fva/L2.l12tol3fva
gen ch2l2tol3fva = S2.l2tol3fva
gen ch2l2tol3fvarel = S2.l2tol3fva/L2.l2tol3fva
gen ch2l3tofva = S2.l3tofva

* 4 quarter change (absolute and relative)
gen ch4l12tol3fva = S4.l12tol3fva
gen ch4l12tol3fvarel = S4.l12tol3fva/L4.l12tol3fva
gen ch4l2tol3fva = S4.l2tol3fva
gen ch4l2tol3fvarel = S4.l2tol3fva/L4.l2tol3fva
gen ch4l3tofva = S4.l3tofva


** RELEVANT QUARTER OBSERVATIONS (BASED ON CALENDAR QUARTER!)
** ======================================================================

* Change from Q42008 to Q12009
foreach c of varlist ch1*{
    gen help1 = `c' if cquarter==tq(2009q1)
    bysort gvkey: egen `c'_q4q19 = max(help1)
    drop help1
}

* Change from Q42008 to Q22009
foreach c of varlist ch2*{
    gen help1 = `c' if cquarter==tq(2009q2)
    bysort gvkey: egen `c'_q4q29 = max(help1)
    drop help1
}

* Change from Q42008 to Q42009
foreach c of varlist ch4*{
    gen help1 = `c' if cquarter==tq(2009q4)
    bysort gvkey: egen `c'_q4q49 = max(help1)
    drop help1
    gen help1 = `c' if cquarter==tq(2009q1)
    bysort gvkey: egen `c'_q1q19 = max(help1)
    drop help1
}


** CHECK AND SAVE DATASET
** ======================================================================

* gen 6-digit cusip
gen cusip6 = substr(cusip, 1, 6)

* check duplicates
duplicates tag cusip6 datadate, gen(dtag)
tab dtag
drop if dtag!=0&cik=="0001409775"
drop if dtag!=0&cik=="0001087711"
drop dtag
duplicates tag cusip6 datadate, gen(dtag)
assert dtag==0
drop dtag

* save data
compress
keep gvkey fyear fqtr datadate ch1l2tol3fva*
sort gvkey fyear fqtr
save "$FILEPATH/cr2bank_accdata_compustat.dta", replace
```

```
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*** ========================================================================
*** CUMULATIVE ABNORMAL RETURNS
*** ========================================================================

*** NOTES ==================================================================
*** This do-file prepares CARs based on data from CRSP.
*** The data is necessary to compute the CAR centered around March 12, 2009,
*** which is used as a measure of special interests in the analysis of political
*** involvement in the fair value debate.
***
*** Expected returns are calculated based on a market model that estimates beta
*** over the entire year 2008 using daily returns and the return on the S&P 500
*** index as a proxy for the daily market return.
*** ========================================================================


clear
set more off


*** ========================================================================
*** Select relevant firm observation from full CRSP dataset
*** ========================================================================

* open CRSP dataset
use "$FILEPATH/WRDS_CRSP_DATA", clear

* merge with chicagofed tickermatch based on NYFed PERMNO-RSSDID matching
* Source: Combined data from NYFed RSSID-CRSP match and Compustat/CRSP linking table
rename permno lpermno
merge m:1 lpermno using "$FILEPATH/TICKER_MATCH_FILE", keepusing(rssdid)
assert _merge !=2
keep if _merge==3 // keep only relevant matchings
drop _merge

rename lpermno permno
order rssdid

* gen date variables
gen year=year(date)
gen quarter=qofd(date)
format quarter %tq

* save
compress
save "$FILEPATH/crsp_0107-1209rssdid.dta", replace


*** ========================================================================
*** CALCULATE FIRM-LEVEL BETAS (year: 2008, daily returns)
*** ========================================================================

* use crsp dataset
use "$FILEPATH/crsp_0107-1209rssdid.dta", clear

* keep relevant time period
keep if year==2008

* beta based on S&P composite return
statsby beta13=_b[sprtrn], by(permno year) clear : regress ret sprtrn

* save dataset
sort permno
save "$FILEPATH/cr2crsp_beta2008daily.dta", replace



*** ========================================================================
*** CALCULATE ABNORMAL RETURNS
*** ========================================================================

* use CRSP dataset
use "$FILEPATH/crsp_0107-1209rssdid.dta", clear
sort permno date


```

```
** DEFINE EVENT WINDOW
** ======================================================================

* Event window: 10/3/2009-12/3/2009
gen ew1a=(date>=td(11mar2009)&date<=td(13mar2009))
keep if ew1a==1


** MERGE WITH BETA INFORMATION
** ======================================================================

* merge with daily beta estimation 2008
merge m:1 permno using "$FILEPATH/cr2crsp_beta2008daily.dta"
assert _merge!=1
drop if _merge==2
drop _merge


** CALCULATE ABNORMAL RETURNS
** ======================================================================

* abnormal returns beta 2008 daily
gen abnret13=ret-(beta13*sprtrn)


** CALCULATE CUMULATIVE ABNORMAL RETURNS
** ======================================================================

local estwin 13
local event ew1a
foreach est of local estwin{
    foreach ew of local event{
        bysort permno: gen help1=sum(abnret`est') if `ew'==1
        bysort permno: egen car`est'`ew'=max(help1)
        drop help1
    }
}

* save and sort
keep rssdid permno car*
duplicates drop
compress
sort rssdid
save "$FILEPATH/cr2crsp_cars_firmlevel.dta", replace
erase "$FILEPATH/cr2crsp_beta2008daily.dta"
erase "$FILEPATH/crsp_0107-1209rssdid.dta"
```

```
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*** ======================================================================
*** CREATE BANK-SPECIFIC VARIABLES COMBINING DATA FROM DIFFERENT SOURCES
*** ======================================================================

*** NOTES ============================================================
*** This do-file combines previously prepared bank data from different sources.
*** This is a prerequisite to compute the MAX of bank-specific variables for each
*** politicians, which will then be used as a measure of special interests in the
*** analyses of political involvement in the fair value debate.
*** ======================================================================

clear
set more off


**** ======================================================================
**** STEP 1: COMBINE DATASETS
**** ======================================================================

*** ======================================================================
*** USE BHC ACCOUNTING DATA
*** ======================================================================

* BHC accounting data
use "$FILEPATH/cr2bhc_accdata.dta", clear


*** ======================================================================
*** MERGE TICKER DATA
*** ======================================================================

* merge with Compustat/CRSP ID information
* Source: Combined data from NYFed RSSID-CRSP match and Compustat/CRSP linking table
merge m:1 rssdid using "$FILEPATH/TICKER_MATCH_FILE", gen(mticker)
drop if mticker==2
order mticker gvkey conm tic cik lpermno lpermco, after(name)


*** ======================================================================
*** MERGE COMPUSTAT DATA
*** ======================================================================

gen datadate = date
duplicates tag gvkey date, gen(dtag)
assert dtag==0 if gvkey!=""
drop dtag

merge m:1 gvkey datadate using "$FILEPATH/cr2bank_accdata_compustat.dta"
drop if _merge==2
drop _merge datadate

* check duplicate matching
duplicates tag rssdid quarter, gen(dtag)
assert dtag==0
drop dtag

*** ======================================================================
*** MERGE CAR DATA
*** ======================================================================

* match with CAR data
merge m:m rssdid using "$FILEPATH/cr2crsp_cars_firmlevel.dta", update gen(mstock)
drop if mstock==2
drop mstock

* check duplicate matching
duplicates tag rssdid quarter, gen(dtag)
assert dtag==0
drop dtag


**** ======================================================================
**** STEP 2: CALCULATE ADDITIONAL VARIABLES
**** ======================================================================

* gen negative of variables
```

```
replace diffmbsna_afs2ta=diffmbsna_afs2ta*-100

replace ch1l2tol3fva_q=ch1l2tol3fva_q/100
replace ch1l2tol3fva_q=ch1l2tol3fva_q * -1


**** ============================================================
**** STEP 3: SAMPLE SELECTION
**** ============================================================

* keep only relevant countries
tab country
keep if country=="UNITED STATES"
unique rssdid

* drop if bank is not available in 2007
drop if avta2007==.
unique rssdid

* drop irrelevant districts
drop if state=="PR"|state=="XX"
unique rssdid

* keep relevant quarters
keep if quarter>=tq(2008q1)&quarter<=tq(2009q1)
unique rssdid

* keep stock exchange listed banks
keep if listed==1
unique rssdid

* keep only surviving banks
keep if surv2009==1
unique rssdid

* keep only banks in relevant industry
keep if naics=="551111"
unique rssdid

* keep only banks for which data are available in all quarters
bysort rssdid year: gen count=_N
sum count, det
keep if count==4|year==2009
drop count
unique rssdid


**** ============================================================
**** STEP 4: SAVE MASTER DATASET
**** ============================================================

*** ============================================================
*** BASIC BANK MASTER DATASET
*** ============================================================

* check duplicate matching
duplicates tag rssdid quarter, gen(dtag)
assert dtag==0
drop dtag

* save
compress
sort rssdid date
save "$FILEPATH/cr2bankdata_master.dta", replace

* save reduced sample
keep rssdid name
duplicates drop
sort name
save "$FILEPATH/cr2bankdata_master_sample.dta", replace



**** ============================================================
**** STEP 5: CREATE AGGREGATED DATASET
**** ============================================================

use "$FILEPATH/cr2bankdata_master.dta", clear
keep if year==2008

* collapse
* (Note that compustat and stock variables are already static, i.e., average = max = min.
* The collapse essentially averages the MBSNA variable)
collapse (mean) diffmbsna_afs2ta ch1l2tol3fva_q4q19 car13ew1a, by(rssdid)

 * check duplicates
```

```
assert dtag==0
drop dtag

* rename variables
rename * av_*
rename av_rssdid rssdid

* sort and save
compress
sort rssdid
save "$FILEPATH/cr2bankdata_av2008.dta", replace

```

```
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*** ======================================================================
*** MATCHING OF POLITICIANS AND BANKS
*** CALCULATE AGGREGATE BANKING VARIABLES
*** ======================================================================

*** NOTES ==================================================================
*** This do-file matches banking variables to politicians based on
*** PAC campaign contributions. It then calculates MAX variables for each
*** politicians, which will then be used as a measure of special interests in
*** the analyses of political involvement in the fair value debate.
*** ======================================================================


clear
clear mata
clear matrix
set maxvar 30000
set more off


**** ======================================================================
**** STEP 1: Match Banks with Politicians based on PAC-Contribution Match
**** ======================================================================

** Open matching file of Chicago Fed Banks and PACs
** Source: Hand-collection/matching
use "$FILEPATH/CHICAGOFED_PAC_MATCH", clear
unique rssdid
unique feccmteid

* keep relevant variables
keep feccmteid pacshort cycle rssdid hhname
duplicates drop

* check duplicates
duplicates tag feccmteid cycle, gen(dtag)
assert dtag==0
drop dtag

** Match with contributions file for BHCs' PACs
tostring cycle, replace
joinby feccmteid cycle using "$FILEPATH/cr1congos_candspacs.dta", unmatched(both) _merge(merge)
tab merge
drop if merge==2
unique rssdid if merge==1
unique rssdid if merge==3

keep if merge==3 // keep only active PACs for the cycle
unique rssdid
unique feccmteid

* check duplicates before collapse (transaction ids should be unique!!!)
duplicates tag feccmteid recipid fectransid, gen(dtag)
assert dtag==0
drop dtag
unique rssdid
unique feccmteid
unique recipid

* calculate sum of BHCs- and PAC-specific contributions for each politician
collapse (sum) amount, by(rssdid feccmteid pacshort recipid cycle hhname)
unique rssdid
unique feccmteid
unique recipid

* match politican information from politician master file
destring cycle, replace
merge m:1 recipid cycle using "$FILEPATH/cr2master_politicians.dta", keepusing(id name state district)
drop if _merge==1 // drop candidates that did not succeed to congress
drop _merge
duplicates drop
unique rssdid
unique feccmteid
unique recipid

* keep only observations for the 110th congress
```

```
keep if cycle==2008
unique rssdid
unique feccmteid
unique recipid


**** ========================================================================
**** STEP 2: Export List with Connections on Politician Level
**** ========================================================================

preserve

* Count number of Bank connections
bysort recipid: gen BHCcmtecount=_N
replace BHCcmtecount=0 if rssdid==.

* save dataset with all individual connections
keep id recipid name cycle state district BHCcmtecount rssdid hhname feccmteid pacshort amount
duplicates drop
order id recipid name cycle state district BHCcmtecount
compress
sort name
save "$FILEPATH/cr3aggbank_cont_connections_1full.dta", replace
export excel using "$FILEPATH/cr3aggbank_cont_connections_1full.xls", replace firstrow(variables)

* save dataset with number of connections
drop rssdid hhname feccmteid pacshort amount
duplicates drop
sort name
save "$FILEPATH/cr3aggbank_cont_connections_2full_short.dta", replace
export excel using "$FILEPATH/cr3aggbank_cont_connections_2full_short.xls", replace firstrow(variables)

restore


**** ========================================================================
**** STEP 3: PREPARE DATASET WITH UNIQUE POLITICIAN-RSSDID MATCHES
**** ========================================================================

* drop irrelevant observations
drop if rssdid==.

* check whether there are misspellings in hhname
duplicates tag id recipid name rssdid hhname amount cycle, gen(dtag1)
duplicates tag id recipid name rssdid amount cycle, gen(dtag2)
assert dtag1==dtag2
drop dtag1 dtag2

* calculate sum of BHCs-specific PACcontributions for each politician
collapse (sum) amount, by(id recipid name cycle rssdid hhname)

* gen sum of BHCs-specific PACcontributions
bysort recipid: egen sumamount=sum(amount)

* gen relative amount of BHCs-specific PACcontributions
gen amountrel=amount/sumamount
order amountrel sumamount, after(amount)

* check duplicates for bank-politician-observations
duplicates tag id rssdid cycle, gen(dtag)
assert dtag==0
drop dtag

* save dataset on politician-level
sort name
save "$FILEPATH/cr3aggbank_cont_connections_3unique.dta", replace



**** ========================================================================
**** STEP 4: PREPARE AGGREGATE ACCOUNTING DATASETS BASED ON CONTRIBUTIONS
**** ========================================================================

* use unique matching
use "$FILEPATH/cr3aggbank_cont_connections_3unique.dta", clear


** Merge with annual accounting information
** ======================================================================

* AVERAGE 2008
merge m:1 rssdid using "$FILEPATH/cr2bankdata_av2008.dta", gen(mav2008)
assert mav2008!=1
drop if mav2008==2
codebook rssdid
drop mav2008
```

```
** Generate MAX by politician
** ==========================================================================

foreach c of varlist av_* {
    bysort recipid: egen max`c'=max(`c')
}


** Drop irrelevant variables and save dataset
** ==========================================================================

drop av_* rssdid hhname amount amountrel sumamount
duplicates drop

* check duplicates
duplicates tag id cycle, gen(dtag)
assert dtag==0
drop dtag

* save
compress
sort name
save "$FILEPATH/cr3aggbank_contdata.dta", replace
```

```
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*** ======================================================================
*** FFIEC HOME MORTGAGE DISCLOSURE ACT DATA
*** ======================================================================

*** NOTES ============================================================
*** This Do-File prepares data on mortgage denial rates from the Federal Financial
*** Institutions Examination Council (FFIEC)  on congressional district level.
*** The variable based on the total number of mortgage loan applications denied
*** by financial institutions in a given year as disclosed under the Home Mortgage
*** Disclosure Act. We used data on county-year level as prepared by the Consumer
*** Financial Protection Bureau and use MABLE-Geocorr information from the Missouri
*** Census Data Center to transform the data to congressional district level.
***
*** The final variable is used as a control variable in the analysis of political
*** involvement in the fair value debate.
*** ======================================================================


clear
clear mata
clear matrix
set maxvar 30000
set more off


*** ======================================================================
*** IMPORT RAW HMDA SUMMARY FILES
*** (obtained from the Consumer Financial Protection Bureau)
*** ======================================================================

* 2007
import delimited "$FILEPATH/cfpb_hmda_county_sumtab2007.csv", clear varnames(1) encoding(ISO-8859-1)
save "$FILEPATH/1_sumtab/cfpb_hmda_county_sumtab2007.dta", replace

* 2008
import delimited "$FILEPATH/cfpb_hmda_county_sumtab2008.csv", clear varnames(1) encoding(ISO-8859-1)
save "$FILEPATH/1_sumtab/cfpb_hmda_county_sumtab2008.dta", replace

* 2009
import delimited "$FILEPATH/cfpb_hmda_county_sumtab2009.csv", clear varnames(1) encoding(ISO-8859-1)
save "$FILEPATH/1_sumtab/cfpb_hmda_county_sumtab2009.dta", replace

* 2010
import delimited "$FILEPATH/cfpb_hmda_county_sumtab2010.csv", clear varnames(1) encoding(ISO-8859-1)
save "$FILEPATH/1_sumtab/cfpb_hmda_county_sumtab2010.dta", replace

* append datasets
clear
cd "$FILEPATH/1_sumtab/"
fs *.dta
foreach f in `r(files)'{
    append using "`f'"
    erase "`f'"
}
rmdir "$FILEPATH/1_sumtab/"



*** ======================================================================
*** FORMAT RAW DATA
*** ======================================================================

* count activities
bysort county_name as_of_year: egen actioncount=sum(count)

* gen relative variables
gen count_rel=count/actioncount

* generate percentage change
compress
sort county_name action_taken_name as_of_year
*by county_name action_taken_name: gen perchange_count=(count-count[_n-1])/count[_n-1]
by county_name action_taken_name: gen change_chprop=(count_rel-count_rel[_n-1])

* reshape
```

```
keep county_name action_taken_name as_of_year change_chprop
reshape wide change_chprop, i(county_name action_taken_name) j(as_of_year)

* gen county
gen county=county_name
replace county=subinstr(county, " County", "", .)
replace county=trim(county)

replace county="Anchorage Borough" if county=="Anchorage Municipality"
replace county="DeBaca" if county=="De Baca"
replace county="Dona Ana" if county=="DoÅ¾a Ana"
replace county="Hoonah-Angoon Census A" if county=="Hoonah-Angoon Census Area"
replace county="Juneau Borough" if county=="Juneau City and Borough"
replace county="Lagrange" if county=="LaGrange"
replace county="La Porte" if county=="LaPorte"
replace county="Mc Kean" if county=="McKean"
replace county="OBrien" if county=="O'Brien"
replace county="Prince Georges" if county=="Prince George's"
replace county="Queen Annes" if county=="Queen Anne's"
replace county="Sitka Borough" if county=="Sitka City and Borough"
replace county="St. Marys" if county=="St. Mary's"
replace county="Skagway Municipal" if county=="Skagway Municipality"
replace county="Yakutat Boro" if county=="Yakutat City and Borough"

replace county=trim(county)

duplicates drop
drop if county==""

** Merge with county_congdis_alloc
** Source: MAPLE GEOCORR
joinby county using "$FILEPATH/mable_county2002-congdis_alloc_2k-cd109.dta", unmatched(both) _merge(merge)
tab merge
drop if merge==2
drop if merge==1
drop merge


** Transform County Data to District Data
** ======================================================================
local transvar change_chprop2007 change_chprop2008 change_chprop2009 change_chprop2010
foreach c of local transvar{
    *replace `c'=0 if `c'==.
    gen `c'dis=`c'*discountyalloc
    drop `c'
}

* collapse data to congressional district level
collapse (sum) change_chprop*dis, by(districtcd109 statecd statepcd action_taken_name)
order statepcd statecd districtcd109
rename *dis *


*** RESHAPE BY ACTION
*** ========================================================================

gen action_short=""
replace action_short="_appnotacc" if action_taken_name=="Application approved but not accepted"
replace action_short="_denied" if action_taken_name=="Application denied by financial institution"
replace action_short="_withdrawn" if action_taken_name=="Application withdrawn by applicant"
replace action_short="_fileclosed" if action_taken_name=="File closed for incompleteness"
replace action_short="_originated" if action_taken_name=="Loan originated"
replace action_short="_loanpurch" if action_taken_name=="Loan purchased by the institution"
replace action_short="_preappnotacc" if action_taken_name=="Preapproval request approved but not accepted"
replace action_short="_predenied" if action_taken_name=="Preapproval request denied by financial institution"
order action_short, after(action_taken*)

drop action_taken*
reshape wide change_chprop*, i(statepcd statecd districtcd109) j(action_short) string

rename *_appnotacc appnotacc_*
rename *_denied denied_*
rename *_withdrawn withdrawn_*
rename *_fileclosed fileclosed_*
rename *_originated origi_*
rename *_loanpurch loanpurch_*
rename *_preappnotacc preappnotacc_*
rename *_predenied predenied_*
drop *2007


* sort and save
keep statepcd statecd districtcd109 denied_change_chprop2008 denied_change_chprop2009 denied_change_chprop2010
compress
sort statecd district
save "$FILEPATH/cr1ffiec_hdma_sumtab.dta", replace
```

```
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*** ======================================================================
*** COMGRESSIONAL DISTRICT GDP-DATA
*** ======================================================================

*** NOTES ============================================================
*** This do-file prepares annual GDP data on congressional district level
*** based on regional data on metropolitan statistical areas (MSAs) from the
*** U.S. Bureau of Economic Analysis. The data is transformed to congressional
*** district level by weighting GDP data with the MSA's weight in the congressional
*** district using MABLE-Geocorr information from the Missouri Census Data Center.
*** Since the definition of MSAs changed over time, we use historical data releases
*** from the U.S. Bureau of Economic Analysis to ensure correct matching to
*** congressional districts. Specifically, we use the data release from 26 September
*** 2007 (13 September 2011) to compute the percentage change in GDP for 2003 (2008)
*** that we use in the analysis of the stock option debate in 2003-04 (fair value
*** debate in 2008-09).
*** ======================================================================

clear
set more off
set memory 500m


**** ========================================================================
**** DISTRICT-LEVEL GDP 2001-2005
**** ========================================================================

*** ======================================================================
*** OPEN RAW DATA FROM BEA (U.S. Bureau of Economic Analysis)
*** ANNUAL GDP BY METROPOLITCAN AREA
*** RELEASE: SEPTEMBER 26, 2007
*** ======================================================================

* import data sheet 1
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/gdp_metro0907.xls", sheet("Table 1, page 1") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/temp1.dta", replace

* import data sheet 2
import excel "3$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/gdp_metro0907.xls", sheet("Table 1, page 2") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/temp2.dta", replace

* import data sheet 3
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/gdp_metro0907.xls", sheet("Table 1, page 3") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/temp3.dta", replace

* import data sheet 4
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/gdp_metro0907.xls", sheet("Table 1, page 4") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/temp4.dta", replace

* import data sheet 5
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/gdp_metro0907.xls", sheet("Table 1, page 5") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/temp5.dta", replace


* combine datasets
clear
cd "$FILEPATH/rawdata_bea_GDPMetro_Rel20070926/"
qui fs *.dta
foreach file in `r(files)'{
    append using `file'
    erase `file'
}
cd "$workdir"

* rename variables
rename A area
rename B y2001
rename C y2002
rename D y2003
rename E y2004
rename F y2005

* drop irrelevant variables
drop G H I J K

* clean dataset
```

```
drop if regexm(upper(area), "TABLE 1")==1
drop if regexm(upper(area), "SOURCE: U.S.")==1
drop if regexm(upper(area), "ADVANCE STATISTICS")==1
drop if regexm(upper(y2001), "MILLIONS")==1
drop if area==""
replace area=trim(area)

* destring variables
destring y2001, replace

* drop irrelevant obs
drop if area=="U.S. Metropolitan Portion"

* rename areas (for matching with MABLE GEOCORR)
replace area="Atlantic City-Hammonton, NJ" if area=="Atlantic City, NJ"
replace area="Austin-Round Rock-San Marcos, TX" if area=="Austin-Round Rock, TX"
replace area="Bakersfield-Delano, CA" if area=="Bakersfield, CA"
replace area="Charleston-North Charleston-Summerville, SC" if area=="Charleston-North Charleston, SC"
replace area="Charlotte-Gastonia-Rock Hill, NC-SC" if area=="Charlotte-Gastonia-Concord, NC-SC"
replace area="Chicago-Joliet-Naperville, IL-IN-WI" if area=="Chicago-Naperville-Joliet, IL-IN-WI"
replace area="Coeur dAlene, ID" if area=="Coeur d'Alene, ID"
replace area="Durham-Chapel Hill, NC" if area=="Durham, NC"
replace area="Kennewick-Pasco-Richland, WA" if area=="Kennewick-Richland-Pasco, WA"
replace area="Lakeland-Winter Haven, FL" if area=="Lakeland, FL"
replace area="Louisville/Jefferson County, KY-IN" if area=="Louisville-Jefferson County, KY-IN"
replace area="Madera-Chowchilla, CA" if area=="Madera, CA"
replace area="Myrtle Beach-North Myrtle Beach-Conway, SC" if area=="Myrtle Beach-Conway-North Myrtle Beach, SC"
replace area="Nashville-Davidson--Murfreesboro--Franklin, TN" if area==
"Nashville-Davidson-Murfreesboro-Franklin, TN"
replace area="Orlando-Kissimmee-Sanford, FL" if area=="Orlando-Kissimmee, FL"
replace area="Panama City-Lynn Haven-Panama City Beach, FL" if area=="Panama City-Lynn Haven, FL"
replace area="Phoenix-Mesa-Glendale, AZ" if area=="Phoenix-Mesa-Scottsdale, AZ"
replace area="Sacramento--Arden-Arcade--Roseville, CA" if area=="Sacramento-Arden-Arcade-Roseville, CA"
replace area="San Antonio-New Braunfels, TX" if area=="San Antonio, TX"
replace area="Bradenton-Sarasota-Venice, FL" if area=="Sarasota-Bradenton-Venice, FL"
replace area="Scranton--Wilkes-Barre, PA" if area=="Scranton-Wilkes-Barre, PA"
replace area="Wenatchee-East Wenatchee, WA" if area=="Wenatchee, WA"
replace area="Denver-Aurora-Broomfield, CO" if area=="Denver-Aurora, CO"
replace area="Portland-Vancouver-Hillsboro, OR-WA" if area=="Portland-Vancouver-Beaverton, OR-WA"

* match with congressional districts based on mable geocorr software
merge 1:m area using "$FILEPATH/mable_cbsa-congdis_alloc.dta"
assert _merge!=1
drop if _merge==2
drop _merge

* gen change in GDP
gen ch_gdp_2002=(y2002-y2001)/y2001
gen ch_gdp_2003=(y2003-y2002)/y2002
gen ch_gdp_2004=(y2004-y2003)/y2003
gen ch_gdp_2005=(y2005-y2004)/y2004

* re-distribute GDP variables to congressional districts
gen population_districtprop=population*citydisalloc
bysort statepcd districtcd109: egen dispopulation=sum(population_districtprop)
gen popshare=population/dispopulation

foreach gdpvar of varlist ch_gdp_2002 ch_gdp_2003 ch_gdp_2004 ch_gdp_2005{
    gen `gdpvar'_w=`gdpvar'*popshare
}

foreach gdpvar of varlist ch_gdp_2002 ch_gdp_2003 ch_gdp_2004 ch_gdp_2005{
    bysort statepcd districtcd109: egen dis_`gdpvar'=sum(`gdpvar'_w)
}

* keep relevant variables
keep statecd statepcd districtcd109 dis_*
duplicates drop
assert districtcd109!=0

* check duplicates
duplicates tag statecd districtcd109, gen(dtag)
assert dtag==0
drop dtag

* save
sort statepcd district
compress
save "$FILEPATH/cr2stategdp_districtlevel_2001-2005.dta", replace



**** ======================================================================
**** DISTRICT-LEVEL GDP 2007-2009
**** ======================================================================
```

```
*** ======================================================================
*** OPEN RAW DATA FROM BEA (U.S. Bureau of Economic Analysis)
*** ANNUAL GDP BY METROPOLITCAN AREA
*** RELEASE: SEPTEMBER 13, 2011
*** ======================================================================

* import data sheet 1
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p1") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp1.dta", replace

* import data sheet 2
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p2") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp2.dta", replace

* import data sheet 3
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p3") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp3.dta", replace

* import data sheet 4
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p4") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp4.dta", replace

* import data sheet 5
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p5") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp5.dta", replace

* import data sheet 6
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p6") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp6.dta", replace

* import data sheet 7
import excel "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/gmp0911.xls", sheet("Table 1 - p7") clear
save "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/temp7.dta", replace


* combine datasets
clear
cd "$FILEPATH/rawdata_bea_GDPMetro_Rel20110913/"
qui fs *.dta
foreach file in `r(files)'{
    append using `file'
    erase `file'
}
cd "$workdir"

* rename variables
rename A area
rename B y2007
rename C y2008
rename D y2009

* drop irrelevant variables
drop E F G H I J

* clean dataset
drop if regexm(upper(area), "TABLE 1")==1
drop if regexm(upper(area), "SOURCE: U.S.")==1
drop if regexm(upper(area), "ADVANCE STATISTICS")==1
drop if area==""

* destring variables
destring y2007, replace

* drop irrelevant obs
drop if area=="U.S. metropolitan portion"

* rename areas (for matching with MABLE GEOCORR)
replace area="Nashville-Davidson--Murfreesboro--Franklin, TN" if area==
"Nashville-Davidson-Murfreesboro-Franklin, TN"
replace area="Coeur dAlene, ID" if area=="Coeur d'Alene, ID"
replace area="Bradenton-Sarasota-Venice, FL" if area=="North Port-Bradenton-Sarasota, FL"
replace area="Weirton-Steubenville, WV-OH" if area=="Steubenville-Weirton, OH-WV"
replace area="Sacramento--Arden-Arcade--Roseville, CA" if area=="Sacramento-Arden-Arcade-Roseville, CA"
replace area="Scranton--Wilkes-Barre, PA" if area=="Scranton-Wilkes-Barre, PA"
replace area="Louisville/Jefferson County, KY-IN" if area=="Louisville-Jefferson County, KY-IN"
replace area="Fort Walton Beach-Crestview-Destin, FL" if area=="Crestview-Fort Walton Beach-Destin, FL"
replace area="New York-Northern New Jersey-Long Island, NY-NJ-PA" if area=="New York-Northern New Jersey-Long
Island, NY-NJ-PA"


* match with congressional districts based on mable geocorr software
merge 1:m area using "$FILEPATH/mable_cbsa-congdis_alloc.dta"
assert _merge!=1
drop if _merge==2
drop _merge

```

```
gen ch_gdp_2008=(y2008-y2007)/y2007
gen ch_gdp_2009=(y2009-y2008)/y2008

* re-distribute GDP variables to congressional districts
gen population_districtprop=population*citydisalloc
bysort statepcd districtcd109: egen dispopulation=sum(population_districtprop)
gen popshare=population/dispopulation

foreach gdpvar of varlist ch_gdp_2008 ch_gdp_2009{
    gen `gdpvar'_w=`gdpvar'*popshare
}

foreach gdpvar of varlist ch_gdp_2008 ch_gdp_2009{
    bysort statepcd districtcd109: egen dis_`gdpvar'=sum(`gdpvar'_w)
}

* keep relevant variables
keep statecd statepcd districtcd109 dis_*
duplicates drop

assert districtcd109!=0

* check duplicates
duplicates tag statecd districtcd109, gen(dtag)
assert dtag==0
drop dtag

* save
sort statepcd district
compress
save "$FILEPATH/cr2stategdp_districtlevel_2007-2009.dta", replace
```

```
***** ========================================================================
***** WHY DO POLITICIANS INTERVENE IN ACCOUNTING REGULATION?
***** THE ROLE OF IDEOLOGY AND SPECIAL INTERESTS
*****
***** Jannis Bischof, Holger Daske, Christoph J. Sextroh
*****
***** Journal of Accounting Research, Forthcoming
***** This version: January 2020
***** ========================================================================

***** ========================================================================
***** FAIR VALUE SETTING
***** Analyses Code
***** ========================================================================

*** NOTES ================================================================
*** This do-file combines individual datasets to the master dataset used in the
*** analyses of political involvement in the fair value debate. The file also
*** includes code to create new variables and run the analyses.
*** ========================================================================


clear
clear matrix
clear mata
set more off
set maxvar 30000

***** ========================================================================
***** PREFACE FOR GENERATING AUTOMATED FOLDERNAMES
***** ========================================================================


local date: display %td_CCYY_NN_DD date(c(current_date), "DMY")
local datestring = subinstr(trim("`date'"), " " , "-", .)
display "`datestring'"

* gen new date-specific folder
capture mkdir "$RESULTSPATH/1_fairvalue/"
capture mkdir "$RESULTSPATH/1_fairvalue/`datestring'/"


***** ========================================================================
***** CREATE DATASET WITH RELEVANT CONTROL VARIABLES ON POLITICIAN LEVEL
***** ========================================================================

** Use politician master dataset
use "$FILEPATH/cr2master_politicians.dta", clear

* drop politicians from 108 Congress (stock option setting)
tab cong
drop if cong==108
tab rep if cong==110

* generate mincong/maxcong variable
capture drop mincong
bysort id: egen mincong=min(cong)
capture drop maxcong
bysort id: egen maxcong=max(cong)
capture drop count
bysort id: gen count=_N
keep if mincong==110
tab cong


*** ======================================================================
*** SPECIAL INTEREST VARIABLES
*** ======================================================================

** MERGE WITH BANK DATA MATCHED BY CONTRIBUTIONS
** ====================================================================
merge 1:1 id cycle using "$FILEPATH/cr3aggbank_contdata.dta", gen(mcont) keepusing(maxav*)
assert mcont!=2


** MERGE WITH CYCLE-SPECIFIC CONTRIBUTION DATA
** ===================================================================
merge 1:1 id cycle using "$FILEPATH/cr1congos_candscont.dta", gen(mcontc) keepusing(pacam secpacam finpacam
combankspac)
assert mcontc!=1
drop if mcontc==2
drop mcontc


** MERGE WITH QUARTERLY CONTRIBUTION DATA
** ====================================================================
```

```
merge m:1 recipid using "$FILEPATH/cr1congos_candspacs_2industry_quarterly.dta", gen(mcontq)
assert mcontq!=1
drop if mcontq==2
drop mcontq


** MERGE WITH SIFIs/SCAP-SPECIFIC CONTRIBUTIONS (FOR ROBUSTNESS; SEE OA)
** ============================================================
merge 1:1 recipid cycle using "$FILEPATH/cr2chicagofed_contmatch_paclist_SiFiTARP.dta"
drop if _merge==2
drop _merge

foreach var of varlist cont_*{
    replace `var'=0 if `var'==.
}



*** ======================================================================
*** ADDITIONAL SETTING-SPECIFIC IDEOLOGY VARIABLES (FOR ROBUSTNESS; SEE OA)
*** ======================================================================


** Freedomworks
** Source: Manually collected from FreedomWorks (http://www.freedomworks.org)
** ======================================================================
merge m:1 id using "$FILEPATH/FREEDOMWORKSSCORE_DATA", gen(mfreedomworks)
drop if mfreedomworks==2
drop mfreedomworks

replace avfreedomworksscore_pre2009=avfreedomworksscore_pre2009/100 if avfreedomworksscore_pre2009!=0
* replace with average if missing
replace avfreedomworksscore=avfreedomworksscore/100 if avfreedomworksscore!=0
replace avfreedomworksscore_pre2009=avfreedomworksscore if avfreedomworksscore_pre2009==.


** TeapartyExpress endorsement
** Source: Manually collected from Tea Party Express (http://www.teapartyexpress.org
** ======================================================================
merge m:1 id using "$FILEPATH/TEAPARTYEXPRESS_ENDORSEMENT_DATA", gen(mteapartyexpress)
drop if mteapartyexpress==2
drop mteapartyexpress

replace teapartyexpress_endorse=0 if teapartyexpress_endorse==.


** Caucus membership (Republican Study Committee)
** Source: Jennifer Nicoll Victor, Associate Professor of Political
** Science at George Mason University: http://mason.gmu.edu/~jvictor3/
** ======================================================================
rename id idno
merge m:1 idno cong using "$FILEPATH/CONGRESS_MEMBER_REPUBICAN_STUDY_COMMITTEE_DATA", gen(mcaucus)
drop if mcaucus==2
drop mcaucus
rename idno id

foreach c of varlist caucus_*{
    replace `c'=0 if `c'==.
}


** ADAM BONICA M-SCORE
** Source: Database on Ideology, Money in Politics, and Elections (DIME) (http://data.stanford.edu/dime)
** (raw data imported/reformatted/relabelled)
** ======================================================================
rename recipid nid
tostring cycle, replace
merge 1:m nid cycle using "$FILEPATH/candidate_cfscores_st_fed_1979_2012_relids_cycle.dta", gen(mbonica)
drop if mbonica==2

* check duplicates
capture drop dtag
duplicates tag id cycle, gen(dtag)
gsort -dtag
drop if dtag!=0&id!=id_icpsr2&mbonica!=2
duplicates drop

capture drop dtag
duplicates tag id cycle, gen(dtag)
assert dtag==0
drop dtag mbonica
duplicates drop

* joinby to fill missings
joinby nid using "$FILEPATH/candidate_cfscores_st_fed_1979_2012_relids.dta", _merge(mbonica) unmatched(both)
tab mbonica
```

```
drop if mbonica==2
drop mbonica

* fill cfscore with previous year if cfscore is missing
gen cfscoreedt=cfscore
replace cfscoreedt=cfscore2008 if cfscoreedt==.
replace cfscoreedt=cfscore2006 if cfscoreedt==.
drop cfscore20??
duplicates drop

rename nid recipid
destring cycle, replace
order cfscore* dwnom?bonica, after(dwnom2)



*** ======================================================================
*** OTHER POLITICIAN-SPECIFIC CONTROL VARIABLES
*** ======================================================================


** Add Voting Pattern (on EESA bills) for House-Members of the 110th Congress
** Source: Voteview.com
** (raw data imported/reformatted/relabelled)
** ====================================================================

* Note: correct id for Ted Strickland
merge m:1 id using "$FILEPATH/VOTING_DATA", update gen(mvote) keepusing(vote301 v301 vote519 v519 vote674 v674 vote681 v681)
drop if mvote==2
drop mvote
duplicates drop

* Note that Jerry Weller did not cast a vote on vote674.
* In addition Stephanie Tubbs Jones died in August 2008.
* this reduced the voting sample to 433 and 434, respectively



*** ======================================================================
*** STATE/DISTRICT-SPECIFIC CONTROL VARIABLES
*** ======================================================================


** CCES Election Survey Data 2008
** Source: 2008 Cooperative Congressional Election Survey: http://projects.iq.harvard.edu/cces/home
** (raw data imported/reformatted/relabelled)
** ====================================================================
merge m:1 state district using "$FILEPATH/CCES_ELECTION_SURVEY_DATA", update gen(mcces)
drop if mcces==2
assert mcces==1 if (office!="Representative"&cong>=109)
drop mcces


** MERGE WITH DISTRICT/YEAR SPECIFIC GDP INFORMATION
** ==============================================================
rename state statepcd
rename district districtcd109
merge m:1 statepcd districtcd109 using "$FILEPATH/cr2stategdp_districtlevel_2007-2009.dta", gen(mgdp)
drop if mgdp==2
drop mgdp


** MERGE WITH DISTRICT/YEAR SPECIFIC LHDMA INFORMATION (loan denial rates, etc.)
** ==============================================================
merge m:1 statepcd districtcd109 using "$FILEPATH/cr1ffiec_hdma_sumtab.dta"
assert _merge!=1
drop if _merge==2
drop _merge
rename statepcd state
rename districtcd109 district




***** ==============================================================
***** GENERATE ADDITIONAL VARIABLES
***** ==============================================================


*** POLITICIAN VARIABLES
*** ==============================================================

** EESA Voting switch variable
tab v674 v681
```

```
label var EESAswitch "EESA vote switch from 'Nay' to 'Yea'"

** Retirement Dummy 110th congress
gen help1=retired if cong==110
bysort id: egen retired110=max(help1)
drop help1

** Business indicator
replace business=0 if business==.


*** DISTRICT VARIABLES
*** ============================================================

** Format district employment variables
replace emp52dis2totempnonagri2008=emp52dis2totempnonagri2008/100

* Congress specific variable for GDP
gen dis_ch_gdp=dis_ch_gdp_2008 if cong==110
replace dis_ch_gdp=dis_ch_gdp_2009 if cong==111

* Congress specific variable for loan denial
gen denied_change_chprop = denied_change_chprop2008 if cong==110
replace denied_change_chprop = denied_change_chprop2009 if cong==111



*** CONTRIBUTION VARIABLES
*** ============================================================

** TIME SPECIFIC CONTRIBUTION VARIABLES
local contvar finpacam combankspac pacam secpacam cont_sifi cont_nosifi cont_scap cont_noscap
foreach c of local contvar{
    egen `c'110_7=rowtotal(`c'q2007* `c'q2008q1 `c'q2008q2 `c'q2008q3), missing
    replace `c'110_7=0 if `c'110_7==.
}

** gen total pac contributions excluding financial sector
gen nosecpacam110_7=pacam110_7-secpacam110_7
replace nosecpacam110_7=0 if nosecpacam110_7==.


** GEN RELATIVE CONTRIBUTION VARIABLES
assert pacam110_7!=.
assert nosecpacam110_7!=.

* General Contributions
local contvar2 finpacam combankspac cont_sifi cont_nosifi cont_scap cont_noscap
foreach c of local contvar2{
    replace `c'=0 if `c'==.
    replace `c'=0 if `c'<0

    ** RELATIVE CONTRIBUTIONS (NOSECPACAM)
    gen `c'2nosecpac110_7=`c'110_7/nosecpacam110_7*100 if nosecpacam110_7!=0
    replace `c'2nosecpac110_7=0 if `c'2nosecpac110_7==.&nosecpacam110_7==0
}


*** GEN FULL VARIABLES FOR SPECIAL INTEREST
*** ============================================================

#delimit ;
local specintvars
finpacam110_7
finpacam2nosecpac110_7

combankspac
combankspac110_7
combankspac2nosecpac110_7

cont_sifi2nosecpac110_7
cont_nosifi2nosecpac110_7

cont_scap2nosecpac110_7
cont_noscap2nosecpac110_7
;
#delimit cr


* gen full specvar
foreach c of local specintvars{
    gen help1=`c' if cong==110
    bysort id: egen `c'full=max(help1)
    drop help1
}

```

```
assert finpacam110_7==finpacam110_7full
drop finpacam110_7full
assert finpacam2nosecpac110_7==finpacam2nosecpac110_7full
drop finpacam2nosecpac110_7full
assert combankspac110_7==combankspac110_7full
drop combankspac110_7full
assert combankspac2nosecpac110_7==combankspac2nosecpac110_7full
drop combankspac2nosecpac110_7full
assert cont_sifi2nosecpac110_7==cont_sifi2nosecpac110_7
drop cont_sifi2nosecpac110_7full
assert cont_nosifi2nosecpac110_7==cont_nosifi2nosecpac110_7
drop cont_nosifi2nosecpac110_7full
assert cont_scap2nosecpac110_7==cont_scap2nosecpac110_7
drop cont_scap2nosecpac110_7full
assert cont_noscap2nosecpac110_7==cont_noscap2nosecpac110_7
drop cont_noscap2nosecpac110_7full


** FILL ALTERNATIVE SPECIAL INTEREST VARIABLES WITH ZEROS IF MISSING ALTHOUGH
** THE POLITICIAN RECEIVED COMPAIGN CONTRIBUTIONS FROM COMMERCIAL BANKS
** (IF THE POLITICIAN RECEIVED NO CONTRIBUTION; THE VRIABLE REMAINS MISSING)

#delimit ;
local specintvars2
maxav_diffmbsna_afs2ta
maxav_ch1l2tol3fva_q4q19
maxav_car13ew1a
;
#delimit cr

foreach c of local specintvars2{
    gen help1=`c' if cong==110
    bysort id: egen `c'full2=max(help1)
    replace `c'full2=0 if `c'full2==.&combankspacfull==0
    drop help1
}


*** GEN FULL VARIABLE FOR POLITICIAN CHARACTERISTICS (covering all obs)
*** ============================================================

#delimit ;
local charvars
margin
housesen
business
fasbsec
EESAswitch
emp52dis2totempnonagri2008
conbailout_district
;
#delimit cr

foreach c of local charvars{
    gen help1=`c'
    bysort id: egen `c'_full=max(help1)
    drop help1
}

** Log of House Seniority
gen lnhousesen_full=ln(housesen_full+1)


*** ============================================================
*** SAVE DATASET WITH MAIN MAIN REGRESSION VARIABLES FROM OTHER DATASOURCES
*** ============================================================

**** ============================================================
*** VARIABLE DEFINITIONS (SEE ALSO DATA DESCRIPTION SHEET)
*** ============================================================

*** Anti-government-intervention ideology
*** ============================================================

/*
** DW-Nominate Ideology Score (= "dwnom1")
First dimension of the DW-Nominate score provided by Poole and Rosenthal (2011).
The score measures a legislator’s ideology based on historical voting records and is
increasing in conservatism. We use the score based on all roll call votes until and
including the corresponding Congress. Source: Keith Poole's Voteview data website (http://voteview.com)
*/
label var dwnom1 "DW-Nominate Ideology Score"


/*
** FreedomWorks Ideology Score (= avfreedomworksscore_pre2009)
```

```
Tea Party movement. For each calendar year, FreedomWorks “identifies the most important
votes on issues of economic freedom and scores members of Congress based on their votes.”
FreedomWorks measures scores on a scale of 100, where higher scores indicate that “the Member is […]
fighting for lower taxes, less government and more freedom.” FreedomWorks Ideology Score is the
average of all FreedomWorks scores available for the calendar years 2005 until 2008 for each member
of the 110th House of Representatives.
Source: FreedomWorks.org (http://www.freedomworks.org)
*/
label var avfreedomworksscore_pre2009 "FreedomWorks Ideology Score"

/*
** Campaign Finance Ideology Score (= cfscoreedt)
Common-space campaign finance score (CFscore) developed and provided by Bonica (2013, 2014).
The score measures a legislator’s ideology based on the pattern of campaign finance contributions
and is increasing in conservatism.
Source: Database on Ideology, Money in Politics, and Elections (DIME)
(http://data.stanford.edu/dime); See also Bonica (2013, 2014)
*/
label var cfscoreedt "Campaign Finance Ideology Score"



/*
** TeaPartyExpress Endorsement (= teapartyexpress_endorse)
Tea party express was a national bus tour in September 2009 organized by the “Our
Country Deserves Better”-Political Action Committee. The Tea Party Express is closely
related to the tea party movement and actively opposed several federal laws, including
the EESA of 2008. The group also has a reputation to endorse and promote conservative
candidates running for state or federal offices. TeaPartyExpress Endorsement is an indicator
variable equal to one if representative is actively endorsed by the Tea Party Express for
2010 or any subsequent congressional elections, and zero otherwise.
Source: Tea Party Express  (http://www.teapartyexpress.org)
*/
label var teapartyexpress_endorse "TeaPartyExpress Endorsement"


/*
** Republican Study Committee (= "caucus_id243full")
Indicator variable equal to one if a representative is a member of the Republican Study
Committee caucus during the 109th, 110th, or 111th U.S. Congress, and zero otherwise.
Source: Victor, Jennifer Nicoll (2013) “U.S. Congress Caucus Data” (Data available for
scholarly use from http://mason.gmu.edu/~jvictor3/Data/, Data accessed: April 11, 2016)
*/
label var caucus_id243full "Republican Study Committee"




*** Special interest connections (fair value accounting setting)
*** ============================================================

/*
** Financial sector PAC contributions ($) (= "finpacam110_7")
Dollar amount of campaign contributions received from political action committees (PAC)
of the financial service industry excluding real estate during the 110th Congress from
January 1, 2007, until September 30, 2008. If the aggregate amount of campaign contributions
is negative (e.g., due to refunds of previously received contributions), we treat the case
as if the representative received no campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org)
*/
label var finpacam110_7 "Financial sector PAC contributions ($)"


/*
** Financial sector PAC contributions (%PAC) (= "finpacam2nosecpac110_7")
Campaign contributions received from political action committees (PAC) of the financial
service industry excluding real estate during the 110th Congress from January 1, 2007,
until September 30, 2008, relative to the sum of PAC contributions received from industry
sectors other than “Finance, Insurance & Real Estate”. If the aggregate amount of campaign
contributions is negative (e.g., due to refunds of previously received contributions) we
treat the case as if the representative received no campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org)
*/
label var finpacam2nosecpac110_7 "Financial sector PAC contributions (%PAC)"
label var cont_sifi2nosecpac110_7 "Major Financial Institutions PAC contributions (%PAC) (SIFI)"
label var cont_nosifi2nosecpac110_7 "Minor Financial Institutions PAC contributions (%PAC) (SIFI)"
label var cont_scap2nosecpac110_7 "Major Financial Institutions PAC contributions (%PAC) (SCAP)"
label var cont_noscap2nosecpac110_7 "Minor Financial Institutions PAC contributions (%PAC) (SCAP)"


*** Benefits of connected companies of the April 2009 relaxations to fair value accounting
*** ============================================================

/*
** Measurement Difference Non-guaranteed MBS AfS (= "maxav_diffmbsna_afs2ta")
Politician-specific maximum of connected banks' average difference between the amortized cost
```

```
securities available for sale scaled by total assets (BHCK2170) computed over the year 2008
(in percentage points). Source: Form FR Y-9C (https://www.chicagofed.org)
*/
label var maxav_diffmbsna_afs2tafull2 "Measurement Difference Non-guaranteed MBS AfS"


/*
** Decrease in Ratio of L2/L3-FV-Assets Q408-Q109 (= "maxav_ch1l2tol3fva_q4q19")
Politician-specific maximum of connected banks' decrease in the ratio of level 2 assets
(Item AOL2Q) to level 3 assets (Item AUL3Q) between Q4 2008 and Q1 2009.
Surce: Compustat Bank Fundamentals Quarterly
*/
label var maxav_ch1l2tol3fva_q4q19full2 "Decrease in Ratio of L2/L3-FV-Assets Q408-Q109"


/*
** CAR (12 March 2009) (= "maxav_car13ew1a")
Three-day cumulative abnormal return centered on March 12, 2009 (the event date).
Expected returns are calculated based on a market model that estimates beta over
the entire year 2008 using daily returns and the return on the S&P 500 index as a
proxy for the daily market return.  Source: Center for Research in Security Prices
*/
label var maxav_car13ew1afull2 "CAR (12 March 2009)"




*** Representatives' background
*** ==============================================================

/*
** Subcommittee member (= "subcmtecapmar111full")
Indicator variable equal to one if a representative is a member of the Subcommittee
on Capital Markets, Insurance and Government-Sponsored Enterprises of the U.S. House
of Representatives Financial Services Committee during relevant hearings of the
subcommittee surrounding the analyzed accounting debates, and zero otherwise.
These hearings include the hearing on “Mark-to-Market Accounting: Practices and
Implications” (March 12, 2009) for the fair value debate in 2008-09 and the hearings
on “Corporate Accounting Practices: Is there a Credibility GAAP” (May 1, 14, 2002),
“The Accounting Treatment of Employee Stock Options” (June 3, 2003), and “The FASB
Stock Options Proposal: Its Effect on the U.S. Economy and Jobs” (April 21 & May 4,
2004) for the debate on the accounting for stock options in 2003-04.
Source: Charles Steward III and Jonathan Woon's congressional database
(http://web.mit.edu/17.251/www/data page.html) and manual collection from congressional
hearing documents (https://www.govinfo.gov/).
*/
label var subcmtecapmar111 "Subcommittee member"

/*
** Electoral margin (= "margin_full")
Percentage point difference in the vote percentages between the winner and the
runner-up during the last congressional elections in the corresponding district.
Source: Federal Election Commission and Keith Poole's Voteview data website (http://voteview.com)
*/
label var margin_full "Electoral margin"

/*
** Seniority (= "lnhousesen_full")
The natural logarithm of the number of terms a representative has spent in Congress
during the corresponding congressional cycle. Surce: Charles Steward III and Jonathan Woon's
congressional database (http://web.mit.edu/17.251/www/data page.html)
*/
label var lnhousesen_full "Seniority"

/*
** Retired (= "retired110")
Indicator variable equal to one if the representative retired after the 108th
(stock option debate in 2003-04) or the 110th Congress (fair value debate in 2008-2009),
and zero otherwise. Source: Charles Steward III and Jonathan Woon's congressional
database (http://web.mit.edu/17.251/www/data page.html)
*/
label var retired110 "Retired"

/*
** Business background (= "business_full")
Indicator variable equal to one if a representative had a business related occupation prior
to joining Congress. The variable is constructed based on biographical data from the Center
for Responsive Politics. Source: Manual collection based on data from the Center for Responsive
Politics (http://www.opensecrets.org)
*/
label var business_full "Business background"

/*
** Accounting interest (= "fasbsec_full")
Indicator variable equal to one if a representative signed a letter submitted to the FASB
or the SEC Division of Corporation Finance between 2002 (when unsolicited FASB comment
```

```
letters start to become available online) and July 9, 2008 (start date in the timeline of
events in Online Appendix OD.1). Source: FASB's Online Comment Letters (http://fasb.org)
and available comments to SEC Regulatory Actions (https://www.sec.gov/rules.shtml)
*/
label var fasbsec_full "Accounting interest"


*** EESA voting
*** ============================================================
/*
** EESA vote 'Yea' (29 September 2008) (= "v674")
Indicator variable equal to one if a representative voted 'Yea' in the House vote on the
EESA on September 29, 2008 (H.R. 3997), and zero otherwise. Note that Representative Jerry
Weller did not cast a vote on that measure and is coded as missing.
Sourc: Keith Poole's Voteview data website (http://voteview.com)
*/
label var v674 "EESA vote 'Yea' (29 September 2008)"

/*
** EESA vote 'Yea' (3 October 2008) (= v681)
Indicator variable equal to one if a representative voted 'Yea' in the House vote on the
EESA on October 3, 2008 (H.R. 1424), and zero otherwise.
Source: Keith Poole's Voteview data website (http://voteview.com)
*/
label var v681 "EESA vote 'Yea' (3 October 2008)"


/*
** EESA vote-switch ('Nay' to 'Yea') (= "EESAswitch_full")
Indicator variable equal to one if a representative switched his vote from 'Nay' in
the House vote on the EESA on September 29, 2008 (H.R. 3997) to 'Yea' in the House vote
on the EESA on October 3, 2008 (H.R. 1424), and zero otherwise.
Source: Keith Poole's Voteview data website (http://voteview.com)
*/
label var EESAswitch_full "EESA vote-switch ('Nay' to 'Yea'"


*** Constituent interests
*** ============================================================

/*
** Workforce in finance (= "emp52dis2totempnonagri2008_full")
Percentage of district non-agricultural employees employed in private-sector
financial activities. The variable is based on county level data from 2008, which has
been transformed to congressional district level by weighting employment data with the
county's weight in the congressional district using MABLE-Geocorr information from the
Missouri Census Data Center.
Source: U.S. Bureau of Labor Statistics and Missouri Census Data Center's
MABLE-Geocorr2k (http://mcdc2.missouri.edu/websas/geocorr2k.html)
*/
label var emp52dis2totempnonagri2008_full "Workforce in finance"


/*
** Change in GDP (= "dis_ch_gdp")
Percentage change in the annual gross domestic product (GDP). The variable is based on
regional data on metropolitan statistical areas (MSAs), which has been transformed to
congressional district level by weighting GDP data with the MSA's weight in the congressional
district using MABLE-Geocorr information from the Missouri Census Data Center. Since the
definition of MSAs changed over time, we use historical data releases from the U.S. Bureau
of Economic Analysis to ensure correct matching to congressional districts. Specifically,
we use the data release from 26 September 2007 (13 September 2011) to compute the percentage
change in GDP for 2003 (2008) used in the analysis of the stock option debate in 2003-04
(fair value debate in 2008-09).
Source: U.S. Bureau of Economic Analysis and Missouri Census Data Center's MABLE-Geocorr2k
(http://mcdc2.missouri.edu/websas/geocorr2k.html)
*/
label var dis_ch_gdp "Change in GDP"

/*
** Constituents' bailout opposition (= "conbailout_district_full")
Percentage of respondents in the 2008 Cooperative Congressional Election Survey (Ansolabehere, 2010)
that opposed the bailout bill (excluding respondents without a clear opinion).
Source: Cooperative Congressional Election Study (http://projects.iq.harvard.edu/cces/home)
*/
label var conbailout_district_full "Constituents' bailout opposition"

/*
** Loan denial rate (= "denied_change_chprop")
Change in the annual home mortgage loan denial rate. The variable is based on the total number of
mortgage loan applications denied by financial institutions in a given year as disclosed under the
Home Mortgage Disclosure Act. We used data on county-year level as prepared by the Consumer Financial
Protection Bureau and use MABLE-Geocorr information from the Missouri Census Data Center to transform
the data to congressional district level.
Source: Federal Financial Institutions Examination Council (FFIEC) Consumer Financial Protection Bureau
(CFPB) (http://www.consumerfinance.gov) and Missouri Census Data Center's MABLE-Geocorr2k
```

```
label var denied_change_chprop "Loan denial rate"



**** ============================================================
*** KEEP RELEVANT VARIABLES
*** ============================================================

* keep relevant variables
#delimit ;
keep cong recipid cycle office id name rep dwnom1
v674 v681
finpacam110_7 finpacam2nosecpac110_7
cont_sifi2nosecpac110_7 cont_nosifi2nosecpac110_7
cont_scap2nosecpac110_7 cont_noscap2nosecpac110_7
maxav_diffmbsna_afs2tafull2 maxav_ch1l2tol3fva_q4q19full2 maxav_car13ew1afull2
subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full
emp52dis2totempnonagri2008_full dis_ch_gdp
conbailout_district_full denied_change_chprop
avfreedomworksscore_pre2009 cfscoreedt teapartyexpress_endorse caucus_id243full
;
#delimit cr

* order relevant variables
#delimit ;
order id recipid name cong cycle office rep
dwnom1 avfreedomworksscore_pre2009 cfscoreedt teapartyexpress_endorse caucus_id243full
v674 v681
finpacam110_7 finpacam2nosecpac110_7 finpacam2nosecpac110_7
cont_sifi2nosecpac110_7 cont_nosifi2nosecpac110_7
cont_scap2nosecpac110_7 cont_noscap2nosecpac110_7
maxav_diffmbsna_afs2tafull2 maxav_ch1l2tol3fva_q4q19full2 maxav_car13ew1afull2
subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full
emp52dis2totempnonagri2008_full dis_ch_gdp
conbailout_district_full denied_change_chprop
;
#delimit cr

* label variables
label var office "Office"
label var rep "Republican"

* save
save "$FILEPATH/cr2masterdata_fairvalueaccounting.dta", replace

**** ============================================================
**** PROPRIETARY: PREPARE HAND-COLLECTED STATEMENT DATA
**** ==============================================================

*...*


*** ============================================================
*** MERGE WITH HAND-COLLECTED STATEMENT DATA
*** ============================================================
merge 1:1 id cycle using "$FILEPATH/cr2master_politicians110_statements110111.dta", gen(mstats) keepusing(stat*)
assert mstats==3
drop mstats


*** ============================================================
*** SAVE FINAL MASTER DATASET FOR FV ANALYSES
*** ============================================================

sort id cycle
order state, after(office)
save "$FILEPATH/cr2masterdata_fairvalueaccounting_wstats.dta", replace
export excel using "$FILEPATH/cr2masterdata_fairvalueaccounting_wstats.xlsx", firstrow(varlabels) replace


*** ============================================================
*** GENERATE ADDITIONAL STATEMENT VARIABLES
*** ============================================================

** ALL STATEMENTS
capture drop dstatfull
bysort id: egen statfull=sum(stat)
gen dstatfull=(statfull>=1) if statfull!=.
label var dstatfull "Statement 110th/111th Congress"

** NEGATIVE STATEMENT in 110 or 111 Congress
capture drop dstatnegfull
bysort id: egen statnegfull=sum(statneg)
gen dstatnegfull=(statnegfull>=1) if statnegfull!=.
label var dstatnegfull "Negative Statement 110th/111th Congress"
```

```
bysort id: egen statposfull=sum(statpos)
gen dstatnegfullonly=(statnegfull>=1&statneufull==0&statposfull==0) if statnegfull!=.
label var dstatnegfullonly "Negative Statement 110th/111th Congress"

** NEGATIVE STATEMENT ONLY (time specific)
capture drop dstatneg
gen dstatneg=(statneg>=1&statneg!=.)
gen dstatnegonly=(statneg>=1&statneg!=.&statneu==0&statpos==0)
label var dstatnegonly "Negative Statement Only"

** POSITIVE STATEMENT ONLY (time specific)
capture drop dstatpos
gen dstatpos=(statpos>=1&statpos!=.)
gen dstatposonly=(statpos>=1&statpos!=.&statneg==0&statneu==0)
label var dstatposonly "Positive Statement Only"

** NEUTRAL STATEMENT ONLY (time specific)
capture drop dstatneu
gen dstatneu=(statneu>=1&statneu!=.)
gen dstatneuonly=(statneu>=1&statneu!=.&statneg==0&statpos==0)
label var dstatneuonly "Neutral Statement Only"


** NEGATIVE STATEMENT 110th CONGRESS
gen help1=(statneg>=1&statneg!=.&cong==110)
bysort id: egen dstatneg110=max(help1)
drop help1
label var dstatneg110 "Negative Statement 110th Congress"

gen help1=(statneg>=1&statneg!=.&statneu==0&statpos==0&cong==110)
bysort id: egen dstatnegonly110=max(help1)
drop help1
label var dstatnegonly110 "Negative Statement 110th Congress"

** NEGATIVE STATEMENT 111th CONGRESS
gen help1=(statneg>=1&statneg!=.&cong==111)
bysort id: egen dstatneg111=max(help1)
drop help1
label var dstatneg111 "Negative Statement 111th Congress"

gen help1=(statneg>=1&statneg!=.&statneu==0&statpos==0&cong==111)
bysort id: egen dstatnegonly111=max(help1)
drop help1
label var dstatnegonly111 "Negative Statement 111th Congress"

** POLITICIANS WITH POSITIVE OR NEUTRAL STATEMENTS
gen dstatneufull=(statneufull>0) if statneufull!=.
gen dstatposfull=(statposfull>0) if statposfull!=.
gen dstatneuposfull=(dstatneufull==1|dstatposfull==1)
tab dstatneuposfull

** Mixed statement
gen dstatmixed=0
replace dstatmixed=1 if dstatpos==1&dstatneg==1
replace dstatmixed=1 if dstatpos==1&dstatneu==1
replace dstatmixed=1 if dstatneg==1&dstatneu==1

** GEN SWITCHER VARIABLES
capture drop bothstatneg
gen bothstatneg=(dstatneg110==1&dstatneg111==1)
capture drop anystatneg
gen anystatneg=(dstatneg110==1|dstatneg111==1)


*** ============================================================
*** INITIAL CHECKS
*** ============================================================

* gen politician specific count to identify politicians that served in the 110th and 111th Congress
capture drop count
bysort recipid: gen count=_N
tab count


*** ============================================================
*** TABLE 1
*** Statements on Fair Value Accounting (FVA) by Members of the
*** U.S. House of Representatives
*** ============================================================

*** PANEL B: Opinion and Frequency of Statements on FVA aggregated by Individual Representative
tab dstatnegonly cong
tab dstatposonly cong
tab dstatneuonly cong
tab dstatmixed cong
```

```
*** PANEL C: Negative Statements on FVA and Representatives' Party Membership
tab rep if dstatnegonly==1&cong==110
tab rep if dstatnegonly==1&cong==111
tab rep if dstatnegfullonly==1&cong==110

*** PANEL D: Representatives' Statements on FVA and their Voting on the EESA
tab dstatnegonly110 v674 if cong==110
tab dstatnegonly110 v681 if cong==110




*** ============================================================
*** TABLE OF.3 (ONLINE APPENDIX)
*** Number of Statements on Fair Value Accounting with Ideology- and
*** Special Interest-related Rationales in Fall 2008 and Spring 2009
*** ============================================================

* check frequency over time (for response doc)
tab cong stat2008_marketbasedsol if dstatnegonly==1,
ttest stat2008_marketbasedsol if dstatnegonly==1, by(cong)

tab cong stat2008_bailoutalternative if dstatnegonly==1, mi
ttest stat2008_bailoutalternative if dstatnegonly==1, by(cong)

tab cong stat2008_altprop if dstatnegonly==1, mi
ttest stat2008_altprop if dstatnegonly==1, by(cong)

tab cong stat2008_majoractive if dstatnegonly==1, mi
ttest stat2008_majoractive if dstatnegonly==1, by(cong)

list id name rep if stat2008_marketbasedsol==.&dstatnegonly==1



*** ============================================================
*** TABLE 2
*** Ideology, Special Interests and the Content of Representatives'
*** Statements in the Fair Value Debate (Fall 2008)
*** ============================================================

*** PANEL A
** NEGATIVE STATEMENTS
foreach var of varlist dwnom1 finpacam2nosecpac110_7{
    ttest `var' if cong==110, by(dstatnegonly)
    ranksum `var' if cong==110, by(dstatnegonly)
}

*** PANEL B: IDEOLOGY
foreach var of varlist stat2008_marketbasedsol stat2008_bailoutalternative stat2008_altprop stat2008_majoractive{
    display "Variable in the following test: `var'"
    tab `var' if dstatnegonly==1&cong==110
    ttest dwnom1 if dstatnegonly==1&cong==110, by(`var')
    ranksum dwnom1 if dstatnegonly==1&cong==110, by(`var')
}

*** PANEL C: SPECIAL INTERESTS (FINPACAM)
foreach var of varlist stat2008_marketbasedsol stat2008_bailoutalternative stat2008_altprop stat2008_majoractive{
    display "Variable in the following test: `var'"
    tab `var' if dstatnegonly==1&cong==110
    ttest finpacam2nosecpac110_7 if dstatnegonly==1&cong==110, by(`var')
    ranksum finpacam2nosecpac110_7 if dstatnegonly==1&cong==110, by(`var')
}


*** ============================================================
*** TABLE 5
*** Political Connections, Ideology, and the Timing of
*** Representatives' Involvement in the Fair Value Debate:
*** Sample and Descriptive Statistics
*** ============================================================

** PANEL A
** SAMPLE
** ============================================================

tab cong
tab cong
tab cong dstatnegonly, mi
tab cong if count==2

* Less: Missing data for control variables on congressional district level
tab cong if dis_ch_gdp!=.
tab cong dstatnegonly if dis_ch_gdp!=., mi
tab cong if count==2&dis_ch_gdp!=.
```

```
tab cong if maxav_diffmbsna_afs2tafull2!=.&dis_ch_gdp!=.
tab cong dstatnegonly if maxav_diffmbsna_afs2tafull2!=.&dis_ch_gdp!=.
tab cong if count==2&maxav_diffmbsna_afs2tafull2!=.

* Less: Missing accounting data of BHC matches for Decrease in Ratio of L2/L3 FV-Assets Q408-Q209
tab cong if maxav_diffmbsna_afs2tafull2!=.&maxav_ch1l2tol3fva_q4q19full2!=.&dis_ch_gdp!=.
tab cong dstatnegonly if maxav_diffmbsna_afs2tafull2!=.&maxav_ch1l2tol3fva_q4q19full2!=.&dis_ch_gdp!=.
tab cong if count==2&maxav_diffmbsna_afs2tafull2!=.&maxav_ch1l2tol3fva_q4q19full2!=.


** PANEL B
** DESCRIPTIVE STATISTICS
** ============================================================
preserve
* drop if minimum regression data is missing (= Missing data for control variables on congressional district level)
tab cong if dis_ch_gdp==.
tab cong if dis_ch_gdp!=.
drop if dis_ch_gdp==.
drop count

* output descriptives
eststo clear
estpost tabstat dwnom1 finpacam2nosecpac110_7 maxav_diffmbsna_afs2tafull2 maxav_ch1l2tol3fva_q4q19full2 maxav_car13ew1afull2 subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full emp52dis2totempnonagri2008 dis_ch_gdp conbailout_district_full denied_change_chprop, s(N mean sd min p50 max) c(s)
esttab using "$FILEPATH/1_fairvalue/`datestring'/fv_tab5B_desc.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) min(fmt(%9.3f)) p50(fmt(%9.3f)) max(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for `statvar')
restore


*** ============================================================
*** TABLE 6
*** Political Connections, Ideology, and the Timing of Representatives'
*** Involvement in the Fair Value Debate: Univariate Tests
*** ============================================================

/*
Based on full sample of 434 valid representatives in fall 2008
(i.e., including observations with missing data for control variables
on congressional district level)
*/


* DEFINE RELEVANT VARIABLES
* ============================================================

* BANK CHARACTERISTICS
local bankvarcont maxav_diffmbsna_afs2tafull2 maxav_ch1l2tol3fva_q4q19full2 maxav_car13ew1afull2

* CAMPAIGN CONTRIBUTIONS
local contvar finpacam110_7 finpacam2nosecpac110_7

* EESA CHARACTERISTICS
local eesavar EESAswitch

* POLITICIAN CHARACTERTISTICS
local charvar dwnom1

* CONSTITUENT INTERESTS
local disvar emp52dis2totempnonagri2008 dis_ch_gdp conbailout_district denied_change_chprop

* STATVAR (inverse for better presentation)
local statvar dstatnegfullonly
replace `statvar'=-1 if `statvar'==1
capture label define yesno2 -1 "yes" 0 "no"
label values `statvar' yesno2


* PANEL A: ALL REPRESENTATIVES (STATEMENTS 110th/111th CONGRESS)
* ============================================================

eststo clear
estpost tabstat `charvar' `contvar' `bankvarcont' if cong==110, by(`statvar') s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tab6A_sum_`statvar'.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for `statvar')

eststo clear
qui estpost ttest `charvar' `contvar' `bankvarcont' if cong==110, by(`statvar')
esttab using "$RESULTSPATH/`datestring'/fv_tab6A_ttest_`statvar'.csv", scsv replace wide main(b) aux(p) b(%9.3f)
  label noobs title(T-Tests for `statvar') star(* 0.10 ** 0.05 *** 0.01)
```

```
* ============================================================

eststo clear
estpost tabstat `charvar' `contvar' `bankvarcont' if cong==110&bothstatneg==0&anystatneg==1, by(dstatneg111) s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tab6B_sum_switch_`statvar'.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for `statvar')

eststo clear
qui estpost ttest `charvar' `contvar' `bankvarcont' if cong==110&bothstatneg==0&anystatneg==1, by(dstatneg111)
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tab6B_ttest_switch_`statvar'.csv", scsv replace wide main(b) aux(p) b(%9.3f)  label noobs title(T-Tests for `statvar') star(* 0.10 ** 0.05 *** 0.01)

* inverse STATVAR
replace `statvar'=1 if `statvar'==-1




*** ============================================================
*** TABLE 7
*** Political Connections, Ideology, and the Timing of
*** Representatives' Involvement in the Fair Value Debate:
*** OLS Panel Regressions
*** ============================================================

* check switcher distribution
gen switch_dropout=(dstatneg110==1&dstatneg111==0)
gen switch_join=(dstatneg110==0&dstatneg111==1)
tab switch_dropout switch_join
drop switch_dropout switch_join

* gen congress indicator
gen cong111=(cong==111)
order cong111, after(cong)
label var cong111 "March/April 2019"

** Select "drop if dstatneuposfull==1" to run regressions excluding politicians with mixed statements that were group together with politicians with no statements.
*tab dstatneg dstatneuposfull
*tab dstatnegonly dstatneuposfull
*drop if dstatneuposfull==1

* CONTROLS
local controls subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full emp52dis2totempnonagri2008_full dis_ch_gdp  conbailout_district_full denied_change_chprop

*** PANEL A: ALL REPRESENTATIVES
eststo clear
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test finpacam2nosecpac110_7 + finpacam2nosecpac110_7#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_diffmbsna_afs2tafull2 c.maxav_diffmbsna_afs2tafull2#1.cong111 1.cong111 `controls', cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_diffmbsna_afs2tafull2 + maxav_diffmbsna_afs2tafull2#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_ch1l2tol3fva_q4q19full2 c.maxav_ch1l2tol3fva_q4q19full2#1.cong111 1.cong111 `controls', cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_ch1l2tol3fva_q4q19full2 + maxav_ch1l2tol3fva_q4q19full2#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_car13ew1afull2 c.maxav_car13ew1afull2#1.cong111 1.cong111 `controls', cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_car13ew1afull2 + maxav_car13ew1afull2#1.cong111 = 0
estadd scalar spec_p=r(p)



*** PANEL B: SWITCHER
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111
```

```
1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test finpacam2nosecpac110_7 + finpacam2nosecpac110_7#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_diffmbsna_afs2tafull2 c.maxav_diffmbsna_afs2tafull2#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_diffmbsna_afs2tafull2 + maxav_diffmbsna_afs2tafull2#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_ch1l2tol3fva_q4q19full2 c.maxav_ch1l2tol3fva_q4q19full2#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_ch1l2tol3fva_q4q19full2 + maxav_ch1l2tol3fva_q4q19full2#1.cong111 = 0
estadd scalar spec_p=r(p)

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.maxav_car13ew1afull2 c.maxav_car13ew1afull2#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo
test dwnom1 + dwnom1#1.cong111 = 0
estadd scalar ideo_p=r(p)
test maxav_car13ew1afull2 + maxav_car13ew1afull2#1.cong111 = 0
estadd scalar spec_p=r(p)

* EXPORT
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tab7_interaction_full+switcher.csv", scsv replace compress label b(%9.3f) se constant ///
stat(N r2_a ideo_p spec_p, fmt(%9.0f %9.3f %9.3f %9.3f) labels("N" "Adj. R-squared" "F-Test (p-value) Ideology" "F-Test (p-value) Special Interests")) ///
order(*dwnom1* *finpacam2nosecpac110_7* *maxav_diffmbsna_afs2tafull2* *maxav_ch1l2tol3fva_q4q19full2* *maxav_car13ew1afull2* 1.cong111) ///
star(* 0.10 ** 0.05 *** 0.01) nonotes




*** ============================================================
*** ONLINE APPENDIX
*** ROBUSTNESS TESTS
*** ALTERNATIVE MEASURES FOR IDEOLOGY
*** ============================================================

* CONTROLS
local controls subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full emp52dis2totempnonagri2008_full dis_ch_gdp conbailout_district_full denied_change_chprop

*** ALL REPRESENTATIVES
eststo clear
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.avfreedomworksscore_pre2009 c.avfreedomworksscore_pre2009#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.cfscoreedt c.cfscoreedt#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.teapartyexpress_endorse c.teapartyexpress_endorse#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.caucus_id243full c.caucus_id243full#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

*** SWITCHER
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

qui reg dstatnegonly c.avfreedomworksscore_pre2009 c.avfreedomworksscore_pre2009#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

qui reg dstatnegonly c.cfscoreedt c.cfscoreedt#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#
```

```
eststo

qui reg dstatnegonly c.teapartyexpress_endorse c.teapartyexpress_endorse#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

qui reg dstatnegonly c.caucus_id243full c.caucus_id243full#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

* EXPORT
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tabOF1_interaction_full+switcher_altideo.csv", scsv replace compress label b(%9.3f) se constant ///
stat(N r2_a, fmt(%9.0f %9.3f) labels("N" "Adj. R-squared")) ///
order(*dwnom1* *avfreedomworksscore_pre2009* *cfscoreedt* *teapartyexpress_endorse* *caucus_id243full* *finpacam2nosecpac110_7* 1.cong111) ///
star(* 0.10 ** 0.05 *** 0.01) nonotes



*** ============================================================
*** ONLINE APPENDIX
*** ROBUSTNESS TESTS
*** MAJOR VS. MINOR FINANCIAL INSTITUTIONS
*** ============================================================

* CONTROLS
local controls subcmtecapmar111 margin_full lnhousesen_full retired110 business_full fasbsec_full EESAswitch_full emp52dis2totempnonagri2008_full dis_ch_gdp conbailout_district_full denied_change_chprop


*** ALL REPRESENTATIVES
eststo clear
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.cont_sifi2nosecpac110_7 c.cont_sifi2nosecpac110_7#1.cong111 c.cont_nosifi2nosecpac110_7 c.cont_nosifi2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.cont_scap2nosecpac110_7 c.cont_scap2nosecpac110_7#1.cong111 c.cont_noscap2nosecpac110_7 c.cont_noscap2nosecpac110_7#1.cong111 1.cong111 `controls', cluster(id)
eststo


*** SWITCHER
qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.finpacam2nosecpac110_7 c.finpacam2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.cont_sifi2nosecpac110_7 c.cont_sifi2nosecpac110_7#1.cong111 c.cont_nosifi2nosecpac110_7 c.cont_nosifi2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo

qui reg dstatnegonly c.dwnom1 c.dwnom1#1.cong111 c.cont_scap2nosecpac110_7 c.cont_scap2nosecpac110_7#1.cong111 c.cont_noscap2nosecpac110_7 c.cont_noscap2nosecpac110_7#1.cong111 1.cong111 `controls' if bothstatneg==0&anystatneg==1, cluster(id)
eststo


* EXPORT
esttab using "$RESULTSPATH/1_fairvalue/`datestring'/fv_tabOF2_interaction_full+switcher_sifi+scap.csv", scsv replace compress label b(%9.3f) se constant ///
stat(N r2_a, fmt(%9.0f %9.3f) labels("N" "Adj. R-squared")) ///
order(*dwnom1* *finpacam2nosecpac110_7* *cont_sifi2nosecpac110_7* *cont_nosifi2nosecpac110_7* *cont_scap2nosecpac110_7* *cont_noscap2nosecpac110_7* 1.cong111) ///
star(* 0.10 ** 0.05 *** 0.01) nonotes

```

```
***** ======================================================================
***** WHY DO POLITICIANS INTERVENE IN ACCOUNTING REGULATION?
***** THE ROLE OF IDEOLOGY AND SPECIAL INTERESTS
*****
***** Jannis Bischof, Holger Daske, Christoph J. Sextroh
*****
***** Journal of Accounting Research, Forthcoming
***** This version: January 2020
***** ======================================================================

***** ======================================================================
***** STOCK OPTION SETTING
***** Analyses Code
***** ======================================================================

*** NOTES ============================================================
*** This do-file combines individual datasets to the master dataset used in the
*** analyses of political involvement in the stock option debate. The file also
*** includes code to create new variables and run the analyses.
*** ====================================================================


clear
clear matrix
clear mata
set more off
set maxvar 30000


*** ============================================================
*** PREFACE FOR GENERATING AUTOMATED FOLDERNAMES
*** ============================================================

local date: display %td_CCYY_NN_DD date(c(current_date), "DMY")
local datestring = subinstr(trim("`date'"), " " , "-", .)
display "`datestring'"

* gen new date-specific folder
capture mkdir "$RESULTSPATH/2_stockoptions/"
capture mkdir "$RESULTSPATH/2_stockoptions/`datestring'/"



***** ============================================================
***** CREATE DATASET WITH RELEVANT CONTROL VARIABLES ON POLITICIAN LEVEL
***** ============================================================

* use politician master file for 108th Congress
use "$FILEPATH/cr2master_politicians108.dta", clear
tab cong

* gen variable to check observations with missing data
gen misobs=.


*** ==================================================================
*** CO-SPONSORSHIP AND VOTING DATA
*** ==================================================================


** MERGE WITH STOCK OPTION CO-SPONSORING
** (raw data imported/reformatted/relabelled)
** ================================================================

* Replace wrong ID codes in the co-sponsorship data
gen icpsr=id
replace icpsr=29999 if icpsr==20358&name=="Meek, Kendrick B."
replace icpsr=29747 if icpsr==29387&name=="Strickland, Ted"

* merge
merge 1:m icpsr using "$FILEPATH/STOCK_OPTION_COSPONSORSHIP_DATA"
drop if _merge==2
assert _merge!=1
drop _merge



*** ==================================================================
*** SPECIAL INTEREST VARIABLES
*** ==================================================================


** MERGE WITH STOCK OPTION SPECIFIC PAC DATA
** ================================================================
rename id idnew
rename id_old id
```

```
merge 1:1 id using "$FILEPATH/cr2stop_pacam.dta", gen(mpacsum)
drop if mpacsum==2
assert mpacsum!=1
drop mpacsum


** MERGE WITH FASB COMMENT LETTER PAC DATA
** ====================================================================
merge 1:1 id using "$FILEPATH/cr1stop_fasbcl_empindiv.dta", gen(msoempindiv)
drop if msoempindiv==2
replace misobs=1 if msoempindiv==1
drop msoempindiv



*** ============================================================
*** STATE/DISTRICT-SPECIFIC CONTROL VARIABLES
*** ============================================================


** MERGE WITH DISTRICT/YEAR SPECIFIC GDP INFORMATION
** ======================================================================
rename state statepcd
rename district districtcd109
merge m:1 statepcd districtcd109 using "$FILEPATH/cr2stategdp_districtlevel_2001-2005.dta", gen(mgdp)
drop if mgdp==2
replace misobs=1 if mgdp==1
drop mgdp
rename statepcd state
rename districtcd109 district


** CHECK DUPLICATES AND SAVE MERGED DATASET
** ======================================================================

* check duplicates
duplicates tag id cycle, gen(dtag)
assert dtag==0
drop dtag

* check misobs
tab misobs if cycle==2004, mi
assert misobs==. if dis_ch_gdp_2003!=.

* SAVE
sort name cycle
save "$FILEPATH/cr2masterdata_stockoptions.dta", replace



*** ========================================================================
*** GENERATE ADDITIONAL VARIABLES
*** ========================================================================

** GENERATE SPLIT VARIABLES
** ======================================================================

* Sponsorship Indicators
gen hr1372=(sponsordate108_1372!=.)
gen hr3574=(sponsordate108_3574!=.)
label var hr1372 "Co-Sponsorship H.R. 1372"
label var hr3574 "Co-SPonsorship H.R. 3574"


** RELATIVE PAC VARIABLES
** ======================================================================

foreach num in 02{
    gen noIESOCpacam`num'=pacam`num'-IESOCpacam`num'
    gen notechsecpacam`num'=pacam`num'-techsecpacam`num'
    gen nocloppacam`num'=pacam`num'-cloppacam`num'

    gen IESOCpacam`num'2nosecpac=IESOCpacam`num'/noIESOCpacam`num'*100
    replace IESOCpacam`num'2nosecpac=0 if IESOCpacam`num'==.&noIESOCpacam`num'==0

    gen techsecpacam`num'2nosecpac=techsecpacam`num'/notechsecpacam`num'*100
    replace techsecpacam`num'2nosecpac=0 if techsecpacam`num'==.&notechsecpacam`num'==0
    replace techsecpacam`num'2nosecpac=0 if techsecpacam`num'<0

    gen cloppacam`num'2nosecpac = cloppacam`num'/nocloppacam`num'*100
    replace cloppacam`num'2nosecpac=0 if cloppacam`num'==.&nocloppacam`num'==0
    replace cloppacam`num'2nosecpac=0 if cloppacam`num'<0

    replace cloppacam`num'=0 if cloppacam`num'<0
    replace techsecpacam`num'=0 if techsecpacam`num'<0

```

```
    replace soempcont`num'2indiv=0 if soempcont`num'==.&indiv`num'==0
}


** REPLACE MISSING FIRM-VARIABLES MATCHED TO POLITICIANS
** ======================================================================

foreach var of varlist max_implied2ta*{
    replace `var'=0 if `var'==.
}



** OTHER POLITICIAN VARIABLES
** ======================================================================

** Log of House Seniority
gen lnhousesen=ln(housesen+1)

** Retirement Dummy 108th congress
gen help1=retired
bysort id: egen retired108=max(help1)
drop help1

** Business indicator
replace business=0 if business==.

* Format district variables
replace empht2dis2totempnonagri2003=empht2dis2totempnonagri2003/100
sum empht2dis2totempnonagri2003, det



*** ============================================================
*** SAVE DATASET WITH MAIN MAIN REGRESSION VARIABLES FROM OTHER DATASOURCES
*** ============================================================

**** ============================================================
*** VARIABLE DEFINITIONS (SEE ALSO DATA DESCRIPTION SHEET)
*** ============================================================

*** Anti-government-intervention ideology
*** ============================================================

/*
** DW-Nominate Ideology Score (= "dwnom1")
First dimension of the DW-Nominate score provided by Poole and Rosenthal (2011).
The score measures a legislator’s ideology based on historical voting records and is
increasing in conservatism. We use the score based on all roll call votes until and
including the corresponding Congress. Source: Keith Poole's Voteview data website (http://voteview.com)
*/
label var dwnom1 "DW-Nominate Ideology Score"


*** Special interest connections (stopck option accounting setting)
*** ============================================================

/*
Tech sector PAC Contributions ($) (= techsecpacam02)
Dollar amount of campaign contributions received during the 107th Congress from
political action committees (PAC) of companies in the technology sector. Since
the Center for Responsive Politics does not provide an explicit definition of the
technology sector, the variable definition is based on political action committees
allocated to one of the following industries according to the definitions provided
by the Center for Responsive Politics: 'Telecom Services' (B09), 'Electronics Mfg
& Equip' (B12), 'Internet' (B13), and 'Pharmaceuticals/Health Products' (H04). If
the aggregate amount of campaign contributions is negative (e.g., due to refunds of
previously received contributions) we treat the case as if the representative received
no campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org)
*/
label var techsecpacam02 "Tech sector PAC Contributions ($)"

/*
Tech sector PAC Contributions (%PAC) (= techsecpacam022nosecpac)
Campaign contributions received during the 107th Congress from political action
committees (PAC) of companies in the technology sector relative to the sum of other
PAC contributions received during that cycle. Since the Center for Responsive Politics
does not provide an explicit definition of the technology sector, the variable definition
is based on political action committees allocated to one of the following industries
according to the definitions provided by the Center for Responsive Politics: 'Telecom
Services' (B09), 'Electronics Mfg & Equip' (B12), 'Internet' (B13), and
'Pharmaceuticals/Health Products' (H04). If the aggregate amount of campaign contributions
is negative (e.g., due to refunds of previously received contributions) we treat the case
as if the representative received no campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org)
```

```
label var techsecpacam022nosecpac "Tech sector PAC Contributions (%PAC)"

/*
Comment Letter Opposition PAC Contributions ($) (= cloppacam02)
Dollar amount of campaign contributions received during the 107th Congress from
political action committees (PAC) of companies and associations that issued a
comment letter to the FASB opposing the expensing of stock options in response
to FASB issues No. 1101-001, No. 1102-011, and No. 1102-100. If the aggregate
amount of campaign contributions is negative (e.g., due to refunds of previously
received contributions) we treat the case as if the representative received no
campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org) and
FASB's Online Comment Letters (http://fasb.org)
*/
label var cloppacam02 "Comment Letter Opposition PAC Contributions ($)"

/*
Comment Letter Opposition PAC Contributions (%PAC) (= cloppacam022nosecpac)
Campaign contributions received during the 107th Congress from political action
committees (PAC) of companies and associations that issued a comment letter to
the FASB opposing the expensing of stock options in response to FASB issues No.
1101-001, No. 1102-011, and No. 1102-100; relative to the sum of other PAC
contributions received during that cycle. If the aggregate amount of campaign
contributions is negative (e.g., due to refunds of previously received contributions)
we treat the case as if the representative received no campaign contributions.
Source: Center for Responsive Politics (http://www.opensecrets.org) and
FASB's Online Comment Letters (http://fasb.org)
*/
label var cloppacam022nosecpac "Comment Letter Opposition PAC Contributions (%PAC)"


/*
IESOC PAC Contributions ($) (= IESOCpacam02)
Dollar amount of campaign contributions received during the 107th Congress from
political action committees (PAC) of companies and associations that were a member
of the International Employee Stock Option Coalition (IESOC) during 2003/2004.
Members of the IESOC were identified from the internet archive (http://www.archive.org)
of the IESOC website (http://www.savestockoptions.org) and hand-matched with active
PACs. The resulting variable includes contributions from AOL/Time Warner, American
Electronics Association, Cisco Systems, Coors Brewing, Dell Computer, EDS, Genentech,
General Mills, Information Technology Industry Council, Intel Corporation, NASDAQ,
National Association of Manufacturers, National Venture Capital Association (NVCA),
Qualcomm, Semiconductor Equipment and Materials International (SEMI), Semiconductor
Industry Association (SIA), Software & Information Industry Association, Sun
Microsystems, The Business Software Alliance (BSA), The Medical Device Manufacturers
Association (MDMA), and Valero Energy.
Source: Center for Responsive Politics (http://www.opensecrets.org)
*/
label var IESOCpacam02 "IESOC PAC Contributions ($)"


/*
IESOC PAC Contributions (%PAC) (= IESOCpacam022nosecpac)
Campaign contributions received during the 107th Congress from political action
committees (PAC) of companies and associations that where a member of the International
Employee Stock Option Coalition during 2003/2004 (see above) relative to the sum of
other PAC contributions received during that cycle.
Source: Center for Responsive Politics (http://www.opensecrets.org)
*/
label var IESOCpacam022nosecpac "IESOC PAC Contributions (%PAC)"



*** Benefits of connected companies from avoiding the expensing of stock options
*** ============================================================

/*
Implied total stock option expense per FASB proposal (= max_implied2ta2002)
Politician-specific maximum of connected firms' implied total stock option expense
(net of tax) per FASB proposal in 2003 scaled by total assets. We are grateful to
David B. Farber, Marilyn F. Johnson, and Kathy R. Petroni for providing us with the
data they hand-collected from each firm's pro forma footnote disclosure of stock option
expense in its 2003 Form 10-K (see Farber et al., 2007).
*/
label var max_implied2ta2002 "Implied Total Stock Option Expense per FASB Proposal"


*** Representatives' background
*** ============================================================

/*
** Subcommittee member (= "subcmtecapmar*")
Indicator variable equal to one if a representative is a member of the Subcommittee
on Capital Markets, Insurance and Government-Sponsored Enterprises of the U.S. House
of Representatives Financial Services Committee during relevant hearings of the
subcommittee surrounding the analyzed accounting debates, and zero otherwise.
```

```
These hearings include the hearing on “Mark-to-Market Accounting: Practices and
Implications” (March 12, 2009) for the fair value debate in 2008-09 and the hearings
on “Corporate Accounting Practices: Is there a Credibility GAAP” (May 1, 14, 2002),
“The Accounting Treatment of Employee Stock Options” (June 3, 2003), and “The FASB
Stock Options Proposal: Its Effect on the U.S. Economy and Jobs” (April 21 & May 4,
2004) for the debate on the accounting for stock options in 2003-04.
Source: Charles Steward III and Jonathan Woon's congressional database
(http://web.mit.edu/17.251/www/data page.html) and manual collection from congressional
hearing documents (https://www.govinfo.gov/).
*/
label var subcmtecapmar107 "Subcommittee member 107th Congress"
label var subcmtecapmar108 "Subcommittee member 108th Congress"
*label var subcmtecapmar_sample "Subcommittee member"


/*
** Electoral margin (= "margin")
Percentage point difference in the vote percentages between the winner and the
runner-up during the last congressional elections in the corresponding district.
Source: Federal Election Commission and Keith Poole's Voteview data website (http://voteview.com)
*/
label var margin "Electoral margin"


/*
** Seniority (= "lnhousesen")
The natural logarithm of the number of terms a representative has spent in Congress
during the corresponding congressional cycle. Surce: Charles Steward III and Jonathan Woon's
congressional database (http://web.mit.edu/17.251/www/data page.html)
*/
label var lnhousesen "Seniority"


/*
** Retired (= "retired108")
Indicator variable equal to one if the representative retired after the 108th
(stock option debate in 2003-04) or the 110th Congress (fair value debate in 2008-2009),
and zero otherwise. Source: Charles Steward III and Jonathan Woon's congressional
database (http://web.mit.edu/17.251/www/data page.html)
*/
label var retired108 "Retired"


/*
** Business background (= "business")
Indicator variable equal to one if a representative had a business related occupation prior
to joining Congress. The variable is constructed based on biographical data from the Center
for Responsive Politics. Source: Manual collection based on data from the Center for Responsive
Politics (http://www.opensecrets.org)
*/
label var business "Business background"


/*
** Accounting interest (= "fasbsec_full")
Indicator variable equal to one if a representative signed a letter submitted to the FASB
or the SEC Division of Corporation Finance between 2002 (when unsolicited FASB comment
letters start to become available online) and July 9, 2008 (start date in the timeline of
events in Online Appendix OD.1). Source: FASB’s Online Comment Letters (http://fasb.org)
and available comments to SEC Regulatory Actions (https://www.sec.gov/rules.shtml)
*/
label var fasbsec "Accounting interest"



*** Constituent interests
*** ============================================================

/*
** Workforce in high-tech (= empht2dis2totempnonagri2003)
Percentage of district non-agricultural employees employed in the following seven
private-sectors industries: NAICS 325 (chemical manufacturing), 334 (computer and
electronics manufacturing), 511 (publishing industries), 517 (telecommunications),
518 (data processing, hosting, and related services), 519 (other information services),
and 541 (professional, scientific, and technical services). The variable is based on
county level data from 2003, which has been transformed to congressional district
level by weighting employment data with the county's weight in the congressional
district using MABLE-Geocorr information from the Missouri Census Data Center.
Source: U.S. Bureau of Labor Statistics and Missouri Census Data Center's MABLE-Geocorr2k
(http://mcdc2.missouri.edu/websas/geocorr2k.html)
*/
label var empht2dis2totempnonagri2003 "Workforce in hightech"


/*
** Change in GDP (= "dis_ch_gdp_2003")
```

```
regional data on metropolitan statistical areas (MSAs), which has been transformed to
congressional district level by weighting GDP data with the MSA's weight in the congressional
district using MABLE-Geocorr information from the Missouri Census Data Center. Since the
definition of MSAs changed over time, we use historical data releases from the U.S. Bureau
of Economic Analysis to ensure correct matching to congressional districts. Specifically,
we use the data release from 26 September 2007 (13 September 2011) to compute the percentage
change in GDP for 2003 (2008) used in the analysis of the stock option debate in 2003-04
(fair value debate in 2008-09).
Source: U.S. Bureau of Economic Analysis and Missouri Census Data Center's MABLE-Geocorr2k
(http://mcdc2.missouri.edu/websas/geocorr2k.html)
*/
label var dis_ch_gdp_2003 "Change in GDP"


/*
Employee stock option interest (= soempcont022indiv)
Campaign contributions received during the 107th Congress from individuals that were
employed at companies whose employees wrote comment letters to the FASB opposing the
expensing of stock options in response to FASB issues No. 1101-001, No. 1102-011,
and No. 1102-100; relative to the sum individual contributions received during that
cycle. Employers with employees writing comment letters and contributing to election
campaigns include Altera, Applied Materials, Biosite Diagnostics, Cisco Systems, EFI,
EXAR, ILOG, Intel, JDS Uniphase, KLA-Tencor, Lantronix, Power Integrations, RF Micro
Devices, Sierra, Silicon Laboratories, Silicon Optix, Sun Microsystems, and Synopsys.
Source: Center for Responsive Politics (http://www.opensecrets.org) and
FASB’s Online Comment Letters (http://fasb.org)
*/
label var soempcont022indiv "Employee stock option interests"



**** ============================================================
*** KEEP RELEVANT VARIABLES
*** ============================================================

* keep relevant variables
#delimit ;
keep cong recipid cycle office id name rep
dwnom1
techsecpacam022nosecpac cloppacam022nosecpac IESOCpacam022nosecpac max_implied2ta2002
subcmtecapmar107 subcmtecapmar108 margin lnhousesen retired108 business fasbsec empht2dis2totempnonagri2003
dis_ch_gdp_2003 soempcont022indiv
hr1372 hr3574
;
#delimit cr

* order relevant variables
#delimit ;
order id recipid name cong cycle office rep
dwnom1
techsecpacam022nosecpac cloppacam022nosecpac IESOCpacam022nosecpac max_implied2ta2002
subcmtecapmar107 subcmtecapmar108 margin lnhousesen retired108 business fasbsec empht2dis2totempnonagri2003
dis_ch_gdp_2003 soempcont022indiv
hr1372 hr3574
;
#delimit cr

* label variables
label var office "Office"
label var rep "Republican"



**** ============================================================
**** PROPRIETARY: PREPARE HAND-COLLECTED STATEMENT/CONTENT DATA
**** ==============================================================

*...*


** MERGE WITH RESULTS FROM MANUAL CONTENT ANALYSIS
** ====================================================================
merge 1:1 id using "$FILEPATH/cr2master_politicians108_statement_contents.dta", gen(mcontent)
drop if mcontent==2
gen content_statement=(mcontent==3)
label var content_statement "Content Statement available"
order content_statement, after(hr3574)
drop mcontent


*** ============================================================
*** SAVE FINAL MASTER DATASET FOR STOCK OPTION ANALYSES
*** ============================================================

* save
compress
```

```
save "$FILEPATH/cr2masterdata_stockoptions_wstats.dta", replace
export excel using "$FILEPATH/cr2masterdata_stockoptions_wstats.xlsx", firstrow(varlabels) replace



*** ============================================================
*** TABLE 3
*** Support of Proposed Legislations on Stock Option Accounting
*** by Members of the U.S. House of Representatives
*** ============================================================

** Panel A: (Co-)Sponsorship of H.R. 1372 “Broad-Based Stock Option Plan Transparency Act”
tab rep hr1372, mi row

** Panel B: (Co-)Sponsorship of H.R. 3574 “Stock Option Accounting Reform Act”
tab rep hr3574, mi row



*** ============================================================
*** TABLE 4
*** Ideology, Special Interests and the Content of Representatives’
*** Statements in the Stock Option Debate
*** ============================================================

** Panel A: Ideology and Special Interests of Participating and Non-Participating Representatives
ttest dwnom1, by(content_statement)
ttest techsecpacam022nosecpac, by(content_statement)


** Panel B: Content of Statements on Stock Option Expensing and Representatives’ Ideology
estpost tabstat dwnom1, s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab4_pB_ideo_ttests.csv", replace addnotes(" ") scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") label nomtitle nonumber title("Basic summary statistics: Ideology")

foreach dcat of varlist ideo_execcomp ideo_wealth_worker ideo_scandal spec_hightech spec_recr spec_forcomp{
    estpost ttest dwnom1 if content_statement==1, by(`dcat')
    esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab4_pB_ideo_ttests.csv", append addnotes(" ") scsv cell("N_1 mu_1(fmt(3)) N_2 mu_2(fmt(3)) t(fmt(3)) p(fmt(3)) p_l(fmt(3)) p_u(fmt(3))") label nomtitle nonumber title("Argument: `dcat'")
}


** Panel C: Content of Statements on Stock Option Expensing and Representatives’ Special Interest Connections
estpost tabstat techsecpacam022nosecpac, s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab4_pC_specint_ttests.csv", replace addnotes(" ") scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") label nomtitle nonumber title("Basic summary statistics: Special Interests")

foreach dcat of varlist ideo_execcomp ideo_wealth_worker ideo_scandal spec_hightech spec_recr spec_forcomp {
    estpost ttest techsecpacam022nosecpac if content_statement==1, by(`dcat')
    esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab4_pC_specint_ttests.csv", append addnotes(" ") scsv cell("N_1 mu_1(fmt(3)) N_2 mu_2(fmt(3)) t(fmt(3)) p(fmt(3)) p_l(fmt(3)) p_u(fmt(3))") label nomtitle nonumber title("Argument: `dcat'")
}



**** ============================================================
**** PANEL ANALYSIS WITH INTERACTIONS
**** ============================================================

** CREATE PANEL DATASET
** ============================================================

* gen sample id and save dataset
gen sample=0
order sample
save "$FILEPATH/splitsample0.dta", replace

* replace sample id and save second dataset
replace sample=1
save "$FILEPATH/splitsample1.dta", replace

* append datasets
append using "$FILEPATH/splitsample0.dta"
erase "$FILEPATH/splitsample1.dta"
erase "$FILEPATH/splitsample0.dta"
tab sample


** GENERATE PANEL VARIABLES
** ============================================================

* rename sample variable
```

```
rename sample hr3574sample
label var hr3574sample "H.R. 3574 Support"

* Gen dependent variable for support of either bill
capture drop support
gen support=0
replace support=(hr1372==1) if hr3574sample==0
replace support=(hr3574==1) if hr3574sample==1
tab support hr3574sample
tab support hr1372 if hr3574sample==0
tab support hr3574 if hr3574sample==1

* Identify switchers
gen switch1=(hr1372==0&hr3574==1) // joined support
gen switch0=(hr1372==1&hr3574==0) // dropped support

** gen combined subcmtecapmar variable
gen subcmtecapmar_sample=1 if subcmtecapmar107==1&hr3574sample==0
replace subcmtecapmar_sample=1 if subcmtecapmar108==1&hr3574sample==1
replace subcmtecapmar_sample=0 if subcmtecapmar_sample==.
label var subcmtecapmar_sample "Subcommittee member"

* Generate indicator variables for specific cosponsoring of both bills
gen bothsponsor=(hr1372==1&hr3574==1)
gen anysponsor=(hr1372==1|hr3574==1)



** DEFINE RELEVANT SPECIAL INTEREST VARIABLES FOR REGRESSION ANALYSES
** ============================================================
local specvars techsecpacam022nosecpac cloppacam022nosecpac IESOCpacam022nosecpac max_implied2ta2002


*** ============================================================
*** TABLE 8
*** Political Connections, Ideology, and the Timing of Representatives'
*** Involvement in the Stock Option Debate: Sample and Descriptive Statistics
*** ============================================================

** PANEL A
** SAMPLE
** ============================================================

* Base sample #Representatives (108th Congress): 435

* Less: Congressional districts whose representatives left or joined the 108th Congress during the cycle
tab hr3574sample
tab hr1372 if hr3574sample==0
tab hr3574 if hr3574sample==1

* Less: Missing data for control variables on congressional district level
tab hr3574sample if dis_ch_gdp_2003!=.
tab hr1372 if hr3574sample==0&dis_ch_gdp_2003!=.
tab hr3574 if hr3574sample==1&dis_ch_gdp_2003!=.


** PANEL B
** DESCRIPTIVE STATISTICS
** ============================================================

preserve
* drop is control variables missing
drop if dis_ch_gdp_2003==.

eststo clear
estpost tabstat dwnom1 `specvars' subcmtecapmar_sample margin lnhousesen  retired108 business fasbsec empht2dis2totempnonagri2003 dis_ch_gdp_2003 soempcont022indiv, s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab8_desc.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) min(fmt(%9.3f)) p50(fmt(%9.3f)) max(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for support)
restore

*** ============================================================
*** TABLE 9
*** Political Connections, Ideology, and the Timing of Representatives'
*** Involvement in the Stock Option Debate: Univariate Tests
*** ============================================================

*** ======================================================================
*** DESCRIPTIVES H.R. 1372 / H.R. 3574
*** ======================================================================

#delimit ;
local descvars
dwnom1
techsecpacam02 techsecpacam022nosecpac
```

```
IESOCpacam022nosecpac
max_implied2ta2002
;
#delimit cr

** PANEL A: ALL REPRESENTATIVES
** ============================================================

eststo clear
estpost tabstat `descvars' if hr3574sample==1, by(anysponsor) s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab9_pA_anysupport_desc.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for `statvar')

eststo clear
qui estpost ttest `descvars' if hr3574sample==1, by(anysponsor)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab9_pA_anysupport_ttests.csv", scsv replace wide main(b) aux(p) b(%9.3f)  label noobs title(T-Tests for `statvar') star(* 0.10 ** 0.05 *** 0.01)


** PANEL B: SWITCHERS ONLY
** ============================================================

eststo clear
estpost tabstat `descvars' if hr3574sample==1&bothsponsor==0&anysponsor==1, by(hr3574) s(N mean sd min p50 max) c(s)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab9_pB_switcher_desc.csv", scsv cells("count mean(fmt(%10.3f)) sd(fmt(%10.3f)) p50(fmt(%9.3f))") longtable unstack replace compress nonumbers noobs label title(Descriptives for `statvar')

eststo clear
qui estpost ttest `descvars' if hr3574sample==1&bothsponsor==0&anysponsor==1, by(hr3574)
esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab9_pB_switcher_ttests.csv", scsv replace wide main(b) aux(p) b(%9.3f)  label noobs title(T-Tests for `statvar') star(* 0.10 ** 0.05 *** 0.01)



*** ============================================================
*** TABLE 10
*** Political Connections, Ideology, and the Timing of Representatives'
*** Involvement in the Stock Option Debate: OLS Panel Regressions
*** ============================================================

* drop is control variables missing
drop if dis_ch_gdp_2003==.

** ALL REPRESENTATIVES
eststo clear
foreach specvar of local specvars{
    reg support c.dwnom1 c.dwnom1#1.hr3574sample c.`specvar' c.`specvar'#1.hr3574sample 1.hr3574sample subcmtecapmar_sample margin lnhousesen  retired108 business fasbsec empht2dis2totempnonagri2003 dis_ch_gdp_2003 soempcont022indiv, cluster(id)
    eststo
    test dwnom1 + dwnom1#1.hr3574sample = 0
    estadd scalar ideo_p=r(p)
    test `specvar' + `specvar'#1.hr3574sample = 0
    estadd scalar spec_p=r(p)
}

** SWITCHER
foreach specvar of local specvars{
    reg support c.dwnom1 c.dwnom1#1.hr3574sample c.`specvar' c.`specvar'#1.hr3574sample 1.hr3574sample subcmtecapmar_sample margin lnhousesen  retired108 business fasbsec empht2dis2totempnonagri2003 dis_ch_gdp_2003 soempcont022indiv if bothsponsor==0&anysponsor==1, cluster(id)
    eststo
    test dwnom1 + dwnom1#1.hr3574sample = 0
    estadd scalar ideo_p=r(p)
    test `specvar' + `specvar'#1.hr3574sample = 0
    estadd scalar spec_p=r(p)
}

esttab using "$RESULTSPATH/2_stockoptions/`datestring'/stop_tab10_interaction_full+switcher.csv", scsv replace compress label b(%9.3f) se constant ///
stat(N r2_a ideo_p spec_p, fmt(%9.0f %9.3f %9.3f %9.3f) labels("N" "Adj. R-squared" "F-Test (p-value) Ideology" "F-Test (p-value) Special Interests")) ///
order(*dwnom1* *techsecpacam022nosecpac* *cloppacam022nosecpac* *IESOCpacam022nosecpac* *IESOCpacam022nosecpac* *max_implied2ta2002* 1.hr3574sample) ///
star(* 0.10 ** 0.05 *** 0.01) nonotes

```