

# Money in Politics

Joe Ely

## Full Report



The role of wealthy special interest money in U.S. politics has been called a Pay-to-Play or an enormous shell game or a menace to democracy by reformers, citizens and even several politicians, many of whom no longer in office and thus feel free to tell truths. Its defenders are many politicians and, of course, many big spending individuals and corporations, their lobbyists and consultants. Those defenders claim that any restriction on political contributions is an assault the constitutional right of speech and to the capitalist system. The topic is highly partisan, with Democrats generally in favor of regulating big money, and Republicans opposing regulation. However, both sides are dependent on big contributions and have built a ferocious financial hydra that can elect or destroy candidates and dictate policy.

There are many ways to sway public policy with money whether by an individual or an organization. One can make small or moderate **contributions, up to \$2,800, directly** to a candidate or to his / her election campaign. Then one could give another **\$5,000 to a PAC** for that candidate. Beyond that, one could give higher, but still be limited to **\$35,500, amounts to local, state and / or national party committees**. If all this is still not enough, and it all too often isn't, one could give **unlimited amounts to super PACs**, which are now **allowed to benefit or attack a candidate by name**, but are **not allowed to "coordinate"** with the candidate's campaign, so they make **"independent expenditures" (IE'S)** to pay for political communications. However, all of these **committees and PACs must disclose the donors to the FEC** and into the **public record**. In order to make **unlimited contributions anonymously**, one must give to a **501(c) "social welfare"** organization, which then gives to a **super PAC**. There are other ways to give anonymously, either by forming **Limited Liability Companies (LLC's)** or by **timing Federal Election Committee (FEC) reports**. This is the byzantine scheme that politicians have set up to avoid accountability to the voters.

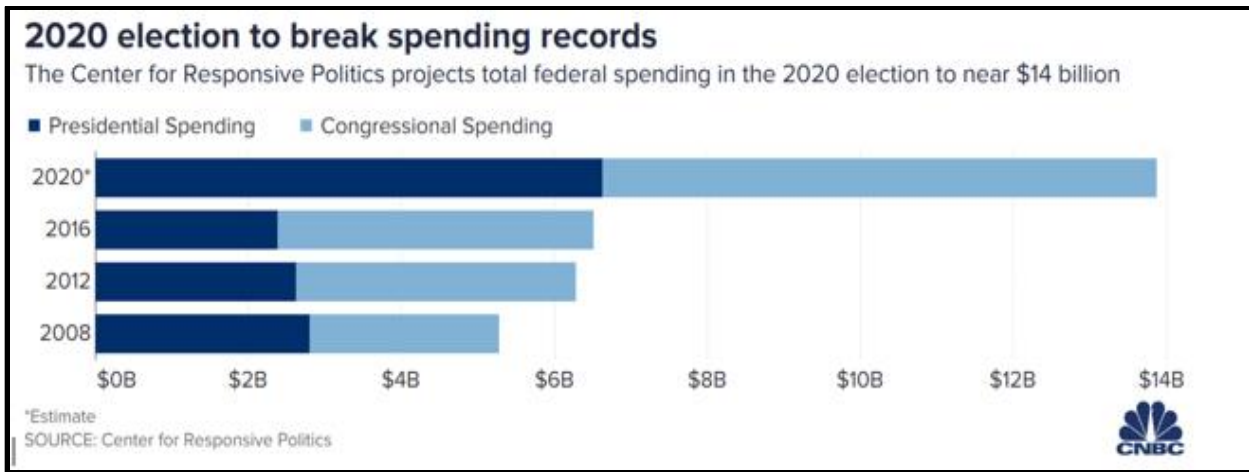
Beyond the political aspect is the moral aspect and the effect on the health of our democracy. Big money radically dilutes the power of each of our votes to the point where many people believe that their vote is worthless.

Wealthy special interest money has infected both the Republican and Democratic parties, although not equally in all respects. This report attempts to avoid a partisan slant, however the two parties have starkly opposite positions about the influence of the huge amounts of money spent in elections. The Democratic Party seems at this time ready to adopt reforms, the Republican Party has vowed to remove all limits and regulation of campaign finance.

The corrosive influence of big money in politics is prevalent in every state, much of it coming from the same donors as at the federal level. However, this report addresses only the federal level, except in the case where states or localities have employed solutions or ideas that might be applicable at the federal level.

## Recent Campaign Financing Trends

Big Money in Politics is not waning, but **massively expanding**. And despite a major increase in internet contributions, the pace of large donations is accelerating the most. The contribution share of a few very wealthy individuals and organizations is growing rapidly. And that money strongly affects the outcomes.



- About **\$14 billion** was spent for the 2020 election federal elections, half being spent for the office of president. About 150,000,000 million Americans voted, for about **\$90 spent per voter**.
- The 2020 total spending more than **doubles that in 2016**.
- **27%** of all 2020 spending was in **small donations** (under \$200). **43%** was in **large donations** by individuals. **4.2%** came from **PACs**. Almost **10%** was candidate **self-funding** (thanks to Bloomberg and Steyer). The **top 100 donors** accounted for **11.4%**. The **top 10** human donors accounted for **5.5%**.
- About **\$2.6B** (16%) came from **Independent Expenditures** in 2020, up from **\$1.3B** (20%) in **2016**, and up from **less than \$200 million** before the 2010 **Citizens United decision**  
<https://www.opensecrets.org/news/2020/10/2020-election-to-near-11-billion-in-total-spending-smashing-records/>  
[Unprecedented donations poured into 2020 state and federal races • OpenSecrets](#)
- **Highest spenders won their elections 90% of the time.**  
<https://www.opensecrets.org/elections-overview/winning-vs-spending?cycle=2020>
- **Incumbents raise 6 to 7 times more than the average challenger**
- On average, spending by incumbents who were defeated in 2020 was 25% greater than challengers who won, and by incumbents who won, spending was 270% greater than challengers.  
<https://www.opensecrets.org/elections-overview/incumbent-advantage>

## Who is right?

As Democrats, we want to protect and promote democracy, and place it in a higher order than pure capitalism. However, leaders on both sides of the issue have been vehement in making their cases.

## Reformers & Watchdogs

**The For the People Act (H.R.1 / S.1)** is the most important campaign finance bill since the Citizens United vs. FEC Supreme Court decision in 2010, which released a murky deluge of big money in politics. The bill corrects many of the abuses of our campaign finance system. It also protects voter's rights, strengthens election security and strengthens government ethics and accountability to the people. It scores **67% positive among U.S. voters**, including **56% of Republican voters**. **President Biden** is strongly in favor of it. It was **passed in the U.S. House** by a Democratic partisan vote, and will face a **partisan battle in the Senate**. The bill is supported by most civil rights, human rights, labor unions, progressive legal institutes, including the **ACLU, NAACP, Sierra Club, Center for Constitutional Rights, League of Women Voters, the Brennan Center for Justice, and the League of Conservation Voters**, as well as the **New York Times, Washington Post**.

H.R.1 is opposed by the **Republican Party leaders**, the **Heritage Foundation**, the **Cato Institute**, the **U.S. Chamber of Commerce**, the **National Review** and the **Wall Street Journal**.

[https://en.wikipedia.org/wiki/For\\_the\\_People\\_Act](https://en.wikipedia.org/wiki/For_the_People_Act)

A 2016 experimental study in the [\*American Journal of Political Science\*](#) found that politicians made themselves **more available** for meetings with individuals when they believed that the individuals had **donated** to their campaign. A 2011 study found that "even after controlling for past contracts and other factors, companies that **contributed more money** to federal candidates subsequently **received more contracts**."<sup>1</sup> A 2016 study in the *Journal of Politics* found that industries overseen by committees **decreased** their contributions to congress members who **recently departed** from the committees and that they **immediately increased** their contributions to **new members** of the committees, which is "evidence that **corporations and business PACs use donations to acquire immediate access and favor**—suggesting they at least **anticipate that the donations will influence policy**."

[https://en.wikipedia.org/wiki/Campaign\\_finance\\_in\\_the\\_United\\_States#Impact\\_of\\_finance\\_on\\_the\\_results](https://en.wikipedia.org/wiki/Campaign_finance_in_the_United_States#Impact_of_finance_on_the_results)

There are many organizations that closely track and report money in politics to the extent possible in a system that is intentionally re-engineered to prevent accountability. The most prominent and most proficient are **The Center for Responsive Politics** ([www.opensecrets.org](http://www.opensecrets.org)), **The Center for Media and Democracy** ([www.prwatch.org](http://www.prwatch.org)), **Ballotpedia.org**, **Public Citizen** ([www.citizen.org](http://www.citizen.org)), **Represent.us**, **MoveToAmend.org**, **VotersEdge.org**, and **FollowTheMoney.org** (state campaign financing). A great deal of the information that is reported by all of these organizations, by the media, and Wikipedia, including this document, is sourced from OpenSecrets.org, which in turn downloads information from the Federal Elections Committee and the IRS, among other sources. The OpenSecrets website lists almost 3,000 financial supporters from the largest, Carnegie Corporation (\$1,000,000), to the smallest (below \$99). The **Center for Responsive Politics (CRP)**, the **National Institute on Money and Politics** and the **Brennan Center** are in the process of **merging**. The product of this merger will be a very formidable watchdog organization.

Here are some arguments in favor of reform:

- Office holders will be **accountable to only to the voters** not wealthy special interests, such as mega-millionaires and corporations. Votes will matter, not wealth.
- Americans' **faith** will be restored in the power of **their vote**
- **Democracy** will be greatly **strengthened**, and **plutocracy defeated**
- **Political Justice** will enable **economic** justice, **environmental** justice, **educational** justice, **healthcare** justice, **social / racial** justice, **criminal** justice, **worker** justice.
- Campaign finance reform **polls overwhelmingly positive** among Democrats, Independents, and Republicans
- **Political leaders** have much more time to **do the job** that **voters** elected them to do instead of raising money
- **Americans need to know** who is supporting candidates, and **how generously**
- Large contributors are often extremist
- Secret Quid pro Quo is expected by contributors

<https://www.npr.org/2010/01/21/122823118/Opposing-Views-Of-Campaign-Finance-Decision>

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## Defenders of the Current System

The only readily identifiable organization solely dedicated to weakening or eliminating campaign financing regulation is the **Institute for Free Speech**. Its website does not identify its financial supporters, however the

Center for Media & Democracy ([www.sourcewatch.org](http://www.sourcewatch.org)) reports that over **70%** of funding comes from the very conservative **Donors Capital** fund. Other strong opponents are the **Heritage Foundation** and the **Cato Institute**. In most cases, leaders who oppose campaign financing regulations and limits but favored disclosure to the FEC and the public now oppose disclosure.

Here are some arguments against reform:

- Limiting campaign spending limits outreach and debate
- More money can overcome low name recognition
- More money is needed for registration and GOTV
- Limiting contributions violates free speech
- Limiting fund raising prevents some candidates from running
- Small contributions will require more time fund raising
- Incumbents will have the advantage
- Small donations or public funding increases partisanship
- Parties will be less powerful
- No more tax money for politicians
- Tax payers would be forced to support candidates that they disagree with
- Other government programs would be denied funds that are used for public financing
- Quid pro Quo is not legal and has not been widely practiced
- Complexity of regulations make funding less transparent
- Disclosure puts contributors at risk
- Limits have not kept up with inflation

<https://www.npr.org/2010/01/21/122823118/Opposing-Views-Of-Campaign-Finance-Decision>

<https://time.com/4182502/campaign-finance-reform/>

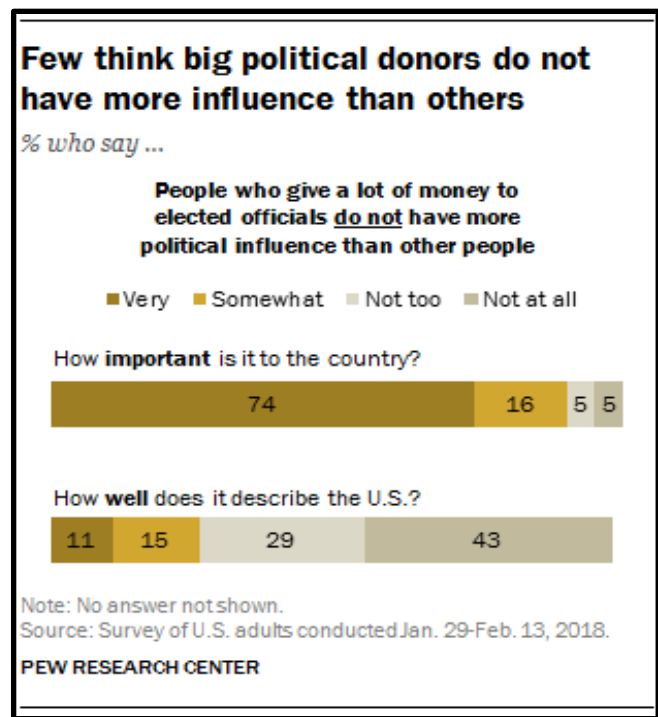
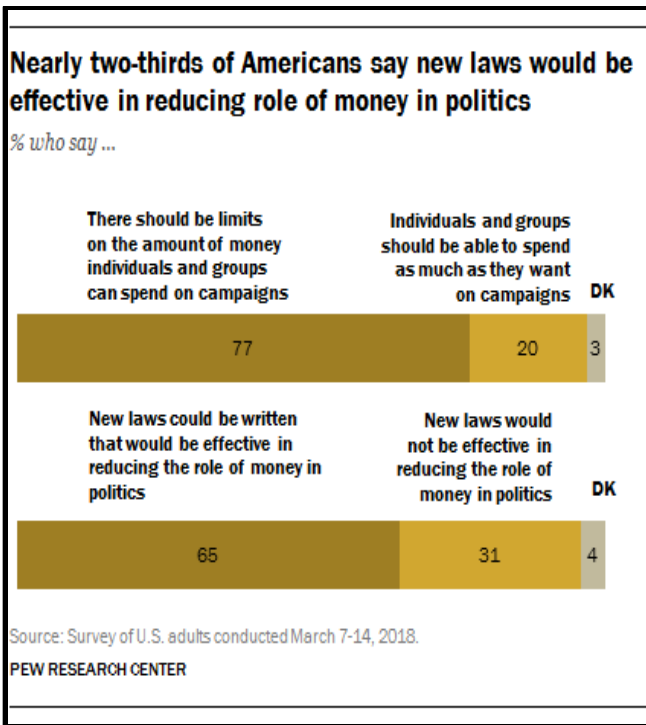
<https://www.heritage.org/budget-and-spending/report/campaign-finance-reform-the-good-the-bad-and-the-unconstitutional>

The following links provide additional sourcing of the aforementioned arguments and some background.

- <https://www.ifs.org/research/overwhelmingly-opposed-an-analysis-of-public-and-955-organization-expert-and-public-official-comments-on-the-irss-501c4-rulemaking/>
- [https://aceproject.org/ace-en/topics/pc/pca/pca02/pca02a/pca02a5/mobile\\_browsing/onePag](https://aceproject.org/ace-en/topics/pc/pca/pca02/pca02a/pca02a5/mobile_browsing/onePag)
- <https://www.rochester.edu/newscenter/does-money-in-politics-threaten-us-democracy-442802/>
- <https://www.ifs.org/research/citizens-united-corruption/>
- <https://nationalpress.org/topic/the-pros-and-cons-of-campaign-finance-limits/>

## Public Perception

In 2018 the Pew Research Center conducted a poll of Americans' preference and perception of Money in Politics. It reflects a strong desire to avoid undue influence of large campaign contributors and a strong impression that this condition exists in America.



<https://www.pewresearch.org/fact-tank/2018/05/08/most-americans-want-to-limit-campaign-spending-say-big-donors-have-greater-political-influence/>

## Federal Elections Commission (FEC)

The Federal Elections Commission was created by Congress in 1975, as part of an amendment to the 1971 Federal Election Campaign Act, to regulate federal campaign finance practices. It collects contribution data and provides disclosure. The FEC maintains an extensive online database of contributions. Each of 6 commissioners serves a 6-year term on a rotating basis. They are nominated by the President and confirmed by the Senate. No more than 3 can be from the same party, ensuring a 3-3 deadlock condition because Republicans refuse to investigate complaints. Due to resignations, the commission did not have a quorum of 4 members between August, 2019 and December, 2020. It is **essentially a toothless tiger**. During the era of unlimited-spending super PACs closely tied to political parties, it has **not once punished** a group for illegal campaign coordination.

[https://en.wikipedia.org/wiki/Federal\\_Election\\_Commission](https://en.wikipedia.org/wiki/Federal_Election_Commission)

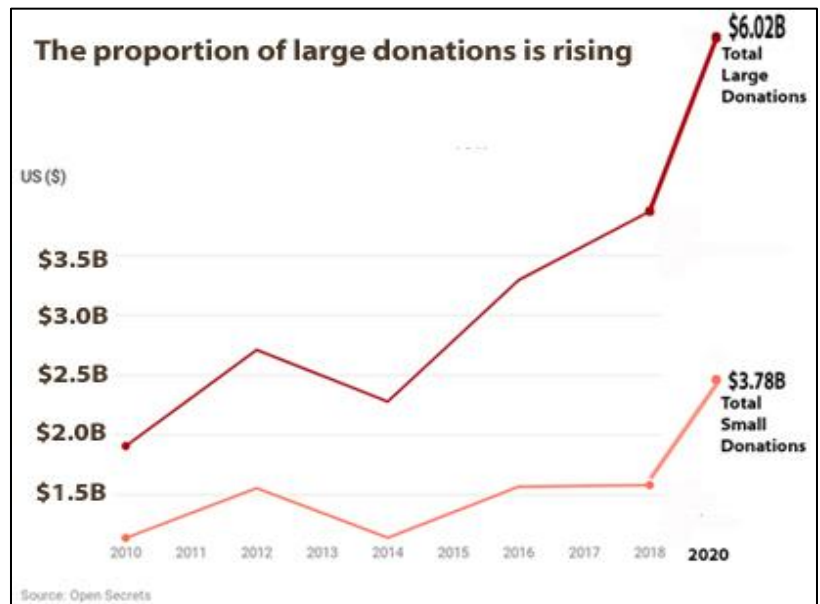
## Contribution types

- **Hard Money**
  - Made directly to candidate's campaign.
  - Subject to FEC candidate campaign limits
  - Contributions by corporations and unions prohibited
- **Soft Money**
  - Original definition has been modified by court decisions, laws and regulations to allow organizations that do not contribute directly to national candidates or parties to ignore contribution amount and source, expressed advocacy (e.g. "Vote for") restrictions.
  - Can be collected by state parties and sent to national parties, who spend as they please, including for candidates.

- Called legalized money laundering. Includes super-PACs, Independent Expenditure Committees (IE's), 527 orgs, and 501(c) orgs. (see Groups of Contributors, below)

- **Large Contributions**

- Contributions greater than \$200.
- Must be reported to FEC
- **The dollar gap between small and large donations is widening**
- in 2018, **large donations accounted for 71% of total fundraising**
- For purposes of this report, large donations include **hard money** (limited to \$2,800 per individual) and soft money, which is unlimited



One example of **hard and soft large donations** can be illustrated by the money spent during negotiations for the first Covid relief bill in 2020, when Republicans wanted to insert **liability protection for businesses**. The US Chamber of Commerce supported protection and the American Association for Justice, a lawyers group, opposed it.

<https://theconversation.com/the-scale-of-us-election-spending-explained-in-five-graphs-130651>

The report author has extended the graph to include 2020

The [Chamber of Commerce](#) and the American Association for Justice are among the most powerful lobbying groups in the country. The Chamber has been the largest lobbying spender every year since 2001. The group has also contributed **\$436,000** to federal races in the 2020 cycle and spent nearly **\$2 million** to air ads almost exclusively benefitting Republican candidates.

The [American Association for Justice](#) is among the top 2 percent of lobbying spenders who have disclosed work on issues related to COVID-19 between April and July. The group's PAC contributed over **\$1.5 million** to Democratic federal candidates and gave nearly **\$300,000** to Democratic committees and \$928,500 to other liberal groups. The PAC also bundled **\$484,000** for the Democratic Congressional Campaign Committee in the second half of 2019, before the outbreak.

[Toxic Influence: Influential lobbying groups battle over GOP coronavirus liability proposal • OpenSecrets \(mailchi.mp\)](#)

Here's another big money story from the Wall Street Journal:

The private-equity industry is pouring millions of dollars into the 2020 elections, with some donors hoping to prevent full Democratic control of Capitol Hill and the potential for tighter oversight of their sector.

Employees of private-equity firms and other investment firms, not including hedge funds, spent **\$91.7 million** on 2020 congressional races and presidential campaigns through July 21, according to the Center for Responsive Politics, a nonprofit group that researches money in politics.

With a spending surge in the coming months, the industry could approach the record of almost **\$118 million** that it spent on the 2016 elections.

The private-equity industry has in the past several elections split its spending fairly evenly between the two major parties, a trend that has held this year. Democrats have received 54% of the roughly **\$47 million** contributed to candidates and party committees by private-equity industry employees. The industry has also given more than **\$44 million** to outside groups.

[Private-Equity Executives Pour \\$92 Million Into 2020 Races - WSJ](#)

One more out of many, many, many stories illustrates the nonsensical nature of the campaign financing system that we have now come about with the enactment of the Cares Act in response to the Covid-19 crisis. An energy drink company that donated **\$250,000** in corporate money to President [Donald Trump's](#) preferred super PAC got an emergency potentially forgivable small business loan worth **between \$5 million and \$10 million**. That super PAC is the America First Action, which is led by Trump appointed former head of the Small Business Administration [Linda McMahon](#). The super PAC has spent nearly **\$16 million** supporting Trump's reelection campaign this cycle. Earlier this year, Trump was recorded [giving special consideration](#) to America First Action donors. Apart from the very corrupt super PAC part of the story, the specter of corruption is raised by every benefit dispensed by government as long as we have a system that invites corruption.

[https://www.opensecrets.org/news/2020/07/company-that-gave-six-figures-to-pro-trump-super-pac-got-ppp-loan-over-5-million/?utm\\_source=OpenSecrets+Donor+List&utm\\_campaign=b18ef82fce-&utm\\_medium=email&utm\\_term=0\\_8ce7c3ba3d-b18ef82fce-212230541](https://www.opensecrets.org/news/2020/07/company-that-gave-six-figures-to-pro-trump-super-pac-got-ppp-loan-over-5-million/?utm_source=OpenSecrets+Donor+List&utm_campaign=b18ef82fce-&utm_medium=email&utm_term=0_8ce7c3ba3d-b18ef82fce-212230541)

The OpenSecrets.org website provides an interactive listing of large contributors at

<https://www.opensecrets.org/elections-overview/biggest-donors>.

- **Small Contributions**

Small contributions **increased more than 220%** in the 2020 election cycle thanks to technical innovation, and perhaps because most campaigning happened online due to the Covid-19 pandemic. Some say that polarization was also a cause, however a Mother Jones article makes a convincing case that small contributions are **not a result of polarization**, and that they have a moderating effect on partisanship. Due to continued high-interest, high-stakes nature of the election and ease with which political campaigns could reach donors online small contribution **volume will likely continue to rise**.

[Small donors ruled 2020; will that change post-Trump? • OpenSecrets Democracy in the Crosshairs • The Atlantic](#)

- For contributions of less than \$200 **reporting** to the FEC is not **required**, but donor records must be kept by the receiving campaign. Multiple small donations to the same recipient amounting to over \$200 must be reported.
- Anonymous campaigns for more than \$50 are prohibited.
- Small donations increased by **\$2 billion** between 2018 and 2020, however the **gap** between small donation amounts and large donations is **greater than ever**.
- Small contributions comprised **27%** of 2020 money raised in 2020 elections, **14%** more than in 2016, despite pandemic's impact on the economy and the income of many families
- In 2020, **39% of Biden** funding and **49% of Trump** funding was from small donations (adjusted to factor in contributions transferred to candidates from any linked joint fundraising committees).

<https://www.opensecrets.org/2020-presidential-race/small-donors>

- Trump's allies in Congress such as Reps. [Matt Gaetz](#) (R-Fla.) and [Elise Stefanik](#) (R-N.Y.) **received** a significant portion of their campaign donations from small donors in 2020, raking in **\$3.8 million** and **\$6.2 million**, respectively.

[Small donors ruled 2020; will that change post-Trump? • OpenSecrets](#)

The advent of **electronic money, cryptocurrency, and crowdfunding** makes the distinction between small and large donations somewhat meaningless. **Crowdfunding** is the digital equivalent of **bucket collecting**.

In general, donations can be collected through a third-party platform, or directly by the entity itself through its own website. Crowdfunding has been applied to business, creative and charity projects, as well as political activism and campaign projects—however, it increasingly helps raise funds for regulated political organizations and candidates. Platforms now exist—notably **CrowdPac** and **Flippable**—to perform this function in the United States.<sup>40</sup> Both platforms are aligned with the Democrats, who pioneered this form of political fundraising. Flippable only targets seats that can flip from Republican to Democrat.

No equivalent platforms exist on the Republican side, but **candidates** for any US party can, and do, raise small donations on their **own websites**, which allow supportive visitors to donate using their credit or debit cards. The identity of these small donors is presently protected under electoral law, which does not require donors to identify themselves, unless they contribute more than \$200.

<https://www.atlanticcouncil.org/in-depth-research-reports/report/democracy-in-the-crosshairs-how-political-money-laundering-threatens-the-democratic-process/>

In recent years, political campaigns have increasingly begun using a dubious fundraising tactic: promising donors their contributions will be **matched by two, three, or even five times**. Donald Trump’s campaign—the most prolific user of this ploy—went so far as to pledge to multiply contributions by a **factor of 10**. These type of fundraising appeals are **almost never true**, because strict contribution limits make donor-matching nearly impossible. Nevertheless, political candidates and committees have so far gotten away with these false claims, though that may not be the case for much longer. In a recent court filing, federal prosecutors highlighted the donor-matching gambit as deceptive and called out the language that the Trump campaign often employed.

<https://www.motherjones.com/politics/2021/05/the-justice-department-considers-the-trump-campaigns-favorite-fundraising-tactic-a-scam/>

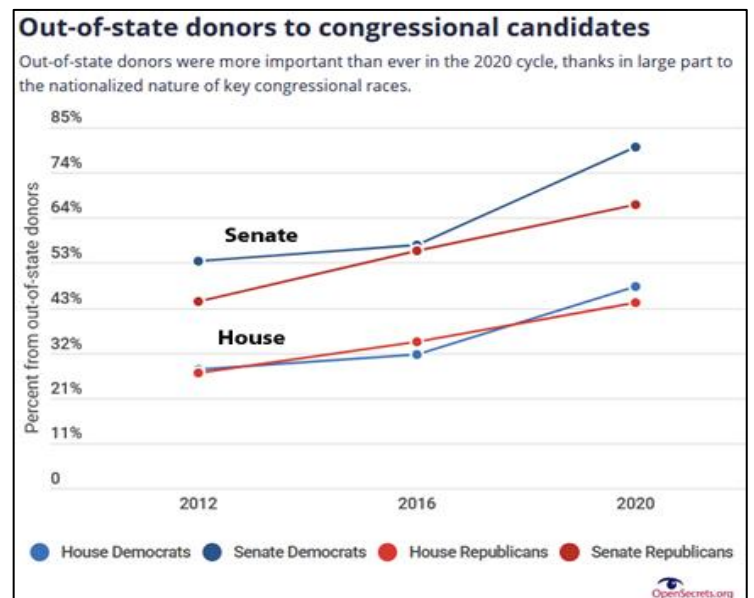
The explosion of small-dollar contributions to federal candidates correlated with candidates’ increased reliance on donations from individuals who live out of state. Democratic Senate candidates [Amy McGrath](#) of Kentucky and [Jaime Harrison](#) of South Carolina, who hold the [top two spots](#) for most money raised by a congressional campaign, each brought in more than **90%** of their money from outside their home states.

The poverty rate in 2020 was 9.2%, down from 10.2% in 2019 because of pandemic policy actions. Without those actions, the 2020 rate would have been 12.4%. **Fewer than 4 in 10 Americans have enough money set aside to cover an unexpected \$1,000 expense**, such as a trip to the ER or car repairs, according to a new survey.

It seems reasonable to conclude that for those people, even small donations would be **beyond their means**, further increasing their sense of political **disempowerment**.

<https://www.urban.org/sites/default/files/publication/102521/2020-poverty-projections.pdf>

<https://www.cbsnews.com/news/financial-emergency-savings-americans-cover/>

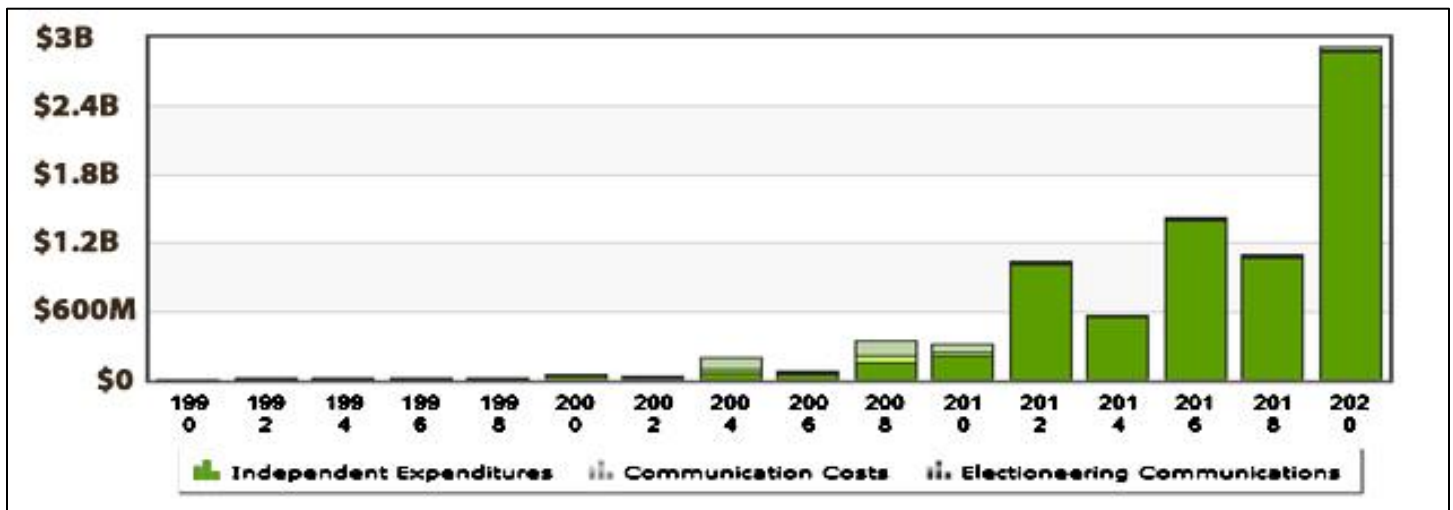




## Independent Expenditure (IE)

An IE is not your father's contribution. It is a form of political "outside spending" made by groups or individuals independent of, and **supposedly not coordinated** with, candidates' committees. Groups in this category range from **conventional** party committees to the more controversial **super PACs** and **501(c) "dark money" organizations**. IE's have been adjudicated to be a form of **speech** by the Supreme Court, and therefore **protected under the First Amendment**.

### Total Outside Spending by Election Cycle, Excluding Party Committees in 2020 Federal Elections



[https://www.opensecrets.org/outsidespending/cycle\\_tots.php](https://www.opensecrets.org/outsidespending/cycle_tots.php)

**Corporations accounted for no more than one-tenth** of independent groups' fundraising in each election cycle since the ruling. But secretly funded nonprofits and trade associations that influence elections take money from major companies in amounts that are mostly unknown.

<https://www.opensecrets.org/news/reports/a-decade-under-citizens-united#megadonors>

## Donor Characteristics

Donations of fewer than **400 super wealthy families** comprise **nearly half** of all publicly disclosed presidential campaign financing, according to a New York Times analysis of FEC and Internal Revenue Service (IRS) filings in Summer 2015 of the 2016 presidential campaign cycle. These donors exploit the Super PAC loophole, which bypasses the traditional donation maximum for an individual in any year. On the Republican side, just around 130 exceedingly rich families accounted for more than half of the publicly disclosed presidential candidate campaign financing. For several major Republican presidential candidates, a handful of donors and their businesses accounted for most of the donations to the candidate.

A 2017 study found that **"only a small portion of Americans make campaign donations"** and that both Democratic and Republican donors "are more **ideologically extreme** than other partisans, including primary voters. With respect to why individuals contribute, we show that donors appear responsive to their perception of the stakes in the election."

Another 2017 study found that relatively **unpopular industries provide larger contributions to candidates**. The authors of the study argue that this is because candidates lose voter support when they are associated with unpopular industries and that the industries therefore provide larger contributions to compensate for this loss of support.

[https://en.wikipedia.org/wiki/Campaign\\_finance\\_in\\_the\\_United\\_States#Donor\\_characteristics](https://en.wikipedia.org/wiki/Campaign_finance_in_the_United_States#Donor_characteristics)

The top 100 federal elected officeholders received **\$36 million** from **lobbyists and their families** in 2020.

The [Pew Research Center](#) analyzed data from a major election survey called the American National Election Studies. That data showed about **12%** of Americans said they **gave to candidates in 2016**, 9% gave to parties and 5% gave to other groups

<https://www.politifact.com/factchecks/2020/jan/24/andrew-yang/what-percent-americans-donate-political-candidates/>

This table shows that a **very small** percentage of Americans made contributions **over \$200**.

Who Made Federal Campaign Contributions for 2020 Election Cycle?		
	Female	Male
Total US adult population (age 18 & over)	129,277,451	122,786,349
Pct of US adult population giving \$200+	1.59%	2.02%
Pct of US adult population giving \$2,700+	0.15%	0.26%

<https://www.opensecrets.org/elections-overview/donor-demographics>

## Groups of Contributors

**Political Action Committee (PAC)** — a political committee that raises and spends limited "hard" money contributions for the express purpose of electing or defeating candidates. Organizations that raise soft money for issue advocacy may also set up a PAC. Most PACs represent business, such as the Microsoft PAC; labor, such as the Teamsters PAC; or ideological interests, such as the EMILY's List PAC or the National Rifle Association PAC. An organization's PAC will collect money from employees or members and make contributions in the name of the PAC to candidates and political parties. Individuals contributing to a PAC may also contribute directly to candidates and political parties, even those also supported by the PAC. **All** types of PACs must **disclose** their **donors** and are subject to **FEC contribution limits**. (See the chart below.) There are several types of PACs.

- **Connected PAC** (also called Separate Segregated Funds – SSF)
  - Collect from “restricted class” (employees, shareholders, union members)
  - Operational costs are paid by “sponsoring” corporation or union
- **Non-connected PAC**
  - Operational costs borne by donors
  - Must not cooperate with candidate campaign
- **Leadership PAC**
  - Formed most often by elected office holders and candidates to circumvent limits to individuals and parties directly to candidate campaigns
  - Makes unlimited IEs
  - Office holder can sponsor own Leadership PAC, paying for operational costs
  - **Less than 45 percent** of leadership PAC money goes to **candidates**. Instead, sponsors use them to pay for vacations, meals, golf club memberships, and family member salaries

<https://www.washingtonpost.com/outlook/2018/09/25/leadership-pacs-are-campaign-finance-scandal/>
- **Parties**
  - Can contribute directly to candidate campaigns, subject to generous limits

- Can make coordinated expenditures to campaigns in general elections
- Can make IE's
- **Super PAC**
  - Not legally a PAC because it can raise unlimited funds and make unlimited IE's
  - Make IE's only
  - **May advocate** for specific candidates
  - **The top 1% of donors account for 96% of Super PAC funders**
  - Disclosure can be defeated by FEC rules allowing monthly or quarterly reports or by listing an LLC
  - Elizabeth Warren and Bernie Sanders refused PAC (connected & non-connected), but were supported along with most other candidates, by Super PACs
- **Hybrid PACs (Carey Committees)**
  - **Not affiliated with a candidate** and has the ability to operate both as a **traditional PAC**, contributing funds to a candidate's committee, and as a **super PAC**, which makes IE's
  - Must have a separate bank account (Separate Segregated Fund – SSF) for each purpose
  - Can collect unlimited contributions from almost any source for its IE account
  - May not use those IE funds for its traditional PAC contributions.

As a result of the **Capitol riot** on January 6, 2021, over **100 major corporate PACs suspended contributions**, some to all candidates, some to those who voted against certifying Biden's election, some for 6 months, and some indefinitely. Some PAC's have resumed contributions as the dust settles. There is also a longer trend that indicates **that PAC contributions are being overtaken by dark money organizations** because large donors, especially corporations prefer anonymity.

<https://www.salon.com/2021/07/27/big-corporate-pacs-once-again-funding-gops-sedition-caucus-as-hearings-on-capitol-riot-begin/>

For complete, sortable listings of 2020 PACs, see

<https://www.opensecrets.org/outsidespending/summ.php?chrt=V&type=S>

### FEC Contribution Limits

DONORS	RECIPIENTS				
	Candidate Committee	PAC <sup>[Note 1]</sup> (SSF and Nonconnected)	State/District /Local Party Committee	National Party Committee	Additional National Party Committee Accounts <sup>[Note 2]</sup>
<b>Individual</b>	\$2,800 <sup>[Note 3]</sup> per election	\$5,000 per year	\$10,000 per year (combined)	\$35,500 <sup>[Note 3]</sup> per year	\$106,500 <sup>[Note 3]</sup> per account, per year
<b>Candidate Committee</b>	\$2,000 per election	\$5,000 per year	Unlimited Transfers		
<b>PAC - Multicandidate</b>	\$5,000 per election	\$5,000 per year	\$5,000 per year (combined)	\$15,000 per year	\$45,000 per account, per year
<b>PAC - Nonmulticandidate</b>	\$2,800 <sup>[Note 3]</sup> per election	\$5,000 per year	\$10,000 per year (combined)	\$35,500 <sup>[Note 3]</sup> per year	\$106,500 <sup>[Note 3]</sup> per account, per year
<b>State, District &amp; Local Party Committee</b>	\$5,000 per election	\$5,000 per year	Unlimited Transfers		
<b>National Party Committee</b>	\$5,000 per election <sup>[Note 4]</sup>	\$5,000 per year			

FEC classifications of political groups blend together with the IRS classifications of many of the same groups that are defined by sections (501, 527) of IRS regulations.

- **501(c) Groups** — Nonprofit, tax-exempt groups organized under section 501(c) of the Internal Revenue Code that can engage in varying amounts of political activity, depending on the type of group. For example, 501(c)(3) groups operate for religious, charitable, scientific or educational purposes. These groups are not supposed to engage in any political activities, though some voter registration activities are permitted. 501(c)(4) groups are commonly called "social welfare" organizations that may engage in political activities, as long as these activities do not become their primary purpose. Similar restrictions apply to Section 501(c)(5) labor and agricultural groups, and to Section 501(c)(6) business leagues, chambers of commerce, real estate boards and boards of trade.
- Section 527 includes 501 organizations and any other political organization, such as parties and Super PACs.

The chart below compares seven federal tax law attributes of five common types of tax-exempt organizations.

Federal tax law attributes of five common types of tax-exempt organizations	501(c)(3)	501(c)(4)	501(c)(5)	501(c)(6)	527
Receive tax-deductible charitable contributions	YES	NO	NO	NO	NO
Receive contributions or fees deductible as a business expense	YES	YES	YES	YES	NO
Substantially related income exempt from federal income tax	YES	YES	YES	YES	YES
Investment income exempt from federal income tax	LTD*	YES	YES	YES	NO
Engage in legislative advocacy	LTD	YES	YES	YES	LTD
Engage in candidate election advocacy	NO	LTD	LTD	LTD	YES
Engage in public advocacy not related to legislation or election of candidates	YES	YES	YES	YES	LTD

\*Private foundations are [subject to tax](#) on their net investment income.

## Legislation and Court Decisions

There have been many attempts to rein in the corrupting power over government bodies and leaders (that is, the people) that is wielded by wealthy and powerful special interests. The following list contains measures that were attempted to either **empower** the people, usually **by legislation**, or **defeat those attempts**, usually **by challenges in court**. See <https://www.mtsu.edu/first-amendment/encyclopedia/case/21/campaign-finance-and-other-political-campaign-regulations> for a more comprehensive list. Sometimes the courts have ruled beyond the original challenges to further empower the special interests over the “We the People”.

- Tillman Act of 1907
  - Prohibited **corporations** and nationally chartered (interstate) banks from making direct financial contributions to federal candidates.
  - Weak enforcement mechanisms made the Act **ineffective**.
  - Disclosure requirements and spending limits for House and Senate candidates followed in 1910 and 1911.
- Federal Corrupt Practices Act (1925).
  - Enacted general **contribution limits**

- Hatch Act of 1939
  - An amendment set an annual ceiling of **\$3 million for political parties' campaign expenditures** and **\$5,000 for individual** campaign contributions.
- Smith-Connally Act (1943) and Taft-Hartley Act (1947)
  - Extended the corporate ban to labor **unions**.
- Federal Election Campaign Act – FECA (1971)
  - Instituted various campaign finance **disclosure** requirements for federal candidates, political parties, and political action committees.
  - Amended in 1974
    - established a comprehensive system of regulation and enforcement
    - caps on
      - Contributions by **individuals** to candidates
      - Contributions by **PACs** to candidates
      - Total campaign **expenditures**
      - **Independent expenditures** by individuals and groups relative to a clearly **defined candidate**
    - Enacted **public financing** of presidential campaigns
- Buckley v. Valeo (1976)
  - Held that limits on most campaign spending violated rights to free speech – **Money is speech**
  - Introduced “**expressed advocacy**” principle (e.g. “Vote for”)
  - **Upheld donation limits**, citing state interest in avoiding corruption or appearance of corruption  
[https://en.wikipedia.org/wiki/Buckley\\_v.\\_Valeo](https://en.wikipedia.org/wiki/Buckley_v._Valeo)
- FEC Advisories (1977 – 2005)
  - Permitted political parties to fund "mixed-purpose" activities—including get-out-the-vote drives and generic party advertising—in part with **soft money**, and to use soft money to defray the costs of "legislative advocacy media advertisements," even if the ads mentioned the name of a federal candidate, so long as they did **not expressly advocate** the candidate's election or defeat.  
[https://en.wikipedia.org/wiki/Campaign\\_finance\\_in\\_the\\_United\\_States#Attempts\\_to\\_regulate\\_campaign\\_finance](https://en.wikipedia.org/wiki/Campaign_finance_in_the_United_States#Attempts_to_regulate_campaign_finance)
- Colorado Republican Federal Campaign Committee v. FEC (1996)
  - Ruled that **Congress could not restrict** the total amount of "**independent expenditures**" made by a political party without coordination with a candidate, **invalidating** a FECA provision that restricted how **much a political party could spend** in connection with a particular **candidate**
- Bipartisan Campaign Reform Act (BCRA - 2002) – McCain, Feingold
  - Co-authored by Sen. John McCain, seeking redemption after his role in the \$160 billion Savings and Loan scandal was exposed
  - Rulings **allowed soft money** contributions from individuals, corporations and unions, effectively enabling parties and candidates to **circumvent FECA's limitations** on federal election campaign **contributions**.
  - **Prohibited federal / state party money laundering**
  - **Prohibited** the use of **corporate** and **union treasury funds** to pay for "electioneering communications" within **30 days of primary or 60 days of general election**
  - Required “**stand by your ad**” (“I approve this message”) statement for campaign ads
- McConnell v. FEC (2003)
  - Ruled that **non-business, non-profit political organizations could run electioneering advertisements** provided that they did not accept corporate or union donations.
- FEC v. Wisconsin Right to Life, Inc. In Wisconsin Right to Life
  - Ruled that if there was any reasonable way to view an advertisement as an "**issue ad**," it would be exempt from the BCRA's restrictions

- Davis v. FEC (2008)
  - Allows **unlimited spending by self-funding** Congressional candidate
- Citizens United v. FEC (2010)
  - **Struck down**, on free speech grounds, the **limits** on the ability of organizations that accepted corporate or union money from running electioneering communications
  - Held that there was **no evidence** that large donations constituted corruption or the **appearance of corruption**
  - **Ruled for the disclosure** of campaign contribution sources to mitigate conflicts of interests
- SpeechNOW.org v. FEC (2010)
  - Cited Citizens United v. FEC free speech assertion
  - Held that Congress could **not limit donations** to organizations that **only made independent expenditures**, that is, expenditures that were "uncoordinated" with a candidate's campaign.
- Carey v. FEC (2011)
  - **Allowed PACs** to accept **unlimited contributions** to one bank account solely for the purpose of independent expenditures and maintain a **segregated account (SSF)** that can give money to candidates. These PACs are also know as Hybrid PACs.
- McCutcheon v. Federal Election Commission (2014)
  - Held that the **FEC limit on contributions** an individual can make over a two-year period to national party and federal candidate committees, **violates free speech**
- Omnibus Spending Bill (2015)
  - In force for **1 year**
  - Rider **blocks the Securities and Exchange Commission** from acting on a proposed rule to require corporations to **tell shareholders how corporate money is being spent on elections**
  - Rider blocks the IRS from **clarifying rules** governing the acceptable **limits of political activities of social welfare organizations.**
- **For the People Act** – House Joint Resolution 1 (HJR 1 – 2021) (Not yet passed)
 

Poll after poll has shown overwhelming public support for this legislation. [One recent survey](#) found **67 percent of Americans in favor, including 56 percent of Republicans and 68 percent of independents.** <https://www.brennancenter.org/our-work/research-reports/people-act-separating-fact-fiction>

  - **Protecting and expanding voting rights and election security:**
    - [Automatic voter registration](#)
    - Online voter registration
    - Same day voter registration
    - [Voting rights restoration](#) to people with prior felony convictions
    - Expanded early voting
    - Vote-by-mail for all who choose to vote that way (with postage prepaid)
    - Prohibit voter purges that kick eligible voters off the registration rolls
    - Enhance [election security](#) with increased support for voter-verified, paper-based voting system and more oversight over election vendors
    - [End partisan gerrymandering](#) by establishing independent redistricting commissions
    - Prohibit providing false information about the elections process that discourages voting and other deceptive practices
  - **Reduce the influence of big money in our politics:**
    - Require secret money organizations that spend money in elections to **disclose their donors**
    - Upgrade online political **spending transparency** rules to ensure voters know who is paying for the advertisements they see
    - Create a small donor-focused **matching system** so candidates for Congress aren't just reliant on big money donors to fund their campaigns and set their priorities

- **Strengthen oversight** to ensure those who break our campaign finance laws are held accountable
- **Overhaul the Federal Election Commission** to enforce campaign finance law
- **Prohibit** the use of **shell companies** to funnel foreign money in U.S. elections
- Require **government contractors** to **disclose** their political spending
- **Ensure an ethical government accountable to the people:**
  - Slow the revolving door between government officials and lobbyists
  - Expand conflict of interest law
  - Ban members of Congress from serving on corporate boards
  - Require major party presidential candidates to publicly disclose their tax returns
  - Overhaul the Office of Government Ethics to ensure stronger enforcement of ethics rules
  - Require members of the U.S. Supreme Court abide by a judicial code of ethics

[https://democracyreform-sarbanes.house.gov/sites/democracyreform.house.gov/files/SIMPLE-SECTION-BY-SECTION\\_H.R.-1\\_FINAL.pdf](https://democracyreform-sarbanes.house.gov/sites/democracyreform.house.gov/files/SIMPLE-SECTION-BY-SECTION_H.R.-1_FINAL.pdf)

For more information see: <https://www.brennancenter.org/our-work/policy-solutions/annotated-guide-people-act-2021> and <https://act.represent.us/sign/whats-hr-1-and-how-to-pass-it/>

- **We the People Amendment** - House Joint Resolution 48 – (HJR 48 - 2021)
  - This is a Congressional resolution to vote for an amendment to the Constitution
  - Not yet Passed
  - **Money is not speech in all Constitutional proceedings**
  - **All Artificial entities**, including, but not limited to, corporations, **do not have constitutional rights, only humans do**
  - Nothing in this amendment shall be construed to abridge **freedom of the press**.
  - <https://movetoamend.org/amendment>
- For more information see <https://www.movetoamend.org/other-amendments>
- **Democracy for All Act** – House Joint Resolution 1(HJR 1 - 2021)
  - Not yet passed
  - Nullifies the Money / Speech equivalency (Buckley v. Valeo) **for political spending**
  - Nullifies the corporations / personhood equivalency (Citizens United v. FEC) **for political spending**
  - Nothing in this amendment shall be construed to abridge **freedom of the press**.
  - A version of this proposed amendment is in the For the People Act
  - [https://teddeutch.house.gov/uploadedfiles/116th\\_democracy\\_for\\_all\\_summary\\_and\\_faq.pdf](https://teddeutch.house.gov/uploadedfiles/116th_democracy_for_all_summary_and_faq.pdf)
- **Disclose Act** – Senate Bill 443 (S.443 – 2021)
  - Not yet passed
  - Requires organizations spending money in elections – including super PACs and 501(c)(4) dark money groups – to promptly disclose donors who have given \$10,000 or more during an election cycle.
  - Includes provisions to crack down on the use of shell corporations to hide the identity of the donor by requiring companies spending money in elections to disclose their true owners.
  - Contains a “stand by your ad” provision requiring corporations, unions, and other organizations to identify those behind political ads – including disclosing an organization’s top five funders at the end of television ads
  - <https://www.vanhollen.senate.gov/news/press-releases/van-hollen-whitehouse-cicilline-reintroduce-disclose-act-to-repair-americans-faith-in-democracy-require-transparency-in-campaign-finance>

## Dark Money

- Only **30 percent** of outside spending in 2020 has come from groups that **fully disclose** their donors, an all-time low.
- <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update/>

- **Attack ads** accounted for about **70 percent** of the airings paid for by politically active nonprofits, according to the analysis of television ads identified as positive or negative. By comparison, **fewer than 20 percent** of airings paid for by **all political groups were critical** in tone.

<http://darkmoneywatch.org/dark-money-groups-more-likely-to-sponsor-attack-ads/>

Dark Money contributions are commonly made using “common welfare” (501)(c) groups that don’t have to report donors names or addresses, or by LLC’s or by gaming FEC reporting deadlines. **The explosion of big money and secret spending wasn't spurred on by *Citizens United* alone.** It was enabled by a **number of court decisions** that surgically removed many restrictions in campaign finance law, and emboldened by inaction from Congress and gridlock within the Federal Election Commission. Those government bodies remain deeply divided, meaning the mishmash of campaign finance rules spawned by the Supreme Court will likely remain in place in 2020 and beyond. Here are some major examples of recent Dark Money schemes:

On Jan. 28, 2021, Campaign Legal Center (CLC) supplemented its 2020 [complaint](#) filed with the Federal Election Commission (FEC) alleging that former President Trump's campaign and joint fundraising committee violated campaign finance law's reporting requirements by laundering **\$769 million** through **shell companies** organized and run by senior campaign officials, including American Made Media Consultants (AMMC). New reporting shows that Jared Kushner approved AMMC’s formation and that its board initially included members of the former president’s and former vice president’s families who also held senior roles with the Trump campaign.

The U.S. Supreme Court heard oral arguments on April 26, 2021 in [Americans for Prosperity Foundation v. Rodriguez](#). The case challenged the constitutionality of a **California** law that required nonprofits operating in the state to provide regulators with a copy of their Internal Revenue Service (IRS) form listing their largest donors.

The [Americans for Prosperity Foundation](#) (AFPF), a **\$19 million** nonprofit in the vast political network of billionaire Charles Koch, and its allies argued that the rule infringed on their First Amendment rights and would open donors up to harassment and deter their giving, despite the fact that the information was kept confidential from the public. The case was consolidated with another challenge to California’s law by the Thomas More Law Center, a Christian Rights litigation group.

The U.S. Court of Appeals for the Ninth Circuit [upheld](#) California’s disclosure law as constitutional and justified by the state’s need to ensure that tax-exempt funds are not used for improper purposes or self-dealing. AFPF and the hundreds of organizations that signed amicus briefs in support of billionaire Charles Koch network’s position hope that the newly expanded right-wing majority on the Supreme Court will reverse that decision and lay the groundwork for future rulings against dark money disclosure laws. **In late June 2021 the court did indeed rule that California could not require the disclosure.**

Many of the organizations that have filed and signed onto briefs supporting AFPF receive cash from Koch funding vehicles and/or other major right-wing, private foundations.

The Center for Media and Democracy (CMD) analyzed the available IRS tax filings between 2015 and 2019 of **11 prominent right-wing funding nonprofits** and **Koch** contributions to the [Republican Attorneys General Association](#) (RAGA). CMD found that those funders gave nearly **\$222 million to 69 organizations** that filed amici supporting AFPF in yet another example of what Sen. Sheldon Whitehouse (D-RI) has coined “[flotillas of amicus briefs.](#)”



The list of amici supporting AFPP reads like a who's-who of Koch influence network groups, **including State Policy Network** members and former members, **ALEC, Independent Women's Forum**, and litigation centers. Many of those groups are part of the **People United for Privacy** coalition that **SPN** organized to block donor disclosure laws.

**The \$222 million total does not include additional money donated directly by Koch, Koch family trusts, and foundation board members or leadership.**

<https://www.exposedbycmd.org/2021/04/26/major-right-wing-funders-push-supreme-court-case-against-donor-disclosure/>

Having won significant battles at the federal level, political groups and libertarian nonprofits are now targeting state-level rules in district and appellate courts across the country. This is especially true for the Koch dark money organization in 2016 and 2020 because the Kochs disliked Trump. In those years they focused down ticket elections. The Koch political network has provided about one quarter of outside spending during the past decade. The book **Dark Money** by Jane Mayer is a definitive chronicle about the Kochs and their fellow **plutocrats**, including the Scaifes, Olins and Bradleys, who crafted a strategy stretching back to the 1950's and especially gained strength in the 1980's up until now with the goal of shifting our government and institutions at all levels, including the media, colleges and think tanks, toward Conservative, and libertarian ideas. The Bradley Foundation is one of many contributors to **election fraud conspiracies** and voter suppression efforts in many states, and that have been funding campaigns for **federal judge confirmations** and **anti-abortion laws**.

<https://publicintegrity.org/politics/campaign-regulation-foes-targeting-state-level-restrictions/>

<https://www.cnbc.com/2020/09/29/2020-presidential-election-why-koch-network-wont-help-trumps-bid.html>

<https://theintercept.com/2021/08/07/election-fraud-bradley-impact-fund-donors/>

A report by the Atlantic Council presents three case studies in the U.S., Germany and U.K. that demonstrate how democracy and national security around the world is under threat by Dark Money campaigns that employ technical and monetary innovations to propagate information from **foreign states**.

<https://www.atlanticcouncil.org/in-depth-research-reports/report/democracy-in-the-crosshairs-how-political-money-laundering-threatens-the-democratic-process/>

OpenSecrets unearthed more than **\$4.3 million** (and counting) in direct payments from **Trump's 2020 campaign**, along with its joint fundraising committees, to people and firms involved in the **Washington, D.C. demonstration before a violent mob stormed the U.S. Capitol**. Those payments were a mere sliver of Trump's 2020 campaign and joint fundraising committee Dark Money operations. The [Trump Make America Great Again Committee](#), spent more than **\$771 million** through [American Made Media Consultants LLC](#). [Trump organization financed January 6 insurgency • OpenSecrets](#)

OpenSecrets.org has a comprehensive webpage about Dark Money at

[More money, less transparency: A decade under Citizens United • OpenSecrets](#). Another ProPublica webpage vividly illustrates the workings of the Koch political network that has provided about one quarter of outside spending during the past decade. Visit <https://projects.propublica.org/graphics/koch>.

## Foreign Money

Another OpenSecrets report names several foreign companies or their U.S. subsidiaries that contribute many millions that contributed to hybrid PACs or Super PACs in 2018 mid-term elections after the Citizens United

decision opened the big special interest money floodgates. Foreign nationals are [barred](#) from contributing to federal committees. However, a foreign corporation’s U.S. subsidiary is allowed to contribute to outside spending groups such as super PACs as long as no foreign national directs the contribution. Former FEC chairperson Ellen Weintraub, knows how it really works. She believes foreign actors likely have influence over U.S.-based subsidiaries, whether it’s direct or indirect. The table below lists a few of the foreign actors that the authors were able to uncover. **Only the donations greater than \$50,000 are listed.**

Foreign Company	US Subsidiary	Amount
British American Tobacco	Reynolds American	1,200,000.00
Encana (Canada)	Encana Oil & Gas USA	300,000.00
Prudential PLC	Jackson National Life Ins.	125,000.00
InBev (Switzerland)	Anhueser Busch, Miller-Coors	75,000.00
Stars Group (Canada)		250,000.00
AstraZeneca (UK, Sweden)		900,000.00
T-Mobil (Germany)		105,900.00
UBS (Switzerland)	U.S. employee PAC	1,400,000.00
Toyota	U.S. employee PAC	899,999.00

[Following Citizens United, foreign-owned corporations funnel millions into US elections • OpenSecrets](#)

## Dialing for dollars

In 2016 then Congressman David Jolly was interviewed on 60 Minutes. He described a briefing in 2014, six months before the November elections, given by Republican Party leadership where he was told that he and his colleagues’ first responsibility was to raise **\$18,000 per day** for the National Republican Congressional Committee. He was accompanied in the interview by Republican Congressman Reid Ribble and Democratic Congressman Rick Nolan. They described separate Democrat and Republican locations a few blocks from the Capitol with tiny rooms where they would spend **4 hours or more every day** cold calling donors from lists they were given along with scripts. That is more time than they could spend on doing the work they were elected to do, and more than double the time that was required before the Citizens United decision opened the outside money floodgates.

Huffington Post published a model schedule that Democratic congress members were given at an orientation (see the image). The three congressmen sponsored the Stop Act to stop the practice. The bill died.

<https://www.cbsnews.com/news/60-minutes-are-members-of-congress-becoming-telemarketers/>

“There have been decades and decades of members of Congress losing their lives to ‘dialing for dollars,’” said [Ciara Torres-Spelliscy](#), a law professor at Stetson University who [studies political fundraising](#). As of 2019

lawmakers were **still spending 30 hours a week in “call time”**. However, Erin Hill, executive director of [ActBlue](#), a Democratic fund raising platform, believes that their success in doubling the number of recurring contributions since the 2018 elections was made possible by small dollar online donations. The Republican online platform, Patriot Pass is expanding.

<https://www.marketplace.org/2019/03/04/can-internet-save-congress-call-time/>

MODEL DAILY SCHEDULE - DC	
✓ 4 hours	Call Time
✓ 1-2 hours	Constituent Visits
✓ 2 hours*	Committee/Floor
✓ 1 hour	Strategic Outreach
	Breakfasts, Meet & Greets, Press
✓ 1 hour	Recharge Time

## Legal Corruption – Pay-to-Play, dodges, influence peddling

Corporations and very wealthy individuals use our ragged campaign financing system to influence and / or buy off office holders, attack them if they don't toe the line, and replace them with more compliant politicians if need be.

One of the seminal efforts of the early 21<sup>st</sup> century to improve, indeed to save, American lives was **Obamacare**. Its benefits were weakened, not only by Republicans, but by Democrats, namely Max Baucus, then chair of the Senate Finance committee, and Senator Joe Lieberman, who **killed the public option** and who both happened to be **top recipients of campaign contributions from the Health and Insurance sectors**. <https://maplightarchive.org/story/lieberman-among-top-recipients-of-health-insurance-money-opposes-medicare-expansion/>

This type of conflict of interest is rarely so publicized, but there are many examples that are just as nefarious. Public Citizen reports that in 2020 **fossil fuel** PACs donated **\$8.8 million** to 132 out of 145 lawmakers who voted against certifying the Electoral College after the Capitol riot on January, 6. Also, in 2020, 29 fossil fuel executives contributed more than **\$18 million** to America First Action and Trump Victory, political groups that worked to re-elect former-president Donald Trump, who himself instigated the insurrection. Additionally, 45 fossil fuel corporate executives also donated more than **\$8.5 million** to five political groups dedicated to supporting Republican Congressional candidates. "For years, oil and gas corporations funneled political donations to members of Congress who voted not to certify the true results of the November election," said Public Citizen President Robert Weissman. "Big Oil has long promoted science and truth denialism, helping to create a political culture that tolerates denial of facts.

<https://www.citizen.org/news/report-fossil-fuel-pacs-donated-8-8-million-to-republican-sedition-caucus/>

Public Citizen has identified at least **\$456,500** in campaign donations that were made by the country's **largest grid operator, PJM Interconnection LLC**, to political action committees (PACs) for the purpose of funding partisan electoral politics that have not been disclosed to the Federal Energy Regulatory Commission (FERC) as required. PJM's operations are funded through a federal electricity rate, called the Open Access Transmission Tariff, which **tens of millions of Americans pay** through their monthly utility bills in the 13 states where PJM operates. The complaint filed by Public Citizen asserts that millions were spent on lobbying, as well.

As the U.S. Senate prepared to vote on the confirmation of Oklahoma Attorney General Scott Pruitt, President Donald Trump's nominee to serve as administrator of the U.S. Environmental Protection Agency (EPA), Public Citizen's climate program has compiled a [fact sheet](#) that provides campaign contribution data for all current senators from three major corporate sectors. These sectors, energy and natural resources, agribusiness and construction, often support practices that are at odds with the EPA.

The compiled data spans two full Senate election cycles, from 2004 to 2016, and includes information on contributions and total monetary rankings for every current United States senator. During this period, Republicans received **\$122.6 million** in campaign contributions from these sectors, or 72.7 percent of the total. Democrats received **\$46 million**, or 27.3 percent of the total. Each of the top 10 recipients is a Republican, as are 17 of the top 20 recipients. The top five are U.S. Sens. Ted Cruz (R-Tex.), Mitch McConnell (R-Ky.), John Cornyn (R-Tex.), Marco Rubio (R-Fla.) and Richard Burr (R-N.C.). The highest ranked Democrat is U.S. Sen. Robert Menendez (D-N.J.).

<https://www.citizen.org/news/pruitts-epa-confirmation-could-be-eased-due-to-more-than-176-million-in-industry-donations-to-u-s-senators-by-anti-epa-interests/>

In pointing out one more of many, many examples of how our Pay-to-Play system, the Brennan Center for Justice produced an article describing an ongoing and worsening **\$1.7 trillion student debt crisis** has been abetted by a system that especially harms disadvantaged Americans and will become a crisis for **60% or more of 45 million** loan holders when the pandemic suspension on their payments is lifted in September, 2021. Student loan servicers have long targeted key House committee members to kill legislation to curtail for-profit colleges' abuse of federal student aid under the GI Bill. The article advocates the passing of the "**For the People Act**" to deliver more accountability from our government to its people.

<https://www.brennancenter.org/our-work/analysis-opinion/how-student-debt-crisis-underscores-urgency-campaign-finance-reform>

The Public Citizen News (May / June 2021) reported that Covid-19 related products and services suppliers contributed **\$313 million** to the Trump campaign, receiving **\$13.4 billion** in contracts in 2020.

The above are only a few readily available highly suspicious, if not conclusive examples that our system is corrupt.

## Public Financing Solutions

There are essentially three types of **public campaign financing**.

- **Full** - Maine, Arizona and Connecticut employ voluntary systems of full public campaign financing for candidates who qualify by collecting a specified number of small donations of \$5. In Connecticut the upper limit is \$250. Qualifiers receive grants deemed sufficient to run a campaign. In these systems, participating candidates must forgo private contributions.
- **Matching** - Several states and localities use a system where a public fund is created to provide a match for every small contribution. The candidate must agree not to exceed a specified expenditure level. The matching amount varies by location and system. In the very successful and popular New York City system, the match can be as high as 9 for 1. Matches in other systems are generally lower.
- **Vouchers** - In 2015, Seattle adopted a voucher program. Each voter receives a \$25 voucher to donate to one or more city office candidates. Candidates must adhere to strict spending limits. Besides mitigating the problem of big money, this system provides the benefit of greater participation in elections to all voters, even the poorest.
- [Nation's first voucher system for campaign contributions adopted by Seattle - CBS News](#)

In 1971 a presidential public campaign finance system was enacted for candidates who agreed to forgo private contributions. For the primary elections it offered a match of up to \$250 per individual if the candidate raised \$5000 in 20 different states, agreed to spend no more than about \$50 million total after cost of living adjustment (COLA in 2020), to limit spending in each state depending on voter population and to limit candidate personal spending to \$50,000. In the general election the candidate would get about **\$103 million** after COLA. Minor party candidates receive amounts based on the popular votes received in previous elections or by other formulas for new parties. The system is financed by a \$3 dollar check box on our income tax form to be taken from tax owed. No major party candidate in the general election has opted for public financing since 2004 because private election spending has vastly overtaken public amounts.

[https://ballotpedia.org/Public\\_financing\\_of\\_campaigns](https://ballotpedia.org/Public_financing_of_campaigns)

Public financing for congressional campaigns is a transformative proposal. By matching and multiplying small donations from everyday Americans, it would allow candidates to stop chasing big checks and special interest money, and to focus instead on grassroots supporters. But even though it's a new idea for congressional

elections, public financing already has an established track record. The For the People Act would update and improve an existing system used by virtually every major presidential candidate for decades. Public financing systems have also flourished in state and local elections. Testimonials from voters and candidates where the system is in use reflect strong support. Thus far, courts have consistently upheld the constitutionality of public financing.

<https://www.brennancenter.org/our-work/analysis-opinion/how-congress-can-better-represent-people>

Some form of public campaign financing has been adopted in several states, and cities, **including Colorado, Maine, Connecticut, Florida, Hawaii, Maryland, Michigan, Arizona, North Carolina, New Mexico, Wisconsin, Minnesota, Rhode Island, Vermont, Washington, West Virginia, and Massachusetts**, New York City, NY; Los Angeles, CA; Montgomery County, MD; Howard County, MD; Prince George's County, MD; Baltimore, MD; Suffolk County, NY; Berkeley, CA; Portland, OR; Seattle, WA; Santa Fe, NM; Albuquerque, NM; Washington, DC; and Denver, CO. Common Cause engaged in many of those reforms. Here are the effects of these efforts:

- People with modest wealth are able to run for and win public office
- "We the People" fund campaigns, so they can hold public officials accountable
- Candidates spend more time listening to and meeting with their constituents, instead of consistently focusing on raising big money from just a handful of donors
- Elected officeholders are reflective of the community at large and share similar values and experiences with voters' everyday lives
- Elected officials are less indebted to a narrow set of big money donors, and are more accountable to all voters
- Policies and laws are more responsive to public needs and less skewed by wealthy special interests
- **Connecticut's Citizens' Election Program** is a **national model**, according to a new analysis by Common Cause. In 2018, **\$27 million** was spent for the gubernatorial, legislative and other statewide races. That's **1/7<sup>th</sup> of 1%** of the state's general fund spending that year. During the first 10 years, 76% of candidates chose public financing. Since its enactment in 2006, the program has resulted in many hundreds of millions of dollars of extra savings or income to the state.

<https://www.commoncause.org/our-work/money-influence/campaign-finance/citizen-funded-elections/>

[https://en.wikipedia.org/wiki/Publicly\\_funded\\_elections](https://en.wikipedia.org/wiki/Publicly_funded_elections)

<https://www.courant.com/politics/hc-pol-connecticut-campaign-financing-20200914-gyqv4755jvf7nawywir7h6v7fi-story.html>

## Conclusion

Beginning with our country's founding, the power of big money in politics has prevented America from fulfilling the promise of a true democratic republic with accountability to only the voters equally, to rich and poor instead of very wealthy special interests. That power continues to grow at an accelerating rate, especially during the past 50 years, at the expense of any significant progress in solving our major problems, including climate change, healthcare, income and wealth disparity, student loan debt, unequal educational opportunity, job insecurity and displacement, our immigration system, gun violence, the opioid crisis and many others. These are problems are a threat to our unity and survival as a democracy and even as a society.

In recent years the public profile of solutions that would deliver power and fairness to all citizens has risen, as it often does after a crisis, such as a war, a depression or a political upheaval because those events are often caused by the politically and economically powerful and result in an upward redistribution of wealth and privilege and a downward redistribution of loss and suffering. It seems that now might be an opportunity to enact those solutions, such as the **For the People Act**, which holds the promise of correcting many of the past

and current assaults on our democracy, and the **We the People Amendment**, which would nullify many of the damaging court decisions that have allowed those assaults to succeed.