

Dark Money in United States Politics

Compiled and Edited by

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About the Editor

Michael Erbschloe has worked for over 30 years performing analysis of the economics of information technology, public policy relating to technology, and utilizing technology in reengineering organization processes. He has authored several books on social and management issues of information technology that were published by McGraw Hill and other major publishers. He has also taught at several universities and developed technology-related curriculum. His career has focused on several interrelated areas:

- Technology strategy, analysis, and forecasting
- Teaching and curriculum development
- Writing books and articles
- Publishing and editing
- Public policy analysis and program evaluation

Books by Michael Erbschloe

Threat Level Red: Cybersecurity Research Programs of the
U.S. Government (CRC Press)
Social Media Warfare: Equal Weapons for All (Auerbach Publications)
Walling Out the Insiders: Controlling Access to Improve Organizational
Security (Auerbach Publications)
Physical Security for IT (Elsevier Science)
Trojans, Worms, and Spyware (Butterworth-Heinemann)
Implementing Homeland Security in Enterprise IT (Digital Press)
Guide to Disaster Recovery (Course Technology)
Socially Responsible IT Management (Digital Press)
Information Warfare: How to Survive Cyber Attacks (McGraw Hill)
The Executive's Guide to Privacy Management (McGraw Hill)
Net Privacy: A Guide to Developing & Implementing an e-business
Privacy Plan (McGraw Hill)

Introduction

In 1975, Congress created the Federal Election Commission (FEC) to administer and enforce the Federal Election Campaign Act (FECA) - the statute that governs the financing of federal elections. The duties of the FEC, which is an independent regulatory agency, are to disclose campaign finance information, to enforce the provisions of the law such as the limits and prohibitions on contributions, and to oversee the public funding of Presidential elections.

The Commission is made up of six members, who are appointed by the President and confirmed by the Senate. Each member serves a six-year term, and two seats are subject to appointment every two years. By law, no more than three Commissioners can be members of the same political party, and at least four votes are required for any official Commission action. This structure was created to encourage nonpartisan decisions. The Chairmanship of the Commission rotates among the members each year, with no member serving as Chairman more than once during his or her term.

The FEC and the Federal Campaign Finance Law
Published in February 2004 (updated February 2017)

Note: Portions of this publication may be affected by the Supreme Court's decision in [Citizens United v. FEC](#). Essentially, the Court's ruling permits corporations and labor organizations to use treasury funds to make independent expenditures in connection with federal elections and to fund electioneering communications. The ruling did not affect the ban on corporate or union contributions or the reporting requirements for independent expenditures and electioneering communications. The Commission is studying the Court's opinion and will provide additional guidance as soon as possible.

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Introduction

The Federal Election Commission (FEC) is the independent regulatory agency charged with administering and enforcing the federal campaign finance law. The FEC has jurisdiction over the financing of campaigns for the U.S. House, the U.S. Senate, the Presidency and the Vice Presidency.

Federal campaign finance law covers three broad subjects, which are described in this brochure:

- Public disclosure of funds raised and spent to influence federal elections;
- Restrictions on contributions and expenditures made to influence federal elections; and
- The public financing of Presidential campaigns.

This brochure provides general information only. The descriptions of the law and the Commission are not intended to be exhaustive.

Historical Background

As early as 1905, President Theodore Roosevelt recognized the need for campaign finance reform and called for legislation to ban corporate contributions for political purposes. In response, Congress enacted several statutes between 1907 and 1966 which, taken together, sought to:

- Limit the disproportionate influence of wealthy individuals and special interest groups on the outcome of federal elections;
- Regulate spending in campaigns for federal office; and
- Deter abuses by mandating public disclosure of campaign finances.

In 1971, Congress consolidated its earlier reform efforts in the [Federal Election Campaign Act \(FECA\)](#), instituting more stringent disclosure requirements for federal candidates, political parties and political action committees (PACs). Still, without a central administrative authority, the campaign finance laws were difficult to enforce.

Following reports of serious financial abuses in the 1972 Presidential campaign, Congress amended the FECA in 1974 to set limits on contributions by individuals, political parties and PACs. The 1974 amendments also established an independent agency, the Federal Election Commission (FEC) to enforce the law, facilitate disclosure and administer the public funding program. Congress made further amendments to the FECA in 1976 following a constitutional challenge in the Supreme Court case [Buckley v. Valeo](#); major amendments were also made in 1979 to streamline the disclosure process and expand the role of political parties.

The next set of major amendments came in the form of the [Bipartisan Campaign Reform Act of 2002 \(BCRA\)](#). Among other things, the BCRA banned national parties from raising or spending nonfederal funds (often called "soft money"), restricted so-called issue ads, increased the contribution limits and indexed certain limits for inflation.

Public funding of federal elections originally proposed by President Roosevelt in 1907 began to take shape in 1971 when Congress set up the income tax checkoff to provide for the financing of Presidential general election campaigns and national party conventions. Amendments to the Internal Revenue Code in 1974 established the matching fund program for Presidential primary campaigns.

The FEC opened its doors in 1975 and administered the first publicly funded Presidential election in 1976.

The Commission

Commissioners

The FEC has six voting members who serve staggered six-year terms. The [Commissioners](#) are appointed by the President with the advice and consent of the U.S. Senate. No more than three Commissioners may belong to the same political party. The Commissioners elect two members each year to act as Chairman and Vice Chairman.

Public Meetings

The Commission normally holds a public meeting each week. At this meeting, the Commissioners adopt new regulations, issue advisory opinions, approve audit reports concerning Presidential campaign committees, and take other actions to administer the campaign finance law.

In addition, the Commissioners meet regularly in closed sessions to discuss pending enforcement actions, litigation and personnel matters.

The Campaign Finance Law

The Federal Election Campaign Act

The basic provisions of the FECA are described below.

Disclosure

The FECA requires candidate committees, party committees and PACs to file periodic reports disclosing the money they raise and spend. Candidates must identify, for example, all PACs and party committees that give them contributions, and they must identify individuals who give them more than \$200 in an election cycle. Additionally, they must disclose expenditures exceeding \$200 per election cycle to any individual or vendor.

Contribution Limits

The FECA places limits on contributions by individuals and groups to candidates, party committees and PACs. The chart below shows how the limits apply to the various participants in federal elections. The chart below shows the specific contribution limits for 2017-2018. The chart is also available as a stand-alone [HTML table](#) or as a [PDF table](#), suitable for printing.

CONTRIBUTION LIMITS FOR 2017-2018 FEDERAL ELECTIONS

DONORS	RECIPIENTS				
	Candidate Committee	PAC¹ (SSF and Nonconnected)	State/District/Local Party Committee	National Party Committee	Additional National Party Committee Accounts²
Individual	\$2,700* per election	\$5,000 per year	\$10,000 per year (combined)	\$33,900* per year	\$101,700* per account, per year
Candidate Committee	\$2,000 per election	\$5,000 per year	Unlimited Transfers	Unlimited Transfers	
PAC - Multicandidate	\$5,000 per election	\$5,000 per year	\$5,000 per year (combined)	\$15,000 per year	\$45,000 per account, per year
PAC - Nonmulticandidate	\$2,700* per election	\$5,000 per year	\$10,000 per year (combined)	\$33,900* per year	\$101,700* per account, per year
State, District & Local Party Committee	\$5,000 per election (combined)	\$5,000 per year (combined)	Unlimited Transfers		
National Party Committee	\$5,000 per election ³	\$5,000 per year			

* Indexed for inflation in odd-numbered years.

1. “PAC” here refers to a committee that makes contributions to other federal political committees. Independent-expenditure-only political committees (sometimes called “super PACs”) may accept unlimited contributions, including from corporations and labor organizations.

2. The limits in this column apply to a national party committee’s accounts for: (i) the

presidential nominating convention; (ii) election recounts and contests and other legal proceedings; and (iii) national party headquarters buildings. A party's national committee, Senate campaign committee and House campaign committee are each considered separate national party committees with separate limits. Only a national party committee, not the parties' national congressional campaign committees, may have an account for the presidential nominating convention.

3. Additionally, a national party committee and its Senatorial campaign committee may contribute up to \$47,400 combined per campaign to each Senate candidate.

Prohibited Contributions and Expenditures

The FECA places prohibitions on contributions and expenditures by certain individuals and organizations. The following are prohibited from making contributions or expenditures to influence federal elections:

- Corporations;
- Labor organizations;
- Federal government contractors; and
- [Foreign nationals](#).

Furthermore, with respect to federal elections:

- No one may make a contribution in another person's name.
- No one may make a contribution in cash of more than \$100.

In addition to the above prohibitions on contributions and expenditures in federal election campaigns, the FECA also prohibits foreign nationals, national banks and other federally chartered corporations from making contributions or expenditures in connection with state and local elections.

[Independent Expenditures](#)

Under federal election law, an individual or group (such as a PAC) may make unlimited "independent expenditures" in connection with federal elections.

An independent expenditure is an expenditure for a communication which expressly

advocates the election or defeat of a clearly identified candidate and which is made independently from the candidate's campaign. To be considered independent, the communication may not be made with the cooperation, consultation or concert with, or at the request or suggestion of, any candidate or his/her authorized committees or a political party, or any of their agents. While there is no limit on how much anyone may spend on an independent expenditure, the law does require persons making independent expenditures to report them and to disclose the sources of the funds they used. The public can [review these reports](#) at the FEC's Public Records Office.

Corporate and Union Activity

Although corporations and labor organizations may not make contributions or expenditures in connection with federal elections, they may establish PACs. Corporate and labor PACs raise voluntary contributions from a restricted class of individuals and use those funds to support federal candidates and political committees. [Click here to download the Campaign Guide for Corporations and Labor Organizations](#) [PDF].

Apart from supporting PACs, corporations and labor organizations may conduct other activities related to federal elections, within certain guidelines. For more information, call the FEC or consult [11 CFR Part 114](#).

Political Party Activity

Political parties are active in federal elections at the local, state and national levels. Most party committees organized at the state and national levels as well as some committees organized at the local level are required to register with the FEC and file reports disclosing their federal campaign activities.

Party committees may contribute funds directly to federal candidates, subject to the contribution limits. National and state party committees may make additional "coordinated expenditures," subject to limits, to help their nominees in general elections. Party committees may also make unlimited "independent expenditures" to support or oppose federal candidates, as described in the section above. National party committees, however, may not solicit, receive, direct, transfer, or spend nonfederal funds. Finally, while state and local party committees may spend unlimited amounts on certain grassroots activities specified in the law without affecting their other contribution and expenditure limits (for example, voter drives by volunteers in support of the party's Presidential nominees and the production of campaign materials for volunteer distribution), they must use only federal funds or "Levin funds" when they finance certain "Federal election activity."

Party committees must register and file disclosure reports with the FEC once their federal

election activities exceed certain dollar thresholds specified in the law.

The Presidential Election Campaign Fund Act

Under the Internal Revenue Code, qualified Presidential candidates receive money from the [Presidential Election Campaign Fund](#), which is an account on the books of the U.S. Treasury.

The Fund is financed exclusively by a voluntary [tax checkoff](#). By checking a box on their income tax returns, individual taxpayers may direct \$3 of their tax to the Fund (up to \$6 for joint filers). Checking the box does not increase the amount a taxpayer owes or reduce his or her refund; it merely directs that three (or six) dollars from the U.S. Treasury be used in Presidential elections. Checkoff funds may not be spent for other federal programs.

The funds are distributed under three programs:

Primary Matching Payments

Eligible candidates in the Presidential primaries may receive public funds to match the private contributions they raise. While a candidate may raise money from many different sources, only contributions from individuals are matchable; contributions from PACs and party committees are not. Furthermore, while an individual may give up to \$2,700 to a primary candidate, only the first \$250 of that contribution is matchable.

To participate in the matching fund program, a candidate must demonstrate broad-based support by raising more than \$5,000 in matchable contributions in each of 20 different states. Candidates must agree to use public funds only for campaign expenses, and they must comply with spending limits. Beginning with a \$10 million base figure, the overall primary spending limit is adjusted each Presidential election year to reflect inflation. In 2012, the limit was \$45.6 million.

General Election Grants

The Republican and Democratic candidates who win their parties' nominations for President are each eligible to receive a grant to cover all the expenses of their general election campaigns. The basic \$20 million grant is adjusted for inflation each Presidential election year. In 2012, the grant was \$91.2 million.

Nominees who accept the funds must agree not to raise private contributions (from individuals, PACs or party committees) and to limit their campaign expenditures to the

amount of public funds they receive. They may use the funds only for campaign expenses.

A third party Presidential candidate may qualify for some public funds after the general election if he or she receives at least five percent of the popular vote.

Party Convention Grants

Each major political party may receive public funds to pay for its national Presidential nominating convention. The statute sets the base amount of the grant at \$4 million for each party, and that amount is adjusted for inflation each Presidential election year. In 2012, the major parties each received \$18.25 million.

Other parties may also be eligible for partial public financing of their nominating conventions, provided that their nominees received at least five percent of the vote in the previous Presidential election.

The FEC's Role

Administering the Public Funding Program

The FEC administers the [public funding program](#) by determining which candidates are eligible to receive the funds. The Secretary of the Treasury makes the payments.

Committees receiving public funds must keep detailed records of their financial activities. After the elections, the FEC audits each publicly funded committee. If an audit reveals that a committee has exceeded the spending limits or used public funds for impermissible purposes, the committee must pay back an appropriate amount to the U.S. Treasury.

Facilitating Disclosure

[Public Records Office](#)

1. Campaign Finance Materials

[Reports filed by registered political committees](#) (such as candidates' campaigns, party committees and PACs) are available for inspection and copying in the FEC's Public Records Office. The Commission makes the reports public within 48 hours after their receipt.

Visitors may access the FEC's computer database, which contains helpful indexes on several types of campaign finance activities (large contributions, PAC contributions, etc.). The agency's database is also accessible from the Secretary of State's office in many state

capitals.

2. Other Documents

In addition to campaign finance reports (dating back to 1972), the Public Records Office makes available:

- Statistical summaries of reported campaign activities;
- FEC advisory opinions and advisory opinion requests;
- Files on closed enforcement actions;
- Personal financial statements filed by Presidential candidates;
- Audit reports;
- Rulemaking proposals and related documents;
- Commission meeting agenda items and other public documents.

3. How to Get Copies of Documents

The Public Records Office is open from 9 to 5 on weekdays (with extended hours during filing periods). The Office operates as a library facility, and staff members are on hand to assist visitors in locating documents and using the computer. Most document requests may also be made by telephone or mail or e-mail (pubrec@fec.gov). For the address and phone numbers [click here](#). Some documents are also available by fax via the FEC's automated [Faxline](#) system. To access the system, phone 202/501-3413.

Press Assistance

The FEC's Press Office also promotes disclosure by issuing [press releases](#) covering statistical information and the agency's activities.

Reporters inquiring about disclosure, enforcement actions and other aspects of the law should ask for the Press Office when calling or visiting the agency.

Clarifying the Law

Outreach

The FEC places a high priority on helping candidates and committees understand and voluntarily comply with the law. To achieve this goal, the Commission produces videotapes and free publications, and hosts [conferences](#) in major cities to educate campaign workers, PACs and party committees about the law. In addition, anyone may obtain personal assistance by calling the FEC's toll free number (800/424-9530), sending an e-mail to info@fec.gov or by visiting the agency's Information Division.

Regulations

The Commission clarifies the FECA and the public funding statutes through regulations, codified in [Title 11 of the Code of Federal Regulations](#). Copies of Title 11 are available from the Commission free of charge.

Advisory Opinions

The Commission issues written [advisory opinions](#) (AOs) to persons seeking guidance on the application of the campaign finance law to their own specific activities.

Individuals and organizations involved in an activity approved in an AO may rely on the AO without risk of enforcement action by the FEC, provided that they act in accordance with the AO's provisions.

Click here to [search and view AOs](#).

Enforcing the Law

Review of Reports

FEC staff review each report filed by federal candidates and committees to ensure that they have complied with the disclosure requirements and the limits and prohibitions on contributions.

In some cases, FEC staff refer apparent violations or deficiencies in reporting to the Commission for enforcement action (see below), but reporting problems are often resolved by asking filers to voluntarily correct or clarify something in their reports. These communications are always [on file in the FEC's Public Records Office](#).

Enforcement Actions

The Commission has exclusive jurisdiction over the civil enforcement of the federal campaign finance law.

FEC staff may generate enforcement actions (called [Matters Under Review](#), or MURs) in the course of reviewing the reports filed by committees. In addition, individuals and groups outside the agency may initiate MURs by filing complaints (see below). Other government agencies may also refer enforcement matters to the FEC.

If four of the six Commissioners vote to find reason to believe that a violation of the law has occurred, the Commission may investigate the matter. If the Commission decides that the investigation by the FEC's Office of General Counsel confirms that the law has been violated, the Commission tries to resolve the matter by reaching a conciliation agreement with the respondents. The agreement may require them to pay a civil penalty and take other remedial steps. If an agreement cannot be reached, however, the Commission may file suit against the appropriate persons in a U.S. District Court.

As required by law, the Commission keeps enforcement matters strictly confidential until they are concluded. Once the Commission has closed a MUR, the [pertinent documents are placed on the public record](#).

Filing a Complaint

Anyone who believes that a violation of the law has occurred may file a complaint with the FEC. The complaint should contain a statement of facts related to the alleged violation and any supporting evidence available.

The complaint must be signed and contain the complainant's name and address. It must also be sworn to and notarized. A step-by-step description of the enforcement process is available in the brochure [Filing a Complaint](#).

Administrative Fine Program

The [Administrative Fine Program](#) streamlines the enforcement process for violations involving the failure to file disclosure reports on time or at all. Under the program, civil money penalties are assessed based on published schedules of penalties that take into account the number of days a report is late, the election sensitivity of the report, the amount of activity disclosed on the report and the number of past violations (if any) by the filer.

Alternative Dispute Resolution

The FEC's Alternative Dispute Resolution (ADR) Office promotes compliance with the federal election law by encouraging settlements outside the traditional enforcement or litigation processes. Additional information about this program is available in the brochure [Alternative Dispute Resolution Program](#).

How to Get More Information

Free Publications

- The FEC [Record](#) (monthly newsletter - automatic subscription for registered committees)
- [Federal Election Campaign Laws](#) [PDF]
- [FEC Regulations \(11 CFR\)](#)
- *Campaign Guide* series (click to download: *Congressional Candidates* [PDF]; *Political Party Committees* [PDF]; *Corporations and Labor Organizations* [PDF]; *Nonconnected Committees* [PDF])

Click here to access [electronic versions of these and other FEC publications](#).

Election Administration

The FEC's Office of Election Administration (OEA) serves as a central exchange for information and research on issues related to the administration of federal elections on the state and local level.

The Help America Vote Act of 2002 created the [Election Assistance Commission \(EAC\)](#) and required the transfer of the OEA and all of its assets to the new EAC.

Election Law Library

The FEC's depository library, administered by the Office of the General Counsel, is open to the public. The collection includes basic legal research sources and materials emphasizing campaign finance law.

Help from Other Agencies

Many election-related topics are not under the jurisdiction of the FEC. Some of these topics are listed below, for your convenience, along with the appropriate agency or officer to contact for more information. (Consult the FEC's [Combined Federal/State Disclosure Directory](#) for a more exhaustive list of topics and agencies.)

Ballot Access

Contact the Secretary of State in your state capital for information on how to get your name or party listed on the ballot.

[Voter Registration](#), Polling Times and Places

Contact your city or county clerk.

Absentee Ballots

Contact your city or county clerk. If you are overseas at election time, your nearest U.S. Consulate can help you get an absentee ballot.

Military personnel should contact the Defense Department's Federal Voting Assistance Program at 703/695-9330.

Voting Rights

If you believe your right to vote has been denied due to racial or ethnic discrimination, contact the U.S. Department of Justice, [Civil Rights Division](#), at 202/307-2767.

Election Fraud

If you believe that a federal election has been administered fraudulently, contact the [nearest branch of the Federal Bureau of Investigation \(FBI\)](#).

Contested Elections

For information on how to challenge the results of a federal election, contact the Secretary of State in your state capital.

TV and Radio Broadcasting

Contact the [Media Bureau](#) of the Federal Communications Commission (FCC) at 888/225-5322.

Phone Solicitation

Contact the FCC's [Telecommunications Consumers Division](#) at 202/418-7320.

Personal Finances of Congressional Candidates

- **House:** Contact the [House Committee on Ethics](#), 202/225-7103.
- **Senate:** Contact the [Senate Select Committee on Ethics](#), 202/224-2981.

Tax Questions

To get a taxpayer ID number for a political committee, call 800/TAX-FORM (800/829-3676).

For other tax-related questions, political committees should contact the [Exempt Organizations Technical Division of the Internal Revenue Service](#) at 877/829-5500.

Political Activity of Federal/D.C. Government Employees

Contact the [U.S. Office of Special Counsel](#) (Merit Systems Protection Board) at 800/85-HATCH (800/854-2824).

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Dark Money To Be Subject of King-Led Committee Hearing

King to Call Witnesses from Across the Political Spectrum on Campaign Finance Reform
Wednesday, April 23, 2014

BRUNSWICK, ME – Today, U.S. Senator Angus King (I-Maine) announced he will chair a Senate Rules Committee Hearing on Wednesday, April 30th to examine the influence of undisclosed money on elections in the United States, particularly in the wake of the Supreme Court decision *McCutcheon v. Federal Election Commission*, which abolished caps on an individual's aggregate donations to all federal candidates, parties and some political committees. The hearing, entitled "Dollars and Sense: How Undisclosed Money and Post-McCutcheon Campaign Finance Will Affect the 2014 Election and Beyond" will be the first to focus on campaign finance since the Supreme Court decision and will underscore the urgent need to increase transparency of campaign contributions.

"No matter who you are, or whether you live in a 'red state' or a 'blue state,' you deserve to know who's funding the ads on your TV during an election year," Senator King said. "But tracing the origin of campaign money – so-called dark money – has become nearly impossible. While this hearing can't change the way campaign laws work overnight, it is a much-needed first step. It's far past time we shine a bright light on the dark money dominating campaigns."

The witnesses for the Majority will be: Ann Ravel, current Commissioner and Vice Chair of the Federal Election Commission (FEC); Trevor Potter, former FEC Commissioner and Chairman, General Counsel to Senator John McCain (R-Ariz.), and Legal Counsel to Stephen Colbert's Super PAC; and Norm Ornstein, Resident Scholar at the American Enterprise Institute (AEI) and former Codirector of the AEI-Brookings Election Reform Project. For additional information on the witnesses, see below.

On April 2nd, King introduced the Real Time Transparency Act of 2014, which would require that all campaign contributions of \$1000 or more be filed with the FEC within 48-hours.

WHO: U.S. Senator Angus King (I-Maine)

WHAT: Senate Rules Committee Hearing: "Dollars and Sense: How Undisclosed Money and Post-McCutcheon Campaign Finance Will Affect the 2014 Election and Beyond"

WHEN: Wednesday, April 30, 2014

10:00 a.m. ET

WHERE: 216 Hart Senate Office Building

Washington, D.C. 20510

The hearing will stream live [HERE](#).

Ann Ravel is currently a Commissioner and Vice Chair of the Federal Elections Commission. She previously served as Chair of the California Fair Political Practices Commission (FPPC) where she oversaw the regulation of campaign finance, lobbyist registration and reporting, and ethics and conflicts of interest related to officeholders and public employees. During her tenure at the FPPC, Ms. Ravel was instrumental in the creation of the States' Unified Network Center, a web-based center for sharing information on campaign finance. She has been an outspoken critic of money's influence in politics, and was confirmed by the Senate last September.

Trevor Potter is currently a Member at Caplin & Drysdale's Washington, D.C. office and is one of the best-known and experienced campaign and election lawyers. He is a former Commissioner and Chairman of the FEC and also served as General Counsel for both of U.S. Senator John McCain's (R-Ariz.) presidential campaigns. He has also served as Stephen Colbert's legal counsel on campaign finance matters, and is the founding President of and General Counsel for the Campaign Legal Center.

Norm Ornstein is currently Resident Scholar at the American Enterprise Institute (AEI), where he focuses his research on U.S politics, elections, and Congress. He is a contributing editor and columnist for both National Journal and The Atlantic and is also an election eve analyst for BBC News. He co-directed the AEI-Brookings Election Reform Project and led a working group that helped shape the Bipartisan Campaign Reform Act (more commonly referred to as McCain-Feingold).

Source: <https://www.king.senate.gov/newsroom/press-releases/dark-money-to-be-subject-of-king-led-committee-hearing>

Republicans Vote to Protect Dark Money in Elections

03.26.15

Washington, DC – With the Senate debating amendments to this year’s budget resolution, Republicans voted against an amendment offered by Senator Sheldon Whitehouse (D-RI) and cosponsored by Senator Tom Udall (D-NM) aimed at making it more difficult for corporations and billionaires to secretly influence federal elections through unlimited and undisclosed campaign expenditures – so-called “dark money.” The amendment would have facilitated passage of legislation to promote transparency in political spending and prevent big corporate and wealthy donors from evading campaign finance law by making false statements. One such bill is the DISCLOSE Act, which Whitehouse reintroduced earlier this year in a continued effort to curb the harmful effects of the Supreme Court’s decision in *Citizens United v. FEC*.

“Instead of siding with the individual voters who elected them, today Republicans again stood with special interests to defend unlimited, secret money in our elections,” said Whitehouse. “My amendment would have paved the way for laws making it harder for dark money to buy elections and corrupt our political process, and preventing corporate and wealthy individuals from side-stepping campaign finance rules. I’m disappointed that Republicans missed this opportunity to unwind the disastrous effects of the *Citizens United* decision.”

“Unlimited spending by corporations and billionaires has compromised voters’ faith in our democracy, and hurt hardworking New Mexico families in the process,” said Udall, a leader on campaign finance reform to stop the influence of special interests on elections. “Elections should not be bought and paid for by secret donors and special interests. The DISCLOSE Act is a common-sense plan that would promote transparency and help restore the principle of one person, one vote. But common sense doesn’t always hold in Congress, and today Republicans chose to side with dark money donors over American voters.”

Since *Citizens United*, there has been a dramatic rise in political spending by so-called “independent” groups with no disclosure requirements. In the 2014 elections—the most expensive midterm elections in our history, with over \$3.6 billion spent—the *Washington Post* reported that at least 31 percent of all independent spending was spent by groups that are not required to disclose their donors. And that doesn’t even count spending on so-called “issue ads,” which is not reported.

Loopholes in IRS laws allow outside spending groups, organized under section 501(c)(4) of the tax code and other non-profits, to evade campaign finance rules. In some cases these groups have even made false statements to the IRS related to their political spending, which is a federal crime.

Source: <http://www.whitehouse.senate.gov/news/release/republicans-vote-to-protect-dark-money-in-elections>

Time to Wake Up: Dark Money and Climate Denial

Speech by Sheldon Whitehouse U.S. Senator Rhode Island

02.09.16

Madam President, investigative author Jane Mayer has written an important piece of journalism--her new book, "Dark Money"--about the secret but massive influence-buying rightwing billionaires led by the infamous Koch brothers. Jane Mayer's book catalogs the rise and the expansion into a vast array of front groups of this operation and the role in it of two of America's more shameless villains: Charles and David Koch. Some have called this beast they have created the "Kochtopus" because it has so many tentacles.

The Presiding Officer may be wondering why I am talking about secret influence-buying in my climate speech.

The reason is that the story of dark money and the story of climate change denial are the same story--two sides of the same coin, as it were.

Two strategies of that Koch-led, influence-buying operation particularly bear on climate change. Indeed, they are probably the major reason we don't have a comprehensive climate bill in Congress and instead have this present little mouse of a bipartisan energy efficiency bill.

"Oh, there goes Whitehouse," I am sure some listeners are saying, "off his rocker, trying to connect the Koch brothers to this climate change." Well, it is not just something I am saying; it is what the Koch brothers' own operatives say when they are crowing about their influence-buying success.

I will get to that later, but first the two strategies.

One strategy is to mimic real science with phony science. Real science wants to find the truth. This phony science has no interest whatsoever in the truth. It wants to look like science, sure, but it is perfectly content to be wrong. There is an apparatus, a whole array of front groups through which this phony science is perpetrated. This machinery of phony science has been wrong over and over. It was wrong about tobacco, wrong about lead paint, wrong about ozone, wrong about mercury, and now it is wrong about climate change.

They are the same organizations, the same strategies, the same funding sources, even in some cases the same people--always wrong. You would think that if they cared a hoot about right from wrong, they would change their methodology after such an unblemished record of being wrong every time.

But they don't care. Truth is not their object; truth is actually their adversary. This isn't science; it is public relations dressed up in a lab coat. It masquerades as science. But, as a visiting university president from Rhode Island recently said to me, "it uses the language of science, but its purpose is to undermine actual science."

To pull off this masquerade, you have to trick people. You have to do what Ms. Mayer describes a Koch brothers associate saying as this whole scheme was being developed. It is perhaps the most telling quote in her book. Here is what the man said. “It would be necessary,” he said, to “use ambiguous and misleading names, obscure the true agenda, and conceal the means of control.”

The next quote in her book is this: “This is the method that Charles Koch would soon practice in his charitable giving, and later in his political actions.”

Did he ever. Misleading names. How about the John Locke Foundation, the Ethan Allen Institute. The pages listening will know these names from history: the James Madison Institute for Public Policy; the Thomas Jefferson Institute; the Franklin Center for Government & Public Integrity, with a little profile of old Ben Franklin on its letterhead; the George C. Marshall Institute, named after the hero of World War II and the European recovery that followed. None of them have a thing to do with their illustrious namesakes; they just took the famous names to put on a veneer of legitimacy.

The George C. Marshall Institute--it sounds impressive. You might fool the occasional editorial page editor. Who does that? Maybe someone trying to hide something, “obscure the true agenda.”

Take the Mercatus Center, which the Washington Post described as a “staunchly anti-regulatory center funded largely by Koch Industries Inc.”

In “Dark Money,” journalist Jane Mayer wrote that Clayton Coppin, a professor at George Mason who reviewed Bill Koch's political activities, concluded Mercatus to be “a lobbying group disguised as a disinterested academic program.”

And conceal the means of control--a large portion of the funding behind this special interest apparatus is simply not traceable. Why? Because money is funneled through organizations that exist to conceal donor identity. That is their purpose. The biggest identity-laundering shops are Donors Trust and Donors Capital Fund. Indeed, they are by far the biggest sources of funding in the web of climate-change front groups that have been stood up.

Dr. Robert Brulle of Drexel University, who studies the network of fossil fuel-backed climate denial, reports the Donors Trust and Donors Capital Fund operations are the “central component” and “predominant funder” of the denier apparatus; and at the same time he continues it is the “black box that conceals the identity of contributors.”

Jane Mayer reports in her book: “Between 1999 and 2015, Donors Trust redistributed some \$750 million from the pooled contributions to myriad conservative causes under its own name.” There were \$750 million laundered into anonymity with no telltale fossil fuel fingerprints.

This is no small operation. There are over 100 groups involved, all beholden to the same master: the fossil fuel industry. Setting up or supporting over 100 front groups may seem unduly

complicated, but remember, an internal combustion engine has more than 500 parts, and we are totally comfortable with that mechanism.

According to the International Monetary Fund, this apparatus is defending a \$700 billion--billion with a "b"--effective subsidy, just in the United States of America, every year. How much work would you do--how much complication would you be willing to create--to defend \$700 billion per year? To use Jane Mayer's telling phrase, this is a new device. Put it all together and what do you have? "The think tank as disguised political weapon." Who is behind this elaborate scheme? I will quote from "Dark Money."

[T]he director of research at Greenpeace spent months trying to trace the funds flowing into a web of nonprofit organizations and talking heads, all denying the reality of global warming as if working from the same script. What he discovered was that from 2005 to 2008, a single source, the Koch [brother]s, poured almost \$25 million into dozens of different organizations fighting climate reform. The sum was staggering. His research showed that Charles and David [Koch] had outspent what was then the world's largest public oil company, ExxonMobil, by a factor of three. In a 2010 report, Greenpeace crowned Koch Industries, a company few had ever heard of at the time, the "kingpin of climate science denial."

By the way, I should say that ExxonMobil has been actively involved in this as well, as a lot of very good recent reporting has showed. But they were outshone and outdone by the Koch brothers.

I will quote again from "Dark Money."

The first peer-reviewed academic study on the topic added further detail. Robert Brulle, a Drexel University professor of sociology and environmental science, discovered that between 2003 and 2010 over half a billion dollars was spent on what he described as a massive "campaign to manipulate and mislead the public about the threat posed by climate change." The study examined the tax records of more than a hundred nonprofit organizations engaged in challenging the prevailing science on global warming. What it found was, in essence, a corporate lobbying campaign disguised as a tax-exempt, philanthropic endeavor. Some 140 conservative foundations funded the campaign, Brulle found. During the seven-year period he studied, these foundations distributed \$558 million in the form of 5,299 grants to ninety-one different nonprofit organizations.

It is quite a "Kochtopus."

"The money went to think tanks, advocacy groups, trade associations, other foundations, and academic and legal programs. Cumulatively, this private network waged a permanent campaign to undermine Americans' faith in climate science to defeat any effort to regulate carbon emissions."

The bottom line is if your faith in climate science is undermined, you have been had by a well-funded, complex, sophisticated scheme of disinformation.

Back to “Dark Money” again.

The cast of conservative organizations identified by Brulle was familiar to anyone who had followed the funding of the conservative movement. Among those he pinpointed as the largest bankrollers of climate change denial were foundations affiliated with the Koch and Scaife families, both of whose fortunes derived partly from oil. Also heavily involved were the Bradley Foundation and several others associated with hugely wealthy families participating in the Koch donor summits, such as the foundations run by the DeVos Family, Art Pope, the retail magnate from North Carolina, and John Templeton, Jr., a doctor and heir to the fortune of his father John Templeton, Sr., an American mutual fund pioneer who eventually renounced his U.S. citizenship in favor of living in the Bahamas, reportedly saving \$100 million on taxes. Brulle found that as the money was dispersed, three-quarters of the funds from these and other sources financing what he called the “climate change counter-movement” were untraceable.

Brulle's conclusion, as reported by Ms. Mayer, is this:

“Powerful funders are supporting the campaign to deny scientific findings about global warming and raise public doubts about the roots and remedies of this massive global threat. At the very least, American voters deserve to know who is behind these efforts.”

But it wasn't enough for the Koch brothers to have the paid-for, phony science masquerade. You also had to drive politicians to accept the phony science. You had to make politicians willing to participate in the masquerade and put on the phony science costume. To do that, they turned to the mother's milk of politics: money.

The money was set loose by five Republican justices on the Supreme Court when they decided Citizens United. Citizens United is described in “Dark Money” as “the polluters['] triumph.” Mayer quotes a defeated candidate the Kochs went after:

There was a huge change after Citizens United, when anyone could spend any amount of money, without revealing who they were, by hiding behind amorphous-named organizations, the floodgates opened. The Supreme Court made a huge mistake. There is no accountability. Zero.

The money got loaded into political organizations like Americans for Prosperity, the leading Koch brothers-backed political front group. They waved that money around like a club, touting how they were going to spend \$750 million just in this 2016 election. They told Republicans they would be so “severely disadvantaged” if they crossed them on climate change that they would be in political peril. Do the math. How much more obvious could you get?

Here is how Jane Mayer quotes their own official crowing about their victory. Remember what I said earlier? This is not me making wild allegations. This is them taking credit for what they did.

Tim Phillips gladly took credit for the dramatic spike in expressed skepticism. “If you look at where the situation was three years ago and where it is today, there's been a dramatic turnaround,” he told the National Journal.

We've made great headway. What it means for candidates on the Republican side is “if you buy into green energy or you play footsie on this issue, you do so at your political peril. And that's our influence. Groups like Americans for Prosperity have done it.”

That is what they say about what they are doing. And don't think we don't see that effect in this Chamber.

The Koch brothers have had their day, doing their dirty work in the dark. I will give them that.

It has been quite a racket, but the truth will come out. It always does.

Jane Mayer is not alone. Academic researchers like Robert Brulle at Drexell, Riley Dunlap at Oklahoma State University, Justin Farrell at Yale University, and Michael Mann at Penn State University are exposing the precise dimensions and functions of this denial machine. Investigative writers like Naomi Oreskes, Erik Conway, Naomi Klein, and Steve Coll are on the hunt. “Merchants of Doubt” is already a movie. Jeff Nesbit's forthcoming book, “Poison Tea,” about how these big money boys suckered the Tea Party down this road, should be illuminating. On the official side, two attorneys general appear to be looking into Exxon's role in this climate denial scheme. In short, what could well be the biggest scam to hit politics since Teapot Dome and Watergate is being unraveled and exposed.

The dirty fossil fuel money has deliberately polluted our American politics, just as their carbon emissions have polluted the atmosphere and oceans. Justice cannot come too soon for these people.

I yield the floor.

Source: <https://www.whitehouse.senate.gov/news/speeches/time-to-wake-up-dark-money-and-climate-denial>

Whitehouse Presses Gorsuch on Dark Money

Asks Gorsuch to call on his dark-money supporters to reveal themselves
03.21.17

Washington, DC – Today in the Senate Judiciary Committee, Senator Sheldon Whitehouse (D-RI) pressed Supreme Court nominee Neil Gorsuch for his position on the effect unlimited, secret political spending—or “dark money”—has had on our political system since the 2010 Citizens United decision, and whether Gorsuch knew why a dark money group was spending on his behalf. Whitehouse noted that the same dark money group that led a campaign to defeat President Obama’s nominee for the Supreme Court in 2016, Merrick Garland, has committed \$10 million to support Gorsuch’s bid for the Court.

“What’s interesting is that this group sees a huge difference between you that I don’t understand,” Whitehouse said. “The dark money group that is spending money on your [nomination] spent at least \$7 million against him getting a hearing and a confirmation here, and indeed produced that result by spending that money. And then now we have \$10 million going the other way. That’s a \$17 million delta. And for the life of me, I’m trying to figure out what they see in you that makes that \$17 million delta worth their spending. Do you have any answer to that?”

“You’d have to ask them,” Gorsuch replied.

“I can’t,” said Whitehouse. “Because I don’t know who they are.”

Video of the exchange is available [here](#).

Whitehouse also asked Gorsuch about disclosure of political spending in the wake of Citizens United. “Do you think there’s a public interest in disclosure of political funds in a democracy?” asked Whitehouse.

Gorsuch replied, “Senator, what I’m prepared to say is I recognize that as a matter of First Amendment interests, the Supreme Court has validated the proposition that disclosure serves important functions in a democracy.”

Over the last three Congresses, Whitehouse has introduced the DISCLOSE Act, a bill to require covered entities spending \$10,000 or more during an election cycle to file a report detailing the amount and nature of each expenditure over \$1,000 and the names of all of its donors who gave \$10,000 or more. Transfer provisions in the bill prevent donors from using shell organizations to hide their activities.

Video of the exchange is available [here](#).

In another exchange, Whitehouse pushed back against Gorsuch for his refusal to provide substantive answers to any questions from the Committee.

“That just doesn’t do, Judge Gorsuch,” Whitehouse replied. “There are going to be questions that you will be asked to decide on the United States Supreme Court that are going to be dependent on the values you bring to this. I don’t think you can avoid talking about those values here.”

Video of the exchange is available here <https://www.youtube.com/watch?v=u65tATLfnJA>

Full video of Whitehouse’s questions for Gorsuch at the hearing today is available here <https://youtu.be/gx4Ck38wMfc>

Source: <https://www.whitehouse.senate.gov/news/release/whitehouse-presses-gorsuch-on-dark-money>

Democratic Senators Raise Questions on Todd Ricketts' Super PAC and Dark Money Fundraising Activities

Nominee to be #2 At Commerce Department reportedly tied to groups running ads in support of Trump cabinet nominees

February 08, 2017

WASHINGTON - Today, U.S. Senators Tom Udall (D-N.M.), Richard Blumenthal (D-Conn.), and Edward J. Markey (D-Mass.) sent a letter to Todd Ricketts, President Trump's nominee to be Deputy Secretary of Commerce, seeking answers about Ricketts' leadership role and fundraising activities on behalf of the Super PAC Future45 and its dark money counterpart, the 45Committee, the group behind pro-Trump TV ads airing in several states. As the senators wrote, Ricketts' reported leadership of these groups -soliciting, raising and spending money from wealthy donors for partisan political causes, without disclosing those donors - opens him to a vast and expansive array of potential conflicts of interest and abuses of power.

In their letter, the senators noted that Ricketts' questionnaire submitted to the Commerce Committee fails to list any of the work he has done for Future45 or the 45Committee. It has been widely reported, however, that Ricketts is the leader and primary fundraiser for this Super PAC and its dark money 501(c)(4) counterpart, an organization that is devoting millions of dollars to television ads to boost President Trump's cabinet nominees. As the senators wrote, the Department of Commerce has broad power over the American economy, businesses and communities, and can positively or negatively impact individuals' jobs or companies' bottom lines. Understanding Ricketts' leadership roles in the 45Committee and Future45 is necessary for the Senate to determine what conflicts of interest he will bring to his position if confirmed, and whether he will be able to fairly discharge his duties on behalf of all Americans - including those without the means to contribute to the causes or candidates they support.

"Recently, the 45Committee began running television ads supporting the confirmation of President Trump's cabinet nominees, including Attorney General nominee Jeff Sessions and Health and Human Services nominee Tom Price," the senators wrote. "These ads encourage viewers to lobby the U.S. Senate in favor of their confirmation. Politico reports that the organization spent \$750,000 on ads for Sessions and plans to spend \$1 million to support Price. Another of the President's cabinet nominees, Linda McMahon, is also a major donor to Future45, having given \$1 million to the group in October 2016."

"The Department of Commerce has wide jurisdiction and power over the American economy, business and communities, from international trade to domestic manufacturing to wireless spectrum and coastal fisheries. It can positively or negatively impact individuals' jobs and companies' bottom lines. If nominees and officials to the highest positions at this Department are raising and spending money for partisan political causes without disclosing their donors, the opportunities for conflicts of interest and abuse of power are vast and far-reaching," the senators continued.

"Understanding your leadership roles in the 45Committee and Future45 is necessary for us to be able to evaluate any conflicts of interest you may bring to this powerful position, and whether

you should recuse yourself from particular matters that may come before you as Deputy Secretary," the senators said.

As the letter stated, the senators' request for transparency and disclosure from Ricketts on his Super PAC and dark money activities has clear precedent in the Commerce Committee. In 1988, prior to the confirmation hearing for President George H.W. Bush's nominee for Secretary of Commerce, Robert Mosbacher, the committee required the disclosure of 249 donors who contributed at least \$100,000 to the Republican National Committee, because of Mr. Mosbacher's leadership role in raising those funds.

The full text of the letter can be found below and here.

Mr. Todd Ricketts
Deputy Secretary-Designate, U.S. Department of Commerce

Dear Mr. Ricketts:

You will soon come before the Senate Commerce Committee, on which we serve, to discuss your qualifications to be Deputy Secretary of the Department of Commerce. While you and your family have spent considerable amounts of money to influence federal officials over the years, you have no experience as a federal official yourself. Your active political fundraising of course does not disqualify you from holding public office, but it does raise questions about whether you will be able to discharge your duties fairly on behalf of all Americans, including those without the wherewithal to contribute to causes or candidates they support.

Your questionnaire submitted to the Commerce Committee lists your position as CEO and member of the board of directors at Ending Spending, Inc., a non-profit group that advocated for shrinking important federal programs. However, your questionnaire fails to list any work you have done for the Super PAC Future45 or its dark money 501(c)(4) counterpart, the 45Committee, which are entities that are actively supporting the confirmations of many of President Trump's cabinet nominees.

Multiple news articles and other sources state that you are the leader of these organizations and attribute much of the fundraising for these groups to you. Politico and Factcheck.org state that you "assumed control of both groups" in 2016. The Future45 website posted a CNN story titled "Trump finally hits the big-money jackpot" that cites two people who spoke to you in 2016 and state that you told them the organization "now had \$35 million in the bank thanks to the Adelson donation and [you were] working toward raising \$70 million" for the presidential race. The Politico article also states that your pitch to large donors was that they could anonymously give the money to the 45Committee and you could then transfer it to Future45 to prevent their names from disclosure. None of the articles in question include any statements from you or your representatives disputing these claims.

Recently, the 45Committee began running television ads supporting the confirmation of President Trump's cabinet nominees, including Attorney General nominee Jeff Sessions and Health and Human Services nominee Tom Price. These ads encourage viewers to lobby the U.S.

Senate in favor of their confirmation. Politico reports that the organization spent \$750,000 on ads for Sessions and plans to spend \$1 million to support Price. Another of the President's cabinet nominees, Linda McMahon, is also a major donor to Future45, having given \$1 million to the group in October 2016.

The Department of Commerce has wide jurisdiction and power over the American economy, business and communities, from international trade to domestic manufacturing to wireless spectrum and coastal fisheries. It can positively or negatively impact individuals' jobs and companies' bottom lines. If nominees and officials to the highest positions at this Department are raising and spending money for partisan political causes without disclosing their donors, the opportunities for conflicts of interest and abuse of power are vast and far-reaching.

Understanding your leadership roles in the 45Committee and Future45 is necessary for us to be able to evaluate any conflicts of interest you may bring to this powerful position, and whether you should recuse yourself from particular matters that may come before you as Deputy Secretary. Moreover, the Committee has precedent for making such inquiries; in 1988, it required, prior to the confirmation hearing for President George H. W. Bush's nominee for Secretary of Commerce, Robert Mosbacher, the disclosure of the names of 249 donors who each contributed at least \$100,000 to the Republican National Committee because of Mr. Mosbacher's leadership role in raising the funds. Accordingly, we request you provide the Committee the following information before a hearing on your nomination:

1. Please provide a detailed explanation of the role you played in the establishment and operation, including fundraising activities, of the 45Committee, and the relationship of the 45Committee to other organizations which you have chaired, helped start, or played a role in operating.
2. Please provide a detailed explanation of the role you played in the establishment and operation, including fundraising activities, of Future45, and the relationship of Future45 to other organizations which you have chaired, helped start, or played a role in operating.
3. Please provide a detailed explanation of the role you or any family members played in the operation, including fundraising activities, of the 45Committee and Future45 since the date of your nomination.
4. Please provide a detailed explanation of the role you or any family members intend to play in the operation, including fundraising activities, of the 45Committee and Future45 in the future.
5. Under the Hatch Act federal officials may not solicit, accept or receive political contributions. If confirmed, will you commit to cease all activities related to these political organizations in compliance with the Hatch Act?
6. You have solicited funds from corporations and wealthy individuals for several political organizations, including Ending Spending, the 45Committee and Future45. If confirmed as Deputy Commerce Secretary, you would have the ability to take official actions that may benefit

these same donors. Will you commit to recuse yourself on all matters before the Department involving donors to these political organizations?

7. Please provide the following information:

- a. A list of all donors, their total donations, and dates of donations for contributions made to the 45Committee and Future45 since their inception.
- b. A list of all expenditures of over \$1,000 made by the 45Committee and Future45 since their inception.
- c. Copies of all solicitations for donations sent by the 45Committee or Future45 since September 1, 2016.
- d. A list of all donations made by you, members of your family, and foundations or organizations with which you are affiliated, to any other 501(c)(4) organizations over the past five years.
- e. A list of any other 501(c)(4) organizations in which you have served as a board member, officer, or some other advisory or executive capacity.

We look forward to learning more about these and other issues during the confirmation process.
Sincerely,

Source: <https://www.tomudall.senate.gov/news/press-releases/democratic-senators-raise-questions-on-todd-ricketts-and-rsquo-super-pac-and-dark-money-fundraising-activities>

Wyden, Nelson, Casey Call on Republicans to Keep Dark Money out of Charities, Religious Institutions

May 03, 2017

Press Contact:

Rachel McCleery

202-224-4515

WASHINGTON – Senate Finance Committee Ranking Member Ron Wyden, D-Ore., and Senate Finance Committee members Bill Nelson, D-Fla., and Bob Casey, D-Pa., today urged Republicans to protect the sanctity of religious institutions by keeping dark money out of tax-exempt organizations. The U.S. tax code includes a long-standing prohibition on political activity by charities and places of worship. In a letter to House and Senate Republicans, Wyden, Nelson and Casey wrote that efforts to repeal or alter this measure would increase the flow of dark money in politics and force taxpayers to foot the bill for special interests.

Earlier this year nearly 4,500 charitable organizations, including 100 faith groups, sent a letter to the President and Congress opposing any efforts to dismantle or repeal protections for religious and charitable entities.

“Proposals to weaken the prohibition on political campaign activity by charities will effectively lead to the elimination of our nation’s campaign finance laws,” the Senators wrote. “Using charitable causes as shell companies to evade campaign finance transparency and contribution limits would increase the flow of dark money in politics. At the same time, it would force taxpayers to foot the bill for special interests. Hardworking Americans simply should not be required to subsidize the political spending for our country’s powerful few.”

Under present law, charitable organizations, including churches, are exempt from taxation. Charitable contributions to such organizations are also deductible by the taxpayer making such contribution. Since 1954 charitable organizations have been prohibited from intervening in any political campaign.

Full text of the letter can be found [here](#) and below.

Dear Majority Leader McConnell, Speaker Ryan, Chairman Hatch, Chairman Johnson, Chairman Brady, and Chairman Chaffetz:

We write today to strongly urge that you not act to politicize our nation’s charities in tax reform or any other legislation. In recent weeks our offices have received requests from nearly 4,500 charitable organizations including 100 faith groups expressing their strong opposition to any proposal that would politicize and undermine the charitable, nonprofit, and philanthropic community by repealing or weakening current protections in federal law that prohibit charitable organizations from endorsing, opposing, or contributing to political campaigns. This letter seeks to echo and amplify these requests from our nation’s charities.

Nonpartisanship is the cornerstone of Americans' trust in the charitable sector. For more than 60 years the rules prohibiting political activity by charities have guaranteed the public that their valuable charitable donations will be used for social good, not political electioneering. Feeding the hungry, sheltering the homeless, ministering to the spirit, and other critical community services provided by the charitable sector are not partisan issues. However, if even a few charitable organizations violate this principle, it would undermine the credibility of our food banks, homeless shelters, religious institutions, and other critical charitable organizations in our communities. Moreover, a repeal of these safeguards would force legitimate charities to compete with special interest political groups for limited charitable donations.

America's charities also serve as partners to federal and state governments, efficiently delivering social services to communities via competitive grants. According to the most recent data, charities receive approximately \$137 billion annually from government agencies to help fund their important missions. The prohibition against political campaign activity by charities ensures grant recipients are free from political conflicts of interest. These grant programs and the services provided by charitable organizations in our communities are too important to risk by subjecting them to partisan campaign politics.

Proposals to weaken the prohibition on political campaign activity by charities will effectively lead to the elimination of our nation's campaign finance laws. Using charitable causes as shell companies to evade campaign finance transparency and contribution limits would increase the flow of dark money in politics. At the same time, it would force taxpayers to foot the bill for special interests. Hardworking Americans simply should not be required to subsidize the political spending for our country's powerful few.

As Congress looks toward tax reform and other legislation this year, we hope you will keep in mind the credibility and independence of the charities that serve our communities. As such, we strongly request you not act to undermine that independence or the critical programs these charities provide.

Source: <https://www.finance.senate.gov/ranking-members-news/wyden-nelson-casey-call-on-republicans-to-keep-dark-money-out-of-charities-religious-institutions->

Time to Wake Up: The Dark Money Weaponry

Speech by Sheldon Whitehouse U.S. Senator Rhode Island

06.21.17

Mr. President, I come weekly to the Senate whenever we are in session to give my “Time to Wake Up” speech, talking about climate change and, quite often, talking about the climate denial campaign that prevents us from taking action and, quite often, talking about the campaign finance problems in our country that make climate denial effective. Here, in Congress, it is not hard to connect the dots from campaign finance to climate denial.

The Supreme Court’s Republican majority’s disastrous Citizens United decision was requested by the fossil fuel industry, and the fossil fuel industry took instant advantage of it--almost like they saw it coming. The industry and its front groups instantly used their new power conferred by Citizens United to come after politicians--Republicans in particular. Ask Bob Inglis, who backed responsible climate policies.

Citizens United created new American dark-money emperors, and--no surprise--the new emperors love their new political power.

Their first payoff was that Republicans in Congress fled from any legislative action on climate change. Before Citizens United, there were multiple bipartisan climate bills. Year after year--when I was here in 2007, 2008, 2009--there were bipartisan climate bills to the left of you, bipartisan climate bills to the right of you, bipartisan climate bills cropping up all over. Today, we watch our Republican President trying to undo curbs on carbon emissions and, to the cheers of Republicans in Congress, withdrawing the United States from the historic Paris Agreement. We join Syria and Nicaragua as the only nations to reject this common cause. That, my friends, is the heavy hand of fossil fuel influence, driving us into isolation and abdication of American leadership.

Of course, right now, no Republican can safely sponsor any bill to limit carbon dioxide emissions, and so none do. Very different than before the Citizens United decision in January of 2010. That changed everything.

When those five Republican justices opened up unlimited political spending to the big Republican special interests, that unlimited political spending was inevitably going to find dark-money channels. Dark-money channels hide the identity of the political donor, so that big special interests can pollute our politics with their money with seemingly clean hands. The climate denial scheme of the fossil fuel cartel is powered politically by dark money. Whether through the lure of dark money coming in for you in a political race or the threat of dark money coming in against you in a political race, dark money powers climate denial.

Well, we have just learned something new about dark money.

Chairman Graham and I held hearings in our Judiciary Subcommittee on Crime and Terrorism to look at Russian interference in the recent 2016 election and what it portends for elections to come. Our witnesses warned us that Russia has strategically manipulated politics in Europe for

decades. They started working in the former Soviet Union countries, and they expanded to where they are manipulating politics in France, Germany, Holland, England, and all over Europe. The witnesses warned us that we in America must be prepared for that. They jumped the Atlantic to manipulate the 2016 elections, and they are not going away.

One identified weakness of the United States against Russian influence was this dark money in our politics. Why is that? Well, it is obvious. Once you allow dark money in, dark is dark. Cash from Vladimir Putin is no more traceable than cash from Charles and David Koch. One witness, a former Republican national security official, told us:

“It is critical that we effectively enforce the campaign finance laws that would prevent this type of financial influence by foreign actors.”

The two best studies of Russian influence in Western Europe in their elections and in their politics are “The Kremlin Playbook,” by CSIS, or the Center for Strategic and International Studies, and “The Kremlin’s Trojan Horses,” by the Atlantic Council. Both of them report that Russia takes advantage of nontransparency in campaign financing to build its shadowy webs of influence and control. If you leave dark-money channels lying around, it is likely that Vladimir Putin and his oligarchs will find them.

The “Trojan Horses” report warns this: “The Kremlin’s blatant attempts to influence and disrupt the U.S. presidential election should serve as an inspiration for a democratic push back.” That is a lower case “d” for “democratic push back,” and it points to one key way we need to push back.

I will quote them again.

“Electoral rules should be amended, so that publically funded political groups, primarily political parties, should at the very least be required to report their sources of funding.”

That is, end dark money.

Likewise, the “Kremlin Playbook” report warns:

“Enhancing transparency and the effectiveness of the Western democratic tools, instruments, and institutions is critical to resilience against Russian influence.”

Enhancing transparency means ending dark money.

Our hearing and these reports reveal another political influence tool used by the Kremlin: fake news. As we shore up our democracy to defend against Russia’s fake news information warfare, we must remember this: Climate denial was the original fake news.

To give an example, here is a story that may sound familiar. An unknown hacker illegally breaks into and steals an organization’s emails. The organization’s emails are held until they can be released at a politically strategic moment. At the strategic moment, emails are leaked to a website with shady ties. The leaks are then amplified and spun by fake news, driven into the

regular media, and have their desired political effect. Does any of that sound familiar? Of course, it is the methodology of the Russians' hack of the Democratic National Committee, right? Unknown hacker, stolen emails, strategic release, caching them until they can be used, shady website, fake news spin-up, regular media takes the bait, political damage.

If you step back and look at just the methodology, we have seen this pattern before--so-called Climategate, the fake scandal years ago cooked up by the climate denial machine. It was 2009, not 2017. The organization hacked was not the DNC but the Climate Research Unit at the University of East Anglia in the United Kingdom. The release was timed to the U.N. climate conference in Copenhagen, not the Presidential election. The documents went to climate skeptic blogs (with, interestingly, the first upload in Russia) instead of to WikiLeaks, but the mainstream media took the bait, and the political damage was done.

At the time, the New York Times wrote:

“The[se] revelations are bound to inflame the public debate as hundreds of negotiators prepare to negotiate an international climate accord at meetings in Copenhagen next month.”

This climategate scheme worked so well that in November 2011, the climategate operation did it again just before the U.N. climate conference in Durban in what was dubbed climategate 2.0.

Of course, the whipped-up climategate hysteria was all fake news. As the Guardian wrote in February 2010:

“Almost all the media and political discussion about the hacked climate emails has been based on soundbites publicized by professional [climate] sceptics and their blogs. In many cases, these have been taken out of context and twisted to mean something they were never intended to.”

Eight times, everyone from the inspector general of the U.S. Department of Commerce, to the National Science Foundation, to the British Parliament found no evidence of any misconduct by the scientists, but for the climate denier groups, the truth was never the point.

This climategate stunt was the product of a fake news infrastructure built by the fossil fuel industry to attack and undermine real climate science--disinformation campaigns, false-front organizations, stables of paid-for scientists, and propaganda honed by public relations experts. This denial operation aspires to mimic and rival real science, and it is an industrial-strength adversary with big advantages. It does not need to win its disputes with real science; it just needs to create the public illusion of a real dispute. It doesn't have to waste time in peer review, and it doesn't have to be true; it just has to sound like it might be.

This industrial fake news operation isn't going anywhere. It is too valuable to the big polluters.

As we prepare to face down Russia's campaign of election interference, we will have to face up to these two hard facts. If the Kremlin wants to deploy fake news information warfare in our country, the climate denial fake news infrastructure already exists. Remember, climate denial was the original fake news.

If the Kremlin wants to deploy a surreptitious financial influence campaign, the dark money infrastructure already exists. The fossil fuel industry's dark money election manipulation machinery is ready to go.

Putin doesn't have to build a thing. The fossil fuel dark money and fake news infrastructure stands ready to go. Unfortunately, we know it works because it has worked for years for the fossil fuel cartel, particularly since Citizens United allowed the fossil fuel industry to enforce silence on the Republican Party.

The dangers of fake news, dark money, climate denial, and foreign interference in our elections are all intermixed. They have brought us to the point where the President of the United States will leave the Paris Agreement, betraying the country's interests, in the service of the fossil fuel industry, the Koch brothers' climate denial operation, and Breitbart fake news.

This calls for an American response. Dark money and fake news are a sinister combination, whoever is behind them. America must address the twin threats of fake news and dark money. It is bad enough when these are the tools of the fossil fuel industry's climate denial operation, but we are on notice now. We are on notice from these reports and from multiple witnesses that the Kremlin can borrow these tools too.

I will close by asking that we clean up this mess. It may take citizen action, given the stranglehold dark money and fake news have on Congress, but this is a fight worth having. There is no good that comes out of dark money and fake news, whoever is behind them. We should rid ourselves of this sinister combination.

I yield the floor.

Source: <https://www.whitehouse.senate.gov/news/speeches/time-to-wake-up-the-dark-money-weaponry>

All Information (Except Text) for H.R.1134 - DISCLOSE 2017 Act 115th Congress (2017-2018)

Sponsor: [Rep. Cicilline, David N. \[D-RI-1\]](#) (Introduced 02/16/2017)

Committees: House - House Administration; Judiciary; Ways and Means

Latest Action: House - 03/06/2017 Referred to the Subcommittee on the Constitution and Civil Justice. ([All Actions](#))

Tracker:

This bill has the status Introduced

Here are the steps for Status of Legislation:

1. Introduced
2. Passed House
3. Passed Senate
4. To President
5. Became Law

More on This Bill

- [Constitutional Authority Statement](#)
- [CBO Cost Estimates \[0\]](#)

Subject — Policy Area:

- Government Operations and Politics
- [View subjects](#)

There is 1 version of this bill. [View text](#)

Titles (3)

Short Titles

Short Titles - House of Representatives
Short Titles as Introduced

DISCLOSE 2017 Act
Disclosure of Information on Spending on Campaigns Leads to Open and Secure Elections Act of 2017

Official Titles

Official Titles - House of Representatives
Official Title as Introduced

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, and other entities, and for other purposes.

Actions Overview (1)**Date**

02/16/2017 Introduced in House

All Actions (6)**Date**

03/06/2017 Referred to the Subcommittee on the Constitution and Civil Justice.
Action By: Committee on the Judiciary

02/16/2017 Referred to House Ways and Means
Action By: House of Representatives

02/16/2017 Referred to House Judiciary
Action By: House of Representatives

02/16/2017 Referred to House Administration
Action By: House of Representatives

02/16/2017 Referred to the Committee on House Administration, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Action By: House of Representatives

02/16/2017 Introduced in House
Action By: House of Representatives

Cosponsors (131)

* = Original cosponsor

Cosponsor	Date Cosponsored
Rep. Aguilar, Pete [D-CA-31]*	02/16/2017
Rep. Blumenauer, Earl [D-OR-3]*	02/16/2017
Rep. Bonamici, Suzanne [D-OR-1]*	02/16/2017
Rep. Boyle, Brendan F. [D-PA-13]*	02/16/2017
Rep. Brownley, Julia [D-CA-26]*	02/16/2017

Cosponsor	Date Cosponsored
Rep. Bustos, Cheri [D-IL-17]*	02/16/2017
Rep. Capuano, Michael E. [D-MA-7]*	02/16/2017
Rep. Cardenas, Tony [D-CA-29]*	02/16/2017
Rep. Castor, Kathy [D-FL-14]*	02/16/2017
Rep. Conyers, John, Jr. [D-MI-13]*	02/16/2017
Rep. Chu, Judy [D-CA-27]*	02/16/2017
Rep. Clark, Katherine M. [D-MA-5]*	02/16/2017
Rep. Clyburn, James E. [D-SC-6]*	02/16/2017
Rep. Crowley, Joseph [D-NY-14]*	02/16/2017
Rep. Cummings, Elijah E. [D-MD-7]*	02/16/2017
Rep. Cohen, Steve [D-TN-9]*	02/16/2017
Rep. Connolly, Gerald E. [D-VA-11]*	02/16/2017
Rep. Courtney, Joe [D-CT-2]*	02/16/2017
Rep. Davis, Danny K. [D-IL-7]*	02/16/2017
Rep. Davis, Susan A. [D-CA-53]*	02/16/2017
Rep. DeFazio, Peter A. [D-OR-4]*	02/16/2017
Rep. DeGette, Diana [D-CO-1]*	02/16/2017
Rep. Delaney, John K. [D-MD-6]*	02/16/2017
Rep. DeLauro, Rosa L. [D-CT-3]*	02/16/2017
Rep. DelBene, Suzan K. [D-WA-1]*	02/16/2017
Rep. Deutch, Theodore E. [D-FL-22]*	02/16/2017
Rep. Engel, Eliot L. [D-NY-16]*	02/16/2017
Rep. Eshoo, Anna G. [D-CA-18]*	02/16/2017

Cosponsor	Date Cosponsored
Rep. Esty, Elizabeth H. [D-CT-5]*	02/16/2017
Rep. Evans, Dwight [D-PA-2]*	02/16/2017
Rep. Green, Gene [D-TX-29]*	02/16/2017
Rep. Grijalva, Raul M. [D-AZ-3]*	02/16/2017
Rep. Gutierrez, Luis V. [D-IL-4]*	02/16/2017
Rep. Hastings, Alcee L. [D-FL-20]*	02/16/2017
Rep. Heck, Denny [D-WA-10]*	02/16/2017
Rep. Higgins, Brian [D-NY-26]*	02/16/2017
Rep. Johnson, Eddie Bernice [D-TX-30]*	02/16/2017
Rep. Kaptur, Marcy [D-OH-9]*	02/16/2017
Rep. Keating, William R. [D-MA-9]*	02/16/2017
Rep. Kildee, Daniel T. [D-MI-5]*	02/16/2017
Rep. Kilmer, Derek [D-WA-6]*	02/16/2017
Rep. Kihuen, Ruben J. [D-NV-4]*	02/16/2017
Rep. Kuster, Ann M. [D-NH-2]*	02/16/2017
Rep. Langevin, James R. [D-RI-2]*	02/16/2017
Rep. Larsen, Rick [D-WA-2]*	02/16/2017
Rep. Lee, Barbara [D-CA-13]*	02/16/2017
Rep. Levin, Sander M. [D-MI-9]*	02/16/2017
Rep. Lieu, Ted [D-CA-33]*	02/16/2017
Rep. Lipinski, Daniel [D-IL-3]*	02/16/2017
Rep. Loebsack, David [D-IA-2]*	02/16/2017
Rep. Lynch, Stephen F. [D-MA-8]*	02/16/2017

Cosponsor	Date Cosponsored
Rep. Lujan, Ben Ray [D-NM-3]*	02/16/2017
Rep. Lujan Grisham, Michelle [D-NM-1]*	02/16/2017
Rep. Maloney, Carolyn B. [D-NY-12]*	02/16/2017
Rep. Maloney, Sean Patrick [D-NY-18]*	02/16/2017
Rep. Matsui, Doris O. [D-CA-6]*	02/16/2017
Rep. McCollum, Betty [D-MN-4]*	02/16/2017
Rep. McGovern, James P. [D-MA-2]*	02/16/2017
Rep. Meeks, Gregory W. [D-NY-5]*	02/16/2017
Rep. Nadler, Jerrold [D-NY-10]*	02/16/2017
Rep. Nolan, Richard M. [D-MN-8]*	02/16/2017
Rep. Norcross, Donald [D-NJ-1]*	02/16/2017
Rep. Norton, Eleanor Holmes [D-DC-At Large]*	02/16/2017
Rep. Pallone, Frank, Jr. [D-NJ-6]*	02/16/2017
Rep. Pascrell, Bill, Jr. [D-NJ-9]*	02/16/2017
Rep. Peters, Scott H. [D-CA-52]*	02/16/2017
Rep. Pingree, Chellie [D-ME-1]*	02/16/2017
Rep. Pocan, Mark [D-WI-2]*	02/16/2017
Rep. Polis, Jared [D-CO-2]*	02/16/2017
Rep. Quigley, Mike [D-IL-5]*	02/16/2017
Rep. Rice, Kathleen M. [D-NY-4]*	02/16/2017
Rep. Ruppertsberger, C. A. Dutch [D-MD-2]*	02/16/2017
Rep. Ryan, Tim [D-OH-13]*	02/16/2017
Rep. Schakowsky, Janice D. [D-IL-9]*	02/16/2017

Cosponsor	Date Cosponsored
Rep. Schiff, Adam B. [D-CA-28]*	02/16/2017
Rep. Serrano, Jose E. [D-NY-15]*	02/16/2017
Rep. Shea-Porter, Carol [D-NH-1]*	02/16/2017
Rep. Slaughter, Louise McIntosh [D-NY-25]*	02/16/2017
Rep. Soto, Darren [D-FL-9]*	02/16/2017
Rep. Swalwell, Eric [D-CA-15]*	02/16/2017
Rep. Tonko, Paul [D-NY-20]*	02/16/2017
Rep. Titus, Dina [D-NV-1]*	02/16/2017
Rep. Torres, Norma J. [D-CA-35]*	02/16/2017
Rep. Tsongas, Niki [D-MA-3]*	02/16/2017
Rep. Welch, Peter [D-VT-At Large]*	02/16/2017
Rep. Yarmuth, John A. [D-KY-3]*	02/16/2017
Rep. Pelosi, Nancy [D-CA-12]*	02/16/2017
Rep. Richmond, Cedric L. [D-LA-2]*	02/16/2017
Rep. Sarbanes, John P. [D-MD-3]*	02/16/2017
Rep. Himes, James A. [D-CT-4]*	02/16/2017
Rep. Watson Coleman, Bonnie [D-NJ-12]*	02/16/2017
Rep. Gallego, Ruben [D-AZ-7]*	02/16/2017
Rep. Vargas, Juan [D-CA-51]*	02/16/2017
Rep. Sires, Albio [D-NJ-8]*	02/16/2017
Rep. McNerney, Jerry [D-CA-9]*	02/16/2017
Rep. Jayapal, Pramila [D-WA-7]*	02/16/2017
Rep. Napolitano, Grace F. [D-CA-32]*	02/16/2017

Cosponsor	Date Cosponsored
Rep. Khanna, Ro [D-CA-17]*	02/16/2017
Rep. Green, Al [D-TX-9]*	02/16/2017
Rep. Garamendi, John [D-CA-3]*	02/16/2017
Rep. Foster, Bill [D-IL-11]*	02/16/2017
Rep. Velazquez, Nydia M. [D-NY-7]*	02/16/2017
Rep. Wilson, Frederica S. [D-FL-24]*	02/16/2017
Rep. Costa, Jim [D-CA-16]*	02/16/2017
Rep. Ellison, Keith [D-MN-5]*	02/16/2017
Rep. Gabbard, Tulsi [D-HI-2]*	02/16/2017
Rep. Lowey, Nita M. [D-NY-17]*	02/16/2017
Rep. Payne, Donald M., Jr. [D-NJ-10]*	02/16/2017
Rep. Smith, Adam [D-WA-9]*	02/16/2017
Rep. Thompson, Mike [D-CA-5]*	02/16/2017
Rep. Demings, Val Butler [D-FL-10]*	02/16/2017
Rep. Takano, Mark [D-CA-41]*	02/16/2017
Rep. Sewell, Terri A. [D-AL-7]*	02/16/2017
Rep. Lawrence, Brenda L. [D-MI-14]*	02/16/2017
Rep. Raskin, Jamie [D-MD-8]*	02/16/2017
Rep. Lowenthal, Alan S. [D-CA-47]	03/10/2017
Rep. Carbajal, Salud O. [D-CA-24]	03/10/2017
Rep. DeSaulnier, Mark [D-CA-11]	03/10/2017
Rep. O'Halleran, Tom [D-AZ-1]	05/02/2017
Rep. Visclosky, Peter J. [D-IN-1]	05/02/2017

Cosponsor	Date Cosponsored
Rep. Barragan, Nanette Diaz [D-CA-44]	05/02/2017
Rep. Rosen, Jacky [D-NV-3]	05/02/2017
Rep. McEachin, A. Donald [D-VA-4]	05/26/2017
Rep. Dingell, Debbie [D-MI-12]	05/26/2017
Rep. Blunt Rochester, Lisa [D-DE-At Large]	05/26/2017
Rep. Clarke, Yvette D. [D-NY-9]	05/26/2017
Rep. O'Rourke, Beto [D-TX-16]	07/11/2017
Rep. Moore, Gwen [D-WI-4]	07/11/2017
Rep. Bera, Ami [D-CA-7]	12/13/2017
Rep. Frankel, Lois [D-FL-21]	02/27/2018
Rep. Ruiz, Raul [D-CA-36]	02/27/2018

Committees (3)

Committees, subcommittees and links to reports associated with this bill are listed here, as well as the nature and date of [committee activity](#) and [Congressional report](#) number.

Committee / Subcommittee	Date	Activity	Reports
House Administration	02/16/2017	Referred to	
House Judiciary	02/16/2017	Referred to	
House Judiciary Subcommittee on Constitution and Civil Justice	03/06/2017	Referred to	
House Ways and Means	02/16/2017	Referred to	

Related Bills (1)

A related bill may be a [companion measure](#), an [identical bill](#), a [procedurally-related measure](#), or one with [text similarities](#). Bill relationships are identified by the House, the Senate, or CRS, and refer only to same-congress measures.

Bill	Latest Title	Relationships to H.R.1134	Relationships Identified by	Latest Action
S.1880	We the People Democracy Reform Act of 2017	Related bill	CRS	09/27/2017 Read twice and referred to the Committee on Finance.

Subjects (12)

Subject — Policy Area:

- [Government Operations and Politics](#)

One [Policy Area](#) term, which best describes an entire measure, is assigned to every public bill or resolution.

- Business records
- Congressional elections
- Corporate finance and management
- Elections, voting, political campaign regulation
- Financial services and investments
- Government information and archives
- Labor-management relations
- Political advertising
- Political parties and affiliation
- Public participation and lobbying
- Tax-exempt organizations

Latest Summary (1)

There is one summary for H.R.1134. [View summaries](#)

Shown Here:

Introduced in House (02/16/2017)

Disclosure of Information on Spending on Campaigns Leads to Open and Secure Elections Act of 2017 or the DISCLOSE 2017 Act

This bill amends the Federal Election Campaign Act of 1971 to:

- revise the definition of "independent expenditure;"
- expand the period during which certain communications are treated as electioneering communications;
- require certain organizations making campaign-related disbursements to file a statement with the Federal Election Commission;
- require campaign-related radio or television communications that are not authorized by a candidate or candidate's political committee to include an individual or organizational disclosure statement, together with other information;
- repeal the prohibition against political contributions by individuals age 17 or younger; and
- require certain organizations that submit regular, periodic reports to shareholders, members, or donors to include in each report information regarding campaign-related disbursements.

The bill amends the Lobbying Disclosure Act of 1995 to require the semiannual reports on certain election campaign contributions filed with the Senate or the House of Representatives by registered lobbyists (or persons or organizations required to register as lobbyists) to contain: (1) the amount of any independent expenditure of \$1,000 or more made by each such person or organization, along with the name of each candidate being supported or opposed and the amount spent supporting or opposing that candidate; and (2) the amount of any electioneering communication of \$1,000 or more made by such person or organization, along with the name of the candidate referred to in the communication and whether the communication was in support of or in opposition to the candidate.

Source: <https://www.congress.gov/bill/115th-congress/house-bill/1134/all-info>

Disclosure of Information on Spending on Campaigns Leads to Open and Secure Elections Act of 2017 or the DISCLOSE 2017 Act (text)

115th CONGRESS

1st Session

H. R. 1134

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, and other entities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 16, 2017

Mr. Cicilline (for himself, Mr. Aguilar, Mr. Blumenauer, Ms. Bonamici, Mr. Brendan F. Boyle of Pennsylvania, Ms. Brownley of California, Mrs. Bustos, Mr. Capuano, Mr. Cárdenas, Ms. Castor of Florida, Mr. Conyers, Ms. Judy Chu of California, Ms. Clark of Massachusetts, Mr. Clyburn, Mr. Crowley, Mr. Cummings, Mr. Cohen, Mr. Connolly, Mr. Courtney, Mr. Danny K. Davis of Illinois, Mrs. Davis of California, Mr. DeFazio, Ms. DeGette, Mr. Delaney, Ms. DeLauro, Ms. DelBene, Mr. Deutch, Mr. Engel, Ms. Eshoo, Ms. Esty, Mr. Evans, Mr. Gene Green of Texas, Mr. Grijalva, Mr. Gutiérrez, Mr. Hastings, Mr. Heck, Mr. Higgins of New York, Ms. Eddie Bernice Johnson of Texas, Ms. Kaptur, Mr. Keating, Mr. Kildee, Mr. Kilmer, Mr. Kihuen, Ms. Kuster of New Hampshire, Mr. Langevin, Mr. Larsen of Washington, Ms. Lee, Mr. Levin, Mr. Ted Lieu of California, Mr. Lipinski, Mr. Loebsack, Mr. Lynch, Mr. Ben Ray Luján of New Mexico, Ms. Michelle Lujan Grisham of New Mexico, Mrs. Carolyn B. Maloney of New York, Mr. Sean Patrick Maloney of New York, Ms. Matsui, Ms. McCollum, Mr. McGovern, Mr. Meeks, Mr. Nadler, Mr. Nolan, Mr. Norcross, Ms. Norton, Mr. Pallone, Mr. Pascrell, Mr. Peters, Ms. Pingree, Mr. Pocan, Mr. Polis, Mr. Quigley, Miss Rice of New York, Mr. Ruppertsberger, Mr. Ryan of Ohio, Ms. Schakowsky, Mr. Schiff, Mr. Serrano, Ms. Shea-Porter, Ms. Slaughter, Mr. Soto, Mr. Swalwell of California, Mr. Tonko, Ms. Titus, Mrs. Torres, Ms. Tsongas, Mr. Welch, Mr. Yarmuth, Ms. Pelosi, Mr. Richmond, Mr. Sarbanes, Mr. Himes, Mrs. Watson Coleman, Mr. Gallego, Mr. Vargas, Mr. Sires, Mr. McNerney, Ms. Jayapal, Mrs. Napolitano, Mr. Khanna, Mr. Al Green of Texas, Mr. Garamendi, Mr. Foster, Ms. Velázquez, Ms. Wilson of Florida, Mr. Costa, Mr. Ellison, Ms. Gabbard, Mrs. Lowey, Mr. Payne, Mr. Smith of Washington, Mr. Thompson of California, Mrs. Demings, Mr. Takano, Ms. Sewell of Alabama, Mrs. Lawrence, and Mr. Raskin) introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committees on the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, and other entities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title.

This Act may be cited as the “Disclosure of Information on Spending on Campaigns Leads to Open and Secure Elections Act of 2017” or the “DISCLOSE 2017 Act”.

SEC. 2. Campaign disbursement reporting.

(a) Information required To be reported.—

(1) TREATMENT OF FUNCTIONAL EQUIVALENT OF EXPRESS ADVOCACY AS INDEPENDENT EXPENDITURE.—Subparagraph (A) of section 301(17) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101(17)) is amended to read as follows:

“(A) that, when taken as a whole, expressly advocates the election or defeat of a clearly identified candidate, or is the functional equivalent of express advocacy because it can be interpreted by a reasonable person only as advocating the election or defeat of a candidate, taking into account whether the communication involved mentions a candidacy, a political party, or a challenger to a candidate, or takes a position on a candidate’s character, qualifications, or fitness for office; and”.

(2) EXPANSION OF PERIOD DURING WHICH COMMUNICATIONS ARE TREATED AS ELECTIONEERING COMMUNICATIONS.—Section 304(f)(3)(A)(i) of such Act (52 U.S.C. 30104(f)(3)(A)(i)) is amended—

(A) by redesignating subclause (III) as subclause (IV); and

(B) by striking subclause (II) and inserting the following:

“(II) in the case of a communication which refers to a candidate for an office other than the President or Vice President, is made during the period beginning on January 1 of the calendar year in which a general or runoff election is held and ending on the date of the general or runoff election (or in the case of a special election, during the period beginning on the date on which the announcement with respect to such election is made and ending on the date of the special election);

“(III) in the case of a communication which refers to a candidate for the office of President or Vice President, is made in any State during the period beginning 120 days before the first primary or preference election or a convention or caucus of a political party which has the authority to nominate a candidate for the office of President or Vice President is held in any State and ending on the date of the general election; and”.

(3) EFFECTIVE DATE; TRANSITION FOR ELECTIONEERING COMMUNICATIONS MADE PRIOR TO ENACTMENT.—The amendment made by paragraph (2) shall apply with respect to communications made on or after July 1, 2017, except that no communication which is made prior to such date shall be treated as an electioneering communication under section 304(f)(3)(A)(i) (II) or (III) of the Federal Election Campaign Act of 1971 (as amended by paragraph (2)) unless the communication would be treated as an electioneering communication under such section if the amendment made by paragraph (2) did not apply.

(b) Disclosure requirements for corporations, labor organizations, and certain other entities.—

(1) IN GENERAL.—Section 324 of the Federal Election Campaign Act of 1971 (52 U.S.C. 30126) is amended to read as follows:

“SEC. 324. Disclosure of campaign-related disbursements by covered organizations.

“(a) Disclosure statement.—

“(1) IN GENERAL.—Any covered organization that makes campaign-related disbursements aggregating more than \$10,000 in a calendar year shall, not later than 24 hours after each disclosure date, file a statement with the Commission made under penalty of perjury that contains the information described in paragraph (2)—

“(A) in the case of the first statement filed under this subsection, for the period beginning on the first day of the preceding calendar year and ending on the first such disclosure date; and

“(B) in the case of any subsequent statement filed under this subsection, for the period beginning on the previous disclosure date and ending on such disclosure date.

“(2) INFORMATION DESCRIBED.—The information described in this paragraph is as follows:

“(A) The name of the covered organization and the principal place of business of such organization.

“(B) The amount of each campaign-related disbursement made by such organization during the period covered by the statement of more than \$1,000.

“(C) In the case of a campaign-related disbursement that is not a covered transfer, the election to which the campaign-related disbursement pertains and if the disbursement is made for a public communication, the name of any candidate identified in such communication and whether such communication is in support of or in opposition to a candidate.

“(D) A certification by the chief executive officer or person who is the head of the covered organization that the campaign-related disbursement is not made in cooperation, consultation, or concert with or at the request or suggestion of a candidate, authorized committee, or agent of a candidate, political party, or agent of a political party.

“(E) If the covered organization makes campaign-related disbursements using exclusively funds in a segregated bank account consisting of funds that were contributed, donated, transferred, or paid directly to such account by persons other than the covered organization that controls the account, for each contribution, donation, transfer, payment of dues, or other payment to the account—

“(i) the name and address of each person who made such contribution, donation, transfer, payment of dues, or other payment during the period covered by the statement;

“(ii) the date and amount of such contribution, donation, transfer, payment of dues, or other payment; and

“(iii) the aggregate amount of all such contributions, donations, transfers, payments of dues, and other payments made by the person during the period beginning on the first day of the preceding calendar year and ending on the disclosure date,

but only if such contribution, donation, transfer, payment of dues, or other payment was made by a person who made contributions, donations, transfers, payments of dues, or payments to the account in an aggregate amount of \$10,000 or more during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

“(F) Subject to paragraph (4), if the covered organization makes campaign-related disbursements using funds other than funds in a segregated bank account described in subparagraph (E), for each contribution, donation, transfer, or payment of dues to the covered organization—

“(i) the name and address of each person who made such contribution, donation, transfer, or payment of dues during the period covered by the statement;

“(ii) the date and amount of such contribution, donation, transfer, or payment of dues; and

“(iii) the aggregate amount of all such contributions, donations, transfers, and payments of dues made by the person during the period beginning on the first day of the preceding calendar year and ending on the disclosure date,

but only if such contribution, donation, transfer, or payment of dues was made by a person who made contributions, donations, transfers, or payments of dues to the covered organization in an aggregate amount of \$10,000 or more during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

“(3) EXCEPTIONS.—

“(A) AMOUNTS RECEIVED IN ORDINARY COURSE OF BUSINESS.—The requirement to include in a statement filed under paragraph (1) the information described in paragraph (2) shall not apply to amounts received by the covered organization in the ordinary course of any trade or

business conducted by the covered organization or in the form of investments in the covered organization.

“(B) DONOR RESTRICTION ON USE OF FUNDS.—The requirement to include in a statement submitted under paragraph (1) the information described in subparagraph (F) of paragraph (2) shall not apply if—

“(i) the person described in such subparagraph prohibited, in writing, the use of the contribution, donation, transfer, payment of dues, or other payment made by such person for campaign-related disbursements; and

“(ii) the covered organization agreed to follow the prohibition and deposited the contribution, donation, transfer, payment of dues, or other payment in an account which is segregated from any account used to make campaign-related disbursements.

“(4) DISCLOSURE DATE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘disclosure date’ means—

“(i) the first date during any calendar year by which a person has made campaign-related disbursements aggregating more than \$10,000; and

“(ii) each date following the date described in clause (i) during such calendar year by which a person has made campaign-related disbursements aggregating more than \$10,000.

“(B) DISCLOSURE DATE FOR CERTAIN TRANSFERS.—In the case of a statement filed with respect to a campaign-related disbursement which is a covered transfer described in subsection (f)(1)(E), the term ‘disclosure date’ means the date on which the covered organization making such transfer knew or should have known that the recipient of such transfer made campaign-related disbursements in an aggregate amount of \$50,000 or more during the 2-year period beginning on the date of the transfer.

“(b) Coordination with other provisions.—

“(1) OTHER REPORTS FILED WITH THE COMMISSION.—Information included in a statement filed under this section may be excluded from statements and reports filed under section 304.

“(2) TREATMENT AS SEPARATE SEGREGATED FUND.—A segregated bank account referred to in subsection (a)(2)(E) may be treated as a separate segregated fund for purposes of section 527(f)(3) of the Internal Revenue Code of 1986.

“(c) Filing.—Statements required to be filed under subsection (a) shall be subject to the requirements of section 304(d) to the same extent and in the same manner as if such reports had been required under subsection (c) or (g) of section 304.

“(d) Campaign-Related disbursement defined.—In this section, the term ‘campaign-related disbursement’ means a disbursement by a covered organization for any of the following:

“(1) An independent expenditure consisting of a public communication, as defined in section 301(22).

“(2) An electioneering communication, as defined in section 304(f)(3).

“(3) A covered transfer.

“(e) Covered organization defined.—In this section, the term ‘covered organization’ means any of the following:

“(1) A corporation (other than an organization described in section 501(c)(3) of the Internal Revenue Code of 1986).

“(2) An organization described in section 501(c) of such Code and exempt from taxation under section 501(a) of such Code (other than an organization described in section 501(c)(3) of such Code).

“(3) A labor organization (as defined in section 316(b)).

“(4) Any political organization under section 527 of the Internal Revenue Code of 1986, other than a political committee under this Act (except as provided in paragraph (5)).

“(5) A political committee with an account established for the purpose of accepting donations or contributions that do not comply with the contribution limits or source prohibitions under this Act, but only with respect to the accounts established for such purpose.

“(f) Covered transfer defined.—

“(1) IN GENERAL.—In this section, the term ‘covered transfer’ means any transfer or payment of funds by a covered organization to another person if the covered organization—

“(A) designates, requests, or suggests that the amounts be used for—

“(i) campaign-related disbursements (other than covered transfers); or

“(ii) making a transfer to another person for the purpose of making or paying for such campaign-related disbursements;

“(B) made such transfer or payment in response to a solicitation or other request for a donation or payment for—

“(i) the making of or paying for campaign-related disbursements (other than covered transfers);
or

“(ii) making a transfer to another person for the purpose of making or paying for such campaign-related disbursements;

“(C) engaged in discussions with the recipient of the transfer or payment regarding—

“(i) the making of or paying for campaign-related disbursements (other than covered transfers);
or

“(ii) donating or transferring any amount of such transfer or payment to another person for the purpose of making or paying for such campaign-related disbursements;

“(D) made campaign-related disbursements (other than a covered transfer) in an aggregate amount of \$50,000 or more during the 2-year period ending on the date of the transfer or payment, or knew or had reason to know that the person receiving the transfer or payment made such disbursements in such an aggregate amount during that 2-year period; or

“(E) knew or had reason to know that the person receiving the transfer or payment would make campaign-related disbursements in an aggregate amount of \$50,000 or more during the 2-year period beginning on the date of the transfer or payment.

“(2) EXCLUSIONS.—The term ‘covered transfer’ does not include any of the following:

“(A) A disbursement made by a covered organization in the ordinary course of any trade or business conducted by the covered organization or in the form of investments made by the covered organization.

“(B) A disbursement made by a covered organization if—

“(i) the covered organization prohibited, in writing, the use of such disbursement for campaign-related disbursements; and

“(ii) the recipient of the disbursement agreed to follow the prohibition and deposited the disbursement in an account which is segregated from any account used to make campaign-related disbursements.

“(3) EXCEPTION FOR CERTAIN TRANSFERS AMONG AFFILIATES.—

“(A) EXCEPTION FOR CERTAIN TRANSFERS AMONG AFFILIATES.—The term ‘covered transfer’ does not include an amount transferred by one covered organization to another covered organization which is treated as a transfer between affiliates under subparagraph (B) if the aggregate amount transferred during the year by such covered organization to that same covered organization is equal to or less than \$50,000.

“(B) DESCRIPTION OF TRANSFERS BETWEEN AFFILIATES.—A transfer of amounts from one covered organization to another covered organization shall be treated as a transfer between affiliates if—

“(i) one of the organizations is an affiliate of the other organization; or

“(ii) each of the organizations is an affiliate of the same organization,

except that the transfer shall not be treated as a transfer between affiliates if one of the organizations is established for the purpose of making campaign-related disbursements.

“(C) DETERMINATION OF AFFILIATE STATUS.—For purposes of subparagraph (B), a covered organization is an affiliate of another covered organization if—

“(i) the governing instrument of the organization requires it to be bound by decisions of the other organization;

“(ii) the governing board of the organization includes persons who are specifically designated representatives of the other organization or are members of the governing board, officers, or paid executive staff members of the other organization, or whose service on the governing board is contingent upon the approval of the other organization; or

“(iii) the organization is chartered by the other organization.

“(D) COVERAGE OF TRANSFERS TO AFFILIATED SECTION 501(c)(3) ORGANIZATIONS.—This paragraph shall apply with respect to an amount transferred by a covered organization to an organization described in paragraph (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code in the same manner as this paragraph applies to an amount transferred by a covered organization to another covered organization.”.

(2) CONFORMING AMENDMENT.—Section 304(f)(6) of such Act (52 U.S.C. 30104) is amended by striking “Any requirement” and inserting “Except as provided in section 324(b), any requirement”.

SEC. 3. Stand by your ad.

(a) Disclaimer requirements for campaign-Related disbursements.—Section 318(a) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30120(a)) is amended by striking “for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate” and inserting “for a campaign-related disbursement, as defined in section 324, consisting of a public communication”.

(b) Stand by your ad requirements.—

(1) MAINTENANCE OF REQUIREMENTS FOR POLITICAL PARTIES AND CERTAIN POLITICAL COMMITTEES.—Section 318(d)(2) of such Act (52 U.S.C. 30120(d)(2)) is amended—

(A) in the heading, by striking “others” and inserting “certain political committees”;

(B) by inserting “which (except to the extent provided in the last sentence of this paragraph) is paid for by a political committee (including a political committee of a political party) and” after “subsection (a)”;

(C) by striking “or other person” each place it appears; and

(D) by adding at the end the following: “This paragraph does not apply to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324 and with respect to which a covered organization files a statement under such section.”.

(2) SPECIAL DISCLAIMER REQUIREMENTS FOR CERTAIN COMMUNICATIONS.—Section 318 of such Act (52 U.S.C. 30120) is amended by adding at the end the following new subsection:

“(e) Communications by others.—

“(1) IN GENERAL.—Any communication described in paragraph (3) of subsection (a) which is transmitted through radio or television (other than a communication to which subsection (d)(2) applies) shall include, in addition to the requirements of such paragraph, the following:

“(A) The individual disclosure statement described in paragraph (2)(A) (if the person paying for the communication is an individual) or the organizational disclosure statement described in paragraph (2)(B) (if the person paying for the communication is not an individual).

“(B) If the communication is transmitted through television and is paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, the Top Five Funders list (if applicable), unless, on the basis of criteria established in regulations issued by the Commission, the communication is of such short duration that including the Top Five Funders list in the communication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the content of the communication to consist of the Top Five Funders list.

“(C) If the communication is transmitted through radio and is paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, the Top Two Funders list (if applicable), unless, on the basis of criteria established in regulations issued by the Commission, the communication is of such short duration that including the Top Two Funders list in the communication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the content of the communication to consist of the Top Two Funders list.

“(2) DISCLOSURE STATEMENTS DESCRIBED.—

“(A) INDIVIDUAL DISCLOSURE STATEMENTS.—The individual disclosure statement described in this subparagraph is the following: ‘I am _____, and I approve this message.’, with the blank filled in with the name of the applicable individual.

“(B) ORGANIZATIONAL DISCLOSURE STATEMENTS.—The organizational disclosure statement described in this subparagraph is the following: ‘I am _____, the _____ of _____, and _____ approves this message.’, with—

“(i) the first blank to be filled in with the name of the applicable individual;

“(ii) the second blank to be filled in with the title of the applicable individual; and

“(iii) the third and fourth blank each to be filled in with the name of the organization or other person paying for the communication.

“(3) METHOD OF CONVEYANCE OF STATEMENT.—

“(A) COMMUNICATIONS TRANSMITTED THROUGH RADIO.—In the case of a communication to which this subsection applies which is transmitted through radio, the disclosure statements required under paragraph (1) shall be made by audio by the applicable individual in a clearly spoken manner.

“(B) COMMUNICATIONS TRANSMITTED THROUGH TELEVISION.—In the case of a communication to which this subsection applies which is transmitted through television, the information required under paragraph (1)—

“(i) shall appear in writing at the end of the communication or in a crawl along the bottom of the communication in a clearly readable manner, with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 6 seconds; and

“(ii) shall also be conveyed by an unobscured, full-screen view of the applicable individual or by the applicable individual making the statement in voice-over accompanied by a clearly identifiable photograph or similar image of the individual, except in the case of a Top Five Funders list.

“(4) DEFINITIONS.—In this subsection:

“(A) APPLICABLE INDIVIDUAL.—The term ‘applicable individual’ means, with respect to a communication to which this subsection applies—

“(i) if the communication is paid for by an individual, the individual involved;

“(ii) if the communication is paid for by a corporation, the chief executive officer of the corporation (or, if the corporation does not have a chief executive officer, the highest ranking official of the corporation);

“(iii) if the communication is paid for by a labor organization, the highest ranking officer of the labor organization; and

“(iv) if the communication is paid for by any other person, the highest ranking official of such person.

“(B) COVERED ORGANIZATION AND CAMPAIGN-RELATED DISBURSEMENT.—The terms ‘campaign-related disbursement’ and ‘covered organization’ have the meaning given such terms in section 324.

“(C) TOP FIVE FUNDERS LIST.—The term ‘Top Five Funders list’ means, with respect to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, a list of the five persons who provided the largest payments of any type in an aggregate amount equal to or exceeding \$10,000 which are required under section 324(a) to be included in the reports filed by a covered organization with respect to such communication during the 12-month period ending on the date of the disbursement and the amount of the payments each such person provided. If two or more people provided the fifth largest of such payments, the covered organization involved shall select one of those persons to be included on the Top Five Funders list.

“(D) TOP TWO FUNDERS LIST.—The term ‘Top Two Funders list’ means, with respect to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, a list of the persons who provided the largest and the second largest payments of any type in an aggregate amount equal to or exceeding \$10,000 which are required under section 324(a) to be included in the reports filed by a covered organization with respect to such communication during the 12-month period ending on the date of the disbursement and the amount of the payments each such person provided. If two or more persons provided the second largest of such payments, the covered organization involved shall select one of those persons to be included on the Top Two Funders list.”.

SEC. 4. Shareholders’ and members’ right to know.

Title III of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101 et seq.) is amended by adding at the end the following new section:

“SEC. 325. Disclosures by covered organizations to shareholders, members, and donors of information on campaign-related disbursements.

“(a) Information on campaign-Related disbursements To be included in periodic reports.—A covered organization which submits regular, periodic reports to its shareholders, members, or donors on its finances or activities shall include in each such report, in a clear and conspicuous manner, the information included in the statements filed by the organization under section 324

with respect to the campaign-related disbursements made by the organization during the period covered by the report.

“(b) Hyperlink to information included in reports filed with Commission.—

“(1) REQUIRED POSTING OF HYPERLINK.—If a covered organization maintains an Internet site, the organization shall post on such Internet site a hyperlink from its homepage to the location on the Internet site of the Commission which contains the information included in the statements filed by the organization under section 324 with respect to campaign-related disbursements.

“(2) DEADLINE; DURATION OF POSTING.—The covered organization shall post the hyperlink described in paragraph (1) not later than 24 hours after the Commission posts the information described in such paragraph on the Internet site of the Commission, and shall ensure that the hyperlink remains on the Internet site of the covered organization until the expiration of the 1-year period which begins on the date of the election with respect to which the campaign-related disbursements are made.

“(c) Definitions.—The terms ‘campaign-related disbursement’ and ‘covered organization’ have the meanings given such terms in section 324.”.

SEC. 5. Lobbyists’ campaign funding disclosure.

(a) Disclosure of independent expenditures and electioneering communications.—Section 5(d)(1) of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1604(d)(1)) is amended—

(1) by striking “and” at the end of subparagraph (F);

(2) by redesignating subparagraph (G) as subparagraph (I); and

(3) by inserting after subparagraph (F) the following new subparagraphs:

“(G) the amount of any independent expenditure (as defined in section 301(17) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101(17)) equal to or greater than \$1,000 made by such person or organization, and for each such expenditure the name of each candidate being supported or opposed and the amount spent supporting or opposing each such candidate;

“(H) the amount of any electioneering communication (as defined in section 304(f)(3) of such Act (52 U.S.C. 30104(f)(3)) equal to or greater than \$1,000 made by such person or organization, and for each such communication the name of the candidate referred to in the communication and whether the communication involved was in support of or in opposition to the candidate; and”.

(b) Disclosure of amounts provided to certain political committees.—Section 5(d)(1)(D) of such Act (2 U.S.C. 1605(d)(1)(D)) is amended by striking “or political party committee,” and inserting the following: “political party committee, or political committee which is treated as a

covered organization under section 324(f)(1)(D) of the Federal Election Campaign Act of 1971,”.

(c) Effective date.—The amendments made by this section shall apply with respect to reports for semiannual periods described in section 5(d)(1) of the Lobbying Disclosure Act of 1995 that begin after the date of the enactment of this Act.

SEC. 6. Severability.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 7. Effective date.

Except as provided in section 5, the amendments made by this Act shall apply with respects to disbursements made on or after July 1, 2017.

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