

Your Citizen Tool Kit:

Fighting Dark Money

Help Bring Transparency to
Campaign Giving and Spending

Table of Contents:

Issue Brief	3
A Model of Success	8
Progress Report	12
Additional Readings	25
Other Helpful Organizations	27

Issue Brief:

Fighting Dark Money

How Dark Money Haunts U.S. Elections

In modern American politics, the first omen that “dark money” was corrupting American democracy were revelations that bundles of cash and checks were being delivered in brown paper bags and suitcases to President Richard Nixon’s re-election campaign in 1972.

In a few short weeks, CREEP, as the Committee for the Re-Election of the President was called, **hailed in roughly \$20 million** – \$100 million in today’s dollars – half of it from a handful of super donors.

That river of money all moved in secret, rushed to campaign operatives to beat the imminent deadline for disclosure of campaign contributions set by the new **Federal Election Campaign Act of 1971**. After the secret Nixon slush fund was exposed, Congress tightened campaign laws **again in 1974**, setting spending limits and providing public funding for presidential campaigns.

Disclosure as the Disinfectant for Tainted Money

But the foundation stone of campaign reform, then as now, was disclosure – transparent openness about the sources of political money. Full disclosure was the disinfectant prescribed in the Nixon era to kill the epidemic of tainted money and to cleanse the nation’s political system.

In the decades since then, disclosure has been the one campaign reform that has won general endorsement from conservatives as well as liberals and moderates. George Will, the conservative columnist, once condensed their concept into **“Seven words – No cash, full disclosure, no foreign money.”**

Supreme Court Endorses Disclosure

Full disclosure was also the linchpin of the Supreme Court’s *Citizens United* decision that in 2010 overturned a century of federal legal controls on campaign spending. Justice Anthony Kennedy, writing for the majority, sanctioned unlimited spending by corporations and unions but placed the full burden of protecting the integrity of American democracy from the corruption by Mega Money on total transparency. **“With the advance of the Internet,” Kennedy wrote, “prompt disclosure of expenditures can provide (corporate) shareholders and citizens with the information needed to hold corporations and elected officials accountable.”**

But there was a fundamental flaw in Justice Kennedy’s legal reasoning. He was light-

years away from political reality, because no system of full disclosure exists today, either in law or in regulations. In fact, the laws, as officially interpreted, actually protect the anonymity of many of the richest campaign donors, corporate as well as individual.

Half a Billion in Dark Money

As a result, politically active billionaires and nonprofit groups that raise huge sums of corporate money but keep their funding channels secret poured roughly *half a billion of untraceable dollars* into the campaigns of 2012 and 2014, according to the Center for Responsive Politics, using data from the Federal Election Commission.

So pivotal is the impact dark money, *The New York Times* warned that after the 2014 elections: “The next Senate was just elected on the greatest wave of secret, special-interest money ever raised in a congressional election.”

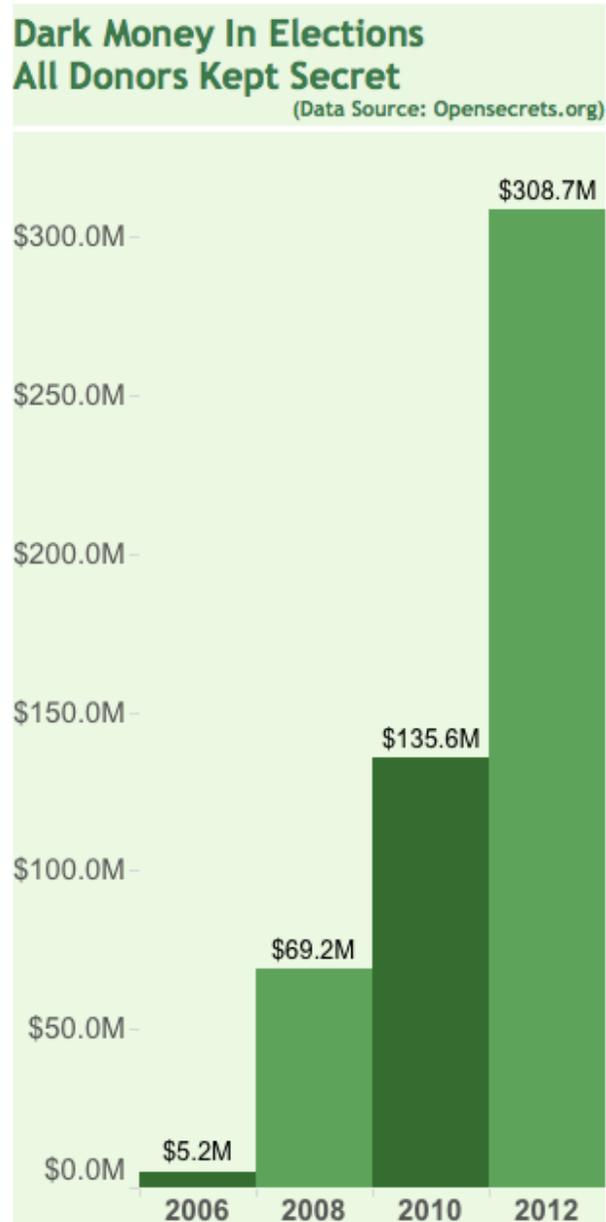
Campaign spending by groups that keep their donor lists **totally secret skyrocketed from \$5.2 million in 2006 to \$308.7 million during the 2012 presidential elections and \$174 million in the 2014 mid-term elections**, according to the Center for Responsive Politics. What’s more, the Center says, the actual dark money total is much higher because it does not count the groups that disclose some of the donors but not all of them.

Watering Down the Law

The Federal Elections Campaign Act of 1971 was designed precisely to prevent dark money. For the first time in American history, it not only required full disclosure of campaign donations to political candidates and parties, but it insisted on timely disclosure *during* the campaigns, so that voters could see who was funding candidates *before* casting their ballots.

Donations to candidates and parties must still be disclosed today. But that law has been steadily watered down, re-interpreted, and circumvented so that the super-rich and powerful corporate and financial interests flout the principle of full transparency.

The Supreme Court, in a series of decisions, has fostered the explosion of dark money



by reversing the century-old legal ban against corporations and labor unions using general revenues in election campaigns; by turning a blind eye to obvious close ties between political candidates and their Siamese-Twin supposedly “independent” backer groups; and by sanctioning ad campaigns once forbidden by law, for and against candidates by corporations and so-called “independent” groups.

From “Social Welfare” to Campaign Warfare

Strangely, for all the media scrutiny of powerful Super PACs, they are not the main cause of the dark money geyser. By law, Super PACs must disclose their donors. It is tax-exempt “501 C” non-profit groups, which get their nickname from **the sub-paragraphs of the U.S. tax code applying to them, that are the main conduits for the modern flood of dark money.**

Business trade associations like the U.S. Chamber of Commerce and certain labor organizations have long enjoyed 501 C status but only in recent years have they spent aggressively on campaigns, while shielding the identity of their donors.

“We don’t make our donors’ names available. We can take corporate money, personal money, cash, shekels, whatever you got.”

By far the largest and most potent channels of dark money are so-called **501(c) (4) “social welfare” organizations**, a category that began with Boy Scouts, Girl Scouts and other general purpose non-profits with little interest in politics. But from 2010 onward, the Internal Revenue Service reported a surge in a push for tax-exempt status from political advocacy nonprofits with secret donor lists. And, notably in election years, **the number of new 501(c) (4) nonprofits approved by the IRS more than tripled from 1,202 in 2008 to 4,114 in 2014.**

Lying to Get Tax Exemptions

The gaping loophole for political advocacy nonprofits turns on a rubbery interpretation of law. In 1913, Congress voted to grant tax-exempt status to certain nonprofits so long as they were **“operated exclusively for the promotion of the social welfare.”**

But in 1959, the Internal Revenue Service watered down that language, saying only that these groups “must operate primarily” to promote “the general welfare,” and it never defined “primarily.” So today, political advocacy non-profits claim that they can devote up to 49.9% of their resources to politics – and experts suggest that some actually go much further.

In qualifying for precious tax-exempt 501 (c) 4 status, many groups have simply misled the IRS. In 2012, ProPublica, a public interest news service, **found documentary evidence** that at least 32 social welfare groups told the government one thing and did the opposite. When asked if they intended to engage in politics, they checked the “no” box on their applications. But later, their reports to the Federal Election Commission, showed they had broken their promise and spent heavily on campaigns.

In one case, Pro-Publica reported, the Republican Jewish Coalition, backed by billionaire

casino magnate Sheldon Adelson, denied any intention to engage in politics but then proceeded to solicit funds for a \$6.5 million political ad campaign in 2012 to back Mitt Romney against President Obama. ProPublica quoted RJC fundraiser Matt Brooks' telling one group at a New York law office: "Contributions to the RJC are not reported. We don't make our donors' names available. We can take corporate money, personal money, cash, shekels, whatever you got."



Dark Money Shoots Through the Roof

More broadly, ProPublica found that many "social welfare" nonprofits told the I.R.S. that they spent far less on political campaigns than what they reported to the Federal Election Commission. Some groups told the F.E.C. that they had spent funds on attacking or supporting political candidates, but in reports to the I.R.S., they called those expenditures "public education" or "issue advocacy."

It was in the 2011-12 campaign cycle that the explosion of 501(C)4 dark money went through the roof, cut loose by Supreme Court rulings. It shot up to **well over \$300 million**.

**Koch Network:
"It's designed to
make it opaque as
to where the
money is coming
from."**

More than \$150 million, much of it spent on TV ad blitzes against President Obama, came from just two dark money channels, according to the Center for Responsive Politics. The big two were **Crossroads GPS**, run by former Bush White House political mastermind Karl Rove, and the **secretive money network founded by the conservative billionaire brothers David and Charles Koch** whose flagship "social welfare" group is Americans for Prosperity.

In 2014, Super PACs worked a new wrinkle to mask some of their donors' identities – by operating with 501(c)4 nonprofits like Russian nesting dolls, one inside the other. Instead of taking money directly from donors and then revealing their identities on campaign reports to the F.E.C., some SuperPACs had their donors channel megabucks through a chain of "social welfare" groups so that individuals' names would never show up on SuperPAC campaign reports.

In the 2016 campaign, Mega-Donors concocted a new channel for funneling mystery money donations to candidate Super PACs through LLC's – limited liability corporations, businesses that leave no paper trail and mask their funders. In one case, Brooklyn investor Andrew Duncan **admitted to the Associated Press that he has passed a \$500,000 donation to a Marco Rubio super PAC** through IGX LLC. But dozens of other donors kept their identities secret in the **rising flow of anonymous donations moving through LLCs to Super PACs**, highlighted by watch dog groups such as the Campaign

Legal Center, Center for Public Integrity, the Sunlight Foundation, charging election law violations.

The Koch Brothers' Money Maze

The labyrinth of funding groups organized by the Koch brothers has become virtually impenetrable for regulators. "It is a very sophisticated and complicated structure," Notre Dame law professor Lloyd Hitoshi Mayer, told *The Washington Post*. "It's designed to make it opaque as to where the money is coming from and where the money is going."

In 2014, with control of the U.S. Senate at stake, rich, powerful 501C's often dominated races in battleground states. *The New York Times* reported that seven Koch-backed groups spent roughly \$77 million on television ads, mainly on 11 key Senate races, and close to \$150 million more on grass roots political organizing.

Crossroads GPS, and its affiliated SuperPAC, American Crossroads, spent another \$50 million, helping to swing key Senate races in Colorado and Alaska for Republicans. The U.S. Chamber of Commerce, also keeping its donors secret, kicked in another \$35.4 million behind the Republican cause.

photo: (CC) Tracy O; altered by Reclaim 1

In short, massive injections of dark money have torpedoed campaign disclosure laws. And worse is yet to come. Campaign experts expect 2016 to bring a volcano of "dark money," casting a long shadow over the next election, leaving American voters literally in the dark, unable to find out who funded whom to get what – unless average voters get mobilized and insist on strong disclosure rules in a hurry.

Model for Success:

Exposing Dark Money

How California Outed the Koch Network

It was a dark money laundering operation channeled through the Koch brothers political network that prompted California to enact the strongest campaign disclosure law in the nation – much stronger than federal disclosure laws and a model for other states.

California has been tougher on enforcement than the Federal Election Commission where investigations are constantly killed by partisan deadlock. By contrast, in its big case, California's watchdog agency, the Fair Political Practice Commission, outed secret money channels and imposed \$16 million in fines.

The California case broke just two weeks before the November 2012 election, after Koch-related groups poured \$15 million from out of state to finance a television ad barrage on two California ballot initiatives. They were fighting a hike in the state's sales tax and trying to block unions from using membership payroll deductions for campaign spending.

“This was the largest anonymous donation in California campaign history.”

“This was the largest anonymous donation in California campaign history,” Ann Ravel, former chairman of the California Fair Political Practices Commission, told a Congressional hearing. “This entire chain of transactions, routed through multiple nonprofits, occurred within three days and without disclosure.....These tactics have no apparent purpose other than to conceal the sources of funds.”

Why Big Money Donors Want Secrecy

The dark money scheme was the brainchild of two long-time, well connected California Republican political operatives, campaign strategist Anthony Russo and Jeff Miller, former chief financial officer of the California Republican Party.

Working with rich conservative donors from Orange County, Russo and Miller devised a \$25 million communications plan to attack the political muscle of labor unions. They knew beforehand that secrecy was essential, because California business leaders did not dare to oppose the unions openly.

“We knew there wouldn’t be many groups willing to go out and put their names on issue advocacy in this fight,” Miller later told investigators. “A lot of corporations in the state Chamber (of Commerce) wouldn’t let the Chamber do issue advocacy like that, right? Because large public corporations don’t want retribution from their union members.”

Miller and Russo know that made it impossible to run their ad campaign through California-based political committees because they would lead to disclosing their donors. So to keep the names secret, they turned to an out-of-state group to create and place anti-union TV ads – Americans for Job Security (AJS), a conservative nonprofit based in Alexandria, Virginia and linked to the network of the billionaire brothers, Charles and David Koch.



Jeff Miller

Anthony Russo

The Big Dark Money Swap

But Americans for Job Security was slow to make the ads and in the final 60 days of the campaign, when disclosure rules get tighter, AJS backed out of the California ad campaign entirely, fearing it might be forced to reveal its donor base.

Stopped dead in his tracks, Russo frantically sought out a new ally – Sean Noble, head of another Koch-related group, the Center to Protect Patient Rights (CPPR) in Arizona. Russo suggested a massive money swap.

“I said, ‘Sean, you know, I have a big hiccup in California,’” Russo later admitted to California investigators. “Can we support some of your national efforts and, in turn, do you have groups that can help us in California?” ...[Sean’s] response was he thought he did.”

What Russo was proposing was to send \$25 million raised in California to Noble’s CPPR group in Arizona for the Koch empire to spend around the country, and in return, Noble would have other Koch-related groups send a matching \$25 million to groups in California like the Small Business Action Committee PAC and the newly formed California Future Fund, and they would run the TV ad campaign.

Miller and Russo admit arranging secret out-of-state dark money flows.

Whistle Blowers Halt the Money Game

The scheme began working as planned, but there was a hitch. In September, the California Future Fund received a \$4 million wire transfer from the American Future Fund, an Iowa-based Koch group. Another \$11 million showed up in October in the bank account of California’s Small Business Action Committee from Americans for Responsible Leadership, another part of the Koch network.

But the final \$10 million requested by Russo never showed up – because a whistle blower from Common Cause and some unions triggered a state investigation. The Koch nonprofits and their allies fought against disclosing their records, but the state took them to court and won a state supreme court ruling requiring key groups to disclose some records.

With the election battle heating up in the final days, Governor Jerry Brown made headlines by attacking out-of-state groups for pouring dark money into California. Ultimately, Russo-Miller campaign lost on both ballot initiatives.

Outing the Money Chain, Imposing Fines

Afterward, investigators pressed Russo and Miller hard and turned them into state witnesses. In return for immunity from prosecution, the two insiders exposed the secret out-of-state money flows and the interconnected links in the Koch network.

In the end, Sean Noble of the Center to Protect Patients Rights (CPPR) was forced to admit publicly that his group had acted as a secret funding midwife, managing the money flows. He acknowledged that CPPR had actually been the unnamed source of the \$15 million for the California ads. CPPR and Americans for Responsible Leadership were fined \$1 million for not reporting their funding roles to California authorities.

The state imposed \$15 million more in fines on the two California groups that received the outside money, the Small Business Action Committee and California Future Fund, for not disclosing the true sources of their campaign funds.

As part of an uncontested settlement, California did not force out the names of individual donors. But a few have come into public view, including San Francisco investor Charles Schwab, real estate magnate Eli Broad, Las Vegas Casino Owner Sheldon Adelson and his wife, industrialist Gene Haas, ballot activist and physicist Charles Munger Jr. and members of the Fisher family who founded the Gap clothing chain.

Most important, the case established that in California at least, a network of political groups cannot hide inside each other, like Russian nesting dolls, but that all the groups in a money chain must be disclosed.

Ravel Pushes for Tougher Disclosure Laws

But for Ann Ravel, the gritty, wiry, game-changing attorney who headed the California Fair Political Practices Commission during the investigation, imposing fines was not enough. To her, the case showed that California's laws were not tough enough to protect the integrity and transparency of California elections.

“That case revealed how dark money networks are able to anonymously inject large amounts of money into our political process,” Ravel later told Congress. “Using their corporate entities, wire transfers, and fund swapping, with no apparent purpose other than to hide the sources of funds, these



Ravel - (CC) New America Foundation

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national networks skirt disclosure rules with relative ease.”

Ravel insisted that California had to close legal loopholes being used by nonprofits to shield their contributors’ names with the excuse that politics is not their primary mission. “We felt hamstrung against the new dark money tactics of Koch networks and others,” Ravel explained. She and her staff drafted a new law stronger than the current federal disclosure law.

Winning Passage –No Slam Dunk

But getting the new disclosure law passed was not a slam-dunk, despite public outrage over the 2012 dark money scandal. California’s basic election law imposes a high hurdle on new campaign law provisions – a two-thirds majority in both houses of the legislature.

Democrats won a two-thirds majority in the 2012 election, but lost it when two representatives went to jail on criminal charges. Reformers then mobilized a broad clean election coalition – the League of Women Voters, California Common Cause, California Clean Money Campaign, California Forward, and the California Voter Foundation.

By early 2014 legislative leaders recruited a handful of Republican supporters. So Ravel’s disclosure law passed and was signed into law by Governor Jerry Brown on May 14, 2014.

A Breakthrough – Exposing Political Non-Profits

The California law breaks new ground by erasing the distinction between political committees and non-political groups, a legal distinction that since the 1970s has plagued enforcement of federal and many state laws.

Instead, the new California law treats all organizations the same way, as “multi-purpose” groups. It does not slice and dice them. It just focuses on the money- how much they put into California politics. The law requires any group, including nonprofits, that spends more than \$50,000 a year or \$100,000 over four years on political activity in California to disclose the names of its donors at \$1,000 or more.

The new law also closes what Californians called the “first bite” loophole that once allowed organizations to make one foray into California elections without disclosing donors. In her big case, Ravel had seen how easily new groups get formed for one election, then go out of existence and are replaced by others. So out went the “first bite” exception.

Any Ripple Effect in Other States?

The key question is whether that California’s new disclosure law will have a ripple effect in other states.

That law, said Trent Lange, president of the California Clean Money Campaign, “starts to shed light on dark money in California and serves as an example for the entire nation. We must strengthen disclosure laws even further, because voters deserve to know who’s trying to influence their views.”

Progress Report:

Exposing Dark Money

The Push to Get Dark Money Out in the Open

The Supreme Court, in its rulings, has openly invited Congress and the American people to declare war on secret money in political campaigns – to pass laws and write rules that force dark money out into the open and insure transparency in American election campaigns.

There are ample opportunities in the American political system for the public to demand full disclosure and put pressure on Congress and federal agencies to expose dark money.

The push is already under way in several arenas, blessed tacitly by decisions of the Supreme Court, from the 1976 *Buckley v Valeo* case to the 2010 decision in *Citizens United*, that it is constitutional for Congress and the states to require disclosure of campaign funding and spending.

With full disclosure, **Justice Anthony Kennedy wrote in *Citizens United***, shareholders can determine whether their corporation’s political speech advances the corporation’s interest in making profits, and citizens can see whether elected officials are in the pocket of so-called money interests.”

**66% of Democrats,
62% of Independents,
61% of Republicans,
Want Disclosure of
Campaign Spending.**

Drying Up Rivers of Money

Full disclosure is what most of the voting public wants, right, center and left. Opinion polls show that the public favors clear rules and a level playing field. **In one poll**, nearly two-thirds wanted disclosure on political funding and spending – 66% of Democrats, 62% of independents, and 61% of Republicans.

The critical question is whether average Americans feel strongly enough about the dangers of dark money to organize and mobilize at the grass roots to force change at the state level and in Congress and at federal regulatory agencies.

If the public acts, campaign experts predict that genuine, sweeping disclosure laws would have significant impact, drying up major rivers of MegaMoney flowing into

elections because many big donors, whether corporations or individuals, seek anonymity. Openly backing controversial candidates can be bad for business. It risks offending customers and shareholders. If forced out of the shadows, many such funders, experts say, would stop funding or cut back.

In Congress, the D-I-S-C-L-O-S-E Act

The first to pick up on Justice Kennedy’s challenge to create a system of “effective disclosure” were Democrats in Congress pushing for a new disclosure law before the 2010 mid-term elections. Rep Chris Van Hollen of Maryland and Senator Chuck Schumer of New York introduced what they called the D-I-S-C-L-O-S-E Act (Democracy Is Strengthened by Casting Light on Elections).

Delaware Republican Rep. Mike Castle joined Van Hollen in a **bipartisan op-ed in *The Washington Post***, headlined “The Disclose Act Is a Matter of Campaign Honesty.” This bill, they said, “prevents special interests from hiding behind third-party groups, sham organizations and dummy corporations by requiring the heads of organizations to ‘stand by their ad’ the same way political candidates must take personal responsibility for their ads.”

That bill specifically required 501C nonprofits and all other outside groups spending \$10,000 or more on election-related activities to disclose within 24 hours any donor who has given more than \$10,000 to the organization. The law also required disclosure of transfers between organizations, if related to campaign spending.

The high water mark came on June 24, 2010, when reform advocates overcame the opposition of then-House Minority Leader John Boehner and won a majority vote of 216-209 in favor of transparency in the funding of American elections.



(CC) Talk Radio News Service

Disclosure Misses by One Vote

In the Senate, the DISCLOSE Act ran into down-the-line Republican opposition spearheaded by Minority Leader Mitch McConnell of Kentucky, a long-time foe of campaign reforms. McConnell accused Democrats of drafting the bill behind closed doors and mobilized a Republican filibuster to block the Disclose Act from being put on the Senate calendar.

On the crucial procedural vote deciding whether the bill should go to the floor for debate and a vote, all 59 Democrats voted to end the procedural filibuster and 39 Republicans lined up solidly in opposition, leaving the bill one vote short of being sent to the floor, where its backers had a solid majority.

In 2012, the Disclose Act came up for two more Senate procedural votes, but

Republican filibusters and solid opposition blocked the bill.

Pressing the FEC, SEC and IRS to Take Action

With Congress deadlocked, campaign reform advocates have pressed for action by regulatory agencies such as the Federal Election Commission, the Securities Exchange Commission and the Internal Revenue Service. Even without new laws, each agency has the power to require significant new campaign funding disclosures. Some groups have called on President Obama to issue an executive order requiring companies with government contracts to reveal their campaign donations.

Chair Ravel: Dark Money “is not a partisan problem. Dark Money is a much broader problem.”

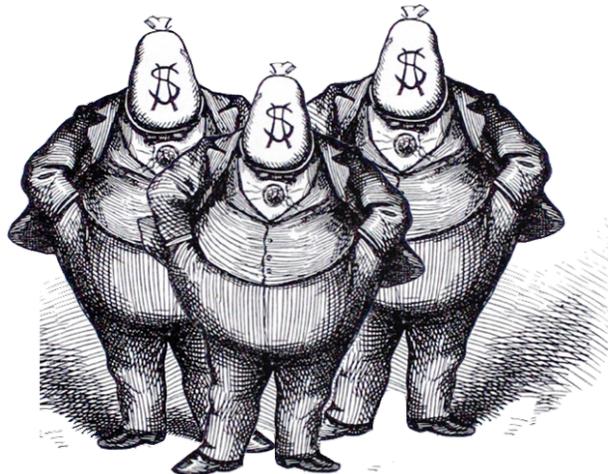
More than a million people have signed petitions demanding that the SEC issue new rules mandating that corporations disclose their political spending to their shareholders. Some shareholder groups have shown up at corporate annual meetings demanding – and in some cases winning – shareholder votes calling for disclosure of political spending by their companies.

Despite heavy fire from Congressional Republicans, **the Internal Revenue Service proposed in November 2013 to tighten rules** on “social welfare” groups, suggesting that their continued **tax-exempt status depends on greater openness about their heretofore covert forays into political campaigns**. But corporate interests and wealthy donors pushed Congress to block action by regulatory agencies and the new regulations were put on hold.

The Federal Election Commission is under steady pressure from election watchdog groups to tighten its standards and to enforce laws already on the books. But for a decade or more, partisan deadlocked between the three Republican and three Democratic Commissioners has paralyzed the FEC. with the GOP side repeatedly blocking enforcement. As the new rotating FEC chair in 2015, Ann Ravel, who had scored significant gains on funding disclosure in California as head of that state’s election watchdog agency, pushed for action. But after several months, she vented her frustration. “People think the FEC is dysfunctional, it’s worse than dysfunctional,” she fumed, saying that some commissioners were not even on speaking terms.

Will the FEC Crack Down on LLCs Channeling Masked Money?

But the 2016 campaign wrinkle that may spark an unusual bipartisan agreement for FEC action is the rising use of Limited Liability Corporations (LLCs) popping into existence for apparently no other reason than to mask the donors of \$500,000 and \$1 million donations to SuperPACs



backing Republican contenders Ted Cruz, Marco Rubio, John Kasich and Jeb Bush, and Democrat Hillary Clinton, and many other political candidates.

In one case, an LLC named **DC First Holdings** donated \$1 million to **Jersey City's Democratic Mayor Steven Fulop on its second day in business**. "That, to me, is a red flag," said Paul Ryan of the nonpartisan Campaign Legal Center, "because it is unlikely that this business entity could have generated \$1 million of its own revenue in a day." In another case, Brooklyn investor Andrew Duncan funneled \$500,000 to a pro-Rubio PAC through IGX LLC and **admitted to the Associated Press that he had used the ghost corporation to avoid possible reprisals**. These and dozens of other cases were cited in complaints to the FEC by **watchdog groups like the Campaign Legal Center, Democracy 21, the Sunlight Foundation and the Center for Public Integrity**.

Suddenly, after long resisting a crackdown on LLCs, the three Republican FEC commissioners came out strongly against the masking of the true campaign donors through shell companies, joining the three Democrats. **"Six commissioners have now taken the position that closely held LLCs can violate the law** under certain circumstances when they make contributions to super PACS," said Republican Lee Goodman. "Now everyone should be on notice. If you funnel money through an LLC entity for the purpose of making a political contribution and avoiding disclosure of yourself, that is an abuse of the LLC vehicle."

Crossfire at the SEC

The first shot in this battle was fired in August 2011, when ten legal **experts on corporate governance at major universities filed a collective petition** calling on the Securities and Exchange Commission to require corporations to disclose their political spending to shareholders.

Citing earlier SEC rulings as precedents, they pointed to rising demands from the investing public for political transparency and asserted that disclosure was "necessary for corporate accountability."



(CC) SEC

In 2011 alone, they noted, 25 of 100 major U. S. companies faced shareholder demands for proxy votes on campaign funding disclosure. "The level of shareholder interest in this area has been quite high, not just during the most recent proxy season, but throughout the past five years," their petition asserted.

After the SEC put the issue on its agenda for 2013, Congressional Republicans set out to block SEC action. At a hearing in May 2013, House Republicans repeatedly warned SEC Chairwoman Mary Jo White against adopting any rule on corporate disclosure.

New Jersey Republican Scott Garrett hounded White “to make a clear and emphatic statement” that the SEC would not force corporations to disclose their campaign spending. A few months later, White and the SEC dropped the disclosure rule from the SEC’s agenda.

Pressures on Corporate America

But such groups as the nonprofit Center for Political Accountability kept up the drumbeat for reform. Public pressures for SEC action continued to mount. “The case for transparency in this area is clear and compelling to a broad spectrum of people,” observed Harvard law professor Lucien Bebchuk.

The U.S. Chamber of Commerce, one of the largest dark money spenders in recent campaigns, strenuously objected. The disclosure proposals, thundered Chamber President Tom Donahue, were an attempt to silence Corporate America and stop business from promoting its interests through politics. In fact, however, petitions to the SEC did not seek to stop corporate political spending – only require such spending to be publicly disclosed.

At corporate shareholder meetings, the pressure for openness on campaign donations persists. In 2014, a majority of shareholders at Fannie Mae, Lorillard, Valery Energy, Dean Foods and Smith & Wesson voted for transparency on corporate political spending on campaigns and political lobbying. Already, 60 companies have agreed voluntarily to make some disclosures, evidence that corporate disclosure can work.

Corporate America Strikes Back

But in December 2015, the U.S. Chamber of Commerce and its political allies on Capitol Hill such as Senate Majority Leader Mitch McConnell, a staunch foe of campaign reform, struck back hard to block any governmental action to expose dark money.



US Chamber of Commerce President Tom Donahue (left) and Sen. Majority Leader Mitch McConnell (right). Images (CC), [The Aspen Institute](#), and [Gage Skidmore](#)

Hidden deep in the \$1.1 trillion omnibus spending bill passed on Dec. 18, they inserted a terse but blunt **ban against any SEC action to force corporate dark money campaign contributions into the open**. Section 707 declared that no funds “shall be used by the Securities and Exchange Commission to finalize, issue, or implement any rule, regulation, or order regarding the disclosure of political contributions, contributions to tax exempt organizations, or dues paid to trade associations.”

And in a counterattack against public calls for the Obama Administration to issue orders requiring disclosure of political spending by government contractors, the Republican-controlled Congress fashioned **Section 735, a provision that bars any government**

agency funded by the spending bill from requiring disclosure of campaign spending by government contractors. A third provision, **Section 127, blocks the Internal Revenue Service** from using appropriated funds to issue rules that would clarify and define what constitutes “political activities” by so-called non-profit “social welfare” organizations.

**Sen. Whitehouse:
IRS is “toothless” -
too vague in its
rules, too lax in
enforcement.**

Reformers Ask the IRS to Close Loopholes

Since 2010, the IRS has been a flash point in the battle over dark money – accused by Congressional Republicans of biased and dictatorial tactics toward conservative groups. But it has also castigated by reform-minded Senators like Rhode Island Democrat Sheldon Whitehouse as “toothless” – too vague in its rules and too lax in enforcement. Reformers want the I.R.S. to close legal loopholes that protect dark money.

“The IRS must enforce the tax laws to prevent groups from improperly claiming tax-exempt status as section 501 (c) 4 ‘social welfare’ organizations,” Fred Werthemier, head of the pro-reform group Democracy 21, wrote. “These groups have misused the tax code to deny citizens basic information ... about the donors financing campaign expenditures to influence their votes.”

The I.R.S. is not tasked with enforcing campaign spending laws, but it sets rules for the tax-exempt status of non-profit groups. That includes determining whether such groups qualify for federal tax exemptions because they are working for the common good and “social welfare,” or whether their funding of political campaigns and political attack ads disqualifies them for tax-exempt status.

The Howl from Special Interest Groups

When Congress granted tax exemptions to charitable social organizations in 1913, it specified that they had to be “operated exclusively for the promotion of the social welfare.” In short, no politics. In recent years, the I.R.S. has reinterpreted that law more leniently, allowing 501 (c) 4’s to do some political spending, but not as a majority of their activities. That has led to sharp disputes.

Confronted by a mounting hemorrhage of dark money and a chorus of public criticism, **the I.R.S announced in November 2013** that it planned to spell out clearer rules on just how much political activity can legally be undertaken by 501 (c) 4’s if they want to remain tax-exempt. It cited campaign laws and Federal Election Commission rules to define what it would consider “candidate-related political activities that do not promote social welfare.”

Its proposed list of political activities included advocating for or against candidates; contributing money and volunteers’ time to candidate campaigns; funding TV ads or any other form of candidate messaging including mass mailings, websites and phone banks; “electioneering communications” close to election day; as well as voter registration and get-out-the-vote drives.

The I.R.S. was inundated with more than 150,000 public comments. Special interest

groups from left to right, from Planned Parenthood and the American Civil Liberties Union to Tea Party affiliates, squawked that their civic engagement activities would be curtailed. In fact, new I.R.S. rules would not curtail such activities, just set conditions for tax-exempt status.

The prospect of new rules set off another Congressional firestorm and Republican efforts to block I.R.S. action, but bills passed by the House died in the Senate. In late May, 2014, the I.R.S. trimmed its sails a bit. After reviewing the mass of public comments, it said it might modify its proposed rules but was still “committed to providing updated standards for tax-exemption that are fair, clear, and easier to administer.” Then in December 2015, the Republican-controlled Congress seemed to slam shut any possible IRS action by barring the IRS from using appropriated funds to issue new rules designed to rein in political spending by non-profit groups.

Washington’s Stuck – States Take Action

When Washington gets paralyzed, state and local governments often move into the vacuum, and that has happened on campaign transparency. In the past few years, several states have adopted new laws or regulations to shed sunlight on campaign dark money and force secret donors out into the open.



As a tool for reform, the nonpartisan Campaign Legal Center in Washington has drafted the American Anti-Corruption Act, which bans campaign donations by lobbyists and by businesses dealing with elected officials as well as promoting disclosure of campaign contributors. Represent.US, another nonpartisan reform group, has developed a Do-It-Yourself version of the American Anti-Corruption Act for grass roots organizations to use for achieving sunlight reforms at the state and city level.

Check this list to see which states and regions are taking the lead for greater transparency:

Arizona:

- Jan. 21, 2016 – Honest and Open Coalition, led by two former mayors of Phoenix, **launches drive for new campaign disclosure amendment to state constitution** that would require organizations, including tax-exempt nonprofits, to report (within 24 hours) “original sources” and “intermediaries” of all major contributions for any campaign expenditure exceeding \$10,000 and intended to influence candidate elections. **John Opdyke, president of Open Primaries, says his group has donated \$1 million** and will work to raise another \$13 million to help expose dark money flowing into Arizona campaigns and to reform the state’s party primary system. Texas

billionaire John Arnold is identified as the campaign's primary donor.

- March 8, 2016 – In straight 18-10 party line vote, **Republican Senate majority passes SB 1516 reducing requirements for disclosure of funding sources for campaign advertising.** legislation later passed by Arizona House would **kill authority of state election officials to subpoena candidate records, allow unlimited spending by outside groups on social media sites without disclosure** and permit candidates to transfer donations made to them to other candidates, with approval of donors.
- March 10, 2016- Texas billionaire **John Arnold abruptly backs out of Arizona's Open and Honest Elections movement**, amid reports that Gov. Doug Ducey's office pressured donors to withdraw support for citizens' movement advocating an amendment to Arizona constitution to expose anonymous dark money donors.
- March 30, 2016 – **Gov. Doug Ducey signs Senate Bill 1516, which largely dismantles Arizona's laws for exposing dark money campaign funding by canceling requirements for funding disclosure by non-profits**, ending required reports on "in-kind" campaign contributions, and allowing candidates to pass on to other candidates donations made to them. **Ducey, backed in his 2014 governor's race by \$1.3 million in dark money from the Koch network**, hailed the bill as a step toward simplifying Arizona laws to provide "increased freedom of speech." But critics, such as Republican political consultant Chuck Coughlin, called the new law a **"dark money grab" that "creates colossal loopholes for contributors"** to spend unlimited funds backing or attacking candidates and still remain anonymous.
- April 12, 2016 – **New group, Arizonans for Clean and Accountable Elections, files proposed ballot initiative** to revoke major elements of the SB 1516, the dark money protection bill signed by Governor Ducey. This initiative, supported by Every Voice, a national reform organization, and by former Democratic leaders in the state legislature, **would reinstate disclosure by nonprofits, require corporations and independent groups spending at least \$10,000 on elections to disclose donors of more than \$1,000, require lobbyists to disclose their in-kind donations to lawmakers**, and lower the limits on individual campaign donations by two-thirds. Group must gather 150,642 signatures by July 7 to put issue on November ballot.

Arkansas:

- Jan 23, 2014 – **Arkansas Secretary of State certifies Campaign Finance and Lobbying Act of 2014 to go before Arkansas voters as referendum issue in November.** Popularly known as an ethics reform bill placed on ballot by governor and state legislature, proposed law calls for ban on direct corporate contributions to candidates for legislature, for governor and other statewide offices. It put limits on financial gifts from lobbyists to elected state officials and bars former legislators from becoming a lobbyist for two years after leaving office.
- Nov. 6, 2014 – **A ballot measure aimed at tightening ethics laws and changing term limits in Arkansas bucks expectations and passes with 52 percent majority vote.** The measure, the Campaign Finance and Lobbying Act of 2014, bans lobbyist gifts to state officials, prohibits direct corporate and union contributions to candidates and lengthens the time period before former lawmakers can become lobbyists (from one to two years).

California:

- May 2014 – California's legislature breaks new ground by **enacting a law** that requires any organization that spends \$50,000 in a California election to rapidly report all funding and spending. This is the first disclosure law in the nation that covers nonprofit

social welfare groups as well as political committees. Until this law was passed, “social welfare” groups avoided disclosure by contending that their primary mission is not politics and so laws requiring disclosure by “political committees” do not apply to them. The California law erases the legal distinction between political committees and 501C’s. It treats them all as “multi-purpose” organizations and requires them all to report political expenditures and all donors.

- Sept. 2015 – A group led by Silicon Valley entrepreneur Jim Heerwagen announces a drive to pass a referendum, dubbed the Voter’s Right to Know Act, that would amend the state constitution with a **provision that would require** that the top “true donors” be listed on every political ad. It would also require modernizing California’s campaign finance disclosure database to make it easier to track special interests. If this act passes, California would become the first state to put the voter’s right to know about campaign funding on a legal par with fundamental guarantees for basic rights such as free speech and privacy. On Feb 8, 2016, the group **notified the California Secretary of State** that it had collected 25% of the 585,407 signatures needed to get their proposal on the ballot.
- Jan. 2016 – Wealthy Republican real estate attorney John Cox proposes taking transparency a giant step further – **requiring California politicians to wear the corporate logos** of their ten top campaign donors on their clothes, like race-car drivers. Cox, moving to put the issue before California voters in November 2016, pledged \$1 million to help pay for gathering 376,880 signatures needed to qualify for the ballot.
- Jan. 27, 2016 – With a bipartisan super-majority vote of 60-15, the California State Assembly passes the **California Disclose Act (AB 700)**. The act requires that all ads on radio, TV, and in print, mailings, robo-calls and online that either support or oppose candidates or ballot measures, prominently disclose the three “top contributors” – individual donors contributing \$50,000 or more to any group paying for the ads. Bill spells out rules to make disclosures easily readable – size, placement, minimum five seconds on 30-second TV ad, lettering in sharp contrast with background, all to insure easy reading. After first reading in California Senate, bill, which has been heavily promoted by the **California Clean Money Campaign**, is sent for action to Committee on Elections and Constitutional Amendments.

Delaware:

- Aug. 15, 2012 – **Gov. Jack Markell signs Delaware Elections Disclosure Act** that tightens state laws to require independent expenditure groups that spend \$500 or more on “electioneering communications” to disclose their funding sources within 24 hours. To stop groups and individuals from skirting previous disclosure requirements simply by not using trigger phrases like “Vote for Smith” or “Defeat Jones,” the new law requires funding disclosure (regardless of wording) for any ad that mentions a candidate’s name within 30 days of a primary or special election or within 60 days of a general election. In addition, the law requires identification of the “responsible party” of any organization that contributes more than \$1,200 to a political party or a political action committee during a given election cycle.
- Oct. 23, 2013 – The Center for Competitive Politics **files suit on behalf of Delaware Strong Families, a 501(c)3 group** that regularly distributes voter guides before elections, charging that the disclosure law violates the group’s First and Fourteenth Amendment rights. “The law requires groups to choose between publishing a voter guide or submitting to substantial regulatory burdens while **violating the privacy of even their small-dollar supporters,**” said Allen Dickerson, CCP’s Legal Director.
- July 16, 2015 – U.S. Third Circuit Court of Appeals **upholds constitutionality of**

Delaware Disclose Act, allowing state to enforce the law which had been temporarily enjoined by a lower court ruling. The appeals court rejects the argument that disclosure can apply only to “express advocacy” for a candidate, and asserts specifically that the law applies to the voter guide circulated by Delaware Strong Families. The court decision is **hailed by Governor Markell** as “an important victory for transparency in Delaware elections...in an era of increasing spending by outside interest groups who too often have been allowed to hide the sources of their revenues.”

Florida:

- May 17, 2016- **Miami-Dade County commission voted 7-1 to enact ordinance requiring candidates for county commission or Mayor of Miami to disclose their ties to independent groups** that raise funds on their behalf. Five current commissioners skipped the vote. Previously, local law did not require candidates to disclose their ties to political action committees raising funds on their behalf. The new ordinance, by requiring candidates to register when they help raise funds for independent political action committees, aligns local law with state requirements.

Idaho:

- April 6, 2015 – **Republican Gov. C.L. “Butch” Otter signs law tightening disclosure requirements under Idaho’s Sunshine Law**, passed by 77.6% majority vote in 1974 popular referendum. New measure, passed unanimously by Republican-controlled state house and senate, **requires any person or independent group, as well as candidates and parties, who spend more than \$100 on electioneering communications with 60 days of a general election or 30 days of a primary, to report names of all donors of \$50 or more at least seven days prior to any election.** If \$1,000 or more is spent on political ads or handbills in the last 16 days before an election, disclosure report must be made within 48 hours. Law mandates that no contribution can be made indirectly through an intermediary so “as to conceal the identity of the source of the contribution.”
- May 2, 2016 – **Keep Idaho Elections Accountable, a coalition seeking firmer controls on campaign finance, delivers petitions with 79,000 signatures** (well over the required 48,000) calling for a popular referendum in November on a citizens initiative that would bar campaign donations to candidates of more than \$50 by lobbyists or by major state contractors. The new measure, supported by the national reform group Every Voice, would **mandate speedy reporting on funds spent on broadcast, print and other forms of political advertising within 24 hours of ads being placed.** The initiative would also require disclosure of the occupation and employer as well as names and addresses of donors contributing \$50 or more to candidates, parties, independent groups or spending on electioneering communications. Former Idaho State Rep. Holli Woodings (D) of Boise, leads the campaign reform movement.

Maryland:

- April 2013 – Maryland legislature passes **campaign disclosure law to require political nonprofits that claim 501 (c) 4 status as well as other independent groups to report** their election spending and their five largest donors if they spend more than \$6,000 in a Maryland election. The law also applies to out-of-state groups that relay funds to political entities operating inside Maryland if this is done with “the express purpose” of funding an “electioneering communication.” Under the new law, state contractors doing more than \$200,000 in business with state agencies are mandated to report their political contributions.

Massachusetts:

- Aug. 4, 2014 – **Gov. Deval Patrick signs SuperPAC disclosure law** passed by wide majorities in both houses of the Massachusetts legislature, seeking to expose deluge of corporate and labor money flooding into 2014 campaigns for state offices. Tightening up previous disclosure laws passed in 2009, new law immediately requires all groups making independent expenditures, widely known as super PACs, to disclose their donors within seven days, or within 24 hours of running ads if the ads are booked or run within 10 days of an election. Previously, independent expenditure groups had to report their campaign spending on ads within seven days, but donors were only reported after the election. Also, under the new law, television, print and radio ads created by independent groups must list the names of the group's top five donors in the ad, for any contributors who give \$5,000 or more.
- Fall 2015 – To further tighten Massachusetts campaign disclosure laws, Democratic representative Josh Cutler **introduces a bill requiring disclosure of funders by any group spending \$250** or more on an "electioneering communication" within 90 days of a Massachusetts election, including groups not registered as political committees. Earlier laws had specified that to require disclosure, funds had to be "solicited" for campaign ads, a loophole that allowed groups to refuse disclosure on grounds that their funds were solicited for general purposes such as public education or lobbying. To close that loophole, the new bill simply requires disclosure of funders for money spent on political communications, regardless of how funds were raised. A second measure, sponsored by Rep. Garrett Bradley, the Democratic Majority Whip, requires listing of the top five funders for direct mailings to voters and billboard ads as well as television, print, radio and internet advertisements.

Minnesota:

- March 8, 2016 –Thirty-two of 61 Democratic members of Minnesota House **introduce bill calling for popular referendum on a state constitutional amendment that would require disclosure** of spending on political communications by any person or group, including political nonprofits, seeking to reach an audience beyond its own membership. **A previous proposal in 2013 lacked leadership support and failed.** This time the House Democratic minority leader Paul Thissen is among the co-sponsors and a similar bill is introduced in the Senate. Instead of codifying disclosure requirements, the proposal asks for a popular vote this November endorsing disclosure of all but "de minimus" spending on campaign communications that "expressly advocate" for or against a candidate or "not susceptible to any other interpretation" if made "within reasonable proximity" to an election. To go on the November ballot, the measure requires a favorable vote from the legislature, where Republicans hold 73-61 majority in the House while Democrats hold a 39-28 majority in the Senate.
- May 22, 2016 – Minnesota legislature ends its regular session without taking action on House and Senate bills for a constitutional amendment to require fuller disclosure of campaign funding and spending.

Montana:

- Nov. 2015 – Montana legislature adopts broad campaign disclosure law requiring all groups, no matter their tax status, to disclose their sources of funds if they spend money on TV ads or other electioneering communications that mention a candidate or use a candidate's image. Jonathan Motl, Commissioner of Political Practices, calls on voters to tip him off. **"The people of Montana have to be vigilant," Motl says.** State starts implementing law on Jan 1, 2016. Critics fear that despite effort at total disclosure, Montana law leaves a loophole for 501(c)4 nonprofits because

commissioner, in order to require funding disclosures, must determine that a group's "primary purpose" is to support or oppose political candidates or ballot issues.

New York:

- 2013 – New York Attorney General Eric Schneiderman issues regulation requiring nonprofits, including 501(c) 4 organizations, "to report the percentage of their expenditures that go to federal, state and local electioneering." Although this will increase the disclosures of political nonprofits, disclosure is required only once a year – after the election – and the rules lack specifics. Activist campaign reformers want Schneiderman's rules clarified and put into law.

Rhode Island:

- In June 2012, **Gov. Lincoln Chafee signs a new campaign finance reform law requiring disclosure of principal funders to Super PACs** and other independent groups, including tax exempt groups, that spend more than \$1,000 on campaign ads or "electioneering communications" in state elections. The Transparency in Political Spending Act, jointly developed by the governor, the legislature Democratic leadership, public interest groups such as Common Cause, defines "electioneering communications" as print, broadcast, cable, satellite, or electronic media communications that unambiguously identify and either support or oppose a candidate, that run within 60 days of a general election or within 30 days of a primary election and that can reach an audience of 5,000 or more. Independent groups are required to identify all donors of more than \$1,000 during a given year.

South Dakota:

- Dec. 2015 – Take It Back, a South Dakota citizens movement, wins certification for popular referendum in November 2016 on **a proposal to impose tight disclosure requirements** for contributions to candidates or parties "of anything of value" exceeding \$100. The measure, developed in association with Represent.Us, a national reform organization, would require independent groups to speedily disclose expenditures of more than \$100 used to "influence any election for a state office or ballot initiative" and to list the top five contributors on political ads and communications made within 60 days of an election.

Texas:

- Oct. 29, 2014 – Eight-member Texas Ethics Commission **adopts a rule requiring nonprofits to register** as a Political Action Committee and disclose their donors if they spend 25% or more of their budget on political activity or if more than 25% of their contributions are political in nature. The rule, similar to legislation adopted in 2013 by the Texas legislature and vetoed by Gov. Rick Perry, is quickly challenged in court. The Ethics Commission has been working to clarify how that 25% should be calculated.
- Oct. 5, 2015 – Texas Ethics Commission **adopts another rule targeting clearly political activity by 501(c)4 organizations** and sidestepping ineffective test of whether electioneering communications use such telltale words as "vote" "elect" or "against." New Commission rule requires disclosure of funders for nonprofits running ads or distributing communications within 30 days of an election that are "susceptible to no other reasonable interpretation than to urge the passage or defeat" of a measure or a candidate.

Vermont:

- Jan. 12, 2014 – Eight years after the U.S. Supreme Court struck down Vermont's campaign spending laws, **the state legislature passes new campaign finance regulations** setting low campaign spending and contribution limits and strong disclosure requirements. The law, signed by Gov. Peter Shumlin (D), **requires a report within 24**

hours by any person, political action committee, independent group, candidate or party that spends \$500 or more on mass media within 45 days of any election. Donors who give \$2,000 or more to a party, political action committee or independent group that engages in electioneering communications must be identified in that political ads, in any medium. A political action committee spending \$1,000 or more during a two-year election cycle must file full a campaign finance report containing a list of all contributions and expenditures.

Washington:

- Spring 2016 – An unusually broad left-to-right cross-partisan political coalition joins forces to push for a popular referendum on the Washington Government Accountability Act to offset campaign MegaDonors by empowering average voters with democracy vouchers, deter influence peddling in election campaigns by lobbyists and state contractors, and to expose dark money donations with tighter campaign disclosure rules. Backing the petition drive for this measure are such national organizations as Every Voice and Represent.Us; conservative groups such as Take Back Our Republic and Seattle Tea Party Patriots; and Washington State organizations such as Fix Democracy First, the League of Women Voters of Washington, the Progress Alliance of Washington and Wash PIRG. The petition drive, which began March 21, 2016, must gather at least 246,000 valid signatures before July 8 to qualify this initiative for the November 2016 ballot.
- If the people approve, the new law would provide each voter with three \$50 democracy credits to contribute to candidates of his/her choice, funded by closing a loophole in state sales taxes for certain out-of-state shoppers. Participating candidates would need to agree to significantly lower limits on accepting private donations and on using their personal funds. The new measure zeroes in more closely on the five top donors to political campaigns, independent groups or electioneering ads and communications. Current law requires disclosure but it can be manipulated by masking donations by routing them through shell Super-PACs or other funding conduits. This proposal requires that electioneering communications identify the root sources of the five main contributions, whether corporations, unions or individuals. The Act, similar to a measure passed by Seattle voters in 2015, would bar lobbyists and public contractors from contributing more than \$100 to candidates for any office they lobby or that has control over public contracts. It also seeks to reduce revolving door political influence by requiring a three-year cooling off period before former elected or appointed officials or high-level public employees can become involved in paid lobbying.

Additional Readings:

Exposing Dark Money

Learn More by Reading More

[“At Least 1 in 4 Dark Money Dollars in 2012 Had Koch Links,”](#) Robert Maguire Center for Responsive Politics, Dec 3, 2013.

[“Battle Over Dark Money Takes Many Forms On State Level.”](#) Peter Olsen-Phillips, Sunlight Foundation, September 5, 2013.

[“Bipartisan Campaign Reform Act of 2002: Summary and Comparison with Previous Law,”](#) Joseph E. Cantor and L. Paige Whitaker, Congressional Research Service, Jan 9, 2004.

[“Campaign Disclosure, Privacy and Transparency.”](#) Bill of Rights Journal, William & Mary Law School, 2011.

[“Disclosure Chart,”](#) Campaign Legal Center.

[“Federal Rules for Political Advertising on Television and Radio,”](#) Campaign Legal Center, September 24, 2014.

[“Follow the Money,”](#) National Institute on Money in State Politics.

[“From Social Welfare to Political Warfare,”](#) Coalition for Accountability in Political Spending & Office of Bill de Blasio Public Advocate for the City of New York, March 2013.

[“Fulfilling Kennedy’s Promise: Why the SEC Should Mandate Disclosure of Corporate Political Activity,”](#) Harvard Law School and Public Citizen, September 2011.

[“Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Activities,”](#) Internal Revenue Service, Notice of Proposed Rule-Making, Federal Register, Nov. 29, 2013.

[“How Nonprofits Spend Millions on Elections and Call It Public Welfare,”](#) Aug. 18, 2012. Kim Barker, ProPublica.

[“IRS Can End Dark Money’ in Federal Elections,”](#) Fred Wertheimer, Huffington Post, Sept 2, 2014.

[“The IRS Harassment Scandal: A Timeline of ‘Reform’,”](#) Center for Competitive Politics,

Sept 16, 2013.

[“Money Line User Guide.”](#) Congressional Quarterly. CQ Political Moneyline.

[“One Million Americans Want Corporations to Reveal Political Spending.”](#) Moyers & Company, John Light, September 8, 2014.

[“Open Secrets,”](#) Center for Responsive Politics.

[“Outside Groups with Deep Pockets Lift G.O.P.,”](#) Nicholas Confessore, New York Times – Nov 5, 2014.

[“Outside Spending: Frequently Asked Questions about 501\(c\)\(4\) Groups,”](#) Center for Responsive Politics.

[“Primer on Disclosure and Electronic Filings.”](#) Public Citizen.

[“Secret Persuasion: How Big Campaign Donors Stay Anonymous,”](#) Peter Overby et al, Morning Edition, National Public Radio, Nov 6, 2013.

[“The State of Campaign Finance Policy: Recent developments and Issues for Congress,”](#) R. Sam Garrett, Congressional Research Service, June 23, 2014.

[“Timeline of IRS Scandal,”](#) Rachael Blade, Politico September 22, 2014.

[“Timeline of the IRS Targeting Scandal,”](#) Center for Competitive Politics.

Where to Get Help:

Exposing Dark Money

Organizations that can help

A variety of organizations advocate for total transparency of political spending in American elections and revelation of all donors, reaching well beyond those groups and individuals who are directly financing candidates, parties, and campaigns to focus even more on the rapidly expanding supposedly independent groups and the theoretical “social welfare” 501(c)4 organizations that have waded heavily into campaigns but keep their donor lists secret. The staffs and websites of these organizations provide a wealth of information and analysis about campaign funding and disclosure reform on both the state and federal levels.

American Enterprise Institute

14150 17th Street, NW
Washington, DC 20036
(202) 862-5800
aei.org

Political Scientist, Resident Scholar: Norman J. Ornstein – nornstein@aei.org & (202) 862-5893

Associate, Media Relations: Megan Cahill – meg.cahill@aei.org & (202) 862-7155

AEI’s mission is “to defend the principles and improve the institutions of American freedom and democratic capitalism—limited government, private enterprise, individual liberty and responsibility, vigilant and effective defense and foreign policies, political accountability, and open debate.”

American Sustainable Business Council

1401 New York Ave., N.W., Suite 1225
Washington, DC 20005
(202) 595-9302
asbcouncil.org

Co-Founder, CEO, David Levine
Co-Founder, Director of Media and Communications, David Brodwin
Campaigns manager, Greta Twombly

“The ASBC Action Fund operates under IRS code 501(c)(4). Its mission is to

advocate for legislative change that supports a more sustainable economy.”

Brennan Center for Justice

New York University 161 Avenue of the Americas, 12th floor
New York, New York 10013
(626) 292-8310
brennancenter.org

President: Michael Waldman

The Brennan Center is a nonpartisan law and policy institute at New York University that seeks to improve our systems of democracy and justice. Its work ranges from voting rights to campaign finance reform, from racial justice in criminal law to Constitutional protection in the fight against terrorism.

Campaign Legal Center

1411 K St. NW, Suite 1400
Washington, DC 20005
202-736-2200 (o); (202) 736-2201 (o)
campaignlegalcenter.org

President and General Counsel – Trevor Potter
Executive Director, Gerry Hebert ghebert@campaignlegalcenter.org
Policy Director, Meredith McGehee mmcgehee@campaignlegalcenter.org
Senior Counsel on State Laws – Paul Seamus
Ryan.pryan@campaignlegalcenter.org

The Campaign Legal Center is a nonpartisan, nonprofit organization that protects and strengthens our democracy in the areas of campaign finance, voting rights, political communication and government ethics.

Common Cause

1133 19th Street NW, 9th Floor
Washington, DC 20036
(202) 833-1200
commoncause.org

President: Miles Rapoport
Senior Vice President for Programs: Karen Hobert Flynn
Director of State Operations: James Browning

Common Cause, which is working for honest, open and accountable government, has staff and chapters in 35 states and members in all 50 states. The Common Cause website has a map that you click on to see if there is a chapter near you.

Communications Workers of America (AFL-CIO)

501 3rd Street NW

Washington, DC 20001
(202) 434-1100
cwa-union.org

President, Larry Cohen

Mission Statement: CWA will continue to work with alliance partners like Common Cause to get corporate money out of politics and help make the American political process work for working families.

Demos

220 Fifth Ave., 2nd Flr.
New York, NY 10001
(212) 633-1405
demos.org

Heather McGee, President

Demos means “the People.” It is a public policy organization working for an America where we all have an equal say in our democracy and an equal chance in our economy.

Free Speech for People

505 West 38th Street, Unit A4
Austin, TX 78705
512-628-0146
freespeechforpeople.org

Co-Founder & President, John Bonifaz

“Free Speech For People works to challenge the misuse of corporate power and restore republican democracy to the people.”

Issue One (formerly Fund for the Republic)

11 Dupont Circle, Suite 350
Washington, DC 20036
(202) 299-0265
issueone.org

Executive Director: Nick Penniman
Director for External Affairs: Barbara Lawton

The fund is a nonprofit grant-making organization committed to putting everyday citizens back in control of our democracy by reducing the influence of well-financed special interests over American politics and policy-making.

MapLight

2223 Shattuck Avenue

Berkeley, CA 94704
(510) 868-0894
maplight.org

President & Co-Founder, Daniel G. Newman
Vice President of Communications and Editorial Director, Pamela Behrsin

MapLight is a nonpartisan research organization that reveals money's influence on politics. They research and compile data about the sources of campaign contributions in U.S. presidential, congressional, state, and local ballot and candidate elections. Maplight provides journalists and citizens with transparency tools that connect data on campaign contributions, politicians, legislative votes, industries, companies, and more to show patterns of influence never before possible to see. These tools allow users to gain unique insights into how campaign contributions affect policy so they can draw their own conclusions about how money influences our political system. To see the roll of money in elections in your specific area [visit Maplight's Voter's Edge page here.](#)

Move to Amend

PO Box 610
Eureka, CA 95502
&
1402 M Street,
Eureka, CA 95501
(707) 269-0984
movetoamend.org

National Field Director: Kaitlin Sopoci-Belknap cell: (707) 362-0626, email: Kaitlin@MoveToAmend.org
Spokesman David Cobb cell: (707) 362-0333

Move to Amend is a loose network of hundreds of organizations and tens of thousands of individuals committed to social and economic justice, ending corporate rule, and building a vibrant democracy that is genuinely accountable to the people, not corporate interests.

People for the American Way

1101 15th Street NW, Suite 600
Washington, D.C. 20005
(202) 467-4999
pfaw.org/GovernmentByThePeople

President, Michael Keegan
Marge Baker, Executive VP for Policy & Program (People for the American Way) (202) 467-4999, mbaker@pfaw.org

"We believe a society that reflects these constitutional principles and progressive values is worth fighting for, and we take seriously our responsibility to cultivate new generations of leaders and activists who will sustain these values for the life

of this nation. Our operational mission is to promote the American Way and defend it from attack, to build and nurture communities of support for our values, and to equip those communities to promote progressive policies, elect progressive candidates, and hold public officials accountable.”

Public Citizen

1600 20th Street, NW
Washington, DC 20009
(202) 588-1000
citizen.org

President: Robert Weissman
Policy Director: Craig Holman

Public Citizen lobbies for the public interest before Congress, serving as the people’s voice in Washington to ensure that all citizens are represented in the halls of power.

United4the People (See also People for the American Way)

A substantial list of connected organizations is maintained by [United4thepeople here](#).

Marge Baker, Executive VP for Policy & Program (People for the American Way)
(202) 467-4999 mbaker@pfaw.org

Other Organizations:

A much longer list of independent groups is listed [here](#).