

STATEMENT BY
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FOR
FEDERAL ELECTION COMMISSION
HEARING ON
“CORRUPTION IN OUR POLITICAL PROCESS”

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Madame Chair, members of the Commission, thank you for the opportunity to speak with you today about what the Federal Election Commission (FEC) can do to “address corruption in our political process.” The League of Women Voters believes that the FEC has the authority and responsibility to develop new disclosure regulations and new rules covering so-called “independent” expenditures.

I am testifying today on behalf of the League of Women Voters, a volunteer citizens group organized in more than 800 communities and in every State, with more than 150,000 members and supporters nationwide. That is the perspective that we bring to this discussion – the perspective of concerned citizens and voters – not the perspective of the regulated community or the political operatives and attorneys who support them. We believe that this perspective has too often been missing from the fights here in Washington, and in this agency, over campaign finance regulation.

One of my duties as president of the League is to travel around the country talking with our members and other concerned citizens. I want to report to you that voters care deeply about this issue of campaign finance and corruption. They certainly don’t express it in the terms usually employed here in our nation’s capital – “earmarking, affiliated organizations, electioneering communications” – but they understand that money in politics is a critical issue for the functioning of our democracy. And voters understand that billionaires and secret organizations don’t represent them...that huge sums of money corrupt our political system.

In 2014, as millions of Americans went to the polls to vote on the issues and candidates that mattered most to them, millions of dollars of secret money poured into the election from dark money groups which hide the identity of their donors, seeking to buy our elected officials and distort our elections. And we won’t ever know who paid for all of the ads that bombarded voters throughout the election.

The FEC can do something to stop the secret money. We urge you to set new rules requiring full disclosure in our elections.

SuperPACs raised and spent more than \$600 million dollars in 2014 to elect or defeat candidates, and will continue to raise and spend unlimited amounts because they are supposedly “independent” from the candidates when, in reality, there are many ways to coordinate.

The FEC can do something to stop the Super PACs and other outside groups from coordinating with candidates. The League urges you to do so.

The actions we propose today are entirely consistent with the Supreme Court's decision in *McCutcheon v. FEC*, as well as *Citizens United v. FEC*.

As you know, the Court in *Citizens United* said that disclosure is important to "providing the electorate with information." It also supported disclaimer requirements "so that the people will be able to evaluate the arguments to which they are being subjected." We couldn't agree more. Indeed, the Court spoke as if disclosure is already required. We ask that you update FEC regulations to provide for such full disclosure so that the Court's decision in *Citizens United* does not continue as the giant loophole for secret giving that it has become. .

While the Court in *Citizens United* decision made clear that truly independent expenditures on behalf of a candidate campaign are constitutionally protected, we all know that much of the so-called "independent" spending we have seen in recent years is not independent at all. Because such spending so often amounts to a contribution assisting a candidate's campaign, the FEC can act to ensure that outside spending is truly independent. In other words, the Supreme Court's decision assumes that regulations are in place to ensure that "independent" groups are not acting "in concert with or cooperation with" a campaign.

With the Supreme Court, we believe that the American voter has a right to know who is funding political campaigns. The most important thing we can do to preserve the integrity of our electoral process is to increase transparency and let the sunlight shine in. Disclosure is the key to allowing voters to make their own decisions and guard against the inevitable corruption that comes with secret money.

Currently, corporations of all types, including trade associations and non-profit advocacy groups, as well as unions and wealthy individuals, can make unlimited secret contributions to efforts seeking to elect or defeat federal candidates.

This is unacceptable in a democracy. Secret money has no place in America's elections. Voters deserve to know -- have a right to know -- who is making unlimited political expenditures and influencing elections.

In *McCutcheon*, the Court reiterated the importance of disclosure, saying that "disclosure of contributions minimizes the potential for abuse of the campaign finance system." They "deter actual corruption and avoid the appearance of corruption by exposing large contributions and expenditures to the light of publicity."

However, the Center for Responsive Politics reports that almost a third of outside spending since 2010 has been from dark money groups, amounting to at least \$617 million of dark money in our elections, and the Brennan Center calculated that roughly 91 percent of the money spent in the 2014 Senate races by groups that hid some or all of their donors went to the eleven most competitive contests. And in those eleven contests, 59 percent of non-party outside spending came from groups that hid some or all of their donors.

Fair and clean elections, determined by the votes of American citizens, should be at the center of our democracy. Enhanced disclosure is the most basic step toward protecting the role of voters and ensuring that they can make informed decisions.

The League also believes that the American public has a right to have the law against unlimited coordinated expenditures strictly enforced. Explicit new regulations are needed. The Supreme Court is clear that expenditures that are not truly independent of a candidate campaign can be regulated. And the definition of coordination can be quite broad. As the Court has said, “[E]xpenditures made after a ‘wink or nod’ will be ‘as useful to the candidate as cash.’”

We see future presidential candidates flocking to meetings with billionaire funders who will be making supposedly independent expenditures, as well as so-called independent committees that have become a usual and expected element of any presidential campaign.

And we now have single-candidate SuperPACs. The single-candidate SuperPAC is based on the notion that a candidate can help raise money for a SuperPAC dedicated only to his or her election, and the expenditures by the SuperPAC are “independent” of that candidate. The general public can see through this subterfuge even if Washington lawyers cannot.

According to the Center for Responsive Politics, outside spending almost tripled between the 2008 and 2012 presidential elections, more than quadrupled between the 2006 and 2010 midterm elections, and then almost doubled again between the 2010 and 2014 midterm elections. Outside groups now spend more than candidates themselves in tightly contested congressional elections.

It is time for the FEC to step in and recognize that the fact that coordinated spending is occurring and must be better regulated. Candidates should not be allowed to solicit funds or assist in fundraising for outside groups that engage in independent campaigns. Campaign professionals should not be able to play musical chairs between candidate campaigns and independent spending groups. And family members should not be in the position of setting up supposedly independent activities.

In closing, I’d like to say that every American, and this commission, must work to maintain the integrity of our democracy by ensuring our elected official will be responsive to voters, not to the big money and the secret money from special interests. The stakes are too high, and the League will not stand by and let our political system be corrupted.