

BEFORE THE FEDERAL ELECTION COMMISSION

Public Citizen,
Friends of the Earth,
Greenpeace,
Oil Change International

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v.

MUR No. _____

Chevron USA, Inc.
Chevron Products Company
P.O. Box 9034
Concord, CA 94524
(925) 827-7741

and

Congressional Leadership Fund
555 13th Street NW, Suite 510W
Washington, D.C. 20004

COMPLAINT

1. Public Citizen requests that the Federal Election Commission undertake an investigation into, and enforcement action against Chevron USA, Inc., a Federal government contractor, for making a \$2.5 million contribution to the Congressional Leadership Fund, a super PAC, for the purpose of influencing the 2012 federal elections, in violation of 2 U.S.C. 441c.
2. Public Citizen also requests that the Federal Election Commission undertake an investigation into whether the Congressional Leadership Fund, a super PAC, knowingly and willfully solicited and accepted the above-mentioned contribution from a Federal government contractor in violation of 2 U.S.C. 441c.

BACKGROUND:

Prohibition on Campaign Contributions by Federal Government Contractors

3. In addition to regulations and disclosure requirements imposed by the Federal Election Campaign Act (FECA), the campaign finance law imposes additional restrictions against campaign contributions by Federal government contractors. 2 U.S.C. 441c, labeled "Contributions by government contractors," prohibits any entity or individual who contracts with the Federal government from making campaign contributions, directly or indirectly, to any candidate, political party or political committee for the purposes of influencing federal elections, or to any such person for any political purpose or use. Nor may a candidate, political party or committee knowingly solicit such a contribution from a government contractor.
4. 2 U.S.C. 441c reads in part:
 - (a) Prohibition
It shall be unlawful for any person—
 - (1) who enters into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of
 - (A) the completion of performance under; or
 - (B) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly to make any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution to any political party,

committee, or candidate for public office or to any person for any political purpose or use; or

(2) knowingly to solicit any such contribution from any such person for any such purpose during any such period.

5. Under federal law, “person” is defined quite broadly to include any individual, corporation or any other organization, except the Federal government. [2 U.S.C. 431(11)]. The ban on contributions from Federal government contractors applies only in connection with Federal elections [11 C.F.R. 115.2(a)], and does not apply to contributions from separate segregated funds (popularly known as a political action committees) of Federal contractors [2 U.S.C. 441c(b)].
6. The ban on campaign contributions from government contractors in connection with Federal elections applies to candidates, political parties and political committees, including super PACs. The Federal Election Commission has appropriately interpreted the prohibition against contractor contributions to “any political party committee, or candidate for public office or to any person for any political purpose or use” to include political committees and super PACs involved in Federal elections. The FEC has made this position clear, in testimony before Congress,¹ and in a press release following the 2011 *Carey v. FEC* decision.²
7. Most super PACs recognize the prohibition on accepting contributions from Federal contractors, including the Congressional Leadership Fund, explicitly warning potential contributors of the ban on their Web pages. The warning on the donation page of the Congressional Leadership Fund is typical for other super PACs: “Contributions to the Congressional Leadership Fund are not deductible as charitable contributions for federal income tax purposes. Contributions from foreign nationals, Federal government contractors, national banks, or corporations organized by act of Congress are prohibited.”³ American Crossroads, the super PAC organized by Republican operative Karl Rove, requires contributors to certify that the donations do not come “from the treasury of an entity or person who is a Federal contractor.” The same requirement and warnings are made by the super PACs that supported President Obama, Rick Santorum, Newt Gingrich and Ron Paul.⁴

¹ Holtzman Vogel Josefiak, *Blog: Federal contractors donate to super PAC backing Romney* (Mar. 19, 2012), available at: <http://www.hvjlaw.com/blog/Read.aspx?ID=1997> [noting that FEC commissioner Cynthia Bauerly, in testimony before a 2011 House oversight hearing, reiterated “that the prohibition still holds” against contractor contributions to independent-expenditure-only committees].

² Federal Election Commission, *FEC statement on Carey v. FEC* (Oct. 5, 2011) [stating that “Foreign nationals, government contractors, national banks and corporations organized by authority of any law of Congress cannot contribute to such separate accounts”].

³ Congressional Leadership Fund, donation web page, available at: <https://secure.pirya.com/donate/FVKsA54i/Congressional-Leadership-Fund/>

⁴ Editorial, “The wall between contractors and politics,” *New York Times* (Mar. 25, 2012) [noting that Romney’s super PAC offered no such warning].

8. Despite the 2010 *Citizens United v. Federal Election Commission* decision by the U.S. Supreme Court – which allows direct corporate and union independent spending in Federal, state and judicial elections – government contractors remain outside the bounds of that ruling. In a recent court challenge to the Federal government contractor ban on campaign contributions – *Wagner v. FEC* – the federal district court upheld the law and did not rule on the issue of whether independent-expenditure-only PACs were subject to the prohibition.⁵
9. The Federal government contractor contribution ban, which was originally passed by Congress in 1940, is based on a long history of corruption and the appearance of corruption due to the unique circumstances of private businesses bidding for lucrative government contracts. It is designed to address two separate forms of corruption: companies using campaign donations to bribe their way into lucrative government contracts; and lawmakers extorting money from companies seeking government contracts. The federal prohibition has become known as “pay-to-play” reform and has promulgated similar legislation in 15 states and rule G-37 by the Securities and Exchange Commission in response to their own records of corruption scandals.⁶ For a case record of pay-to-play corruption scandals that have given rise to these reforms around the nation, go to: <http://www.citizen.org/documents/wagner-case-record.pdf>

CHEVRON IS A FEDERAL CONTRACTOR
SUBJECT TO THE FEDERAL PAY-TO-PLAY LAW

10. Chevron USA, Inc., is a major Federal contractor, and has been a Federal contractor at least since the year 2000, holding several current government contracts. Chevron has received hundreds of Federal contracts since the year 2000 through today valued in excess of \$1,447,643,590 (see Appendix A, Federal Contracts Received by Chevron USA, Inc.).
11. “Chevron Products Company,” a division of Chevron USA, Inc.,⁷ made a \$2.5 million contribution to the Congressional Leadership Fund, a super PAC exclusively involved in federal elections, on October 7, 2012 (see Appendix B, Congressional Leadership Fund, Pre-General Election Report to the Federal Election Commission, “Receipts and Disbursements”). Chevron’s contribution accounted for about 22 percent of the \$11.3 million in contributions the super PAC received for the 2012 elections. The sheer size of the donation raises questions whether the Congressional Leadership Fund solicited the support from Chevron or, at the very least, raises

⁵ *Wagner v. Federal Election Commission*, DDC No. 11-1841 (Nov. 2, 2012).

⁶ For a listing of states with pay-to-play laws designed to prohibit or restrict campaign contributions from government contractors, see Public Citizen’s web page at: <http://www.citizen.org/documents/pay-to-play-chart-2012.pdf>

⁷ Review of records of the Secretary of State of Pennsylvania, where Chevron, U.S.A., Inc., is incorporated, indicates that “Chevron Products Company” is not a separately incorporated entity, but a name under which Chevron, U.S.A., Inc., does business.

questions why the Congressional Leadership Fund did not check to see if Chevron is a government contractor and return the donation in compliance with the law as required and noted on the Fund's own web site.⁸

**CONGRESSIONAL LEADERSHIP FUND –
SUPER-CONNECTED SUPER PAC**

12. Founded in October 2011, the Congressional Leadership Fund, a super PAC, calls itself as “an independent expenditure fund focused solely and exclusively on maintaining the Republican majority in the House of Representatives.”⁹ News reports often characterize the fund as being linked to Speaker of the House John Boehner (R-Ohio). The super PAC's Web site reports that its inaugural event featured a bevy of House Republican luminaries, including: Boehner, House Majority Leader Eric Cantor (R-Ohio), House Majority Whip Kevin McCarthy (R-Calif.), and National Republican Congressional Committee Chairman Pete Sessions (R-Texas). More than 80 Republican other House members also attended the event, according to the super PAC's account.¹⁰ The Congressional Leadership Fund shares offices and leadership personnel with the American Action Network. It is chaired by former Sen. Norm Coleman (R-Minn.), who also chairs the American Action Network. Former Reps. Tom Reynolds (R-NY), a former chairman of the National Republican Congressional Committee, and Vin Weber (R-Minn.) serve on the boards of both groups. Brian Walsh, former political director for the National Republican Congressional Committee, serves as president of both groups.¹¹
13. The Congressional Leadership Fund spent \$9,450,237 in the 2012 federal elections, all of its expenditures financing negative attack ads against 14 Democratic House candidates.¹² The Center for Responsive Politics¹³ provides a graphic of the expenditures by the Congressional Leadership Fund which is provided below:

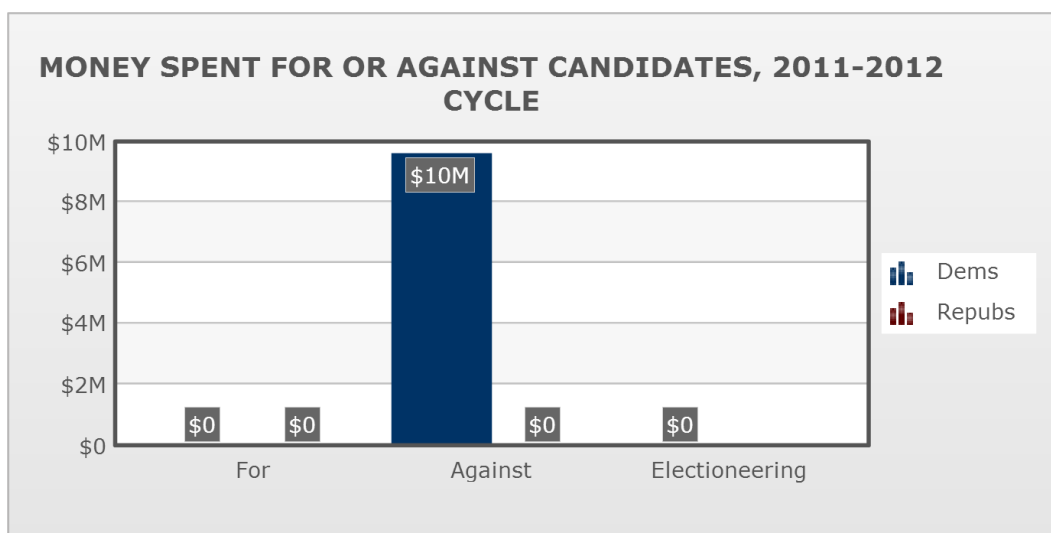
⁸ Chevron appears to be quite aware of the potential for corruption or the appearance of corruption that may arise from very large campaign contributions. On November 20, 2012, Chevron filed an ethics complaint against New York State Comptroller Thomas DiNapoli. The complaint, which was made to the Joint Commission on Public Ethics, claims that DiNapoli received tens of thousands of dollars in campaign contributions from lawyers representing Ecuadorean villagers, who have sued Chevron in court over environmental damages. The complaint asserts the lawyers had “an illicit and unethical quid pro quo arrangement” in which the comptroller received campaign donations and other benefits in exchange for pressuring Chevron in the case. Danny Hakim, “Chevron accuses state comptroller of ethics violation, *New York Times* (Nov. 20, 2012).

⁹ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/lh58X1>.

¹⁰ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/lh58X1>

¹¹ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/lh58X1> and American Action Network, *About* (viewed on Nov. 20, 2012), <http://bit.ly/nCGk73>.

¹² The 14 Democratic House candidates targeted by the Congressional Leadership Fund attack ads were: Betty Sutton (OH), Pete Gallego (TX), Kathy Hochul (NY), Brad Schneider (IL), Patrick Krietlow (WI), Shelley



14. Funded significantly by Chevron, the Congressional Leadership Fund ran thousands of television ads bashing these 14 candidates for everything from allegedly swearing in public and calling stay-at-home mothers “leeches” (Kyrsten Sinema) to enriching themselves with business trade deals in China (Kathy Hochul). In the last few weeks of the congressional race in Illinois, the group spent \$900,000 on a tidal wave of television ads in an effort to paint Democratic candidate Brad Schneider as supporting “extreme” tax hikes on middle-income families. One such ad ran as follows:

“Income.

You work SO hard for it. And it’s never enough.

But Brad Schneider supports an extreme tax hike on the middle class...

Hurting families who can least afford it.

And while politician Brad Schneider would force you to pay more, he won’t come clean about what he pays.

He’s refusing to release his tax returns.

Brad Schneider: Hiding his taxes, while trying to raise yours.

The worst kind of politician.”

Many of the TV ads sponsored by the Congressional Leadership Fund and financed in part by Chevron can be viewed at:

<http://www.congressionalleadershipfund.org/ads/>

Adler (NJ), Kyrsten Sinema (AZ), Mike McIntyre (NC), Lois Capps (CA), Leonard Boswell (IA), Gary McDowell (MI), John Barrow (GA), Val Demings (FL) and David Gill (IL).

¹³ <http://www.opensecrets.org/outsidespending/detail.php?cmte=C00504530&cycle=2012>

15. Super PACs are a special category of so-called “independent-spending” groups. They register with the Federal Election Commission and generally disclose their funding sources. What is troubling, however, is they show a strong propensity for *not* being independent from candidates or political parties in staffing, funding and behavior. An analysis by Public Citizen reveals that, unlike regular PACs that tend to support multiple candidates and often cross party lines, more than 52 percent of super PACs active in the 2012 elections were devoted to aiding a single candidate. Of 143 super PACs that reported spending more than \$100,000 to influence the elections, 75 advocated the election of just one candidate. These single-candidate super PACs spent about \$288 million advocating the election of their favored candidate or, more accurately, the defeat of that candidate’s opponent (*see* Appendix C, “Super Connected”).

16. An additional six super PACs, like the Congressional Leadership Fund, were closely allied with one national political party committee. Such alliances were illustrated by the super PACs’ mission statements and the backgrounds of their personnel, as well as their spending decisions. Altogether, 81 of 143 (56.4 percent) active super PACs were single-candidate or party-allied electioneering entities, spending more than \$476 million in the 2012 elections. In terms of overall expenditures, the picture of these super PACs being closely connected to a single candidate or single party committee is stark, accounting for almost three-quarters of all super PAC spending. Below are the spending totals by active super PACs:

Super PACs Only – Overall Spending in 2012 Election Cycle

Description of Super PAC	Number of Super PACs Spending Over \$100,000	Pct. of Super PACs	Amount Spent	Pct. of Money Spent
Dedicated to a single candidate	75	52.4%	\$288,472,195	45.1%
Determined by Public Citizen to be allied with a national party	6	4.4%	\$187,581,876	29.3%
Subtotal: Single candidate or party dedicated	81	56.4%	\$476,054,071	74.4%
Aided multiple candidates and not designated as party dedicated	62	43.6%	\$163,946,537	25.6%
Total	143	100.0%	\$640,000,608	100.0%

Source: Taylor Lincoln, SUPER CONNECTED (Public Citizen, 2013)

17. Furthermore, single-candidate and single-party super PACs are likely to have been established and controlled by former staff or friends of the same candidate or

political party each super PAC supported, and they often share the same campaign vendors with the specific candidate or party supported – all of which casts grave doubts on the adequacy of the FEC’s current coordination rules. The Congressional Leadership Fund is no exception, which is closely aligned with the former chairman and political director of the Republican Congressional Campaign Committee.

18. These single-candidate and single-party super PACs are in essence surrogates of the candidates and party committees they support, with friends and former staff of the candidates and party committees drawn to creating super PACs because of the fact they have no limits on contributions received. The simple objective of federal campaign finance law to prevent such large contributions to candidates and party committees that may be corrupting is being undermined by super PACs. As U.S. Court of Appeals Judge Richard Posner wrote: “[It] is difficult to see what practical difference there is between super PAC donations and direct campaign donations, from a corruption standpoint. A super PAC is a valuable weapon for a campaign...; the donors to it are known; and it is unclear why they should expect less *quid pro quo* from their favored candidate if he’s successful than a direct donor to the candidate’s campaign would be.”¹⁴

CONCLUSION:

Chevron’s Contribution to the Congressional Leadership Fund Violated 2 U.S.C. 441c

19. 2 U.S.C. 441c, labeled “Contributions by government contractors,” prohibits any entity or individual who contracts with the federal government from making campaign contributions, directly or indirectly, to any candidate, political party or political committee for the purposes of influencing federal elections, or to any such person for any political purpose or use. Nor may a candidate, political party or committee knowingly solicit such a contribution from a government contractor.
20. The federal pay-to-play law has been appropriately interpreted by the Federal Election Commission to ban donations from Federal contractors to political committees, including super PACs. The simple language of the law leaves no room for any other interpretation.
21. The federal pay-to-play law is quite broad because of the unique and pronounced opportunities for corruption and the appearance of corruption when it comes to government contractors making contributions in support of those responsible for awarding the government contracts. There is an extensive case record showing that government contractors at both the federal and state levels are particularly inclined

¹⁴ Richard Posner, *Unlimited Campaign Spending—A Good Thing?* THE BECKER-POSNER BLOG (Apr. 8, 2012), as quoted in Brief Of Amici Curiae Former Federal Election Commission Officials and Former State and Local Election And Campaign Finance Officials in Opposition to Petition for a Writ of Certiorari at 25-26, *American Tradition Partnership Inc., et al. v. Steve Bullock, Attorney General of Montana, et al.*, in the Supreme Court of the United States (May 2012), available at: <http://bit.ly/QFTuta>.

to use campaign contributions as either leverage to win a lucrative contract or extortion payment to remain in consideration for a contract.

22. Additionally, the fact that super PACs strongly tend to support a single candidate or a single political party, and are often created and controlled by friends or former staff of that candidate or party, and whose financial activity and donors are well known to the candidate or party leaders, warrants keeping super PACs within the boundaries of the pay-to-play law, as the law intended.
23. Chevron USA, Inc., a Federal contractor, made a substantial contribution to the Congressional Leadership Fund, a super PAC, to be used to promote the election and defeat of federal candidates in the 2012 elections, and thus should be found in violation of 2 U.S.C. 441c.
24. The Congressional Leadership Fund was aware that contributions to it from Federal contractors are illegal, and should have reasonably known that Chevron is a Federal contractor, and thus should be found in violation of 2 U.S.C. 441c for soliciting or accepting the \$2.5 million donation.

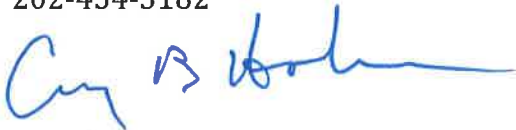
VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and beliefs, true.

Sworn pursuant to 18 U.S.C. 1001.

For Complainant:

Craig Holman, Ph.D.
Government affairs lobbyist
Public Citizen
215 Pennsylvania Avenue SE
Washington, D.C. 20003
202-454-5182



DISTRICT of COLUMBIA

Sworn and subscribed before me

This 5 day of ~~February~~ MARCH, 2013



Notary Public

MARY F. VINCENT
Notary Public, District of Columbia
My Commission Expires March 31, 2013



VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and beliefs, true.

Sworn pursuant to 18 U.S.C. 1001.

For Complainant:

Stephen Kretzmann
Executive Director
Oil Change International
236 Massachusetts Avenue, NE
Suite 203
Washington, D.C. 20002
tel: +1 202.518.9029

Stephen M. Kretzmann

Sworn and subscribed before me
This 1 day of ~~February~~ *March*, 2013

Kristal Wiggins
Notary Public



KRISTAL WIGGINS
District of Columbia Notary Public
My Commission Expires November 14, 2016

VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and beliefs, true.

Sworn pursuant to 18 U.S.C. 1001.

For Complainant:



Charlie Cray
Research Specialist
Greenpeace USA
701 H Street, N.W.
Washington, D.C. 20001
tel: +1 202.462.1177

Sworn and subscribed before me
This 26th day of February, 2013



Notary Public



VERIFICATION

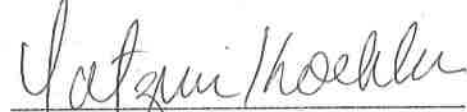
The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and beliefs, true.

Sworn pursuant to 18 U.S.C. 1001.

For Complainant:

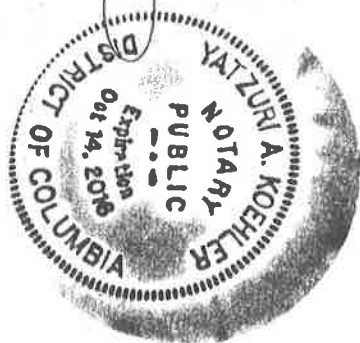

Erich Rica
President
1100 15th Street, NW
11th Floor
Washington, DC 20005
Tel: 202-222-0739

Sworn and subscribed before me
This 27 day of February, 2013



Notary Public

**My Commission Expires
October 14, 2016**



APPENDIX A:

Federal Government Contracts Received by Chevron USA, Inc.

USASpending.Gov – “Prime Award Spending Data”



Search

[Prime Award Advanced Search](#)[Sub-award Advanced Search](#)**NOTE: You must click [here](#) for very important D&B information.**

Prime Award Spending Data

[View Sub-award Data](#)Filters: Search Term: **Chevron usa** [Clear All](#)[Map](#)[Timeline](#)[Advanced Search](#)

By Type of Spending

<input type="checkbox"/> Contracts	379
<input type="checkbox"/> Grants	19

[More/Fewer By Type of Spending](#)

By Agency

<input type="checkbox"/> Department of Defense..	275
<input type="checkbox"/> Energy, Department O..	44
<input type="checkbox"/> Homeland Security, D..	24
<input type="checkbox"/> General Services Adm..	20
<input type="checkbox"/> Interior, Department..	19

[More/Fewer By Agency](#)

By Extent Competed

<input type="checkbox"/> Full and Open Compet..	233
<input type="checkbox"/> Not Competed..	76
<input type="checkbox"/> Competed Under Sap..	18
<input type="checkbox"/> Not Available for Co..	10
<input type="checkbox"/> Non-Competitive Deli..	9

[More/Fewer By Extent Competed](#)

By Recipient

<input type="checkbox"/> Chevron Corporation..	338
<input type="checkbox"/> Chevron Corporation ..	11
<input type="checkbox"/> Energy Masters Inter..	11
<input type="checkbox"/> Chevron Usa, INC...	6
<input type="checkbox"/> Chevron Usa Inc..	5

[More/Fewer By Recipient](#)

By Product/Service Code

<input type="checkbox"/> Liquid Propellants -..	61
<input type="checkbox"/> Maint-Rep of Refrige..	51
<input type="checkbox"/> Liquid Propellants A..	41
<input type="checkbox"/> Other Professional S..	29
<input type="checkbox"/> Other Qc/Test/Inspec..	21

[More/Fewer By Product/Service Code](#)

By Principal NAICS Description

<input type="checkbox"/> Engineering Services..	76
<input type="checkbox"/> Commercial and Indus..	68
<input type="checkbox"/> Petroleum Refineries..	66
<input type="checkbox"/> Petroleum and Petrol..	39
<input type="checkbox"/> Commercial and Insti..	31

[More/Fewer By Principal NAICS Description](#)

By Fiscal Year

<input type="checkbox"/> 2012	105
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Sort by: [Dollars Obligated](#) Transactions/page: [25](#) [Go](#) [Export](#) [Summary View](#)[1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [Next](#) [Last](#)Total Dollars:
\$1,350,872,630Transactions:
1 to 25 of 398

Transaction # 1 (Delivery Order)

IDVPIID/PIID/MOD: [SP060011D0452 / B001 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
6001 BOLLINGER CANYON RD, SAN RAMON, California

Program Source: 97-4930

Department/Agency: [Department of Defense](#)

Product/Service: [9130: LIQUID PROPELLANTS -PETROLEUM BASE](#)

Description: TURBINE FUEL, AVIATION, GRADE JP-8

Signed Date:

12-17-2010

Obligation Amount:

\$395,880,658

Transaction # 2 (Delivery Order)

IDVPIID/PIID/MOD: [SP060012D0478 / B001 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
6001 BOLLINGER CANYON RD D1248, SAN RAMON, California

Program Source: 97-4930

Department/Agency: [Department of Defense](#)

Product/Service: [9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE](#)

Description: AVIATION FUEL, TURBINE, GRADE JP-8

Signed Date:

05-25-2012

Obligation Amount:

\$284,378,685

Transaction # 3 (Delivery Order)

IDVPIID/PIID/MOD: [SP060008D0505 / B001 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
6001 BOLLINGER CANYON RD, SAN RAMON, California

Program Source: Not reported

Department/Agency: [Department of Defense](#)

Product/Service: [9130: LIQUID PROPELLANTS -PETROLEUM BASE](#)

Description: TURBINE FUEL, AVIATION, JP8

Signed Date:

09-18-2008

Obligation Amount:

\$87,998,492

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Reason for Modification: SUPPLEMENTAL AGREEMENT FOR WORK WITHIN SCOPE		<input type="checkbox"/> 2008	37
Program Source: 97-4930		<input type="checkbox"/> 2009	37
Department/Agency: Department of Defense		More/Fewer By Fiscal Year	
Product/Service: 9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE		Signed Date: 03-20-2012	
Description: THE PUROPOSE OF THIS MODIFICATION WAS TO ESTABLISH ... (More)		Obligation Amount: \$84,137,740	
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Program Source: Not reported		Obligation Amount: \$70,895,913	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS -PETROLEUM BASE			
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Program Source: 97-4930		Obligation Amount: \$65,921,150	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE			
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Program Source: Not reported		Obligation Amount: \$53,589,360	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS -PETROLEUM BASE			
Description: TURBINE FUEL AVIATION JP8			
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Recipient: CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD, SAN RAMON, California		Signed Date: 09-30-2010	
Program Source: 97-4930		Obligation Amount: \$43,197,568	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS -PETROLEUM BASE			
Description: TURBINE FUEL, AVIATION, GRADE JP-8			
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Program Source: 97-4930		Obligation Amount: \$32,758,841	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS -PETROLEUM BASE			
Description: AVIATION FUEL, TURBINE, GRADE JP-8			
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Program Source: Not reported		Obligation Amount: \$29,437,750	
Department/Agency: Department of Defense			
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<hr/>			
Transaction # 11 (Delivery Order) IDVPIID/PIID/MOD: SP060002D0540 / 8060 / 0			
Recipient: CHEVRON U.S.A. INC 575 MARKET ST, SAN FRANCISCO, California		Signed Date: 09-06-2002	
Program Source: Not reported		Obligation Amount: \$28,398,825	
Department/Agency: Department of Defense			
Product/Service: 9130: LIQUID PROPELLANTS -PETROLEUM BASE			

Description:

Transaction # 12 (Delivery Order)

IDVPIID/PIID/MOD: [SP060008D0493 / B001 / 0](#)

Recipient:	CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD, SAN RAMON, California	Signed Date: 06-13-2008
Program Source:	Not reported	Obligation Amount: \$16,015,180
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS -PETROLEUM BASE	
Description:	JP8	

Transaction # 13 (Delivery Order)

IDVPIID/PIID/MOD: [SP060011D0529 / B001 / P3](#)

Recipient:	CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD D1248, SAN RAMON, California	Signed Date: 02-29-2012
Reason for Modification:	EXERCISE AN OPTION	Obligation Amount: \$14,942,000
Program Source:	97-4930	
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE	
Description:	EXTEND THE ORDERING PERIOD FOR ALL CLINS TO MAY 30 ... (More)	

Transaction # 14 (Definitive Contract)

PIID/MOD: [GS03P10DXC0045 / 0](#)

Recipient:	CHEVRON U.S.A. INC. 345 CALIFORNIA ST, 18TH FLR, SAN FRANCISCO, California	Signed Date: 03-15-2010
Program Source:	47-4543	Obligation Amount: \$11,913,721
Department/Agency:	General Services Administration: Public Buildings Service	
Product/Service:	Z111: MAINT-REP-ALT/OFFICE BLDGS	
Description:	APPLICABLE FUNDING AGENCY: TAS::47 4543::TAS RECOV ... (More)	

Transaction # 15 (Delivery Order)

IDVPIID/PIID/MOD: [SP060010D0075 / B001 / 0](#)

Recipient:	CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD, SAN RAMON, California	Signed Date: 08-20-2010
Program Source:	Not reported	Obligation Amount: \$9,862,264
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS -PETROLEUM BASE	
Description:	JET A1 W/O FSII AND JET PETROLEUM 8	

Transaction # 16 (Delivery Order)

IDVPIID/PIID/MOD: [SP060009D0133 / B001 / P1](#)

Recipient:	CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD, SAN RAMON, California	Signed Date: 09-21-2009
Reason for Modification:	FUNDING ONLY ACTION	Obligation Amount: \$7,389,274
Program Source:	Not reported	
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS -PETROLEUM BASE	
Description:	JET A-1 W/O FSII	

Transaction # 17 (Delivery Order)

IDVPIID/PIID/MOD: [SP060009D0133 / B001 / P2](#)

Recipient:	CHEVRON U.S.A. INC. 6001 BOLLINGER CANYON RD, SAN RAMON, California	Signed Date: 09-30-2009
Reason for Modification:	FUNDING ONLY ACTION	Obligation Amount: \$5,388,657
Program Source:	Not reported	
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS -PETROLEUM BASE	
Description:	JET A-1 W/O FSII	

Transaction # 18 (Delivery Order)

IDVPIID/PIID/MOD: [SP060007D0752 / B001 / 0](#)

Recipient:	CHEVRON USA INCORPORATED (7925) 6465 DRESSAGE CROSSING, CUMMING, Georgia	Signed Date: 02-13-2007
Program Source:	Not reported	Obligation Amount: \$5,252,000
Department/Agency:	Department of Defense	
Product/Service:	9130: LIQUID PROPELLANTS -PETROLEUM BASE	
Description:	LO6	

Transaction # 19

Federal Award ID: [FC26-01NT41330: A017](#) (Grant)

Recipient:	CHEVRON USA INC 1301 Mckinney St FL 6, Houston, Texas	Obligation Date: 09-26-2007
------------	--	---------------------------------------

Program Source: 89-0213 "Fossil Energy Research and Development"
Department/Agency: [Department of Energy](#)
CFDA Program: 81.089: Fossil Energy Research and Development
Description: "CHARACTERIZING NATURAL GAS HYDRATES IN THE DEEP W ... ([More](#))

Obligation Amount:
\$5,071,421

Transaction # 20 (Delivery Order)

IDVPIID/PIID/MOD: [W15QKN08D0457 / 0030 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
345 CALIFORNIA ST, 18TH FLR, SAN FRANCISCO, California
Program Source: 21-2040
Department/Agency: [Department of Defense](#)
Product/Service: [J041: MAINT-REP OF REFRIGERATION - AC EQ](#)
Description: YEAR FOUR TASK ORDER 0030, 10 SEPARATE ACTIONS

Signed Date:
09-26-2011
Obligation Amount:
\$4,468,564

Transaction # 21

Federal Award ID: [FC26-01NT41330: A007](#) (Grant)

Recipient: [CHEVRON USA INC](#)
Texas
Program Source: Not reported
Department/Agency: [Department of Energy](#)
CFDA Program: 81.089: Fossil Energy Research and Development
Description: "CHARACTERIZING NATURAL GAS HYDRATES IN THE DEEP W ... ([More](#))

Obligation Date:
04-23-2004
Obligation Amount:
\$4,030,000

Transaction # 22

Federal Award ID: [FC26-01NT41330: A018](#) (Grant)

Recipient: [CHEVRON USA INC](#)
1301 Mckinney St FL 6, Houston, Texas
Program Source: 89-0213 "Fossil Energy Research and Development"
Department/Agency: [Department of Energy](#)
CFDA Program: 81.089: Fossil Energy Research and Development
Description: "CHARACTERIZING NATURAL GAS HYDRATES IN THE DEEP W ... ([More](#))

Obligation Date:
10-31-2007
Obligation Amount:
\$4,000,000

Transaction # 23 (Delivery Order)

IDVPIID/PIID/MOD: [SP060012D0553 / B001 / P4](#)

Recipient: [CHEVRON U.S.A. INC.](#)
6001 BOLLINGER CANYON RD D1248, SAN RAMON, California
Reason for Modification: CHANGE ORDER
Program Source: 97-4930
Department/Agency: [Department of Defense](#)
Product/Service: [9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE](#)
Description: THE PURPOSE OF THIS MODIFICATION IS TO EXERCISE I8 ... ([More](#))

Signed Date:
01-26-2012
Obligation Amount:
\$3,732,360

Transaction # 24 (Delivery Order)

IDVPIID/PIID/MOD: [SP060012D0763 / B001 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
100 CHEVRON WAY, RICHMOND, California
Program Source: 97-4930
Department/Agency: [Department of Defense](#)
Product/Service: [9150: OILS AND GREASES: CUTTING, LUBRICATING, AND HYDRAULIC](#)
Description: LUBRICATING OIL, ENGINE, L06 AND LUBRICATING OIL, ... ([More](#))

Signed Date:
03-26-2012
Obligation Amount:
\$3,235,150

Transaction # 25 (Delivery Order)

IDVPIID/PIID/MOD: [SP060012D4013 / B001 / 0](#)

Recipient: [CHEVRON U.S.A. INC.](#)
6001 BOLLINGER CANYON RD D1248, SAN RAMON, California
Program Source: 97-4930
Department/Agency: [Department of Defense](#)
Product/Service: [9130: LIQUID PROPELLANTS AND FUELS, PETROLEUM BASE](#)
Description: CONTRACT MEETS REQUIREMENTS REQUESTED UNDER SOLICI ... ([More](#))

Signed Date:
09-19-2012
Obligation Amount:
\$3,181,915

All prime awardee data as reported by agencies. The assistance prime awardee data includes agency submissions as of 03/03/2013 and the contracts prime awardee data includes procurement data downloaded from FPDS as of 03/03/2013. Please note that availability of DOD contracts prime awardee data is delayed by 90 days to protect operations tempo. All Sub-awardee data is based on prime awardee submissions from FSRS, for sub-contracts as of 03/03/2013 and for sub-grants as of 03/03/2013. For more information about the data, data sources, and data timeliness, please see [Learn](#).

The quality procurement data is maintained by the federal agencies by annual verification and validation of their data in FPDS. For more information on how the quality is maintained and what the government is doing in ensuring the quality please see [\(PDF\)](#).

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APPENDIX B:
Congressional Leadership Fund –
Pre-General Election Report to the Federal Election Commission
(“Receipts and Disbursements”)

**FEC
FORM 3X****REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full) TYPE OR PRINT ▼ Example: If typing, type over the lines.

12FE4M5

Congressional Leadership Fund

ADDRESS (number and street) ▼

555 13TH STREET NW SUITE 510W

☐ Check if different than previously reported. (ACC)

WASHINGTON

DC

20004

2. FEC IDENTIFICATION NUMBER ▼

CITY ▲

STATE ▲

ZIP CODE ▲

C C00504530

3. IS THIS
REPORTNEW
(N)

OR

AMENDED
(A)

4. TYPE OF REPORT

(Choose One)

(a) Quarterly Reports:

☐ April 15
Quarterly Report (Q1)☐ July 15
Quarterly Report (Q2)☐ October 15
Quarterly Report (Q3)☐ January 31
Year-End Report (YE)☐ July 31 Mid-Year
Report (Non-election
Year Only) (MY)☐ Termination Report
(TER)(b) Monthly
Report
Due On:☐ Feb 20 (M2)☐ May 20 (M5)☐ Aug 20 (M8)☐ Nov 20 (M11)
(Non-Election
Year Only)☐ Mar 20 (M3)☐ Jun 20 (M6)☐ Sep 20 (M9)☐ Dec 20 (M12)
(Non-Election
Year Only)☐ Apr 20 (M4)☐ Jul 20 (M7)☐ Oct 20 (M10)☐ Jan 31 (YE)

(c) 12-Day

PRE-Election

Report for the:



Primary (12P)



General (12G)



Runoff (12R)



Convention (12C)



Special (12S)

Election on

M M M /

D D D /

Y Y Y Y Y Y

11

06

2012

in the
State of

DC

(d) 30-Day

POST-Election

Report for the:



General (30G)



Runoff (30R)



Special (30S)

Election on

M M M /

D D D /

Y Y Y Y Y Y

in the
State of

5. Covering Period

M M M /

D D D /

Y Y Y Y Y Y

10

01

2012

through

M M M /

D D D /

Y Y Y Y Y Y

10

17

2012

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Charles Meachum

Signature of Treasurer

Charles Meachum

[Electronically Filed]

Date

M M M /

D D D /

Y Y Y Y Y Y

10

25

2012

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

Office
Use
Only**FEC FORM 3X**
Rev. 12/2004

SUMMARY PAGE OF RECEIPTS AND DISBURSEMENTS

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

Congressional Leadership Fund

Report Covering the Period: From: M M / D D / Y Y Y Y Y Y 10 / 01 / 2012 To: M M / D D / Y Y Y Y Y Y 10 / 17 / 2012

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1, Y Y Y Y Y Y 2012		87961.11
(b) Cash on Hand at Beginning of Reporting Period.....	5888549.70	
(c) Total Receipts (from Line 19)	3105763.10	10633132.87
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B).....	8994312.80	10721093.98
7. Total Disbursements (from Line 31)	306047.45	2032828.63
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	8688265.35	8688265.35
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0.00	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0.00	



This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

DETAILED SUMMARY PAGE

of Receipts

FEC Form 3X (Rev. 06/2004)

Page 3

Write or Type Committee Name

Congressional Leadership Fund

Report Covering the Period:

From:

 M M / D D / Y Y Y Y Y
 10 01 2012

To:

 M M / D D / Y Y Y Y Y
 10 17 2012
I. Receipts
COLUMN A
Total This Period
COLUMN B
Calendar Year-to-Date

11. Contributions (other than loans) From:

(a) Individuals/Persons Other

Than Political Committees

(i) Itemized (use Schedule A).....

3105663.10

10545308.87

(ii) Unitemized

100.00

324.00

(iii) TOTAL (add

Lines 11(a)(i) and (ii)..... ▶

3105763.10

10545632.87

(b) Political Party Committees

0.00

0.00

(c) Other Political Committees

(such as PACs).....

0.00

87500.00

(d) Total Contributions (add Lines

11(a)(iii), (b), and (c)) (Carry

Totals to Line 33, page 5) ▶

3105763.10

10633132.87

12. Transfers From Affiliated/Other

Party Committees.....

0.00

0.00

13. All Loans Received

0.00

0.00

14. Loan Repayments Received.....

0.00

0.00

15. Offsets To Operating Expenditures

(Refunds, Rebates, etc.)

(Carry Totals to Line 37, page 5).....

0.00

0.00

16. Refunds of Contributions Made

to Federal Candidates and Other

Political Committees.....

0.00

0.00

17. Other Federal Receipts

(Dividends, Interest, etc.).....

0.00

0.00

18. Transfers from Non-Federal and Levin Funds

(a) Non-Federal Account

(from Schedule H3).....

0.00

0.00

(b) Levin Funds (from Schedule H5)

0.00

0.00

(c) Total Transfers (add 18(a) and 18(b))..

0.00

0.00

19. Total Receipts (add Lines 11(d),
12, 13, 14, 15, 16, 17, and 18(c))..... ▶

3105763.10

10633132.87

20. Total Federal Receipts

(subtract Line 18(c) from Line 19) ▶

3105763.10

10633132.87

DETAILED SUMMARY PAGE

of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 4

II. Disbursements	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
21. Operating Expenditures:		
(a) Allocated Federal/Non-Federal Activity (from Schedule H4)		
(i) Federal Share	0.00	0.00
(ii) Non-Federal Share.....	0.00	0.00
(b) Other Federal Operating Expenditures	53956.25	453416.63
(c) Total Operating Expenditures (add 21(a)(i), (a)(ii), and (b))	53956.25	453416.63
22. Transfers to Affiliated/Other Party Committees.....	0.00	0.00
23. Contributions to Federal Candidates/Committees and Other Political Committees.....	0.00	0.00
24. Independent Expenditures (use Schedule E)	252091.20	1579412.00
25. Coordinated Party Expenditures (2 U.S.C. §441a(d)) (use Schedule F).....	0.00	0.00
26. Loan Repayments Made.....	0.00	0.00
27. Loans Made.....	0.00	0.00
28. Refunds of Contributions To:		
(a) Individuals/Persons Other Than Political Committees	0.00	0.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees (such as PACs).....	0.00	0.00
(d) Total Contribution Refunds (add Lines 28(a), (b), and (c)).....	0.00	0.00
29. Other Disbursements	0.00	0.00
30. Federal Election Activity (2 U.S.C. §431(20))		
(a) Allocated Federal Election Activity (from Schedule H6)		
(i) Federal Share	0.00	0.00
(ii) "Levin" Share.....	0.00	0.00
(b) Federal Election Activity Paid Entirely With Federal Funds	0.00	0.00
(c) Total Federal Election Activity (add .. Lines 30(a)(i), 30(a)(ii) and 30(b))....	0.00	0.00
31. Total Disbursements (add Lines 21(c), 22, 23, 24, 25, 26, 27, 28(d), 29 and 30(c)) ..	306047.45	2032828.63
32. Total Federal Disbursements (subtract Line 21(a)(ii) and Line 30(a)(ii) from Line 31).....	306047.45	2032828.63

DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 5

III. Net Contributions/Operating Expenditures	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
33. Total Contributions (other than loans) (from Line 11(d), page 3)	3105763.10	10633132.87
34. Total Contribution Refunds (from Line 28(d))	0.00	0.00
35. Net Contributions (other than loans) (subtract Line 34 from Line 33)	3105763.10	10633132.87
36. Total Federal Operating Expenditures (add Line 21(a)(i) and Line 21(b)) ►	53956.25	453416.63
37. Offsets to Operating Expenditures (from Line 15, page 3).....	0.00	0.00
38. Net Operating Expenditures (subtract Line 37 from Line 36) ►	53956.25	453416.63

SCHEDULE A (FEC Form 3X) **ITEMIZED RECEIPTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER:
(check only one)

PAGE 6 OF 17

☒ 11a ☐ 11b ☐ 11c ☐ 12
☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. AUGUST A. BUSCH III

Mailing Address 1 MID RIVERS MALL DR. #210

City

ST. PETERS

State

MO

Zip Code

63376

FEC ID number of contributing
federal political committee.

C

Name of Employer

RETIRED

Occupation

RETIRED

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

50000.00

Date of Receipt

10 / 03 / 2012

Transaction ID : SA11.101

Amount of Each Receipt this Period

50000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

B. STEPHEN I. CHAZEN

Mailing Address PO BOX 427

City

PACIFIC PALISADES

State

CA

Zip Code

90272

FEC ID number of contributing
federal political committee.

C

Name of Employer

OCCIDENTAL PETROLEUM CORPORATION

Occupation

PRESIDENT & CEO

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

50000.00

Date of Receipt

10 / 15 / 2012

Transaction ID : SA11.106

Amount of Each Receipt this Period

50000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

C. RICHARD H. COLLINS

Mailing Address 8150 N CENTRAL EXPRESSWAY, SUITE 1

City

DALLAS

State

TX

Zip Code

75206

FEC ID number of contributing
federal political committee.

C

Name of Employer

ISTATION

Occupation

CHAIRMAN AND CEO

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

25000.00

Date of Receipt

10 / 03 / 2012

Transaction ID : SA11.99

Amount of Each Receipt this Period

25000.00

CONTRIBUTION

SUBTOTAL of Receipts This Page (optional)..... ►

TOTAL This Period (last page this line number only)..... ►

125000.00

SCHEDULE A (FEC Form 3X) **ITEMIZED RECEIPTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 7 OF 17

(check only one)

☒ 11a ☐ 11b ☐ 11c ☐ 12
☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17

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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. RONALD H. FIELDING

Mailing Address 42 SURFSONG RD.

City

KIAWAH ISLAND

State

SC

Zip Code

29455

FEC ID number of contributing
federal political committee.

C

Name of Employer

RETIRED

Occupation

RETIRED

Receipt For:

☐ Primary
☐ Other (specify) ▼

General

Aggregate Year-to-Date ▼

10000.00

Date of Receipt

M M / D D / Y Y Y Y Y
 10 / 07 / 2012

Transaction ID : SA11.104

Amount of Each Receipt this Period

10000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

B. WILLIAM C. KUNKLER

Mailing Address 1500 NORTH LAKE SHORE DRIVE

City

CHICAGO

State

IL

Zip Code

60610

FEC ID number of contributing
federal political committee.

C

Name of Employer

CC INDUSTRIES, INC.

Occupation

EXECUTIVE VICE PRESIDENT

Receipt For:

☐ Primary
☐ Other (specify) ▼

General

Aggregate Year-to-Date ▼

50000.00

Date of Receipt

M M / D D / Y Y Y Y Y
 10 / 01 / 2012

Transaction ID : SA11.95

Amount of Each Receipt this Period

50000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

C. ANDREW M. SAUL

Mailing Address 300 MAPLE AVENUE

City

KATONAH

State

NY

Zip Code

10536

FEC ID number of contributing
federal political committee.

C

Name of Employer

SELF

Occupation

PRIVATE INVESTOR

Receipt For:

☐ Primary
☐ Other (specify) ▼

General

Aggregate Year-to-Date ▼

10000.00

Date of Receipt

M M / D D / Y Y Y Y Y
 10 / 03 / 2012

Transaction ID : SA11.102

Amount of Each Receipt this Period

10000.00

CONTRIBUTION

SUBTOTAL of Receipts This Page (optional)..... ►

70000.00

TOTAL This Period (last page this line number only)..... ►

SCHEDULE A (FEC Form 3X) **ITEMIZED RECEIPTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER:
(check only one)

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☒ 11a ☐ 11b ☐ 11c ☐ 12
☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17

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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. EDMUND O. SCHWEITZER III

Mailing Address 330 NW BRANDON DR.

City
PULLMAN

State Zip Code
WA 99163

FEC ID number of contributing
federal political committee.

C

Name of Employer
SCHWEITZER ENGINEERING LABS

Occupation
PRESIDENT AND CEO

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

300000.00

Date of Receipt

M M / D D / Y Y Y Y Y
10 / 03 / 2012

Transaction ID : SA11.100

Amount of Each Receipt this Period

300000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

B. ALEXANDER D. STUART

Mailing Address 506 N WASHINGTON RD.

City
LAKE FOREST

State Zip Code
IL 60045

FEC ID number of contributing
federal political committee.

C

Name of Employer
NORTH STAR INVESTMENTS

Occupation
INVESTMENT MANAGER

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

10000.00

Date of Receipt

M M / D D / Y Y Y Y Y
10 / 01 / 2012

Transaction ID : SA11.98

Amount of Each Receipt this Period

10000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

C. ROBERT D. STUART JR.

Mailing Address 150 FIELD DRIVE, SUITE 100

City
LAKE FOREST

State Zip Code
IL 60045

FEC ID number of contributing
federal political committee.

C

Name of Employer
NORTH STAR INVESTMENTS

Occupation
PRESIDENT

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

5000.00

Date of Receipt

M M / D D / Y Y Y Y Y
10 / 12 / 2012

Transaction ID : SA11.105

Amount of Each Receipt this Period

5000.00

CONTRIBUTION

SUBTOTAL of Receipts This Page (optional)..... ►

TOTAL This Period (last page this line number only)..... ►

315000.00

SCHEDULE A (FEC Form 3X) **ITEMIZED RECEIPTS**

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR LINE NUMBER: PAGE 9 OF 17

(check only one)

☒ 11a ☐ 11b ☐ 11c ☐ 12
☐ 13 ☐ 14 ☐ 15 ☐ 16 ☐ 17

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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. AMERICAN ACTION NETWORK

Mailing Address 555 13TH STREET NW
SUITE 510W

City State Zip Code
WASHINGTON DC 20004-1164

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

149058.87

Date of Receipt

M M / D D / Y Y Y Y Y
10 17 2012

Transaction ID : SA11.107

Amount of Each Receipt this Period

20663.10

CONTRIBUTION IN KIND-PAYROLL/OFFICE SPACE

Full Name (Last, First, Middle Initial)

B. BULKMATIC TRANSPORT COMPANY

Mailing Address 2001 N. CLINE AVENUE

City State Zip Code
GRIFFITH IN 46319

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

25000.00

Date of Receipt

M M / D D / Y Y Y Y Y
10 01 2012

Transaction ID : SA11.97

Amount of Each Receipt this Period

25000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

C. CHEVRON

Mailing Address PO BOX 9034

City State Zip Code
CONCORD CA 94524

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

2500000.00

Date of Receipt

M M / D D / Y Y Y Y Y
10 07 2012

Transaction ID : SA11.103

Amount of Each Receipt this Period

2500000.00

CONTRIBUTION

SUBTOTAL of Receipts This Page (optional)..... ►

TOTAL This Period (last page this line number only)..... ►

2545663.10

SCHEDULE A (FEC Form 3X) **ITEMIZED RECEIPTS**

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Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. CONTINENTAL INVESTORS LLC

Mailing Address 6300 N SAGEWOOD DR., SUITE H-110

City State Zip Code
 PARK CITY UT 84098

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

50000.00

Date of Receipt

M M / D D / Y Y Y Y Y Y
 10 01 2012

Transaction ID : SA11.96

Amount of Each Receipt this Period

50000.00

CONTRIBUTION

Full Name (Last, First, Middle Initial)

B.

Mailing Address

City State Zip Code

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

Date of Receipt

M M / D D / Y Y Y Y Y Y

Amount of Each Receipt this Period

Full Name (Last, First, Middle Initial)

C.

Mailing Address

City State Zip Code

FEC ID number of contributing
federal political committee.

C

Name of Employer

Occupation

Receipt For:

☐ Primary ☐ General
☐ Other (specify) ▼

Aggregate Year-to-Date ▼

Date of Receipt

M M / D D / Y Y Y Y Y Y

Amount of Each Receipt this Period

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TOTAL This Period (last page this line number only)..... ►

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3105663.10

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**Use separate schedule(s)
for each category of the
Detailed Summary PageFOR LINE NUMBER:
(check only one)

PAGE 11 OF 17

☒ 21b ☐ 22 ☐ 23 ☐ 24 ☐ 25 ☐ 26
☐ 27 ☐ 28a ☐ 28b ☐ 28c ☐ 29 ☐ 30b

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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. MICHAEL BYRD

Mailing Address 400 TREAT AVENUE, SUITE E

City State Zip Code
SAN FRANCISCO CA 94110
Purpose of Disbursement
TRAVEL

Candidate Name

Office Sought: ☐ House
☐ Senate
☐ President
State: District:

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 10 2012
Transaction ID : SB.9

Amount of Each Disbursement this Period

59.23

Full Name (Last, First, Middle Initial)

B. CHARLES MEACHUM

Mailing Address 600 WATER ST. SW #3-14

City State Zip Code
WASHINGTON DC 20024
Purpose of Disbursement
TRAVEL

Candidate Name

Office Sought: ☐ House
☐ Senate
☐ President
State: District:

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 10 2012
Transaction ID : SB.6

Amount of Each Disbursement this Period

6627.22

Full Name (Last, First, Middle Initial)

C. BRIAN WALSH

Mailing Address 624 ELLEN WILSON PLACE SE

City State Zip Code
WASHINGTON DC 20003
Purpose of Disbursement
TRAVEL

Candidate Name

Office Sought: ☐ House
☐ Senate
☐ President
State: District:

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 10 2012
Transaction ID : SB.4

Amount of Each Disbursement this Period

134.86

SUBTOTAL of Disbursements This Page (optional)..... ►**TOTAL** This Period (last page this line number only)..... ►

6821.31

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTSUse separate schedule(s)
for each category of the
Detailed Summary PageFOR LINE NUMBER:
(check only one)

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☒ 21b ☐ 22 ☐ 23 ☐ 24 ☐ 25 ☐ 26
☐ 27 ☐ 28a ☐ 28b ☐ 28c ☐ 29 ☐ 30b

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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. CMDI

Mailing Address 7704 LEESBURG PIKE

City FALLS CHURCH State VA Zip Code 22043

Purpose of Disbursement
DATABASE MANAGEMENT FEE

001

Candidate Name

Category/
Type
Office Sought: ☐ House
☐ Senate
☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 / 10 / 2012
Transaction ID : SB.7

Amount of Each Disbursement this Period

500.00

Full Name (Last, First, Middle Initial)

B. LINDEN MEDIA LLC

Mailing Address 609 N. WEST STREET

City ALEXANDRIA State VA Zip Code 22314

Purpose of Disbursement
RESEARCH SERVICES

001

Candidate Name

Category/
Type
Office Sought: ☐ House
☐ Senate
☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 / 10 / 2012
Transaction ID : SB.8

Amount of Each Disbursement this Period

1400.00

Full Name (Last, First, Middle Initial)

C. PIRYX, INC

Mailing Address 144 2ND ST., 1ST FLOOR

City SAN FRANCISCO State CA Zip Code 94105

Purpose of Disbursement
MERCHANT PROCESSING FEE

003

Candidate Name

Category/
Type
Office Sought: ☐ House
☐ Senate
☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M M / D D D / Y Y Y Y Y Y
10 / 11 / 2012
Transaction ID : SB.16

Amount of Each Disbursement this Period

6.00

SUBTOTAL of Disbursements This Page (optional)..... ►**TOTAL** This Period (last page this line number only)..... ►

1906.00

<input checked="" type="checkbox"/>	21b	<input type="checkbox"/>	22	<input type="checkbox"/>	23	<input type="checkbox"/>	24	<input type="checkbox"/>	25	<input type="checkbox"/>	26
<input type="checkbox"/>	27	<input type="checkbox"/>	28a	<input type="checkbox"/>	28b	<input type="checkbox"/>	28c	<input type="checkbox"/>	29	<input type="checkbox"/>	30b

Congressional Leadership Fund

A. THE KOZLOW GROUP

Date of Disbursement

Transaction ID : SB.12

001

Category/
Type

Amount of Each Disbursement this Period

2000.00

Disbursement For: ☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

B. THE OORBEEK GROUP

Date of Disbursement

Transaction ID : SB.13

003

Category/
Type

Amount of Each Disbursement this Period

[illegible]

Disbursement For:

<input type="checkbox"/>	Primary	<input type="checkbox"/>	General
<input type="checkbox"/>	Other (specify) ▼		

State: District:

C. THE TARRANCE GROUP

Date of Disbursement

Transaction ID : SB.14

005

Category/
Type

Amount of Each Disbursement this Period

13100.00

Disbursement For:

<input type="checkbox"/>	Primary	<input type="checkbox"/>	General
<input type="checkbox"/>	Other (specify) ▼		

State: District:

SUBTOTAL of Disbursements This Page (optional).....

TOTAL This Period (last page this line number only).....

16100.00

SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTSUse separate schedule(s)
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☒ 21b ☐ 22 ☐ 23 ☐ 24 ☐ 25 ☐ 26
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NAME OF COMMITTEE (In Full)

Congressional Leadership Fund

Full Name (Last, First, Middle Initial)

A. TRINITY FINANCIAL REPORTING & COMPLIANCE

Mailing Address 13051 FARTHINGALE DR.

City OAK HILL State VA Zip Code 20171

Purpose of Disbursement
ACCOUNTING AND COMPLIANCE

001

Candidate Name

Category/
Type
Office Sought: ☐ House
 ☐ Senate
 ☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M / D D / Y Y Y Y Y Y
10 10 2012
Transaction ID : SB.15

Amount of Each Disbursement this Period

7425.00

B.

Full Name (Last, First, Middle Initial)

Mailing Address

City State Zip Code

Purpose of Disbursement

Category/
Type

Candidate Name

Office Sought: ☐ House
 ☐ Senate
 ☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M / D D / Y Y Y Y Y Y

Amount of Each Disbursement this Period

C.

Full Name (Last, First, Middle Initial)

Mailing Address

City State Zip Code

Purpose of Disbursement

Category/
Type

Candidate Name

Office Sought: ☐ House
 ☐ Senate
 ☐ President

Disbursement For:
☐ Primary ☐ General
☐ Other (specify) ▼

State: District:

Date of Disbursement

M M / D D / Y Y Y Y Y Y

Amount of Each Disbursement this Period

SUBTOTAL of Disbursements This Page (optional)..... ►**TOTAL** This Period (last page this line number only)..... ►

7425.00

53956.25

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

 PAGE 16 OF 17
 FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full) Congressional Leadership Fund	FEC IDENTIFICATION NUMBER ▼ <div style="border: 1px solid black; padding: 2px;"> C C00504530 </div>
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input type="checkbox"/> New report <input type="checkbox"/> Amends report filed on <div style="display: inline-block; border: 1px solid black; padding: 2px; margin-left: 10px;"> M M M / D D D / Y Y Y Y Y Y </div>	

Full Name (Last, First, Middle Initial) of Payee AMERICAN MEDIA & ADVOCACY GROUP		Date <div style="display: inline-block; border: 1px solid black; padding: 2px;"> M M M / D D D / Y Y Y Y Y Y </div>
Mailing Address 815 SLATERS LANE		Amount <div style="display: inline-block; border: 1px solid black; padding: 2px;"> 171591.20 </div>
City ALEXANDRIA	State VA	
Zip Code 22314		Transaction ID : SB.2
Purpose of Expenditure TV/MEDIA PLACEMENT - DISSEMINATED ON 10/15, PAID 10/11. 48 HR REPORT FILED 10/17		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President
Category/Type <div style="border: 1px solid black; width: 50px; height: 20px;"></div>		State: IA District: 03
Name of Federal Candidate Supported or Opposed by Expenditure: Leonard Boswell		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought <div style="display: inline-block; border: 1px solid black; padding: 2px;"> 251591.20 </div>		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)

Full Name (Last, First, Middle Initial) of Payee ANGLER, LLC		Date <div style="display: inline-block; border: 1px solid black; padding: 2px;"> M M M / D D D / Y Y Y Y Y Y </div>
Mailing Address 1100 G STREET NW, SUITE 805		Amount <div style="display: inline-block; border: 1px solid black; padding: 2px;"> 65000.00 </div>
City WASHINGTON	State DC	
Zip Code 20005		Transaction ID : SB.3
Purpose of Expenditure WEBVIDEO		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President
Category/Type <div style="border: 1px solid black; width: 50px; height: 20px;"></div>		State: IA District: 03
Name of Federal Candidate Supported or Opposed by Expenditure: Leonard Boswell		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
Calendar Year-To-Date Per Election for Office Sought <div style="display: inline-block; border: 1px solid black; padding: 2px;"> 251591.20 </div>		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)

(a) SUBTOTAL of Itemized Independent Expenditures.....	<div style="display: inline-block; border: 1px solid black; padding: 2px;"> 236591.20 </div>
(b) SUBTOTAL of Unitemized Independent Expenditures	<div style="display: inline-block; border: 1px solid black; padding: 2px;"> 0.00 </div>
(c) TOTAL Independent Expenditures.....	<div style="display: inline-block; border: 1px solid black; padding: 2px;"> 236591.20 </div>

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or authorized committee or agent of either, or (if the reporting entity is not a political party committee) any political party committee or its agent.

Charles Meachum

Signature

[Electronically Filed]

Date

M M M / D D D / Y Y Y Y Y Y

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

 PAGE 17 OF 17
 FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full) Congressional Leadership Fund		FEC IDENTIFICATION NUMBER ▼ C C00504530
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input type="checkbox"/> New report <input type="checkbox"/> Amends report filed on		MM / DD / YYYY

Full Name (Last, First, Middle Initial) of Payee SOMETHING ELSE STRATEGIES, LLC		Date MM / DD / YYYY 10 / 15 / 2012
Mailing Address 112 LANTERN RIDGE DRIVE		Amount 15000.00
City EASLEY	State SC	Zip Code 29642
Purpose of Expenditure TV/MEDIA PRODUCTION	Category/ Type	Transaction ID : SB.10
Name of Federal Candidate Supported or Opposed by Expenditure: Leonard Boswell		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: IA District: 03
Calendar Year-To-Date Per Election for Office Sought 251591.20		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General 2012 <input type="checkbox"/> Other (specify)

Full Name (Last, First, Middle Initial) of Payee TARGETED VICTORY		Date MM / DD / YYYY 10 / 15 / 2012
Mailing Address 1033 NORTH FAIRFAX STREET, SUITE 4		Amount 500.00
City ALEXANDRIA	State VA	Zip Code 22314
Purpose of Expenditure DIGITAL VIDEO	Category/ Type	Transaction ID : SB.11
Name of Federal Candidate Supported or Opposed by Expenditure: David Gill		Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President State: IL District: 13
Calendar Year-To-Date Per Election for Office Sought 500.00		Check One: <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose
		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General 2012 <input type="checkbox"/> Other (specify)

(a) SUBTOTAL of Itemized Independent Expenditures.....	15500.00
(b) SUBTOTAL of Unitemized Independent Expenditures	
(c) TOTAL Independent Expenditures.....	252091.20

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or authorized committee or agent of either, or (if the reporting entity is not a political party committee) any political party committee or its agent.

Charles Meachum

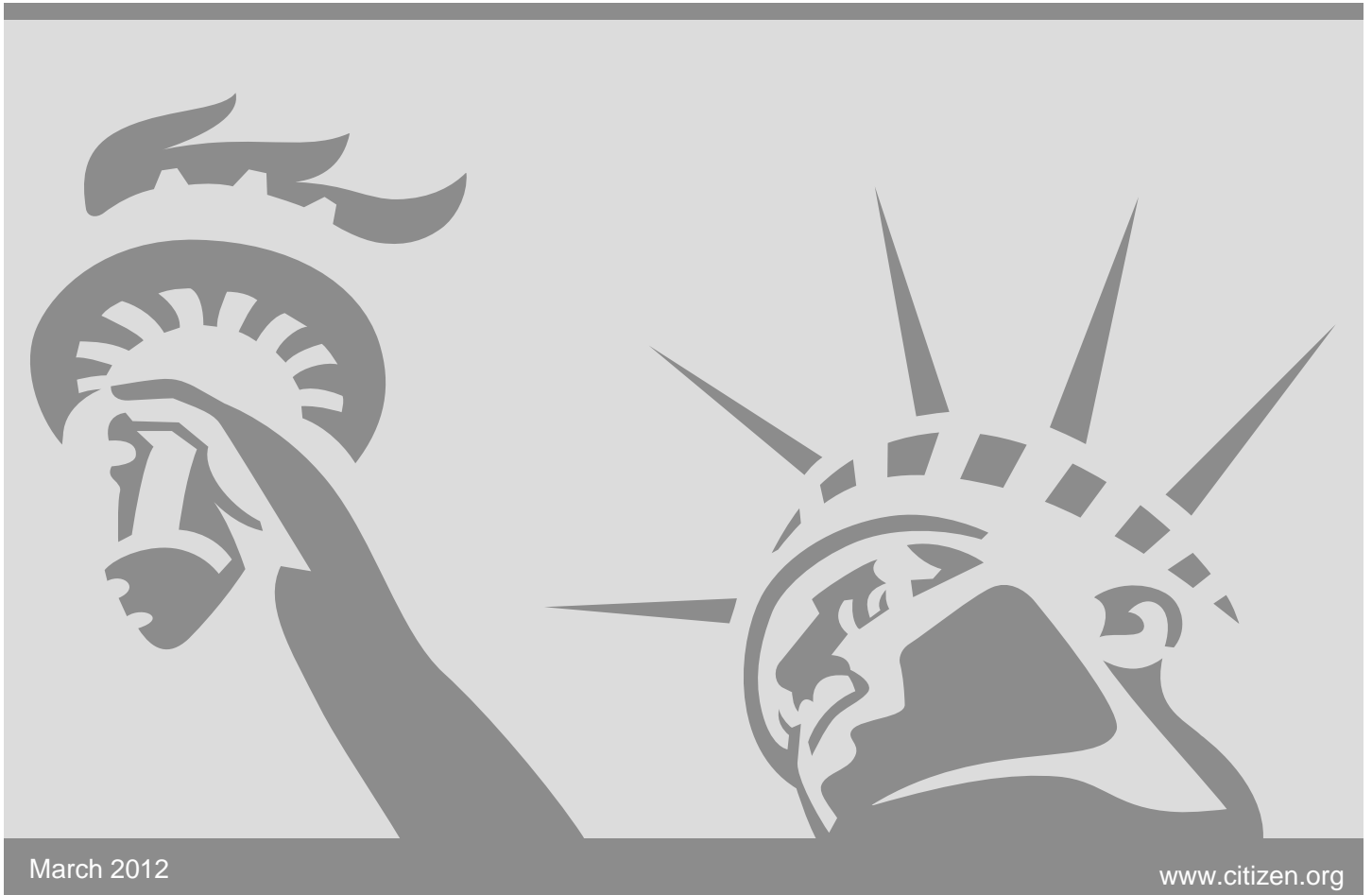
Signature

[Electronically Filed]

Date

MM / DD / YYYY
10 / 24 / 2012

APPENDIX C:
Public Citizen, “Super Connected” (2012)



Super Connected

Outside Groups' Devotion to Individual Candidates and Political Parties Disproves the Supreme Court's Key Assumption in *Citizens United* That Unregulated Outside Spenders Would Be 'Independent'

(UPDATED VERSION OF OCTOBER 2012 REPORT, WITH REVISED DATA AND DISCUSSION OF THE 'SOFT MONEY' IMPLICATIONS OF *CITIZENS UNITED*)

Acknowledgments

This report was written by Taylor Lincoln, research director of Public Citizen's Congress Watch division. Congress Watch Legislative Assistant Kelly Ngo assisted with research. Congress Watch Director Lisa Gilbert edited the report. Public Citizen Litigation Group Senior Attorney Scott Nelson provided expert advice. This report draws in part on a May 2012 [amicus brief](#) to the Supreme Court that was coauthored by Nelson.

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Public Citizen's Congress Watch
215 Pennsylvania Ave. S.E.
Washington, D.C. 20003
P: 202-546-4996
F: 202-547-7392
<http://www.citizen.org>

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Methodology and Definitions

- This report represents a substantial update of a report published in October 2012, available at <http://www.citizen.org/documents/super-connected-candidate-super-pacs-not-independent-report.pdf>.
- Most of the data used in this report was drawn from the Center for Responsive Politics (www.opensecrets.org) or the Sunlight Foundation (<http://sunlightfoundation.com>).
- Unregulated outside groups are defined as those permitted to accept unlimited contributions. These include super PACs, which are required to report their donors, and 501(c) groups, which are not. Unregulated groups exclude conventional political action committees (PACs) and the official committees of the national political parties.
- Calculations of expenditures by outside groups consist of independent expenditures and electioneering communication expenditures reported to the Federal Election Commission. Calculations do not include communications costs, which represent expenditures by an organization to disseminate messages to its members. Calculations also do not include expenditures that may serve electioneering purposes but are not required to be reported.
- The data analyzed in this report regard groups that reported spending at least \$100,000 on the 2012 elections. Such groups accounted for 99 percent of total spending by unregulated outside groups.
- Filings on independent expenditures disclose amounts of money spent to “support” or “oppose” given candidates. For the data component of this report, these totals are summed to yield a cumulative total spent to assist candidates, either by supporting the group’s favored candidate or opposing the candidate’s opponent or opponents.
- All groups reported as opposing President Obama are treated as supporting Republican presidential nominee Mitt Romney. Some anti-Obama messages, especially before the Republican primaries were concluded, likely were motivated by a desire to defeat Obama, regardless of his opponent. Thus, this report may slightly overstate spending intended to aid Romney.
- Many outside groups consist of informally affiliated entities. Calculations in this analysis treat each legal entity distinctly.
- This analysis deemed groups that spent at least 99 percent of their resources aiding one candidate as “single-candidate” groups. Seven groups categorized as devoted to a single-candidate spent less than 1 percent of their money on other contests.
- Determinations of which groups operated in service of a national party are based on the groups’ mission statements, analysis of their personnel and their spending practices. Groups that acted both in service of a single-candidate and a party are categorized as single-candidate entities.

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I. Introduction and Top Level Data Findings

Nearly half of the unregulated outside groups that sought to influence the 2012 elections spent their money to aid just one candidate. These single-candidate groups accounted for more than one-third of spending by unregulated groups in 2010. [See Figure 1] Many of these groups were operated by individuals with close ties to the candidate they assisted.

Ten additional groups, which accounted for nearly 30 percent of spending by unregulated entities in the 2012 elections, existed to aid either the official Democratic or Republican parties. Their personnel largely hailed from the national parties' hierarchies or the staffs of lawmakers in the congressional leadership. In most cases, these groups declared missions of helping to elect Democrats or Republicans. As such, these groups were much more closely tied to the parties than longstanding interest groups that provided exclusive support a single party.

In total, candidate-specific and party-allied groups accounted for more than 65 percent of all spending by unregulated outside groups in the 2012 elections. Such groups made up seven of the top eight unregulated outside spenders in 2012. [See Figure 2]

Figure 1: Electioneering Spending by All Unregulated Groups (2012 Election Cycle)

Description of Group	Number of Groups Spending Over \$100,000	Pct. of Groups	Amount Spent	Pct. of Money Spent
Dedicated to a single candidate	112	49.3%	\$353,686,625	36.5%
Determined by Public Citizen to be allied with a national party	10	4.4%	\$280,566,533	29.0%
Subtotal: Single candidate or party allied	122	53.7%	\$634,253,158	65.5%
Aided multiple candidates and not designated as party allied	105	46.3%	\$333,582,201	34.5%
All Unregulated Outside Groups	227	100.0%	\$967,835,359	100.0%

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

Figure 2: Top 10 Spending Unregulated Groups (2012 Election Cycle)

Group	Amount Spent	Group's Legal Status	Single-Candidate/ Party-Allied/Other	Candidate Supported
Restore Our Future	\$142,655,218	Super PAC	Single-candidate	Mitt Romney
American Crossroads	\$104,772,098	Super PAC	Party-allied	Republicans
Priorities USA Action	\$66,182,126	Super PAC	Single-candidate	Barack Obama
Crossroads GPS	\$70,940,377	501(c)	Party-allied	Republicans
Americans for Prosperity	\$39,448,456	501(c)	Single-candidate	Mitt Romney
Majority PAC	\$37,536,489	Super PAC	Party-allied	Democrats
U.S. Chamber of Commerce	\$36,177,665	501(c)	Other	Republicans
House Majority PAC	\$30,761,234	Super PAC	Party-allied	Democrats
American Future Fund	\$25,587,431	501(c)	Other	Republicans
Club for Growth Action	\$20,382,571	Super Pac	Other	Republicans

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

These findings undercut the key premise relied upon by the Supreme Court in its 2010 decision in *Citizens United v. Federal Election Commission*, which paved the way for outside groups to use unlimited contributions from individuals, corporations or unions to influence elections.¹

The court based its *Citizens United* decision on its assumption that the new electioneering spending it permitted would be by organizations that acted independently of candidates and parties. The court concluded that independent expenditures do not threaten to engender corruption, which is the basis on which the court has traditionally permitted regulation of campaign expenditures. Thus, the court ruled, independent expenditures cannot be regulated without violating the First Amendment.

¹ *Citizens United v. Federal Election Commission*, 130 S.Ct. 876 (2010), <http://1.usa.gov/9Hn7y5>. [Hereinafter *Citizens United*] *Citizens United* outlawed restrictions on the ability of outside entities, including corporations and unions, to spend money from their treasuries to make independent expenditures (expenditures expressly intended to influence the outcomes of elections). A subsequent decision by the U.S. Court of Appeals for the District of Columbia determined that limitations on the size of contributions to groups engaging in independent expenditures could not be justified in the wake of *Citizens United*. See *SpeechNow.org v. Federal Election Commission*, 599 F.3d 686 (D.C. Cir. 2010), <http://1.usa.gov/sPC9tI>. The Federal Election Commission then ruled that independent expenditure groups may accept unlimited contributions from corporations and unions, as well as individuals. See Federal Election Commission, Advisory Opinion 2010-11 (July 22, 2010), <http://bit.ly/lK6LUX>. The cumulative effect of these decisions was to permit outside entities to use unlimited contributions from corporations, unions and individuals to influence the outcomes of elections. Entities that acknowledge a primary purpose of using unlimited contributions to influence elections are known as independent expenditure-only committees, or super PACs.

“Limits on independent expenditures have a chilling effect extending well beyond the Government’s interest in preventing *quid pro quo* corruption,”² the court wrote in *Citizens United*. “We now conclude that independent expenditures, including those made by corporations, do not give rise to corruption or the appearance of corruption.”³

But reality has not comported with the court’s vision. Many of the outside groups that have availed themselves of permissions flowing from *Citizens United* cannot plausibly be deemed independent. In the 2012 elections, many groups’ absence of independence was shown by a variety of factors besides their decisions to devote their resources to aiding a single candidate or party.

Other factors, depending on the group, included the existence of close professional relationships between the groups’ principals and the candidates or parties they aided; statements by the groups indicating a mission to aid a specific candidate, party, or subset of a party; the transfer of personnel from campaigns to outside groups aiding the same campaigns; the provision of fundraising assistance by candidates, campaign officials or party leaders to outside groups serving their agendas; high-ranking party officials making themselves available to donors in exchange for large contributions to their allied outside groups; endorsements by candidates or their campaigns of outside groups aiding them; and acknowledgements by candidates or party leaders that they countenanced the establishment of unregulated groups aiding them.

The emergence of entities using unlimited contributions to aid candidates and parties with which they have close relationships threatens to gut the anticorruption policy underlying campaign finance laws, which the court claimed it did not intend to weaken.

The *Citizens United* decision left intact—and even appeared to endorsed the thrust of—the court’s precedents of upholding laws that limit direct contributions to candidates and the national parties. The court has long permitted such limits on the basis that unlimited direct contributions pose an unacceptable risk of causing corruption.

But in cases in which close relationships exist between the leaders of unregulated groups and the candidates or parties they serve, the unregulated groups essentially constitute extensions of official candidate and party committees. Unlimited contributions to such groups are tantamount to direct contributions, thereby evading contribution limit laws.

² *Id.*, at 908.

³ *Id.*, at 909.

Synopsis of Activities by Single-Candidate Groups

Nearly half (49.3 percent) of the unregulated outside groups operating in the 2012 elections devoted themselves entirely or virtually entirely to aiding a single candidate.⁴ Single-candidate groups accounted for more than one-third (36.5 percent) of the total dollars spent by unregulated groups. Beyond their spending decisions, many single-candidate groups were founded, funded or managed by friends, family members, or recent campaign aides of the candidate they supported.

Contributions to these groups are akin to direct contributions to the candidates they aided. Section V of this report provides profiles of several of these groups.

Synopsis of Activities by Party-Allied Groups

Ten groups that were unambiguously allied and intertwined with one of the major parties accounted for 29 percent of total spending by unregulated groups. These groups did not spend any money supporting a candidate from the “other” party.⁵ Most of these groups explicitly expressed a goal of electing Democrats or Republicans (and sometimes only Democrats or Republicans running for a certain house of Congress). Further, nearly all of these groups were led by individuals who recently held important positions in the national Democratic or Republican hierarchies or who recently worked for elected officials who hold leadership posts in the House or Senate.

Contributions to these entities closely parallel “soft money,” the unlimited contributions to that national parties that Congress banned, with the Supreme Court’s subsequent assent, in 2002.⁶ Section VII of this report includes profiles of these new soft money groups.

Nearly 75 Percent of Super PACs’ Spending Was by Single-Candidate or Party-Allied Groups

Super PACs, which arose in the wake of the *Citizens United* decision, are permitted to accept unlimited contributions and spend unlimited sums to influence elections.⁷ Analysis of their activities is particularly important because these are the committees arising from *Citizens United* that expressly exist to influence elections. More than half (56.4 percent) of the super PACs operating in 2012 were either devoted to a single candidate or closely allied with a

⁴ Seven groups categorized here as serving a single candidate devoted up to 1 percent of their spending on an additional race or races. The rest concentrated their spending entirely on a single race.

⁵ A Republican group, YG Action Fund, reported spending \$22,100 in support of Rep. Mark Critz (D-Pa.), but this filing was almost certainly in error. The group reported spending \$239,000 for messages opposing Critz that were disseminated on the same day as the reported pro-Critz expenditure. YG Action Fund and its affiliated YG Network Inc. cumulatively reported spending \$958,505 opposing Critz. See Sunlight Foundation, *Critz, Mark D.* (viewed on Dec. 5, 2012), <http://bit.ly/TFR0hB> and Sunlight Foundation, *YG Action Fund* (viewed on Dec. 5, 2012), <http://bit.ly/YPg1Ka>.

⁶ See *McConnell v. FEC*, 540 U.S. 93, <http://1.usa.gov/WKx9Ph>.

⁷ Super PACs are a type of political committee that was permitted by the *Citizens United* decision and a subsequent 2010 decision by the U.S. Court of Appeals for the District of Columbia that was based on the *Citizens United* precedent. See *Speechnow.org v. FEC* 599 F.3d 686 (D.C. Cir. 2010).

national party. These single-candidate and party-allied super PACs accounted for nearly three-quarters (74.4 percent) of all dollars spent by super PACs in 2012. [See Figure 3]

Figure 3: Electioneering Spending by Super PACs (2012 Election Cycle)

Description of Super PAC	Number of Super PACs Spending Over \$100,000	Pct. of Super PACs	Amount Spent	Pct. of Money Spent
Dedicated to a single candidate	75	52.4%	\$288,472,195	45.1%
Determined by Public Citizen to be allied with a national party	6	4.2%	\$187,581,876	29.3%
Subtotal: Single candidate or party allied	81	56.6%	\$476,054,071	74.4%
Aided multiple candidates and not designated as party allied	62	43.4%	\$163,946,537	25.6%
Total	143	100.0%	\$640,000,608	100.0%

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

Nearly Half of Non-Super PACs Were Single-Candidate or Party-Allied Groups

The share of outside groups that were devoted to single candidates or allied with a party was not as great for non-super PACs as for super PACs. This would be expected because more than 98 percent of outside spending by non-super PACs was by organizations that operate under section 501(c) of the tax code, which is reserved for social welfare groups, unions and business trade associations. Such organizations are prohibited from devoting the majority of their efforts to influencing elections.⁸ Therefore, one would assume that they would be less likely to show overt loyalty to a single candidate or party.

Nonetheless, nearly half (48.8 percent) of the non-super PACs involved in the 2012 elections either devoted themselves to aiding a single candidate or were clearly allied with one the major parties. Non-super PACs that were devoted to a single-candidate or were party-allied accounted for 48.3 percent of all election spending by non-super PACs. [See Figure 4]

⁸ See, e.g., Internal Revenue Service, Tax Exempt Organizations (last reviewed Aug. 8, 2012) (viewed on Dec. 17, 2012), <http://1.usa.gov/T4jpgB>. Although not the subject of this report, there is an abundance of evidence that many 501(c) entities have involved themselves in election spending to a degree that violates the terms of their tax exempt status.

**Figure 4: Electioneering Spending by Unregulated Groups Besides Super PACs
(2012 Election Cycle)**

Description of Group	Number of Non-Super PACs Spending Over \$100,000	Pct. of Non-Super PACs	Amount Spent	Pct. of Money Spent
Dedicated to a single candidate	37	44.0%	\$65,214,430	19.9%
Determined by Public Citizen to be allied with a national party	4	4.8%	\$92,984,657	28.4%
Subtotal: Single candidate or party allied	41	48.8%	\$158,199,087	48.3%
Aided multiple candidates and not designated as party allied	43	51.2%	\$169,635,664	51.7%
Total	84	100.0%	\$327,834,751	100.0%

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

II. The Supreme Court Continues to Endorse Laws Limiting the Size of Contributions to Candidates

Since 1976, the Supreme Court has held that placing limits on campaign contributions is constitutionally acceptable on the basis that unregulated contributions threaten to cause corruption and undermine the integrity of our democratic system.

“To the extent that large contributions are given to secure a political *quid pro quo* from current and potential office holders, the integrity of our system of representative democracy is undermined,” the court wrote in *Buckley v. Valeo* (1976), which upheld contribution limits that Congress imposed in the wake of the Watergate scandal.⁹ “Although the scope of such pernicious practices [from large contributions] can never be reliably ascertained, the deeply disturbing examples surfacing after the 1972 election demonstrate that the problem is not an illusory one.”¹⁰

The *Citizens United* court appeared to endorse the thrust of the court’s 1976 conclusion. “If elected officials succumb to improper influences from independent expenditures; if they surrender their best judgment; and if they put expediency before principle, then surely there is cause for concern,” the court wrote in *Citizens United*.¹¹ “We must give weight to attempts by Congress to seek to dispel either the appearance or the reality of these influences.”¹²

Thus, the *Citizens United* court did not conclude that the threat of corruption was an invalid justification for restricting the size of contributions in general. It simply found that independent expenditures, specifically, do not pose a sufficient risk of engendering corruption to warrant regulating them.

⁹ *Buckley v. Valeo*, 424 U.S. 1, at 26-27 (1976).

¹⁰ *Id.*

¹¹ *Citizens United*, *supra* note 1, at 911.

¹² *Id.*

III. The Supreme Court's Logic in Lifting Regulations Covering 'Independent Expenditures' Relied on an Assumption That Such Expenditures Would Truly be Independent

Statements concerning "independent expenditures," whether by the Supreme Court or others, can be ambiguous because the phrase is both a legal term¹³ and a common sense expression based on the words' meanings in English. Although the legal definition is intended to ensure that actual practices bear some resemblance to the common sense definition, there are limitations in the ability of laws to bring about desired results. There is a possibility (as was shown in the 2012 elections) for expenditures that are legally categorized as "independent" to be other than independent in practice.

The disparity in these interpretations leaves open a slight possibility that the court in *Citizens United* was referring only to the legal definition in its determination that independent expenditures do not pose a risk of causing corruption. Under this reading, the court would have found spending in 2012 by entities that clearly were not independent of candidates or parties to be benign so long as the spending met the legal criteria for "independent expenditures."

But the weight of evidence strongly suggests that the court did not take this view. Instead, the court almost certainly believed that the new independent expenditures it permitted in *Citizens United* would truly be independent, not just as a matter of law.

The *Citizens United* decision relied on language in the court's 1976 *Buckley* decision (which struck down restrictions on the amounts that independent expenditure groups could spend, but not on the size of contributions they could receive) to characterize the nature of independent expenditures.¹⁴ Quoting from *Buckley*, the *Citizens United* court declared that in independent expenditures, "[t]he absence of prearrangement and coordination of an expenditure with the candidate or his agent not only undermines the value of the expenditure to the candidate, but also alleviates the danger that expenditures will be given

¹³ An independent expenditure is legally defined as "an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate; and that is not made in concert or cooperation with or at the request or suggestion of such candidate, the candidate's authorized political committee, its agents, or a political party committee or its agents."¹³ See 2 U.S.C. § 431(17). Legally defined independent expenditures may not be made in "coordination" with the candidate or political party they concern. The Federal Election Commission summarizes the legal definition of a coordinated expenditure as one "made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee or an agent or the candidate, or a political party committee or its agents." See Federal Election Commission, *Coordinated Communications and Independent Expenditures* (June 2007; updated February 2011), <http://1.usa.gov/mz0j2m>, summarizing 11 CFR 109.21, <http://1.usa.gov/WiEhy6>.

¹⁴ *Buckley v. Valeo*, 424 U.S. 1, at 26-27 (1976).

as a *quid pro quo* for improper commitments from the candidate.”¹⁵ This phrasing indicates that the *Citizens United* court did not expect candidates to have influence over independent expenditures or for the expenditures to be administered by individuals with close relationships to the candidates. Otherwise, the court’s belief that the value of the expenditures would be undermined would not apply would not make sense.

An additional sentence in the *Buckley* decision reinforces this conclusion. The *Buckley* decision includes an understanding that independent expenditures are made “*totally independently* of the candidate and his campaign” [emphasis added] such that they “may well provide little assistance to the candidate’s campaign, and indeed may prove counterproductive.”¹⁶ These words reflect an ironclad understanding that candidates or their allies do not influence independent expenditures. Although the *Citizens United* court did not quote this passage, its reliance on *Buckley* to characterize the nature of independent expenditures suggests that it is fair to assume that it embedded the earlier court’s expectation of “total” independence into its calculus.

Beyond the language used to describe independent expenditures, the court must have expected the new spending it permitted to be truly independent for its decision to make logical sense. If the new spending it permitted were only “independent” as a matter of legalisms, its conclusion that such spending would not pose a risk of fomenting *quid pro quo* corruption would not be justified. The court’s conclusion relies on the existence of actual independence.

It is possible that most independent expenditures at the time of *Buckley*—and even in the years leading up to *Citizens United*—truly were independent.

Prior to *Citizens United*, most independent expenditures could only be made by individuals or by regulated political action committees, which are prohibited from accepting contributions of more than \$5,000 year and may not accept any contributions from corporations or unions. Thus, a political action committee that was set up with the intent of aiding a single candidate or party would have been subject to contribution limits similar to those covering the campaigns or parties themselves. This would have been impractical. Under the old rules, such a committee’s ability to raise substantial sums would have been frustrated by the necessity of luring massive numbers of relatively small contributions without being permitted to portray itself as being associated with the candidate.

¹⁵ *Citizens United*, *supra* note 1, quoting from *Buckley v. Valeo*, 424 U. S. 1, at 47 (1976).

¹⁶ *Buckley v. Valeo*, 424 U. S. 1, at 47 See also Brief Of Amici Curiae Former Federal Election Commission Officials and Former State and Local Election And Campaign Finance Officials in Opposition to Petition for a Writ of Certiorari, at 25-26, *American Tradition Partnership Inc., et al. v. Bullock*, in the Supreme Court of the United States, at 5-6 (May 2012), <http://bit.ly/QFTuta>. [Hereinafter *Amicus Brief*]

Most independent expenditure groups prior to *Citizens United* likely were PACs affiliated with ideological, business or labor entities. They likely chose which candidates to aid based on their policy objectives, not because of personal connections. As such, they would have been far less likely to devote themselves solely to helping a single candidate or to serving a party's agenda.

This conclusion is buttressed by an examination of the activities of the relatively few independent expenditure groups that have continued to operate as regulated political action committees, subject to contribution limits. Of 37 regulated PACs that spent more than \$100,000 on independent expenditures in the 2012 elections, only 7 devoted themselves to a single candidate.¹⁷ This 18.9 percent ratio for regulated PACs is dwarfed by the 49.3 percent of unregulated groups that were devoted to a single candidate. Of regulated PACs that worked only on congressional races, only 3 out of 16 (18.6 percent) were devoted to a single candidate, in contrast to 52.8 percent of unregulated groups.¹⁸ [See Figure 5] This disparity stands to reason. Groups that derive their funds from a broader base are more likely to spend their resources on a slate of candidates who comport with their objectives rather than focusing their efforts on a single candidate.

Figure 5: Single Versus Multi-Candidate Focus of Regulated PACs (2012 Election Cycle)

Description of Group	Number of PACs Devoted Solely to Congressional Contests	Number of PACs Devoted Solely to the Presidential Race	Number of PACs Devoted to Both Presidential and Congressional Races	Total
Dedicated to a single candidate*	3	4	0	7
Dedicated to Multiple Candidates	13	1	16	30
Total	16	5	16	37

Source: Public Citizen Analysis of data provided by the Center for Responsive Politics (www.opensecrets.org)

* One PAC spent less than 1 percent of its money on a second contest. In keeping with the methodology employed in this report, it is categorized as a single-candidate PAC.

¹⁷ Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org), (viewed on Jan. 2, 2013).

¹⁸ *Id.*

The comparison of behaviors by unregulated groups and regulated PACs in 2012 suggests that the ability to accept unlimited contributions that emerged as a result of *Citizens United* created new incentives to evade rules against coordination. In essence, the decision had the effect of invalidating assumptions that were based on past independent expenditure practices.

Inveterate defenders of the *Citizens United* decision who accept that spending in 2012 conflicted with the court's vision might attempt to shift blame to inadequate rules to police coordination. James Bopp, a campaign finance lawyer who advised the plaintiff in the *Citizens United* case, suggested such an argument during a debate in November 2012. "If [independence] is your complaint, it has nothing to do with super PACs, it has to do with the coordinated spending regulations that have applied for decades, so talk about those," Bopp said.¹⁹

Indeed, the 2012 elections exposed numerous areas in which coordination rules are far too porous. The Federal Election Commission's decision to permit candidates to raise money for super PACs, referred to in Section VI of this report, is a glaring example.

But better coordination rules cannot reasonably be expected to ensure that outside groups will truly act independently. The field of campaign finance has long been a breeding ground for methods to comply with the letter of laws while trampling on their intent. A topic as subtle as coordination would likely prove no match for creative campaign finance lawyers.

¹⁹ *Campaign Finance and the Citizens United Decision*, American University, Washington College of Law, starting at 22:30 (Nov. 14, 2012), <http://bit.ly/TKOwgV> (video) and <http://bit.ly/Z0SBCW> (announcement). It is doubtful that Bopp would support coordination rules aimed at ensuring actual independence. In June 2012, Bopp said he was "thrilled" about a Federal Election Commission decision that permitted candidates to raise money for super PACs as long as they refrained from asking for more than \$5,000. The limitation on solicitations was "meaningless," Bopp said, because "candidates will be able to endorse [outside groups] and ask donors to contribute to them." See Brody Mullins and Katie Glueck, *FEC Lets Candidates Solicit Funds for Outside Groups*, THE WALL STREET JOURNAL (June 30, 2011), <http://on.wsj.com/leLpS3>. Any super PAC and candidate acting on the permissions Bopp celebrated could not reasonably be deemed independent of one another.

IV. The Phenomenon of Unregulated Groups Serving Single Candidates Disproves the Supreme Court's Assumption of Independence and Undermines Campaign Contributions Limits

Legally, outside groups differ from official campaign committees because outside groups are not permitted to coordinate their activities with candidates.²⁰ But the 2012 elections showed that such rules do not necessarily mean much in the real world. Even if they did not cross legal lines of coordination, nearly half of all ostensibly outside groups active in the 2012 elections spent their resources to aid just one candidate, and many of these groups were operated by people with close ties to the candidate.

These facts lead to a conclusion that many unregulated outside groups active in the 2012 election cycle were essentially extensions of candidates' official campaign committees. Contributions to these groups were tantamount to contributions to the candidates they aided.

Spending Practices Point to Ties Between Groups and Candidates

The percentage of single-candidate groups in the 2012 cycle might have been somewhat inflated because 2012 was a presidential cycle. A group that solely sought to influence the presidential election (especially at the general election stage of the campaign) could be expected to devote its resources to assisting just one candidate. But dedication to singlecandidates also was common among those groups that were involved solely in congressional contests. More than half (52.8 percent) of groups that worked only on congressional contests made expenditures in just one race. [See Figure 6]

Figure 6: Single v. Multi-Candidate Focus of Groups According to Types of Races Groups They Sought to Influence (2012 Election Cycle)

Type of Races Groups Sought to Influence	Number of Groups with Single-Candidate Focus	Number of Groups with Multi-Candidate Focus
Worked Solely on Congressional Races (108 groups total)	57 groups (52.8% of solely congressional groups)	51 groups (47.2% of solely congressional groups)
Worked Solely on Presidential Race (56 groups total)	55 groups (98.1% of solely presidential groups)	1 group (1.8% of solely presidential groups))
Worked on Both Congressional and Presidential Races (63 groups total)	0 groups (0% of congressional and presidential groups)	63 groups (100% of congressional and presidential groups)
Total	112 groups (49.3% of all groups)	115 groups (50.7% of all groups)

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

²⁰ See Section II of this report for elaboration.

The Backgrounds of Many Groups' Principals Reinforce the Conclusion That They Did Not Operate Independently

A group that devoted all of its resources to aiding a single candidate could conceivably have truly acted independently. It is plausible that some groups that spent on behalf of only one candidate sprang up without the candidate's prior knowledge, had no previous connection to the candidate's campaign and had no interaction with the candidate or the candidate's staff during the election season. (Conversely, many groups that aided more than one candidate likely could not pass a common sense test of independence, although they are not covered in this report.²¹) Still, a group's practice of aiding just one candidate should raise suspicions that it was not truly independent.

Ample additional evidence confirms that many single-candidate groups that were active in the 2012 elections were not plausibly independent, as most people would define the word. All of the major presidential candidates, for example, were assisted by a quasi-official super PACs that were devoted exclusively to furthering their candidacies. Most of the marquee super PACs for the presidential candidates were operated by the candidates' political allies, who were typically former staffers. Some presidential campaigns, including those of President Obama and Republican presidential nominee Mitt Romney, endorsed and raised money for the super PACs supporting them. Many single-candidate groups that operated solely in congressional races also had demonstrably close relationships with their candidate. For instance, many were run by former campaign aides of the candidate they assisted.

Spending by Unregulated Groups Serving Single Candidates Undermines Laws Limiting Campaign Contributions

It stands to reason that contributions to groups that are devoted to a single candidate (and especially those managed by people with close relationships to the candidate) are virtually equivalent to contributions made directly to the candidate. And because some donors in 2012 made massive contributions to single-candidate groups (in one case \$30 million from

²¹ For instance, Republican congressional candidate Shmuley Boteach (R-N.J.) referred to Patriot Prosperity PAC as "my super PAC" and praised casino magnate Sheldon Adelson and his wife as "heroes of our community." The Adelsons gave \$500,000 to the committee. Boteach said he had no involvement with the super PAC, as it was "set up by the professionals who run my campaign." Although Patriot Prosperity PAC spent \$918,789 assisting Boteach and Boteach acknowledged that the committee was established by his campaign employees, it is not categorized in this analysis as a candidate-specific super PAC because it also spent \$478,745 aiding a separate candidate. See Web site of Center for Responsive Politics (viewed on Nov. 27, 2012), <http://bit.ly/UGT1Kk> and Michael Isikoff, *GOP Rabbi Calls Adelsons 'Heroes to Our Community' After Getting \$500,000 for Super PAC*, NBC POLITICS (Aug. 30, 2012), <http://nbcnews.to/PALnj8>.

a single family),²² their contributions closely paralleled those that the Supreme Court has long recognized as posing a risk of engendering *quid pro quo* corruption.

U.S. Court of Appeals Judge Richard Posner, widely regarded as a conservative jurist, appears to share this view. It “is difficult to see what practical difference there is between super PAC donations and direct campaign donations, from a corruption standpoint,” Posner wrote in April 2012. “A super PAC is a valuable weapon for a campaign... ; the donors to it are known; and it is unclear why they should expect less *quid pro quo* from their favored candidate if he’s successful than a direct donor to the candidate’s campaign would be.”²³

²² Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

²³ Richard Posner, *Unlimited Campaign Spending—A Good Thing?* THE BECKER-POSNER BLOG (April 8, 2012), <http://bit.ly/S1c8xU>, as quoted in *Amicus Brief*, *supra* note 16, at 25-26.

V. Profiles of Groups Devoted to Individual Candidates

This section provides brief profiles of groups that were devoted to individual candidates. These groups are broken into four categories. Discussed first are super PACs that were devoted to the campaigns of President Obama and Republican presidential nominee Mitt Romney. Ensuing discussions concern groups devoted to single congressional candidates. They include those founded, funded or operated by individuals with personal or political ties to the candidate they supported; those financed by major donors to the political parties; and those financed by the candidates' friends and family members.

These categories are imprecise, as some groups led by individuals with long-standing ties to a candidate may, for instance, also have received contributions from major party donors.

Groups Devoted to Presidential Candidates

According to reports filed with the Federal Election Commission, 56 outside groups devoted their spending entirely to aiding a single presidential candidate. While it is possible that many of these groups could meet a reasonable test of independence, several high profile super PACs clearly could not because they were formed and managed by allies or former campaign aides of the candidate they assisted.

The super PACs most closely associated with President Obama and presidential candidates Mitt Romney,²⁴ Newt Gingrich,²⁵ Rick Santorum,²⁶ Rick Perry,²⁷ and Jon Huntsman,²⁸ spent \$240.1 million in the 2012 elections.²⁹ This section discusses the two that spent the most: those aiding Obama and Romney.

Priorities USA Action: President Obama

Priorities USA Action spent \$66.2 million in the 2012 election cycle, entirely for messages opposing Republican presidential nominee Mitt Romney.³⁰ The group was founded by Bill Burton and Sean Sweeney. Burton served as press secretary for Obama's 2008 campaign

²⁴ Nicholas Confessore, *Lines Blur Between Candidates and PACs with Unlimited Cash*, THE NEW YORK TIMES (Aug. 27, 2011), <http://nyti.ms/Tyffzn>.

²⁵ Jeff Zeleny, *Staying Competitive: Gingrich Aide Joins 'Super PAC'*, THE NEW YORK TIMES (Dec. 21, 2011), <http://bit.ly/QV7Unf>.

²⁶ Nicholas Confessore and Jim Rutenberg, *PACs' Aid Allows Romney's Rivals to Extend Race*, THE NEW YORK TIMES (Jan. 13, 2012), <http://nyti.ms/zNj2g3>.

²⁷ Richard A. Oppel Jr., *As Polls Slip, Perry Gets First Bounty of 'Super PAC' Ads*, THE NEW YORK TIMES (Nov. 2, 2011), <http://nyti.ms/vkgAd4>.

²⁸ Jim Rutenberg and Nicholas Confessore, *Major Ad Blitz for Huntsman in New Hampshire, by Group Backed by His Father*, THE NEW YORK TIMES (Nov. 15, 2011), <http://nyti.ms/w364NU>.

²⁹ Public Citizen analysis of data provided by The Center for Responsive Politics (viewed on Dec. 30, 2012).

³⁰ The Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/HKM4y7>.

and as deputy press secretary in the Obama White House.³¹ Sweeney was chief of staff to Rahm Emanuel while Emanuel served as the White House chief of staff under Obama.³²

The Obama campaign signaled the president's support for Priorities USA's efforts in an e-mail sent to supporters on Feb. 6, 2012, hours after Obama blasted super PACs during a *Today Show* interview.³³

"The campaign has decided to do what we can, consistent with the law, to support Priorities USA in its effort to counter the weight of the GOP super PAC[s]," Obama campaign manager Jim Messina said in the e-mail. "Senior campaign officials as well as some White House and Cabinet officials will attend and speak at Priorities USA fundraising events."³⁴

That evening, in a conference call with top Democratic donors, Obama campaign manager Jim Messina expressed support for the Priorities USA's efforts.³⁵ Priorities USA saw its receipts soar from \$58,000 in January to \$2 million in February.³⁶

In September 2012, Emanuel stepped down as Obama's national campaign co-chairman to raise money for Priorities USA.³⁷ "We're not going to bring a butter knife to a gun fight," Obama campaign spokeswoman Jen Psaki said of the move.³⁸

During the course of the campaign, top Obama aide David Plouffe appeared at Priorities USA events.³⁹

Speaking at a fundraiser for his campaign in September 2012, Obama tiptoed up to the line of soliciting money for Priorities USA, although in a jesting tone. He lamented that his opponents "have super PACs that are writing \$10 million checks and have the capacity to just bury us under the kind of advertising that we've never seen before ... If somebody here

³¹ *PAC Profile: Priorities USA Action*, THE CENTER FOR PUBLIC INTEGRITY (Jan. 30, 2012; updated Jan. 17, 2012), <http://bit.ly/Q8W5P2>.

³² *Id.*

³³ *Obama Super PAC Decision: President Blesses Fundraising for Priorities USA Action*, POLITICO (Feb. 6, 2012), <http://politi.co/wKvVRM>.

³⁴ Jim Messina, *We Will Not Play by Two Sets of Rules*, BarackObama.com (blog) (Feb. 6, 2012), <http://bit.ly/yOWH1f> as quoted in *Amicus Brief*, *supra* note 16.

³⁵ *Democratic Operatives Seeking Million-Dollar Checks for Super PACs*, THE CENTER FOR PUBLIC INTEGRITY (Feb. 8, 2012), <http://bit.ly/XX1icc>.

³⁶ *PAC Profile: Priorities USA Action*, THE CENTER FOR PUBLIC INTEGRITY (Jan. 30, 2012; updated Nov. 14, 2012), <http://bit.ly/Q8W5P2>.

³⁷ Jack Gillum, *Rahm Emanuel Leaving Obama Campaign to Raise Money for Priorities USA Action*, HUFFINGTON POST (Sept. 5, 2012), <http://huff.to/Q7HnrB>.

³⁸ *Id.*

³⁹ Paul Blumenthal, *Barack Obama's Super PAC Comments at Jay-Z Fundraiser Sidle Up to Red Line*, HUFFINGTON POST (Sept. 19, 2012), <http://huff.to/RtV98k>.

has a \$10 million check—(laughter)—I can't solicit it from you, but feel free to use it wisely."⁴⁰

Top donors to Priorities USA were hedge fund managers James Simons (\$5 million) and Chicago media entrepreneur Fred Eychaner (\$4 million).⁴¹

Restore Our Future: Mitt Romney

Restore Our Future spent \$142.7 million, solely to pay for messages supporting Romney or opposing his rivals. The group was co-founded by Carl Forti, who served as political director of Romney's 2008 presidential campaign.⁴² Forti also served as the political director of American Crossroads and as advocacy director for Crossroads GPS during the 2012 elections.⁴³ The Crossroads groups spent \$113.5 million in messages to aid Romney.⁴⁴

Restore Our Future's treasurer was Charles Spies, who was chief financial officer and counsel for Romney's 2008 presidential campaign. Spies' wife, Lisa, ran "PAC fundraising and Jewish outreach for the [2012] Romney campaign," the Center for Public Integrity reported.⁴⁵

The group was clear in its mission of supporting Romney. "While there are multiple other groups doing important work to assist Republicans up and down the ticket, ROF is the only group dedicated solely to electing Mitt Romney, and targeting every dollar that we raise towards supporting him," Spies said in May 2012.⁴⁶

A fundraiser for the Restore Our Future was Steve Roche, who served as the top fundraiser both for the 2008 Romney campaign and through August of 2011 for the 2012 Romney campaign. Other personnel included Larry McCarthy, who developed ads for Romney's 2008 campaign.⁴⁷

⁴⁰ President Obama, *Remarks at the Waldorf Astoria*, White House Transcript (Sept. 18, 2012), <http://1.usa.gov/PSVvn0>.

⁴¹ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

⁴² Andy Kroll, *Mitt Romney's \$12 Million Mystery Man*, MOTHER JONES (January-February 2012) <http://bit.ly/zLZNjc>.

⁴³ *Id.*

⁴⁴ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/QWBC0H>.

⁴⁵ Peter H. Stone, *Loophole Lets Big Political Donors Wear Multiple Fundraising Hats*, THE CENTER FOR PUBLIC INTEGRITY (Aug. 9, 2011), <http://bit.ly/NLfOTj>.

⁴⁶ Mike Allen and Jim VandeHei, *GOP Groups Plan Record \$1 Billion Blitz*, POLITICO (May 30, 2012), <http://bit.ly/LedsqA>.

⁴⁷ PAC Profile, *Restore Our Future*, THE CENTER FOR PUBLIC INTEGRITY (Jan. 30, 2012; revised Nov. 14, 2012), <http://bit.ly/VxczRh> and Nicholas Confessore, *At Convention, Lines Blur for Party and 'Super PACs'*, THE NEW YORK TIMES (Aug. 30, 2012), <http://nyti.ms/PU1hlF>.

Romney attended several Restore Our Future fundraisers.⁴⁸ In at least one instance, Romney characterized a contribution to Restore Our Future as being “to me.”⁴⁹

In a January 2012 debate in South Carolina, Romney referred to Restore Our Future as his own committee: “I haven’t spoken to any of the people involved in my super PAC in months,” Romney said.⁵⁰

Restore Our Future and the Romney campaign used the same company, Tiger Point Consulting, for direct mail work.⁵¹ Alexander Gage, the founder of Tiger Point Consulting, conceded that his firm’s performance of service for the two purportedly independent entities looked “ridiculous.”⁵² Gage said his firm had constructed a fire wall between employees working on the two accounts to avoid violating coordination laws.⁵³

Gage’s wife, Katie Packer Gage, was a senior strategist for Romney’s 2008 campaign.⁵⁴ Katie Packer Gage also is the co-founder of WWP Strategies, a consulting firm that operates from the same offices as Tiger Point Consulting and received \$335,000 from the Romney campaign through February 2012.⁵⁵

Restore Our Future received \$30 million from casino magnate Sheldon Adelson and his wife and \$9 million from Texas developer Bob Perry.⁵⁶

Groups Run by Friends or Political Allies of Congressional Candidates

Connecticut’s Future PAC: Christopher Murphy (D-Ct.)

Connecticut’s Future PAC was formed in July 2012 to assist Rep. Christopher Murphy (D-Ct.) in his race against Republican Linda McMahon to represent Connecticut in the U.S. Senate.⁵⁷ The group eventually spent \$495,734 for messages supporting Murphy, who ended up winning the election.⁵⁸

⁴⁸ *Id.*

⁴⁹ *Romney \$1 Million Mystery Corporate Donation* (You Tube video, uploaded Aug. 25, 2011), <http://bit.ly/UmQvWC> as quoted in *Amicus Brief*, *supra* note 16_, at 20.

⁵⁰ *Fox News Channel & Wall Street Journal Debate in South Carolina*, FOX NEWS (Jan. 17, 2012), <http://bit.ly/zmi70V>.

⁵¹ Mike McIntire and Michael Luo, *Fine Line Between ‘Super PACs’ and Campaigns*, THE NEW YORK TIMES (Feb. 25, 2012), <http://nyti.ms/XjNbRz>.

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2012), www.sunlightfoundation.com. (Itemized reports of Perry’s contributions add up to \$10 million but the most recent contribution record indicates that Perry’s total contributions at that time equaled \$9 million.)

⁵⁷ Susan Haigh, *Pro-Murphy Super PAC Created in Conn. Senate Race*, ASSOCIATED PRESS (July 16, 2012), <http://bo.st/1079hrV>.

⁵⁸ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/13zKNr2>.

The chairman of Connecticut's Future PAC was Chris VanDeHoef, a state lobbyist who was a groomsman in Murphy's wedding.⁵⁹ Other principals in the group included Kevin Graff, who had previously served as chief of staff to the Democratic caucus in the Connecticut Senate, as Joseph Taborsak, a Democratic representative in the Connecticut General Assembly.⁶⁰

The Committee to Elect an Effective Valley Congressman: Howard Berman (D-Calif.)

The Committee to Elect an Effective Valley Congressman, a super PAC, spent \$1.3 million to aid Berman against Sherman.⁶¹ The super PAC was created by Berman's friend Marc Nathanson, who contributed \$100,000 to it.⁶² Nathanson also contributed \$5,000 to Berman's campaign committee.⁶³

"Howard and I have been friends for 30 years," Nathanson said. "It's a friendship beyond what I call political friendships—it's a personal relationship. When it was clear he needed help, I figured out a way to do that."⁶⁴

The super PAC and Berman's campaign committee used the same consultant, Jerry Seedborg.⁶⁵ The *Los Angeles Times* reported that Seedborg has a long association with Berman's brother and campaign overseer, Michael, and with Carl D'Agostino, Michael Berman's business partner.⁶⁶

Freedom Fund for America's Future: Steve Welch (R-Pa.)

Freedom Fund for America's Future reported spending \$175,145 in opposition to Tom Smith in Pennsylvania's Republican Senate primary.⁶⁷ Its efforts were apparently aimed at aiding Steve Welch, who enjoyed the endorsement of Pennsylvania Gov. Top Corbett (R).⁶⁸ The super PAC failed in its effort to derail Smith, but did succeed in masking the source of most of its contributions.

⁵⁹ Neil Vigdor, *Pac-Man*, CT POLITICS (Oct. 15, 2012), <http://bit.ly/13zL9ho>.

⁶⁰ Susan Haigh *Pro-Murphy Super PAC Created in Conn. Senate Race*, ASSOCIATED PRESS (July 16, 2012), <http://bo.st/1079hrV> and Graff Public Solutions LLC, *About Us* (viewed on Jan. 15, 2013), <http://bit.ly/11xjKNM>.

⁶¹ Web site of the Center for Responsive Politics (viewed on Jan. 3, 2013), <http://bit.ly/TtLiOT>.

⁶² Dan Eggen, *Friends and Family Plan: Super PACs Often Personal Campaign Fundraising Affairs*, THE WASHINGTON POST (June 10, 2012) and Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

⁶³ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

⁶⁴ Dan Eggen, *Friends and Family Plan: Super PACs Often Personal Campaign Fundraising Affairs*, THE WASHINGTON POST (June 10, 2012).

⁶⁵ Jean Merl, *Sherman Campaign Seeks Review of Hire by Rival Berman's 'Super PAC'*, LOS ANGELES TIMES (May 7, 2012), <http://lat.ms/QqdtMt>.

⁶⁶ *Id.*

⁶⁷ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/I2DgFz>.

⁶⁸ *Gov. Corbett Endorses Pa. Sen. Candidate Welch*, THE MORNING CALL (Jan. 21, 2012), <http://bit.ly/V7idMT>.

At the time of the primary election, the super PAC had only been required to disclose \$5,000 in contributions because of widely spaced reporting deadlines.⁶⁹ When the committee finally disclosed the bulk of its contributions, it reported that 92 percent of its money came from Fight for the Dream, another super PAC. But, up to that point, Fight for the Dream had disclosed little information except that it operated out of a UPS mailbox registered to a man named Wayne Woodman. Woodman was the former finance co-chairman of Steve Welch, one of the main contenders in the GOP primary.⁷⁰ Woodman also contributed \$2,500 to Welch's campaign committee.⁷¹

Fight for the Dream was required to disclose the sources of its contributions in a report that was due in July 2012. But that report either was not filed or, a representative of the group suggested, failed to appear on the Federal Election Commission's Web site due to an error.⁷² After Center for Responsive Politics' blogger Dan Glaun inquired to the group, its report was posted to the FEC's Web site. But the newly posted report merely revealed that most of Fight for the Dream's money came from another group, called Restore the Dream, which shared a mailbox with Fight for the Dream. Restore the Dream is a 501(c)(4) organization and keeps its donors secret, thereby stifling any ability for the public to learn the root source of most of Freedom Funds' money.⁷³

Asked if the 501(c)-to-super PAC-to-super PAC transfer scheme was intended to evade disclosure, Fight for the Dream's lawyer told CRP's Glaun: "This was set up within federal election laws ... I would disagree that there's anything to question about transfers between super PACs. In fact, the Democrats are coordinating between their super PACs."⁷⁴

Two Freedom Fund officials said the super PAC would continue to engage in political races after the Pennsylvania primary. But it made no further expenditures in the 2012 elections.⁷⁵

Congressional Elections PAC and Citizens 4 Ethics in Government: Lou Ann Zelenik (R-Tenn.)

Congressional Elections PAC devoted all of its spending (\$127,300) to opposing Rep. Diane Black (R-Tenn.) in her primary against Lou Ann Zelenik, whom Black had defeated by fewer

⁶⁹ Dan Glaun, *Stealthy Super PACs Influenced Primaries Without Disclosing Donors*, OPEN SECRETS BLOG (July 2, 2012), <http://bit.ly/NWiDfg>.

⁷⁰ Dan Glaun, *Mystery Super PAC and Nonprofit Network Spent Big in PA Senate Race*, OPEN SECRETS BLOG (July 18, 2012), <http://bit.ly/PiSICH> and Sean Sullivan, *Tom Smith Sporting Double-Digit Lead in Own Poll*, THE HOTLINE (April 18, 2012), <http://bit.ly/IQPmEF>.

⁷¹ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indiivs/index.php.

⁷² Dan Glaun, *Mystery Super PAC and Nonprofit Network Spent Big in PA Senate Race*, OPEN SECRETS BLOG (July 18, 2012), <http://bit.ly/PiSICH>.

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ Web site of the Center for Responsive Politics (viewed on Nov. 27, 2012), <http://bit.ly/I2DgFz>.

than 400 votes in 2010.⁷⁶ The group received \$51,000 from Andrew Miller, who had served as finance chair of Zelenik's campaign earlier in the year. Miller also had previously worked with Zelenik on the Tennessee Freedom Coalition, an issue-advocacy group.⁷⁷ The group also received \$130,000 from the Campaign for Primary Accountability. The Campaign for Primary Accountability, in turn, received \$60,000 from Miller. Miller also gave the maximum \$2,500 to Zelenik's campaign committee.⁷⁸

A separate group, Citizens 4 Ethics in Government, devoted all of its primary season spending (\$196,815) opposing Black. Citizens 4 Ethics in Government received \$180,100 from Miller during the primary season.⁷⁹ Black won the August primary by about a two-to-one margin over Zelenik.⁸⁰

(Note: Citizens 4 Ethics in government is not categorized as a single-candidate group in this report's quantitative analysis because it spent \$10,000 to influence a separate contest late in the general election campaign. However, its efforts during the primary support the thesis of this report that many single-candidate groups essentially acted as unregulated campaign committees for the candidate in question.)

Conservatives Acting Together: Michael Williams (R-Texas)

Conservatives Acting Together reported spending \$172,720 to support Michael Williams in the Republican primary for Texas's 25th congressional district seat but had not disclosed the sources of its money when the primary election was held.⁸¹

More than a month after the election, the super PAC revealed that two-thirds of its money came from one individual, Richard Collins, a Dallas businessman and former finance chairman for Williams' campaign.⁸² Collins also contributed \$5,000 to Williams' campaign committee.⁸³

⁷⁶ Lucas L. Johnson II, *Black, Zelenik Battle for 6th District Again*, ASSOCIATED PRESS (July 29, 2012) and Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/Qnl6Uy> (link to Citizens for Ethics in Government) and <http://bit.ly/SZ36RY> (link to Congressional Elections PAC).

⁷⁷ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

⁷⁸ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

⁷⁹ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2012), www.sunlightfoundation.com.

⁸⁰ *Diane Black, Bob Corker Win*, TENNESSEAN (Aug. 2, 2012).

⁸¹ Dan Glaun, *Stealthy Super PACs Influenced Primaries Without Disclosing Donors*, OPEN SECRETS BLOG (July 2, 2012), <http://bit.ly/NWiDfg> and Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

⁸² Dan Glaun, *Sunlight for Stealth PACs: Late-Disclosing Groups Report Donors*, OPEN SECRETS BLOG (July 17, 2012), <http://bit.ly/MAclB6>.

⁸³ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

Indiana Values: Richard Lugar (R-Ind.)

Indiana Values reported spending \$459,606 to aid Sen. Richard Lugar (R-Ind.) in his unsuccessful effort to repel a primary challenge from Richard Mourdock.⁸⁴ Longtime Lugar aides Chip Andreae and Andrew Klingenstein helped found and operate Indiana Values, according to news reports.⁸⁵ Additionally, Andreae gave \$500 to Lugar's campaign committee.⁸⁶ Klingenstein gave \$25,395 to Indiana Values.⁸⁷

The largest contributions reported by Indiana Values (totaling \$137,000) were from Indiana Values Inc.,⁸⁸ which the Center for Responsive Politics concluded was likely a non-disclosing 501(c)(4) organization.⁸⁹ Indiana Values' address is on K Street in Washington, D.C.⁹⁰

Groups Funded by Party Mega-Donors That Aided Single Congressional Candidates*Conservative Renewal and Texas Conservatives Fund: David Dewhurst (R-Texas)*

Conservative Renewal and Texas Conservatives Fund, both super PACs, reported spending \$6.8 million combined to further the prospects of Republican Texas Lt. Gov. David Dewhurst, who unsuccessfully sought his party's nomination for the U.S. Senate.⁹¹ Dewhurst's former chief of staff, Rob Johnson, served as the executive director of the Texas Conservatives Fund, which spent \$5.9 million.⁹²

The Texas Conservative Fund received \$1.1 million from Harold Simmons, sometimes described as a nuclear waste management entrepreneur,⁹³ and \$500,000 from Texas

⁸⁴ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/RAbgfX>.

⁸⁵ Luke Rosiak, *Voters Vs. Cash: Races Could Be Turned by Out-Of-State Money Ad Surges Give Warped Reflection of True Support*, WASHINGTON TIMES (Aug. 9, 2012) and Kate Ackley, *Lugar Leaves Behind 'Kitchen Cabinet' on K Street Serving the Longtime Senator Has Made Careers for Many Lobbyists Who Call Experience*, ROLL CALL (May 9, 2012).

⁸⁶ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

⁸⁷ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

⁸⁸ *Id.*

⁸⁹ *New FEC Filings Show Super PAC Strength Can Be Relative, and Pro-Lugar Super PAC Takes Shadow Money*, OPENSECRETS BLOG (July 17, 2012).

⁹⁰ *Id.*

⁹¹ Web site of the Center for Responsive Politics (viewed on Jan. 3, 2013), <http://bit.ly/WwylzB> (link to Texas Conservatives Fund) and <http://bit.ly/TtMoWX> (link to Conservative Renewal).

⁹² David Tonyan, *Dewhurst No. 1 in Single-Candidate Super PAC Donations*, TEXAS TRIBUNE (Oct. 25, 2012), <http://bit.ly/XpszWp>.

⁹³ Robert T. Garrett, *Third-Party Groups Ramp Up Spending in U.S. Senate Race*, DALLAS MORNING NEWS (May 20, 2012), <http://dallasne.ws/K2afv5>.

developer Bob Perry.⁹⁴ Conservative Renewal received \$500,000 from Simmons and \$250,000 from casino mogul Sheldon Adelson.⁹⁵

Simmons and his wife gave \$26.9 million to Republican super PACs in the 2012 election cycle; Perry gave \$23.5 million; and Adelson and his wife gave \$92.8 million. (Figures reflect reported contributions only.⁹⁶ (These figures do not include possible contributions to 501(c) groups that engaged in electioneering activities.) Perry and Simmons both gave \$5,000 to Dewhurst's campaign committee.⁹⁷ Dewhurst advanced to a run-off election, but lost his bid for the nomination to Ted Cruz.

Hoosiers for Jobs: Richard Lugar (R-Ind.)

Hoosiers for Jobs, a super PAC based in Sacramento, Calif.,⁹⁸ spent \$175,185 to aid Lugar in his primary against Mourdock. It received \$50,000 from Roy Pfautch and \$25,000 from Sam Fox. Including his contribution to Hoosiers for Jobs, Pfautch gave more than \$300,000 to GOP causes in the 2012 election cycle.⁹⁹

Fox and his wife also gave \$100,000 to Indiana Values, the super PAC founded by Lugar associates to aid him.¹⁰⁰ Fox was a fundraising "bundler" for President George W. Bush in 2000 and 2004 and helped fund the Swiftboat Veterans for Truth attacks on Democratic presidential nominee John Kerry in 2004.¹⁰¹ Fox contributed at least \$364,000 to Republican causes in the 2012 election cycle, including his gifts to the pro-Lugar super PACs.¹⁰² Both Pfautch and Fox were maximum donors to Lugar's campaign committee.¹⁰³

Independence Va.: George Allen (R-Va.)

Independence Va., a super PAC, spent \$4.9 million attacking former Virginia Gov. Tim Kaine (D) in the Virginia U.S. Senate contest in which Kaine narrowly defeated former Virginia Gov. and Sen. George Allen (R).¹⁰⁴

⁹⁴ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com

⁹⁵ *Id.*

⁹⁶ *2012 Top Donors to Outside Spending Groups*, the Center for Responsive Politics (viewed on Nov. 28, 2012), <http://bit.ly/SfZVVo>.

⁹⁷ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

⁹⁸ Brian Francisco, *Senate Campaigns Decry, Defend PACs Filings Show Depth of Non-Hoosier Money*, FORT WAYNE JOURNAL-GAZETTE (April 19, 2012).

⁹⁹ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹⁰⁰ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹⁰¹ *New FEC Filings Show Super PAC Strength Can be Relative, and Pro-Lugar Super PAC Takes Shadow Money*, OPENSECRETS BLOG (July 17, 2012), <http://bit.ly/Ozxdsv>.

¹⁰² The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹⁰³ *Id.*

¹⁰⁴ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/QVjdgl>.

Top contributors to the super PAC were Adelson (\$4 million) and Perry (\$1 million).¹⁰⁵ Independence Va. was founded by Paul Bennecke, former political director of the Republican Governors Association.¹⁰⁶

USA Super PAC: Richard Mourdock (R-Ind.)

USA Super PAC spent \$190,085 to aid Mourdock against Lugar. It was formed just over a month before the Indiana primary election by James Bopp, an Indiana lawyer who advised the plaintiff in the *Citizens United* case. Reporting timelines did not require the group to disclose the sources of any of its money before the primary election, which Mourdock won.¹⁰⁷

Eventual filings revealed that the group received \$100,000 from prominent GOP donor Richard Uihlein, \$50,000 from Steven Chazen and \$35,000 from Foster Friess.¹⁰⁸ Uihlein and his wife gave \$1.8 million to Republican causes in the 2012 cycle;¹⁰⁹ Chazen gave more than \$500,000;¹¹⁰ and Friess gave \$2.5 million, including \$1.8 million to Red White and Blue Fund, which supported Republican presidential candidate Rick Santorum.¹¹¹

Maine Freedom: Charles Summers (R-Maine)

An observer of ads by super PAC Maine Freedom in the 2012 election cycle would likely have assumed that its backers were committed to furthering the electoral prospects of Cynthia Dill, the Democratic nominee to represent Maine in the U.S. Senate. The super PAC's initial messages praised Dill. It eventually spent \$359,000, evenly split between messages that either supported Dill or opposed Independent candidate Angus King, a former Maine governor and eventual winner of the three-way race.¹¹²

But the makeup of the group's donors and personnel strongly suggests that the actual objective of Maine Freedom was to boost the chances of Republican nominee Charles Summers by shifting votes from King to Dill.

¹⁰⁵ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹⁰⁶ Wesley Hester, *Super PAC to Help GOP's Allen in Senate Bid in Virginia*, RICHMOND TIMES DISPATCH (March 13, 2012).

¹⁰⁷ Dan Glaun, *Stealthy Super PACs Influenced Primaries Without Disclosing Donors*, OPEN SECRETS BLOG (July 2, 2012), <http://bit.ly/NWiDfg> and Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹⁰⁸ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹⁰⁹ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹¹⁰ *Id.*

¹¹¹ *Id.* and Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹¹² Web site of the Center for Responsive Politics (viewed on Oct. 27, 2012), <http://bit.ly/QVtQzV>.

The group's treasurer, Michael Adams, is general counsel of the Republican Governors Association and a member of the Republican National Lawyers Association. Its assistant treasurer, Erin Berry, is also a former lawyer for the RGA and previously worked for the Republican State Leadership Committee, according to her LinkedIn profile, the Center for Public Integrity reported.¹¹³

RGA spokesman Mike Schrimpf denied that the RGA had involvement with the group. "We are not funding it, helping with strategy, anything," Schrimpf wrote in an e-mail to a reporter. "The only connection is the RGA's counsel, Mike Adams."¹¹⁴

The super PAC received \$100,000 each from four donors, including telecommunications mogul John Malone, White Rock Distilleries CEO Paul Coulombe and an entity called the G Coulombe Trust.¹¹⁵ Malone gave \$183,009 in the 2012 election cycle to Republican causes.¹¹⁶ Paul Coulombe gave \$2,500 to Summers and \$10,000 to the Maine Republican Party.¹¹⁷

Treasure Coast Jobs Coalition: Allen West (R-Fla.)

Treasure Coast Jobs Coalition spent \$2.4 million to pay for messages attacking Democrat Patrick Murphy in Florida's 18th district congressional race, in which Murphy narrowly defeated Rep. Allen West (R-Fla.)

Treasure Coast received \$1 million from Richard Roberts, who recently sold his family's pharmaceutical business, Mutual Pharmaceutical Co., to a Japanese company for \$800 million.¹¹⁸ Roberts separately gave \$2,500 to West's campaign committee.¹¹⁹

Roberts also gave \$750,000 to Restore Our Future, the pro-Romney super PAC, and \$250,000 to American Crossroads, a super PAC that spearheaded efforts among pro-Republican groups in 2012 (discussed in the next section).¹²⁰ Treasure Coast also received \$1 million from Adelson and his wife.¹²¹

¹¹³ Rachel Marcus, *GOP Not Giving Up on Maine Senate Race*, THE CENTER FOR PUBLIC INTEGRITY (Aug. 27, 2012), <http://bit.ly/RgAiiQ>.

¹¹⁴ *Id.*

¹¹⁵ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹¹⁶ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹¹⁷ *Id.*

¹¹⁸ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com and George Bennett, *Pharmaceutical Exec Gives \$1 Million to Pro-West Super PAC*, PALM BEACH POST (Oct. 16, 2012), <http://bit.ly/P1gaWy>.

¹¹⁹ The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹²⁰ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹²¹ *Id.*

Family-Funded Groups Devoted to a Single Congressional Candidate

American Sunrise: Patrick Murphy (D-Fla.)

American Sunrise spent \$118,578 for messages aiding Murphy in his effort to unseat West in Florida's 18th district congressional race.¹²² The super PAC reported contributions of \$350,000, \$250,000 of which came from the candidate's father, Thomas Murphy.¹²³ Aside from its payments for advertisements, which are reported to the Federal Election Commission as independent expenditures, the group reported \$231,467 in other operating expenditures, much of which were for consulting services.¹²⁴

America Shining: Jay Chen (D-Calif.)

America Shining is a "Bi-partisan civic organization focused on reinvigorating America," the group's Web site said during the 2012 elections. "We sponsor and support policies and candidates for federal office."¹²⁵

In practice, the group supported just one candidate in any significant measure: Democrat Jay Chen, who unsuccessfully sought to defeat Republican incumbent Rep. Ed Royce in California's 39th congressional district race. (America Shining also devoted less than 1 percent of its budget to two other U.S. House contests.)¹²⁶

One America Shining advertisement attracted press coverage for its depiction of "a detached monster hand grabbing the neck of a woman who lets out a blood-curdling scream."¹²⁷ The ad ended by showing "a ghostly looking portrait of Royce floating over the Capitol dome."¹²⁸ Chen said he had no knowledge of the commercial until he saw it on YouTube.¹²⁹

For months, voters had no idea who was behind the ads. But on Oct. 15, 2012, the super PAC disclosed that all of its contributions (\$565,000) had come from a single donor, Shaw Chen, the candidate's brother.¹³⁰ Eventually, the group reported receiving \$765,000 from

¹²² Web site of the Center for Responsive Politics (viewed on Jan. 3, 2013), <http://bit.ly/QVR74D>.

¹²³ Keven Cirilli, *Allen West Punches Back over Attack Ad*, POLITICO (Aug. 10, 2012), <http://politi.co/RiH0ry>.

¹²⁴ 2012 Committee Information, American Sunrise, Federal Election Commission (viewed on Jan. 3, 2013).

¹²⁵ Facebook page of America Shining, <http://www.facebook.com/AmericaShining/info> (viewed in October 2012).

¹²⁶ Web site of the Center for Responsive Politics (viewed on Jan. 3, 2013), <http://bit.ly/S1SnWe>.

¹²⁷ Steve Scauzillo, *Super PAC Calls Rep. Ed Royce 'Monster from Washington' in Ad for Challenger Jay Chen*, SAN GABRIEL VALLEY NEWS (Oct. 10, 2012), <http://bit.ly/Rl9C5a>.

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ Steve Scauzillo, *Ad That Calls Rep. Ed Royce A Monster Paid for by Challenger Jay Chen's Brother*, INLAND VALLEY DAILY BULLETIN (Oct. 17, 2012), <http://bit.ly/RbB83o>.

Shaw Chen and \$350,000 from Nain Lai Chen, the candidate's mother.¹³¹ Shaw and Nain Lai Chen each separately contributed \$5,000 to Jay Chen's campaign committee.¹³²

American Foundations: George Holding (R-N.C.)

American Foundations spent \$535,082 supporting the successful effort of George Holding in the Republican primary for North Carolina's 13th congressional seat.¹³³

American Foundations might more accurately be described as a family enterprise than a super PAC. "The group was funded almost entirely by members of Holding's wealthy banking family, including \$100,000 each from an aunt and uncle and \$250,000 from a group of cousins," *The Washington Post* reported.¹³⁴

Holding, who initiated the campaign finance corruption case against former Democratic presidential candidate John Edwards, won the primary and subsequent general election.¹³⁵

Progress for Washington: Laura Ruderman (D-Wash.)

In July 2012, residents of Washington's 1st congressional district were flooded with mailings from anonymous super PAC Progress for Washington assailing congressional candidate Suzan DelBene (D).

Controversy over the mailings quickly grew. Sen. Patty Murray (D-Wash.), for instance, called on the super PAC to cease its attacks. "The shadowy super PAC attacks in the 1st District congressional race represent an unfortunate, ugly, apparently Democrat vs. Democrat assault, and I hope they stop," Murray said in a statement.¹³⁶

Laura Ruderman, one of DelBene's challengers in the Democratic primary, professed having no knowledge of the super PAC's origins.¹³⁷ Federal Election Commission filings soon revealed that the sole source of Progress for Washington's money was Margaret Rothschild, Ruderman's mother. Filings also revealed that vendors in charge of producing

¹³¹ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹³² The Center for Responsive Politics, Donor Lookup, www.opensecrets.org/indivs/index.php.

¹³³ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/RyT32u>.

¹³⁴ Dan Eggen, *Friends and Family Plan: Super PACs Often Personal Campaign Fundraising Affairs*, THE WASHINGTON POST (June 10, 2012), <http://wapo.st/LSp1EI> and Laura Oleniacz, *Republican Holding Takes 13th District Congressional Seat*, THE HERALD-SUN (Nov. 7, 2012).

¹³⁵ Dan Eggen, *Friends and Family Plan: Super PACs Often Personal Campaign Fundraising Affairs*, THE WASHINGTON POST (June 10, 2012), <http://wapo.st/LSp1EI>.

¹³⁶ *Murray to Anonymous PAC: Stop the Smears*, SEATTLE POST-INTELLIGENCER (July 15, 2012), <http://bit.ly/SsMwbs>.

¹³⁷ Joel Connelly, *Ruderman and Mom: High Road and Low Road*, SEATTLE POST-INTELLIGENCER (July 16, 2012), <http://bit.ly/TdxRTf>.

the mailing had past political ties to Ruderman.¹³⁸ The super PAC was dubbed the “mama PAC” in the press and Ruderman soon denounced its activities.¹³⁹

“I am calling on Progress for Washington to immediately take down the television ad that began airing today,” Ruderman said. “I would encourage voters to visit my website and see the positive messages about my positions on issues that our campaign is talking about.”¹⁴⁰

Ruderman’s mother contributed \$355,000 to the super PAC, which devoted all of its resources to Ruderman’s race.¹⁴¹ Ruderman finished third in the August primary, which DelBene won.¹⁴²

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ Jonathan Martin, *Ruderman Denounces Attack Ad Paid by Her Mom*, SEATTLE TIMES (July 18, 2012).

¹⁴¹ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

¹⁴² *Suzan DelBene Wins Big in WA-01, Will Face John Koster in November*, NORTHWEST PROGRESSIVE INSTITUTE ADVOCATE (Aug. 7, 2012), <http://bit.ly/ONxaOH>.

VI. Activities of Unregulated Party-Allied Groups Mark the Return of ‘Soft Money’

Most of the unregulated outside groups that spent money to influence the 2012 elections invested their money exclusively, or nearly exclusively, in support of Democratic or Republican candidates. This, in itself, does not mean that all of these groups were captives of the national parties, given that the partisan outlines of our politics tend to push all but the most determinedly bipartisan political actors in the direction of one party or another.

But several groups that were active in the 2012 elections—including some of the biggest spenders—essentially were of, for, and by one of the two major parties. As such, these groups’ spending can fairly be characterized as a new form of “soft money.” Soft money was the term used to describe unregulated contributions—predominantly from corporations or unions—to the national parties in the 1990s and early 2000s. Congress banned soft money contributions to the parties in 2002 and the Supreme Court upheld the ban in 2003.¹⁴³ The prohibition remains in place.

This report singles out 10 groups that cannot be deemed anything other than party instruments. [See Figure 7]

Figure 7: Party-Connected Electioneering Groups (2012 Election Cycle)

Group	Group’s Legal Status	Amount Spent	Party Supported*
American Crossroads	Super PAC	\$104,772,098	Republican
Crossroads GPS	501(c)	\$70,940,377	Republican
Majority PAC	Super PAC	\$37,536,489	Democratic
House Majority PAC	Super PAC	\$30,761,234	Democratic
American Action Network	501(c)	\$11,660,232	Republican
Congressional Leadership Fund	Super PAC	\$9,450,236	Democratic
Patriot Majority*	501(c)	\$7,509,558	Democratic
YG Action Fund	Super PAC	\$4,722,335	Republican
YG Network	501(c)	\$2,874,490	Republican
American Bridge 21st Century	Super PAC	\$339,484	Democratic

Source: Public Citizen analysis of data provided by the Center for Responsive Politics (www.opensecrets.org).

* For the purposes of this report, Patriot Majority’s companion organization, a super PAC, is categorized as a single-candidate group because it spent solely on the presidential race.

Much reporting has suggested that the network of electioneering groups that are intertwined with the national parties is far more extensive than the list presented here, and

¹⁴³ *McConnell v. FEC*, 540 U.S. 93. (2003).

that may be the case.¹⁴⁴ This study applies the soft money label only to the most blatant and indisputable cases of groups that acted in service of a national party's agenda.

Most of the groups included here declared an explicit mission of helping elect candidates from a single party. A leader of one super PAC, for instance, said her group was “a great complement” to the Democratic Congressional Campaign Committee and would become “a permanent part of the Democratic infrastructure.”¹⁴⁵

The groups' loyalties to their parties also are illustrated by their leaders' backgrounds. The groups were primarily led by individuals who recently served as staffers for House or Senate leadership figures or who previously occupied prominent positions in one of the national political parties.

Former staffers who served as principals for the groups include former top aides to Senate Majority Leader Harry Reid (D-Nev.), Senate Minority Leader Mitch McConnell (R-Ky.) and House Majority Leader Eric Cantor (R-Va.). Former party officials include two former chairman of the Republican National Committee, and former executive directors of the National Republican Senatorial Committee and the Democratic Senatorial Campaign Committee. Other principals in the groups include a former chairman of the National Republican Congressional Committee and a former chairman of the Republican Governors Association.

‘Soft Money’ Era Illustrated the Corrupting Effects of Unregulated Contributions to the Parties

In 1995, the Federal Election Commission ruled that the national parties could use money not subject to contribution and source limits (that is, soft money) to pay for advocacy advertisements that referred to candidates but stopped short of advocating for the victory or defeat of a candidate.¹⁴⁶ The FEC's ruling ushered in an era of electioneering messages that dodged being regulated under election laws because they did not include certain “magic” words, such as “vote for.” These messages were sometimes referred to as sham issue ads because they made a pretense of attempting to influence their audiences' views on issues rather than candidates. The parties paid for the ads with massive amounts of soft money.

¹⁴⁴ See, e.g., Kenneth P. Vogel and Tarini Parti, *Democratic Super PACs Get Jump on 2014, 2016*, POLITICO (Nov. 16, 2012), <http://bit.ly/TuOYQd>; Kenneth P. Vogel, *Crossroads: The ATM of the Right*, POLITICO, April 18, 2012, <http://politi.co/1kZzqy>; Mike Allen, *Sheldon Adelson: Inside the Mind of the Mega-donor*, POLITICO (Sept. 23, 2012), <http://politi.co/OkJ9FE>; Karen Tumulty, *Karl Rove and His Super PAC Vow to Press On*, THE WASHINGTON POST (Nov. 10, 2012), <http://wapo.st/W0lfgp>; Mike Allen and Jim VandeHei, *GOP Groups Plan Record \$1 Billion Blitz*, POLITICO (May 30, 2012), <http://bit.ly/LedsqA>.

¹⁴⁵ *50 Politicos to Watch: Political Operatives*, POLITICO (July 2012), <http://politi.co/NkXZJa>.

¹⁴⁶ *McConnell v. FEC*, 540 U.S. 93, 123 (2003), citing FEC Advisory Opinion 1995-25 (Aug. 24, 1995), <http://bit.ly/WulMGz>.

Combined soft money fundraising by the Democratic and Republican parties rose from \$88.1 million in 1992 to \$243.6 million in 1996, and to \$456.9 million in 2000. In 2002, receipts continued to rise, to \$457.6 million, even though it was just a mid-term cycle.¹⁴⁷

There was little dispute that soft money was being used to dodge restrictions in campaign finance laws. Lawmakers and donors alike saw soft money contributions as proxies for contributions directly to the parties.

A six-volume 1998 report by the Senate Committee on Governmental Affairs reached a bipartisan consensus that “the ‘soft money loophole’ had led to a ‘meltdown’ of the campaign finance system that had been intended ‘to keep corporate, union and large individual contributions from influencing the electoral process,’ ” the Supreme Court later recounted.¹⁴⁸

Sen. Susan Collins (R-Maine) said that hearings held by the Senate “provided overwhelming evidence that the twin loopholes of soft money and bogus issue advertising have virtually destroyed our campaign finance laws, leaving us with little more than a pile of legal rubble.”¹⁴⁹

In 2002, Congress passed the Bipartisan Campaign Reform Act (BCRA), commonly known as the McCain-Feingold law. BCRA prohibited the national parties from soliciting or spending soft money. In 2003, the U.S. Supreme Court upheld the soft money ban.¹⁵⁰

The *Citizens United* Decision Undermined the Ban on Soft Money Contributions to Parties

In *Citizens United*, the court acknowledged that the record in the legal challenge to BCRA “establishes that certain donations to political parties, called ‘soft money,’ were made to gain access to elected officials.”¹⁵¹ But, here, the court made a key distinction: “This case, however, is about independent expenditures, not soft money.”¹⁵²

Although the questions at hand in *Citizens United* may not have concerned soft money, the decision in the case had profound soft-money implications. The contributions received by many party-allied groups that have arisen from *Citizens United* have at a minimum closely paralleled to soft money. By a definition implicitly put forth by the Supreme Court in its

¹⁴⁷ The Center for Responsive Politics, Soft Money Backgrounder (viewed on Jan. 3, 2013), <http://bit.ly/clhL4k>.

¹⁴⁸ *McConnell v. FEC*, 540 U.S. 93, 129 (2003), citing FEC Advisory Opinion 1995-25.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*, at 123 (2003).

¹⁵¹ *Citizens United*, *supra* note 1, at 910. The description in the *Citizen United* decision understated the findings in the judicial record on the corrupting power of soft money. The *McConnell* decision is replete with evidence that soft money contributions shaped policy, in addition to facilitating access to lawmakers. *See, e.g., McConnell v. FEC*, 540 U.S. 93, at 147-154 (2003).

¹⁵² *Id.*, at 910-911.

2003 decision that upheld the soft money ban, many contributions in 2012 literally constituted soft money.

“Candidates often directed potential donors to party committees *and tax-exempt organizations* that could legally accept soft money,” the Supreme Court recounted in its 2003 *McConnell* decision.¹⁵³ [Emphasis added] Unlimited contributions to tax-exempt organizations that engage in electioneering epitomize the activities that *Citizens United* ended up permitting.

There are differences between the new groups’ activities and the old soft money regime. For instance, the new groups may not legally coordinate with the parties. But, by all appearances, the new soft money groups have largely managed to replicate the parties. In this way, the unregulated groups essentially are becoming the parties. The new groups are led by individuals with roots in the parties’ leadership structures, and many of the groups worked closely among themselves during the 2012 election cycle.

Republican groups gloated during the 2012 campaign about their success in coordinating their spending—with chief funder Sheldon Adelson policing their discipline. “If word got back to [Adelson] that a group wasn’t cooperating, he’d cut them off,” *Politico* reported a top official at one of the Republican groups saying. “It’s to maximize the dollars. You don’t want repetition. You don’t people doubling up. He doesn’t want to feel like his money is wasted.”¹⁵⁴ Many of the most prominent Democratic groups, meanwhile, aligned themselves under an umbrella “joint fundraising committee.”¹⁵⁵

The groups also appear to be reconstituting the national parties’ programs of selling access for large soft money contributions. During the old soft money days “the six national party committees actually furnish[ed] their own menus of opportunities for access to would-be soft-money donors, with increased prices reflecting an increased level of access,” the Supreme Court wrote in 2003.¹⁵⁶ Fast forward to 2012. During the Democratic convention, the joint fundraising committee consisting of Democratic super PACs published a menu of rewards for would-be donors, with \$100,000 donors receiving “an intimate gathering of Senior Democratic policy leaders from Capitol Hill and Democratic institutions.”¹⁵⁷

Republican election lawyer Robert Kelner summarized the outside groups’ access-selling policies to the *New York Times*: “Super PACs on both sides of the aisle are more

¹⁵³ *McConnell v. FEC*, 540 U.S. 93, 125 (2003).

¹⁵⁴ Mike Allen, *Inside the Mind of the Mega-Donor*, POLITICO (Sept. 23, 2012), <http://politi.co/OkI9FE>.

¹⁵⁵ See, e.g., *Super O Rama, Unity Convention 2012, Official Calendar of Events* (promoting events on Sept. 4, 2012–Sept. 6, 2012). Published by POLITICO, <http://bit.ly/MZPwgG>.

¹⁵⁶ *McConnell v. FEC*, 540 U.S. 93, 51 (2003).

¹⁵⁷ *Super O Rama, Unity Convention 2012, Official Calendar of Events*. (promoting events on Sept. 4, 2012–Sept. 6, 2012). Published by POLITICO, <http://bit.ly/MZPwgG>.

aggressively exercising the latitude that they already had under existing law but had not yet fully exploited,” Kelner said. “If there’s been any shift, I would say it is more with respect to providing policy briefings either to members or to major donors.”¹⁵⁸

The ban on groups coordinating with candidates and party leaders proved ineffective in 2012. “The intermingling of outside groups and politicians has become so routine that even a meeting in the Capitol led by a party’s top outside operative barely raises an eyebrow. The rules governing their interactions are in their infancy, so it’s all but pointless for either side to cry foul,” *Politico* wrote in August.¹⁵⁹

The Federal Election Commission helped erode the wall between super PACs and elected officials in 2011, when it ruled that candidates could attend super PAC fundraisers and raise money for super PACs as long as they did not personally request contributions in excess of \$5,000 (the maximum donation to a conventional PAC) or ask for contributions from sources that may not give money to conventional PACs, such as unions or contributions.¹⁶⁰

Campaign finance lawyer James Bopp, who aided the plaintiff in the *Citizens United* case, deemed the restrictions imposed by the FEC “meaningless” because “candidates will be able to endorse [outside groups] and ask donors to contribute to them.”¹⁶¹

In sum, the party-allied groups’ connections and objectives render them almost indistinct from the national party operations, except that the groups are not bound by the contribution limits of the campaign finance system. As such, contributions to them pose much the same threat of causing corruption, thereby undermining Congress’s action to ban soft money and the Supreme Court’s decision to uphold that ban.

¹⁵⁸ Nicholas Confessore, *At Convention, Lines Blur for Party and ‘Super PACs,’* THE NEW YORK TIMES (Aug. 30, 2012), <http://nyti.ms/PU1hlF>.

¹⁵⁹ Jake Sherman, John Bresnahan and Kenneth P. Vogel, *A Super PAC-Politician Firewall? Not Quite*, POLITICO (Aug. 23, 2012), <http://politi.co/PxgaKq>.

¹⁶⁰ Brody Mullins and Katie Glueck, *FEC Lets Candidates Solicit Funds for Outside Groups*, THE WALL STREET JOURNAL (June 30, 2011), <http://blogs.wsj.com/washwire/2011/06/30/fec-lets-candidates-solicit-funds-for-outside-groups/>.

¹⁶¹ *Id.*

VII. Profiles of ‘Soft Money’ Groups

This section provide profiles of groups operating in the 2012 election cycle that existed for clear purpose of aiding the national parties or elected leaders within the parties.¹⁶²

Democratic Soft Money Groups

Majority PAC, Patriot Majority, American Bridge 21st Century

Majority PAC (a super PAC), Patriot Majority (consisting of a 501 (c)(4) entity and a super PAC) and American Bridge (a super PAC) were three interconnected groups that devoted themselves entirely to electing Democrats in the 2012 election cycle. They revealed their loyalties to the Democratic party in overt statements and in their staff members’ connections to Senate Majority Leader Harry Reid (D-Nev.)

Majority PAC was founded by Susan McCue, a former chief of staff for Reid.¹⁶³ Other leaders of Majority PAC included Rebecca Lambe, described by *Politico* as a longtime strategist for Reid, and Craig Varoga, a prominent Democratic strategist with ties to Reid. The Center for Public Integrity reported that Jim Jordan, manager for a portion of the 2004 presidential campaign of Sen. John Kerry (D-Mass.) and a former executive director of the DSCC, served as a strategist for the group.¹⁶⁴ Harold Ickes, a deputy chief of staff in the Clinton White House and president of super PAC Priorities USA Action (which championed President Obama’s reelection), was an advisor to Majority PAC.¹⁶⁵

Majority PAC advertised on its Web site that it was “fighting to protect the Democratic majority in the U.S. Senate in 2012.”¹⁶⁶ The group promised to run “a transparent, low-overhead, take-no-prisoners Independent Expenditure campaign” to “aggressively contest critical open seats, exploit opportunities to take over Republican seats and expand our firewall.”¹⁶⁷

Democratic leaders raised money for Majority PAC. Early in the spring of 2012, for instance, Reid and Sen. Charles Schumer (D-N.Y.) “made a pitch to billionaire hedge fund

¹⁶² The choice of groups included in this section should not be taken as a suggestion that other groups did not have close ties to one of the national parties or even work primarily in service of one of them. The groups selected simply represent the most clear-cut cases of those that fundamentally exist to further a party’s efforts.

¹⁶³ Manu Raju, *Senate Dems Launch ‘Super PAC,’* POLITICO (Feb. 22, 2011), <http://politi.co/gX3XlB>.

¹⁶⁴ *Profile: Majority PAC*, THE CENTER FOR PUBLIC INTEGRITY (Feb. 16, 2012), <http://bit.ly/TWB7AN>.

¹⁶⁵ *Id.*

¹⁶⁶ *Majority PAC, Home: Our Mission* (viewed on Nov. 20, 2012), <http://bit.ly/RRTTJO>.

¹⁶⁷ *Id.*

manager James Simons, who quickly turned around and cut a check on March 29 to Majority PAC for \$1 million,” *Politico* reported.¹⁶⁸

During the summer of 2008, Reid, Schumer and Senate Majority Whip Richard Durbin (D-Ill.) attended Majority PAC fundraisers in New York, Chicago, Phoenix, Los Angeles, Washington and Dallas, *Politico* reported.¹⁶⁹

Sen. Al Franken (D-Minn.) and Sen. John Kerry (D-Mass.) each sent out e-mails to financial supporters urging them to back Majority PAC. They restricted their requests to asking for \$5,000, the maximum annual contribution to a regulated PAC, according to Majority PAC’s executive director.¹⁷⁰

Reid and Durbin essentially acknowledged that Majority PAC was serving as an unofficial party committee. “The whole situation is too bad,” Reid said in May 2012. *Citizens United* “is a terrible decision. But we can’t disarm unilaterally, so we’re going to do whatever we can to be competitive.”¹⁷¹

Durbin spoke in similar terms. “What are you going to do ... when the other side has a nuclear bomb and you’re fighting with rifles?” Durbin asked. “What the president has said is, ‘I have no choice,’ and the Democrats in the Senate have reached the same conclusion if we don’t have a super PAC fund. We are just going to be steamrolled in some of these states.”¹⁷²

Majority PAC reported spending \$37.5 million to influence elections in 2012. With the exception of \$282,500 dedicated to the presidential election, all of its work went toward aiding Democrats in U.S. Senate contests.¹⁷³

Patriot Majority, which consisted of both a super PAC and 501(c) entity, was less overt than Majority PAC about its partisan underpinnings. The super PAC’s Web site says it was founded to “work independently to elect Senate and congressional candidates in targeted races who support these patriotic policies.”¹⁷⁴ The groups’ 501(c)(4) arm, which accounted for the bulk of expenditures by the Patriot Majority entities, portrays itself as an issue-advocacy group aiming to advance such goals as protecting voter rights, investing in

¹⁶⁸ John Bresnahan, Manu Raju and Jake Sherman, *Democrats Rush into Arms of Super PACs*, POLITICO (May 16, 2012), <http://politi.co/L4kpc9>.

¹⁶⁹ *Id.*

¹⁷⁰ Peter H. Stone, *Democrats and Republicans Alike Are Exploiting New Fundraising Loophole*, CENTER FOR PUBLIC INTEGRITY (July 27, 2011), <http://bit.ly/YRQCzp>.

¹⁷¹ John Bresnahan, Manu Raju and Jake Sherman, *Democrats Rush into Arms of Super PACs*, POLITICO (May 16, 2012), <http://politi.co/L4kpc9>.

¹⁷² *Id.*

¹⁷³ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/UTS2s7>.

¹⁷⁴ Patriot Majority PAC, *About* page (viewed on Nov. 20, 2012), <http://bit.ly/cRzNN7>.

education and improving the infrastructure of the United States.¹⁷⁵ The 501(c)(4) also claims to advocate “comprehensive campaign finance reform that increases transparency,” although it did not disclose its donors in 2012.¹⁷⁶

But the groups’ intentions were clear despite their vague statements of purpose. The president of the Patriot Majority groups is Varoga, a leader of Majority PAC.¹⁷⁷ The Web site for Varoga’s consulting firm credits Patriot Majority with running “the successful independent-expenditure campaign to re-elect Senate Majority Leader Harry Reid” in 2010.¹⁷⁸ Varoga’s Web site also lists myriad other Democratic candidates he has assisted.¹⁷⁹

Majority PAC and Patriot Majority were often reported as being affiliated,¹⁸⁰ and they clearly worked together. For instance, in July 2012, Majority PAC and Patriot Majority issued a press release touting a coordinated advertising campaign aiding Democratic senatorial candidates in North Dakota and Nevada.¹⁸¹

Patriot Majority’s 501(c)(4) arm spent \$7.5 million in the 2012 election cycle for messages supporting Democrats or opposing Republicans.¹⁸² Its super PAC spent \$404,975, all in opposition to Republican presidential nominee Mitt Romney.¹⁸³

American Bridge, the logo of which resembles the red, white and blue swoop of the Obama campaign insignia, describes itself as “a progressive research and communications organization committed to holding Republicans accountable for their words and actions and helping you ascertain when Republican candidates are pretending to be something they’re not.”¹⁸⁴

American Bridge lists Majority PAC founder McCue as a director, along with Chairman Kathleen Kennedy Townsend (a former Democratic Maryland Lt. Governor and eldest daughter of Robert F. Kennedy) and David Brock (a Republican operative turned

¹⁷⁵ Web site of Patriot Majority [(501)(c)(4) entity], *Patriot Majority Action Plan* (viewed on Nov. 20, 2012), <http://bit.ly/QYpzcW>.

¹⁷⁶ *Id.* and Russ Choma, *Liberal Group with Ties to Unions Ends Donor Disclosure*, OPEN SECRETS BLOG (Aug. 23, 2012), <http://bit.ly/OYMLqJ>.

¹⁷⁷ Manu Raju, *Senate Dems Launch ‘Super PAC,’* POLITICO (Feb. 22, 2011), <http://politi.co/gX3XlB>

¹⁷⁸ Varoga & Associates, *About Us* (viewed on Jan. 3, 2013), <http://bit.ly/URLowN>.

¹⁷⁹ *Id.*

¹⁸⁰ *See, e.g.*, Russ Choma, *Liberal Group with Ties to Unions Ends Donor Disclosure*, OPEN SECRETS BLOG (Aug. 23, 2012), <http://bit.ly/OYMLqJ>.

¹⁸¹ Press Release, Majority PAC, *Majority PAC and Patriot Majority Launch New TV Ads: North Dakota, Nevada Ads Part of Sustained Nationwide Campaign to Fight Back Against Right Wing Attacks* (July 10, 2012), <http://bit.ly/RXpqcB>.

¹⁸² Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/UTS978>.

¹⁸³ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/TagHn6>.

¹⁸⁴ American Bridge, *Who We Are* (viewed on Nov. 20, 2012), <http://bit.ly/UVBBpZ>.

Democratic advocate who founded the group Media Matters).¹⁸⁵ American Bridge spent \$339,484, all to oppose Republicans. Two-thirds of its spending served to oppose Republican presidential nominee Mitt Romney.

House Majority PAC

House Majority PAC describes itself “an independent-expenditure only committee ... that is designed to hold Republicans accountable and help win back the House Majority for Democrats. House Majority PAC is committed to building a long-term organization that can take on the Republican outside groups in the battle for the House Majority.”¹⁸⁶

In 2012, the super PAC spent \$30.8 million, exclusively to either oppose Republicans or support Democrats, almost entirely in House races.¹⁸⁷

House Majority PAC was run by Ali Lapp, described by *Politico* as a “top aide at the Democratic Congressional Campaign Committee (DCCC) under then-Chairman Rahm Emanuel in 2006, when Democrats regained the majority.”¹⁸⁸

“I do see House Majority PAC as a great complement to the DCCC,” Lapp said. “We have set up House Majority PAC to become a permanent part of the Democratic infrastructure. It is not going away anytime soon.”¹⁸⁹

The Sunlight Foundation reported that House Majority PAC distributed invitations for an Oct. 23, 2012, fundraiser dubbed a “Special Reception with Nancy Pelosi and Steve Israel.”¹⁹⁰ Pelosi is the House Minority Leader. Israel is the chairman of the Democratic Congressional Campaign Committee. Ali Lapp’s husband, John, is a “top adviser” to Israel, *Politico* reported.¹⁹¹

Separately, House Minority Leader Nancy Pelosi (D-Calif.) participated in events for House Majority PAC in New York, California and Texas, *Politico* reported.¹⁹²

During the Democratic convention, a joint fundraising committee calling itself “Unity Convention 2012,” which described itself as a Joint Fundraising Committee established by

¹⁸⁵ Press Release, American Bridge 21st Century, *American Bridge 21st Century Names McCue to Board* (April 21, 2011), <http://bit.ly/ScjNms>.

¹⁸⁶ House Majority PAC, *About Us* (viewed on Nov. 20, 2012), <http://bit.ly/MdPrE7>.

¹⁸⁷ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/SPcB30>.

¹⁸⁸ *50 Politicos to Watch, Political Operatives*, POLITICO (July 12, 2012), <http://politi.co/NkXZJa>.

¹⁸⁹ *Id.*

¹⁹⁰ *Special Reception with Nancy Pelosi and Steve Israel for House Majority PAC*, Political Party Time Project, Sunlight Foundation (Oct. 23, 2012) (date reflects expected date of fundraising event, as disclosed on invitation), <http://bit.ly/VleZ1C>.

¹⁹¹ *50 Politicos to Watch: Political Operatives*, POLITICO (July 2012), <http://politi.co/NkXZJa>.

¹⁹² John Bresnahan, Manu Raju and Jake Sherman, *Democrats Rush into Arms of Super PACs*, POLITICO (May 16, 2012), <http://politi.co/L4kpc9>.

House Majority PAC, Majority PAC, and Priorities USA. held a fundraising event it dubbed “Super O Rama.”¹⁹³

The invitation for the event sought contributions ranging from \$25,000 to \$100,000, with various rewards for each. For instance, \$100,000 contributors were promised six tickets to a “Brunch with Democratic Leaders,” which the solicitation described as “an intimate gathering of Senior Democratic policy leaders from Capitol Hill and Democratic institutions.”¹⁹⁴

“Contributions to Unity Convention 2012 are unlimited and do not count against an individual or group’s federal limit,” the invitation said.¹⁹⁵

Republican Soft Money Groups

The Crossroads Groups

The seed for what became American Crossroads was planted in a 2008 *Wall Street Journal* op-ed by Karl Rove, the chief strategist for George W. Bush’s presidential campaigns. The op-ed lamented what Rove perceived as a shortage of Republican outside groups to counter Democratic-leaning labor and advocacy groups. “GOP fund-raisers and allies must create cost-effective independent expenditure groups for House and Senate races, or Republicans will sink under the weight of negative ads, mail, calls and canvassing,” Rove wrote.¹⁹⁶

American Crossroads creators were Rove and Ed Gillespie, a longtime Republican operative and lobbyist who served as chairman of the Republican National Committee from 2003 to 2005¹⁹⁷ and as a White House strategist during the second term of George W. Bush’s presidency.¹⁹⁸

In 2010, following the *Citizens United* decision, representatives of 18 conservative groups met at Rove’s Washington, D.C., house to discuss a budget for American Crossroads, which became a super PAC.¹⁹⁹ Shortly after American Crossroads was formed, its leaders created an offshoot, Crossroads GPS, which operates under Section 501(c)(4) of the tax code and, thus, may keep its donors secret. The Crossroads groups reported spending a combined

¹⁹³ *Super O Rama, Unity Convention 2012, Official Calendar of Events*. Published by POLITICO, <http://bit.ly/MZPwgG>.

¹⁹⁴ *Id.*

¹⁹⁵ *Id.*

¹⁹⁶ Karl Rove, *How the GOP Should Prepare for a Comeback*, THE WALL STREET JOURNAL (Dec. 11, 2008), <http://on.wsj.com/VHOC5P>. See also, Karen Tumulty, *Karl Rove and His Super PAC Vow to Press On*, THE WASHINGTON POST (Nov. 10, 2012), <http://wapo.st/W0lfgp>.

¹⁹⁷ *RNC Chairman: Democrats Increasingly ‘Liberal, Elitist, Angry,’* CNN (Dec. 4, 2003), <http://bit.ly/ScKiNl>.

¹⁹⁸ Michael A. Fletcher, *As Rove Departs, President Again Turns to Gillespie*, THE WASHINGTON POST (Aug. 16, 2007), <http://wapo.st/UgrblW>.

¹⁹⁹ *Id.*

\$38.2 million to influence the 2010 elections.²⁰⁰ In 2012, they reported spending \$175.7 million combined, about 60 percent of which was by the super PAC.²⁰¹ All of the groups' spending in both elections was to aid Republicans.

The groups' president is Steven Law, a former executive director of the National Republican Senatorial Committee.²⁰² Law also previously served as a campaign manager and chief of staff for Senate Minority Leader Mitch McConnell (R-Ky.).²⁰³ The chairman of the board of American Crossroads is Mike Duncan, a former chairman, treasurer and general counsel of the Republican National Committee.²⁰⁴

American Crossroads' political director during the 2012 election cycle was Carl Forti. In 2006, Forti managed the \$82 million independent expenditure campaign of the National Republican Congressional Committee.²⁰⁵ He also served as political director for Mitt Romney's 2008 presidential campaign, and as vice president of Freedom's Watch, a group that spent \$17.5 million to aid Republicans in the 2008 elections.²⁰⁶ During the 2012 election cycle, Forti co-founded Restore Our Future,²⁰⁷ the Romney super PAC.

Jo Ann Davidson, a director of American Crossroads, is a former co-chair of the Republican National Committee.²⁰⁸ Haley Barbour, a former governor of Mississippi and recent chairman of the Republican Governors Association, was reportedly a fundraiser for American Crossroads²⁰⁹ as was former Florida Gov. Jeb Bush (R).²¹⁰

Jonathan Collegio, who previously served as press secretary for the National Republican Congressional Committee, acted as communications director for both groups.²¹¹

²⁰⁰ Public Citizen, *Stealth PACs Project* (2010), <http://bit.ly/a67DvY>.

²⁰¹ Web site of the Center for Responsive Politics (viewed on Nov. 20, 2012), <http://bit.ly/QWBC0H>.

²⁰² American Crossroads, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/RemaZ5> and Crossroads GPS, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/PESxOh>.

²⁰³ Karen Tumulty, *Karl Rove and His Super PAC Vow to Press On*, THE WASHINGTON POST (Nov. 10, 2012), <http://wapo.st/W0lfgp>.

²⁰⁴ American Crossroads, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/RemaZ5>.

²⁰⁵ Andy Kroll, *Mitt Romney's \$12 Million Mystery Man: Meet Carl Forti, The Super-PAC Whiz Helping the GOP Front-Runner and Conservative Groups Rake in Piles of Dark Money*, MOTHER JONES (January-February 2012), <http://bit.ly/zLZNjc>.

²⁰⁶ Web site of the Center for Responsive Politics (viewed on Nov. 20, 2012), <http://bit.ly/TepBTB>.

²⁰⁷ Andy Kroll, *Mitt Romney's \$12 Million Mystery Man: Meet Carl Forti, The Super-PAC Whiz Helping the GOP Front-Runner and Conservative Groups Rake in Piles of Dark Money*, MOTHER JONES (January-February 2012), <http://bit.ly/zLZNjc>.

²⁰⁸ American Crossroads, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/RemaZ5>.

²⁰⁹ *PAC Profile: American Crossroads*, THE CENTER FOR PUBLIC INTEGRITY (updated Nov. 14, 2012), <http://bit.ly/RI0P2R>.

²¹⁰ Sheelah Kolhatkar, *Exclusive: Inside Karl Rove's Billionaire Fundraiser*, BUSINESS WEEK (Aug. 31, 2012), <http://buswk.co/OAXDff>.

²¹¹ American Crossroads, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/RemaZ5> and Crossroads GPS, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/PESxOh>.

Rob Collins was a director of Crossroads GPS during the 2012 election cycle. Collins is a former president of the American Action Network (another pro-Republican outside spending group, discussed later), a former chief of staff to House Majority Leader Eric Cantor (R-Va.) and a former staffer for both the Republican National Committee and National Republican Senatorial Committee.²¹² American Crossroads reportedly shared offices with the American Action Network at one time, although official filings of the groups disclose separate addresses.²¹³

Befitting its name, American Crossroads was often reported as being at the nexus of an effort by Republican outside groups to coordinate their messages. For instance, *Politico* reported that Forti “helps lead a monthly meeting known as the Weaver Terrace Group, where officials from a variety of conservative groups, like the American Action Network, gather at the Crossroads offices to plan their political spending.”²¹⁴ The Weaver Terrace Group was named after Rove’s house, where American Crossroads was born.²¹⁵

YG (Young Guns) Groups

A trio of groups including the initials YG (after Young Guns) was created in 2011 to “build off the Young Guns movement”²¹⁶ of House Majority Leader Eric Cantor (R-Va.), House Majority Whip Kevin McCarthy (R-Calif.) and House Budget Committee Chairman (and eventual vice presidential nominee) Paul Ryan (R-Wis.)

The groups were the YG Action Fund, a super PAC that promised to “play offense using a muscular communications and advocacy apparatus to positively define Republicans,”²¹⁷ the YG Action Network, a 501(c)(4) group purporting to be “dedicated to supporting conservative center-right policies”²¹⁸ and the YG Policy Center, which was to “commission studies and run educational programs.”²¹⁹

Cantor, McCarthy and Ryan adopted the “Young Guns” label after they were billed as such on the cover of the *Weekly Standard* in September 2007.²²⁰ The trio supported other “Young Guns” in the 2008 elections, according to a timeline published on the YG Action Fund Web site.²²¹ Subsequently, “the National Republican Congressional Committee

²¹² Crossroads GPS, *Leadership Team* (viewed on Nov. 20, 2012), <http://bit.ly/PESxOh>.

²¹³ Michael Crowley, *The New GOP Money Stampede*, TIME (Sept. 16, 2010), <http://ti.me/Pok9bb>.

²¹⁴ Nicholas Confessore, *Ex-Romney Aide Steers Vast Machine of G.O.P. Money*, THE NEW YORK TIMES (July 21, 2012), <http://nyti.ms/OQKwVR>.

²¹⁵ Karen Tumulty, *Karl Rove and His Super PAC Vow to Press On*, THE WASHINGTON POST (Nov. 10, 2012), <http://wapo.st/W0lfgp>

²¹⁶ YG Action, *About YG* (Timeline) (viewed on Nov. 20, 2012), <http://bit.ly/SPgFQI>.

²¹⁷ YG Action, *About YG* (viewed on Nov. 20, 2012), <http://bit.ly/QWCPVM>.

²¹⁸ YG Network, *About YG* (viewed on Nov. 20, 2012), <http://bit.ly/T2eKsm>.

²¹⁹ YG Action, *About YG* (Timeline) (viewed on Nov. 20, 2012), <http://bit.ly/SPgFQI>.

²²⁰ *Id.*

²²¹ *Id.*

adopted the Young Guns program as the candidate recruitment and training program,” according to YG Action’s account.²²² In 2010, the three congressmen published a book titled *Young Guns: A New Generation of Conservative Leaders*.²²³

YG Action spent \$4.7 million aiding Republican House candidates in 2012.²²⁴ The YG Network, the purported lobbying group, spent \$2.9 million on the elections, almost entirely in support of Republicans House candidates.²²⁵ The Web site of the YG Policy Center, the groups’ charitable arm, provides a link to “research materials.” But the only material presented is a survey concerning Americans’ view on government health care reform. YG Policy Center also took credit for the survey in a press release, which said the survey’s results demonstrated Americans’ disapproval with the Affordable Healthcare Act, the health care reform law championed by President Obama.²²⁶

The groups are led by John Murray and Brad Dayspring, both former deputy chiefs of staff for Cantor.²²⁷ YG Network Vice President Nick Bouknight previously served as deputy chief of staff to McCarthy.²²⁸

Murray acknowledged that he frequently talks to Cantor in service of his responsibilities for the YG groups. “I see Eric as a function of me raising money, and in the course of conversation, does he ask me about my thoughts on communications things? Sure,” Murray told *Politico* in August 2012. “I’ve talked to Eric because I have a relationship with him through YG Action Fund and fundraising just like the rest of the folks who do what I do for a living.”²²⁹ Dayspring also continued to advise Cantor on communications strategy while working for the YG groups, *Politico* reported.²³⁰

Cantor himself “made phone calls and attended several events to raise money on behalf of the YG Action Fund,” *Politico* reported.²³¹

YG Action reported \$5.9 million in contributions. Of that \$5 million came from casino mogul Sheldon Adelson and his wife, Miriam. The affiliated YG Network, which does not disclose donors, ran an initiative called “Woman Up” during the 2012 campaign to “research,

²²² *Id.*

²²³ *Id.*

²²⁴ Web site of the Center for Responsive Politics (viewed on Nov. 20, 2012), <http://bit.ly/ScMWTk>.

²²⁵ Web site of the Center for Responsive Politics (viewed on Nov. 20, 2012), <http://bit.ly/10pavw8>.

²²⁶ YG Policy Center, *Research Materials*, <http://bit.ly/AENQG5>.

²²⁷ YG Action, *About YG* (Timeline) (viewed on Nov. 20, 2012), <http://bit.ly/SPgFQI>.

²²⁸ *Id.*

²²⁹ Jake Sherman, John Bresnahan and Kenneth P. Vogel, *A Super PAC-Politician Firewall? Not Quite*, POLITICO (Aug. 23, 2012), <http://politi.co/PxgaKq>.

²³⁰ *Id.*

²³¹ John Bresnahan, Manu Raju and Jake Sherman, *Democrats Rush into Arms of Super PACs*, POLITICO (May 16, 2012), <http://politi.co/L4kpc9>.

communicate and prioritize the issues most important to women.”²³² During the 2012 Republican convention, Woman Up operated a pavilion named in honor of Miriam Adelson.²³³

American Action Network and Congressional Leadership Fund

These two groups, which share office space and personnel, are run by individuals with backgrounds in the upper echelons of the Republican Party leadership structure.

The American Action Network, a 501(c)(4) organization, reported to the Federal Election Commission that it made \$11.7 million in independent expenditures to influence the 2012 elections.²³⁴ The group’s efforts were entirely devoted to furthering the prospects of Republican candidates or hurting Democrats’ chances.²³⁵

The group was founded in 2010 by former Sen. Norm Coleman (R-Minn.) and Fred Malek, a former official in the Nixon administration and longtime GOP fundraiser.²³⁶ Brian Walsh, former political director for the National Republican Congressional Committee, is the group’s president.²³⁷ Walsh succeeded Rob Collins, a former top aide to Cantor, who moved to Crossroads GPS.

The American Action Network was conceived in 2010 as a successor to the National Council for a New America. The National Council was a project spearheaded by Republican “to help redefine the tarnished [GOP] party brand after the 2008 elections,” *The Wall Street Journal* reported.²³⁸

American Action Network’s directors include former Rep. and National Republican Congressional Committee Chairman Tom Reynolds (R-N.Y.)²³⁹; Boyden Gray, former counsel to President George H.W. Bush and a longtime Republican fundraiser; former Sen. George Allen (R-Va.); and former Rep. and longtime lobbyist Vin Weber (R-Minn.).²⁴⁰

The American Action Network reported to the Federal Election Commission 2010 that it spent \$4 million on independent expenditures (which expressly advocate for the election or defeat of a candidate) and \$15.4 million on electioneering communications (which cover

²³² YG Network ‘Woman Up!’ Pavilion to be Named in Honor of Miriam Adelson, M.D., YG Network (blog) (Aug. 24, 2012), <http://bit.ly/NP07Hh>.

²³³ *Id.*

²³⁴ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/UH4DZP>.

²³⁵ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/QtaYwK>.

²³⁶ American Action Network / American Action Forum, FACT CHECK.ORG (Sept. 18, 2011), <http://bit.ly/Lzvjcl>

²³⁷ American Action Network, *President* (viewed on Nov. 20, 2012), <http://bit.ly/T2frSt>.

²³⁸ Susan Davis, *Republican Leaders Forming New Political Group*, THE WALL STREET JOURNAL (Jan. 29, 2010), <http://on.wsj.com/9oQJ5M>.

²³⁹ American Action Network, *About* (viewed on Nov. 20, 2012), <http://bit.ly/nCGk73> and Celeste Katz, *Reynolds Out*, NEW YORK DAILY NEWS (March 19, 2008), <http://nydn.us/8eg64T>.

²⁴⁰ American Action Network, *About* (viewed on Nov. 20, 2012), <http://bit.ly/nCGk73>.

messages broadcast in the run-up to elections that refer to a candidate but do not include express advocacy).²⁴¹ The combined total of \$19.8 million represented the vast majority of the \$25.7 million in overall spending for 2010 that the group reported to the IRS.²⁴² This creates a strong impression that the group violated rules prohibiting a 501(c) group from devoting the majority of its efforts to influencing elections.

But the American Action Network reported to the IRS that it made only \$5.5 million in “political expenditures” in 2010.²⁴³ The IRS defines political expenditures as those financing “all functions that influence or attempt to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office ...”²⁴⁴ For the group’s representation of its political expenditures in its filing with the IRS to be accurate, only \$1.5 million of the \$15.4 million it spent on advertisements mentioning candidates in the run-up to the 2010 elections could have been intended to influence the outcomes of elections.

The Congressional Leadership Fund, a super PAC, bills itself as “an independent expenditure fund focused solely and exclusively on maintaining the Republican majority in the House of Representatives.”²⁴⁵ It spent \$9.5 million in the 2012 election cycle, entirely for messages opposing Democratic House candidate.²⁴⁶

News reports often characterize the fund as being linked to Speaker of the House John Boehner (R-Ohio).²⁴⁷ The super PAC’s Web site reports that its inaugural event featured House Republican luminaries including Boehner, Cantor, McCarthy and National Republican Congressional Committee Chairman Pete Sessions (R-Texas). More than 80 Republican House members also attended the event, according to the super PAC’s account.²⁴⁸

Boehner attended at least one Congressional Leadership Fund fundraiser, according to *Politico*.²⁴⁹ Barry Jackson, chief of staff to Boehner, appeared at an event with Pete Mechum, chief fundraiser for the group.²⁵⁰

²⁴¹ Kim Barker, *How Nonprofits Spend Millions on Elections and Call it Public Welfare*, PROPUBLICA (Aug. 24, 2012), <http://bit.ly/PoFNid>.

²⁴² American Action Network Form 990 (2010).

²⁴³ *Id.*

²⁴⁴ Internal Revenue Service, *Instructions for Schedule C* (Form 990 or 990-EZ) (2010), <http://1.usa.gov/USDEv8>.

²⁴⁵ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/lh58X1>.

²⁴⁶ Web site of the Center for Responsive Politics (viewed on Dec. 30, 2012), <http://bit.ly/TOKCzB>.

²⁴⁷ See, e.g., David M. Drucker, *Congressional Leadership Fund Reports \$8.7M on Hand*, ROLL CALL (Oct. 25, 2012), <http://bit.ly/WuVIRd>.

²⁴⁸ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/lh58X1>.

²⁴⁹ John Bresnahan, Manu Raju and Jake Sherman, *Democrats Rush into Arms of Super PACs*, POLITICO (May 16, 2012), <http://politi.co/L4kpc9>.

The Congressional Leadership Fund reported receiving a \$2.5 million contribution from oil giant Chevron in October 2012.²⁵¹ That was the largest reported contribution from a publicly traded corporation to a super PAC.²⁵² The contribution also violated a federal law prohibiting government contractors from contributing money to federal political committee, Public Citizen charged in a complaint filed with the Federal Election Commission in January 2012.²⁵³

The Congressional Leadership Fund is chaired by Coleman, who serves the same function for the American Action Network. Malek, Reynolds, and Weber serve on the boards of the Congressional Leadership Fund and American Action Network. Brian Walsh, former political director for the NRCC, serves as president of both groups.²⁵⁴

“The Congressional Leadership Fund is an opportunity for center-right voices throughout America to support our House Republican majority,” Malek said in a statement announcing the group's formation in 2011.²⁵⁵

Terry Holt, a former spokesman for Boehner (R-Ohio), served as a spokesman for the Congressional Leadership Fund. “The idea here is to leverage the political and fundraising support that there is for the Republican majority in the House and to get the resources it’s going to take to defend against the other outside special interests that are intent on wresting control from the Republican majority and putting the House back in the hands of Nancy Pelosi,” Holt told the *Huffington Post*.²⁵⁶

²⁵⁰ *Id.*

²⁵¹ Public Citizen analysis of Federal Election Commission data downloaded from the Sunlight Foundation (Jan. 3, 2013), www.sunlightfoundation.com.

²⁵² Dan Eggen, *Chevron Donates \$2.5 Million to GOP Super PAC*, THE WASHINGTON POST (blog) (Oct. 26, 2012), <http://wapo.st/P8SzmM>

²⁵³ Public Citizen v. Chevron USA Inc. and Congressional Leadership Fund, Complaint filed with the Federal Election Commission (March 2013), <http://bit.ly/14NazlY>.

²⁵⁴ Congressional Leadership Fund, *About* (viewed on Nov. 20, 2012), <http://bit.ly/1h58X1> and American Action Network, *About* (viewed on Nov. 20, 2012), <http://bit.ly/nCGk73>.

²⁵⁵ Paul Blumenthal, *House Republican Super PAC Ready to Raise Unlimited Funds to Retain GOP Majority*, THE HUFFINGTON POST (Dec. 13, 2012), <http://huff.to/qwoeFS>.

²⁵⁶ *Id.*

VIII. Conclusion: *Citizens United* Has Failed on Its Own Terms

The *Citizens United* decision relied on the assumption that the new expenditures it permitted would be independent. The facts in this report demonstrate that much of the spending in 2012 that flowed from the decision was by groups that plainly were not independent of the candidates or parties they aided.

The manifest absence of independence leaves little room to avoid concluding that the *Citizens United* decision has failed on its own terms.

One possible defense of the decision in light of the events of the 2012 elections would be to argue that the justices who signed it believed that any expenditure that passed legal muster as an “independent expenditure” must not threaten to cause corruption. Therefore, if the outside spending in 2012 complied with the law (meaning it did not run afoul with coordination laws), it must not have threatened to cause corruption even if much of the spending violated the intent of anti-coordination laws.

But such a rationalization would invalidate the court’s logic in concluding that spending by independent entities is not potentially corrupting. That logic relied on the assumption that outside groups’ spending would be “independent” as the word is defined in reality, not just in law.

Another possible way to exonerate the decision would be to place the blame for the absence of independence on overly permissive rules governing coordination.

Indeed, the 2012 elections showed coordination rules to be far too porous. But it is doubtful that tighter rules could guarantee truly independent behavior by outside spending groups. Coordination finance lawyers have long shown themselves to be masters at devising methods to comply with the letter of laws while trampling on their intent. It is doubtful they would be stymied by laws governing behavior as subtle as coordination.

There are plenty of reasons to dispute the court’s core assumption that truly independent expenditures financed with large contributions (or funded from the treasuries of established businesses) do not pose a risk of causing corruption.

But one does not need to prove the danger of truly independent activities to conclude that the theory put forth in the *Citizens United* decision is fatally flawed. The inability to ensure that outside groups will truly act independently renders the *Citizens United* experiment unsalvageable.

Appendix

Independent Expenditures by Single Candidate Super PACs

Group	Group's Legal Status	Amount Spent	Candidate Supported
Restore Our Future	Super PAC	\$142,655,218	Mitt Romney
Priorities USA Action	Super PAC	\$66,182,126	Barack Obama
Americans for Prosperity	501(c)	\$39,448,456	Mitt Romney
Winning Our Future	Super PAC	\$17,007,762	Newt Gingrich
Red, White & Blue	Super PAC	\$7,529,554	Rick Santorum
Texas Conservatives Fund	Super PAC	\$5,872,431	David Dewhurst
Independence Virginia PAC	Super PAC	\$4,921,410	George Allen
Republican Jewish Coalition	501(c)	\$4,595,671	Mitt Romney*
Make Us Great Again	Super PAC	\$3,959,824	Rick Perry
Our Destiny PAC	Super PAC	\$2,804,234	Jon Huntsman
American Energy Alliance	501(c)	\$2,622,200	Mitt Romney
Treasure Coast Jobs Coalition	Super PAC	\$2,436,141	Allen West
New American Energy Opportunity Fndtn.	501(c)	\$2,033,250	Mitt Romney
Restore America's Voice PAC	Super PAC	\$1,797,419	Mitt Romney
Republicans for a Prosperous America	Super PAC	\$1,758,321	Mitt Romney
People for the American Way	527	\$1,737,566	Barack Obama*
America's Next Generation	Super PAC	\$1,730,444	Mitt Romney
Ending Spending 501	Super PAC	\$1,718,090	Richard Mourdock
End the Gridlock	Super PAC	\$1,706,952	Bob Kerrey
Super PAC for America	Super PAC	\$1,508,678	Mitt Romney
Rightchange.com	527	\$1,500,000	Mitt Romney
Americans Elect	501(c)	\$1,428,495	Angus King
Cmte to Elect Effective Valley Congressman	Super PAC	\$1,302,294	Howard Berman
America 360 Cmte	Super PAC	\$1,250,727	Scott Brown (Mass)
Local Voices	Super PAC	\$1,232,610	Barack Obama
Rethink PAC	Super PAC	\$1,158,830	Elizabeth Warren
America Shining	Super PAC	\$1,090,214	Jay Chen*
Special Operations OPSEC Education Fund	501(c)	\$982,000	Mitt Romney
Texans for America's Future	Super PAC	\$953,302	Barack Obama
Republican Union PAC	Super PAC	\$950,000	Mitt Romney
Conservative Renewal	Super PAC	\$903,500	David Dewhurst
Michigan League of Conservation Voters	501(c)	\$860,237	Gary McDowell
Black Men Vote	Super PAC	\$842,761	Barack Obama
Hispanic Leadership Fund	501(c)	\$838,419	Mitt Romney
Veterans for a Strong America	501(c)	\$762,122	Mitt Romney
Friends of the Majority	Super PAC	\$745,755	Ben Quayle
Republican State Leadership Cmte.	Other/Unknown	\$692,076	Barack Obama
SecureAmericaNow.org	501(c)	\$670,660	Mitt Romney

Group	Group's Legal Status	Amount Spent	Candidate Supported
Fund for Freedom	Super PAC	\$670,000	Linda Lingle
American Chemistry Council	501(c)	\$648,600	Tommy Thompson
Prosperity for Michigan	Super PAC	\$645,410	Clark Durant
Campaign for American Values	Super PAC	\$582,362	Mitt Romney
Faith & Freedom Coalition	501(c)	\$542,650	Mitt Romney
American Foundations Cmte.	Super PAC	\$535,082	George Holding
Crossroads Generation	Super PAC	\$513,588	Mitt Romney
Republican Super PAC	Super PAC	\$512,095	Art Robinson
Filangieri Society 4 Justice & Good Govt.	501(c)	\$509,906	Mitt Romney
California for Integrity in Government	Super PAC	\$502,817	Brad Sherman*
Freedom & Liberty PAC	Super PAC	\$500,000	Gary Johnson
Connecticut's Future PAC	Super PAC	\$495,734	Chris Murphy
Hispanic Leadership Fund Action	Super PAC	\$495,484	Mitt Romney
Fight for the Dream	Super PAC	\$483,800	Tom Smith
Indiana Values Super PAC	Super PAC	\$459,606	Richard Lugar
SEIU Local 1199 United Healthcare Workers	501(c)	\$451,061	Barack Obama
Republican Senate Campaign Committee	Other/Unknown	\$444,429	Mitt Romney
Santa Rita Super PAC	Super PAC	\$427,375	Ron Paul
9-9-9 FUND	Super PAC	\$411,055	Herman Cain
Concerned Women for American Leg. Act.	501(c)	\$405,350	Mia Love
Patriot Majority	Super PAC	\$404,975	Barack Obama
Protect the Harvest	Other/Unknown	\$395,532	Steve King
Ohio Families United	Super PAC	\$385,000	Sherrod Brown
Protect Our Schools Fund	Super PAC	\$367,974	John Tierney
Maine Freedom	Super PAC	\$359,000	Charles Summers
Mayors Against Illegal Guns Action Fund	501(c)	\$351,183	Barack Obama
Defenders of Wildlife Action Committee	Super PAC	\$343,082	Martin Heinrich
Progress for Washington	Super PAC	\$341,107	Laura Ruderman
The Catholic Assn.	501(c)	\$332,175	Mitt Romney
Saving Florida's Future	Super PAC	\$306,818	Bill Nelson
NRDC Action Fund	501(c)	\$286,750	Martin Heinrich
Believe in Indiana	Other/Unknown	\$284,976	Joe Donnelly
New Directions for America	Super PAC	\$282,147	Dan Roberti
Citizens for Community Values Action	Other/Unknown	\$274,367	Mitt Romney
New Jersey Education Assn. (501c)	501(c)	\$268,381	John Adler
American Jobs PAC	Super PAC	\$259,691	Newt Gingrich
Strong Economy for Massachusetts	Super PAC	\$255,142	Richard Tisei
Let Freedom Ring	501(c)	\$224,086	Mitt Romney
Strong America Now	Super PAC	\$220,145	Newt Gingrich
Marylanders for Marriage Equality	501(c)	\$220,000	Barack Obama
Louisiana Prosperity	Super PAC	\$214,407	Charles Boustany

Group	Group's Legal Status	Amount Spent	Candidate Supported
Central Valley Independent PAC	Super PAC	\$210,929	Brian Whelan
Melaleuca Inc.	Other/Unknown	\$204,479	Mitt Romney
Americans for Rick Perry	Super PAC	\$202,865	Rick Perry
Fair Wisconsin	Other/Unknown	\$190,898	Tammy Baldwin
USA Super PAC	Super PAC	\$190,085	Richard Mourdock
People's Majority	Super PAC	\$183,165	Barry Hinckley
Painters & Allied Trades Union	501(c)	\$182,758	Barack Obama
Hoosiers for Jobs	Super PAC	\$175,185	Richard Lugar
Freedom Fund for America's Future	Super PAC	\$175,145	Oppose Tom Smith
Conservatives Acting Together PAC	Super PAC	\$172,720	Michael Williams
Revolution PAC	Super PAC	\$172,141	Ron Paul
Winning Freedom	Super PAC	\$170,134	Newt Gingrich
American Postal Workers Union	Other/Unknown	\$167,398	Barack Obama*
Environment America	501(c)	\$162,663	Martin Heinrich*
1911 United	Super PAC	\$157,323	Barack Obama
Painters & Allied Trades District Council 50	Super PAC	\$139,853	Mazie Hirono
Leaders for Families	Super PAC	\$135,468	Rick Santorum
Conservative Values Project	Super PAC	\$134,525	Trey Radel
Montana League of Rural Voters	501(c)	\$133,555	John Tester
Fidelis	501(c)	\$133,519	Rick Santorum
Character Counts PAC	Super PAC	\$131,890	Oppose T. Radel
Congressional Elections PAC	Super PAC	\$127,300	Lou Ann Zelenick
Natural Guardian LLC	Other/Unknown	\$122,767	Mitt Romney
Californians for a Stronger America	Super PAC	\$120,000	Mary Bono
Real Street Conservatives PAC	Super PAC	\$120,000	Craig James
American Sunrise	Super PAC	\$118,578	Patrick Murphy
America vs. Obama	Super PAC	\$118,449	Mitt Romney
Liberty Action PAC	Super PAC	\$117,506	Mitt Romney
Our Community Votes	501(c)	\$105,795	Robert Menendez
Arizonans for Jobs	Super PAC	\$103,417	Jeff Flake
FedUp PAC	Super PAC	\$102,544	Mitt Romney*
Critical Choice for America PAC	Super PAC	\$100,480	Mitt Romney
Cmte. for an Effective & Trusted Cngrsman	Super PAC	\$100,000	Henry Waxman

Source: The Center for Responsive Politics (www.opensecrets.org). Figures as of Dec. 30, 2012.

* Group spent less than 1 percent of its resources on race(s) involving other candidates.