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The Republican Party and the Chamber of Secrets

How the U.S. Chamber of Commerce Waved Its Dark Money Wand on the 2016 Elections and Elected a Slew of GOP Politicians Beholden to Big Business

Acknowledgments

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Introduction

The U.S. Chamber of Commerce (Chamber) was the second largest overall non-disclosing (or “dark money”) outside spender in 2016 federal races after the National Rifle Association, and was the largest non-disclosing outside spender on 2016 congressional races. Additionally, the Chamber was the largest non-disclosing outside spender in 75 percent of the races in which it spent money. The Chamber involved itself most heavily in races for the U.S. Senate, spending a total of \$25.8 million in 10 Senate races. This deluge began with a \$10 million ad buy in swing states last spring as a part of their “Save the Senate” campaign, a campaign organized jointly with leading Republicans whose goal was to prevent a Democratic takeover of the closely-divided body.¹ Moreover, for the first time, 100 percent of the Chamber’s general election spending benefited Republican candidates, suggesting that rather than being a nonpartisan voice for American business, the Chamber has become a voice solely for the Republican Party.

The Chamber is a trade association organized under section 501(c)(6) of the tax code. Unlike political action committees (PACs) and super PACs, which must disclose their donors, groups organized under section 501(c) are not required to disclose the sources of their funding. 501(c) groups that engage in electioneering activities without disclosing their donors are referred to as “dark money” groups. While 501(c) groups are not required to disclose the sources of the money they spend on elections, all outside elections spenders must disclose to the Federal Election Commission their independent electioneering expenditure totals.²

This report examines the Chamber’s spending in the 2016 election cycle and how the Chamber’s efforts compare with other non-disclosing outside groups, while also comparing 2016 data to the data from 2014 that were examined in a report by U.S. Chamber Watch titled, “The Dark Side of *Citizens United*.”³ Our analysis uses campaign spending data from the Center for Responsive Politics.

Federal Spending

The Chamber spent a total of \$29.8 million on congressional races during the 2016 election cycle, making it the second largest dark money spender in 2016 federal races after the National Rifle Association. [See Table 1a]

¹ Kristina Peterson, *Business Makes Senate Push*, WALL STREET JOURNAL (May 30, 2016), <http://on.wsj.com/1WVkJE4>

² The FEC and Federal Campaign Finance Law, Independent Expenditures, available at <http://bit.ly/2gvOAVv>.

³ SAM JEWELER, PUBLIC CITIZEN, THE DARK SIDE OF CITIZENS UNITED: THE U.S. CHAMBER OF COMMERCE IS THE BIGGEST SPENDER OF UNDISCLOSED MONEY IN 28 OF 25 CONGRESSIONAL CONTESTS 3 (October 2012), <http://bit.ly/2f9QB5z>

Table 1a: Spending by Top 10 Non-Disclosing Outside Groups in 2016 Federal Elections

Rank	Group	Total	View*
1	National Rifle Association	\$33,585,089	C
2	U.S. Chamber of Commerce	\$29,771,619	C
3	45 Committee	\$21,339,017	C
4	Americans for Prosperity	\$14,022,484	C
5	American Future Fund	\$12,735,724	C
6	Majority Forward	\$10,127,545	L
7	League of Conservation Voters	\$7,292,098	L
8	American Action Network	\$5,559,198	C
9	Environmental Defense Action Fund	\$4,341,655	L
10	Club for Growth	\$4,061,723	C

Source: Center for Responsive Politics (www.opensecrets.org)

*View: C = Conservative, L = Liberal, as determined by the Center for Responsive Politics

The Chamber was also the largest dark money spender on congressional races in 2016, spending more than \$15 million more than the next largest non-disclosing outside spender. [See Table 1b]

Table 1b: Spending by Top 10 Non-Disclosing Outside Groups in 2016 Congressional Elections

Rank	Group	Total	View*
1	U.S. Chamber of Commerce	\$29,771,619	C
2	Americans for Prosperity	\$14,022,484	C
3	National Rifle Association	\$12,643,928	C
4	Majority Forward	\$9,819,955	L
5	American Federation of St/Cnty/Munic Employees	\$7,770,147	L
6	League of Conservation Voters	\$6,620,762	L
7	American Action Network	\$5,559,198	C
8	American Future Fund	\$4,436,291	C
9	Environmental Defense Action Fund	\$4,152,345	L
10	One Nation	\$3,405,820	C

Source: Center for Responsive Politics (www.opensecrets.org)

*View: C = Conservative, L = Liberal, as determined by the Center for Responsive Politics

The Chamber sought to influence 16 congressional races; out of the 16 total races that the Chamber involved itself in, it was the top spender in 12 races. While this represents a significant decrease from the 35 congressional races in which it spent money in 2014, the total amount of money spent by the Chamber on congressional races only declined by \$5.7 million (16%). Moreover, the average spent per Senate race increased from \$1.7 million in 2014 to \$2.6 million in 2016. [See Table 2]

Table 2: Chamber Spending in 2016 Congressional Contests

	Race (District for House Contests)	Candidates	U.S. Chamber Spending	U.S. Chamber Ranking Among Nondisclosing Groups	Outcome for Chamber- backed Candidate
1	Pa. Senate	Katie McGinty (D) v. Pat Toomey (R)	\$6,106,150	1 of 27	W
2	Ohio Senate	Ted Strickland (D) v. Rob Portman (R)	\$4,606,324	1 of 13	W
3	Nev. Senate	Catherine Cortez Masto (D) v. Joe Heck (R)	\$4,215,961	1 of 27	L
4	N.H. Senate	Maggie Hassan (D) v. Kelly Ayotte (R)	\$3,010,600	1 of 14	L
5	Ind. Senate	Evan Bayh (D) v. Todd Young (R)	\$2,749,450	1 of 8	W
6	Ala House 2*	Roby Martha (R) v. Becky Gerritson (R)	\$1,750,150	1 of 2	W
7	Fla Senate	Patrick Murphy (D) v. Marco Rubio (R)	\$1,500,150	4 of 18	W
8	Wis. Senate	Russ Feingold (D) v. Ron Johnson (R)	\$1,350,450	2 of 15	W
9	Ariz. Senate	Ann Kirkpatrick (D) v. John McCain (R)	\$1,250,150	1 of 6	W
10	Mo. Senate	Jason Kander (D) v. Roy Blunt (R)	\$1,000,150	4 of 15	W
11	Ga. House 3*	Mike Crane (R) v. Drew Ferguson (R)	\$650,150	1 of 1	W
12	Ill. Senate	Tammy Duckworth (D) v. Mark Kirk (R)	\$550,150	2 of 4	L
13	Kan. House 01*	Tim Huelskamp (R) v. Roger Marshall (R)	\$401,907	1 of 2	W
14	N.Y. House 11	Richard Reichard (D) v. Dan Donovan (R)	\$129,427	1 of 1	W
15	Ky. House 01*	James Comer (R) v. Michael Pape (R) v. Jason Batts (R)	\$100,150	1 of 2	W
16	Ill. House 18*	Darin LaHood (R) v. Mike Flynn (R)	\$100,150	1 of 2	W
	Total		\$29,471,469		

Source: Center for Responsive Politics (www.opensecrets.org) *Primary Election

The Chamber spent \$26.5 million in the 11 general election races, in addition to \$3 million in five GOP primary races, averaging \$3.8 million per race in the general, and \$600,000 per primary race. It was the only dark money spender in 2 races out of the 16 in which it spent money, and 1 of 2 dark money spenders in a quarter of the races. Five out of six of these races were GOP primary races.

The 2016 elections were marked by a fierce battle for control of the Senate, and nine Senate races saw at least \$25 million in outside spending- political expenditures from outside groups that are independent of a candidates' committee. The Chamber reported expenditures in eight of these nine races and in eight of the 10 congressional races that drew the most outside spending in 2016. [See Table 3] Out of the top ten races with the most outside spending, the Chamber was the highest spender among non-disclosing groups in five races. Both the Pennsylvania and New Hampshire Senate contests broke spending records, with campaigns and outside groups spending a total of \$164 million and \$121 million, respectively.⁴ In Pennsylvania, the Chamber was the largest non-disclosing spender, spending more than \$6.1 million, over \$200,000 more than the next highest

⁴ Soo Rin Kim, *Parties Pull Out the Stops with "Outside" Spending*, OPENSECRETS BLOG (November 10, 2016), <http://bit.ly/2fG9m1R>.

non-disclosing spender, Majority Forward. In New Hampshire, the Chamber was also the largest non-disclosing spender, spending more than \$3 million, while the next largest non-discloser spent only \$709,923.

Table 3: Top 10 Outside Spending Congressional Races in 2016 Election

Rank	Race (District for House Contests)	Candidates	U.S. Chamber Spending	Total Outside Spending
1	Pa. Senate	Katie McGinty (D) v. Pat Toomey (R)	\$6,106,150	\$117,863,823
2	N.H. Senate	Maggie Hassan (D) v. Kelly Ayotte (R)	\$3,010,600	\$90,754,788
3	Nev. Senate	Catherine Cortez Masto (D) v. Joe Heck (R)	\$4,215,961	\$90,654,145
4	N.C. Senate	Deborah Ross (D) v. Richard Burr (R)	\$0	\$59,088,388
5	Ohio Senate	Ted Strickland (D) v. Rob Portman (R)	\$4,606,324	\$51,567,703
6	Fla. Senate	Patrick Murphy (D) v. Marco Rubio (R)	\$1,500,150	\$49,646,281
7	Ind. Senate	Evan Bayh (D) v. Todd Young (R)	\$2,749,450	\$45,681,549
8	Mo. Senate	Jason Kander (D) v. Roy Blunt (R)	\$1,000,150	\$44,742,539
9	Wis. Senate	Russ Feingold (D) v. Ron Johnson (R)	\$1,350,450	\$26,448,808
10	Nev. House 3	Danny Tarkanian (D) v. Jacky Rosen (R)	\$0	\$16,886,961

Source: Center for Responsive Politics (www.opensecrets.org)

Of these top ten ten races, there were only two in which the Chamber did not spend money, the North Carolina Senate race between Deborah Ross (D) and Richard Burr (R), and the Nevada House race between Danny Tarkanian (R) and Jacky Rosen (D).

The Chamber's Partisanship

The Chamber's "Save the Senate" effort was led by influential Republicans who were sent to raise funds for candidates in tight races. The influential Republicans included Mitt Romney, Jeb Bush, Carly Fiorina, and several others, including those who did and did not support Donald Trump.⁵ Of the ten marquee Senate races in which the Chamber spent money, seven Chamber-backed Republicans won, thus guaranteeing the GOP a continued majority in the Senate.

In comparison to past election cycles when the Chamber spent a small amount of money to support Democratic candidates for Congress, the entirety of the Chamber's general election spending in 2016 congressional races was to aid Republicans and/or hinder Democrats. The Chamber did not spend any money in support of a single Democratic congressional candidate in 2016. It spent a reported \$13.1 million to support Republicans, and another \$16.5 million against Democrats. The nearly \$200,000 that the Chamber reports spending against Republicans was not money that went to support Democrats, but rather to aid a Republican primary challenger.

⁵ Kristina Peterson, *Business Makes Senate Push*, THE WALL STREET JOURNAL (May 30, 2016), <http://on.wsj.com/1WVkJE4>

Of the 16 races in which the Chamber spent money, five races were GOP primary races. In these races, the Chamber spent a total more than \$3 million, with more than a third of that being spent on the GOP primary race between for Alabama's 2nd Congressional district between Martha Roby and Becky Gerritson. The Chamber spent \$1.8 million in support of Roby, the highest amount by an outside spending group, the next highest being \$32,230. Roby's challenger, who lost the primary election, only benefited from \$5, 771 in outside spending.

The only non-Senate, non-primary House race in which the Chamber spent money was the race between Richard Reichard (D) and Daniel Donovan (R) in New York's 11th District. The Chamber spent more than any other non-disclosing outside group in the race.

State Spending

While federal election law requires the Chamber to disclose electioneering expenditures that it makes under its own name in federal races, it is nearly impossible to grasp the full scope of its involvement in state level races, thanks to often weak state disclosure laws and the funneling of money through other outside organizations. In addition to the record-breaking House and Senate races of 2016, outside groups poured millions of dollars into state Supreme Court races, state legislative races, and gubernatorial races.

The Republican State Leadership Committee, for example, spent \$800,000 to support a Colorado state senate candidate, and several hundreds of thousands of dollars on state races in North Carolina, Montana, Nevada and other states.⁶ While the Chamber may not appear to be directly involved in these races, it happens to be the RLSC's largest donor, having given over \$2 million in 2016 alone. Similarly, while the Chamber may not have directly funded the North Carolina Senate race, it did spend large sums of money on North Carolina's state Supreme Court race between incumbent Justice Robert Edmunds and his challenger, State Superior Court Judge Michael Morgan. The North Carolina Chamber of Commerce, which backed Edmunds, received \$1 million from the U.S. Chamber of Commerce's Institute for Legal Reform that was spent on TV ads supporting Edmunds. The RLSC and the North Carolina Chamber of Commerce are just two examples of ways in which the Chamber can influence state races without having to be the face of dark money election spending.

Conclusion

The Chamber's deluge of dark money in both federal and state races should alarm all those concerned about the health of our democracy. When the nation's leading business group can form an explicit alliance with one of our two major parties and then together solicit unlimited donations from anonymous donors, it is clear that our post-*Citizens United* world has become the equivalent of the Wild West. Individual voters and small businesses should be worried that their voices will be entirely shut out by this flood of outside corporate money spent in their elections.

⁶ Calvin Sloan, *Republican State Leadership Committee Spends Big to Keep State Houses in the Red*, CENTER FOR MEDIA AND DEMOCRACY (November 8, 2016), <http://bit.ly/2fouYP3>

And the corporations that fund the Chamber should ask themselves if they want to continue funding an organization that has become aggressively partisan in nature, one that advances a reactionary anti-environmental, anti-worker, anti-consumer agenda. After all, business isn't an inherently partisan endeavor, and at least half of all consumers are likely to vehemently disagree with much of the Chamber's agenda. Why should companies continue to fund an organization that places partisan interests above business interests and risks alienating a good part of their customer base?