

# An Open Letter to Corporate America

## *Cease Political Spending Now*

January 27, 2021

Dear Corporate America,

On January 6, 2021, a violent mob stormed the U.S. Capitol, sending the country's elected leaders scrambling for their lives. Many in corporate America expressed outrage, saying the events were "shocking," "scary," and "an affront to the democratic values we hold dear as Americans."<sup>1</sup>

Immediately after the riot, 147 members of Congress voted against certifying the election.

Since 2016, these 147 members have received at least \$170 million combined from corporate and trade group PACs.<sup>2</sup> These same PACs have given millions more to their leadership PACs and outside groups that support them.<sup>3</sup>

Shortly after the vote, some corporations and trade groups began announcing that they would pause or end making contributions to the 147.<sup>4</sup> While these statements are an important symbol of disgust, promises to merely pause are not enough. All corporations and trade groups must pledge to cut these politicians off for life.

After a violent mob stormed the capitol searching for elected leaders to attack, kidnap or potentially assassinate – due in large part to the lies and conspiracy theories pushed by Donald Trump and his allies in Congress – 147 members of Congress then made the conscious decision to endorse many of the very same conspiracy theories by voting against certification. They should face long term consequences for these actions.

Ending contributions to the 147 would be a start, but it is far from enough. Politicians like Sens. Ron Johnson (R-Wis.)<sup>5</sup> and Lindsey Graham (R-S.C.)<sup>6</sup> perpetuated false claims about the election. Others signed on to lawsuits asking the U.S. Supreme Court to unjustly throw out several states' votes.<sup>7</sup> All of these politicians bear some responsibility for the siege of the Capitol building.

Instead of creating a list of insurrection-supporting or insurrection-enabling politicians, corporate America should use lessons from this episode as a basis to end their electioneering efforts, altogether.

Corporations' various announcements on how they plan to distance themselves from the 147 members of Congress illustrates their leaders' awareness of the reputational risks that accompany political activities. On a simple level, this lesson alone should justify getting out of the business of politics. On a more philosophical level, the entire notion of corporations meddling in politics cuts against the grain of the very root of democracy, which is people. Corporations' employees are free to contribute to candidates and participate in campaigns.

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<sup>1</sup> <https://www.nbcnews.com/business/business-news/ceos-business-leaders-condemn-appalling-events-capitol-push-unity-n1253161>

<sup>2</sup> <https://www.citizen.org/article/bankrolling-the-disenfranchisers/>

<sup>3</sup> <https://www.opensecrets.org/news/2021/01/objectors-to-electoralcollege-donors/>

<sup>4</sup> <https://popular.info/p/where-things-stand>

<sup>5</sup> <https://www.nbcnews.com/meet-the-press/meet-press-january-3-2021-n1252689>

<sup>6</sup> <https://www.newsweek.com/do-not-concede-mr-president-lindsey-graham-urges-trump-fight-hard-after-election-loss-1545849>

<sup>7</sup> <https://apnews.com/article/texas-led-election-lawsuit-litmus-test-e813a3380bd142d8d0a0a3e648363d27>

JPMorgan Chase CEO Jamie Dimon highlighted the perils of political activities by corporations recently. In an interview with the *New York Times*, Dimon criticized the "selfishness and parochialism" of business people meeting with policy makers, adding, "The first thing businesses should do is separate their company's interests from what's in the interest of the country."<sup>8</sup>

Corporate leaders who subscribe to that view should end their political operations immediately. They can do so by taking the following five steps.

1. **Shut-down their political action committees (PACs) immediately.** PACs offer corporations a way to exert undue influence over politicians and, as such, represent a low-level form of legalized bribery. The result of PAC contributions is that corporations obtain increased access to elected officials and a greater likelihood of receiving favorable treatment. Any claims that PAC contributions, on the contrary, represent wholesome participation in the democratic process are foreclosed by the fact that many PACs contribute the maximum allowable amount to the political committees of both major political parties. Further indicting PACs, employees of corporations are often tacitly compelled to give to PACs to advance their careers. This is not consistent with our democratic ideals.
2. **End all super PAC contributions.** Super PACs, which grew out of the Supreme Court's profoundly misguided *Citizens United* decision, are unregulated PACs that operate outside the boundaries of the regular campaign finance system. They are allowed to collect unlimited contributions. The court permitted this phenomenon based on its misguided assumption that "outside" groups would operate independently from elected officials. In reality, many super PACs are essentially arms of the major parties and elected officials. For example, the Congressional Leadership Fund, which has a stated purpose of helping Republicans win U.S. House seats, raised \$165 million in the 2020 election cycle. Contributions to this entity would serve to assist many of the same politicians, including House Minority Leader Kevin McCarthy (R-Calif.), whom many corporations have sworn to stop supporting in the wake of the Capitol siege. Corporations whose leaders respect our democratic system should declare that they will not give money to super PACs.
3. **End all contributions to dark money groups for electioneering.** Even worse than super PACs are third party nonprofit groups that accept unlimited contributions from secret donors and use that money to influence elections. By the plain language of the law, these groups are not even permitted to be involved in influencing elections. But a series of permissive court rulings like *Citizens United vs. FEC* combined with feckless enforcement have allowed these groups to play a prominent role in elections. Both major parties have established their own nonprofit groups to further their causes. Many trade associations also spend money to influence elections while keeping their donors secret. Corporations whose leaders respect our democratic system should declare that they will not give money to nonprofit groups that spend money to influence elections.
4. **End all spending to influence elections at the state and local level.** Unlike at the federal level, corporations can donate directly from their corporate treasuries to some state- level politicians and state- level political committees. Corporations should pledge to not get involved in elections at the state and local level.

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<sup>8</sup> <https://www.nytimes.com/2021/01/19/business/dealbook/trump-globalism.html?action=click&module=Top%20Stories&pgtype=Homepage>

5. **Fully disclose how much and to which intermediaries they contribute.** Beyond forswearing contributions to outside groups that spend money to influence elections, corporations should all adopt policies of disclosing the contributions they make to trade associations and other third-party groups that use that money to influence policy. This should apply to spending at both the state and federal level. Doing so is entirely consistent with lobbying disclosure laws that require corporations to disclose the direct expenditures they make on lobbying. Just as the public deserves to know a corporation's direct expenditures to influence policy, it deserves to know the identities of corporations that give to third-party groups to lobby on their behalf. This information should be disclosed both to the Securities and Exchange Commission and on the company websites. That is just common sense.

Sincerely,

Signers as of January 27, 2021:

A Little Piece Of Light

Adorers of the Blood of Christ, US Region

Boston Common Asset Management

Call to Action CO

Catholic Committee of Appalachia

Catholic Network US

Center for Biological Diversity

Center for Disability Rights

Center for Media and Democracy

Clean Elections Texas

Colorado Businesses for a Livable Climate

Common Cause

Creative Thought Media

Dominicans Sisters of Sinsinawa Office of Peace and Justice

End Citizens United / Let America Vote Action Fund

Equal Justice Society

Faith in Public Life

Faithful America

Fix Democracy First

Free Speech For People

Global Witness

Government Accountability Project  
Greenpeace USA  
Harrington Investments, Inc.  
Holy Spirit Missionary Sisters, USA-JPIC  
Howe, Cahill & Company  
Sarah Chayes, Author of "On Corruption in America -- And What Is at Stake"  
Institute of the Blessed Virgin Mary  
Interfaith Center on Corporate Responsibility  
Leadership Team, Sisters of St. Francis, Oldenburg, IN  
Mary Ellen Loch, CSJ  
Media Alliance  
Mitchell Resource Center for Social Services  
National Association of Social Workers  
National Council of Churches of Christ in the USA (NCC)  
Network for Responsible Public Policy  
Oil Change U.S.  
Our Maryland  
Pax Christi International  
Peace Action  
People's Parity Project  
Public Citizen  
Rapid Shift Network  
Religious of Jesus and Mary  
Sisters of Mercy of the Americas Justice Team  
Sisters of the Humility of Mary  
Social Equity Group  
Sorensen Ventures  
State Democracy Project  
The Democratic Coalition  
Union of Sisters of the Presentation of the Blessed Virgin Mary

Union of Sisters of the Presentation of the BVM

Unitarian Universalist Association

Unitarian Universalist Justice Ministry of North Carolina

Wheaton Franciscans JPIC Office

Wisconsin Democracy Campaign