

Tipping Elections with Secret Cash?

The U.S. Chamber of Commerce: A Leading Dark Money Spender in 29 Senate and House Races

Public Citizen's Chamber Watch and the Main Street Alliance

*** DATA SNAPSHOT AS OF OCTOBER 31***

(outside spending figures change daily; an updated analysis will be released later in the week)

Introduction

The U.S. Chamber of Commerce has funneled millions of corporate dollars into congressional races across the country. Earlier this year, the Chamber indicated that it planned to spend as much as \$100 million on the 2012 elections.¹ An analysis of campaign spending data from the Center for Responsive Politics by Public Citizen's Chamber Watch and the Main Street Alliance shows that in 28 of 35 Senate and House races where the Chamber has invested over \$100,000, it is the biggest or second biggest dark money spender in the race.

Public Citizen's Chamber Watch and Main Street Alliance examined outside spending in 35 congressional races where the U.S. Chamber has spent \$100,000 or more to date.² The groups' analysis focuses specifically on groups classified under 501(c) of the Internal Revenue Code. Unlike PACs and Super PACs, which are required to disclose their donors, these 501(c) groups (including 501(c)4 "social welfare" organizations and 501(c)6 trade associations) are not required to disclose the sources of their funding. For this reason, they are referred to as non-disclosing groups or dark money groups.

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In 29 of the 35 races examined, the U.S. Chamber is the biggest or second biggest non-disclosing outside spender (see attached chart). In 15 of these races, the Chamber is the single biggest non-disclosing outside spender. The Chamber is the biggest non-disclosing outside spender in five Senate races, and in the top two in nine Senate races. The Chamber leads non-disclosing outside spenders in 10 House races, and is in the top two non-disclosing outside spenders in 19 House races overall.

The U.S. Chamber has spent significant sums of money in hotly contested races across the country. It has spent between \$1.3 million and \$4.4 million on seven Senate races, including in Virginia, Ohio, Florida, Wisconsin, New Mexico, Montana, and Maine. It has also spent half a million dollars or more in four more Senate races (Hawaii, Missouri, Connecticut, North Dakota) and five House races in Illinois and California.

In its outside spending, the Chamber has invested heavily in advertising opposing Democratic candidates for office. The Chamber spent more than ten times as much opposing Democrats (\$27,412,719) as it did supporting Republicans (\$2,470,778); it is not making significant expenditures in support of any Democratic candidates for Senate, and is spending significant money for two Democratic candidates for House of Representatives. As of October 31, the Chamber had spent a total of \$31,873,839 in outside money on Congressional races.

The Shadow of *Citizens United*

The U.S. Chamber's outside spending in these races is a direct result of the *Citizens United v. FEC* decision, which allowed corporations to contribute unlimited sums of money to organizations like the Chamber for political activities. Moreover, as a result of ongoing opposition to stronger disclosure rules for this type of spending – opposition which has been spearheaded by the Chamber – the public has extremely limited ability to identify which corporations are supplying the funds that the Chamber is directing into electoral races.³ As the Chamber funnels tens of millions of dollars from large corporations into electoral advocacy, the voices of individual citizens, including the very small business owners the Chamber often claims to represent, are increasingly drowned out.

Stemming the Tide of Secret Money

In order to remedy this damage to our democracy, a thorough overhaul of our campaign funding system is needed. Ultimately, a constitutional amendment to overturn the *Citizens United* decision is needed to stop deep-pocketed special interests from wielding disproportionate power in our elections and our democracy.

In the meantime, stronger disclosure rules are urgently needed to provide the transparency voters and shareholders need to make informed decisions. Options to advance stronger disclosure requirements include:

- ***The DISCLOSE Act:*** Congress should pass the DISCLOSE Act to require disclosure of corporate and other contributions to organizations engaged in outside spending.
- ***New SEC Rules:*** The Securities and Exchange Commission (SEC) should establish new rules requiring publicly traded corporations to disclose campaign-related expenditures to shareholders as part of the SEC's core mission of protecting shareholder rights.
- ***A Government Contracting Executive Order:*** The President should issue an executive order requiring government contractors to disclose their political spending, including direct spending and funds funneled through third party groups like the U.S. Chamber.

See appended chart of the U.S. Chamber's outside spending by congressional race and its rankings among non-disclosing outside spenders in each race.

U.S. Chamber of Commerce Outside Spending in 2012 Senate and House Races ⁴

| Race | U.S. Chamber Spending Total (as of October 29, 2012) | Ranking Among Non-Disclosing Groups (501(c) Groups) |
|----------------------|--|---|
| VA Senate | \$4,436,718 | 2 of 15 |
| OH Senate | \$4,314,022 | 2 of 20 |
| FL Senate | \$3,846,303 | 1 of 7 |
| WI Senate | \$2,846,022 | 2 of 22 |
| NM Senate | \$1,825,923 | 1 of 13 |
| MT Senate | \$1,361,294 | 3 of 20 |
| ME Senate | \$1,348,294 | 2 of 7 |
| HI Senate | \$817,696 | 1 of 3 |
| MO Senate | \$740,196 | 1 of 12 |
| CT Senate | \$700,022 | 1 of 9 |
| IL House District 17 | \$621,734 | 2 of 10 |
| CA House District 10 | \$600,000 | 2 of 6 |
| ND Senate | \$592,400 | 3 of 13 |
| IL House District 10 | \$550,000 | 1 of 7 |
| IL House District 11 | \$540,022 | 1 of 4 |
| IL House District 13 | \$500,000 | 2 of 6 |
| CA House District 7 | \$490,000 | 1 of 8 |
| CA House District 9 | \$490,000 | 1 of 7 |
| NV Senate | \$489,500 | 4 of 16 |
| IL House District 12 | \$428,311 | 4 of 5 |
| MA House District 6 | \$400,022 | 1 of 5 |
| CA House District 26 | \$400,000 | 2 of 11 |
| NY House District 21 | \$390,022 | 2 of 7 |
| NY House District 18 | \$380,022 | 2 of 10 |
| CA House District 47 | \$320,000 | 1 of 2 |
| CA House District 52 | \$320,000 | 2 of 9 |
| NY House District 1 | \$305,022 | 2 of 7 |
| MA Senate | \$300,022 | 4 of 12 |
| CA House District 41 | \$220,000 | 1 of 4 |
| UT House District 4 | \$202,112 | 5 of 12 |
| NY House District 26 | \$200,000 | 1 of 8 |
| NY House District 25 | \$185,022 | 2 of 6 |
| CA House District 24 | \$120,000 | 1 of 8 |
| GA House District 12 | \$102,932 | 5 of 8 |
| FL House District 22 | \$100,022 | 1 of 2 |

Notes

¹ Allen, M. and J. Vandehei. (30 May 2012) "GOP groups plan record \$1 billion blitz." *Politico*. Retrieved 16 October, 2012, from <http://www.politico.com/news/stories/0512/76849.html>.

² All data from the Center for Responsive Politics' OpenSecrets.org as of October 29, 2012.

³ Lichblau, E. (26 April 2011). "Lobbyist Fires Warning Shot Over Donation Disclosure Plan." *The New York Times*. Retrieved 16 October, 2012, from <http://www.nytimes.com/2011/04/27/us/politics/27donate.html>;

Page, S. (21 May 2012). "Chamber of Commerce may spend at least \$50M on elections." *USA Today*. Retrieved 16 October, 2012, from <http://content.usatoday.com/communities/theoval/post/2012/05/chamber-of-commerce-to-spend-more-than-50m-on-elections/1#.T8VtmO29fnY>.

⁴ See note 2.