



# **DARK MONEY IN POLITICS: A MATTER OF FAITH**

## **WHAT'S THE MATTER?**

In the United States, most political campaigns are privately funded, which means candidates wanting to run for elected office must aggressively raise money to finance their campaign. Legally, a political campaign can solicit donations from two sources: individual donors or political action committees (PACs). Running a campaign is expensive. Fundraised money is used for various expenses including: staff salaries, campaign materials, and paid advertising time in the media. Under current law, corporations, unions, and other special interests are barred from donating directly to candidates. However, legal loopholes allow PACs to hide the sources of their funding, therefore creating so-called “dark money”.

## **THE VALUES OF THE FAITH COMMUNITY**

Faith traditions the world-over warn us against the corrupting influence of wealth, and when politicians become beholden to moneyed interests, it can blind them to injustice and iniquity. This, too often, prevents elected officials from standing up for the needs of their constituency and for the collective wellbeing. Lawmakers, as public servants, should prioritize the needs of the whole, in as much as that is possible, and take into account public preferences that include the needs of working class people and people of color.

Central to faith traditions is the inherent dignity and equal worth of every human being. This is also a core democratic principle. When money in politics makes elected officials more responsive to big donors and undisclosed special interests, the dignity and equality of Americans is fundamentally violated. Our faith traditions and democratic principles call for every voice and every vote to carry equal weight. Money in politics gives undue influence to large donors and prevents our democracy from fulfilling this basic principle.

## **THE DISTORTION OF OUR DEMOCRACY**

The role of money in politics has grown exponentially in the last decade. The 2020 federal election cycle alone cost over \$14 billion and was the most expensive election cycle ever. Indeed, this doubled what was spent in the 2016 cycle, which had previously held that record.<sup>1</sup> These statistics only reflect spending in federal races and do not account for spending in state and local races. The environment of escalating campaign expenses resembles an arms race in which entities that can write large checks to candidates and political action committees (PACs) are accumulating greater power and influence among our elected officials.

In 2010, the Citizens United ruling effectively freed PACs to receive unlimited donations and to make unlimited election expenditures so long as they do not directly coordinate with candidates' campaigns. On top of that, the ruling created legal loopholes that allow PACs to hide the source of their funding, creating channels for money that doesn't have to be accounted for or “dark money”.<sup>2</sup> This ruling gives corporations and other special

interests unencumbered leeway to influence public discourse and elections in unprecedented ways and under a shroud of secrecy. It has stymied progress on key issues such as climate change, criminal justice reform, and healthcare—issues that disproportionately impact communities of color and the most vulnerable members of society. Dark money loopholes obscure the influence of special interests over our lawmakers and make it increasingly difficult to hold elected officials accountable to the will of the people.

Our current campaign finance laws are wholly incapable of tracking political contributions and how they influence political decisions. Public disclosure of the sources of money-driven influence over electoral politics is important, not only to prevent corruption, but to allow ordinary citizens to evaluate the truth of electoral speech by knowing who is paying for it. In the Citizens United ruling, the Supreme Court rightly stated that transparency is key to ensuring that private interests do not gain undue influence over the political process. Our nation needs new campaign finance reforms that will bring transparency to the system to help balance the power of money in our political process.

## THE FAITHFUL RESPONSE

Accordingly, many democracy reform advocates seek robust disclosure laws that require transparency at multiple levels around donations and spending. Shining light on the financing of campaigns could make significant progress in restoring voters' confidence and sense of empowerment in U.S. politics. Transparency through disclosure requirements helps people understand the values of candidates running for office and improves the ability of government agencies to monitor for corruption and intervene when and where it occurs.

The *For the People Act (H.R. 1/S. 1)* includes key bipartisan transparency and disclosure bills, in addition to a number of other critical democracy reforms. This transformational democracy reform bill incorporates the *DISCLOSE Act* ("Democracy Is Strengthened by Casting Light On Spending in Elections"), first introduced in 2010 as a response to the Citizens United ruling. *DISCLOSE* provisions require Super PACs, "dark money" political organizations and 501(c)(4)s, to disclose the identities of donors who give more than \$10,000. It also requires organizations who pay for political advertising to publicly identify themselves in their ads.

The *For the People Act (H.R. 1/S. 1)* also includes the *Honest Ads Act*, a 2017 bipartisan bill responding to the purchase of political ads by Russia in the 2016 election. These provisions would require Facebook and Twitter to disclose the source and amount of money purchasing political ads on their platforms. The *For the People Act (H.R. 1/S. 1)* would also require government contractors to disclose political spending, would control foreign money in elections by targeting shell company contributors, and empower the FEC to better monitor and enforce political activity regulations.

Reforms that strengthen public disclosure requirements and increase transparency around moneyed interests trying to influence election outcomes are key to restoring fairness and integrity to our democratic systems. Passage of the *For the People Act (H.R. 1/S. 1)* would increase the transparency of campaigns and reinforce accountability of candidates and elected officials.

"In 2014, the Religious Action Center of Reform Judaism in California joined a coalition effort to pass a transfer tax – a small tax on real estate transactions – that would be used to fund affordable housing. The measure did not even come to a vote, because the powerful real estate lobby – which is probably the biggest source of donations for California politicians – opposed it and was able to kill it."

- Lee Winkelman, RAC-CA  
Organizing Director

<sup>1</sup> <https://www.opensecrets.org/news/2020/10/cost-of-2020-election-14billion-update>

<sup>2</sup> <https://www.opensecrets.org/news/2020/10/dark-money-2020-new-ways-to-hide-donors/>