

Memorandum

To: Interested Parties

From: Office of Congressman Chris Van Hollen

Subject: The DISCLOSE Act: The Toughest Campaign Finance Bill Since McCain-Feingold

Date: June 21, 2010

Today, as a result of the Supreme Court's ruling in *Citizens United v. Federal Election Commission*, all organizations, corporations, and unions are free to take **unlimited** corporate money and make **unlimited** political expenditures. Special interests are completely free to use their power and money to influence our elections, with American people left in the dark. As we move closer to the elections, disingenuous and misleading advertising will become even more pervasive. The end result will amount to a takeover of our democracy and elections by powerful special interests, including U.S. corporations that are controlled by foreign interests -- such as BP -- and Wall Street banks that have taken large amounts of taxpayer money.

In April, Congressmen Chris Van Hollen, Mike Castle, Walter Jones, and Robert Brady introduced the bipartisan DISCLOSE Act to address the consequences of this ruling. The legislation is the most far-reaching campaign finance reform law since McCain-Feingold, and does more to strengthen disclosure and transparency than any measure in recent history.

The legislation makes critical strides in letting the sun shine on our campaigns. The bill:

- Stops manipulation of elections by fly-by-night "hit" groups funded by U.S. based foreign corporations such as BP, special interests, and billionaire CEOs;
- Exposes Wall Street, Big Oil, insurance companies and other special interest groups, who are behind last minute attack and sham ads -- requiring corporate CEOs to stand by their ads just like candidates;
- Gives shareholders, organization members, and the public the right to know about corporate and interest group campaign expenditures;
- Prevents U.S. corporations controlled by foreign -- or even hostile -- governments from pumping secret money into our elections;
- Prevents large government contractors and TARP recipients from making political expenditures.

Unless we act, there is nothing to stop foreign companies like BP from funneling millions of dollars into some group like "Americans for Clean Oceans," to secretly fund advertising against every member of Congress -- Republican or Democrat - who tried to hold the company accountable. Or to stop Wall Street banks from secretly recycling taxpayer dollars into TV ads opposing common sense oversight of the financial industry. We already know the nation's biggest business lobbying group, the U.S. Chamber of Commerce, spent \$47 million on issue ads in 2009 and has said it plans to spend \$50 million on candidate-focused ads alone this year. Under the DISCLOSE Act, the American people will know what special interests are underwriting these ads. **If you have nothing to hide, you have nothing to fear.**

Under the DISCLOSE Act **all groups**, including every single 501(c)(4), will be subjected to tough new provisions, including:

- Not be permitted to use a single corporate dollar in campaign related expenditures;
- Be forced to 'stand by their ad' in the same way candidates must, so that every single person who views the ad knows who paid for it.

The DISCLOSE Act will close some of the biggest election loopholes created by a recent court decision and help ensure that the voices of the American people are not drowned out by a corporate takeover of our elections. It will provide more information to the voters so they can make informed decisions, and protect our democracy from being bought by powerful special interests.