

The House has finally done something about the shadowy political action committees organized under Section 527 of the tax code which can hide their donors, activities, and even their existence from public view. Sunshine is the best disinfectant and now some light will be shed on these stealth PACs that have been flying under the radar to avoid detection.

Very early this morning, we voted to require these tax-exempt groups to disclose their activities. The Senate adopted very similar legislation earlier this month. It has been perfectly within the rights of anyone to give unlimited sums of money aimed at influencing American elections with no limits, no restrictions, and complete anonymity.

Here's how the loophole worked: You set up a bank account, collected as many millions as you could, ran ads under whatever innocuous name you chose-Americans for a Decent Society or whatever-and attacked or supported any candidate you chose. All you had to do was refrain from using the 'magic words' like 'vote for,' 'vote against,' 'elect,' 'defeat,' etc. in reference to a particular candidate. You could mention the candidates by name. You could show their unflattering visage against a backdrop of belching smokestacks. And then you could disappear from the face of the earth.

That unique combination-unlimited funds with total anonymity-was the beautiful thing about the 527s, if you were a clever political fundraiser, or a billionaire with a private agenda.

But that is changing now. The Campaign for America, a group of well-respected business leaders founded by Jerome Kohlberg, recently stated, 'Tax-exempt status is a subsidy, not an entitlement. Accordingly, organizations obtaining this subsidy have obligations and responsibilities to the public that provides this benefit. Every other nonprofit involved in electioneering such as parties, PACs and campaign committees discloses to the Federal Election Commission. There is no justification for making an exception for these 527 organizations. In return for the public's largesse, these organizations should at least be required to disclose their existence, substantial contributors and substantial expenditures.'

The legislation we passed requires '527' groups to disclose who they are, where they get their money, and how they spend it. It does not adequately cover political activities during this election cycle, but it is a good start.

Require Disclosure of PAC Contributions

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By closing this loophole, we are beginning to repair the damage that our current campaign system has done to public trust in government. This could be the first meaningful campaign finance reform passed in Congress in many years. Let's lift this curtains of secrecy that has shrouded elections for too long.