



# Money in Politics – Still Unreformed

# Why should we care?

- Virginia has NO laws limiting campaign contributions
- Virginia has NO laws on how active campaign funds can be spent
- Virginia oversight of campaign finances is weak; enforcement of sanctions for violations is limited and lacks teeth
- Virginia has few rules that limit the ability of individuals or businesses to influence elections without revealing their identities

*Listen to me!*



# Limits to campaign contributions by donors

- One of only 5 states with no limits
- Ranks 43<sup>rd</sup> out of 50 states, plus DC, on the Coalition for Integrity's 2022 Campaign Finance Index (measures relative strength of campaign finance regulations)

|   | Virginia  | Federal  | Washington                | Connecticut   |
|---|-----------|--|---------------------------|---|
| Individuals to Candidate                      | Unlimited | \$2900   | \$2000/\$1000             | \$3500/\$2000/<br>\$1000/\$250  |
| PACs, Corporations & Unions to Candidate      | Unlimited | \$2900- \$5000 (PACs) corporations/ unions may contribute only via a PAC | \$2000/\$1000 if in-state | \$5000/\$3000/<br>\$1500/\$750 corporations/ unions may contribute only via a PAC |
| Out-of-State Corporations & PACs to Candidate | Unlimited | Not applicable   | Prohibited                | no distinction between in- and out-of-state donors                                |
| Candidate to Party Committee                  | Unlimited | Unlimited  | Prohibited                | Prohibited  |

# Who contributes how much to VA legislator campaign funds

- Only 17% of contributions to 2021 House of Delegates candidates came from individuals or businesses within the candidate's district
- Current state Senators received more than 66% of campaign funds from businesses.
- In 2022, according to VPAP, public utilities contributed over \$1 million dollars to campaigns.

# Arguments in favor of limits

- US League position (encourage representational democracy)
- Flavin's (2015) findings on state campaign finance laws and public policy
- Wason Center Poll results
- can reduce public perceptions of corruption

# History of LWV-VA attempts' to pass CFR legislation and repeated failure to achieve results

2002 Joint Subcommittee Studying Campaign Finance Reform, four public hearings, with the League of Women Voters speaking at each of them. No legislation adopted.

## *Roanoke Public Hearing, July 25, 2001*

- Representatives of the **League of Women Voters**, American Association of University Women....and several citizens spoke at the joint subcommittee's public hearing in support of campaign contribution and spending limits.

## *Norfolk Public Hearing and Work Session, August 30, 2001*

- Representatives of the American Association of University Women and **League of Women Voters** appeared at the public hearing and spoke in support of:
  - campaign contribution limits;
  - random audits of a percentage of candidate campaign reports;
  - prompt reporting of campaign contributions and expenditures; and an election day holiday.

## *Fairfax public hearing, December 3, 2001*

- Representatives of the American Association of University Women and **League of Women Voters** appeared at the public hearing and spoke in support of the same points made in the Norfolk public hearing.

## *Richmond public hearing, December 12, 2001*

- Representatives of organizations including the **League of Women Voters** appeared at the public hearing and spoke in support of:
  - adoption of some form of contribution limits to curtail special interest influence (perceived and actual);
  - stand-by-your-ad legislation;
  - an improved process for restoration of civil rights for convicted felons;
  - audits of campaign finance reports; and
  - actions to increase voter turnout.



# Recommendations and Questions:

The U.S. League supports protecting representative democracy from being distorted by big spending in election campaigns. This section addresses limits to campaign contributions by donors.

- Recommendations: Virginia should limit campaign contributions, determined by the type of donor. Utilities should be banned from contributing to campaigns.

## Questions

- Should utilities be banned from contributing to campaigns?
- Should Virginia have limits on HOW MUCH can be contributed?
- Should these limits be determined by the type of donor?

# Campaign Fund Expenditures (Allowable Uses of Campaign Funds)

The U.S. League position does not directly address how campaigns use funds. This section addresses that.

- VA currently has no law prohibiting candidates and officeholders who intend to run for reelection from using campaign funds to pay their personal expenses.
- VA laws currently provide no list of acceptable uses of active campaign funds.

|                            | Virginia                               | Federal  | Washington                              | Connecticut                |
|----------------------------|--|--|---|----------------------------|
| Personal Use Ban           | Only when candidate is closing account | Yes  | Yes                                     | yes                        |
| Personal Use Definition    | Not defined                            | Defined  | Defined                                 | Defined                    |
| Exceptions to personal use | N/A                                    | Childcare, lost salary, loan repayments  | Childcare, lost salary, loan repayments | Childcare, loan repayments |
| Allowable expenditures     | No list                                | Campaign related expenses, office holder expenses, transfers to political committees | Campaign related expenses               | Campaign related expenses  |

# How do Virginia legislators currently spend their campaign funds?

In “off-years”, the major category of spending by State Senators consists of donations to political parties and committees:

- Average total amount spent by Senators (1/1/2021-6/30/2022) = \$115,451
- Average amount of that contributed to political parties and political committees = \$50,778

# Arguments in favor of limiting the nature of allowable campaign fund expenditures

- Holds candidates and officeholders accountable for money contributed to them
- May reduce public perceptions of corruption: 73% of Virginians favor a personal use ban (Wason Center Poll)
- Protects VA's Conflict of Interest Laws from Abuse (public utilities)

# Consensus Questions

- 1. Virginia currently has no laws prohibiting candidates (or officeholders who intend to run again for re-election) from using campaign funds to pay personal expenses. Should the General Assembly pass legislation that would ban personal use of campaign funds?
- 2. Virginia currently has no specific laws that address how candidates (or officeholders who intend to run again for re-election) are allowed to use money that has been contributed to their campaigns. If the General Assembly were to pass legislation that provides a list of acceptable uses of campaign funds, would you favor restricting these to campaign-related expenses, as the states of Washington and Connecticut have done?
- 3. Should a list of acceptable uses of campaign funds include provisions that ensure that payments for childcare/dependent care that arise as a direct result of campaigning are allowed?
- 4. Should Virginia follow Washington state and federal law and allow candidates to use campaign funds to reimburse themselves for wages lost as a direct result of campaigning?
- 5. Should the General Assembly follow the recommendations of the McAuliffe Ethics Committee, and merge the current 'base' salaries of legislators with the current 'office expense' allowance, while adding a separate, vouchered expense allowance for payments of legislative office expenses?

# Oversight and enforcement

The U.S. League position is to ensure transparency and the public's right to know who is using money to influence elections and to support enhanced enforcement of campaign finance laws that includes changes to ensure that regulatory agencies are properly funded, staffed, and structured to avoid partisan deadlock. This section of the study addresses Virginia's issues in this area.

There are several weaknesses in Virginia's oversight of campaign finance:

- Information technology
- Accessibility of reports
- Compliance – monitoring
- Auditing and investigations
- Weak sanctions
- The Department of Elections' Structural Limitations

# Current deficiencies

- Obsolete and weak technology infrastructure for campaign finance data collection, maintenance, and accessibility.
- Vague and weak oversight and enforcement of campaign finance activity requirements.
- Reports are not easily findable or searchable.



## Consensus questions:

- 1. Should Virginia pass legislation to increase oversight and enforcement of campaign finance activity in Virginia?
- 2. Should Virginia pass legislation to create an independent state agency for the purpose of increased oversight and enforcement of campaign finance activity in Virginia?

# Dark Money

The U.S. League does not have a position directly on dark money. This section of the report addresses issues related to how organizations utilize dark money in elections.

- What is dark money
- Why is dark money dangerous to democracy



**THE WEALTHIEST POLITICAL  
DONORS SHOULD NOT BE ABLE  
TO INFLUENCE OUR POLITICS IN  
SECRET.**

**LWV**

# Dark Money: what is it

- Dark money generally refers to expenditures from certain nonprofit organizations to influence politics.
- The donors, both individuals and businesses, to these organizations are not disclosed and reported to the public.
- Included in dark money are the contributions from foreign governments.

# Dark Money: why it's dangerous to a democracy

1. Dark money causes a disconnect between a small group of wealthy citizens and the majority of ordinary voters. This gives special interest groups and their lobbyists greater power in government decisions and voter decisions.
  2. Due to a lack of transparency of the names of the donors, voters can be misled by expensive sponsored information and ads that can be false, not truthful, or slanted.
  3. Our democracy can be in danger of minority rule with expensive blinders on the majority.
  4. Foreign governments, such as Russia, are contributing money to dark money organizations and running ads on social media that are false, manipulative, and deceptive to create discord in our country and favor candidates with a Russia government friendly policy. This could lead to voters misjudging candidates and policies and worse unrest.
- Present dark money policies have led the voters and citizens of the US to lose faith and distrust our system of democracy.

# Consensus questions

1. Should Virginia enact laws to require transparency and full disclosure of donations by individuals, organizations, PACs and Super PACs, therefore eliminating dark money?
2. Should Virginia pass legislation to curb further the coordination of activities between candidates for election and nonprofit organizations?
3. Should Virginia pass legislation to protect the public by preventing a foreign government from interfering with our state elections, including requiring all ad sponsors to disclose their donors?

# Conclusion

- There are many aspects to money in politics. This report has addressed limits on contributions and spending by campaigns, oversight, and dark money. Since Virginia has little to no regulations regarding campaign finance or oversight and enforcement of campaign finance, this report recommends establishing some limits.