

FOREIGN INTERFERENCE IN U.S. ELECTIONS

THE PROBLEM:

In America, we have a system of government that is supposed to be of, by, and for the people – free from foreign influence to protect the right of American citizens to democratic self-governance. To protect our right to self-governance, federal law bans foreign nationals, including foreign citizens and governments, from spending in federal, state, and local elections. However, in 2016 and 2018, foreign interests spent substantial sums to influence U.S. elections – exposing the vulnerabilities of campaign finance laws. The laws governing our campaign finance system have failed to catch up to the digital age, and they have failed to protect our democracy and the right of American citizens to democratic self-governance.

A combination of inadequate electoral transparency laws and inaction by the Federal Election Commission (FEC) **enable foreign actors to influence U.S. elections without detection**. Nearly \$1 billion in secret money known as “dark money,” has been spent on U.S. elections over the past decade. The true sources of dark money used to influence our elections are not publicly disclosed, so we do not know how much may have come from foreign sources.

Moreover, foreign interests have a green light to spend money on state and local ballot measures. Despite the ban on foreign spending in federal, state, and local elections, the FEC interprets the ban to apply only to races for elective office, letting foreign interests pour millions of dollars into state and local ballot measure campaigns.

THE SOLUTION

If the gaps in our laws are left unaddressed, foreign interests will continue to exploit them. While Congress and the FEC have failed to act, states and local governments should tighten their own restrictions on foreign campaign spending and stop secret, unlimited political contributions, which can hide illegal foreign money. Plugging the loopholes that permit foreign spending and making transparent the true source of all campaign funds can prevent foreign interests from influencing our elections.

A strong policy to prevent foreign interference in our elections must include updating our treatment of digital campaign ads and requiring disclosure of the true source of campaign funds. But lawmakers also need to **prohibit spending in elections by foreign influenced corporations** and explicitly **extend the foreign national ban to prohibit spending to influence ballot measures**.

PROHIBITING SPENDING BY FOREIGN-INFLUENCED CORPORATIONS

The prohibition on foreign political spending needs to be expanded to ensure that **corporations with significant foreign influence cannot spend in our elections**. This means specifically preventing political spending by corporations that are considered “foreign-influenced,” including:

1. Corporations with a foreign owner who is involved with decision-making for the corporation’s political spending.
2. A 501(c)(4) non-profit organization that receives more than 20% of its donations from foreign sources.
3. Corporations for which a single foreign owner holds 5% or more of total equity or outstanding voting shares.
4. Corporations for which two or more foreign owners hold 20% or more of total equity or outstanding voting shares.
5. Corporations that are organized under the laws of or having their principal place of business in a foreign country.

PROHIBITING FOREIGN SPENDING ON STATE AND LOCAL BALLOT MEASURES

Current federal law includes a ban on foreign spending in connection with U.S. *candidate* elections for federal, state, and local office, but a more effective ban would also **prohibit foreign nationals from spending on state and local *ballot measures*** that can have a far-reaching impact on states and municipalities. Ballot measures are the most direct form of democratic law-making. Foreign spending has no place in this kind of direct democracy.

TAKE ACTION

Here are three ways you can build support for measures to protect our democracy from foreign interference:

- Learn more about the threats of foreign interference in our elections at www.campaignlegal.org/.
- Connect with advocacy groups and individuals in your community who are already organizing for campaign finance reform.
- Identify potential champions in government. This means elected officials who support campaign finance reform, as well as elections and ethics officials who would be excited to promote these efforts.

ABOUT THE CAMPAIGN LEGAL CENTER

Campaign Legal Center (CLC) is a nonpartisan, nonprofit organization based in Washington, D.C. CLC holds candidates and government officials accountable regardless of political affiliation.