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**TESTIMONY IN FAVOR OF SB 895 – DECLARATION OF RIGHTS –
CAMPAIGN FINANCING RIGHT TO KNOW**

February 23, 2022

Submitted by Charlie Cooper, President

Get Money Out (GMOM) is an all-volunteer organization working to assure all citizens equal access to the ballot and an equal say in governance. Through our grassroots actions, we have signed up over 9,000 supporters. We have participated in a statewide coalition to assure fair election tallying and brought together 27 organizations to promote federal fair elections legislation. We strongly support this proposed Maryland constitutional amendment SB 895 with its added protections to advance the same goals.

Right to disclosure of contributions and spending

The Supreme Court's fateful ruling in *Citizens United v. FEC* established that private corporations could spend unlimited amounts to influence election outcomes. Although the decision explicitly stated that disclosure of spending and contributions would protect election integrity, it actually jump-started the era of the SuperPAC and the 501(c)(4) "social welfare" non-profit – a comprehensive, unregulated regime of secret, unlimited spending.

Voters need to know whose private interests are hidden in campaign ads and electioneering communications, but ultra-wealthy funders have posited a "privacy" right to maintain unlimited, undisclosed spending. They have prevailed in the U. S. Senate to defeat the DISCLOSE Act on three separate occasions, most recently in January of this year, even though it had the support of a majority in the Senate.

Maryland already has good disclosure laws, but placing a right in our Constitution will further protect voters from these powerful and well-heeled opponents.

For-profit corporations can spend directly from their treasuries without going through a campaign committee or a PAC, or they can funnel money through so-called non-profit corporations that hide the identities of donors. They can use hastily created subsidiaries to make their spending difficult to track. In fact, there are at least 10 different channels for spending to influence elections, which vastly complicates the voter's task in trying to understand whose interests are being advanced by any particular campaign activity.

The lack of a national disclosure mandate has also created a *de facto* pathway for foreign money to illegally enter our elections via 501(c)(4) corporations. The IRS is now forbidden to scrutinize their donor lists to make sure that foreign money is excluded.

Both parties benefit from dark money in national elections. Experts say that estimates of the amounts of dark money spent are low because of ambiguities and difficulty tracing,¹ but over \$1 billion has been identified since 2010. The practice will inevitably grow in state and local elections. The Brennan Center says that dark money is even more dangerous in state and local elections because “numerous state and local elected offices are capable of directly impacting special interests’ bottom lines.”²A constitutional amendment will help Maryland defend against this dangerous trend.

Right to public campaign finance

Whether you are a Republican, a Democrat, belong to another party, or are unaffiliated, the money that you pay to private corporations – whether a public utility, financial institution, tech giant, pharmaceutical firm, or big government contractor – is already being used against you in politics, and that often occurs without disclosure.

Big corporations can spend directly from their treasuries without the approval of shareholders. They can also give to 501(c) “non-profit” corporations that funnel the money to SuperPACs.

Political spending by corporations and ultra-wealthy private individuals results in unfair tax breaks, wasteful government contracts, monopoly powers, laws that help keep wages low and limit union power, and impunity to pollute our air, land, and water and push the costs off onto the public. This vicious cycle is also creating a crushing wealth and income inequality. The public is fed up. The *Washington Post* and the University of Maryland found that ninety-six percent (96%) of those polled blame big money for dysfunction in our political system.

Please see the chart attached to this testimony, which shows that while election spending is a major barrier to working class candidates it is pocket change to the billionaire class.

The control of governance by mammoth corporations and ultra-wealthy individuals threatens to completely upend our democratic republic. It is corrupting our system from one that rules by the consent of the governed into one that is governed by and enriches the already wealthy. The Supreme Court has declared the corruption to be legal.

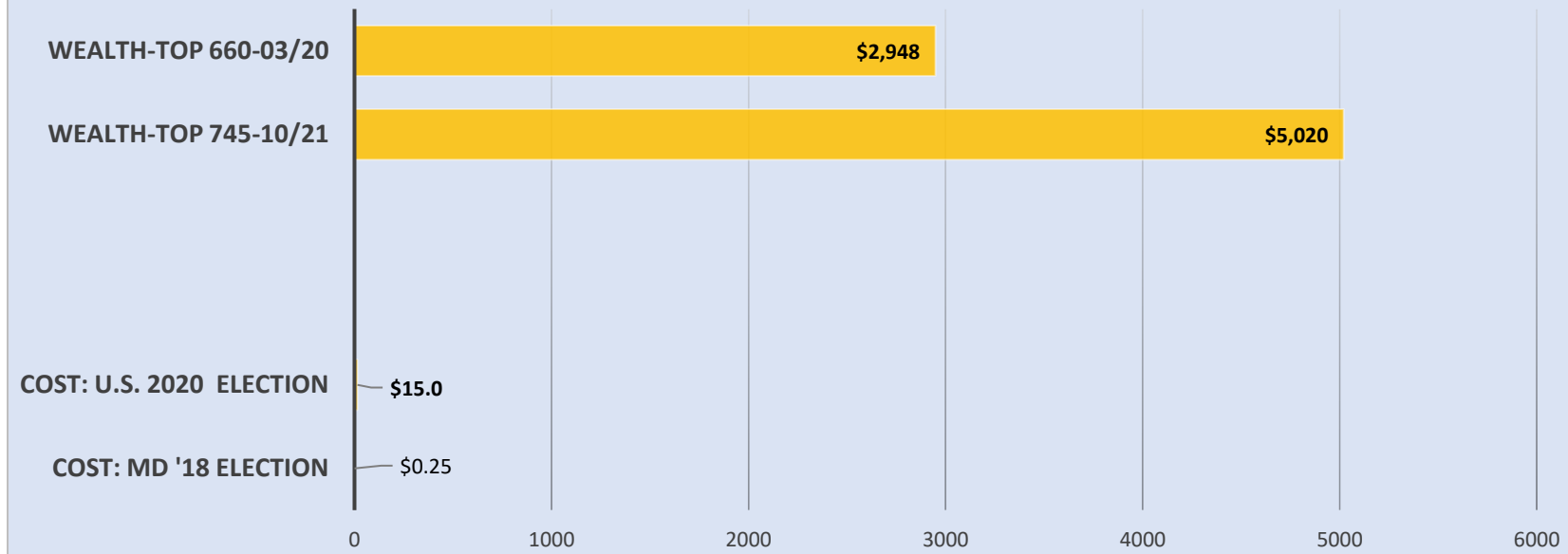
Creating a Maryland right to public campaign finance will not eliminate secrecy or independent spending by corporations and ultra-wealthy individuals. But it will give us time to keep the people’s interests front and center in Maryland governance.

Please give your favorable report to SB 895 and create a way to run for office that connects you back to your constituents, frees you from fundraising purgatory, and creates rights for the people to counterbalance the might of billionaire influence. The public will be thrilled to have this amendment on the ballot in November.

¹ <https://www.brennancenter.org/our-work/analysis-opinion/dark-money-2020-election>

² <https://www.brennancenter.org/our-work/research-reports/secret-spending-states>

Wealth inequality: Top U.S. billionaires versus cost of federal and state elections - Billions of U.S. \$



DURING THE COURSE OF THE PANDEMIC, THE U.S. HAS SEEN THE NUMBER OF BILLIONAIRES RISE TO 745, AND THEIR WEALTH HAS INCREASED FROM \$3 TRILLION TO \$5 TRILLION! THE COST OF THE U.S. 2020 NATIONAL ELECTION WAS \$15 BILLION. THAT AMOUNT IS INVISIBLE ON THIS CHART BECAUSE IT IS SUCH A SMALL PERCENTAGE OF THE WEALTH OF THE TOP 745 FAMILIES. (Source of recent wealth data: <https://inequality.org/great-divide/year-in-inequality-10-charts/>)

ALSO NOTE THAT THE TOP 1% OF FAMILIES CONTROL ALMOST 35% OF WEALTH WHILE THE BOTTOM 50% CONTROL ABOUT 1.5%. (World inequality database.)