United States Senate

WASHINGTON, DC 20510

January 7, 2016

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

In your 2015 State of the Union address, you vociferously spoke out against the influx of anonymous spending endemic in the American political system. You have the support of the vast majority of the American public as you seek to address these issues. Citizens and voters of all political stripes realize that shadowy groups are anonymously collecting and spending vast sums on political advertisements and threatening our democracy.

Unfortunately, the majority party in Congress is not representing the majority of American people on this issue. In the Fiscal Year 2016 omnibus spending bill, Republicans in Congress succeeded in including dangerous policy riders further rolling back efforts made by your Administration to bring greater transparency to the political process. Specifically, Republicans secured language blocking the Internal Revenue Service from revising or issuing new rules governing the political spending of 501(c)(4) organizations, which some groups currently exploit to establish de facto political committees that can accept unlimited donations while enjoying both the anonymity and tax preferred status provided by 501(c)(4) status. The omnibus also blocks the Securities and Exchange Commission from finalizing a regulation that would require public corporations to disclose their political donations.

In light of these developments, it is imperative that your Administration use the remaining avenues available to promote greater disclosure and transparency in political spending. One specific action we encourage you to immediately take is to issue an Executive Order to require federal contractors to disclose their political donations. Some of us have previously urged you to issue this order. Now it is even more imperative. The federal government spent approximately \$460 billion in FY2013 on private sector contracts. Almost 40 percent of that total, roughly \$177 billion, went to just 25 major companies. Since 2000, the top 10 federal contractors have made \$1.5 trillion from the government. The public deserves to know who is trying to influence them with political advertisements, and what business those responsible for such advertisements have before the government.

This type of disclosure is a modest step that would expose an especially troubling type of secret money: campaign contributions that have the potential to influence government contracting

A 2012 Democracy Corps/Public Campaign Action Fund poll found 84% favoring expansion of disclosure laws to include requirements that corporations and non-profit groups disclose their sources of funding when they participate in elections.

² https://www.brennancenter.org/sites/default/files/analysis/Government%20Contractors_Report_2015.pdf

practices. As corporations spend more money on politics, it is vital to the integrity of the federal contracting system for the public to be able to see that their tax dollars are being allocated by merit and not to those seeking to engage in "pay to play" practices.

It has been nearly five years since the White House announced that the Administration had a draft Executive Order that would require potential government contractors to reveal their political spending as a condition of submitting bids.³ But to date, no final order has been issued. As the nation heads full force into election season, and as we approach the 6th anniversary of the devastating *Citizens United* decision, now is the time to again turn your focus to this issue with both words and actions. You have the power and authority to immediately order disclosure of political spending by government contractors, and we encourage you to do so.

Thank you for your attention to this matter.

Sincerely,

Ron Wyden

United States Senator

Patrick Leahy

United States Senator

Richard J. Durbin

United States Senator

Debbie Stabenow

United States Senator

Bernard Sanders

United States Senator

Sheldon Whitehouse United States Senator

Omicu States Schator

Dianne Feinstein

United States Senator

Jack Reed

United States Senator

Robert Menendez

United States Senator

Sherrod Brown

United States Senator

³ https://www.washingtonpost.com/politics/obama-weighs-disclosure-order-for-contractors/2011/04/20/AFBw7qEE_story.html

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Gary C. Poters United States Senator

United States Senator

Charles E. Schumer **United States Senator**