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NOTE

BLIND MONEY: HOW MONEY LAUNDERING COULD HELP STEM CAMPAIGN FINANCE CORRUPTION

I. INTRODUCTION

When everyday Americans want the government to act in their interest, they use the old-fashioned method of going to the voting booth.¹ Next, they cast a vote while hoping that fifty-one percent of Florida and Ohio think the same way that they do.² But when we consider a corporation with many more resources, the process is very different.³ For these entities, the steps to influencing United States politics are much more convoluted, but much more effective.⁴

If a corporation wishes to have the government act in its interests, it may: first, make it publicly known that it is willing to spend up to one million dollars on the next presidential race.⁵ Second, the corporation then donates a small amount to either side with the threat of more money on the horizon.⁶ In response to the now credible threat of the corporation donating to their opponent’s campaign,⁷ both candidates will then fight with each other over who is the candidate that is most supportive of the relevant business sector.⁸ Finally, after both major candidates have

3. Senator Kerry Backs Amending the Constitution, FREE SPEECH FOR PEOPLE.ORG (Feb. 3, 2010), https://freespeechforpeople.org/senator-kerry-backs-amending-the-constitution (noting on the Citizens United ruling: “[T]he system has now been tilted inexorably towards those who have the most money”).
4. Id.
6. Id. at 258-59.
7. Id.
voiced their support for policies that are favorable to the corporation’s business, the corporation donates to both sides.\textsuperscript{9} Under this model, it does not matter which candidate wins, the corporation will have the politician’s ear either way.\textsuperscript{10}

Such a model is disfavored\textsuperscript{11} because it does not lead to a government that is truly representative of the people’s interests.\textsuperscript{12} Thus, money in politics becomes a backbone of numerous problems in this country, leading to policies that favor the few with the most resources.\textsuperscript{13}

Since the 2000 election cycle, the amount of money spent on elections has more than doubled.\textsuperscript{14} With each consecutive election cycle, there is another uptick in the amount of money being spent on campaigns across the nation, both in congressional and presidential races.\textsuperscript{15} However, the mere fact that corporations can spend money on elections is not the overarching problem\textsuperscript{16} because campaigns need money.\textsuperscript{17} To assert that campaigns should not take outside money would likely never be upheld by the Supreme Court\textsuperscript{18} and hinder the ability for smaller movements to access the media.\textsuperscript{19} Donations are a beneficial way for candidates to reach a large audience and gain support nationwide.\textsuperscript{20} Money’s existence in the democratic process alone is not the problem.\textsuperscript{21}

\begin{itemize}
  \item \textsuperscript{12} \textit{Id.}
  \item \textsuperscript{13} \textit{Id.} at 728-29.
  \item \textsuperscript{14} \textit{Cost of Election}, OPENSECRETS.ORG, https://www.opensecrets.org/overview/cost.php (last visited Nov. 10, 2018) (noting that the total cost of 2000 election was $3.08 billion and the total cost of 2016 election was $6.44 billion).
  \item \textsuperscript{15} \textit{Id.}
  \item \textsuperscript{17} Soros, supra note 16.
  \item \textsuperscript{18} \textit{See} Citizens United v. Fed. Election Comm’n, 558 U.S. 310, 339 (2010) ("As a restriction on the amount of money a person or group can spend on political communication during a campaign, that statute 'necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached.'").
  \item \textsuperscript{19} \textit{See} Ayres & Bulow, supra note 8; at 876; Bradley A. Smith, \textit{Faulty Assumptions and Undemocratic Consequences of Campaign Finance Reform}, 105 YALE L.J. 1049, 1084 (1996).
  \item \textsuperscript{20} \textit{Id.} at 877.
  \item \textsuperscript{21} Zócalo Public Square, supra note 16.
\end{itemize}
The problem is that our current system allows for politicians to scratch the back of their donors after they are elected.22 The United States currently has a system of quid pro quo politics: where wealthy donors give money to campaigns so that they can reap the benefits in the form of favorable policy in government.23 Candidates and their donors can engage in this system in two different ways.24 First, the candidate can “perform” to push businesses to act, expecting the donors to return the favor.25 Second, donors could put money in the pockets of the candidates as a way to influence their decisions before a legislative decision is made.26

To mitigate this issue, the United States has a system whereby certain Political Action Committees (“PACs”) must disclose their donors for each election cycle27 and advertisements must display disclosure statements about the financing for the advertisement.28 In the past, it has been argued that mandatory disclosure of donors is a way to better inform the public while not restricting freedom of speech.29 After the stringent disclosure requirements in the Bipartisan Campaign Reform Act of 2002 (“BCRA”) were passed30 and upheld,31 politicians continue to pass legislation that benefits donors.32 For this reason, an ample solution to the issue at hand cannot focus on disclosure.33 Instead, this Note offers a solution that limits the ability of donors to get favorable legislation passed, without simply arming a powerless electorate with knowledge of the money at stake.34 When voters are faced with candidate options that have both been “bought” by the same companies,35 disclosure does not help their decision-making.36

22. Ayres & Bulow, supra note 8, at 845.
23. Id.
24. Id. at 845-46 (describing “rent seeking” and “rent extraction” behavior).
25. Ayres & Bulow, supra note 8, at 845.
26. Id. at 846.
29. McConnell v. Fed. Election Comm’n, 540 U.S. 93, 201 (2003); Citizens United, 558 U.S. at 371 (“We find no constitutional impediment to the application of BCRA’s disclaimer and disclosure requirements to a movie broadcast via video-on-demand. And there has been no showing that, as applied in this case, these requirements would impose a chill on speech or expression.”).
33. Ayres & Bulow, supra note 8, at 844.
34. See infra Part IV.
36. Ayres & Bulow, supra note 8, at 844.
Experts in the area, including Bruce Ackerman, Ian Ayres, and Jeremy Bulow, have long since advocated for a system where campaign contributions are completely anonymous. In this system, the candidates and their campaign teams would not know which corporations have donated. This way, candidates will not know with whom they should engage in quid pro quo politics. This Note will not only discuss the benefits of the anonymous system, but will also propose a new way to employ this system that better helps maintain anonymity. In their article, Ayres and Bulow devised a system where each candidate has her own trust that donors can put money into anonymously. Although a system that allows candidates and donors to have access to the same trust would not be properly equipped to truly ensure anonymity, a two trust setup in a money laundering-type system would make it more difficult for the candidate to determine who donated how much.

Part II discusses the history of campaign finance and the formation of the current system resulting from a long line of Supreme Court cases. Part II also discusses the different rationales and reasons used to uphold limits on campaign contributions as well as reasons to eliminate limits on campaign contributions. Part III discusses the current landscape of campaign finance law and its shortcomings. Part III elaborates on the point that the issue is beyond the mere fact that money exists in our political system. Part IV proposes a solution of anonymity that will deter politicians and corporations from engaging in quid pro quo politics and creates a system that lacks the appearance of corruption.

II. HISTORY OF CAMPAIGN FINANCE

The history of campaign finance is not a linear saga that culminates in corporations being considered people in the 2010 *Citizens United*

37. See id. at 845; see also Bruce Ackerman & Ian Ayres, Voting with Dollars: A New Paradigm for Campaign Finance 93 (2002); Bruce Ackerman & Ian Ayres, The New Paradigm Revisited, 91 CAL. L. REV. 743, 759 (2003).
38. Ayres & Bulow, supra note 8, at 877.
39. Id.
40. See infra Part IV.
41. Ayres & Bulow, supra note 8, at 854.
42. Id.
43. See infra Part IV.
44. See infra Part II.
45. See infra Part II.
46. See infra Part III.
47. See infra Part III.
48. See infra Part IV.
case. Rather, campaign finance history has a long and cyclical history full of ebbs and flows. This Part begins with a discussion of the Federal Election Campaign Act of 1971 ("FECA 1971") and its amendments in 1974 ("FECA 1974") in Subpart A. Subpart B of this Part discusses 

Buckley v. Valeo and its First Amendment rationale. Subpart B also examines Bellotti and its bearing on corporate speech. Subpart C explains a shift in the jurisprudence, starting with a discussion of Austin v. Michigan Chamber of Commerce and its rationales to uphold limits on campaign contributions. Subpart C reviews BCRA and its limits in PACs. Subpart C also discusses McConnell v. Federal Election Commission and the Court's decision to uphold BCRA. Subpart D analyzes the Citizens United v. Federal Election Commission decision and its shift back to rationales used in Buckley. Subpart D also lays out the current landscape of contribution limits.

A. Reigning in Corruption with FECA

After the 1968 Presidential election was steeped in campaign misconduct, a Justice Department spokesman announced in 1970 that violators of existing campaign finance law would not be prosecuted. This led to FECA 1971, which had stronger disclosure requirements


50. Hearing Before the Comm. on H. Oversight H.R., supra note 49 ("Beginning in the early 1970s, with less than 1,000 PACs and peaking out at around 4,000 total PACs—there hasn't been a continuous growth of new PACs, they have been ebbing and flowing, but a continuation in number."); Richard L. Hasen, Citizens United and the Illusion of Coherence, 109 Mich. L. Rev. 581, 586 (2011).


53. See infra Part II.A.

54. See infra Part II.B.1.

55. See infra Part II.B.2.

56. See infra Part II.C.1.


58. See infra Part II.C.2.

59. See infra Part II.C.3.

60. See infra Part II.D.1.

61. See infra Part II.D.2.

62. ROBERT E. MUTCHE, BUYING THE VOTE 130 (2014) ("House Clerk W. Pat Jennings sent Attorney General John Mitchell a list of twenty Nixon fundraising committees that failed to a single report for the 1968 campaign, and the names of 107 congressional candidates who had also violated disclosure requirements.").

63. Id.
than the Federal Corrupt Practices Act of 1925.\textsuperscript{64} Even though FECA 1971 had stronger disclosure requirements, Congress weakened the contribution and expenditure limits.\textsuperscript{65} This was done by circumventing the Taft-Hartley Act of 1947.\textsuperscript{66} The Taft-Hartley Act of 1947 banned direct contributions to elections by corporations,\textsuperscript{67} whereas FECA 1971 allowed corporations to use treasury funds to establish PACs that accept donations and spend them on elections.\textsuperscript{68} The weakened contribution and expenditure limits were a result of the advent of PACs.\textsuperscript{69} Another problem with FECA 1971 was that it did not set up an independent body to police these disclosure requirements.\textsuperscript{70} After further revelations of Nixon campaign misconduct during the 1972 election cycle, Congress amended FECA in 1974.\textsuperscript{71} The amendments strengthened and added “teeth” to the previous bill by including the creation of the Federal Election Commission (“FEC”), a separate agency tasked with enforcing these new laws.\textsuperscript{72}

\textbf{B. Opening the Floodgates}

1. \textit{Buckley} (1976)

With the beefed-up limits and disclosure requirements as part of FECA 1974, the Act was almost immediately challenged by reform opponents in the Supreme Court.\textsuperscript{73} The Supreme Court held in \textit{Buckley v. Valeo}\textsuperscript{74} that the direct contribution limit in FECA 1974\textsuperscript{75} was constitutional because of the importance of fighting quid pro quo corruption.\textsuperscript{76} The expenditure ban in FECA 1974 put limits on the amount of money a given person could spend in one election cycle.\textsuperscript{77} Regarding the limit on expenditures, the Court held that it was unconstitutional because it was a limit on First Amendment rights.\textsuperscript{78}

\begin{table}
\begin{tabular}{ll}
64. & \textit{Id.} \\
65. & \textit{Id.} \\
67. & \textit{Id.} \\
68. & \textit{Id.} \\
69. & \textit{Id.} \\
70. & \textit{Id.} \\
71. & \textit{Id.}; \textit{Mut\textsuperscript{c}h, supra} note 62, at 139. \\
72. & \textit{Mut\textsuperscript{c}h, supra} note 62, at 139. \\
73. & \textit{Id.} \\
74. & 424 U.S. 1 (1976). \\
76. & \textit{Buckley}, 424 U.S. at 28-29. \\
77. & \textit{Id.} at 19-20. \\
78. & \textit{Id.} at 21, 23. \\
\end{tabular}
\end{table}
Much of the reasoning in *Buckley v. Valeo* was used as a rationale for the holding in *Citizens United*.79 This was the first time that the idea that First Amendment rights were more important than the appearance of quid pro quo corruption received the Supreme Court’s attention.80 This idea can first be traced to Ralph K. Winter, who laid out this position in an American Enterprise Institute publication in 1974.81 Winter, a Yale Law School professor, argued that in the reformers’ rush to stop future corruption scandals, FECA reforms would not actually stop this kind of corruption.82 Instead, Winter argued that the reform would unconstitutionally limit First Amendment freedom of speech.83 Winter went on to represent Senator James Buckley in his attack on FECA 1974 in front of the U.S. Supreme Court84 and employ his First Amendment argument.85

Overall, the Court upheld disclosure statements and contribution limits because of a new “anticorruption rationale.”86 This was a novel exception to the First Amendment given that the Court could not cite a single case where campaign finance law was upheld to prevent quid pro quo politics.87 However, the Court saw expenditure limits as crossing the line and therefore unconstitutional.88

2. *Bellotti* (1978)

In 1978, the U.S. Supreme Court decided *First National Bank of Boston v. Bellotti*.89 At issue was a Massachusetts law that prohibited corporations from contributing to candidate and ballot-measure

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79. *See* Citizens United v. Fed. Election Comm’n, 558 U.S. 310, 339 (2010) (“As a ‘restriction on the amount of money a person or group can spend on political communication during a campaign,’ that statute necessarily reduces the quantity of expression by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached.”) (citation omitted).


81. Id. at 140.


85. Id.


88. Buckley, 424 U.S. at 45.

elections. The ballot measure at issue was an amendment to the state tax code. The First National Bank of Boston wanted to spend company treasury funds to oppose the law and asserted that the Massachusetts law had violated its First Amendment rights. Justice Powell, writing for the majority, stated that the question is not whether corporations have First Amendment rights, but whether the Massachusetts law in question abridges speech meant to be protected by the First Amendment. This important framing helped the Court look at the speech itself without tackling the philosophical conundrum of whether corporations are people. In doing so, the Court said of the speech: "[w]e thus find no support in the First or Fourteenth Amendment, or in the decisions of this Court, for the proposition that speech that otherwise would be within the protection of the First Amendment loses that protection simply because its source is a corporation."

C. Stemming the Tide

1. Austin (1990)

In Austin v. Michigan Chamber of Commerce, the Court upheld a Michigan statute that prohibited corporations from donating money out of their general treasury funds to advocate for a candidate seeking election. These are "independent expenditure" donations that do not go directly to the candidate but are spent on behalf of the candidate and fell out of the purview of the limits in Buckley. Buckley upheld limits on "direct contributions" or "hard money" donations. Michigan’s concern in enacting this statute was not merely to protect democracy from unequal speech whereby corporations could influence elections heavily, but the act also sought to stop the distortive nature of corporate speech in elections. The fact that

90. Id. at 767-68.
91. Id. at 769.
92. Id.
93. Id. at 770.
94. Id. at 776.
95. Id. at 777.
96. Id. at 784.
98. Id. at 654, 660.
99. Id. at 659.
101. Austin, 494 U.S. at 659-60 ("The act does not attempt 'to equalize the relative influence of speakers on elections.'").
102. Id. at 660 ("[T]he corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and that have little or no correlation to the
corporations gained the wealth that they were spending on elections not through public support—but by the virtue of their economic enterprise—meant that their speech distorted public opinion.\textsuperscript{103} The statute at issue "ensure[d] that expenditures reflect actual public support for the political ideas espoused by corporations."\textsuperscript{104}

The formulation of \textit{Austin} broke away from \textit{Buckley} in a few ways: it rejected the rigid formula of weighing corruption against First Amendment Speech, it moved away from the divide between expenditure and contribution limits, and it let stand a direct ban on expenditures.\textsuperscript{105} This antidistortion rationale is important because it gives a foothold to one side of the debate that corruption concerns can be weighed against First Amendment speech.\textsuperscript{106} Although the "antidistortion rationale" is not well articulated in the decision, it broaches the possibility that corruption can be broader than just bribery-like conduct.\textsuperscript{107}

2. BCRA’s Contribution Limits

Signed by then President George W. Bush, BCRA \textsuperscript{108} was the first major piece of campaign reform legislation since FECA.\textsuperscript{109} In the meantime, between \textit{Austin} and the passage of BCRA, both President George H.W. Bush and President Bill Clinton had proposed bills to reform campaign finance,\textsuperscript{110} but both times Congress killed the proposed bills.\textsuperscript{111}

BCRA prohibited corporations from paying for independent expenditures with their general treasury funds.\textsuperscript{112} Corporations instead had to set up PACs to make this kind of independent expenditure.\textsuperscript{113} Prior to BCRA, PACs and corporations could use independent expenditures to advocate for the election of a specific candidate as long as the group did not coordinate with the candidate.\textsuperscript{114} If there was

\begin{thebibliography}{114}
\bibitem{103} Id.\bibitem{104} Id.\bibitem{105} Jacob Eisler, \textit{The Deep Patterns of Campaign Finance Law}, 49 CONN. L. REV. 55, 64-65 (2016).\bibitem{106} Austin v. Mich. Chamber of Commerce, 494 U.S. 660 (1990).\bibitem{107} Eisler, supra note 105, at 65.\bibitem{108} Nadia Imtanes, \textit{Should Corporations Be Entitled to the Same First Amendment Protections as People?}, 39 WASH. ST. U. L. REV. 203, 206 (2012).\bibitem{109} MUTCH, supra note 62, at 162.\bibitem{110} Id. at 163.\bibitem{111} Id.\bibitem{112} Imtanes, supra note 108, at 206.\bibitem{113} Id.\bibitem{114} Id.
\end{thebibliography}
coordination, then it would have been considered a direct contribution and therefore subject to direct contribution limits. But BCRA changed this and made advocacy for or against the election of a candidate identical to coordination with a candidate. This meant that independent expenditures, that were not coordinated with a candidate which previously enjoyed no limitations, were now subject to direct contribution limits.


The Court upheld the limits on “soft money” that were part of BCRA; this is money donated, not to a specific candidate, but to a political party in order to fund the party’s election activities in general. First, the Court explained how the amount of soft money in elections had been skyrocketing. The Court then referenced the ulterior motives used by some donors who engage in donating to both sides of the aisle. Some donors were clearly using funds not to advance an ideology, but to gain access to federal candidates. Faced with First Amendment protections, the Court acknowledged that there is a strong interest in the “integrity of our electoral process.” The majority opinion referenced corruption and the appearance of corruption, as well as the antidistortion rationale, as reasons to uphold contribution limits. The evidence in the record, as well as common sense, showed that large soft-money donations had a corrupting influence in politics. Included in the record was testimony about the subtlety of this corruption by Robert Rozen, a D.C. lobbyist, who stated that when it

115. Id.
116. Id.
117. Id.
120. McConnell, 540 U.S. at 124 (“Of the two major parties’ total spending, soft money accounted for 5% ($21.6 million) in 1984, 11% ($45 million) in 1988, 16% ($80 million) in 1992, 30% ($272 million) in 1996, and 42% ($498 million) in 2000.”).
121. Id. at 124-25.
122. Id.
123. Id. at 136.
124. Id.; Imtanes, supra note 108, at 206-07 (“The Court in McConnell upheld most of BCRA, finding that corruption and its appearance was a compelling enough Government interest to impose these limits.”).
comes to quid pro quo contributions "words are rarely exchanged" and "people do have understandings." 126

A factor that aided in the decision to uphold contributions limits was the fact that the majority used "closely drawn scrutiny" in deferring to Congress. 127 The Court stated that Congress should receive deference regarding its ability to weigh the interests of sanctity of the electoral process and free speech. 128 Justices Thomas and Kennedy had objected to the Court not using "strict scrutiny" in past decisions regarding campaign contributions. 129

The Court reasoned that the contribution limits in BCRA have little impact on restricting the ability of contributors to engage in effective political speech. 130 In summarizing the case law on campaign finance reform, the majority stated that "[o]ur cases have made clear that the prevention of corruption or its appearance constitutes a sufficiently important interest to justify political contribution limits." 131 Corruption was not confined to "cash-for-votes exchanges" 132 but also extended to "the broader threat from politicians too compliant with the wishes of large contributors." 133 Included in the corruption rationale was the equally important "[g]overnment[] interest in combating the appearance or perception of corruption engendered by large campaign contributions." 134 The Court recognized that Congress had authority to legislate against large donors who made voters unwilling to participate in democratic governance. 135 In upholding contribution limits, the Court set a precedent for using a lower standard of review 136 in deferring to Congress and maintained three important arguments that, to them, outweighed First Amendment free speech: (1) antidistortion, 137 (2) corruption, 138 and (3) apparent corruption. 139

126. See id. at 147. Where a $2000 donation to an opponent’s campaign may silently signal a credible threat of more expenditures to come that would benefit the opponent, no words need to be exchanged to exact influence. LESSIG, supra note 5, at 258-59.
127. McConnell, 540 U.S. at 137.
128. Id. at 137.
129. Id.
130. Id. at 138.
131. Id. at 143.
132. Id.
135. McConnell, 540 U.S. at 143-44.
137. McConnell, 540 U.S. at 136.
138. Id.
139. Id.
D. Reopening the Floodgates

The Court was faced with two different lines of reasoning regarding campaign spending. On one hand was Austin and McConnell, both reasoning that it was allowable to restrict spending because of an anticorruption interest. On the other hand was pre-Austin reasoning, Buckley and Bellotti, that stated independent expenditures could not be restricted because First Amendment protection outweighed the threat of corruption. The Court overturned McConnell and held that limitations on soft money were unconstitutional. The Court upheld disclosure and disclaimer requirements for ads "on the ground[s] that they... help citizens 'make informed choices in the political marketplace.'"

In reviewing the First Amendment implications of BCRA's Section 441b limit on independent expenditures, Justice Kennedy said "strict scrutiny" is the standard of review, or, more specifically, that a "narrowly tailored" statute that furthers a "compelling interest" is needed to uphold a restriction on free speech. This would provide a higher threshold for the soft money ban to reach in order to be upheld as constitutional, given that the McConnell Court used "closely drawn scrutiny," which only requires that the government provide a "sufficiently important interest."


The Court starts its analysis of whether independent expenditures can be restricted by summarizing campaign finance law up until 2010. The Court then evaluates the three arguments in the Austin decision that

143. Id. at 365-66 ("The McConnell Court relied on the antidistortion interest recognized in Austin to uphold a greater restriction on speech than the restriction upheld in Austin and we have found this interest unconvincing and insufficient. This part of McConnell is now overruled.") (citations omitted)).
144. Id. at 367 (citation omitted).
145. Id. at 340 ("Laws that burden political speech are 'subject to strict scrutiny,' which requires the Government to prove that the restriction 'furthers a compelling interest and is narrowly tailored to achieve that interest.'" (citation omitted)).
were used to uphold contribution limits: (1) antidistortion, (2) corruption, and (3) apparent corruption.\footnote{149} Antidistortion was first.\footnote{150} The antidistortion rationale was described as the government’s interest in preventing corporations from “obtaining an ‘unfair advantage in the political marketplace’” by virtue of their resources gained in the “economic marketplace.”\footnote{151} As stated earlier, the government wanted to make sure that the political sphere reflected the views of the public instead of the few wealthiest donors who could use their massive wealth to distort the picture.\footnote{152} This argument was attacked first as being in violation of \textit{Bellotti};\footnote{153} because this rationale meant that speech was being restricted by virtue of who is saying it.\footnote{154} The Court then said it is irrelevant to evaluate the correlation between corporate donations and the public’s support for the corporation’s ideas for purposes of First Amendment analysis.\footnote{155} On the contrary, the Court said that the First Amendment protects the “open marketplace” of ideas.”\footnote{156} Overall, the antidistortion rationale did not persuade the majority and the Court held that potentially distorting public opinion was not enough to restrict the First Amendment.\footnote{157}

The next argument that the government offered to justify restricting independent expenditures was the corruption rationale.\footnote{158} Justice Kennedy started his analysis with the \textit{Buckley} ruling.\footnote{159} \textit{Buckley}’s rationale submitted that the interest of stopping corruption was valid to justify limits on “direct contributions,” but this reasoning could not justify limits on “independent expenditures.”\footnote{160} The Court then plainly states that preventing quid pro quo corruption is “not sufficient to

\footnotesize
\begin{enumerate}
\item \textit{Id.} at 348-49, 356.
\item \textit{Id.} at 349.
\item \textit{Id.} at 350.
\item \textit{Citizens United}, 558 U.S. at 349-50.
\item If the speakers here were not corporations, no one would suggest that the State could silence their proposed speech. It is the type of speech indispensable to decisionmaking in a democracy, and this is no less true because the speech comes from a corporation rather than an individual. The inherent worth of the speech in terms of its capacity for informing the public does not depend upon the identity of its source, whether corporation, association, union, or individual.
\item \textit{Id.} at 354 (quoting \textit{N.Y. St. Bd. of Elections v. Lopez Torres}, 552 U.S. 196, 208 (2008)).
\item \textit{Id.} at 356.
\item \textit{Id.} at 356-57.
\item \textit{Id.}
\item \textit{Id.} at 356-57 (“The \textit{Buckley} Court, nevertheless, sustained limits on direct contributions in order to ensure against the reality or appearance of corruption. That case did not extend this rationale to independent expenditures, and the Court does not do so here.”).
\end{enumerate}
displace...speech." Justice Kennedy goes a step further and states that independent expenditures do not give rise to corruption. To explain this assertion, the Court reasoned that independent expenditures give speakers "influence" and "access," but that does not mean the politicians involved in such relationships are corrupt.

Finally, in addressing the final government argument, the Court concluded that independent expenditures do not give rise to the appearance of corruption. Justice Kennedy addressed the rationale behind the appearance of corruption argument and claimed that the appearance of influence does not cause the electorate to lose faith in the democratic process. The dispelling of these three arguments led the Court to overturn Austin and McConnell, swinging the Court's approach to campaign finance restrictions back to that of the Buckley and Bellotti Courts.


After Citizens United, the Court partly upheld and partly overturned BCRA. We are left with a campaign finance system that yields an increase in spending with every successive election cycle and transparency with regard to disclosure statements. But the fact that money exists in elections is not the problem; the problem is money's ability to influence and buy access. The United States' current system does require disclosures from certain PACs, but some choose to disclose to the public anyway. PACs are the independent organizations set up

161. Id. at 357.
162. Id. at 357 ("[W]e now conclude that independent expenditures, including those made by corporations, do not give rise to corruption."); Imitanes, supra note 108, at 208.
164. Id. at 360; Imitanes, supra note 108, at 208.
166. Id. at 363, 365-66.
167. Id. at 365.
168. Id. at 365 ("Austin is overruled, ... 'effectively invalidat[ing] not only BCRA Section 203, but also 2 U.S.C. 441b's prohibition on the use of corporate treasury funds for express advocacy."); id. at 371 ("For the same reasons we uphold the application of BCRA §§ 201 and 311 to the ads, we affirm their application to Hillary. We find no constitutional impediment to the application of BCRA's disclaimer and disclosure requirements to a movie broadcast via video-on-demand.").
169. Cost of Election, OPENSECRETS.ORG, https://www.opensecrets.org/overview/cost.php (last visited Nov. 10, 2018) (noting that the total cost of 2000 election was $3.08 billion and total cost of the 2016 election was $6.44 billion).
171. Zócalo Public Square, supra note 16.
172. Ayres & Bulow, supra note 8, at 848-49; Benson, supra note 11, at 740.
to spend money as independent expenditures.174 They are usually setup as 527s or 501(c)s.175 But 501(c)(4) and 501(c)(6) nonprofit corporations do not need to disclose their donors to the IRS.176 Disclosure and disclaimer requirements have been upheld because they help voters make informed choices, while political advertisements hide behind dubious and misleading names.177 With disclosure and disclaimer statements, voters are better informed about the person or group who is speaking.178 Armed with such information, the electorate can then better hold politicians accountable for their positions and corporate supporters.179 Finally, the Court qualified its position of upholding these requirements by stating that disclosure and disclaimer statements do not chill free speech.180 The argument was made by Citizens United that some donors would be dissuaded from speaking because of potential retaliation.181 The Court said that if those contentions were valid then that would be a legitimate concern;182 however, the Court found that those concerns were unfounded.183

To overcome Citizens United, if the Supreme Court were to hear this issue again, the opposition would have to deal with the precedent that, under strict scrutiny, corruption, appearance of corruption, and distortion are not enough of a reason to restrict the First Amendment.184 The issue has come up in the courts since the Citizens United ruling with little change in the landscape of campaign finance law.185

SpeechNow.org v. Federal Election Commission can be viewed as going even further than Citizens United186 because the D.C. Circuit

174. Mutch, supra note 62, at 177.
175. See id. Political organizations governed under the Internal Revenue Code Section 527 are referred to by the Section number for simplicity's sake. See 527 Basics, OPENSECRETS.ORG, https://www.opensecrets.org/527s/basics.php (last visited Nov. 10, 2018). These organizations are generally created for the purpose of influencing a political issue or election, and generally can raise an unlimited amount of funds from their donors. Id. A nonprofit, tax-exempt group, which can engage in some type of political activity, can be created under the Internal Revenue Code Section 501(c). See Types of Advocacy Groups, OPENSECRETS.ORG, https://www.opensecrets.org/527s/types.php (last visited Nov. 10, 2018). The groups range in purpose, from religious charities under 501(c)(3), to labor and agricultural groups under 501(c)(5). Id.
176. Political Nonprofits (Dark Money), supra note 173.
178. Id. at 368.
179. Id. at 370.
180. Id.
181. Id.
182. Id.
183. Id. at 370.
184. Id. 357, 365-66.
186. Jeff Patch, March of Freedom Continues in SpeechNow.org v. FEC, CENTER FOR
Court stated that, as a matter of law, independent expenditures do not pose a danger to corrupt or espouse the appearance of corruption. 187 SpeechNow.org also extended the ban on restrictions on independent expenditures to groups whose only purpose is making independent expenditures. 188

III. PROBLEMS OF OUR CURRENT SYSTEM

“As a fund-raising senator once jokingly said to me, ‘Warren, contribute $10 million and you can get the colors of the American flag changed.’”

—Warren E. Buffett 189

This Part will outline the different types of corruption that are present in the current United States election system and how they affect democracy. 190 Several types of corruption have been put forth as reasons for reforming our campaign finance system in cases such as Austin (corruption, appearance of corruption, and antidistortion), 191 McConnell (corruption and appearance of corruption), 192 and Citizens United (antidistortion, corruption, and appearance of corruption). 193 Corruption can be classified as either quid pro quo corruption or influence/access corruption. 194

187. SpeechNow.org, 599 F.3d at 696 ("Instead, we return to what we have said before: because Citizens United holds that independent expenditures do not corrupt or give the appearance of corruption as a matter of law, then the government can have no anti-corruption interest in limiting contributions to independent expenditure-only organizations. No matter which standard of review governs contribution limits, the limits on contributions to SpeechNow cannot stand.").

188. Id.


190. See infra Part III.A–E.


193. Citizens United, 558 U.S. at 356 (“[T]he Government falls back on the argument that corporate political speech can be banned in order to prevent corruption or its appearance.”); id. at 348.

194. Ayres & Bulow, supra note 8, at 844.
A. Quid Pro Quo Corruption

Quid pro quo corruption is the trading of money by wealthy donors to campaigns for specific benefits in return.\(^{195}\) This corruption can happen in multiple ways.\(^{196}\) Politicians can engage in “rent extraction,” where politicians threaten negative treatment of the corporation or its business unless a contribution is made to their campaign.\(^{197}\) This is political speech that is akin to extortion.\(^{198}\) Corporations have no choice but to pay for a seat at the table or they will end up on the menu.\(^{199}\) Implicit deals can also be made where the donor performs by donating money and expects performance by the politician later on.\(^{200}\)

This is corruption in its classic form.\(^{201}\) This is plain bribery that, if found to be the fruit of coordinated efforts, results in criminal charges.\(^{202}\) These transgressions are not new to Washington.\(^{203}\) For example, Congressman Randy “Duke” Cunningham and William J. Jefferson were both convicted on corruption charges.\(^{204}\) Cunningham (R-Cal.; 1991-2005) was sentenced to eight years and four months in prison for giving out government defense contracts in exchange for cash totaling $2.4 million.\(^{205}\) Jefferson (D-La.; 1991-2009) was sentenced to thirteen years in prison because of his abuse of his position on the House Ways and Means Committee to seek hundreds of thousands of dollars in bribes from oil, sugar, and communications businesses.\(^{206}\) This type of activity can be prosecuted through bribery statutes.\(^{207}\) However, the often implicit nature of these transactions\(^{208}\) makes it very hard to prove.\(^{209}\)

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195. Id.
196. LESSIG, supra note 5, at 228.
197. Ayres & Bulow, supra note 8, at 846.
198. Id. at 846-47.
199. Big Pharma's ObamaCare Reward, supra note 32 (“Remember the business line, circa 2009, that if you weren’t at the ObamaCare table you were on the menu? Well, Big Pharma sat at the table, gave Mr. Obama what he wanted, and is now back on the menu as the cheese course.”).
200. Ayres & Bulow, supra note 8, at 845.
201. LESSIG, supra note 5, at 226-27.
203. See LESSIG, supra note 5, at 226-27.
204. Id.
205. Id. at 226.
207. LESSIG, supra note 5, at 228.
208. Ayres & Bulow, supra note 8, at 845.
B. Influence and Access Corruption

“Anytime someone, whether a person or a PAC, gives you a large sum of money, you can’t help but feel the need to give them extra attention, whether it is access to your time or, subconsciously, the obligation to vote with them.”

Influence corruption is a transaction in which donors make contributions to candidates in order to influence the candidate’s deliberation in executing her duties as a representative.211 This may seem like quid pro quo corruption, but it can be distinguished.212 Where quid pro quo corruption involves specifically “[t]aking this in exchange for that,”213 influence corruption encompasses a more tenuous transaction where donors seek to influence the independence of the politician’s decision-making while in office.214 These transactions depend on a basic trust that the donation will be reciprocated at a time when it is appropriate.215 This corruption manifests itself as either an attempt to influence the discretion of the politician pertaining to certain issues before them216 or unequal access to the politician in favor of the donor.217

Although the connection between donations and government action seems tenuous given the lack of coordination, these donations yield a very high return on investment.218 Another reason this type of agreement

211. Ayres & Bulow, supra note 8, at 849.
212. LESSIG, supra note 5, at 231.
213. Id. at 226.
214. Id. at 230-31 (describing “dependence corruption” in similar terms as influence corruption); Ayres & Bulow, supra note 8, at 844. This corruption manifests itself as a gift economy that is grounded on relationships where actors feel obligated to reciprocate favors for one another. LESSIG, supra note 5, at 110. Influential actors later seek to draw upon these relationships to achieve the economic policy ends they seek. Id.
216. SABATO, supra note 210, at 127 (“[S]ome legislators confess that PAC dollars affect their judgment on the issues before them.”).
217. Id. (“Political analysts have long agreed that access is the principal goal of most interest groups, and lobbyists have always recognized that access is the key to persuasion.”).
218. CLAWSON, NEUSTADTL & SCOTT, supra note 215, at 98.

Because of the tax loopholes enacted by Congress over the years, a single company (AT&T) was able to earn nearly $25 billion in profits from 1982 through 1985 without paying one penny of taxes—in fact, the government actually paid AT&T $635 million in tax rebates. The company’s tax savings totaled more than $12 billion. AT&T has had a number of PACs. From 1979 through 1986, those PACs contributed nearly $1.4 million to congressional candidates, mainly incumbents. So an officer or director of AT&T might calculate that on the $12.1 billion tax saving alone, the nearly
is favored is because of the social ramifications of quid pro quo politics.219 In addition to being illegal, explicit buying of government action in the form of donations can push politicians away.220 Authors Dan Clawson, Alan Neustadt, and Denise Scott posit the idea that donors paying politicians for specific votes is a myth.221 The authors claim that money does not buy votes specifically, but it creates influence over the politician’s behavior where politicians are “eager to do favors for corporations” and “do not need to be forced.”222 Corporate donors also understand that highly visible issues are insulated from donor influence.223 This is because politicians cannot stray too far from their constituents’ will when the public is aware of the issue.224 It is the low-visibility issues where a donor’s influence can take hold—since the public is largely unaware.225 Access-oriented PACs do not focus on major legislation, instead, these PACs dwell in the spheres of influence concerning the wording of smaller legislation.226 For instance, in a piece of tax legislation, a PAC is to be sure that the law has built-in loopholes that protect the corporation.227 Lawrence Lessig sheds light on instances where this type of conflict of discretion occurs in judicial elections.228 A judge’s discretion is influenced if her decision-making is in conflict between the rule of law and the politics of running an election.229

A crucial goal for the PAC is also to get access to members of Congress.230 Access allows PAC officials to vent their concerns to

$1.4 million given by the company PAC netted a return of 867,145 percent.

Id.

219. Id. at 110.
For [Tony] Coelho [D-Calif. and chair of the Democratic Congressional Campaign Committee], . . . he became offended only when the donor suggested an explicit entitlement to official favors. “There is a fine line,” Coelho explained. “I don’t mind [donors] bringing up that they have a problem [with the government]. But don’t ever try to create the impression with me, or ever say it—if you say it, it’s all over—that your money has bought you something. It hasn’t. There’s a real delicate line there . . . .”

Id.

221. CLAWSON, NEUSTADTL & SCOTT, supra note 215, at 88-89.
222. Id. at 89.
223. Id.
224. Id.
225. Id. at 96 (“Companies not only receive what amount to large government handouts, but these are rarely discussed and exposed.”).
226. See id. at 91-92.
227. Id.
228. LESSIG, supra note 5, at 229-30.
229. Id.
politicians in a much more personal manner.  

Some academics argue that the size and economic influence of these corporations alone should yield success in accessing members of Congress; however, a PAC director himself argues to the contrary:

Interviewer: So does the PAC really change anything? Suppose you didn’t have a PAC? You’d still have 2,000 employees and a $5 million payroll. . . .

PAC Director: I wouldn’t have the access, and it may sound like bullshit, but I’m telling you very sincerely, I wouldn’t know Governor X to the degree that we know the governor and his staff; we wouldn’t know Bob Y, the local Congressman, as well as we know him; and we wouldn’t know the junior senator as well.

This type of corruption jeopardizes one of the most fundamental intentions of the framers: independence. The framers intended the legislative and judicial branches to be independent in that they depend “upon the People alone.” But because of the money that has been donated, that independence is corrupted and it influences the elected official’s ability to serve the interests of the people.

C. The Appearance of Corruption

Eliminating the appearance of corruption is an important interest of the government and has been for many years prior to the Citizens United ruling. The appearance of corruption is a problem because of its effect on the public’s trust. When there is evidence of the appearance of corruption, the public believes that the politician’s focus

231. Id. at 103 (“When corporate lobbyists meet with a member or key staffer, they feel they must have full and complete information, present it honestly, explain why their alternative proposal is reasonable, and make a case it constitutes better policy.”).

232. Id. at 101-02.

233. Id. at 101.

234. Id. at 101-02.

235. LESSIG, supra note 5, at 230-31.

236. Id.

237. Benson, supra note 11, at 740.

238. David Axelman, Note, Citizens United: How the New Campaign Finance Jurisprudence Has Been Shaped by Previous Dissents, 65 U. MIAMI L. REV. 293, 311-12 (2010) (“The interest in preventing corruption, or the appearance thereof, is the most longstanding and widely accepted government interest in campaign finance regulation.”).

239. Citizens United v. Fed. Election Comm’n, 558 U.S. 310, 356 (2010) (“In Buckley, the Court found this interest ‘sufficiently important’ to allow limits on contributions but did not extend that reasoning to expenditure limits.”).

240. LESSIG, supra note 5, at 243.
is not in line with the electorate.\textsuperscript{241} The public can see that once the campaign is over, the lobbyists and special interests move in.\textsuperscript{242}

The problem with voters losing faith in the process is that it discourages voter participation.\textsuperscript{243} One of the primary goals of the founding fathers was to foster citizen participation in the democratic process.\textsuperscript{244} Decreased voter participation leads to decreased accountability of elected officials.\textsuperscript{245} Not all Justices share this view that the appearance of corruption will cause the electorate to lose faith in democracy.\textsuperscript{246} However, Justices Breyer and Souter have expressed their concern over voter cynicism.\textsuperscript{247} Justice Stevens acknowledged the fear that voters may lose faith in their ability to influence public policy if they see that government has been captured by corporate interests.\textsuperscript{248} Breyer went further in saying that the government has an interest in preserving this faith.\textsuperscript{249}

Justice Kennedy is of the opinion that voters do not lose faith in democracy in the face of large independent expenditures.\textsuperscript{250} His reasoning highlights that independent expenditures are not coordinated, so the electorate knows that this does not lead to corruption.\textsuperscript{251} Kennedy’s reasoning is undermined in the face of insider testimony indicating that coordination is unnecessary when influencers have “understandings.”\textsuperscript{252} Contrast Kennedy’s statement about voters with a 2002 survey that found that seventy-six percent of Americans said they

\textsuperscript{241} Id. at 243, 245.
\textsuperscript{242} Id. at 243.
\textsuperscript{243} Benson, supra note 11, at 734 ("Several studies suggest that such participation is dampened if the public perceives that the undue influence of a small number of wealthy interests will drown out their own influence.").
\textsuperscript{244} Id.
\textsuperscript{245} Id. ("Voter engagement promotes accountability, enabling citizens to communicate their preferences to their representatives.").
\textsuperscript{246} Citizens United v. Fed. Election Comm’n, 558 U.S. 310, 360 (2010) (Justice Kennedy writing for the majority: "The appearance of influence or access, furthermore, will not cause the electorate to lose faith in our democracy.").
\textsuperscript{247} Benson, supra note 11, at 736.
\textsuperscript{248} Citizens United, 558 U.S. at 470-71 (Stevens, J., dissenting) (discussing the government potentially being unresponsive to voter needs: "The predictable result is cynicism and disenchantment: an increased perception that large spenders call the tune and a reduced willingness of voters to take part in democratic governance." (internal quotations omitted)).
\textsuperscript{249} Benson, supra note 11, at 736.
\textsuperscript{250} Citizens United, 558 U.S. at 360.
\textsuperscript{251} Id.
\textsuperscript{252} McConnell v. Fed. Election Comm’n, 540 U.S. 93, 147 (2003) ("In my experience, overt words are rarely exchanged about contributions, but people do have understandings." (quoting Declaration of Robert Rozen at 5, McConnell v. Fed. Election Comm’n (D.C. Cir. 2002) (No. 02-0582)).
believed campaign contributions influenced judicial decisions. A New York Times article backed up some of these beliefs when it stated that, over a twelve-year period, Ohio judges held in favor of their contributors more than seventy percent of the time. Additionally, forty-six percent of state judges polled in a 2002 survey said that “contributions have at least a little influence.” This perceived influence of campaign spenders on politicians weakens the fairness of the system and then, in turn, weakens public trust.

D. Antidistortion

The decision in Austin to allow the government to restrict campaign contributions was rooted in the idea that the government has an interest in preventing the distorting effects that these contributions had on political discourse. Some of the Justices on the Supreme Court, particularly in the liberal wing, hold the view that the antidistortion interest of the government is the same as an anticorruption interest. While other Justices, primarily in the conservative wing, maintain the antidistortion interest as completely separate.

The distortion problem in American politics is the idea that through immense aggregations of wealth, corporations can distort the political landscape with ideas that have little or no correlation to public support. In explaining how this works, Justice Stevens first points out the important differences between the public and corporations. Corporations have limited liability for their owners and managers, perpetual life, and favorable treatment of the accumulation and distribution of assets that enhance their ability to raise capital. Corporations have the responsibility of ensuring society’s economic welfare and the resources in their treasury “are not an indication of

253. LESSIG, supra note 5, at 229.
255. LESSIG, supra note 5, at 229.
256. Id. at 230.
259. Austin, 494 U.S. at 703-04 (Kennedy, J., dissenting) (“We have said: ‘Corruption is a subversion of the political process’ whereby ‘[e]lected officials are influenced to act contrary to their obligations of office by the prospect of financial gain . . . ’ In contrast, the interest touted by the majority is the impermissible one of altering political debate by muting the impact of certain speakers.”).
260. Id. at 660.
262. Id.
popular support for the corporation’s political ideas.” 263 A corporation’s resources, instead, reflect “economically motivated decisions of investors and consumers.” 264 Justice Stevens goes on to say that the opinions of the voting public may be marginalized 265 because corporations, with their amassed financial resources that only a few individuals can match, 266 can flood the market with advocacy that bears little or no correlation to the ideas of natural persons. 267 Overall, Stevens sees the antidistortion interest as a way to protect the electoral marketplace of ideas in which the nation chooses how it will govern itself. 268 Unfortunately, the most important development in the overturning of the antidistortion rationale was the government’s failure to defend this argument. 269

Consequently, Scalia and the conservative wing of the Court were of the opinion that the American people are capable of distinguishing the substance of speech from its source. 270 In defending corporate speech, Scalia uses a justification similar to Stevens’ justification for the opposing view. 271 Both sides fear that someone’s voice will be muted if the other side is to prevail. 272

E. Corruption is Problematic

With politicians beholden not to their constituents but to special interest contributors, 273 why should politicians concern themselves with the positions of their constituents? 274 Considering the better-financed

263. Id.
264. Id.
265. Id. at 469-70.
266. Id. at 469.
267. Id. at 470.
268. Id. at 473.
269. Richard L. Hasen, Citizens United and the Orphaned Antidistortion Rationale, 27 GA. ST. U. L. REV. 989, 997 (2011). The government was perceived to have lacked faith in the antidistortion rationale that propped up the original Austin decision. Id; see Citizens United, 558 U.S. at 385 (Scalia, J., concurring) ("[T]o the extent the Government relies on new arguments—and declines to defend Austin on its own terms—we may reasonably infer that it lacks confidence in that decision’s original justification.").
271. See Citizens United, 558 U.S. at 393 (Stevens, J., concurring) ("Indeed, to exclude or impede corporate speech is to muzzle the principal agents of the modern free economy."); see also id. at 470 (Stevens, J., dissenting) (referencing the “immediate drowning out noncorporate voices.”).
272. See Citizens United, 558 U.S. at 393 (Stevens, J., concurring); see also id. at 470 (Stevens, J., dissenting).
274. Asher Schechter, Study: Politicians Vote Against the Will of Their Constituents 35 Percent of the Time, PROMARKET (June 16, 2017), https://promarket.org/study-politicians-vote-
politicians win elections more often, it follows that politicians should focus more time and energy on the will of special interest rather than the will of the voting public. Conversely, the more money you have, the more influence you can exert over the formation of public policy. In terms of results, Christopher Ellis, Jesse Rhodes and Brian Schaffner, and Chris Tausanovitch all found that voting in Congress was more responsive to the preferences of those who are more wealthy. The policies favored by the most affluent are the most likely to be enacted, which results in a government that does not reflect the preferences of the poor or middle class. Naturally, wealthier individuals are much more likely to donate to political campaigns than their lower-class counterparts. Those that do donate also tend to hold much more extreme views on policy than their non-donating counterpart. Whereas the public at large has a bell curve-like distribution along the ideological spectrum, donors tend to fall into a bimodal distribution. The result is a government that implements public policy reflecting the “donor class” at the expense of the rest of the public. Policy outcomes become skewed not in favor of the public majority but rather tailored to fit the desires of the wealthy donors.

will-constituents-35-percent-time.


276. Ayres & Bulow, supra note 8, at 849.


281. Stephanopoulos, supra note 277, at 1468-69.

282. Id. at 1469-70 (citing MARTIN GILENS, AFFLUENCE AND INFLUENCE: ECONOMIC INEQUALITY AND POLITICAL POWER IN AMERICA 81 (2012)).

283. BARTELS, supra note 277, at 267; Stephanopoulos, supra note 277, at 1474.

284. Stephanopoulos, supra note 277, at 1474.

285. Id.

286. Benson, supra note 11, at 729.

287. Id. (“This disproportionate influence yields skewed policy outcomes that favor the members of this ‘donor class,’ often at the expense of everyone else.”).
Creating this system of unequal influence was not manifestly part of the intentions of the framers in their conceiving of the United States.288 In creating our system of government, the founders were predominantly focused on achieving a democratic republic that was dependent solely upon the public.289

IV. SOLUTION

In this Part, this Note argues the merits of an anonymous system for campaign donations.290 A system wherein candidates are oblivious to who has donated to their campaign will limit the corrupting influence of money in elections.291 This Part outlines a system similar to the one proposed by Ayres and Bulow; however, the system outlined in this Note will better remove the donors from the candidates for anonymity purposes.292 This Part employs two trusts, to better conceal the source of donations, akin to money laundering.293 This Part also outlines potential shortcomings of such a system, as well as its feasibility given the landscape of current Supreme Court precedent.294

In light of the previous Part’s discussion of the corrupting influence of money in politics,295 the problem of the current system is not that there is too much money in politics.296 Ridding our democracy of money would be an impossible task.297 Money is, to a degree, necessary to run a campaign298 and can serve a positive purpose of informing the public.299 The problem that needs confronting and solving is money’s ability to influence and buy access to politicians.300

289. Id. (“If the Framers were focused on anything, it was upon how best to craft a republic that was properly dependent upon the people.”).
290. See infra Part IV.A.1.
291. Ayres & Bulow, supra note 8, at 849. (“Mandated anonymity would reduce the corrupting influence of contributions on candidates’ behavior by reducing both the candidates’ feedback about how particular positions affect giving and the willingness of donors to make large donations to influence candidate behavior.”).
292. See infra Part IV.A.2.
293. See infra Part IV.A.2.
294. See infra Part IV.B.
295. See supra Part III.
296. Soros, supra note 16; Zócalo Public Square, supra note 16.
297. McConnell v. Fed. Election Comm’n, 540 U.S. 93, 224 (2003) (“We are under no illusion that BCRA will be the last congressional statement on the matter. Money, like water, will always find an outlet. What problems will arise, and how Congress will respond, are concerns for another day.”).
298. See Ayres & Bulow, supra note 8, at 876; Soros, supra note 16.
299. See Zócalo Public Square, supra note 16; see also Ayres & Bulow, supra note 8, at 877.
300. Ayres & Bulow, supra note 8, at 848-49; Benson, supra note 11, at 740.
A. Double-Trust System

Subpart A advocates for anonymity as the best strategy for expelling the corruption identified in the previous section. This Subpart also illustrates the logistics of implementing a double-trust system and why it is the proper format for an anonymous donation framework.

1. Anonymity

A system of mandated anonymity between the donor and donee would reduce the corrupting influence of money because of the candidate’s inability to make policy decisions in favor of their donors once elected. In this anonymous system, the candidates would not know to whom they should give unequal access because they are unaware of their benefactors’ identities. In disposing with a system wherein private interest groups make donations and have the full expectation that the favor will be reciprocated, a more independent civic leadership may emerge. As stated earlier, a government that is not independent cannot perform its intended purpose of, according to the framers, serving the interests of the people.

The oft-cited complaint that there is “too much money in politics” fails to recognize that, although election spending has increased over the years, money is a necessary component of a functioning electoral system. Politicians need to gain name recognition amongst voters and

301. See infra Part IV.A.1.
302. See infra Part IV.A.2.
303. Ayres & Bulow, supra note 8, at 849.
305. Ayres & Bulow, supra note 8, at 850.
306. Benson, supra note 11, at 727.

One often hears that too much money is spent on political campaigns. The language in which campaigns are described in the general press constantly reinforces that perception. Candidates “amass war chests” with the help of “special interests” that “pour” their “millions” into campaigns. “Obscene” expenditures “careen” out of control or “skyrocket” upwards. This language notwithstanding, there is actually good cause to believe that we do not spend enough on campaigns.

Smith, supra note 19, at 1058-59.
they accomplish this by airing advertisements. Americans who do not have the time to do their own research would be unable to glean the most basic information about an election, such as who is running, without such advertisements. This is why simply eliminating money from politics overall is not an apt solution. Money is a necessary evil.

Another tactic used to solve the problem of corruption in campaign finance is increased disclosure of each candidate’s fundraising sources. The rationale behind disclosure is that a voting public with knowledge of campaign contributions could use their voting power to punish those candidates who have taken money from big corporations. However, this rationale is flawed because this requires research on the part of the electorate that is not always feasible and it is difficult to infer appropriate influence when only the facts of contributions are available. Additionally, disclosure does little to stamp out the corruption concerns identified herein. No direct limitations on contributions are put in place when employing a disclosure model; it is up to the voting public to hold politicians accountable for their campaign fundraising tactics. Disclosure also normalizes the corruption dynamic at play. With an endless stream of newspaper articles documenting the

308. Palko, supra note 307.
309. Id.
310. See Smith, supra note 19, at 1072-75.
312. Benson, supra note 11, at 746 (“[S]ome experts have gone so far as to suggest that disclosure is ‘one of the only tools that reformers have to reduce corruption.’” (quoting Nicholas Bamman, Campaign Finance: Public Funding After Bennett, 27 J.L. & POL. 323, 330 (2012)); Scott M. Noveck, Campaign Finance Disclosure and the Legislative Process, 47 HARV. J. ON LEGIS. 75, 100-01 (2010); Trevor Potter & Bryson B. Morgan, The History of Undisclosed Spending in U.S. Elections & How 2012 Became the “Dark Money” Election, 27 NOTRE DAME J.L. ETHICS & PUB. POL’Y 383, 388 (2013). The current system predicated upon public disclosure of donations is essential to our campaign finance system in the United States and is widely recognized as fundamental. Potter & Morgan, supra, at 388.
313. Ayres & Bulow, supra note 8, at 844.
315. Ayres & Bulow, supra note 8, at 844. Considering some donors give to both sides or put pressure on a candidate by donating to their opponent, the true story behind the donations may be hidden from public view if the public is merely armed with the data on its face. See LESSIG, supra note 5, at 258-59; Marcos Chamon & Ethan Kaplan, The Iceberg Theory of Campaign Contributions: Political Threats and Interest Group Behavior, 5 AM. ECON. J.: ECON. POL’Y 1, 3 (2013).
316. See Noveck, supra note 312, at 103.
317. Id.
318. LESSIG, supra note 5, at 258 (“But a detailed record of contributions in a system that depends fundamentally upon an endless stream of contributions will not on its own produce the reform we need. . . . For, perversely, the system simply normalizes dependence rather than enabling independence. There’s no shame in the dance. There’s no embarrassment from being on the list.
donations without proof of actual corruption, American cynicism grows and leads to emotion without understanding. Transparency alone cannot achieve the reform needed.

Increasing restrictions on campaign contributions is another strategy that has been used in the past and has garnered some support. Limits on contributions, though, do not come without serious negative ramifications. For instance, incumbent politicians enjoy advantages over their insurgent counterparts that result in incumbents winning reelection at high rates. Contribution limits tend to entrench this advantage. When contribution limits are put in place, it becomes more difficult for candidates to raise money as a result of the need to reach a wider pool of donors. This exigency helps the incumbent because the incumbent can draw from an already-existing support structure.

There is instead an endless stream of ‘gotcha’ journalism linking a decision to a contributor, with almost no integrity on either side. That ‘gotcha’ in turn feeds the already profound cynicism that Americans have.

319. Id.
320. Id.
323. Smith, supra note 19, at 1084.
326. Smith, supra note 307, at 1072.
327. Id. This includes a “database” of past contributors, an already-made campaign, and an existing PAC. Id.
Contribution limits also reinforce the incentives for donors to influence candidates with their donations, rather than donating to legislators who are sympathetic to their legislative goals.\textsuperscript{328} Contributors are faced with employing either an "electoral strategy" of donating to like-minded legislators to increase their chance of winning or a "legislative strategy" of donating to whichever candidate the donor thinks is most likely to win in the hopes of influencing the candidate later on.\textsuperscript{329} Because, even in close races, it is unlikely that a single limited contribution will swing the odds of a victory, the low-risk option is to donate to the candidate most likely to win and hope to influence that legislator's voting behavior later on.\textsuperscript{330}

Placing restrictions on contributions also has the adverse effect of limiting the pool of potential candidates to those that are already wealthy.\textsuperscript{331} While the Supreme Court held that Congress may not prohibit candidates from spending money on their own campaigns,\textsuperscript{332} if this is coupled with a restriction on raising outside money, then independently-wealthy candidates have a decided advantage.\textsuperscript{333} Limiting voter choice has the negative consequence of denying voters the chance to vote for someone that represents their interests.\textsuperscript{334}

In weighing these different approaches to campaign finance reform, a system of anonymity limits money's ability to corrupt the campaign process\textsuperscript{335} while there are significant drawbacks to increased disclosure\textsuperscript{336} and contribution limits.\textsuperscript{337}

\begin{itemize}
\item \textsuperscript{328} Id. at 1075.
\item \textsuperscript{329} Lowenstein, \textit{supra} note 311, at 308 (1989).
\item \textsuperscript{330} Smith, \textit{supra} note 307, at 1075-76.
\item \textsuperscript{331} Id. at 1081-82.
\item \textsuperscript{332} Buckley v. Valeo, 424 U.S. 1, 52-53 (1976) ("Indeed, it is of particular importance that candidates have the unfettered opportunity to make their views known so that the electorate may intelligently evaluate the candidates' personal qualities and their positions on vital public issues before choosing among them on election day."). In two separate bids for the United States Senate, Linda McMahon spent close to $100 million of her own money in a three-year period. Peter Applebome, \textit{Personal Cost for 2 Senate Bids: $100 Million}, N.Y. TIMES (Nov. 2, 2012), http://www.nytimes.com/2012/11/03/nyregion/linda-e-mcmahon-has-spent-nearly-100-million-in-senate-races.html.
\item \textsuperscript{333} Smith, \textit{supra} note 307, at 1081-82.
\item \textsuperscript{335} Levine & Johnston, \textit{supra} note 304.
\item \textsuperscript{336} See Noveck, \textit{supra} note 312, at 103.
\item \textsuperscript{337} See Smith, \textit{supra} note 307, at 1075-76.
\end{itemize}
2. Logistics

Where the system advocated for by Ayres and Bulow encompasses a single blind trust per candidate and PAC, this Note advocates for a system of multiple trusts for the donations to travel through. By breaking up the donations and putting them through two accounts, akin to "placing" and "layering" in money laundering schemes, it would hinder the candidate’s ability to decode the identity of large scale donors who may donate specific amounts. Anyone seeking the identity of the original donor after the money is transferred between trusts would face great difficulty considering the tremendous number of wire transfers that go on.

These trusts that move money from the donors to the candidates would be managed by the politically insulated FEC. Stamping out any attempts to circumvent the anonymous process is essential to the execution of this system. Although it is foreseeable that the amount of noise stemming from would-be donors attempting to confirm to candidates that they have donated would create too much difficulty for candidates to truly know the identities of their donors, the organization tasked with running these trusts must still be free from political pressure. The FEC is headed by a group of six commissioners, no more than three of whom can belong to the same political party. Though this structure often leads to deadlock

338. Ayres & Bulow, supra note 8, at 854 n.63.
339. See supra Part IV.A.
340. Scott Sultzer, Money Laundering: The Scope of the Problem and Attempts to Combat It, 63 TENN. L. REV. 143, 149-51 (1995). Money launderers developed a method called "structuring" where they would divide large deposits into smaller transactions in order to better evade detection. Id. at 155. For our purposes, evading detection by the candidate is necessary to maintain anonymity. Ayres & Bulow, supra note 8, at 852. "Layering" involves moving the money through multiple accounts in hopes that the complexity of the multiple transactions shrouds the money in secrecy. Sultzer, supra, at 150.
341. Ayres & Bulow, supra note 8, at 855.
342. Sultzer, supra note 340, at 150.
343. Ayres & Bulow, supra note 8, at 854-55.
345. See Ayres & Bulow, supra note 8, at 859.
346. Id. at 859-60. ("If nondonors can mimic the signals of donors, then donors will have difficulty credibly communicating their contributions.").
347. Id. at 852-53. ("For either ‘booth’ to be effective, we must trust the administrator not (1) to reveal for whom citizens vote or to whom they donate, or (2) to misapply the donation or vote to an unintended candidate.").
348. Potter & Morgan, supra note 312, at 473.
on matters of investigation or penalties, the FEC’s independence is meaningful.\textsuperscript{349}

\textbf{B. Limitations of Solution}

"If you think this Congress, or any other, is going to set up a system where someone can run against them on equal terms at government expense, you’re smoking something that you can’t buy at the corner drugstore."


1. Feasibility

Implementing such a system would require Congress to vote against its interests,\textsuperscript{351} something that it loathes to do.\textsuperscript{352} A system of anonymity would face significant Congressional opposition because it would mean Congress’s access money would dry up.\textsuperscript{353} Like any other large shift in constitutional policy, the change is not likely to be made overnight at the federal level.\textsuperscript{354} On the state and local level, New York City, Seattle, Arizona, Connecticut, and Maine have adopted lucrative public financing options so that candidates do not have to rely on the influence of private money.\textsuperscript{355} Constitutionally, mandated donor anonymity may be struck down because of its impediment to the right of

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\textsuperscript{349} Id.; see GARRET, supra note 344, at 6.


\textsuperscript{351} Ayres & Bulow, supra note 8, at 888 (“Cynics will argue that any worthwhile reform has no chance of being enacted. We share this pessimism. Any system that is effective in reducing the current amounts of quid pro quo and monetary influence corruption is bound to gore some political ox.”).


\textsuperscript{353} Ayres & Bulow, supra note 8, at 888.

\textsuperscript{354} In 2015, the Court in Obergefell v. Hodges, 135 S. Ct. 2584 (2015) declared gay and lesbian couples had a right to marry after thirty-seven states had already passed marriage equality laws. David Cole, How to Reverse Citizens United: What Campaign-Finance Reformers Can Learn From the NRA, ATLANTIC (Apr. 2016), And in 2008 the Court in District of Columbia v. Heller, 554 U.S. 570 (2008) recognized the individual’s right to bear arms under the Second Amendment after most state constitutions had already done so. Id.

\textsuperscript{355} Id. ("New York City, for example, matches small donations six-to-one for those candidates who agree to contribution and spending limits.").
association, but the seemingly insurmountable idea of campaign finance reform may be achievable with time.

Despite the doctrine of stare decisis calling for judicial consistency, at the Supreme Court, precedent has not been followed on multiple occasions and campaign finance law trends have been reversed. Although Citizens United is the current rule of law, a different view of the issues could make itself felt if the Court realizes that the previous ruling was in clear error. In Planned Parenthood of Southeastern Pennsylvania v. Casey, the majority identifies two instances in which stare decisis was abandoned in the face of prior rulings predicated upon faulty assumptions. Similarly, the justification for the Citizens United decision can be described as one predicated upon faulty assumptions of independent expenditures and their inherent inability to corrupt.

2. Enforcement

Unfortunately, the FEC could not be completely sure that donors are not exposing themselves as donors to candidates in secret. Hefty penalties would be exacted against violators of the anonymity requirement; however, enforcement and investigation into these

357. Cole, supra note 354.
360. Robert Yablon, Campaign Finance Reform Without Law, 103 Iowa L. Rev. 185, 200 (2017) (“In Citizens United, however, the Supreme Court decisively disavowed its prior endorsements of corporate independent expenditure limits and adopted a nearly categorical rule that the First Amendment bars restrictions on independent expenditures no matter the source. The Court is unlikely to back away from this rule anytime soon.”).
362. Id. at 861-62. In discussing Lochner v. New York, 198 U.S. 45 (1905) the Court illustrates how the assumption that an unregulated market could have the capacity to sustain minimal levels of human welfare for all workers was faulty and led to the decision in West Coast Hotel Co. v. Parrish, 300 U.S. 379 (1937) to overturn Lochner. Id. The Court then highlights Plessy v. Ferguson’s decision resting on a faulty assumption that separate but equal segregation does not inhere discrimination or inferiority. Id. at 862-63.
363. Paul S. Ryan, Two Faulty Assumptions of Citizens United and How to Limit the Damage, 44 U. Tol. L. Rev. 583, 585 (2013). ("[T]he Court’s assertion that so-called ‘independent expenditures’ cannot give rise to such corruption or the appearance of such corruption is badly flawed because expenditures meeting the legal definition of ‘independent expenditure’ are not truly ‘independent’ in any meaningful sense of the word.").
364. Ayres & Bолов, supra note 8, at 860 ("[W]e are under no illusion that our (or any other) system of anonymity would be completely successful in keeping candidates uninformed. Some inventive donors, with the aid of inquiring candidates, will undoubtedly devise methods to signal credibly.").
violations could prove very difficult to undertake. When the imposition of penalties becomes necessary, the FEC’s structural deficiencies may succumb to partisan deadlock.

3. Loss of Information

Keeping the public in the dark with regard to which corporations have donated to which campaign may prove problematic for voters. Disclosure is one of the only parts of FECA 1974 that survived the Buckley decision. Our current system of disclosure allows for voters to rely on the press to report on these transactions and hold these politicians accountable in an inherently democratic way.

V. CONCLUSION

The campaign finance system of the United States is an institution that is one of dependence upon corruption. This dependence has led Congress, the main player in this system of dependence, to enact legislation on multiple occasions that puts limits on the amount of money that can be contributed to campaigns.

Preventing corruption has been an important governmental interest since the founding of the United States and this is evident from the Framer’s view of the Constitution. Reform is necessary considering the unabashed admittance to the corrupting influence of money by the players involved. Reform may also take many years to take hold when faced with Supreme Court precedent that, in the face of a long record of corruption from the McConnell case, characterizes this corruption as non-existent as a matter of law.

365. Id. at 855.
366. Potter & Morgan, supra note 312, at 473.
367. Ayres & Bulow, supra note 8, at 877.
368. Noveck, supra note 312, at 96; Sullivan, supra note 356, at 326.
369. Sullivan, supra note 356, at 326.
370. LESSIG, supra note 5, at 17.
371. Id. at 39.
373. Pirsch, supra note 273, at 213; see Lessig, supra note 288, at 19.
374. LESSIG, supra note 5, at 249.
375. Clawson, Neustadt & Scott, supra note 215, at 101-02; Sabato, supra note 210, at 127 (“[S]ome legislators confess that PAC dollars affect their judgment on the issues before them.”).
Anonymity as a response to the problem of corruption is not a novel solution, however, this Note proposes a system wherein an additional degree of separation is used to further shroud the identity of the donors. A system where private interest groups cannot expect favors to be reciprocated from their donations may elect leadership that is less dependent on wealthy donors and more independent. This independence will lead to more accountability and responsiveness to the electorate on the part of our politicians.

Matthew Murray*

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378. Lessig, supra note 5, at 262.
379. See supra Part IV.A.2.
380. Ayres & Bulow, supra note 8, at 850.
381. Benson, supra note 11, at 740.

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