



November 16th, 2018

By electronic submission to <http://sers.fec.gov>

Mr. Robert M. Knop
Assistant General Counsel
1050 First Street NE
Washington, DC 20463

Re: Comments on REG 2018-02 — Leadership PACs' Personal Use

Dear Mr. Knop,

We, the undersigned members of Issue One's ReFormers Caucus,¹ respectfully submit this letter in response to the Commission's pending rulemaking matter REG 2018-02 - Leadership PACs' Personal Use. On July 24, 2018, the Commission invited comments on a proposed rule change that would amend the existing regulation concerning the personal use of campaign funds and specify that this regulation also applies to money raised by leadership PACs. We urge the Commission to initiate this rulemaking to close the personal use loophole for leadership PACs.

As a bipartisan group of nearly 200 former Cabinet officials, members of Congress and governors representing all 50 states, we ReFormers have a unique perspective on America's campaign finance system and the need for regulations that are both effective and practical.

When the law creating political action committees was drafted, its authors could not have envisioned the rise of leadership PACs in American politics. As research by Issue One and the Campaign Legal Center shows, nearly every member of Congress currently has a leadership PAC.² In fact, approximately 90 percent of members of the House of Representatives have a leadership PAC today, as do 97 sitting senators.³ Some congressional candidates even form leadership PACs before they are elected to office.

¹ <http://www.issueone.org/reformers>

² Highlighted in the report by Issue One and the Campaign Legal Center, <http://bit.ly/LeadershipPACs>.

³ Highlighted in the report by Issue One, <https://bit.ly/LeadershipPACsInc>

Although leadership PACs were originally created to allow congressional leaders to make contributions to support political allies, research by Issue One and the Campaign Legal Center shows that only around 45 percent of leadership PAC spending actually goes toward contributions to other candidates and political groups. Instead, a majority of leadership PAC spending is used for other expenses, much of which could constitute personal use, such as meals at elite restaurants, stays at five-star resorts and tickets to highly coveted events.

Some of the most infamous examples of these lavish purchases unfortunately paint Congress as a place ridden with bad actors seeking to personally benefit from their political funds. Even though the vast majority of federal officeholders do not intend to benefit from funds raised through their political committees, recent examples of alleged improper use of campaign funds highlight the need to close this legal loophole.

It should not be the case that a candidate spending money from one type of political committee (a campaign committee) could lead to a federal indictment, but that the exact same spending is perfectly legal if the money merely comes from a different form of political committee (a leadership PAC).

When substantial portions of leadership PAC spending go to expenditures that would be potentially prohibited if spent from an officeholder's authorized campaign account, our country's campaign finance system needs a course correction in order to prevent future abuse.

We firmly believe the problem of using leadership PACs for personal use can be swiftly addressed by adopting simple language that makes it clear that the prohibition on using campaign funds for personal use applies to leadership PACs as well as authorized campaign committees. We also believe that federal officeholders could easily adjust current practices to comply with such a change.

Closing this loophole would strengthen our nation's campaign finance system and help assure the American people that their elected leaders are honorable public servants, as we know the majority of them are. With this rulemaking, the Commission can help take an important step to restore the confidence in Congress that the American people



deserve. We urge you to begin this rulemaking to close the personal use loophole for leadership PACs.

Thank you for your careful review and consideration.

Sincerely,

Fmr. Ambassador Tim Roemer (D-IN)
ReFormers Caucus Co-chair

Fmr. Congressman Zach Wamp (R-TN)
ReFormers Caucus Co-chair

JOINING

Fmr. Congressman Jason Altmire (D-PA)
Fmr. Congressman Michael Barnes (D-MD)
Fmr. Congressman Gresham Barrett (R-SC)
Fmr. Congressman Charles Bass (R-NH)
Fmr. Congressman Douglas Bereuter (R-NE)
Fmr. Ambassador James Blanchard (D-MI)
Fmr. Secretary Bill Brock (R-TN)
Fmr. Congressman Bob Carr (D-MI)
Fmr. Congressman Rod Chandler (R-WA)
Fmr. Congressman Bill Clinger (R-PA)
Fmr. Senator Tom Daschle (D-SD)
Fmr. Congressman Jim Davis (D-FL)
Fmr. Congressman Lincoln Davis (D-TN)
Fmr. Senator Byron Dorgan (D-ND)
Fmr. Senator Dave Durenberger (R-MN)
Fmr. Congressman Dave Emery (R-ME)
Fmr. Congressman Victor Fazio (D-CA)
Fmr. Congressman Wayne Gilchrest (R-MD)
Fmr. Secretary Dan Glickman (D-KS)
Fmr. Congressman Jim Greenwood (R-PA)
Fmr. Senator Gary Hart (D-CO)
Fmr. Congressman Joe Heck (R-NV)



Fmr. Congressman Paul Hodes (D-NH)
Fmr. Congresswoman Elizabeth Holtzman (D-NY)
Fmr. Ambassador Bill Hughes (D-NJ)
Fmr. Ambassador Jim Jones (D-OK)
Fmr. Congressman Ron Klein (D-FL)
Fmr. Congressman Jim Kolbe (R-AZ)
Fmr. Congressman Steve Kuykendall (R-CA)
Fmr. Secretary Ray LaHood (R-IL)
Fmr. Congressman Martin Lancaster (D-NC)
Fmr. Congressman Mel Levine (D-CA)
Fmr. Congressman Andrew Maguire (D-NJ)
Fmr. Congressman Pete McCloskey (R-CA)
Fmr. Congressman Matt McHugh (D-NY)
Fmr. Congressman Tom McMillen (D-MD)
Fmr. Congressman George Miller (D-CA)
Fmr. Secretary Norm Mineta (D-CA)
Fmr. Ambassador Connie Morella (R-MD)
Fmr. Congresswoman Sue Myrick (R-NC)
Fmr. Congressman Glenn Nye (D-VA)
Fmr. Congressman John Porter (R-IL)
Fmr. Congressman Reid Ribble (R-WI)
Fmr. Governor Bill Ritter (D-CO)
Fmr. Secretary Ed Schafer (R-ND)
Fmr. Congresswoman Claudine Schneider (R-RI)
Fmr. Congressman Philip Sharp (D-IN)
Fmr. Congressman Chris Shays (R-CT)
Fmr. Congresswoman Karen Shepherd (D-UT)
Fmr. Congressman Gerry Sikorski (D-MN)
Fmr. Senator Al Simpson (R-WY)
Fmr. Congressman David Skaggs (D-CO)
Fmr. Congressman Peter Smith (R-VT)
Fmr. Congressman Charlie Stenholm (D-TX)
Fmr. Governor Christine Todd-Whitman (R-NJ)
Fmr. Senator Mark Udall (D-CO)