

In 2018 Midterms, Liberal Dark Money Groups Outspent Conservative Ones for First Time Since *Citizens United*



Total Dark Money Spending Since *Citizens United* Nears \$1 Billion

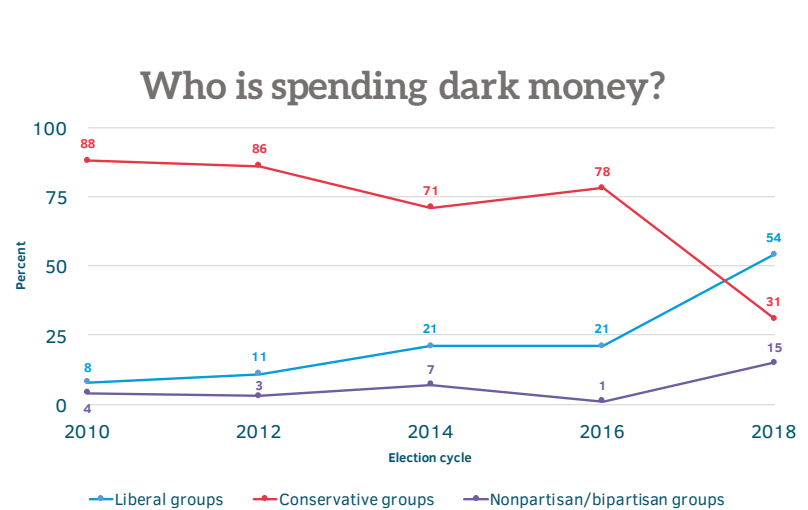
By Michael Beckel, Research Manager

The 2018 midterm election marked the first time liberal dark money groups outspent their conservative counterparts since the U.S. Supreme Court's *Citizens United* decision in January 2010, according to an [Issue One](#) analysis of data from the nonpartisan [Center for Responsive Politics](#).

Combined, dark money groups spent approximately [\\$150 million](#) during the 2018 election cycle, with liberal dark money groups accounting for about 54 percent of that sum. At the same time, conservative dark money groups accounted for about 31 percent of all dark money spending, and groups classified as bipartisan or nonpartisan accounted for about 15 percent. One liberal dark money group — Majority Forward — alone accounted for about \$1 of every \$3 in dark money spending in 2018.

The total amount of dark money spending that has been reported to the nation's top election regulator since the *Citizens United* decision has now climbed to at least [\\$960 million](#). It is on track to exceed \$1 billion during the 2020 election, when control of both Congress and the White House are at stake.

“As we head into the 2020 presidential election, both parties must reject the opaque ways some of their wealthiest donors are influencing elections,” said Issue One CEO Nick Penniman. “Dark money is the most toxic force in politics. Members of Congress are the ones being mugged in the dark alleys. Regardless of their party affiliation, they should have a strong personal incentive to get rid of dark money.”



Source: Center for Responsive Politics.

Conservative groups had long dominated the dark money game. As recently as the 2016 election cycle, conservative dark money groups outspent liberal ones by a factor of nearly [4-to-1](#), according to the Center for Responsive Politics. And in 2010, the first election in the aftermath of *Citizens United*, conservative dark money groups outspent liberal ones by roughly [11-to-1](#).

“All Americans have a right to know who is trying to influence their votes,” said Issue One Executive Director Meredith McGehee. “This principle has been upheld repeatedly by the Supreme Court and

is at the heart of our system, which depends on transparency for accountability. Now is the time for Democrats and Republicans to work together to address the out-of-control dark money in politics.”

Voters want to shine the light on dark money. Issue One’s own election eve [poll](#) revealed overwhelming public support from Republicans, Democrats, and independents for requiring the full disclosure of all funds being raised and spent to influence elections. In January 2019, Reps. Mike Gallagher (R-WI), Derek Kilmer (D-WA), and Kathleen Rice (D-NY) [re-introduced a bipartisan bill](#) that would [bring more transparency and accountability](#) to political spending.

SECRETIVE GROUPS SPENT MILLIONS IN 2018

The liberal group Majority Forward ranked as the top-spending dark money group ahead of the 2018 midterm election. It reported about \$46 million in political spending to the Federal Election Commission (FEC) — accounting for about \$1 of every \$3 in dark money spent during the midterms.

Majority Forward does not disclose its funders, but obscure public records reviewed by Issue One [show](#) that, in the past, its donors have included labor unions such as the National Education Association, companies such as CVS Health Corp., nonprofits such as the Environmental Defense Action Fund, and political committees such as the political action committee of Intercontinental Exchange, the parent company of the New York Stock Exchange.

“Dark money is the most toxic force in politics.”

-Issue One CEO Nick Penniman

Federal disclosures show that Majority Forward was active in 10 high-profile Senate races in 2018, and it was the top-spending outside group in one of them — Montana. There, incumbent Democratic Sen. Jon Tester narrowly prevailed over Republican challenger Matt Rosendale as super PACs and dark money groups combined to spend [about \\$35 million](#) to influence the race, with Majority Forward alone spending about \$4.2 million.

This opaque spending spree catapulted Majority Forward up the rankings of the top all-time dark money groups. Since it was formed in June of 2015, Majority Forward has spent about \$56 million in elections — enough to rank it as the No. 5 top dark money group since *Citizens United*. That’s up from the No. 17 spot two years earlier. (It narrowly missed making the list that Issue One [published in September](#) of the top 15 dark money groups active between 2010 and 2016.)

“The 2018 midterms showed that Democrats are more than willing to embrace dark money,” said Issue One ReFormers Caucus Co-chair Rep. Zach Wamp (R-TN). “This should be a wake-up call to Republicans. Secret spending in elections has the potential to denigrate every candidate in every election, and candidates are losing complete control of the messages in their campaigns to these outside groups. Now is the time for Republicans and Democrats to work together to ensure that campaigns are not fought in the shadows.”

The top dark money groups during the 2018 midterms

- ▶ [Majority Forward](#), a dark money group close to Senate Democratic leadership, which spent about \$46 million on ads designed to aid Democratic candidates.
- ▶ The [U.S. Chamber of Commerce](#), which spent about \$12 million on ads praising Republican candidates and criticizing Democrats.
- ▶ The [National Association of Realtors](#), which spent about \$11 million on ads supporting a mix of Democratic and Republican candidates.
- ▶ [Americans for Prosperity](#), the flagship of the political network of billionaire industrialists Charles and David Koch, which spent about \$8.9 million on ads designed to aid Republican candidates.
- ▶ [Patients for Affordable Drugs Action](#), a super PAC primarily funded by a nonprofit group associated with billionaire hedge fund manager John D. Arnold and his wife Laura Arnold, which spent about \$8 million on ads that backed a mix of Democratic and Republican candidates.
- ▶ [Patriot Majority USA](#), another dark money group allied with Senate Democratic leadership, which spent about \$5.7 million on ads designed to aid Democratic candidates.

Source: Issue One analysis of data from the FEC and Center for Responsive Politics.

Added Issue One ReFormers Caucus Co-chair Amb. Tim Roemer (D-IN): “Secretive front groups designed to deceive voters and hide donors, whether super liberal or ultra conservative, should have no place in our campaigns. Congress should make bipartisan reform to bring more transparency to political spending a top priority.”

HANDFUL OF GROUPS DOMINATE DARK MONEY SPENDING

Overall, the top 15 dark money groups accounted for more than 75 percent of all dark money spending between January 2010 and December 2018, according to Issue One’s new analysis of data from the FEC and Center for Responsive Politics. These 15 dark money groups combined to spend about \$730 million during this time.

Top among them is the U.S. Chamber of Commerce. At more than \$140 million in political spending reported to the FEC since 2010, the U.S. Chamber of Commerce accounts for about \$1 of every \$7 in dark money spent since the *Citizens United* decision. The U.S. Chamber of Commerce [mostly endorses](#) Republican candidates, although it occasionally supports business-friendly Democrats as well. The pro-business group — which [says](#) it represents more than 3 million businesses across the country and has a membership of approximately 300,000 — also recently announced plans to [assess lawmakers’ bipartisanship](#) in Congress.

As a general practice, the U.S. Chamber of Commerce does not disclose its donors — and has [urged](#) companies to [resist](#) calls to be more transparent about their political spending — but scores of companies have [voluntarily disclosed](#) information about their dues payments to the Chamber, including oil company Chevron Corp., health insurer Aetna Inc., and technology company Microsoft Corp.

VANISHING ACTS?

Notably, several of the top 15 all-time dark money groups were not active players in the 2018 midterm election, or were at least not directly sponsoring political ads that were reported to the FEC. The diminished role of so many once-deep-pocketed conservative organizations also contributed to the development of liberal dark money groups outspending conservative ones for the first time in 2018.

Political spending reported to the FEC (January 2010-December 2018)



Source: Issue One analysis of data from the Center for Responsive Politics and Federal Election Commission.

While some of these organizations have faded into obscurity, others have seemingly shifted their strategies deliberately since the early years of the post-*Citizens United* era to avoid reporting their spending on political ads to the FEC.

For instance, [Crossroads Grassroots Policy Strategies](#) (also known as Crossroads GPS) reported spending more than \$110 million on political ads between 2010 and 2014 — enough to rank it as the No. 2 all-time dark money group. It has not reported any political spending to the FEC during either of the past two election cycles.

However, in 2015, several of Crossroads GPS' key officials — including its president Steven Law, who once served as chief of staff to now-Senate Majority Leader Mitch McConnell (R-KY) — [took over](#) a nonprofit called One Nation, which has gone on to spend millions of dollars on political ads in its own right.

According to the Wesleyan Media Project, One Nation [ranked](#) among the top outside groups active in congressional elections in 2018 — though all of its ads fell short of explicitly urging viewers to cast their votes for or against candidates (and therefore were not required to be reported to the FEC). In 2018, One Nation also [contributed \\$6.8 million](#) to its sister super PAC, the Senate Leadership Fund, which did report its ad spending to the FEC.

Likewise, the American Action Network — the No. 7 all-time dark money spender — did not report a dime in political spending to the FEC during the 2018 midterm election.

Yet research by the Wesleyan Media Project [shows](#) that the group continued to produce thousands of political ads that mentioned candidates but did not overtly call for those candidates' election or defeat. During the 2018 election cycle, the American Action Network also [contributed roughly \\$22 million](#) to its sister super PAC, the Congressional Leadership Fund, which did report its ad spending to the FEC.

Then there's [Americans for Job Security](#), one of the earliest political dark money groups. Americans for Job Security ranks as the No. 10 all-time dark money spender, but, in recent years, it has essentially disappeared.

Last year, following a [complaint by Issue One and the Campaign Legal Center](#), the IRS [revoked](#) Americans for Job Security's tax-exempt status after it failed to file mandatory tax returns for three consecutive years. According to its most recent tax return, Americans for Job Security had [about \\$620,000](#) in the bank as of October 2014. To this day, it's unclear how that money has been spent, beyond [paying a \\$43,000 fine](#) to the FEC in July 2016.

To learn more about the rise of dark money and what can be done about it, read Issue One's "[Dark Money Illuminated](#)" report. •

Research Assistant Amisa Ratliff contributed to this report.

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*-Issue One ReFormers Caucus
Co-chair Rep. Zach Wamp (R-TN)*

About Issue One

Issue One is the leading cross-partisan political reform group in Washington. We unite Republicans, Democrats, and independents in the movement to increase transparency, strengthen ethics and accountability, and reduce the role of big money in politics. Issue One's ReFormers Caucus of more than 200 former members of Congress, governors, and Cabinet officials is the largest bipartisan coalition of its kind ever assembled to advocate for solutions to fix our broken political system.

