



State Senator TERESA FEDOR

Serving Ohio's 11th State Senate District

**The Ohio Anti-Corruption Act
Sponsor Testimony – S.B. 349
Senate Government Oversight & Reform Committee
November 18, 2020**

Chair Coley and members of the Senate Government Oversight & Reform Committee, thank you for allowing me the opportunity to provide sponsor testimony on Senate Bill 349, the Ohio Anti-Corruption Act.

Since the 2010 Supreme Court decision in the *Citizens United* case, a small group of incredibly wealthy individuals and organizations have contributed billions of dollars to influence the outcomes of our elections, drowning out the voices of our working families and small businesses.

In 2014, things were made worse by the Ohio legislature rolling back a rule banning secret and foreign money in our elections, further diminishing transparency in campaign finance.

A large portion of this money is what we call “dark or secret money,” which is funneled through nonprofits which do not have to disclose their donors to the public. As a result, big money special interests wield far too much influence over our elections behind closed doors.

In recent years, special interest money has found more ways to hide from a public that overwhelmingly supports greater transparency. A six-state study by the Brennan Center for Justice found that, in 2014, only 29 percent of outside spending was fully transparent, down drastically from 76 percent in 2006. Though Ohio was not one of the states studied, we are currently dealing with the biggest corruption scandal in our history.

Lack of strong disclosure has corrupted our democratic system. We need greater transparency in order to hold our state leaders accountable and restore public trust in government.

The Ohio Anti-Corruption Act would do the following:

1. Close Secret Money Loopholes

Non-profit corporations like 501(c)(4)s and limited liability companies (LLCs) have become vehicles for big money special interests to conceal their spending from the public. Under current Ohio law, these organizations do not have to disclose their funders. The Ohio Anti-Corruption Act closes these loopholes, requiring these corporations and LLCs to disclose contributions meant to influence elections.

2. Increase Transparency

The Ohio Anti-Corruption Act will strengthen disclosure by requiring corporations and LLCs to tell us more about their true owners and the actual source of funds behind their organizations. The integrity of our democracy depends on openness and accountability.

3. Strengthen Ban on Foreign Money

Foreign money in our elections corrupts our system. When LLCs hide their true owners or when non-profit corporations keep their contributors secret, we don't know if foreign companies or even foreign governments who might be hostile to our country are behind the spending and manipulations.

Under the Ohio Anti-Corruption Act, domestic companies with foreign owners and decision makers – like Uber, which is partially owned by the Saudi Arabian government – will be banned from spending in our elections. The ban will affect companies owned 5% or more by a single foreign individual or entity or 20% or more by a group of foreign individuals or entities.

Foreign companies would also not be able to circumvent our current foreign spending ban by opening an American subsidiary funded mostly with foreign money to spend unlimited sums in our elections.

Recent events in our state have shaken the public's confidence in our electoral process and in our government as a whole. All of us are here today because we were elected to serve the interests of our constituents, and our constituents deserve to have total confidence that their elected officials will work for *their* interests, not the interests of big corporations or foreign entities. It is time to eliminate dark money from our politics once and for all.

Thank you for allowing me to provide testimony on this important legislation. At this time, I would be happy to answer any questions you may have.