

Representatives Bride Rose Sweeney & Jessica Miranda Sponsor Testimony: House Bill 112 (The Ohio Anti-Corruption Act) House Government Oversight Committee April 18, 2023

Chairman Peterson, Vice-Chair Thomas, Ranking Member Forhan, and members of the House Government Oversight Committee, thank you for the opportunity to testify today in favor of House Bill 112, the Ohio Anti-Corruption Act. This bill will safeguard our politics from bad actors who seek to subvert democracy itself to serve their own interests.

Some are trying to take away the people's right to amend our constitution and claiming that's the way to address corruption. They have it backwards. In reality, cutting off regular people's freedom to amend our constitution—while letting dark money continue to flow unchecked—will only empower the wealthiest interests even more. Knowing where the money is coming from—regarding our ballot issues and in our candidate elections—is the <u>best way</u> to stop corruption in Ohio.

Dark, unaccountable money in Ohio politics has contributed to numerous scandals in recent years, most especially surrounding the passage of House Bill 6 in 2019, the blocking of a citizens' veto of that corrupt bill, and even an attempt to extend term limits so the ringleader of the scandal Larry Householder could stay in power even longer. If First Energy and other greedy corporations had had to disclose what they were doing, these things likely would not have happened. They almost got away with it except, somewhat by chance, the FBI learned of the scheme. With our bill in place, we wouldn't have to leave it to luck and chance.

If you listen to one sentence of this testimony, please listen to this one: **Ohio remains dry tinder for another forest fire of corruption to sweep through this state because the General Assembly has done nothing to prevent it.** The exact same conditions exist today. Dark money groups spent more secret money in 2022, and they're planning right now to spend even more secret money in 2024. It's happening right now, right under our noses, but in secret because the General Assembly has failed to act. Who will be the next greedy corporations to be exposed who are saying one thing in public but funding an opposite, ugly agenda in private?

Certain non-profit 501(c)(4) corporations and limited liability companies (LLCs) have become vehicles for big money special interests to hide their election spending. Under current Ohio law, these groups can spend virtually unlimited sums of money on political campaigns without having to disclose the real source of the money funding their activities.

Here are some of the nice-sounding names that have or are currently hiding the real money buying up Ohio's elections:

Generation Now; Partners for Progress; Growth and Opportunity PAC; Hardworking Americans, Incorporated; Hardworking Ohioans, Incorporated; LZP, LLC*; Independence and Freedom Network, Incorporated*; Honor and Principles PAC* Chairman Peterson and members of Committee, thank you for the opportunity to testify. I want to be very clear: This legislation isn't just about the Householder scandal; it's even bigger than that. The watchdog group Citizens for Responsibility and Ethics in Washington has a pending complaint before the Federal Elections Commission. The complaint was brought against dark money groups that secretly spent money *against* Larry Householder in 2018, potentially in violation of federal law. The complaint describes layer after layer of organizations, a "Russian doll approach" where funders' true identities remained obscured as vast sums of money were funneled through. A red flag was only raised because the timing and the amount of the transaction signaled a possible straw donor. If this legislation were enacted today, it would alert us to these bad actors and potentially prevent this shell game entirely.

By now, we all know that experts have called Ohio the most corrupt state in the country. Unfortunately, the trial of the former Speaker revealed to the nation the ugly truth that Ohio's campaign finance system protects bad actors. For those seeking to bribe politicans, influence the outcomes of elections, and enact pay-to-play legislation, our campaign finance laws declare open season. The Ohio Anti-Corruption Act would strengthen the integrity of our system by requiring political contributing entities (or PCEs) to disclose details about their leadership and spending on a regular basis. It fosters transparency and closes loopholes that allow dark money to flood our system, unnoticed until the damage has already been done.

Why should we allow dark money organizations to secretly drop \$60 million into elections across the state, while requiring everyday Ohioans to list their name, address, and occupation when they give \$25 bucks to one of our campaigns? That is all we are asking for—an end to special treatment for special interests that exploit loopholes in Ohio law to secretly dump money into our elections.

Ohioans have a right to know who influences their elections; they have a right to know who funds the candidates and issues that appear on their ballots. This legislation does not limit what a corporation can spend on elections; it does not prohibit them from making contributions through PCEs, 501(c)(4)s and LLCs. At the end of the day, House Bill 112 simply puts the same expectation on those entities that we put on everyday Ohioans: If you spend money on elections, the people deserve to know how much and where it's coming from.

I'd like to conclude with a hypothetical that is threatening to become very real: If HJR 1 passes and voters are asked to make it harder for themselves to amend our state constitution, who will be making the ads, spending the money, trying to persuade voters to give up their own decision making power? Colleagues, I submit to you that the public will not know who's behind this campaign because it will be a secret dark money group. We need the Ohio Anti-Corruption Act to shed light on the dark money that gives way to corruption and subverts democracy.

Thank you for the opportunity to testify. We'd be happy to take your questions.