

CORPORATE BRIBERY IN THE UNITED STATES

OUR DEMOCRACY IS FOR SALE TO THE HIGHEST BIDDER
How Corporations and Their Wealthy Benefactors Buy Power and Influence
and What We Must Do To Stop It



***Our government is no longer Of the People, By the People, For the People.
It is Of the Corporations, By the Corporations and For the Corporations.***

“We are ruled by Big Business and Big Government as its paid hireling, and we know it. The big corporations and the centimillionaires and billionaires have taken daily control of our work, our pay, our housing, our healthcare, our pension funds, our banks and savings deposits, our public lands, our airwaves, our elections and our very governments.”

**Ronnie Dugger, Founder
Alliance for Democracy 1995**

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What has corporate rule given us?

- ⇒ unchecked global warming and a dangerously degraded environment
- ⇒ economic and financial policies that enrich Wall Street and harm Main Street
- ⇒ the military/industrial/corporate complex which promotes wars to enrich itself in the name of freedom and democracy
- ⇒ a healthcare system that profits the health-care industry while costs skyrocket
- ⇒ a war on public education under the guise of “No Child Left Behind”
- ⇒ a shrinking middle class, as wealth is concentrated at the top and labor unions disappear
- ⇒ off-shoring of jobs and our manufacturing base due to free trade agreements
- ⇒ growing poverty and homelessness with declining social services, just as the need for them grows
- ⇒ state and local governments facing bankruptcy with loss of essential public services and high costs for public higher education
- ⇒ privatization of the public sector financed by the taxpayer—for example, bridges, highways, water systems—leading to increased fees and decreased service and maintenance

How did we get to a point where the American Dream has crumbled for most Americans?

How is it that the US Constitution never mentions the corporation and yet corporations have acquired more power than the people?

How is it that corporations are determining our laws, rules and regulations to their benefit and to our detriment?

Creating corporate personhood and corporate rule

Ever since the early 19th century, the U.S. Supreme Court has ruled in favor of corporations. First the Court gave corporations equal status with government in its Dartmouth College ruling in 1819, which outlawed the effort by the NH legislature to create a public university as the foundation of a functioning democracy. Then in case after case, the Supreme Court gave corporations more power. In the 1886 *Santa Clara* decision there was tacit agreement that corporations are people with Constitutional rights, as if corporations are real living, breathing human beings. To add insult to injury, the Court used the guise of the 14th Amendment adopted to protect the rights of freed slaves.

So it should come as no surprise that efforts by Congress to reign in corporate power with regard to the financing of elections have been overturned by the Supreme Court.

In 1975, the Supreme Court in *Buckley v. Valeo* set forth the false doctrine that “money equals speech” thus protecting political contributions to campaigns as free speech under the First Amendment. Then in January 2010, the pro-corporate majority of the Roberts Supreme Court ruled 5-4 in *Citizens United v. Federal Election Commission* that corporations can spend unlimited money for or against candidates for public office, including candidates for the judiciary, as well as on initiatives and referendums.

In one fell swoop, the Court overturned a century of laws and two earlier favorable Supreme Court decisions which had set limits on campaign contributions and expenditures in both state and Federal elections. Congress had even banned direct corporate contributions entirely.

This decision overturned the Bipartisan Campaign Reform Act of 2002 (McCain-Feingold) which closed “soft money” loopholes which allowed campaigns to benefit from funding outside the limits and prohibitions of federal campaign finance law. It also overturned two previous Supreme Court decisions: *Austin v. Michigan Chamber of Commerce* in 1990 and *McConnell v. Federal Election Commission* in 2003 which had affirmed that state and federal laws to limit money in politics did not violate free speech and due process protections contained in the First and Fourteenth Amendments.

Yes, we will now have the best Congress that money can buy!

BUT... Corporations don't “act” on their own

Corporations are legal entities created by state charter for the purpose of doing business. Corporations don't “themselves” act on their own; rather, corporate

executives, financial officers, and board members act by deciding corporate policy, spending from the corporate treasury for candidates, ballot initiatives and referenda. They decide how much money to spend lobbying for or against policies and legislation in order to protect their interests and profits.

Former U.S. Rep. Romano Mazzoli (D-KY) put it this way: *“People who contribute get the ear of the member and the ear of the staff. They have access... and access is power. That's how the thing works.”*

Because of this decision-making authority, corporate officials must be held accountable for their acts of political bribery.

Political bribery ignored by the Court

Should we be surprised that there has been no Supreme Court decision upholding the law on “Bribery of Public Officials”? It's part of the U.S. Criminal Code and has been routinely ignored. This law states that “whomever directly or indirectly, corruptly gives, offers, or promises anything of value to any public official...with the intent to influence any official act...shall be fined or imprisoned...(title 18, section 11, subsection 201).”

Many acts can be **bribes** – paying for Congressional vacation travel and corporate junkets; providing tickets to sporting events with corporate “boxes;” putting members up at exclusive hotels/spas; making donations to programs, organizations and charities favored or sponsored by the elected or appointed official. Such “gifts” are really bribes given to influence law-making.

After *Citizens United*, petty bribery is no longer necessary since grand larceny is legal. Corporations can just buy candidates outright.

In the November 2010 election, the impact of the *Citizens United* decision was immediate

More money was spent in this off-year election than has ever been spent before in a non-presidential election. When it is all added up, Common Cause estimates the cost will top \$4 billion. In fact, more money was spent than for the 2008 presidential election, the most expensive to date.

Two organizations founded by Karl Rove, American Crossroads and Crossroads GPS, spent \$37 million, much of this on vicious attack ads. Public Citizen has filed a complaint with the Federal Election Commission that Crossroads GPS failed to follow key election rules, including rules requiring disclosure of its funders.

The U.S. Chamber of Commerce spent almost \$30 million, including millions from undisclosed sources, to elect candidates who support free trade agreements. Since the mid-1990s, these agreements have sent jobs overseas and led to the collapse of the U.S. manufacturing base. Corporate-friendly candidates support legislation to roll back protections for workers, consumers, and the environment, while protecting Wall Street banks, the health insurance industry and more.

Unlimited and secret spending in the November elections

Most alarming was the increase in “third party” groups that can now legally spend unlimited amounts and keep their contributors secret. In its November 18 report, “Eclipsed Disclosure,” Public Citizen concludes: “The amount of information available to voters about who was behind attack ads during the midterm elections was dramatically less than in previous years... Of the 10 top spending groups in the 2010 cycle, accounting for 52 percent of all spending in the elections, only three provided any information about their funders. These groups disclosed the sources of only one in four dollars they spent... Groups not disclosing any information about their funders collectively spent \$135.6 million to influence this year’s elections... almost exactly double the \$68.9 million grand total spent by outside groups in 2006.”

Karl Rove’s Crossroads Media even affected state elections

In 1996, Maine citizens passed the Maine Clean Election Act by referendum to help get corporate money out of state elections. Over 80% of all legislative candidates now “run clean,” spending an average of only \$23,000 in Senate races. In the 2010 Maine election, the Virginia-based Republican State Leadership Committee spent almost \$400,000 on ads created by Crossroads Media to defeat five Democratic Senate candidates. This gave Republicans control of the State Senate. The ads came in the last few days of the campaign, too late to trigger matching funds for the clean elections candidates to respond.

Public Citizen’s study, “Outside Job,” reports winning candidates enjoyed the advantage in unregulated third-party spending in 58 of 74 party-shifting contests.

Restoring Democracy Of, By and For the People

If we want a true democracy with a representative government that serves the people, we must put an end to all forms of corporate rule, from political bribery to the outright buying of Congress. We must...

⇒ Campaign to amend the U.S. Constitution to overturn *Citizens United* and to return the Constitution to “we, the people” by removing corporate constitutional rights.

⇒ Support public funding of all elections and free media for political campaigns, including for the elected judiciary.

⇒ Demand that the laws against political bribery be taken seriously and enforced with vigor.

We must also hold our state and national elected officials accountable. At Open Secrets (www.opensecrets.org) you can research who and what groups gave money to your state and Congressional candidates. Most importantly, you can search by industry or special interest category to find the amount contributed, and then track the policies your candidate and others support and legislation they vote for.

Don’t let your representative or others off the hook. Only by exposing that they are doing the business of the corporations and the wealthy, can we expose the corruption of our elections and government.



Join Alliance for Democracy

We are a member-based national, non-partisan group dedicated to ending corporate influence on government, elections, media, and the environment. We seek to build participatory democracy at every level of government, and a sustainable and economically just society. As a member, you’ll be supporting the growth of local chapters and national campaigns, and development of organizing materials. You’ll also receive our quarterly publication, *Justice Rising: Grassroots Solutions to Corporate Rule*.

Visit our website:

www.thealliancefordemocracy.org to join us and to learn more about political bribery; amending the constitution to eliminate corporate personhood; and local, state, and national work against corporate rule. Find educational resources, print and multimedia material, and contacts for local organizing.

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