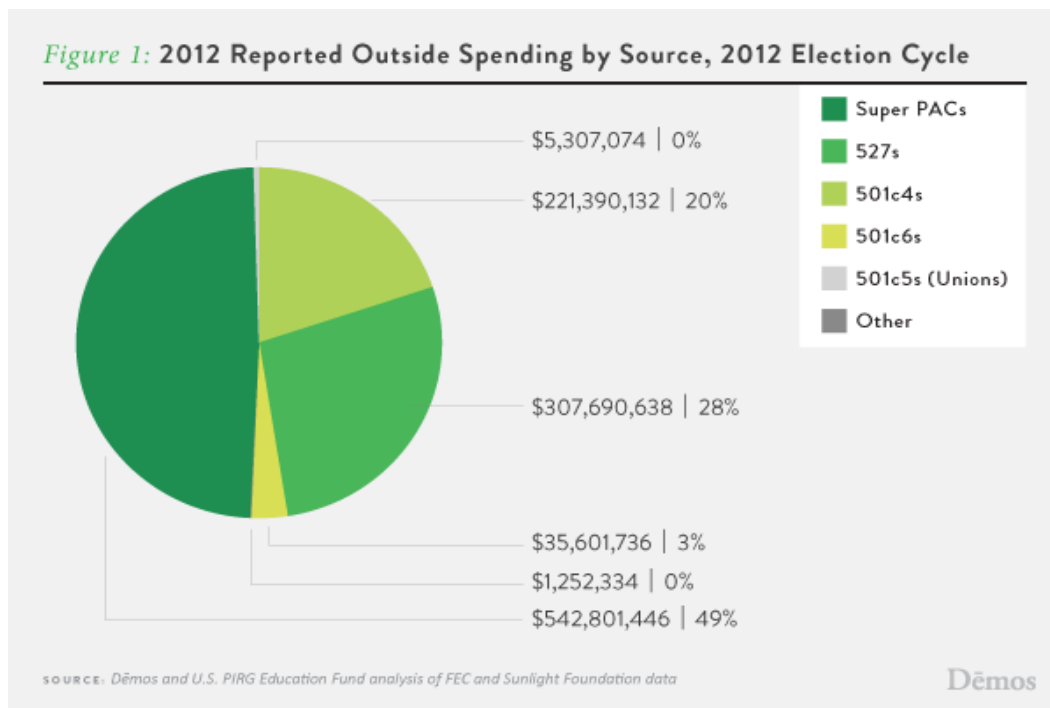


Distorted Democracy: Big Money and Dark Money in the 2012 Elections – November 5, 2012

A new analysis of pre-election data from the Federal Election Commission (FEC) and other sources by the Arizona PIRG Education Fund and Demos shows that outside spending in the first presidential election since *Citizens United* is living up to its hype: new waves of “outside spending” have been fueled by dark money and unlimited fundraising from a small number of wealthy donors.

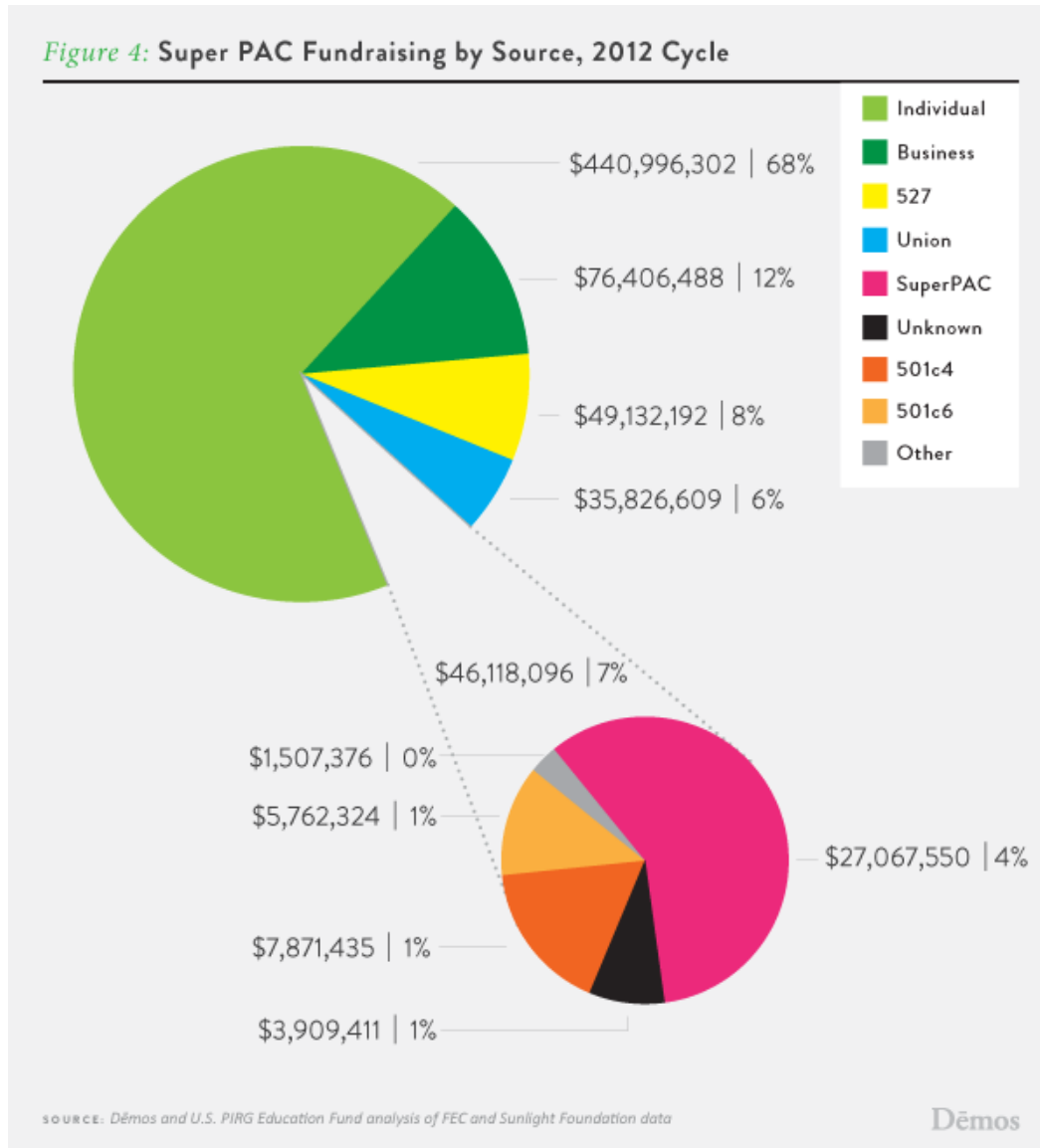
“While the results of tomorrow’s contests are up in the air, one thing is clear: big donors and secret spenders have been drowning out the rest of our voices for months,” said Diane E. Brown, Executive Director of the Arizona PIRG Education Fund.

Outside spending organizations reported \$1.11 billion in spending to the FEC through the final reporting deadline in the 2012 cycle. That’s already a 200% increase over total 2008 outside spending.



Large Donor Dominance

Almost half of all reported outside spending comes from Super PACs, the independent-expenditure-only committees created in the wake of *Citizens United*, and Super PACs continue to receive the bulk of their funds from a tiny set of ultra-wealthy megadonors.



\$266.6 million or 60.5% of the 440.9 million raised by Super PACs from individuals came from just 91 people giving at least \$1 million. Just over 1900 donors giving \$10,000 or more were responsible for 97% of this fundraising.

Figure 5: Super PAC Funding by Large Individual Donors, 2012 Cycle

DONORS CONTRIBUTING AT LEAST...	\$5,000	\$10,000	\$20,000	\$50,000	\$100,000	\$500,000	\$1,000,000
Number of Donors	2641	1908	1343	899	629	163	91
Aggregate Amount Contributed	\$431,133,146	\$427,112,306	\$420,845,147	\$408,859,968	\$393,406,092	\$310,364,153	\$266,696,057
Share of all Individual Contributions	97.8%	96.9%	95.4%	92.7%	89.2%	70.4%	60.5%

SOURCE: Dēmos and U.S. PIRG Education Fund analysis of FEC and Sunlight Foundation data

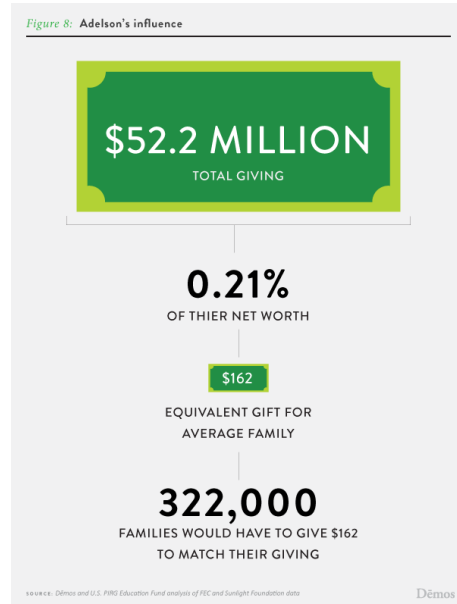
Dēmos

“On Election Day, we’re all supposed to have an equal say,” said Adam Lioz, Counsel for Demos. “But, next week a small group of millionaires and billionaires will have more influence than millions of middle class families.”

Figures¹ show that while small donors are playing a role in campaign fundraising, unlimited large donor money can easily wipe out those gains. The two Presidential campaigns combined have reported raising \$394.4 million from small donors giving less than \$200, who are at least 1,972,000 individuals. But just 629 megadonors contributing \$100,000 or more were responsible for giving a comparable amount – \$393.4 million – in Super PAC donations.

“Because of their wealth and the Supreme Court’s equation of money with speech, these megadonors are able to amplify their voices to more than 3,100 times the volume of the small donors,” noted report co-author Blair Bowie, Democracy Advocate for the Arizona PIRG Education Fund.

Super PACs’ biggest fans, Sheldon and Miriam Adelson, have given \$52.2 million in the 2012 cycle, which, though a sizable chunk of change, is just .21% of their net worth. It would take more than 322,000 average American families donating an equivalent share of their wealth, \$162, to match just the Adelsons’ giving.



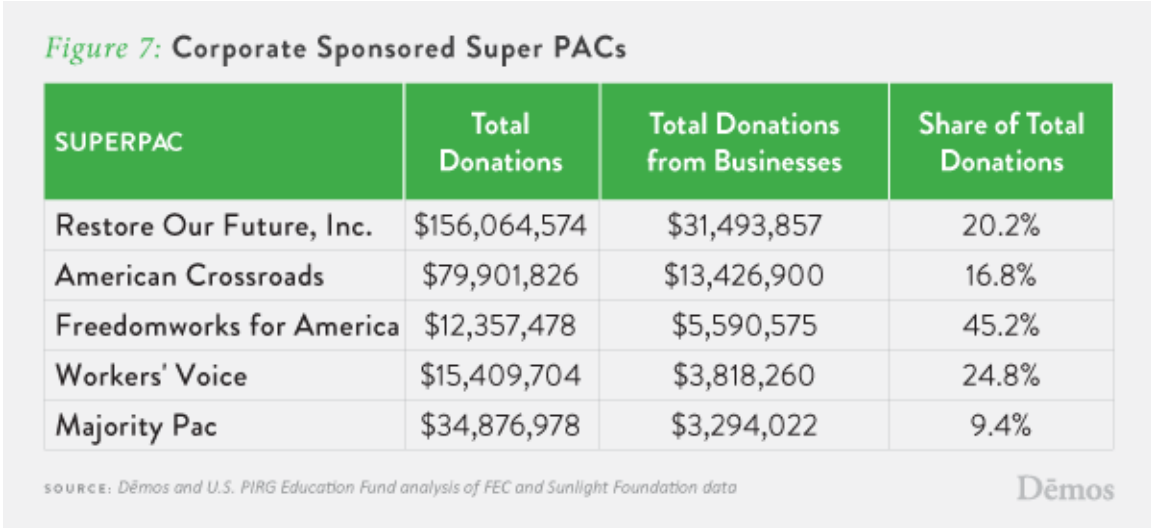
Business Money to Super PACs

While it is likely that much of the business money coming into the elections is funneled through dark money sources such as the U.S. Chamber of Commerce, which so far has spent at least \$35 million on races nationwide, the analysis found that

¹ Center for Responsive Politics, www.opensecrets.org

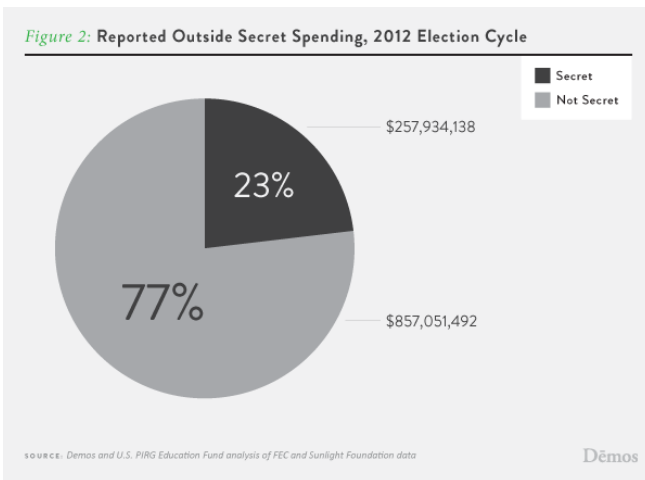
business corporations remain the second-largest source of Super PAC money, accounting for 12% of all Super PAC funds.

Some of the largest and most active Super PACs receive a significant portion of their funding from businesses. Pro-Romney Restore Our Future received over 20% of its funds from for-profit corporations. Karl Rove’s American Crossroads is 16.8% corporate sponsored, with 9.4% of the Dem-aligned Majority PAC funding coming from such sources.



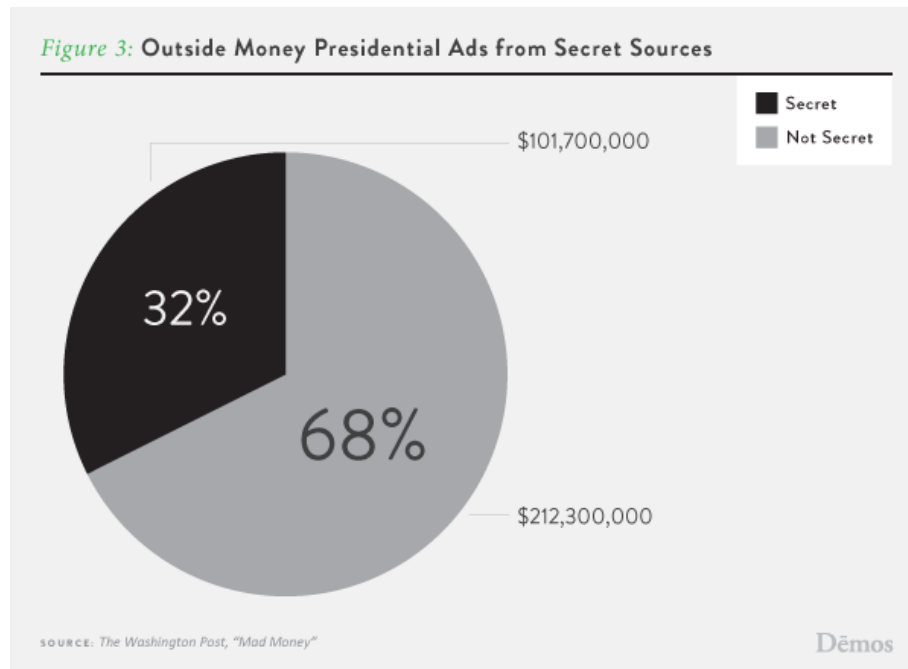
Dark Money

Of the \$1.11 billion in reported outside spending, \$257.9 million was “dark money” that cannot be traced back to an original source.



Doubly-Secret Money

Because of gaps in reporting requirements, spending reported to the FEC is only part of the picture. Groups take advantage of loopholes in the law to avoid reporting certain communications intended to influence the elections. When all types of outside spending on television ads related to the presidential race are taken into account, 32% of the spending has come from “dark money” groups that do not disclose their donors.



“Americans across the political spectrum have long held transparency in campaign funding to be crucial,” said Brown. “When citizens cannot follow the money, voters cannot judge the credibility of political communications, and corporations and other special interests can fund misleading advertisements while evading accountability.”

Voting a Critical Counterbalance

The Arizona PIRG Education Fund and Demos are encouraging every eligible American to go to the polls by November 6th, 2012 to push back on the power of big money.

“Unlimited, corporate, and secret money continue to undermine the principle of ‘one person, one vote,’” Lioz said. “It’s more important than ever that Americans use the power of their votes to push back and make their voices heard.”