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## **Watchdogs to FEC: American Future Fund Appears to Be Violating Campaign Finance Law**

### ***Conservative Organization Appears to Operate As a Political Committee But Is Registered As Nonprofit, Say Groups***

WASHINGTON, D.C. – American Future Fund, a conservative nonprofit group pouring money into the 2010 midterm elections, appears to be violating campaign finance law, watchdog groups said in a complaint filed today with the Federal Election Commission (FEC).

The FEC should investigate whether American Future Fund must register as a political committee for its huge expenditures in the election, making the group subject to recordkeeping, reporting and disclosure requirements, Public Citizen, Protect Our Elections and the Center for Media and Democracy said in the complaint, available at [http://www.velvetrevolution.us/images/FEC\\_Final\\_Complaint\\_AmericanFutureFund101510.pdf](http://www.velvetrevolution.us/images/FEC_Final_Complaint_AmericanFutureFund101510.pdf).

The group is registered as a 501(c)(4) organization, which under IRS tax code cannot have a primary purpose of influencing elections. Similarly, federal election law provides that if a group's major purpose is electioneering and it spends at least \$1,000 to influence elections, it must register as a political committee. American Future Fund's major activity appears to be its extensive electioneering activities, the watchdogs argue.

American Future Fund reportedly has devoted more than half its advertising spending this year – approximately \$3 million as of a few days ago – on television ads that expressly call on voters to vote for or against particular candidates, the complaint said, citing a recent *New York Times* analysis. These ads attack candidates in more than a dozen congressional districts, such as Reps. Mark Schauer (D-Ind.), Martin Heinrich (D-N.M.), Bruce Braley (D-Iowa) and West Virginia State Sen. Mike Oliverio, also a Democrat.

Including ads that expressly tell voters how they should vote and other ads with electioneering messages, American Future Fund, created in 2007, has spent nearly \$8.8 million so far to influence the 2010 elections, making it among the highest-spending groups participating in electioneering, according to Public Citizen's analysis of FEC records. The organization's website even highlights its efforts to "target" what it calls "liberal politicians." And according to published reports, the group plans to spend up to \$25 million on the elections.

"American Future Fund is pulling out the stops to ensure that Republicans are elected this November," said Craig Holman, government affairs lobbyist with Public Citizen. "That imposes on the group the legal duty to register with the FEC and disclose exactly who is funding all those expenditures."

The FEC requires political committees to disclose comprehensive information regarding their financial activities, including the identity of any donor who has contributed \$200 or more to the

committee within the calendar year. IRS rules for 501(c)(4) organizations do not require such disclosures and, hiding behind this nonprofit tax status, American Future Foundation has not made its donor information public.

“In this first post-*Citizens United* election, corporations and their executives are testing the limits of the law and crossing over into illegality,” said Kevin Zeese, spokesperson for ProtectOurElections.org. “They cross the line when they use nonprofit groups to urge people to vote ‘for’ or ‘against’ a specific candidate. Political committees violate the law when they accept anonymous contributions for their work. These violations of federal election and tax laws need to be challenged now; otherwise we will see even more anonymous corporate donations trying to illegally manipulate voters into voting against their own interests in future elections.”

Added Lisa Graves, executive director of the Center for Media and Democracy, which investigates corporate front groups, “Groups spending millions to attack Americans running for office should not be able to use their tax-free status to hide the truth about which fat cats are behind their ads. Voters have a right to know which corporations or millionaires are laundering their profits through nonprofits like the American Future Fund, whose main business seems to be electioneering. We have joined this complaint to demand that the law be enforced and the truth be told.”

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