

Congress of the United States
Washington, DC 20515

March 24, 2022

The Honorable Gary Gensler, Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Gensler:

We write regarding the critically important role that the Securities and Exchange Commission (SEC) can play today in keeping foreign-influenced U.S. corporations from funneling money into U.S. elections.

Joined by nearly two dozen of my colleagues, I recently filed legislation entitled the *Get Foreign Money Out of U.S. Elections Act* ([H.R. 6283](#)), which is designed to close a campaign finance loophole that allows foreign-owned, foreign-controlled, or foreign-influenced U.S. corporations to spend unlimited cash in U.S. elections.

Current law bars individual foreign nationals from personally contributing to federal campaigns; yet foreign political spending can still take place via U.S.-registered corporations that are foreign subsidiaries or appreciably foreign-owned or foreign-controlled, all thanks to the U.S. Supreme Court's 2010 *Citizens United* ruling. When the Court consecrated corporate political spending rights in *Citizens United*, it created a massive foreign money loophole in our country's campaign finance system. The problem is that domestically registered corporations can be taken over, appreciably bought-up, controlled, or influenced by foreign governments, foreign corporations, or foreign nationals. My legislation would prohibit these "foreign corporate loophole" expenditures.

Although the Federal Election Commission (FEC) has primary jurisdiction over this general matter of campaign finance law, and although the U.S. Department of Justice (among others) plays an additional law enforcement role, the SEC itself plays a potentially important role. As you know, existing federal law allows the SEC to require regulated businesses to file a range of important information with the agency, including information regarding shareholders that own appreciable amounts of a regulated business' stock (*see* 17 C.F.R. §§ 240.13d-1, 240.13d-101). Expanding these reporting obligations to require businesses to disclose appreciable *foreign* ownership or control would go a long way in helping to protect our democracy. And this is something that can be done now without waiting for further legislation.

We urge the SEC to consider a range of possible options, under its existing authority, including but not limited to the following important tools to help reveal foreign influence in our elections via U.S. businesses:

- Building upon existing regulations that require regulated businesses to disclose shareholders that own appreciable amounts of stock, require regulated businesses to regularly disclose the following information regarding *foreign* owners:
 - When a single foreign national, directly or indirectly, owns at least one percent of total shares, total equity, membership units, or any other applicable ownership units of the business;
 - When two or more foreign nationals, in the aggregate, directly or indirectly own or control or otherwise hold direct or indirect beneficial ownership of 5 percent or more of the voting shares, total equity, membership units, or any other applicable ownership units of the business;
 - When a foreign national has the power to direct, dictate, or control the decision-making process of the business with respect to activities in connection with a federal, state, or local election.

- Formalize a close working relationship on this policy with the Federal Election Commission, the Department of Justice, the Department of the Treasury, and any other relevant governmental entity – with the goal of ascertaining which regulated businesses are appreciably foreign-owned or foreign-controlled and are spending business funds for election-related purposes.

- Adopt a regulation requiring regulated businesses to file detailed periodic reports of their political spending in the United States, a policy for which many of the undersigned have long advocated.

Foreign interests have spent many millions of dollars in recent U.S. elections, often through “dark money” channels, and we witnessed unprecedented foreign efforts to undermine our democracy during the 2016 election cycle. Further, as Russia continues its illegal war on Ukraine and the U.S. and its allies impose sanctions on President Putin and Russia’s complicit oligarchs, we cannot forget that those same oligarchs likely have millions stowed away in U.S. corporations. We must protect America’s system of self-government and close this dangerous foreign money loophole. In pursuit of this goal, we urge the SEC to consider the steps outlined above and look forward to discussing this matter with you further.

Sincerely,

Jamie Raskin
Member of Congress

Salud Carbajal
Member of Congress

Jim Cooper
Member of Congress

Dwight Evans
Member of Congress

Jesús G. “Chuy” García
Member of Congress

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