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TI-USA Statement in Response to U.S. Supreme Court's Ruling in Citizens United v. FEC

Washington, D.C. January 25, 2010

The Supreme Court decision in *Citizens United v. FEC*, which finds no difference between a corporate person and a real person and allows unlimited corporate spending in elections, may have significant negative implications for the U.S. political system as well as political finance reform efforts around the world.

TI-USA joined an amicus curiae brief submitted by Justice at Stake in the *Citizens United* case, arguing against Citizen United's position and warning of the harmful impact the Court's ruling could have on judicial selection in states in which judges are elected, which is the majority of states. The Court's decision rejected these arguments. Citing the amicus brief in his dissent, Justice Stevens noted that "[a]t a time when concerns about the conduct of judicial elections have reached a fever pitch . . . the Court today unleashes the floodgates of corporate and union general treasury spending in these races."

The Court's sweeping decision increases the likelihood that politicians will accept campaign funding from corporations in exchange for policy favors and that candidates will feel indebted to corporations that engage in large independent spending in their favor or against their opponents. Yet statutes dating back a century, as well as the Court's own precedents, have supported the view that corporate money is a corrupting influence in politics. The *Citizens United* ruling will put that longstanding assumption to the test and call into question statutes in 24 states prohibiting independent expenditures by unions and corporations. The Court's decision does not explicitly overturn those laws, but they are likely to be challenged and may go unenforced in the interim. As Justice Stevens put it in his dissent, "[t]he Court operates with a sledgehammer rather than a scalpel when it strikes down one of Congress' most significant efforts to regulate the role that corporations and unions play in electoral politics. It compounds the offense by implicitly striking down a great many state laws as well."

Although the Court ruled that Congress can require corporations to disclose their spending and run disclaimers with their advertisements, prompt disclosure has not yet effectively mitigated the potentially corrupting effect of money in politics.

The ruling could have an adverse impact on campaign reform efforts if the United States is perceived to backpedaling efforts to address on the corrupting influence of money in politics.

TI-USA will continue to review the opinions in the case and diverging views on its potential impact.