



POLLUTING OUR DEMOCRACY AND OUR ENVIRONMENT: Dirty Fuels Money in Politics

For at least the last decade, it has been abundantly clear that the people responsible for polluting our air, our water, and our climate with toxic contamination are many of the same ones responsible for polluting our democracy with hundreds of millions of dollars in toxic money.

It is true that big polluters have been spending big in politics for decades, but the research collected here shows that this bad situation has only become worse over time. With millions in corrupting money pouring into the political system, the 113th Congress has pumped out legislation and votes so toxic that it has earned the title of “most anti-environmental” in history. The returns big polluters are getting on these political investments -- in the form of billions in corporate tax handouts -- exceed 5000 percent, demonstrating that Congress remains the best “investment” possible for the coal, oil, and gas industries.

The Supreme Court opened the floodgates for a tidal wave of corrupting political cash in 2010, when the disastrous ruling in *Citizens United v. FEC* let a handful of big money campaign donors spend unlimited amounts of outside dollars to influence elections. Since then, the political system has become a polluter playground. Take the 2012 election, for example -- [easily the most expensive election in history](#). The estimated \$6 billion spent during the election cycle included massive contributions from some of the nation’s biggest polluters, including the Koch Brothers, a pair of Kansas billionaires [deeply entrenched in the oil refining, pipeline, coal, chemical, and gas sectors](#).

Data through March 10, 2014 [compiled by the Center for Responsive Politics](#) indicates Koch Industries has already spent nearly \$2.4 million in candidate and PAC

contributions for the current electoral cycle. It’s likely this number is even higher, but further detail on spending by the Kochs and their affiliates is unavailable because of a lack of legal disclosure requirements for outside political spending.

What does that mean for those fighting for clean air, clean water, healthy communities, and a stable climate? A lot. Big spenders like the Kochs are also big polluters. Research by the University of Massachusetts-Amherst lists Koch Industries among the nation’s top 30 companies responsible for the most toxic [air](#), [water](#), and [greenhouse gas](#) pollution.

The high-profile Kochs are only one example. Research by the Center for American Progress indicates that in the last two months of the 2012 election cycle alone, dirty fuel companies and allied groups spent [upward of \\$270 million on television ads](#).

The total amounts from big polluting industries have been staggering. [\\$17 million in campaign cash from oil companies has already poured into candidate coffers for the 2014 cycle on the heels of more than \\$73 million in contributions during the 2012 cycle](#). Mining interests kicked in more than \$22 million in direct candidate contributions in 2012 and have already spent \$4 million in 2014. Electric utilities contributed \$22 million in 2012 and have already approached the \$10 million mark in direct contributions for 2014.

This report illustrates a daunting new reality for all Americans that care about protecting the health of our environment and our communities by showing that the nation's biggest polluters are increasing their political spending and seeing even better returns on their "investment" than ever before. This research from the Sierra Club and Oil Change International shows the payoff for big polluters is very real, in the form of the maintenance of billions in tax subsidies, anti-regulatory policies, and distorted priorities that give the wealthiest corporations in the nation a bullhorn that can drown out the voices of everyone else.

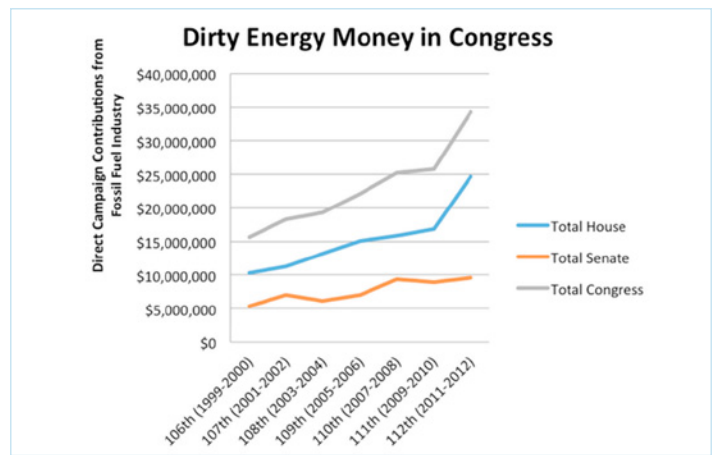
Paying to Play: An Analysis of Recent Fossil Fuel Industry Campaign Finance

The [Center for Responsive Politics](#) compiles overall data on giving trends by the oil and gas industry and they're quite revealing. Below is a table showing all contributions, direct and indirect, from the oil and gas industry to Congress since 1999. Note that because of a lack of transparency, this reflects only a fraction of the true outside spending.

Election Cycle	Rank†	Total Contributions	Contributions from Individuals	Contributions from PACs	Soft/Outside Money	Donations to Democrats	Donations to Republicans	% to Dems	% to Repubs
2014	9	\$17,343,643	\$9,398,432	\$6,922,588	\$1,022,623	\$2,202,266	\$14,232,919	13%	87%
2012	8	\$73,096,970	\$40,659,163	\$15,904,379	\$16,533,428	\$5,911,330	\$50,679,132	10%	89%
2010	11	\$33,413,637	\$19,349,158	\$11,512,143	\$2,552,336	\$6,811,388	\$23,758,279	22%	77%
2008	14	\$39,047,130	\$28,956,509	\$9,951,229	\$139,392	\$8,766,021	\$30,260,478	22%	77%
2006	13	\$22,289,376	\$13,839,717	\$8,372,659	\$77,000	\$3,999,569	\$18,182,103	18%	82%
2004	17	\$26,985,116	\$19,784,089	\$7,170,777	\$30,250	\$5,137,914	\$21,811,787	19%	81%
2002	13	\$25,696,995	\$9,063,273	\$6,500,156	\$10,133,566	\$5,134,840	\$20,542,160	20%	80%
2000	10	\$34,648,961	\$12,076,308	\$6,539,203	\$16,033,450	\$7,008,761	\$27,128,581	20%	78%

The impact of the Citizens United decision can clearly be seen in the 11,761-percent increase in outside spending from 2008-2012. Additionally, the total amount of money spent in the 2012 electoral cycle was 87 percent higher than the pre-Citizens United 2008 election — both Presidential years.

Oil Change International's [Dirty Energy Money](#) database tracks direct donations to elected Representatives from oil, gas, and coal interests. One key difference with The Center for Responsive Politics' Oil & Gas sector category is that the Dirty Energy Money database includes coal related companies. It also uses a more robust screening process to both add and remove companies that appear to have slipped through CRP's filter, particularly electric utilities that do not normally land within the CRP's industry categorization. As can be seen in the graph below, this measure also tracks an upward curve, with a surge after Citizens United.



Congress: A Cash Machine for Coal, Oil, and Gas

What if an investment advisor told you that he could get you \$59 back for every \$1 you gave him? That's a 5800 percent rate of return. Even [Bernie Madoff](#) only promised 10.5 percent in his ponzi scheme.

Clearly that was a scam, but if you're the oil, gas, and coal industry, it's legal and business as usual in Washington. According to an [Oil Change International analysis](#) of the 111th (2009-2010) Congress, for every \$1 the industry spends on campaign contributions and lobbying in D.C., it gets back \$59 in subsidies.

HERE'S HOW IT WORKS:

Amount the fossil fuel industry spent during the 111th Congress (2009 & 2010) on contributions to Congress' campaigns: **\$25,794,747**

Oil and Gas lobbying total 2009: **\$175,454,820**

Oil and Gas lobbying total 2010: **\$146,032,543**

- TOTAL amount spent by Big Fossil Fuels in 111th Congress: **\$347,282,110**

2009 amount given to fossils in federal subsidies: **\$8,910,440,000**

2010 amount given to fossils in federal subsidies: **\$11,578,900,000**

- TOTAL amount given to fossils during 111th Congress: **\$20,489,340,000**

(Original OECD source for subsidies [here](#) and broken out by U.S. Federal totals [here](#))

Divide total subsidies by total money spent by the industry and you get **59**.

\$1 in. \$59 out. That's a 5800 percent return on political investment. Impressive.

A Distortion of Public Priorities

The arguments against campaign finance reform don't hold up when contrasted with the clearly skewed policy priorities of a Congress that has been flooded with big polluter cash. While the majority of Americans stand strongly in support of clean energy, climate action, and an end to taxpayer handouts to fossil fuel companies, Congress has instead launched an unprecedented assault on each of these key components that are needed to safeguard American families from dangerous and toxic pollution.

To put it plainly, the priorities of Congress have been distorted and scarcely resemble those of the vast majority of the American people. Consider any number of public opinion polls as a baseline:

CLEAN ENERGY:

- By nearly a 2-to-1 margin, voters think the country should be investing more in clean energy sources and energy efficiency rather than in fossil fuels like coal, oil, and gas. ([Greenberg, Quinlan, and Rosner Research, January 2014](#))
- 72% of Western voters say they would be more likely to vote for a candidate who wants to “promote more use of renewable energy - like wind and solar,” including 44% who say they would be “much more likely” to vote for such a candidate. ([Colorado College, January, 2014](#))
- 67% of Americans want the government to invest more on “developing wind and solar power.” ([Gallup, March 2014](#))
- 72% of small business owners support a national renewable energy standard that would require 20% of all our electricity from clean energy sources by 2020. ([ASBC, June 2013](#))

ACTION ON CLIMATE:

- [Two-in-three U.S. voters say the issue of climate disruption](#) is a serious problem. ([Greenberg, Quinlan, and Rosner Research, January 2014](#))
- Seven-in-ten Americans favor the Environmental Protection Agency (EPA) putting limits on the amount of carbon pollution that power plants can release. ([Greenberg, Quinlan, and Rosner Research, January 2014](#))
- More than four-in-five Americans (83%) believe the U.S. should make an effort to combat climate disruption even if it has at least “small-scale” economic costs. ([Yale/GMU, Nov. 2013](#))
- Seven-in-ten Americans (71%) say that “global warming” should be a priority for President Obama and Congress. ([Yale/GMU, Nov. 2013](#))

- About nine-in-ten Latino voters want the government to take action against the dangers of climate disruption. ([Latino Decisions, Dec. 2013](#))

TAX GIVEAWAYS TO BIG OIL:

- Nearly three-in-five (59%) Americans support eliminating all subsidies for the fossil-fuel industry, including majority support from Republicans (52%), Independents (64%), and Democrats (67%) alike. ([Yale/GMU, Nov. 2013](#))
- More than three-in-five small business owners (62%), including 58% Republicans and 67% Independents, want the government to stop extending tax subsidies to big industry, specifically oil. ([American Sustainable Business Council, June 2013](#))

Attacking Healthy Communities

Instead of acting in accord with these common-sense priorities backed by huge majorities of the public, Congress seems to be more focused on the priorities of big polluters - the same polluters who have pumped our political system full of money.

For its part, since 2010, the U.S. House of Representatives has earned recognition as the “Most Anti-Environmental House in History.” More than 300 anti-environmental votes were taken by the House in 2011 and 2012 during the 112th Congress, according to the Democratic Staff of the House Energy and Commerce Committee. Already in the 113th Congress, 164 attacks on clean air, clean water, clean energy, and climate action have been launched. Those totals include:

112TH CONGRESS:

- 95 attempts to weaken the Clean Air Act
- 145 attacks on the Environmental Protection Agency
- 47 votes to promote dangerous offshore drilling
- 53 votes to block action on the climate crisis
- 57 attempts to defund or repeal clean energy initiatives

113TH CONGRESS (THROUGH APRIL 17, 2014):

- 44 votes to block action on the climate crisis
- 88 votes attacking public lands and wilderness
- 44 attempts to weaken the Clean Air Act
- 68 attacks on the Clean Water Act

The most recent tallies include votes to gut clean energy funding by [upward of \\$1 billion](#) and 20 votes in 2013 alone to attack safeguards from carbon pollution that's fuelling the climate crisis.

Other low points include the House's [approval](#) of the Energy and Water Development and Related Agencies Appropriations Act of 2014, which continues subsidizing the largest oil companies in the world while cutting funding for clean energy, energy efficiency, and the [Advanced Research Projects Agency-Energy](#) (ARPA-E), which actively invests in developing new clean energy technologies.

industry pollution — and it [passed with a vote of 248-163](#).

These are just a handful of the numerous attacks. In total, the number of polluter-backed attacks reaches well into the hundreds. Comprehensive collections of these votes are available both from [the House Energy and Commerce Democratic Staff](#) as well as on [Annual Scorecards from the League of Conservation Voters](#).



McCutcheon: Making a Terrible Situation Even Worse

As bad as the current state of affairs is, the Supreme Court recently made a terrible situation much worse with their ruling in *McCutcheon v. FEC*. While the Court opened the floodgates to outside money in politics with the *Citizens United* decision, the *McCutcheon* ruling does the same thing for inside money, dramatically increasing the total amount of money individual donors can give directly to candidates by scrapping the so-called “aggregate limit.” Previously, donors could give up to \$123,200 to

The House also [passed](#) an amendment to the Energy Consumers Relief Act of 2013 that would prevent the government from addressing the economic costs of climate disruption. This means that despite the astronomical costs that extreme weather fueled by climate disruption have each year, the government would be unable to weigh those costs against savings from government action to increase energy efficiency and reduce carbon pollution.

The Commerce, Justice, Science, and Related Agencies Appropriations Act for 2013 also saw multiple toxic riders added by the House. Rep. Chip Cravaack (R-MN) attempted to eliminate funding for the National Science Foundation’s Climate Change Education Program, which was passed by a [vote of 238-188](#).

Rep. Cory Gardner (R-CO) sponsored the so-called Domestic Energy and Jobs Act which attempted to overturn the Clean Air Act’s requirement for national air quality standards to be based on the best science alone. This would’ve prioritized the oil and gas industry’s interests in an effort to delay clean air standards that would reduce

candidates and political parties combined -- already a huge amount for most Americans. The *McCutcheon* decision will increase the total amount an individual can give to [approximately \\$3.6 million](#) — an amount roughly 70 times the median American household income of about \$51,000 per year.

In practice, *McCutcheon* will further solidify the influence of wealthy donors in our political system. It should be noted that the plaintiff in the case, Shaun McCutcheon, is an Alabama [climate denier who made his fortune in the coal industry](#).

The Supreme Court decision comes just in time for *McCutcheon* and his industry allies to blunt the impact of the new EPA power plant standards with a flood of private money in Washington. With the movement to transition to a clean energy economy well under way, the price of influence in Washington is going up, and Shaun McCutcheon and the fossil fuel industry as a whole are preparing to pay it. They’re now able to tap into even more of their vast financial resources, spread misinformation, and line our elected officials’ pockets.



Seeking Solutions: The Government By The People Act

Fortunately, big money campaign donors are not getting away with this corruption of our democracy without the American people putting up a fight. In a recent poll by Greenberg Quinlan Rosner, results showed 91 percent of respondents want elected officials to “reduce the influence of money in political elections.” At the same time, a broad-based grassroots coalition has emerged to call for reforms to lift up the voices of small donors. Working alongside reform minded members of Congress, the coalition is standing up to champion reform and advance bipartisan legislative solutions to make Congress more responsive to the interests of average Americans – not just the wealthy and business interests

The Government By the People Act (H.R. 20), authored by Maryland Democrat John Sarbanes and cosponsored by more than 140 of his colleagues, is the central legislative solution to combat the influence of big money in politics, raise civic engagement, and amplify the voice of average Americans in our politics.

The legislation has three main components to make our government of, by, and for the people. First, the legislation offers every American a \$25 refundable tax credit on contributions to candidates for federal office, thereby making it easier for more Americans to participate in the funding side of our elections. Second, the legislation amplifies the voice of small donors, matching any contribution from \$1 to \$150 on a six-to-one basis from the “Freedom from Influence Fund.” In this way, candidates for federal offices will be able to run a campaign focused on small-dollar contributions without having to rely on the deep pockets of the wealthy and special interests. Finally, the legislation provides those small-dollar-backed candidates facing heavy spending by super PACs and

other “dark money” organizations with the resources necessary to fight back.

Taken together, the Government By the People Act offers average Americans – and the candidates they support – an alternative to our big-money-dominated campaign finance system. That way, when it comes time to make critical decisions on public policy, Congress will be better able to process the will of the public.

Environmental groups like the Sierra Club and Oil Change International are joining our labor, civil rights, and good government allies in support of the important efforts of Congressman Sarbanes. Already, more than 50 national organizations have endorsed the legislation, with more than 400,000 citizen cosponsors signing on to support the effort. At a time when the story of our political system is about who has the most money, the Government By the People Act would help refocus the debate on who has the most support from everyday Americans.

For more information on the Government By the People Act and the coalition supporting the effort, please visit ofby.us.

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