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FREEDOM
PENNSYLVANIA



Pennsylvania Report Part 2

UnCommon Wealth:

An Update on Outside Spending and Influence in the
2022 Pennsylvania Senate Election

October 2023

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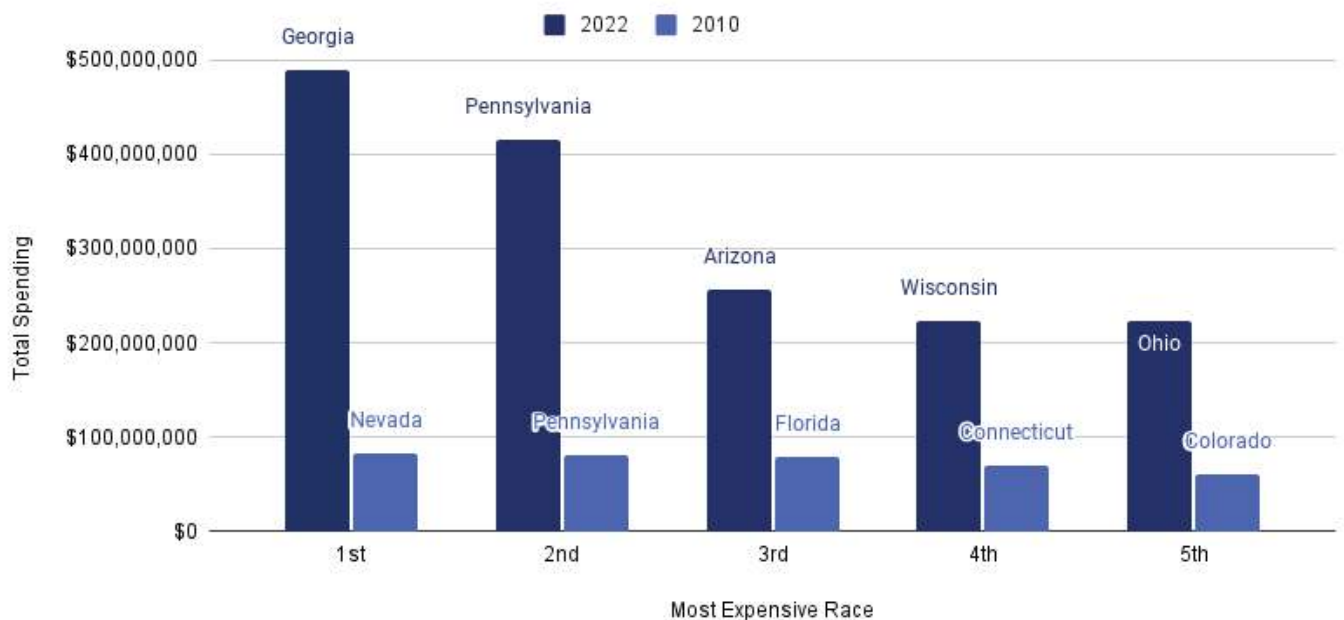
INTRODUCTION

Now that the dust has settled, we have a brief opportunity before the 2024 election kicks off to examine the spending in the 2022 Pennsylvania U.S. Senate election. American Promise previously released the [UnCommonWealth report](#), detailing the astounding amounts of money that had been spent in the state during the primary elections. But now, including the general election, we know that more than \$420 million was spent on the Pennsylvania U.S. Senate election alone. The majority of that money came from outside spending groups, which spent more than \$253 million on the race. This election was the second-most expensive Senate race in the nation, behind only the Georgia U.S. Senate race which included a second election – a runoff in December.

The spending in the 2022 Pennsylvania U.S. Senate race represents a trend of continually increasing spending in American elections. Compare the spending in the top 5 most expensive Senate races in 2010 vs 2022:

Most Expensive Senate Race Spending (Candidates and Outside Groups) 2010 vs 2022

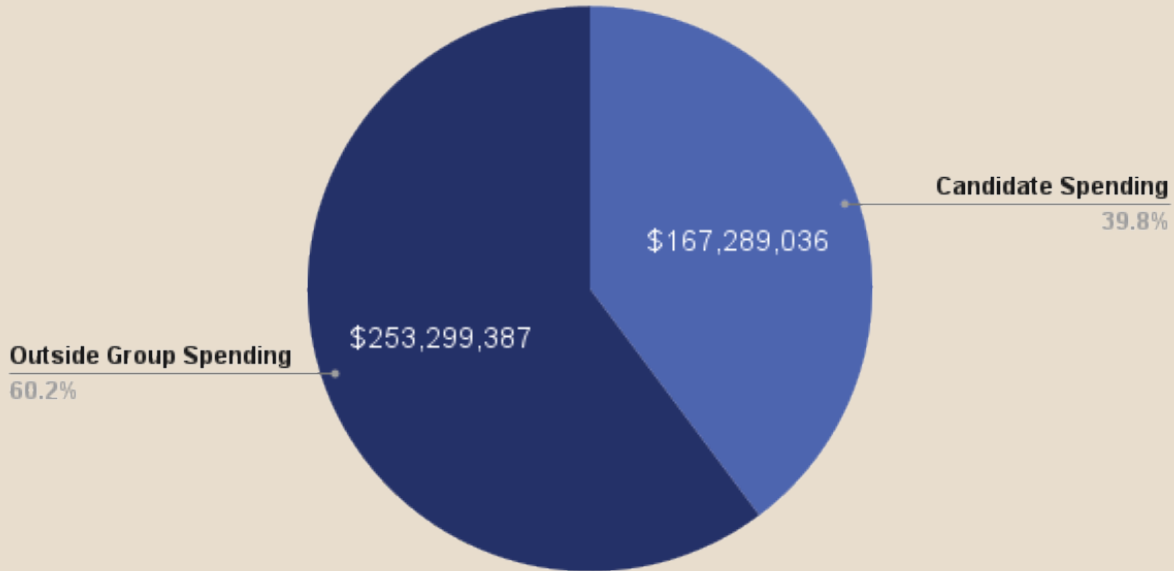
Source: OpenSecrets.org



Just over a decade ago, in 2010, none of the races exceeded \$100 million dollars. The 2010 Senate race in Pennsylvania “only” cost \$80 million dollars, and it was still the second-most expensive Senate race in the country. In 2022, the 9 most expensive races cost more than \$100 million, with the two most expensive topping \$400 million.

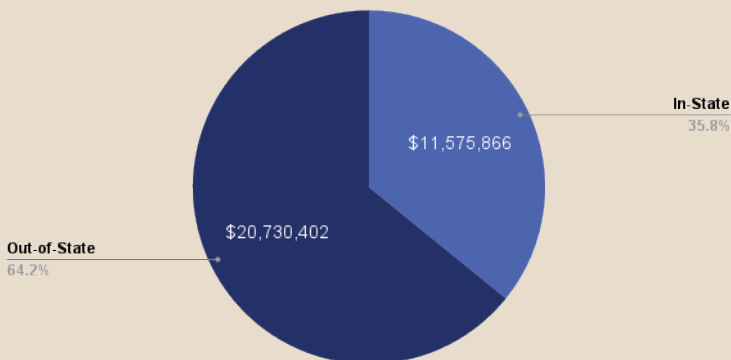
Pennsylvania Senate Candidate vs Outside Group Spending

Data from OpenSecrets.org



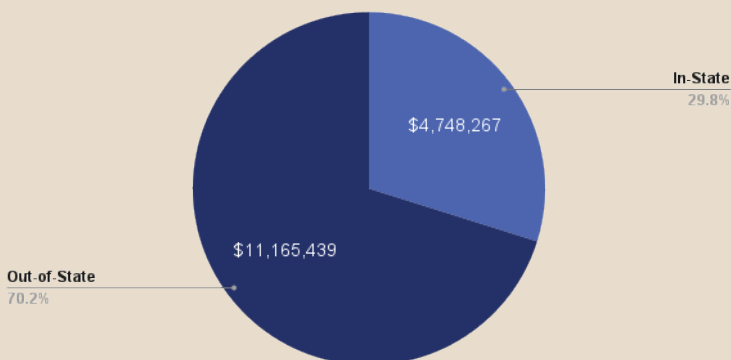
John Fetterman In- vs Out-of-State Funding

Data from OpenSecrets.org



Mehmet Oz In- vs Out-of-State Funding

Data from OpenSecrets.org



The Supreme Court has effectively created and imposed a “pay-to-play” system where candidates must have access to hundreds of millions of dollars – personally or through connections to the national “donor class” – to be considered a serious candidate.

Of the \$253 million spent by outside groups in Pennsylvania’s Senate race, an overwhelming majority – approximately 75% – was spent on negative ads attacking candidates and sowing division and mistrust.¹ And there were a lot of ads: Pennsylvania saw almost 64,000 TV ads for the Senate race, just between September 5 and October 30th. Over half of them were placed to benefit Democrats.²

Even the candidates themselves were primarily funded from outside the state. Democrat John Fetterman received \$20.7 million – 64% of his total fundraising – from outside of Pennsylvania. Republican Mehmet Oz received \$11.2 million from out-of-state – 70% of his total fundraising.³

WHO PAID FOR THIS?

Democrat-Backing Groups

The largest Democratic outside spending group that participated in the race was the Democrats' Senate Majority PAC, which spent over \$48 million in Pennsylvania,⁴ out of its total 2022 spending of more than \$334 million nation-wide. Over 90% of the PAC's funds came from large donations of \$2,000 or more, and almost 45% of its funds came from Washington DC. It only reported 0.25% of its donations as coming from Pennsylvania.⁵

The largest donor to the Senate Majority PAC is not an individual at all, but rather the “dark money” group Majority Forward, which gave \$73 million.⁶ Due to Majority Forward's status as a nonprofit “social welfare organization,” it is not required to disclose its donors, which is why the term “dark money” is often applied to such groups. This sort of arrangement, in which money is funneled through groups like Majority Forward, allows Super PACs like the Senate Majority PAC to get around the requirement that they disclose their donors. Senate Majority PAC only has to report that they received funding from Majority Forward, with no record of where Majority Forward got the money in the first place. You can read more about dark money organizations and how they hide their contributions [here](#).

A select few of Majority Forward's donors have disclosed their donations. In 2016, the liberal lobbying group The Advocacy Fund contributed \$1.5 million, and the NEO Philanthropy Action Fund (a group that promotes social justice movements) gave \$500,000. The CVS Health Corporation gifted \$250,000 in 2017 or early 2018 and another \$1.75 in 2020.⁷ CVS Health Corporation also owns Aetna health insurance and lobbies and advertises extensively in opposition to single-payer healthcare.⁸

Another major donor to the Senate Majority PAC in 2022 is former cryptocurrency billionaire [Sam Bankman-Fried](#), who contributed \$1 million to the PAC as part of his broader political influence campaign in which he gave approximately \$40 million to Democratic campaigns and committees publicly, and claims to have given an equal amount to Republicans through dark money channels.⁹ In November 2022 (ironically on Election Day itself), Bankman-Fried's cryptocurrency exchange FTX imploded, wiping out his fortune. The company filed for bankruptcy as it was revealed that the exchange had been using customer deposits to fund risky investment ventures and was facing an \$8 billion shortfall. In December 2022, Bankman-Fried was arrested in the Bahamas for charges filed by US officials, “including wire fraud against customers and lenders, as well as conspiracy to defraud the United States and violate campaign finance laws.”¹⁰



Photograph credit: Dante Carrer/Reuters

Sam Bankman-Fried being escorted out of the magistrate court building after arrest

Democrat John Fetterman’s campaign spent more than \$72 million over the course of the election. Only a third of that money came from Fetterman’s Pennsylvania constituents – the rest came from outside the state, with donors from California, New York, and Massachusetts being the next 3 biggest contributors.¹¹

Republican-Backing Groups

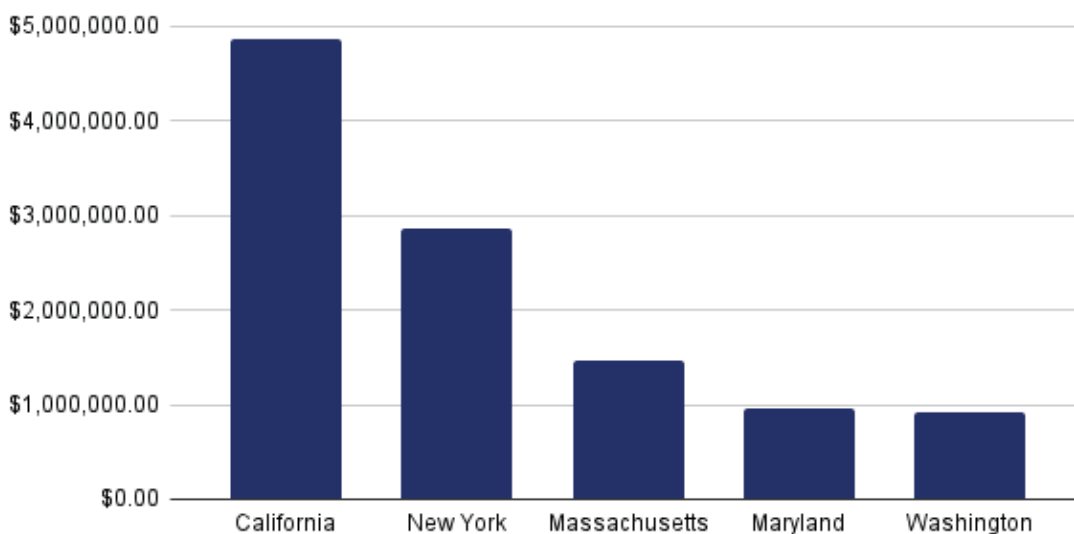
The single largest Republican spender in the race was the Senate Leadership Fund, which spent over \$47.5 million in Pennsylvania, out of more than \$290 million spent nationwide.¹² The Senate Leadership Fund reported receiving contributions from only 6 states and Washington DC in 2022, and no contributions from Pennsylvania. Its largest individual donor was the dark money group One Nation, which provided over \$74 million in untraceable funds for the 2022 elections.

Nonetheless, we can gain a rough picture of One Nation’s donors through those who have voluntarily disclosed their donations to the group – the oil company Tesoro donated \$1 million in both 2016 and 2017, and the American Health Care Association donated \$200,000 in 2016.¹³ One Nation is also required to disclose the groups to which it makes grants; in 2018 it gave \$1.6 million to the pro-life Susan B. Anthony List, and \$1 million to the right-leaning American Economic Freedom Alliance.¹⁴ One Nation “shares staff and offices” with the Senate Leadership Fund.¹⁵

The Republican candidate, Mehmet Oz, came in second both in fundraising and in the election. His campaign spent a little over \$49 million, mostly provided by nearly \$26.8 million in loans that he made to his own campaign. Otherwise, of contributions with a reported state of origin, the Oz campaign received only 27% of its funds from Pennsylvania. The rest came from other states, particularly Florida, Texas, and California.¹⁶

Fetterman Reported Contributions from Outside PA

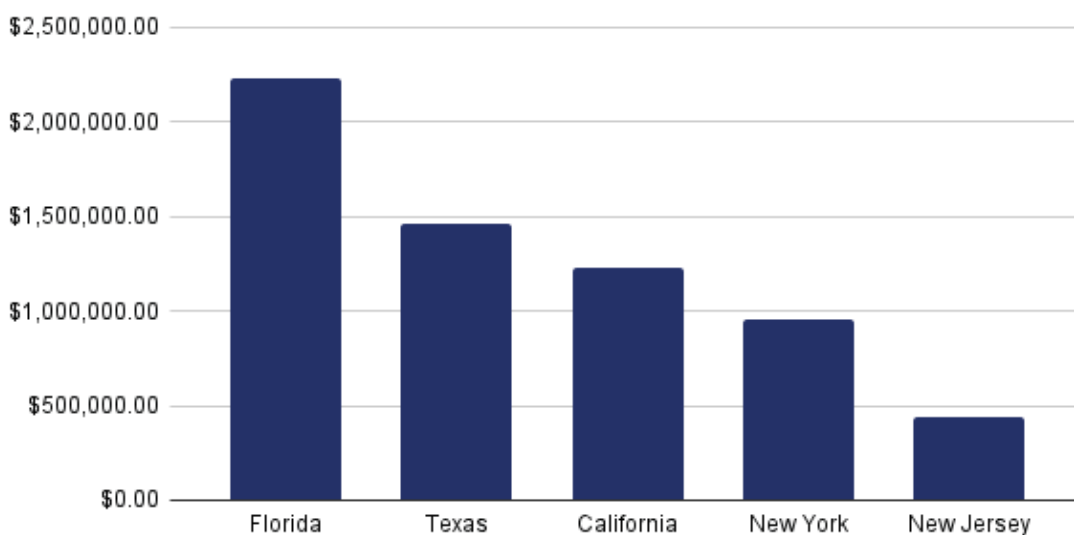
Top 5 States (Source: fec.gov)



Oz also received significant support from the American Leadership Action PAC, which spent a total of \$21.7 million over the course of the campaign, either attacking Oz’s rivals or placing ads in support of him. The largest individual donor to the PAC was Jeff Yass, Philadelphia-based stock options trader, billionaire, and richest person in PA, who gave \$3.5 million to the PAC.¹⁷ Although Yass primarily donates to Republican causes and candidates, he has also provided \$1 million to The Moderate PAC, a PAC run by a former Biden campaign manager and a defense contractor, intended to spend millions in Democratic primaries to defeat progressive candidates.¹⁸

Oz Reported Contributions From Outside PA

Top 5 States (Source: fec.gov)



CONCLUSION

Millions of dollars in out-of-state and dark money spending wreaked havoc in the 2022 Pennsylvania elections, blanketing the state in misleading and negative ads. To date, the Supreme Court’s controversial legal theory that money is “free speech” has blocked any attempts to solve this problem and reduce the overwhelming influence of money in politics. By positioning itself as the country’s de facto regulator of money in politics, the Supreme Court is able to overturn reasonable regulations passed by states, giving wealthy donors and corporations a massive amount of influence in our elections. By the Court’s reasoning, free speech is only for those who can pay the premium for it.

But there is hope and a path forward. We can pass an anti-corruption amendment to the U.S. Constitution – a critical step to allow for reasonable campaign spending limits in PA and across the country. The power in our democracy still ultimately rests with the people. Enshrined in our Constitution is the right to amend it, the right of the American people to check the power of the

Supreme Court and correct distorted interpretations of the law. It is our right and our duty to ask our state and federal legislators to take action on this issue. Proposing and ratifying a constitutional amendment is not easy, but in times of crisis like these, where our democracy and rights to self-government are being drowned in a sea of money, it is essential.

Elections would be more respectful, more open, and more representative of constituents if there were reasonable limits on campaign raising and spending. There would be a wider range of candidates with more diverse ideas. Campaigns could be funded through small donations made by people from all walks of life, and by in-state constituents rather than an out-of-state donor class. All contributions could be disclosed, so voters would know the origins of campaign money. The airwaves would be open to robust debate and sharing of ideas between those impacted by an election's outcome. Candidates would engage in dialogue with voters, rather than "call-time" and fundraisers with wealthy donors. Elected officials would work to win the approval of their constituents, not of moneyed interests in New York, Palm Beach, Chicago, and other cities where wealth is concentrated. Elections would focus on the issues that matter to their constituents, not "wedge issues" intended by national groups to drive people apart and push down the level of discourse. Election season wouldn't be an exhausting barrage of endless negative ads, repeated from state to state.

Every Pennsylvanian, regardless of political party or independence, can join the thousands of citizens working together across the state to put Pennsylvania first, and end the domination of outside money in our elections. American Promise members have launched [For Our Freedom Pennsylvania](https://www.forourfreedom.com/pennsylvania), a movement that is working to build local- and state-level support for the For Our Freedom Amendment and put the power back in the hands of American voters.

Join us at [ForOurFreedomPA.com](https://www.ForOurFreedomPA.com)



ENDNOTES

- 1 <https://www.opensecrets.org/news/2022/11/negative-outside-spending-accounts-for-69-of-the-2-1-billion-spent-on-federal-2022-midterms>
- 2 <https://mediaproject.wesleyan.edu/releases-110322/>
- 3 <https://www.opensecrets.org/races/geography?cycle=2022&id=PAS1&spec=N>
- 4 <https://www.opensecrets.org/races/outside-spending?cycle=2022&id=PAS1&spec=N>
- 5 <https://www.fec.gov/data/committee/C00484642/?tab=raising>
- 6 https://www.fec.gov/data/receipts/individual-contributions/?committee_id=C00484642&contributor_name=majority+forward&two_year_transaction_period=2020&min_date=01%2F01%2F2019&max_date=12%2F31%2F2020
- 7 <https://www.politico.com/newsletters/morning-score/2018/09/20/a-look-behind-the-dark-money-curtain-345762>
- 8 <https://theintercept.com/2021/04/21/cvs-lobby-health-insurance-medicare-for-all/>
- 9 <https://www.theguardian.com/technology/2022/nov/30/ftx-billionaire-sam-bankman-fried-dark-money-republicans>
- 10 <https://www.nytimes.com/2022/12/13/business/ftx-sam-bankman-fried-fraud-charges.html>
- 11 <https://www.fec.gov/data/committee/C00765800/?tab=raising>
- 12 <https://www.fec.gov/data/committee/C00571703/?tab=spending>
- 13 <https://www.citizensforethics.org/reports-investigations/crew-investigations/oil-refiner-andeavor-is-se-ven-figure-contributor-to-mcconnell-aligned-nonprofit/>
- 14 https://projects.propublica.org/nonprofits/display_990/271937961/03_2019_prefixes_27-31%2F271937961_201712_990O_2019030816161178
- 15 <https://www.opensecrets.org/news/2019/11/dark-money-group-one-nation-2018/>
- 16 <https://www.fec.gov/data/candidate/S2PA00638/?tab=raising>
- 17 <https://www.fec.gov/data/committee/C00794891/>
- 18 <https://theintercept.com/2023/01/25/jeff-yass-megadonor-moderate-pac/>

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