CHRIS
VAN HOLLEN
U.S. SENATOR FOR MARYLAND

The Close the Campaign Cash-for-Contracts Loophole Act

Senator Van Hollen and Congressman Robert Garcia

The American people deserve a government that is solely working in their best interest, not selling out to the highest bidders and lining their own pockets. Yet every election cycle, we see campaign contributions pour into our elections from donors benefitting from federal contracts. The corruption is clear – these people are donating to candidates who have influence over whether or not they receive future federal government contracts. These unethical donations are pervasive and they pay off. This pay-to-play scheme causes real harm: wasting taxpayer dollars and undermining public confidence in our government.

Elon Musk—whose companies SpaceX, Tesla, Starlink, and The Boring Company hold billions of dollars in federal contracts—has spent a record-breaking more than $440 million just this cycle to help the Republican party retain power. Musk also donated over $290 million to President Trump and his Republican allies' campaigns in the 2024 cycle. Unsurprisingly, Musk's companies have received substantial federal contracts under the Trump Administration. We cannot allow this blatant political corruption to stand.

He is not the only one. Corporate executives and stockholders from both parties give giant contributions to super PACs and other entities to elect candidates of their choice while their corporations receive large government contracts. While we have a law on the books that prohibits federal contractors from donating to a political party, candidate, or committee, major loopholes allow individuals who control the companies and benefit from federal contracts to donate huge sums of money to candidates and the PACs and super PACs that help elect them.

The Close the Campaign Cash-for-Contracts Loophole Act would close these loopholes by:

- Expanding the current ban to cover federal contractors' executive office holders, major shareholders, and affiliated corporations
- Establishing a one-year "cooling off" period after the completion of a federal contract to prohibit federal contractors from making contributions soon after finishing performance on a contract only then to seek additional contracts
- Prevent dark money organizations from being used as pass-throughs by requiring any federal contractor donations to be held separately and prohibit them from being spent on any campaigns or electoral materials

- Adding a prohibition on accepting (as opposed to just soliciting) illegal federal contractor contributions
- Requiring illegal contributions to be turned over to the Treasury rather than simply refunded to the donor

The Close the Campaign Cash-for-Contracts Loophole Act is endorsed by Campaign Legal Center, Brennan Center for Justice, Democracy 21, Public Citizen, End Citizens United Action Fund, Common Cause, Indivisible, Citizens for Responsibility and Ethics in Washington (CREW), Democracy Defenders Action, and Stand Up America.