

Wiley Rein's Michael Toner Discusses Political Spending by Outside Groups

The Associated Press (AP)

April 9, 2013

Michael E. Toner, co-chair of Wiley Rein's Election Law & Government Ethics Practice, was quoted by the *Associated Press (AP)* in an April 6 article about increased political spending by outside groups known as Super PACs that can accept unlimited contributions from corporations, labor unions and individuals.

A 2010 U.S. Supreme Court decision that eased campaign finance rules prompted outside groups to spend a record \$1 billion on last year's election, and campaign finance analysts expect Super PAC spending to intensify for the 2014 and 2016 elections, the *AP* reported.

While Super PACs aren't allowed to make contributions to federal campaigns, they can raise and spend unlimited funds to independently support federal candidates. Many of these groups are affiliated with tax-exempt "social welfare" entities that are organized under Section 501(c) of the Internal Revenue Code and are overseen by the Internal Revenue Service (IRS); 501(c) organizations are generally not required to publicly disclose their donors. The Supreme Court is preparing to hear a case later this year that could lead to further deregulation of the federal campaign finance system.

Officials across the political spectrum indicate that the IRS thus far has provided little oversight in the new campaign finance environment, according to the article. Mr. Toner was among experts who said that could change.

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Mr. Toner, a former chairman of the Federal Election Commission (FEC) who also served as general counsel of the Bush-Cheney 2000 presidential campaign, said the IRS may challenge the tax-exempt status of prominent outside groups—one from each political party—in federal court.

“I think it’s only a matter of time,” Mr. Toner told the *AP*.