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February 16, 2021

The Honorable Janet L. Yellen
Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Dear Secretary Yellen:

I welcome the Biden Administration's fulsome commitment to defending our democratic elections and restoring transparency, accountability, and integrity to the federal government. In that spirit, I write to encourage the United States Department of the Treasury (Treasury) to reverse an existing rule that allows certain tax-exempt organizations to shield their major donors and the amounts they give from the Internal Revenue Service (IRS). This rule, finalized in the last administration, undermines accountability for these organizations, creates a needless risk of foreign interference in our elections, and degrades public trust in our democracy.

Previously, tax-exempt 501(c)(4) social welfare organizations, 501(c)(5) labor and agricultural organizations, and 501(c)(6) trade associations were required to disclose their major donors to the IRS. These disclosures were not available to the public but were available to the IRS for oversight and enforcement purposes. The Trump Administration sought to reverse this policy in 2018, ostensibly to protect the personal information of major political donors. After Treasury finalized the rule on May 26, 2020, these tax-exempt organizations were no longer required to disclose their major donors to the IRS.

Today, a wealthy individual with personal interests in the outcome of an election – including a wealthy foreign donor – could make a significant donation to one of these tax-exempt organizations, which in turn could spend its general funds to influence that election while never having to share the donor's information with the IRS. This makes it more difficult for the IRS to identify foreign or other prohibited donations. The risk of abuse is plain, and the idea that current policy allows it would offend most Americans – with good reason.

According to the Center for Responsive Politics, dark money groups have spent over \$1 billion dollars to influence U.S. elections since 2008. These groups exploit Treasury's policy to shape public opinion and influence our elections while evading the transparency required of tax-exempt 501(c)(3) organizations. As the late Justice Antonin Scalia once wrote in a 2010 case, "Requiring people to stand up in public for their political acts fosters civic courage, without which democracy is doomed."

I agree, and all Americans deserve to know who is trying to influence their voices and their votes. I respectfully request that Treasury reverse the existing policy allowing tax-exempt 501(c)(4), 501(c)(5), and 501(c)(6) to keep their major donors secret from the IRS.

I look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Michael F. Bennet". The signature is written in a cursive, flowing style.

Michael F. Bennet
United States Senator