

The Honorable Jackie Speier  
211 Cannon House Office Building  
Washington, DC 20515

June 30, 2014

**BY EMAIL**

Re: The MERIT Act

Dear Representative Speier:

We, the undersigned organizations, are writing in strong support of the Making Every Representative's Integrity Transparent Act of 2014 (MERIT Act). The MERIT Act is a smart, common-sense approach to addressing pernicious issues of self-dealing, conflicts-of-interest, and undue influence that arise from gaps in current law. These issues go to the heart of the public's ability to trust their elected representatives. We applaud you for championing these issues

There are too many instances where politicians and their families inappropriately benefit from political activities, as was reported by the CBS news program *60 Minutes* based in large part on a 2012 report by Citizens for Responsibility and Ethics in Washington (CREW).<sup>1</sup> For example, 75 members of Congress paid family members through their campaign committees and PACs, with one member placing six family members on the campaign payroll. In addition, 45 members of Congress have family members who lobby or are employed in government affairs, raising the possibility of conflicts of interest and inappropriate access. And 14 members charged interest on personal loans they made to their own campaigns, which may have allowed them to personally profit from their campaigns. The MERIT Act addresses all of these issues, and more.

The MERIT Act prohibits conversion of leadership PAC funds for personal use, putting an end to what amounts to donor-supported mortgage payments, tuition, and the like. It also prevents campaign committees and affiliated leadership PACs from paying relatives of candidates as staff, just as members of Congress are prohibited from hiring relatives as congressional staff. It further prohibits campaign committees from leasing property or purchasing goods or services from relatives. In part, the MERIT Act accomplishes this through a broadening of the definition of who counts as a relative, drawing upon recently-enacted House rules.

The MERIT Act places limits on members of Congress loaning money to their campaigns. As detailed in the "Family Affair" report, some members use personal loans to campaigns as a way of making money, with one member charging an 18 percent interest rate and receiving \$228,000 on a \$150,000 loan. These loans create potential conflicts of interest, where money donated to a campaign could end up in a candidate's pocket. The MERIT Act limits the

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<sup>1</sup> "Washington's Open Secret: Profitable PACs," *60 Minutes* (Oct. 20, 2013), available at <http://www.cbsnews.com/news/washingtons-open-secret-profitable-pacs-2/>. "Family Affair," Citizens For Responsibility and Ethics in Washington (2012), available at [http://www.citizensforethics.org/page/-/PDFs/Reports/Family\\_Affair\\_House\\_2012\\_CREW.pdf?nocdn=1](http://www.citizensforethics.org/page/-/PDFs/Reports/Family_Affair_House_2012_CREW.pdf?nocdn=1).

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interest rate to prime plus two percent and requires greater public disclosure of terms and conditions.

The MERIT Act also creates greater transparency in circumstances where family members lobby members of Congress or senior executive branch officials. Lobbyists would be required to disclose when they are related to a member of Congress or senior executive branch official, and must identify the official. If a lobbyist lobbies a relative, the fact of lobbying and the subject matter must be reported. This empowers government oversight bodies and watchdog groups to more easily identify and police conflicts of interest.

Thank you for fighting for these important ethics reforms. We welcome the opportunity to discuss this further. Please contact Daniel Schuman, policy director of Citizens for Responsibility and Ethics in Washington, at [dschuman@citizensforethics.org](mailto:dschuman@citizensforethics.org) or 202-408-5565.

Sincerely yours,

Campaign Legal Center  
Citizens for Responsibility and Ethics in Washington (CREW)  
Common Cause  
Democracy 21  
eCitizens.org  
iSolon.org  
Jim Thurber  
OpenTheGovernment.org  
Project On Government Oversight (POGO)  
Public Citizen  
Represent.Us  
The Sunlight Foundation