



COMMISSIONER ELLEN L. WEINTRAUB  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

The Honorable Alex Lee  
California State Assembly  
California State Capitol  
Sacramento, CA 95814

*via online portal*

April 19, 2022

Assemblymember Lee,

I write to you today in my individual capacity as a Commissioner on the U.S. Federal Election Commission in support of the Stop Foreign Influence in California Elections Act (AB 1819), which would prohibit spending in California's elections by foreign-influenced corporations. And I thank you, Assemblymember Kalra, and Senator Wieckowski for taking the lead on such an important topic.

If enacted, AB 1819 would help ensure that California's elections belong to California's voters. Along with the direct impact this bill would have on California's elections, its passage would serve as a shining example for lawmakers throughout the United States – including, hopefully, in Congress – to follow.

The bold blow AB 1819 seeks to strike fits comfortably within existing federal statutory law and Supreme Court precedent. It is fully in keeping with *Citizens United's* prescription for greater transparency in political spending; as the Supreme Court wrote, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”

AB 1819 is consistent with an approach I laid out in an op-ed for *The New York Times* (attached) that described a new way to read the *Citizens United* decision together with the foreign-national political-spending ban.

In a nutshell, I noted that since the *Citizens United* majority protected the First Amendment rights of corporations as “associations of citizens,” and held that a corporation's right to participate in elections flows from the collected rights of its individual shareholders to

participate, it follows that the *limits* on the rights of a corporation's shareholders must *also* flow to the corporation.

And one of the most important campaign-finance limits we have is that foreign nationals are absolutely barred from spending directly or indirectly in U.S. elections at *any* political level – federal, state, county, or city. It thus defies logic to allow groups of foreign nationals, or foreign nationals in combination with American citizens, to fund political spending through corporations. One cannot have a right collectively that one does not have individually.

Accordingly, AB 1819 seeks to ensure that only those corporations owned and influenced by people who have the right to participate in California's elections are doing so.

The risks addressed by AB 1819 are not theoretical. The two largest Federal Election Commission penalties in the post-*Citizens United* era (and, overall, the third- and fourth-largest penalties in the agency's history) involved foreign investors illegally exerting influence through the business entities they controlled.

In 2019, the Commission found that the foreign owners of [APIC](#), a San Francisco-based subsidiary of a foreign corporation, had illegally routed \$1.3 million through the company to a super PAC, which resulted in \$940,000 in penalties. Just this month, the Commission negotiated [a \\$975,000 penalty](#) in a matter where the billionaire Canadian owner of [Zekelman Industries, Inc.](#) illegally helped steer \$1.75 million in contributions to a super PAC. Had the corporate officers of the companies involved in the contributions been required to sign, under penalty of perjury, the statements of certification required by AB 1819, the illegal behavior may well have been deterred.

Please do not hesitate to get in touch with me if I may be of any further assistance. I am available at [commissionerweintraub@fec.gov](mailto:commissionerweintraub@fec.gov) and (202) 694-1035.

Sincerely,



Ellen L. Weintraub  
Commissioner, Federal Election Commission

Attachment: "Taking On Citizens United" (March 30, 2016), NY TIMES, <http://nyti.ms/230BOgg>