

# The Model Statute

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In Part I we elaborated the foundations of our paradigm. In Part II we worked up operational principles. Before presenting the model statute, we provide a road map of its main substantive provisions (with cross-references to the relevant sections) as an orienting guide.

## Summary

### 1. EXPLORATORY COMMITTEE

- a. Candidates may raise funds for an exploratory fund from publicly disclosed contributions. § 12
- b. The maximum amounts that exploratory funds may receive are \$50,000 for House candidates; \$250,000 for Senate candidates (on average); and \$1 million for presidential candidates. § 12(c)
- c. The maximum amounts that a (noncandidate) individual may contribute to an exploratory fund are \$2,000 for House candidates; \$10,000 for Senate candidates (on average); and \$20,000 for presidential candidates. § 12(d)
- d. Candidates may contribute up to the overall exploratory cap to their own exploratory committee. § 12(g)

### 2. PATRIOT DOLLARS

- a. Registration
  - i. All registered voters are eligible to register for Patriot card. § 14(a) Eligible individuals may register by mail, over the Internet, or at registrar's office or voting booth. §§ 14(e) & (g)
  - ii. Registration is valid for only six years, but voting automatically reregisters an individual. § 14(d)

- b. Dollar Amounts in Accounts
- i. Four separate subaccounts will potentially be associated with each Patriot card: \$10 for House elections, \$15 for senatorial elections; and \$25 for presidential elections. If an incumbent president is eligible for reelection, then the Patriot cardholder will receive \$10 for the presidential primary and \$15 for the presidential general election. § 15
  - ii. These amounts will be increased if the total private and Patriot contributions in the previous election fell below the prestatutory level of total funding for that level of elected office. § 27(c)
  - iii. These amounts will be increased if the total private contributions in the previous election were more than 50 percent of the total Patriot contributions for that level of elected office. § 27(b)
  - iv. The face value of the first 5 percent of Patriot dollars contributed to candidates for each level of elected office will be doubled. § 16(g)
  - v. For the first eight years of the statute's operation, the face value of contributed Patriots may periodically be increased throughout an election cycle if the commission certifies that the total private and Patriot contributions for that level of elected office is less than half the amount that had been received up to the same point of the comparable election cycle in the prestatutory period. § 27(d)
  - vi. The face value of prospective Patriot dollars contributed to a particular level of elected office will be discounted if an amount greater than twice the prestatutory level of funding has been received. The discounting formula will assure that the total value of Patriot dollars for a particular level of elected office shall never be more than four times the prestatutory amount of funding. § 27(e)
- c. Contribution
- i. Patriot card holders can donate from an automated teller machine or at a Patriot office. § 14(f)
  - ii. It is illegal for Patriot card holder to sell her Patriot contribution for any consideration. § 19(a)

- iii. Depository institutions may not charge the commission more than the lowest unit charges made for comparable use of their ATMs by other users thereof. § 17(c)
- d. Information
- i. All Patriot contributions from citizens (including citizen contributions to political organizations) must be made anonymously through the commission's blind trust. § 16(d)
  - ii. But Patriot contribution transfers from political organizations to candidates, while made through the Blind Trust, will be publicly disclosed. § 16(d)
3. DONATION BOOTH REGULATION OF PRIVATE CONTRIBUTIONS
- a. Contributions of private dollars must be made directly from individuals to the commission's Blind Trust. Candidates may not accept contributions. § 8(a)
  - b. If a contributor requests, the Blind Trust will publicly disclose the amount the contributor has given up to \$200. § 8(h)(1)
  - c. The contributor may rescind any contribution within five days (or instruct the Blind Trust in advance to send a refund check). § 8(d)
  - d. Contributor identity is disclosed ten years after the election. § 8(h)(3)
  - e. Individuals who contribute more than \$10,000 must make all of their contributions within a physical donation booth at a Patriot office. § 8(c)(2)
  - f. Blind Trust employees may not fraternize with candidates or party officials or their agents, nor may they work for candidates, parties, or major donors for a period of ten years. §§ 8(b)(2) & (3)
  - g. If the Blind Trust receives an unusually large amount of contributions from an unusually concentrated number of donors, it will report only a randomized amount of contributions (ranging from one standard deviation below to two standard deviations above the mean daily receipts) and will attribute excess amounts over a ten-day period. § 8(g)
  - h. Contributions to nonparty political organizations to fund express advocacy must be transmitted through the commission's Blind Trust. § 8(a)

- i. Contributions to nonparty political organizations to fund political communications must be made through the Blind Trust unless the political organization is independent of any candidate, party, or organization that must raise funds through the donation booth. §§ 2(17), 8(j), 10(k)
- j. All contributions to national political parties must be transmitted through the commission's Blind Trust. § 8(a)
- k. Contributions to the federal accounts of state and local political parties must be transmitted through the commission's Blind Trust. § 8(a)
- l. Contributions from political parties (including state and local parties) to candidates must be transmitted through the commission's Blind Trust, but the commission will publicly disclose the amount of these contribution. § 8(h)(2)
- m. Loans to candidates are prohibited. § 8(k)

#### 4. REGULATIONS OF LAST RESORT

- a. Individuals may not contribute more than the following amounts to any candidate during an election cycle: \$5,000 to a House candidate; \$15,000 on average to a Senate candidate; \$100,000 to a presidential candidate. § 10(e)
- b. The Blind Trust will not attribute more than the following amounts from an individual contributor to any candidate during any contribution window: \$2,500 to a House candidate; \$7,500 on average to a Senate candidate; or \$50,000 to a presidential candidate. § 10(c)
- c. The contribution window during the last year of an election shall be two weeks and during previous years shall be four weeks. § 10(d)
- d. Individuals may not contribute more than \$100,000 to a national political party during any presidential political cycle, and not more than \$50,000 will be attributed to a party account during any presidential contribution window. §§ 10(c) & (e)
- e. Individuals may not contribute more than \$5,000 per year to any political organization that is not a national political party and not more than an aggregate of \$25,000 per year to political organizations other than national political parties. § 10(f)

- f. Individuals may not contribute more than \$100,000 per year to candidates or political organizations. § 10(g)
- g. Notwithstanding these candidate-specific and aggregate contribution limits, candidates can contribute unlimited amounts to their own campaigns if they opt not to receive Patriot funding. § 11
- h. Nonparty political organizations may not contribute private dollars to candidates nor engage in coordinated advocacy. §§ 2(17), 10(b) & (h)
- i. National parties may contribute unlimited sums of private dollars to candidates. § 10(j)
- j. National parties may not transfer funds to state and local parties. §§ 13(b) & (c)
- k. Candidates and major purpose political organizations willfully violating the act may be barred from receiving Patriot funds for up to five years. §§ 20(e), 21(c)

#### 5. COMMISSION STRUCTURE

- a. The Federal Election Commission shall have five commissioners appointed by the president, and confirmed by the Senate, to serve staggered ten-year terms. §§ 6(a) & (b)
- b. Only a retired justice or judge of the United States may be appointed. § 6(a)
- c. The commission will supervise three subordinate divisions: an enforcement division, a blind trust division, and a Patriot account division. § 6(h)
- d. The commission's budget (including the cost of Patriot vouchers, as well as the cost of administering the Patriot and blind trust programs) will be funded out of a continuing appropriation of the kind governing "entitlement" programs. § 28

#### 6. MISCELLANEOUS

- All dollar amounts in the statute are inflation indexed. § 26

## Text: The Citizen Sovereignty Act

## A Bill

To reform the financing of political campaigns by granting Patriot dollars to each citizen and requiring that all private contributions be made through a Blind Trust.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

## Section 1. Short Title. [Original]

This Act may be cited as “The Citizen Sovereignty Act.”

## Section 2. Definitions. [Modeled on 2 U.S.C. § 431]

When used in this Act:

- (1) the term “election” means—
  - (A) a general, special, primary, or runoff election;
  - (B) a convention or caucus of a political party which has authority to nominate a candidate;
  - (C) a primary election held for the selection of delegates to a national nominating convention of a political party; and
  - (D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.
- (2) The term “candidate” means an individual who seeks nomination for election, or election, to Federal office. Actions taken by agents or surrogates of a candidate are deemed to be actions by the candidate. For purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—
  - (A) if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures on such individual’s own behalf aggregating in excess of \$5,000; or
  - (B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.
- (3) The term “Federal office” means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.
- (4) The term “political organization” means any committee, club, corporation, political party, association, or other group of persons which makes any expenditure or engages in any political communication.
- (5) The term “major purpose political organization” means any political organization the major purpose of which is the nomination or election of one or more candidates or the engagement in federal campaign activity. Any political organization may voluntarily designate itself as a major purpose political organization pursuant to section 4(d)(2). Any political party shall be treated as a major purpose political organization.
- (6) The term “political communication” means a communication—except as described in subsection (10)(A)—by means of any broadcast, cable, or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing, Internet or telephone bank to the general public, or any other form of general public advertising which refers to any candidate or political party or contains such other content of a political nature as the Commission by regulation shall designate.<sup>1</sup>
- (7) (A) The term “House election cycle” means the two-year period consisting of the year in which regular elections to the United States House of Representatives are held and the year preceding said elections;  
 (B) The term “Presidential election cycle” means the four-year period consisting of the year in which the regular election for President of the United States is held and the three years preceding said election; and  
 (C) The term “Senate election cycle” means the six-year period consisting of the year in which a regular election for a specific seat in the Senate of the United States is held and the five years preceding said election.
- (8) The term “contribution” includes—
  - (A) any gift, subscription, loan, transfer, advance, or deposit of money or anything of value, including funds from Patriot

- accounts, made by any person to any candidate or political organization;
- (B) the payment by any person of compensation for the services of another person which are rendered to a candidate or political organization without charge for any purpose; and
- (C) a candidate's own money, property, asset, or other item of value with which the candidate intends to make any expenditure.
- (9) The term "expenditure" includes—
- (A) any purchase, payment, distribution, loan, transfer, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and
- (B) a written contract, promise, or agreement to make any such expenditure.
- (10) The terms "contribution" and "expenditure" do not include—
- (A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, Internet, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any candidate or political organization;
- (B) the use of a candidate's personal residence or automobile by that candidate;
- (C) any purchase, payment, distribution, loan, transfer, advance, deposit, or gift of money or anything of value, made by any person for the purpose of indirectly influencing any election for Federal office, provided that there is no endorsement or identification of any candidate and that the person did not coordinate the action directly or indirectly with any candidate;
- (D) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political organization; or
- (E) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an

- individual to any candidate or political organization in rendering voluntary personal services on the individual's residential premises or in the church or community room for a candidate or political organization's activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any candidate or political organization does not exceed \$1,000 during any two-year period corresponding to a House election cycle.
- (11) The term "Commission" means the Federal Election Commission.
- (12) The term "person" includes an individual, partnership, committee, association, political organization, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.
- (13) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office whose name appears on the election ballot as the candidate of such association, committee, or organization.
- (14) The term "national political party" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.
- (15) The term "Act" means the Citizen Sovereignty Act.
- (16) The term "depository institution" is used as it is defined in 12 U.S.C. § 461(b)(1)(A)(i)-(vi).
- (17) The term "affiliated political organization" means any political organization other than a political party which—
- (A) is under the direct or indirect control of any candidate;
- (B) is a parent, subsidiary, branch, division, department, or local unit of any political organization which must raise its contributions through the Blind Trust;
- (C) along with one or more other political organizations—at least one of which must raise its contributions through the Blind Trust—is established, financed, maintained, or controlled by—

- (i) a single corporation and/or its subsidiaries;
  - (ii) a single national or international union and/or its local unions or other subordinate organizations;
  - (iii) an organization of national or international unions and/or all its State and local central bodies;
  - (iv) a membership organization, including trade or professional associations, and/or related State and local entities of that organization or group;
  - (v) the same person or group of persons; or
  - (vi) substantially the same group of persons;
- (D) is otherwise so closely connected to a candidate or other political organization which must raise its contributions through the Blind Trust as to constitute a de facto affiliated political organization pursuant to regulations to be established by the Commission; or
- (E) coordinates within any two-year period any expenditure or political communication with any candidate or other political organization which must raise its contributions through the Blind Trust, including—
- (i) making said expenditure or political communication at the request or suggestion of a candidate or other political organization which must raise its contributions through the Blind Trust;
  - (ii) submitting the control or decision-making authority for said expenditure or political communication to a candidate or other political organization which must raise its contributions through the Blind Trust;
  - (iii) engaging in substantial discussions or negotiations regarding said expenditure or political communication with a candidate or other political organization which must raise its contributions through the Blind Trust;
  - (iv) making said expenditure or political communication through the use of the same political consultant, advertising agency, or other agent as a candidate or other political organization which must raise its contributions through the Blind Trust; or

- (v) engaging in other such acts defined by the Commission in regulations with respect to an expenditure or political communication such that it constitutes a de facto coordination with a candidate or other political organization which must raise its contributions through the Blind Trust.

Section 3. Treasurer Requirement. [Modeled on 2 U.S.C. § 432]

- (a) Every candidate and political organization shall have a treasurer. During any period in which the office of treasurer is vacant, the candidate or political organization may not make any contribution or expenditure and may not receive any distribution from the Federal Election Commission's Blind Trust.
- (b) The treasurer for a candidate or political organization shall keep an account of—
  - (1) all expenditures made by the candidate or political organization, including the name and address of the payee for the expenditure, the date, amount, and purpose of the expenditure, and a canceled check for the expenditure;
  - (2) all administrative expenses paid by the candidate or political organization, including the name and address of the payee for the expense, the date, amount, and purpose of the expense, and a canceled check for the expense;
  - (3) all expenses paid by the political organization for any political communications or other political activities, including the name and address of the payee for the expense, the date, amount, and purpose of the expense, and a canceled check for the expense; and
  - (4) all distributions to the candidate or political organization from the Federal Election Commission's Blind Trust.
- (c) The treasurer shall preserve all records required to be kept by this section for seven years.
- (d) No candidate or political organization may maintain an account at a depository institution. Funds expended by any candidate or political organization must be by draft against the account at the Federal Election Commission's Blind Trust—unless the political

organization does not make any expenditures and is not an affiliated political organization or major purpose political organization, in which case it may maintain an account at a depository institution.

Section 4. Registration of Candidates and Political Organizations. [Modeled on 2 U.S.C. § 433]

- (a) Each candidate shall file a statement of organization with the Commission within ten days of becoming a candidate within the meaning of this Act.
- (b) Each political organization shall file a statement of organization within ten days of becoming a political organization within the meaning of this Act.
- (c) The statement of organization of a candidate or political organization shall include—
  - (1) the name and address of the candidate or political organization;
  - (2) the name, address, and position of the custodian of books, records, and accounts of the candidate or political organization; and
  - (3) the name and address of the treasurer for the candidate or the political organization.
- (d) The statement of organization for each political organization shall also
  - (1) designate the name and address of any person who is authorized by the political organization to make contributions or expenditures on its behalf;
  - (2) include a statement as to whether the organization is or desires to be treated as a major purpose political organization;
  - (3) include a statement as to whether it is an affiliated political organization and if so, the identity of all candidates and political organizations with which it is affiliated.
- (e) If a candidate, the spouse of a candidate, or the parent, sibling, or child of a candidate or of the candidate's spouse is designated as a person who is authorized by the political organization to make contributions or expenditures on its behalf, then no contributions

to or expenditures on behalf of that candidate may be made by the political organization.

- (f) The statement of organization for a candidate shall also include a statement as to whether the candidate wishes to receive transfers from Patriot accounts pursuant to Section 11.
- (g) Any change in information previously submitted in a statement of organization shall be reported to the Commission no later than ten days after the date of the change.
- (h) All statements of organization shall be published by the Commission via the Internet.

Section 5. Reporting Requirements. [Modeled on 2 U.S.C. § 434]

- (a) The treasurer for a candidate or political organization shall file quarterly reports with the Commission within fifteen days of the end of each calendar quarter. The treasurer shall sign and verify each such report under penalty of perjury.
- (b) Each report under this section shall disclose the following for the preceding calendar quarter—
  - (1) all expenditures made by the candidate or political organization, including the name and address of the payee for the expenditure, the date, amount, and purpose of the expenditure;
  - (2) all administrative expenses paid by the candidate or political organization, including the name and address of the payee for the expense, the date, amount, and purpose of the expense;
  - (3) all expenses paid by the political organization for any political communications or other political activities, including the name and address of the payee for the expense, the date, amount, and purpose of the expense;
  - (4) all distributions to the candidate or political organization from the Federal Election Commission's Blind Trust;
  - (5) the amount of funds available to the candidate or political organization at the beginning and the end of the reporting period; and
  - (6) the amount, date, and recipient of all contributions or transfers of Patriot funds made by the political organization.

(c) Said reports shall be published by the Commission via the Internet.

Section 6. Federal Election Commission. [Modeled on 2 U.S.C. § 437c]

- (a) There is established a commission to be known as the Federal Election Commission. The Commission is composed of five members appointed by the President, by and with the advice and consent of the Senate. Only a justice or judge of the United States appointed to hold office during good behavior who has retired from office pursuant to 28 U.S.C. § 371 shall be eligible to be a member of the Commission.
- (b) (1) Members of the Commission shall serve for a single term of ten years, without the possibility of reappointment, except that of the members first appointed—
- (A) one of the members shall be appointed for a term ending two years after the date of enactment;
- (B) one of the members shall be appointed for a term ending four years after the date of enactment;
- (C) one of the members shall be appointed for a term ending six years after the date of enactment; and
- (D) one of the members shall be appointed for a term ending eight years after the date of enactment.
- (2) A member of the Commission may serve on the Commission after the expiration of his or her term until his or her successor has taken office as a member of the Commission.
- (3) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he or she succeeds.
- (4) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.
- (5) Each member of the Commission shall be paid at the rate of basic pay in effect for level III of the Executive Schedule. Said pay shall be in addition to any other pension the member may receive.

(c) The Commission shall elect a chairman and a vice chairman from among its members for a term of four years. A member may serve as chairman only once during the term of office to which such member is appointed. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

(d) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of this Act except as provided in section 20(g).

(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

(e) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his or her vote or any decision-making authority or duty vested in the Commission by the provisions of this Act.

(f) The Commission shall meet at least once each month and also at the call of any member.

(g) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(h) The policies and activities of the Commission shall be implemented with the assistance of the following three subordinate divisions which shall be subject at all times to the authority of the Commission:

(1) The Enforcement Division shall be responsible for conducting all audits and for the civil and criminal enforcement of this Act, including continuous contemporaneous internal audits to

ensure that all contributions are properly forwarded to the candidates and political organizations to which they are directed;

- (2) The Trust Division shall be responsible for operating the Federal Election Commission's Blind Trust; and
- (3) The Patriot Account Division shall be responsible for establishing and maintaining all Patriot accounts and donation booths.

- (i) The Commission shall appoint the director of each division. The director of the Enforcement Division shall also serve as the general counsel to the Commission. Each director shall be paid at the rate of basic pay in effect for level IV of the Executive Schedule. With the approval of the Commission, each director may appoint and fix the pay of such additional personnel as he or she considers desirable without regard to the provisions of title 5 governing appointments in the competitive service. Each director shall be hired for a term of six years and may not be dismissed except for good cause shown as determined by at least four members of the Commission.
- (j) With the approval of the Commission, each director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule.
- (k) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.
- (l) Notwithstanding the provisions of subsection (j), the Commission is authorized to appear in any action instituted under this Act, either (A) by attorneys employed in its office, or (B) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5

governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission.

- (m) The Commission shall maintain and publish via the Internet a running archive of all reports and other information which it is required to publish under this statute.

Section 7. Powers of Commission. [Modeled on 2 U.S.C. § 437d]

- (a) The Commission and its Divisions have the power—
  - (1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission or a Division may prescribe;
  - (2) to administer oaths or affirmations;
  - (3) to require by subpoena, signed by the chairman, the vice chairman, or the general counsel, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;
  - (4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission or a Division and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);
  - (5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;
  - (6) to initiate civil actions for injunctive, declaratory, or other appropriate relief in the name of the Commission to enforce the provisions of this Act, to defend civil actions filed pursuant to section 20(g), and to appeal civil actions in which it is a party;
  - (7) to file petitions for certiorari with and otherwise to appear in its own name before the United States Supreme Court, through its general counsel, the United States Supreme

Court's decision in *Federal Election Commission v. NRA*

*Political Victory Fund*, 513 U.S. 88 (1994) notwithstanding;

- (8) to develop such prescribed forms and to make, amend, and repeal such rules and regulations, pursuant to the provisions of chapter 5 of title 5, as are necessary to carry out the provisions of this Act, including preserving the secrecy of the Blind Trust and ensuring the integrity of Patriot accounts;
  - (9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance with this Act, and to report apparent violations to appropriate law enforcement officials;
  - (10) to require sellers and providers of political communications to provide regular and prompt reports of the identities of purchasers and users thereof, as well as the date and dollar value of said purchases or uses; and
  - (11) to enter into contracts or other agreements with any of the several States or any private entity or person in order to execute its responsibilities under this Act in the most efficient and effective manner possible.
- (b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.
  - (c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.
  - (d) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for

- approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.
- (e) The power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this Act, except as provided in section 20(g).

#### Section 8. Blind Trust. [Original]

- (a) The Commission shall establish a blind trust which will receive all contributions for candidates and political organizations. No person may collect, pass on, bundle, or otherwise transmit contributions from any other person to the blind trust. The amount or status of specific contributions or the identity or any other information about any contributor or contribution to the blind trust shall not be revealed except as provided in subsection (h).
- (b) The Commission shall implement procedures to ensure that the number of employees with knowledge of the amount or status of specific contributions or the identity or any other information about any contributor or contribution is kept to a minimum.
  - (1) No employee may disclose the amount or status of specific contributions or the identity or any other information about any contributor or contribution except as provided in subsection (h).
  - (2) A Commission employee with knowledge of the amount or status of specific contributions or the identity or any other information about any contributor or contribution may not accept employment with any candidate or political organization or any donor who has contributed more than \$10,000 in any two-year period corresponding to a House election cycle for a period of ten years following the conclusion of his or her employment with the Commission.<sup>2</sup>
  - (3) Current Commission employees with knowledge of the amount or status of specific contributions or the identity or any other information about any contributor or contribution are prohibited from fraternizing with any candidate, the officers of any political organization, or any donor who has

contributed more than \$10,000 in any two-year period corresponding to a House election cycle.

- (4) A current Commission employee with knowledge of the amount or status of specific contributions or the identity or any other information about any contributor or contribution shall immediately disclose to the Commission any information which could create an actual or apparent conflict of interest or raise even the appearance of impropriety with respect to his or her duty to keep said knowledge absolutely secret.
- (5) No records related to contributions shall be discoverable in any civil proceeding unless they have previously been published pursuant to subsection (h).
- (c) All contributions to the blind trust must be by check made payable to the “Federal Election Commission’s Blind Trust” and should be accompanied by separate instructions identifying the candidate or political organization to which it should be distributed. Said check must include the donor’s social security number on its face. Any contribution without distribution instructions shall be returned to the contributor.
- (1) Contributions of less than \$10,000 must be personally mailed or hand-delivered to a Patriot office by the person making the contribution.
- (2) All individuals making contributions of \$10,000 or more during any calendar year must make additional gifts in person at a Patriot office and within the confines of the donation booth after the contributor’s identity has been confirmed by an official at the Patriot office.
- (d) At any time prior to making the contribution or within five days of the delivery of any contribution to the blind trust, the contributor may deliver a written request for the revocation of all or part of the contribution. Upon receipt of such a request and after the funds for the contribution have cleared to the blind trust, the blind trust shall refund as requested all or part of the contribution to the contributor. Refunds to a political organization shall be in the form of a credit within the blind trust, subject to the limitation in subsection (g). All other refunds shall be by

check. The revocation status of any contribution shall be subject to the same secrecy provisions set forth in subsections (a) and (b). A revocation shall be deemed to have been requested for any contribution or part thereof which would exceed the contribution limitations set forth in section 10, except as provided in section 10(d).

- (e) The blind trust shall publish via the Internet the following information for every candidate and political organization on a daily basis:
- (1) the date, identity, and amount (up to \$200) of all nonanonymous contributions and transfers during the past two years;
- (2) the current available balance of Patriot and non-Patriot contributions and transfers;
- (3) the total of Patriot and non-Patriot contributions and transfers during the past two years;
- (4) the ratio of Patriot to non-Patriot contributions and transfers during the past two years; and
- (5) for every candidate—the date, source, and amount of all transfers of Patriot funds from major purpose political organizations during the past two years.
- (f) The available balance for any candidate or political organization will be the total of contributions to the blind trust directed to the candidate or political organization for which funds have cleared and the five-day revocation period has expired, less any refunds to contributors and prior distributions, subject to the limitation in subsection (g).
- (g) The balance amount that is reported as being available shall be limited temporarily based on a formula to be promulgated by the Commission with the intent of obscuring the identity of large concentrated gifts.
- (h) (1) All contributions shall be anonymous unless the contributor specifically requests attribution. If the contributor specifically requests attribution at the time of making the contribution to the blind trust, for every contribution for which funds have cleared and the five-day revocation period has expired, the Commission shall publish via the Internet the fact that a

contribution was made by the donor to the recipient and the amount of the contribution, provided however that the amount of a contribution of \$200 or more shall be reported as “\$200+.”

- (2) The recipient and the entire amount (after any refund) of a transfer made by a major purpose political organization shall immediately following the five-day revocation period be published via the Internet notwithstanding any request for anonymity.
- (3) Ten years after every relevant election cycle the Commission will conduct a public audit of all contributions made during said election cycle to ensure that all contributions were properly forwarded to the candidates and political organizations to which they were directed. In the course of said audit, the Commission shall publish via the Internet the amount, donor, and recipient of all contributions. The identity of the donor shall be disclosed at the time of the audit notwithstanding any prior request for anonymity. Said audit shall be completed within six months.
- (i) When funds are expended by a candidate or political organization from the blind trust, all private dollars shall be spent before Patriot dollars are spent.<sup>3</sup>
- (j) Any political organization may establish a special blind trust account to receive funds to be used solely for political communications which do not constitute expenditures. Contributions to said accounts shall be processed and reported in the same manner as other contributions under this section. Contributions to political communications blind trust accounts, however, are not subject to any contribution limitations contained within this Act, including aggregate contribution limitations, and may be made by any nonforeign person, group, committee, club, association, union, corporation, or other entity.
- (k) Absolutely all loans to candidates and political organizations are prohibited.
- (l) Notwithstanding the provisions of subsection (c), the Commission may adopt by regulation alternative mechanisms for contributions

to the blind trust which it concludes are more efficient and effective; provided, however, that any such mechanism must include equivalent safeguards to maintain anonymity and deter fraud or abuse.

Section 9. Claims of Contributions to Blind Trust Not Prohibited. [Original] It shall not be a violation of this Act for any person to display canceled checks or otherwise claim to have made a contribution to a candidate or political organization through the Federal Election Commission's Blind Trust, regardless of whether such a contribution was actually made or whether any refund of the contribution was requested during the five-day revocation period.

Section 10. Restrictions Upon Contributions. [Original]

- (a) No person may directly or indirectly make any contribution to a candidate or political organization unless said contribution is made through the Federal Election Commission's Blind Trust.
- (b) No candidate or political organization may directly or indirectly receive any contribution unless said contribution is made through the Federal Election Commission's Blind Trust.
- (c) No contribution in excess of the following amounts may be credited to any candidate or national political party during any contribution window as defined by subsection (d):
  - (1) \$2,500 to any candidate seeking nomination for election, or election, to the office of Representative in, or Delegate or Resident Commissioner to, the Congress;
  - (2) \$5,000 plus \$40 per 100,000 adult residents of the State to be represented to any candidate seeking nomination for election, or election, to the office of Senator in Congress;
  - (3) \$50,000 for any candidate seeking nomination for election, or election, to the office of President; and
  - (4) \$50,000 to any national political party.
- (d) The contribution window during the last year of every House election cycle, Senate election cycle, and Presidential election cycle shall be 2 calendar weeks and for every other year during said cycles, it shall be 4 calendar weeks. The contribution window for

contributions to national political parties shall be the same as the contribution window for the Presidential election cycle. The excess of any contribution beyond the limitations set forth in subsection (c) shall be treated as a contribution made during the next contribution window; subject to the limitations set forth in subsections (e) and (g).

- (e) No person may make contributions in excess of the following:
- (1) \$5,000 to any candidate seeking nomination for election, or election, to the office of Representative in, or Delegate or Resident Commissioner to, the Congress during any House election cycle;
  - (2) \$10,000 plus \$80 per 100,000 adult residents of the State to be represented to any candidate seeking nomination for election, or election, to the office of Senator in Congress during any Senate election cycle;
  - (3) \$100,000 for any candidate seeking nomination for election, or election, to the office of President during any Presidential election cycle; and
  - (4) \$100,000 to any national political party during any Presidential election cycle.
  - (5) The contribution limitations in subsections (e)(1)–(3) shall be tripled for candidates of parties which have not received at least 5 percent of the popular vote in any election during the past six years in the district, State, or States the candidate seeks to represent.
  - (f) No person may contribute more than \$5,000 per year to any political organization other than a national political party or more than an aggregate of \$25,000 per year to political organizations other than national political parties.
  - (g) No person may contribute an aggregate of more than \$100,000 per year to candidates or political organizations, except as provided in sections 8(j) and 10(k).
  - (h) Only an adult natural person who is a citizen of the United States may make a contribution. All contributions must be made by said person in his or her own name and using only his or her own personal funds. Any labor union, corporation, or any other

person, group, committee, club, association, or other entity which is not an adult natural person and citizen of the United States is expressly prohibited from making a contribution.

- (i) In addition to all other civil or criminal remedies, the Commission may seek civil forfeiture of any contribution made in violation of this Act.
  - (j) Any national political party may transfer funds through the blind trust to any candidate in any amount without limitation.
  - (k) Notwithstanding any other provision of this section or this Act, however, any political organization other than a political party which does not make any contributions or expenditures and is not an affiliated political organization or major purpose political organization may accept funds outside of the blind trust without any limitations from any nonforeign person, group, committee, club, association, union, corporation, or other entity.
  - (l) All contributions to affiliated political organizations and candidates shall be aggregated and subject to the lowest applicable contribution limitations for any member of the affiliated group.
  - (m) If the Commission, after proper investigation and upon clear and convincing evidence, concludes that contribution limits in subsections 10(c) and (e) must be decreased in order to preserve the anonymity of contributions to the blind trust or may be increased without jeopardizing the anonymity of contributions to the blind trust, it is hereby authorized to modify said limits; provided, however, that under no circumstances may the contribution limits in subsections 10(c) and (e) be reduced by more than fifty percent or increased by more than one hundred percent.
- Section 11. Self-Funded Candidates. [Original]
- (a) Notwithstanding Section 10, any candidate may make contributions to the candidate's own campaign in any amount.<sup>4</sup> Contributions by a candidate to other candidates or political organizations, however, remain limited to the amounts set forth in Section 10.
  - (b) No candidate shall be eligible to receive transfers directly or indirectly from any Patriot account unless said candidate has

made an election to voluntarily waive the right under subsection

- (a) to make unlimited contributions to the candidate's own campaign. Candidates who make such an election may not contribute more than the amounts set forth in Section 10 to any candidates or political organizations, including their own campaign.

Section 12. Exploratory Committee. [Original]

- (a) Any person may form an exploratory committee and accept what would otherwise constitute contributions, not to exceed the limits in subsections (c) and (d), outside of the blind trust without being considered a candidate for the purpose of this Act; provided, however, that if the person is or becomes a candidate, the identity of all contributors and the amount each contributed to the exploratory committee shall be reported to the Commission within ten days. The Commission shall then publish the identity of all contributors and the amount each contributed to the candidate's exploratory committee via the Internet.
- (b) No person may form more than one exploratory committee during any two-year period.
- (c) No exploratory committee may accept aggregate funds in excess of the following:
- (1) if the office being considered is Representative in, or Delegate or Resident Commissioner to, the Congress, \$50,000;
  - (2) if the office being considered is Senator in the Congress, \$0.0442 per resident of the State to be represented; provided, however, that in no case shall the limit be less than \$50,000 or more than \$1,000,000; or
  - (3) if the office being considered is President of the United States, \$1,000,000.
- (d) No person other than the person for whom the exploratory committee was formed may contribute to an exploratory committee in excess of the following:
- (1) if the office being considered is Representative in, or Delegate or Resident Commissioner to, the Congress, \$2,000;
  - (2) if the office being considered is Senator in the Congress,

\$0.00176 per resident of the State to be represented; provided, however, that in no case shall the limit be less than \$2,000 or more than \$20,000; or

- (3) if the office being considered is President of the United States, \$20,000.
- (e) Funds may be given to an exploratory committee only by an adult natural person who is a citizen of the United States. The funds must be given by said person in his or her own name and using only his or her own personal funds. Funds given to an exploratory committee do not count toward the contribution limitations set forth in subsections 10(c), (e), and (f). Exploratory contributions reported to the Commission are, however, included for the purpose of the \$100,000 annual aggregate contribution limitations set forth in subsection 10(g).
- (f) The Commission shall establish regulations to ensure that every exploratory committee shall substantially comply with the treasurer, registration, and reporting requirements set forth in sections 3, 4, and 5.
- (g) Any potential candidate may contribute any amount to his or her own exploratory committee subject to the aggregate limitations in subsection (c).
- (h) A candidate's exploratory committee must be closed to additional contributions before any other private contributions may be received through the Blind Trust.

Section 13. Restrictions on the Use of Distributions. [Original]

- (a) A candidate may use non-Patriot funds from the Federal Election Commission's Blind Trust only for the purpose of making expenditures on the candidate's behalf and paying reasonable administrative expenses related to the candidacy.
- (b) A political organization (other than a national political party) may use non-Patriot funds from the Federal Election Commission's Blind Trust only for the purpose of making expenditures, engaging in or funding political communications or other lawful political activities, and paying reasonable administrative expenses incurred by the political organization. Transfers of non-Patriot funds to

other political organizations or candidates are not permitted, except as provided in subsection (c).

- (c) A national political party may transfer non-Patriot funds in the Federal Election Commission's Blind Trust to candidates.<sup>5</sup>

Section 14. Creation of Patriot Accounts. [Original]

- (a) Every United States citizen who is registered to vote in an election for any federal office shall be eligible for a Patriot account. In any state which does not require registration to vote in an election for any federal office, every resident who is legally entitled to vote in an election for any federal office and who has voted in such an election at least once within the past four years shall be eligible for a Patriot account.
- (b) The several States of the United States shall promptly and regularly provide to the Commission all necessary information requested by it for the purpose of implementing this section.
- (c) In order to have a Patriot account, an eligible citizen must register with the Commission.
- (d) Patriot account registrations shall be valid for a period of six years, but may be renewed for subsequent six-year periods in any manner sufficient for initial registration. The registration for any Patriot account holder shall automatically be renewed by the act of voting in an election for any federal office.
- (e) Any citizen may register for a Patriot account in person at any Patriot office or at any polling place during any federal election by presenting proof of identity and residence. The Commission shall ensure that the citizen is eligible for an account under subsection (a).
- (f) During registration, the registrant must elect to make transfers from his account either via automatic teller machines (ATMs) at depository institutions or via a donation booth located at a Patriot office. To be eligible for the ATM option, the account holder must present a valid credit card, debit card, EBT (electronic benefits transfer), or ATM card in his or her own name to be electronically

linked to his or her Patriot account with a PIN (personal identification number). A registrant who selects the donation booth option will be given a Patriot card bearing his or her name and Patriot account number.

- (g) Any citizen selecting the ATM option may also register for a Patriot account via the Internet or by mail by providing his or her credit card, debit card, or EBT or ATM card number to the Commission. The Commission shall ensure that the citizen is eligible for an account under subsection (a). The Commission shall further confirm the identity and residence of the citizen by mailing a confirmation to the address associated with the tendered credit card, debit card, EBT, or ATM card account and requiring that the confirmation be returned to the Commission within thirty days. Registration will not be complete until the confirmation is received by the Commission.

Section 15. Credits to Patriot Accounts. [Original]

- (a) A credit of \$10 shall be made to every Patriot account on the first day of the year prior to the general election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress.
- (b) An additional credit of \$15 shall be made on the first day of the year prior to any general election for the office of Senator in Congress to every Patriot account held by the residents of the State to be represented.
- (c) An additional credit of \$25 shall be made to every Patriot account on the first day of the year prior to the general election for the office of President of the United States. If the President then in office is eligible for reelection, then said credit shall be allocated as follows: \$10 for use in the primary campaign and \$15 for use in the general election campaign; but this restriction shall terminate immediately if the President informs the commission, in writing, that he is not a candidate for reelection. Primary-campaign Patriot funds must be expended by candidates before July 15 of the year of the general election for the office of President of the United States. General-election campaign Patriot funds may not be

expended by candidates before July 15 of the year of the general election for the office of President of the United States.

(d) In the event that a special election is called, then an additional credit shall be made immediately to every Patriot account held by residents of the district, State, or States in which the special election is to be held. The amount of the credit shall be the following:

- (1) If the election is for Representative in, or Delegate or Resident Commissioner to, the Congress, then \$10;
  - (2) If the election is for Senator in Congress, then \$15; or
  - (3) If the election is for President, then \$25.
- (e) In the event that a candidate withdraws, or otherwise becomes ineligible for election, after receiving Patriot dollars, then any unexpended Patriot dollars held by the candidate which have not been previously transferred to other candidates shall be returned to the Patriot accounts from which they came, pro rata.

Section 16. Transfer and Distribution of Funds in Patriot Accounts.

[Original]

(a) The holder of a Patriot account may transfer all or part of the current balance of the account to any candidate or major purpose political organization which is in compliance with sections 4 and 5, subject to the limitations in subsection (b). The Commission shall continually publish a list of eligible candidates and major purpose political organizations via the Internet. No other types of transfers from a Patriot account are permitted.

(b) (1) Funds originally credited to a Patriot account pursuant to Section 15(a) may be transferred only to a major purpose political organization or to a candidate seeking nomination for election, or election, to the office of Representative in, or Delegate or Resident Commissioner to, the Congress.

(2) Funds originally credited to a Patriot account pursuant to Section 15(b) may be transferred only to a major purpose political organization or to a candidate seeking nomination for election, or election, to the office of Senator in the Congress.

(3) Funds originally credited to a Patriot account pursuant to

Section 15(c) may be transferred only to a major purpose political organization or to a candidate seeking nomination for election, or election, to the office of President of the United States.

(4) Funds originally credited to a Patriot account pursuant to Section 15(d) may be transferred only to a major purpose political organization or to a candidate seeking nomination for election, or election, to the office which is the subject of the special election.

(c) Transfers from Patriot accounts shall be made through the Federal Election Commission's Blind Trust and, except as otherwise provided by this Act, shall be treated the same as any other contribution under section 8.

(d) All transfers from a Patriot account must be anonymous, and a refund of a transfer from a Patriot account shall be credited back to that account. All transfers of Patriot funds from a major purpose political organization to a candidate, however, are not anonymous.

(e) Any Patriot funds which have not been transferred to and spent by a candidate by the date of the general election shall be forfeited.

(f) Only a candidate can take a distribution of funds which originated from a Patriot account from the Federal Election Commission's Blind Trust. A major purpose political organization may not take a distribution of funds which originated from a Patriot account from the Federal Election Commission's Blind Trust. Said major purpose political organization is limited to transferring the funds to a candidate consistent with subsection (b).

(g) The first 5 percent (calculated on the basis of the total number of current Patriot accounts) of all funds available in a House election cycle, Senate election cycle, or Presidential election cycle which are transferred to candidates (directly or via a major purpose political organization) shall be matched in equal amount (i.e., doubled) by the Commission.

(h) Candidates may transfer Patriot dollars they receive to other candidates. Said transfers shall be treated in the same manner, and

subjected to the same restrictions, as those made by major purpose political organizations to candidates.

Section 17. Mechanism for Transfers from Patriot Accounts. [Original]

- (a) The Patriot Account Division of the Commission shall establish Patriot offices within every congressional district in the United States of sufficient number to service the needs of the residents of the district and geographically distributed to enhance the accessibility of the offices. Patriot offices shall be established in a cost-effective manner and may be located within preexisting federal offices or operated by contract or agreement with any State agency or suitable private entity.
- (b) The donation booths at Patriot offices shall contain a computer or other device programmed to permit secure transfers from Patriot accounts to eligible candidates and major purpose political organizations, as well as the cancellation and refund of any prior transfer within five days of that transfer. The booths shall be screened so that all transactions are private. Before entering the booth, the account holder must present his or her Patriot card and proof of identity. The donation booth shall operate in the same basic manner as described in subsection (d).
- (c) The Patriot Account Division of the Commission, in conjunction with the Board of Governors of the Federal Reserve System, shall make arrangements for the use of the automatic teller machines at depository institutions to facilitate transfers from Patriot accounts to candidates or major purpose political organizations via the Federal Election Commission's Blind Trust for those account holders who have elected to use the ATM option. The Commission is authorized to provide compensation to the depository institutions for the use of their ATMs and shall prescribe appropriate rules and regulations to require that said charges shall not exceed the lowest unit charges made for comparable use of such machines by other users thereof.
- (d) Upon insertion of the credit card, debit card, EBT card, or ATM card that is electronically linked to his or her Patriot account and the entry of the appropriate personal identification number, the holder of the Patriot account shall be—

- (1) advised of the current balance of the Patriot account and each subaccount;
- (2) permitted to request a refund of all or part of a transfer from the Patriot account to a candidate or major purpose political organization which was initiated within the prior five days;
- (3) given access to a listing of all candidates and major purpose political organizations currently eligible to receive transfers from the Patriot account;
- (4) permitted to make new transfers of all or part of the current balance of the Patriot account to eligible candidates and major purpose political organizations; and
- (5) advised of the number of days until the general election for the relevant office and of the fact that any funds not transferred by that date will be forfeited.
- (e) The Enforcement Division of the Commission, in conjunction with the Board of Governors of the Federal Reserve System, shall take all feasible measures to detect and prevent unlawful use of Patriot accounts, including but not limited to monitoring transfers from Patriot accounts for suspicious activity and reviewing video records from automatic teller machines suspected as vehicles for unlawful transfers.

Section 18. Development of New Patriot Account Technology. [Original]

The Patriot Account Division of the Commission shall engage in research regarding the use of Internet or other technologies for the administration of Patriot accounts and transfers from said accounts to eligible candidates and major purpose political organizations. Notwithstanding the provisions of Section 17, the Commission may adopt by regulation any mechanism for the administration of Patriot accounts and transfers from said accounts to eligible candidates and major purpose political organizations which the Commission concludes is more efficient and effective; provided, however, that any such mechanism must include adequate safeguards to deter fraud or abuse.

Section 19. Prohibition Against Improper Transfers. [Original]

- (a) It shall be unlawful for any person to give or any individual to accept any consideration whatsoever in exchange for the transfer

of funds from a Patriot account to any candidate or major purpose political organization.

- (b) It shall be unlawful for any person to make or revoke transfers from any other individual's Patriot account.
- (c) It shall be unlawful for any person to possess any credit card, debit card, EFT card, ATM card, or Patriot card with the intent of making or revoking transfers from any other individual's Patriot account.

Section 20. Civil Enforcement. [Modeled on 2 U.S.C. § 437g]

- (a) Any person who believes a violation of this Act has occurred may file a complaint with the Enforcement Division of the Commission. Such complaint shall be in writing, signed and sworn by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18. Within five days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within fifteen days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.
- (b) If the Commission, upon receiving a complaint under subsection (a) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of three of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis of the alleged violation. The Enforcement Division of the Commission shall make an investigation of the alleged violation, which may include a field

investigation or audit, in accordance with the provisions of this section.

- (c) If the Commission concludes that there has been a violation of this Act, the Commission may, upon an affirmative vote of three of its members, institute a civil action for relief, including a permanent or temporary injunction, forfeiture, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed \$5,000) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.
- (d) In any civil action instituted by the Commission under subsection (c), the court may grant a permanent or temporary injunction, forfeiture, restraining order, or other order, including a civil penalty which does not exceed \$5,000, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act.
- (e) In any civil action for relief instituted by the Commission under subsection (c), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act, the court may impose a civil penalty which does not exceed \$25,000. If the person is a candidate or major purpose political organization, the court may also bar that person from receiving any transfers from Patriot accounts for a period of up to five years.
- (f) In any action brought under this section, subpoenas for witnesses who are required to attend a United States district court may run into any other district.
- (g) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under subsection (a), or by a failure of the Commission to act on such complaint within a 120-day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia within sixty days after the date of the dismissal or the expiration of the 120-day period. In any proceeding under this subsection the court may declare that the dismissal of the

complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within thirty days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

(h) Any judgment of a district court under this section may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28.

(i) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under this section, it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful, it may petition the court for an order to hold such person in criminal contempt.

(j) Any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

Section 21. Criminal Enforcement. [Modeled on 2 U.S.C. § 437g]

(a) If the Commission by an affirmative vote of three of its members or the general counsel of the Commission—subject to a veto by three members of the Commission—determines that there is probable cause to believe that any person has committed a knowing and willful violation of this Act, the Commission’s general counsel shall bring a criminal prosecution against said person, subject to the limitation in subsection (b).

(b) The Commission’s general counsel is hereby authorized to prosecute in the name of the United States any person pursuant to subsection (a) after giving fifteen days’ notice to the Attorney General of the United States; subject, however, to the power of the Attorney General to order that the Commission’s general counsel terminate said prosecution within thirty days of the notification. If

the Attorney General of the United States terminates such a prosecution, the factual and legal bases for that decision must be explained publicly and in writing.

(c) Any person who knowingly and willfully commits a violation of any provision of this Act shall be fined, or imprisoned for not more than five years, or both. The amount of this fine shall not exceed the greater of \$25,000 or three times the illegal contribution or expenditure at issue. If the person is a candidate or major purpose political organization, the court may also bar that person or organization from receiving any transfers from Patriot accounts for a period of up to five years.

(d) Notwithstanding subsection (a), the Commission may not order the general counsel to bring a criminal prosecution arising out of an affiliated political organization’s failure to raise funds for political communications through the Blind Trust unless the Commission determines on the basis of credible evidence that there has been a substantial increase in the ratio of political communications to private contributions, as monitored by the Commission pursuant to section 27(f).

Section 22. Judicial Review. [Modeled on 2 U.S.C. § 437h]

The Commission or any United States citizen may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act. The district court immediately shall certify all questions of constitutionality of this Act to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

Section 23. Partial Invalidity. [Modeled on 2 U.S.C. § 454]

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

Section 24. State Laws Affected. [Modeled on 2 U.S.C. § 453]

The provisions of this Act, and of rules prescribed under this Act, supersede

and preempt any provision of State law with respect to any election for Federal office.

Section 25. Period of Limitations. [Modeled on 2 U.S.C. § 455]

No person shall be prosecuted, tried, or punished for any violation of this Act unless the indictment is found or the information is instituted within five years after the date of the violation.

Section 26. Inflation Indexing. [Original]

All dollar figures in this Act shall be annually adjusted for inflation by the Commission using the Consumer Price Index for all-urban consumers published by the Department of Labor.

Section 27. Modifications to the Amount of Patriot Credits. [Original]

- (a) After proper investigation, the Commission shall determine the following “prestatutory” amounts:
- (1) the aggregate contributions to candidates in House races during the two campaigns preceding the implementation of this Act;
  - (2) the aggregate contributions to candidates in Senate races during the two campaigns preceding the implementation of this Act;
  - (3) the aggregate contributions to candidates in the Presidential race during the campaign preceding the implementation of this Act; and
  - (4) in addition to the aggregate totals for each of the preceding, the Commission shall also determine the cumulative monthly subtotals of each group of contributions for the twelve months preceding the respective elections.
- (b) In addition to adjustments for inflation pursuant to section 26, the Commission shall adopt regulations providing that in the event that the total Patriot credits transferred to candidates in House races, Senate races, and/or Presidential races in a given election cycle are not at least double the sum of non-Patriot contributions to said candidates through the Blind Trust, the amount of credits to Patriot accounts set forth in section 15 for the next comparable

election cycle shall be increased by whatever percentage would have been necessary to ensure that the Patriots transferred in the prior election cycle were double the sum of non-Patriot contributions.<sup>6</sup>

- (c) In addition to adjustments for inflation pursuant to section 26, the Commission shall adopt regulations providing that the amount of credits to Patriot accounts set forth in section 15 for House races, Senate races, and/or Presidential races shall be automatically increased by the same percentage as would have been necessary to ensure that the total Patriot contributions to candidates plus private contributions to candidates through the Blind Trust for each set of elections transferred during the preceding comparable election cycle are equal to the level of “prestatutory” contributions for the comparable elections as determined by the Commission in subsection (a).

- (d) In addition to adjustments for inflation pursuant to section 26, during the first eight years following the implementation of this Act, the Commission shall adopt regulations providing that the amount of credits to Patriot accounts set forth in section 15 for House races, Senate races, and/or Presidential races shall be automatically and immediately increased whenever the number of Patriot dollars distributed to candidates plus private contributions to candidates through the Blind Trust to date during said elections are less than one half of the level of “prestatutory” contributions for the comparable elections at the same point in time as determined by the Commission in subsection (a)(4). The amount of increase shall be that percentage by which the number of Patriot dollars distributed to candidates plus private contributions to candidates through the Blind Trust to date during said elections must be increased in order to equal one half of the level of “prestatutory” contributions for the comparable elections at the same point in time as determined by the Commission in subsection (a)(4).
- (e) Notwithstanding subsections (b)–(d), the Commission shall adopt regulations providing that the value of credits to Patriot accounts set forth in section 15 for House races, Senate races, and/or Presidential races shall be marginally reduced once they exceed

- twice the level of “prestatutory” contributions for the comparable elections as determined by the Commission in subsection (a) such that under no circumstances shall their value exceed four times the level of “prestatutory” contributions for the comparable elections as determined by the Commission in subsection (a).
- (f) The Commission shall regularly monitor and report the cost of political communications made during campaigns and the ratio of political communications to private contributions and the ratio of political communications to Patriot dollars. For the purpose of this section, the Commission may develop regulations which factor the value of political communications, regardless of whether they were funded through the Blind Trust or not, into its determination of the level of private contributions to candidates.

Section 28. Appropriations. [Modeled on 42 U.S.C. § 441 and related provisions]

- (a) There is hereby established on the books of the Treasury of the United States a fund to be known as the “Patriot Fund.”
- (b) Out of any money in the Treasury of the United States not otherwise appropriated, for the fiscal year in which this Act is adopted there is appropriated for payment to the Patriot Fund the amount of \$6,000,000,000.
- (c) Out of any money in the Treasury of the United States not otherwise appropriated, for the second fiscal year after the year in which this Act is adopted there is appropriated for payment to the Patriot Fund such sum as is necessary to make the balance of the Patriot Fund equal to \$6,000,000,000.
- (d) For each subsequent second fiscal year after the second fiscal year following the year in which this Act is adopted, out of any money in the Treasury of the United States not otherwise appropriated, there is appropriated for payment to the Patriot Fund such sum as is necessary to make the balance of the Patriot Fund equal to three times the amount of total Patriot credits transferred during the second prior two-year period.
- (e) All transfers from Patriot accounts shall be funded out of the Patriot Fund.

- (f) All administrative and other expenses incurred by the Commission shall be paid out of the Patriot Fund. To that end, out of any money in the Treasury of the United States not otherwise appropriated, for the fiscal year in which this Act is adopted there is appropriated for payment to the Patriot Fund the additional amount of \$4,000,000,000. For each subsequent second fiscal year after the second fiscal year following the year in which this act is adopted, out of any money in the Treasury of the United States not otherwise appropriated, there is appropriated for payment to the Patriot Fund to cover administrative and other expenses incurred by the Commission an additional \$1,000,000,000.<sup>7</sup>

Section 29. Independent Audits. [Original]

The Government Accounting Office shall conduct an independent audit of all administrative expenditures by the Commission eight years after the year in which this Act is adopted and then every subsequent five years. It shall at the same time review the levels of appropriations to the Patriot Fund to determine whether they are sufficient for the purposes of this Act. It shall report the results of said audits and reviews with any recommendations for changes to Congress and the Commission.