# CampaignFinance\_FINAL.mp3

**Deborah D'Souza:** [00:00:01] As we came towards the end of the election, I got really curious about what's going to happen to all of this money.

**Hannah McCarthy:** [00:00:06] This is Deborah D'Souza.

**Deborah D'Souza:** [00:00:08] Which is when I sort of pitched to my editor and was like, we talk to people about their money and investing. I think people would also be curious to know what happens to their donations.

**Hannah McCarthy:** [00:00:19] Deborah works for Investopedia. She writes about finance and she said she didn't expect her post on leftover campaign funds to be so popular. I think she was right. People want to know where all their money ends up, including us. This is a Civics 101. I'm Hannah McCarthy.

**Nick Capodice:** [00:00:35] I'm Nick Capodice.

**Hannah McCarthy:** [00:00:35] And today we're following the money to find out where campaign funds go after everything is said and done in an election.

**Deborah D'Souza:** [00:00:42] So when we talk about leftover funds, we're talking about when, you know, off the rent have been paid, all of the salaries have been paid. You know, the campaign have been winding down. So it's not that common, I would say, to have leftover funds. It's not that good either. You've probably not spent it correctly. [00:01:00]

**Nick Capodice:** [00:01:00] So leftover campaign funds are not necessarily a good thing?

**Hannah McCarthy:** [00:01:04] People gave you that money to use. They want you to get elected. And campaigning is really expensive. Every dollar that you have leftover is money that you did not spend on campaign ads and T-shirts and fliers and rallies. But let's say after all is said and done and you've paid off all of your debts, you still have money left over.

**Deborah D'Souza:** [00:01:26] So the main rule to remember is no personal use so that no mortgage, groceries, gas, no country club membership, college tuition.

**Hannah McCarthy:** [00:01:38] The Federal Election Commission says you can spend that leftover cash on only a handful of things.

**Deborah D'Souza:** [00:01:43] One of them is donated to charity. The other thing you can do is you can transfer it to a future campaign if you're planning to run again, or you can transfer the whole amount to a national political party or local political party. At state political party committee, [00:02:00] you can give a small amount to another candidate. I think it's two thousand dollars to another candidate. So those are the main ways the FEC allows you to use it. You can also do nothing.

**Nick Capodice:** [00:02:12] Do nothing like just let the money sit there?

**Deborah D'Souza:** [00:02:15] You'll find reports of people leaving thousands or sometimes millions in the bank collecting interest for years. And when they're being asked by reporters why from this money going to charity or why you being put to use by the political party affiliated.

[00:02:32] But they'll tell you that they haven't planned whether they're going to run again or they haven't really decided what they're going to do with the money.

**Hannah McCarthy:** [00:02:39] And the FEC says if you drop out of the race, you have to redistribute re-designate or refund funds within 60 days.

[00:02:46] Campaign committees rarely go the refund route, though.

**Deborah D'Souza:** [00:02:50] Which brings us to like a big gaping loophole in the FEC rules is that they say no personal use, but you can transfer [00:03:00] this money to something called the leadership PAC. And the rules for leadership PACs are completely different to the personal use rule doesn't apply there. You can use it for travel, you can use it for dinner, concert tickets, all in the name of fundraising. And politicians have used their leadership PACs quite lavishly.

**Nick Capodice:** [00:03:22] Doesn't the FEC have a number of vacancies right now? I read there aren't enough people on the commission to even hold a meeting. So even if these leadership PACs were misusing funds, would anyone do anything about it?

**Deborah D'Souza:** [00:03:35] The FEC has basically been shut down since July. They haven't had the quorum to have meetings or enforcement rulings since July. And the process they have is audits or complaints that are submitted to them. And I just don't know how that will work if the agency that's supposed to enforce the rules have basically been shut down [00:04:00] for months and months while all of the fundraising has gone on.

**Nick Capodice:** [00:04:03] Well, isn't that just a friendly little reminder that democracy only works when people enforce its principles?

**Hannah McCarthy:** [00:04:08] That does it for the fate of campaign funds. If you have a question about the way this democracy works or doesn't ask us, just click the button at the top of our home page at Civics101podcast.org.