

March 7, 2006

The Honorable Sam Brownback  
United States Senate  
303 Hart Senate O.B.  
Washington, D.C. 20510

Dear Senator Brownback:

The Senate Rules Committee's recent failure to include language eliminating the Federal Election Commission's existing loophole on Indian gaming contributions is an outrage. As a member of the petroleum marketing industry, one would think that the Senate should know that now is the perfect time to address this significant loophole in campaign finance law.

In light of the recent controversies involving both lobbying and campaign finance abuses, it is very unfair for Congress and the FEC to continue to allow Native American tribes to use tax-exempt gambling casino profits and tribal government monies (which includes taxpayer grant funding) to fuel federal election campaigns. It's also unfair to allow tribes to continue to sidestep FEC constraints on aggregate contribution limits all others must follow - including those of us in the petroleum marketing industry.

Right now, there are two sets of FEC rules - those for Native American tribes (and their corporate businesses and tribal governments that write big campaign checks) and those for everyone else. Congress must level this totally uneven playing field - otherwise, lobbying and campaign finance abuses will continue to increase.

We can honor tribal sovereignty and deal with the loophole easily - with a simple fix. However, we need your vote to achieve it and to show you are committed to having ALL Americans subject to the same set of rules when it comes to advancing causes on Capitol Hill and elsewhere. Native American tribes should be prohibited from making political campaign contributions. To respect tribal sovereignty, however, Native American tribes should be able to form PACs - just like the casino companies, with which many of them compete. This would allow for the continued participation of tribes in the political giving process without allowing "soft" money into federal campaign coffers.

As it stands now, tribal governments can give "hard" dollars just like individual donors - unlike the many corporations that compete with them in gambling casinos and other business enterprises. Native American tribes are the ONLY organizations that take business profits and contribute them to federal election campaigns. In effect, they can contribute what is typically "soft" money as though it was "hard" money. Plus, while in this way tribes are treated like individuals, tribes are NOT subject to congressional contribution limits like individuals. Currently, tribes can make virtually an unlimited number of contributions! Quite a number of tribes have done all they can to exploit this loophole. Tribal contributions to federal races and national parties in the past five years have exceeded \$25 million, which has exceeded both the manufacturing industry and the defense industry, just two examples of their exorbitant spending.

The tribal giving loophole also allows for federal grant funds (taxpayer money) appropriated by Congress to Indian tribes to be used for federal campaign contributions. Due to the total lack of transparency (public information or disclosure, even to their own membership, in most cases) about tribes' finances, this loophole also creates a vehicle for laundering "soft" money into "hard" money for distribution to multiple candidates.

All of these factors create a situation ripe for abuse, whereby tribes can dramatically affect the outcome of the federal policymaking process in unfair ways - precisely the type of thing that Congress is now reacting to in trying to pass campaign finance and lobbying reform. This action is long overdue and much needed.

I urge you to support Senator Tom Coburn's proposed amendments to close these existing loopholes in federal law which will be offered to the lobbying reform package next week on the floor of the U.S. Senate. Please close the tribal loophole so that ALL American citizens contribute under the same rules.

Sincerely,

Thomas Palace  
Executive Director