



GOVERNMENT
ACCOUNTABILITY
INSTITUTE

America the Vulnerable: Are Foreign and Fraudulent Online Contributions Influencing U.S. Elections? Taking Another Look



Executive Summary

- Over 44% of the members of Congress do not require a Card Verification Value (CVV) on their official websites, leaving them susceptible to illegal foreign donations (see pg. 9 for the full list of members of Congress without CVV on their donation pages).
- Fewer than 10% of Democrats with active donate pages require CVV on their donate pages, while 91% of Republicans with active donate pages require the additional level of security on theirs.
- An additional 23 members of Congress in 2016 (up to 236 from 213) failed to protect against illegal foreign contributions by not requiring CVV on their campaign donate pages.
- While the number of Democrats with active donate pages has increased by 30 (from 200 to 230), the number of Democrats in Congress not requiring CVV has increased by 43% since the 2012 elections, from 148 to 211.
- The number of congressional Republicans not requiring CVV has decreased by 62.5% since the 2012 election, (From 64 to 24).
- The number of Republicans requiring CVV went up by 30%, from 194 to 252.
- The number of Democrats requiring CVV went down by 63%, from 52 to 19.



The Research

With interest in the 2018 midterm elections heating up, the Government Accountability Institute (GAI) wondered whether things have changed since our extensive September 26, 2012, analysis of federal campaigns' vulnerability to foreign influence. Have members of Congress exhibited any effort to self-police themselves? And was their failure to require the CVV for online credit card donations just an oversight, simple ignorance, or a conscious decision?

Methodology

We began examining campaign sites on June 9, 2017, and finished our review on June 19, 2017. In each instance, we opened the currently active campaign site of a member of Congress. If the member was running in a special election, such as the Alabama senatorial race, we used the special election campaign site. Those members of Congress that did not have active campaign sites were counted in the “no donation” page totals. For each site, we determined whether there was an active donation page. If there was a donation page, we entered as much information as was necessary to pull up the section that requested credit card information and determined whether the site had a CVV field.

For Donald Trump, we used the current site. For Hillary Clinton, we used her donation page from October 2016 from the web archive website. Both of their sites required the CVV. Hillary Clinton's current website redirects to the DNC web donation page.

Our Findings

Overall, we found that the percentage of members of Congress with active donation pages requiring CVV has remained essentially the same. However, upon looking closer along party lines, we observed that the percentage of Republicans with active donation pages requiring CVV was up from 75.2% in 2012 to 91.3% in 2016. On the other hand, CVV usage by Democrat members of Congress with active donation pages was down from 26% to just 8.3%.



	2012	2016
Percentage of members with CVV	53.6%	53.5%
Percentage of Democrats with CVV	26.0%	8.3%
Percentage of Republicans with CVV	75.2%	91.3%
Percentage of Independents with CVV	0.0%	50.0%

Full results of our review are outlined in the table below.

Full Congress	2012	2016*	
Members with No CVV	213	236	
Members with CVV	246	272	
Members with no donate page	76	26	
Democrat members with active donate pages	200	230	
Republican members with active donate pages	258	276	
Independent members with active donate pages	1	2	
Members with Active Donate Pages	459	508	
Democrats with No CVV	148	211	
Republicans with No CVV	64	24	
Independents with No CVV	1	1	
Democrats with CVV	52	19	
Republicans with CVV	194	252	#
Independents with CVV	0	1	
Percentage of members with CVV	53.6%	53.5%	
Percentage of Democrats with CVV	26.0%	8.3%	
Percentage of Republicans with CVV	75.2%	91.3%	
Percentage of Independents with CVV	0.0%	50.0%	
* Count of members is 534 because 1 Democrat representative retired			
# Tim Murphy was counted as having CVV, he has a second link on his site that does not have CVV			



Vulnerabilities Exposed

In 2008 and 2012 the presidential campaigns for Obama relied upon world-wide, on-line solicitations to raise campaign funds in small increments for which there were neither record-keeping nor reporting requirements.¹ Our September 26, 2012 report revealed significant vulnerabilities to both illegal fraudulent contributions and campaign donation solicitations to foreign nationals. Multiple news outlets including the ABC News, the *New York Post*, Politico, *USA Today*, and Fox News covered the report.²

The CVV is an industry-standard anti-fraud credit card security feature used by over 90% of all e-commerce operations and nineteen of the twenty largest charities in the United States. This field is known by several other names, such as card verification data [CVD] or a card verification number, card security code (CSC), card verification value code, card verification code [CVC], verification code [V-code or V code], card code verification, or signature panel code [SPC]. In no cases did we actually donate to a member of Congress. The CVV is the three or four-digit credit card security number that usually appears on the back of the card. Our 2012 study began as an examination of the possible nexus between presidential campaign contributions and those who stood to benefit from the election of one of the two lead candidates. The investigation revealed a disturbing lack of security related to on-line donations. Most notable was the lack of the CVV. It was not used by the Obama campaign donation page.

Adding to our concern was the discovery that Obama.com, a website that automatically redirected to the official Obama campaign page, was owned by an Obama fundraiser living in Shanghai, China, whose business was and continued to be heavily dependent on relationships with Chinese state-run television and other state-owned entities. GAI revealed that 68% of the traffic to the anonymously registered Obama.com was foreign. GAI further reported that beginning in December 2011, the site was linked to a specific donation page on the official BarackObama.com campaign website for ten months. The page loaded a tracking number, 634930, into a field on the website labeled "who encouraged you to make this donation." That tracking number was embedded

¹ This and sections of the report that provide historical context and information related to the 2008 and 2012 elections are thoroughly discussed and sourced in the September 2012 report found here: <http://www.g-a-i.org/wp-content/uploads/2012/10/AVS-ZIP-Report-10-21-12.pdf>.

² <http://campaignfundingrisks.com/latest-news/>



in the source code for Obama.com and was associated with the Obama Victory Fund. It appeared that an American businessman who owned Obama.com and was living in Shanghai was somehow benefitting by funneling donations to the Obama campaign, many of which may have been foreign and therefore illegal.

In the same report, we noted that nearly half of Congress was vulnerable to fraudulent and foreign donations. Of the 446 House and Senate members who had an online donation page, 47.3% did not require the CVV. Furthermore, by not protecting themselves with industry-standard security, larger campaigns pay millions of dollars in extra card processing fees that could otherwise be avoided with the use of the CVV. This seemed counterintuitive unless the flimsy security protocol allowed donations that would be illegal.

We further reported that third-party fundraising organizations lacking security protocols were funneling millions to federal candidates. Most notably, ActRight and ActBlue distributed millions of dollars to federal candidates, but lacked security protocols to block fraudulent and international donations.

The lack of these security protocols appeared to take advantage of antiquated federal campaign laws and most notably the “pass the hat rule” which was created for those instances when a candidate would literally pass their hat through the crowd for campaign contributions. Under the rule, campaigns do not need to keep records of those who give less than \$50. Furthermore, campaigns were and are not required to disclose donations from individuals who give less than \$200 in a campaign cycle unless the campaign is audited. Presidential candidates were raising large amounts of money that fell under the \$200 threshold. We reported that as of September 26, 2012, the Romney campaign had raised \$58,456,968 and the Obama campaign has raised \$271,327,755 in contributions under \$200 for the 2012 campaign cycle. In the 2008 presidential elections, the Obama campaign raised \$335,139,233 in donations under \$200. Neither campaign had accepted federal matching funds or been audited. The fact that additional requests for foreign solicitations by the Obama campaign decreased by an amount that would always maintain the total amount given as less than \$200 drew even more suspicion as to the manner in which the campaign was raising money. The laws did not require the campaign to report total gifts from an individual of \$199.00 or lower. Thus, by maintaining total gifts at an amount less than \$200.00, one could avoid reporting and review.



We showed how the absence of standard security protocols rendered campaigns more vulnerable to so-called “robo-donations.” Robo-donations are large numbers of small, automated donations made through the Internet to evade FEC reporting requirements. We have since confirmed that the technology exists to move a million dollars from a bank account to a campaign through a donation page in less than \$50 increments in one hour.

The U.S. Constitution forbids federal officials from receiving gifts from a “King, Prince or foreign State.” However, it was not until 1966 that Congress amended the Foreign Agents Registration Act making it a felony for a candidate to knowingly receive or solicit foreign donations or for a “foreign principal” to “use an agent to contribute to domestic campaigns.” In 1976, Senator Lloyd Bentsen of Texas proposed an amendment to the Foreign Agents Registration Act Congress that prohibited all foreign nationals, aside from resident aliens, from contributing to domestic campaigns and gave the FEC the power to police the issue. The amendment passed Congress and became law. Despite these legal prohibitions, the ease with which small, under-the-radar donations may be made on-line offers a way around the law that cannot be easily detected. This vulnerability, coupled with a failure to use standard security protocols like the Card Verification Value (“CVV”), invites the sort of fraudulent and foreign activity that these laws were designed to eliminate.

Conclusion

The vote and the integrity of our electoral system are the fundamental building blocks of democracy. As recent presidential candidate Hillary Clinton observed, “Voting is the most precious right of every citizen, and we have a moral obligation to ensure the integrity of our voting process.” Nevertheless, if voting is the engine of democracy, then the fuel is campaign financing. In our 2012 Report we noted:

Presently, campaigns solicit donations around the world. However, there are few requirements for confirming that incoming donations did not come from foreign nationals or governments. Surprisingly, little transparency is required. Instead, the current system entrusts political campaign consultants and officials, not FEC officials, with maintaining the integrity of the electoral process.

Not much has changed since that time, and the vulnerabilities continue. Campaign finance laws still contain “pass-the-hat” provisions more suitable for the days of hand-written accounts



and ledgers than for a time when a million dollars can be moved on-line in small transactions from a bank account to a campaign account in less than an hour. One half of Congress declines to use standard security protocols on their fundraising site. While many will laud the need for electoral integrity, few seem willing to take the steps to assure it, especially when the lack of integrity favors their political goals.



Appendix A

The following members of Congress with active donate pages do not require a Card Verification Value (CVV) on their official websites, leaving them susceptible to illegal foreign donations.

Mid-Atlantic

DELAWARE

Carper, Tom (D)
Coons, Chris (D)

MARYLAND

Brown, Anthony (D)
Cardin, Ben (D)
Cummings, Elijah (D)
Hoyer, Steny (D)
Raskin, Jamie (D)
Ruppersberger, Dutch (D)
Sarbanes, John (D)
Van Hollen, Chris (D)

NEW JERSEY

Booker, Cory (D)
Coleman, Bonnie (D)
Gottheimer, Josh (D)
LoBiondo, Frank (R)
Menendez, Robert (D)
Norcross, Donald (D)
Pallone Jr., Frank (D)
Pascrell Jr., Bill (D)
Payne, Donald (D)
Smith, Chris (R)

NEW YORK

Crowley, Joseph (D)
Engel, Eliot (D)
Espaillat, Adriano (D)
Gillibrand, Kirsten (D)
Jeffries, Hakeem (D)
Lowey, Nita (D)
Maloney, Carolyn (D)
Maloney, Sean Patrick (D)
Meeks, Gregory (D)
Meng, Grace (D)
Nadler, Jerrold (D)
Rice, Kathleen (D)
Slaughter, Louise (D)
Suozi, Thomas (D)
Tonko, Paul (D)
Velazquez, Nydia (D)



PENNSYLVANIA

Boyle, Brendan (D)
Brady, Robert (D)
Cartwright, Matt (D)
Casey, Bob (D)
Dent, Charlie (R)
Doyle, Mike (D)
Evans, Dwight (D)

VIRGINIA

Beyer, Don (D)
Connolly, Gerald (D)
Kaine, Tim (D)
McEachin, Donald (D)
Scott, Bobby (D)
Warner, Mark (D)

WEST VIRGINIA

Manchin, Joe (D)

Mid-West

IOWA

Loebsack, David (D)

ILLINOIS

Bustos, Cheri (D)
Duckworth, Tammy (D)
Durbin, Dick (D)
Foster, Bill (D)
Gutierrez, Luis (D)
Kelly, Robin (D)
Krishnamoorthi, Raja (D)
Lipinski, Daniel (D)
Quigley, Mike (D)

INDIANA

Carson, Andre (D)
Donnelly, Joe (D)
Visclosky, Pete (D)

KENTUCKY

Yarmuth, John (D)

MICHIGAN

Conyers Jr., John (D)
Dingell, Debbie (D)
Huizenga, Bill (R)
Kildee, Dan (D)
Lawrence, Brenda (D)
Levin, Sander (D)
Peters, Gary (D)
Stabenow, Debbie (D)



MINNESOTA

Ellison, Keith (D)
Franken, Al (D)
McCollum, Betty (D)
Nolan, Rick (D)
Peterson, Collin (D)
Walz, Timothy (D)

MISSOURI

Clay Jr., William (D)
Cleaver, Emanuel (D)
Graves, Sam (R)
McCaskill, Claire (D)

NORTH DAKOTA

Heitkamp, Heidi (D)

NEBRASKA

Smith, Adrian (R)

OHIO

Beatty, Joyce (D)
Brown, Sherrod (D)
Fudge, Marcia (D)
Kaptur, Marcy (D)
Ryan, Tim (D)
Tiberi, Patrick (R)

WISCONSIN

Baldwin, Tammy (D)
Kind, Ron (D)
Moore, Gwen (D)
Pocan, Mark (D)

North East

CONNECTICUT

Blumenthal, Richard (D)
Courtney, Joe (D)
DeLauro, Rosa (D)
Esty, Elizabeth (D)
Himes, Jim (D)
Larson, John (D)
Murphy, Christopher (D)

MASSACHUSETTS

Capuano, Michael (D)
Clark, Katherine (D)
Keating, Bill (D)
Kennedy, Joseph (D)
Lynch, Stephen (D)
Markey, Edward (D)
McGovern, James (D)



Moulton, Seth (D)
Neal, Richard (D)
Tsongas, Niki (D)
Warren, Elizabeth (D)

MAINE

Pingree, Chellie (D)

New Hampshire

Hassan, Margaret (D)
Kuster, Ann McLane (D)
Shaheen, Jeanne (D)
Shea-Porter, Carol (D)

RHODE ISLAND

Cicilline, David (D)
Langevin, Jim (D)
Reed, Jack (D)
Whitehouse, Sheldon (D)

VERMONT

Sanders, Bernie (I)

North West

IDAHO

Simpson, Mike (R)

MONTANA

Tester, Jon (D)

OREGON

Blumenauer, Earl (D)
Bonamici, Suzanne (D)
DeFazio, Peter (D)
Merkley, Jeff (D)
Schrader, Kurt (D)
Wyden, Ron (D)

WASHINGTON

Cantwell, Maria (D)
DelBene, Suzan (D)
Heck, Dennis (D)
Jayapal, Pramila (D)
Kilmer, Derek (D)
Larsen, Rick (D)

South East

ALABAMA

Roby, Martha (R)



Sewell, Terri (D)

FLORIDA

Castor, Kathy (D)
Crist, Charlie (D)
Demings, Val (D)
Deutch, Ted (D)
Diaz-Balart, Mario (R)
Frankel, Lois (D)
Hastings, Alcee (D)
Murphy, Stephanie (D)
Nelson, Bill (D)
Soto, Darren (D)
Wasserman Schultz, Debbie (D)
Wilson, Frederica (D)

GEORGIA

Bishop Jr., Sanford (D)
Johnson, Hank (D)
Lewis, John (D)

MISSISSIPPI

Harper, Gregg (R)

NORTH CAROLINA

Adams, Alma (D)
Butterfield, G. K. (D)

SOUTH CAROLINA

Clyburn, James (D)
Duncan, Jeff (R)

TENNESSEE

Cohen, Steve (D)
Cooper, Jim (D)
Roe, Phil (R)

South West

ARIZONA

Franks, Trent (R)
Gallego, Ruben (D)
Grijalva, Raul (D)
O'Halleran, Tom (D)
Sinema, Kyrsten (D)

COLORADO

Bennet, Michael (D)
Perlmutter, Edwin (D)
Polis, Jared (D)

NEW MEXICO

Heinrich, Martin (D)



Lujan Grisham, Michelle (D)
Lujan, Ben (D)
Pearce, Stevan (R)
Udall, Tom (D)

TEXAS

Castro, Joaquin (D)
Cuellar, Henry (D)
Doggett, Lloyd (D)
Gonzalez, Vicente (D)
Granger, Kay (R)
Green, Gene (D)
Jackson Lee, Sheila (D)
Johnson, Eddie Bernice (D)
Marchant, Kenny (R)
O'Rourke, Beto (D)
Thornberry, Mac (R)
Veasey, Marc (D)
Vela, Filemon (D)

UTAH

Stewart, Chris (R)

West

CALIFORNIA

Aguilar, Pete (D)
Barragan, Nanette (D)
Bass, Karen (D)
Becerra, Xavier (D)
Bera, Ami (D)
Brownley, Julia (D)
Carbajal, Salud (D)
Cardenas, Tony (D)
Chu, Judy (D)
Correa, Lou (D)
Costa, Jim (D)
DeSaulnier, Mark (D)
Eshoo, Anna (D)
Garamendi, John (D)
Harris, Kamala (D)
Khanna, Ro (D)
Knight, Steve (R)
LaMalfa, Doug (R)
Lee, Barbara (D)
Lofgren, Zoe (D)
Lowenthal, Alan (D)
Matsui, Doris (D)
McClintock, Tom (R)
Napolitano, Grace (D)
Nunes, Devin (R)
Panetta, Jimmy (D)
Pelosi, Nancy (D)



Peters, Scott (D)
Roybal-Allard, Lucille (D)
Ruiz, Raul (D)
Sánchez, Linda (D)
Schiff, Adam (D)
Sherman, Brad (D)
Speier, Jackie (D)
Swalwell, Eric (D)
Takano, Mark (D)
Thompson, Mike (D)
Torres, Norma (D)
Vargas, Juan (D)
Walters, Mimi (R)

HAWAII

Gabbard, Tulsi (D)
Hanabusa, Colleen (D)
Hirono, Mazie (D)
Schatz, Brian (D)

NEVADA

Kihuen, Ruben (D)
Masto, Catherine (D)
Rosen, Jacky (D)
Titus, Dina (D)

