

DNC's leaked emails expose corrupt funding practices within the Democratic Party

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The release of roughly 20,000 internal Democratic National Committee (DNC) emails by WikiLeaks exposes the methods that the Democratic Party utilizes in order to raise funds, dole out privileges and cover up their dirty dealings.

One of the schemes included the creation of the Hillary Victor Fund (HVF), which appealed for hundreds of thousands of dollars in campaign contributions for Hillary Clinton through extravagant fundraisers. The fund included 40 state Democratic Party committees and could accept checks as large as \$356,100, with individuals limited to \$10,000 per state party (of which there are 32), \$33,400 for the DNC and \$2,700 for Clinton's campaign.

The fund in effect worked to funnel money into the Clinton campaign and the DNC. According to *Politico's* analysis of the Federal Elections Commission records, between the creation of the fund in September and the end of last month, it brought in \$142 million, with 44 percent ending up in the DNC and Hillary for America, with state parties keeping less than \$800,000, or 0.56 percent.

As a result of campaign finance laws, these practices are at best legally questionable and at worst criminal. Legally a donor would be allowed to give a maximum contribution of \$5,400 to Clinton per election cycle, \$33,400 to the DNC per year, and \$10,000 to each state committee in the fund per year.

If a wealthy donor had already given \$33,400 to the DNC, and then gave a substantial contribution to the HVF—which the fund funneled back into the DNC—he or she would essentially have donated more money to the DNC than is allowed. This situation is particularly problematic since Clinton, and others associated with her campaign, claimed the fund was primarily to aid local Democrats.

The leaked email exchanges show the effort of leading members of the DNC to cover up the fact that funds were not being allocated to state parties. In an email chain from late April, leading DNC members—including Communications Director Luis Miranda and Deputy Communications Director Eric Walker—discussed how to deal with a *Politico* journalist inquiring about funds being sent back to the DNC. In the end Miranda writes, “There’s been no coverage [of funds going back to the DNC] that we’ve found, which is what we wanted.”

In May, following claims by *Politico* as well as then-Democratic presidential candidate Bernie Sanders that HVF was a form of “money-laundering,” officials from the DNC and Clinton campaign spokesman Josh Schwerin worked together to draft a response to these allegations. Miranda specifically ran a proposal to write a brief comment stating that HVF was not laundering money, and told Schwerin, “Since it’s your HVF we want to make sure you guys are good with it, and with the push back.”

In the leaked emails, Miranda and Schwerin also work out a number of key points to argue that the HVF is legal, including that “many millions have been raised for state parties and just haven’t been distributed to them yet,” and that “experts have agreed there’s nothing unusual about the victory funds.” These points were also used by the DNC to claim that Sanders allegations were wrong, and the Clinton campaign also joined in to criticize him for not raising funds for the state parties.

Other leaked emails expose the extent the DNC sought out large donors and created different packages to encourage donors to give more. The more a contributor gave to the DNC the more perks he or she could receive.

As Max Marshall, the DNC's southern finance director, explained to one wealthy donor in May, "You currently qualify for the Main Line package! If were willing to contribute \$33,400 we can bump you up a level to the Fairmont. Additionally, your generous contribution would allow you to attend a small roundtable we are having with President Obama in DC on May 18th or a dinner in NYC on June 8th (Invites also attached)."

In some cases special exceptions were made, such as with multinational conglomerate Honeywell. The company was given a hotel room in Philadelphia for a contribution of \$60,000 to the DNC's convention host committee because—in the words of one DNC financial staffer—they are "the biggest PAC contributor in the country," and that the gesture would create better relations "with them for later in the election cycle and for years to come."

Another large donor, Shefali Razdan Duggal, also requested a variety of benefits for the money she was helping to raise, including an invitation to Vice President Joseph Biden's holiday party. She stated in the email that she was working for the "Rittenhouse Convention package," the top-tier donors' package. The package would require Duggal to raise \$1,250,000 or personally give \$467,600 between January 2015 and June 2016. This would provide the contributor with a premier hotel in Philadelphia for the Democratic National Convention, VIP credentials and a campaign briefing with high-level Democratic officials.

The frenzy to win larger donations eventually resulted in Ruthzee Louijeune, an associate from the DNC's outside law firm Perkins Coie, requesting that DNC officials change the wording in the announcement of a round table discussion. Louijeune, who wrote to the DNC's financial chief of staff in May, explained, "As you know, WH [the White House] policy restricts the use of language that gives the appearance that contributors can pay for policy access to the President."

In reality, however, the emails expose the fact that many of the wealthiest individuals could gain access to the president or other White House officials, as long as they worked out a deal with an official from the DNC and were willing to pay the right price.

During the Democratic primaries, Sanders frequently raised the issue of Clinton's ties to Wall Street and wealthy contributors. Since his recent endorsement of

Clinton, Sanders has worked to portray Clinton as a great progressive, with the party as a whole moving towards the left. In order to do this, he has chosen to remain largely silent about the email leaks.



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