

## Foreign Money Is Quietly Shaping Our Elections, And Reforms Are Needed



You walk into a voting booth believing your ballot means something in American democracy. Increasingly, though, your vote competes with someone else’s interest abroad and often not with your interests.

For example, over the past decade, U.S. elections have been transformed by unlimited “independent” spending made possible by the Supreme Court’s 2010 *Citizens United* [decision](#) and related cases, which opened the door to vast sums flowing through super PACs and politically active nonprofits. In theory, disclosure rules were meant to allow voters to evaluate who was speaking. In practice, the system has grown so complex that meaningful [transparency](#) often arrives only after elections are over.

That gap is no longer just a political concern. It has become a **market-trust and governance issue**. Modern financial markets depend on timely disclosure, traceability, and enforcement. Elections increasingly operate without those safeguards.

### Dark Money And The Transparency Gap

Spending by groups that do not fully disclose their donors—commonly referred to as “dark money”—has climbed sharply since *Citizens United*. According to nonpartisan analyses, [dark money](#) groups poured more than **\$1.9 billion** into the 2024 federal election cycle, much of it routed through nonprofits and shell entities that are not required to reveal their funding sources. Outside spending overall reached [historic levels](#), with billions flowing through super PACs and allied organizations before voters could clearly identify who was behind the messaging.

Legal timing strategies compound the problem. Campaign-finance experts have documented the rise of so-called “pop-up” super PACs, which are created shortly before elections and structure donations and spending to delay disclosure until after voting ends. The result is a system in which some of the most consequential political expenditures shape voter perceptions while the identities of the ultimate [funders remain unknown](#).

## **Regulators Built For A Slower Era**

Multiple oversight organizations and government auditors have warned that U.S. campaign-finance enforcement has not kept pace with modern money flows. The Federal Election Commission, the primary agency responsible for enforcing federal campaign-finance laws, has long faced structural deadlock and limited capacity, constraining its ability to investigate and act quickly.

Government Accountability Office reports and congressional reviews have similarly highlighted challenges in administering and overseeing complex election systems, including campaign-finance compliance across multiple agencies. While most political spending is technically legal, the practical effect is [delayed visibility](#)—disclosure that arrives months or years after voters have already made decisions.

In financial markets, that kind of delay would be unacceptable.

## **Where Foreign Influence Enters The Picture**

Federal law clearly prohibits foreign nationals from directly contributing to U.S. elections. But modern campaign structures create indirect pathways that are harder to police. U.S.-registered corporations with significant foreign ownership or influence are generally permitted to spend on politics, and so are nonprofits that [do not disclose donors](#), even if the original funds trace back overseas.

Recognizing this vulnerability, lawmakers from both parties have [proposed legislation](#) to close what they openly describe as a “foreign money loophole” created by the post-*Citizens United* landscape. Their argument is not that foreign interference is always occurring—but that the current system makes it too difficult to know when it might be.

From a market perspective, this is a classic information asymmetry problem. When participants cannot see who is influencing outcomes, confidence declines—even if no explicit rules are broken.

## **A Market-Trust Lens On Democratic Integrity**

Capital markets function because investors trust disclosure regimes, enforcement mechanisms, and transparency standards. Political markets increasingly do not. Voters are asked to evaluate messages without timely knowledge of who financed them, while regulators struggle to follow funding chains moving through layered entities at digital speed.

This erosion of visibility matters beyond politics. Confidence in elections underpins confidence in governance—and governance stability underpins economic stability. When citizens begin to believe that decisions are shaped by unseen interests rather than disclosed debate, institutional trust weakens.

## **A Choice About Transparency**

Money will always play a role in American politics. The real question is whether transparency will keep pace. Elections do not need fewer voices—but they do need clearer visibility into who is speaking.

In markets, delayed disclosure is treated as risk. In democracy, it should be treated the same way.



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