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The MERIT Act of 2014

Congress should pass the [MERIT Act \(H.R. 5011\)](#), legislation introduced by Rep. Jackie Speier (D-CA) to prevent Members of Congress from using campaign funds for personal gain. Under current law, congressional candidates may use funds donated to their leadership PACs for personal purposes, such as paying for a mortgage, tuition, or travel. Candidates also may hire family members or family businesses at non-competitive rates. **The MERIT Act would limit these and other abuses of power.**

Self-Dealing

- **Political candidates may use funds from leadership PACS—used to fund political (non-campaign) activities—for personal use.** Currently, the federal law outlawing the conversion of campaign funds for personal use does not extend to leadership PACs, whose purpose was [subverted](#) to get around the ban.
- **Candidates frequently use campaign funds for personal expenses.** A [recent 60-Minutes report](#), for example, showed Sen. Chambliss (R-GA) spent over \$100,000 in contributions on golf. Rep. Andrews (D-NJ) used leadership PAC funds to fly his family to a wedding—in Scotland—of a “potential donor.”
- **Candidates use personal loans to leadership PACs to make money.** Rep. Napolitano (D-CA) loaned \$150,000 to her PAC and [charged 18% interest](#)—earning \$250,000 over 12 years.
- **Candidates use campaign funds to benefit their families.** A [2012 CREW Report](#) found 90 members of Congress used campaign funds to pay a family business, employer, or nonprofit.

MERIT Act Fixes

- **Prohibits the conversion of leadership PAC funds for personal use.** This stops candidates from paying for mortgages, tuition, and other personal expenses with campaign funds.
- **Prohibits campaign committees and affiliated leadership PACs from employing—or purchasing goods and services from—a candidate's relatives.** In addition, it broadens Congress’ definition of a “relative.”
- **Limits the interest rate that campaign committees can pay on loans made by congressional candidates.** Under the Act, PACs could only repay interest on loans from candidates at two points over the prime rate. The terms of the contract would be disclosed publicly.
- **Forces lobbyists related to congressmen or senior executive branch officials to disclose their family ties.** Any lobbyist who lobbies a congressional relative must report each instance and the meeting's subject.

Background

- **What is the MERIT Act?** [The Making Every Representative’s Integrity Transparent \(MERIT\) Act of 2014, H.R. 5011](#), was introduced in the House of Representatives by Rep. Jackie Speier (D-CA). The bill amends the [Federal Election Campaign Act of 1971](#), closing loopholes that allow congressional candidates to personally benefit from their campaigns. The MERIT Act drew its inspiration from [a 60-Minutes report](#) detailing self-dealing amongst Members of Congress, which was based upon a recent [CREW report](#).