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Dollar Democracy: Uncovering the risks of monetary meddling in U.S. foreign policy

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1 Introduction

In the landscape of U.S. politics, the influence of money looms large, shaping electoral outcomes, policy decisions, and public discourse. Money already played a pivotal role in the earliest days of the republic, when the spoils system, in which lucrative government jobs are traded for prior campaign support, was already well established. Money further wielded considerable influence in Gilded Age politics in the USA due to the absence of robust campaign finance laws and the rise of powerful industrialists who used their immense wealth to shape legislation and policy in their favor, often at the expense of the broader public interest. The decline of the influence of money in U.S. politics at the end of the Gilded Age around the turn of the 20th century marked a significant achievement, resulting from a prolonged societal struggle against the political dominance of a wealthy minority. This era witnessed the implementation of redistributive measures and the establishment of workers' unions, which played pivotal roles in mitigating the undue influence of wealth in the political landscape (Pizzigati 2012). However, from the 1970s onward, money steadily regained its former pre-eminent position. Today, a growing number of scholars see a return of the Gilded Age in the United States, where business tycoons and billionaires are drowning out the voices of people of modest means in the political process (Hacker & Pierson 2010, Furner, Balleisen & Moss 2010, Short 2013, Bartels 2016).

The United States may now be at a tipping point where the system is in danger of becoming so bent to the will of money that democracy may effectively dissolve. A growing number of analysts regard the United States already as a plutocracy, the rule of the rich rather than the rule of the people (Kuhner 2015, Formisano 2015, Mahbubani 2020, Kenworthy 2022). The upcoming presidential election this year will be a critical juncture to determine whether the U.S. system will fall deeper into the clutches of money or whether a turnaround in this worrying trend will be possible. The influential Heritage Foundation, with its policy advice and staff, stands ready to tilt the playing field even further in favor of the plutocrats should a Republican president take over the White House. The Foundation's policy advice for a potential next Republican administration focuses on further deregulation, the dismantling of administrative agencies charged with overseeing regulatory actions, and labor unions (Dans & Grovens 2023). The pervasive influence of money in U.S. politics not only undermines democratic representation but also poses a significant concern for foreign policy. With inadequate regulations, foreign interests find ample opportunity to sway policymaking in the United States. Faced with kleptocratic adversaries wielding substantial wealth and corruption, the nation may very well grapple with a sovereignty challenge in its foreign policy decisions.

To more accurately assess where the United States is headed internationally, it is therefore imperative to examine the extent to which financial contributions shape

democratic processes and impact the representation of diverse interests within the political arena. This policy analysis aims to delve into the multifaceted dynamics of money in politics in the United States and explore its implications for democratic governance, electoral integrity, and the pursuit of equitable policy outcomes. By critically assessing the diverse mechanisms through which money influences political decision-making and its potential implications for U.S. foreign policy, this analysis seeks to contribute to a deeper understanding of the challenges and opportunities inherent in addressing the role of money in shaping American democracy.

2 New records

Money in politics is reaching new heights in the United States with every upcoming election. In fact, with the exception of the 2016 election, every presidential election since 2000 has been continuously more expensive than the previous one, when presidential and congressional spending are combined (adjusted for inflation). Consequently, the 2020 presidential election was the most expensive ever, blowing away the previous spending record set in 2016 by more than doubling the cost to nearly \$14 billion (Open Secrets 2020). Despite this, the 2024 presidential election is expected to set yet new records in spending (Faguy 2023).

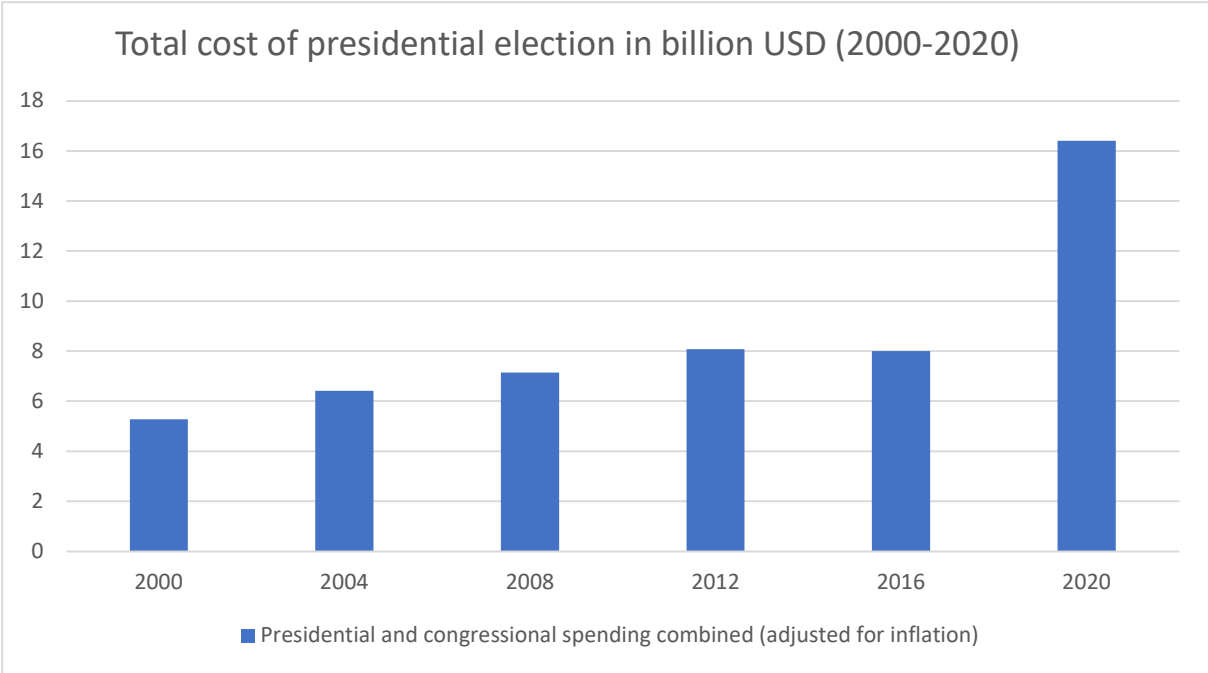


Figure 1. Total cost of presidential election in billion USD (adjusted for inflation). Source: Open Secrets (2024a).

Mirroring the presidential elections also the midterm elections have increasingly become more expensive with every year when adjusted for inflation (Open Secrets 2024). In midterm cycles no presidential but congressional and state-level elections

take place. The 2022 election was the most expensive midterm cycle ever, with money flowing into state and federal elections topping \$16.4 billion (Massoglia 2023). The federal level alone accounted for USD 8.9 billion, nearly triple the amount spent in the 2002 midterm elections when adjusted for inflation (Open Secrets 2024a).

The only exception are the midterm elections of 2010 when slightly more money was spent than in 2014. This is to be expected, however, since the 2010 elections allowed the winning party to redraw congressional districts in each state. This opportunity comes only once every ten years after the U.S. Census. 'Gerrymandering,' as the strategic redrawing of congressional districts has been dubbed, allows a party to solidify its hold on certain districts by redrawing their boundaries to exclude opposing neighborhoods and include those favorable to one's own party. As a result, the potential rewards were much higher in the 2010 midterms than in 2014, and yet spending has been nearly the same, again adjusted for inflation.

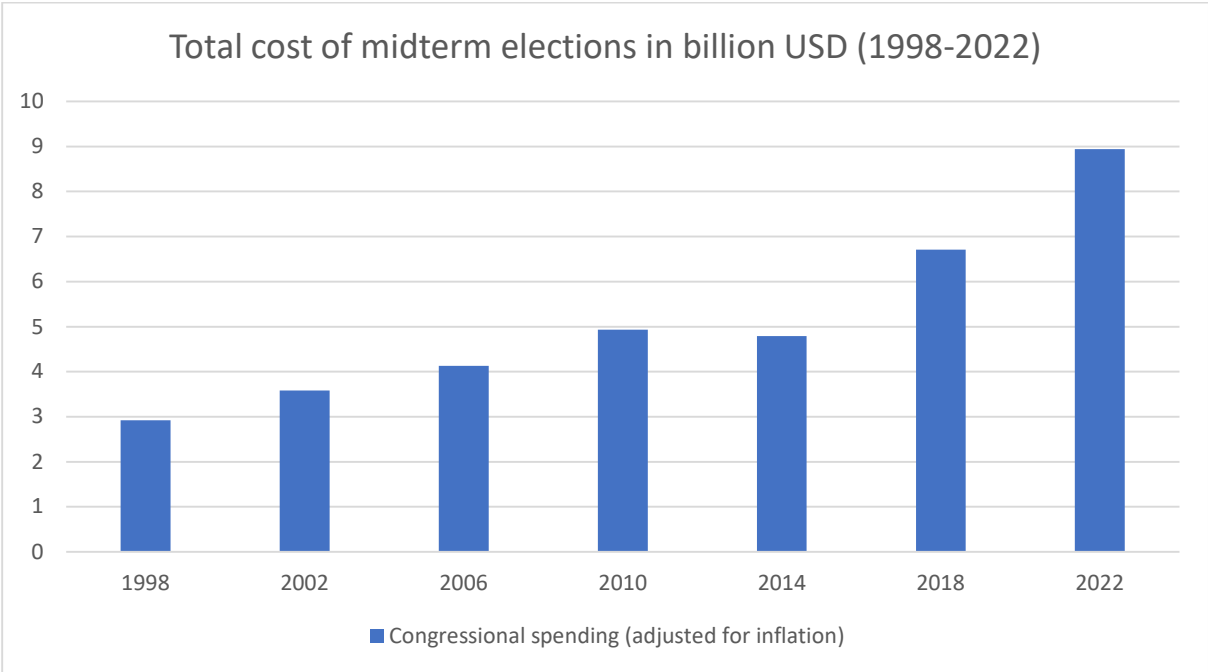


Figure 2. Total cost of midterm elections in billion USD (adjusted for inflation). Source: Open Secrets (2024a).

New spending records can also be observed in the third branch of government, the judiciary. 38 U.S. states currently use an electoral system to select judges for their state supreme courts. The practice was established in the mid-19th century to increase transparency and avoid political deal-making in the selection process (Lerner 2023). Recently, however, the system has been criticized for fostering partisan jurisprudence and incentivizing judges to rule in favor of their campaign donors. Indeed, the era of sleepy, low-cost state supreme court elections is over. The 2019/20 and 2021/22 election cycles were both the most expensive of the century (adjusted for inflation), each costing over \$100 million. More problematic than the total amount spent per se

is the fact that the percentage of outside group contributions to these races has increased dramatically, now accounting for about forty percent (Keith 2024). Outside group spending in a judiciary race refers to the money spent by organizations or entities that are not directly affiliated with the candidates' campaigns. These organizations can include political action committees (PACs), advocacy groups, political parties, and other entities that independently spend money to support or oppose a judicial candidate. The large amounts of spending of opaque outside groups who don't always have to disclose their donors, puts the independence of the judiciary at risk.

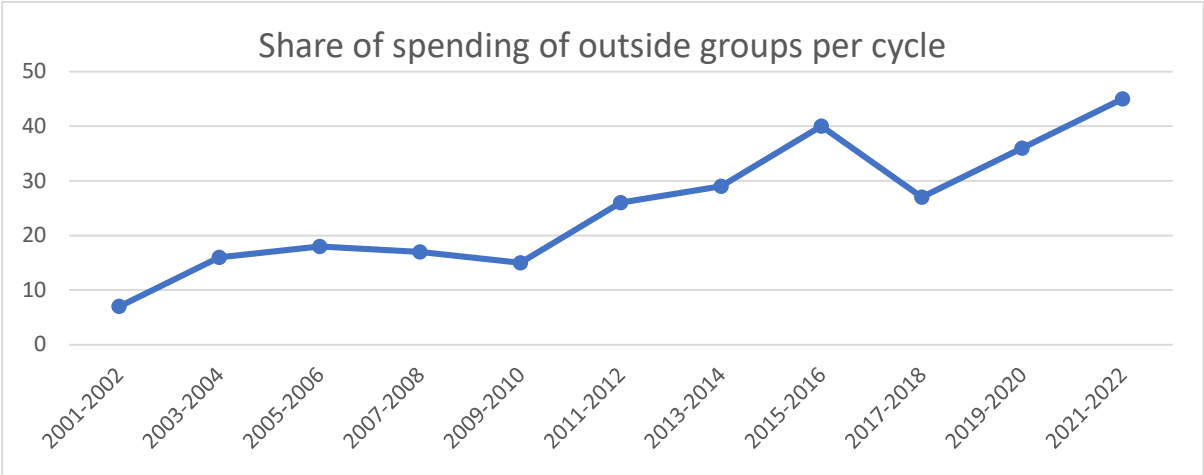


Figure 3. Percentage of spending by outside groups for each judicial election cycle in state supreme court races. Source: Keith (2024).

The burgeoning influx of money into all levels of U.S. politics can be attributed to two main factors. First, rising economic inequality means that a select few wealthy individuals are amassing even more wealth. They leverage this economic power to wield significant influence in politics, ensuring their continued dominance and privilege (Houle 2018). Second, the transformation of economic into political power is supported by recent court decisions that chip away at campaign finance regulations, exemplified by cases such as Citizens United.

3 In free speech, money talks

A number of court decisions, including Citizens United v. Federal Election Commission (2010), SpeechNow v. Federal Election Commission (2010), and McCutcheon v. Federal Election Commission (2014), have granted wealthy individuals the ability to contribute unrestricted sums of money to shape elections through non-profit organizations (Goss 2016). The Electoral Integrity Project, conducted jointly by the Royal Military College of Canada and the University of East Anglia, evaluates the quality of national elections across the globe. It does so by gathering expert opinions through polls on eleven specific aspects such as electoral laws, campaign finance, and

media coverage. These assessments provide insights into the overall integrity and fairness of electoral processes in different countries. The de facto abolition of campaign finance laws ranks U.S. presidential and congressional elections dead last among the world's long-established democracies in terms of electoral integrity (Noack 2016, Garnett et al. 2023).

Citizens United was a landmark Supreme Court case that ruled corporations and unions could spend unlimited amounts of money on political campaigns, effectively equating corporate spending with free speech. This decision led to the rise of Super PACs, which can raise and spend unlimited funds to support or oppose political candidates. *Speech now* in turn allows individuals to contribute unlimited amounts of money to Super PACs. Through these donations, organizations can undertake various direct political endeavors, such as purchasing advertisements advocating for or against a candidate, conducting grassroots outreach efforts, and operating call centers. These types of expenditures in elections are usually referred to as “outside spending”, as these funds neither come from the party nor from donations directly to the campaign.

Officially, these contributions must be made public. However, spending through charities, foundations, and similar entities, which don't have to report their donors to the public, can easily circumvent this rule (Mayer 2017). As a result, corporations and wealthy individuals can spend as much as they want to anonymously influence politics in their favor. This creates a huge influx of so-called "dark money" whose origins are unaccounted for. In the 2020 presidential election only 30 percent of outside spending came from groups that fully disclosed their donors, an all-time low (Open Secrets 2020).

These opaque contributions open the door to foreign influence on U.S. political processes and elections. An issue that will be explored in a later chapter. Domestically, they dramatically increase the political clout of the economic elite and big business over that of ordinary citizens. By spending anonymously, companies don't risk damaging their reputations by supporting causes that run counter to the public interest. Hiding behind a diffuse network of foundations allows wealthy individuals and their businesses to influence the political processes as they see fit without having to fear punishment by outraged consumers. However, while these big spenders may not be known to the public, their identities and policy preferences may well be known to the politicians who receive their money, raising the possibility of a quid pro quo relationship between campaign contributions and policy.

4 Quid pro quo

The ever-increasing cost of campaigning forces politicians to tailor their proposed policies to please wealthy audiences in order to gain their support. In U.S. elections,

the candidate with the most money usually wins. There is a decade-long, very strong statistical correlation between the money spent on a campaign and the total number of votes won by candidates in both House and Senate elections (Ferguson, Jorgensen & Chen 2022).

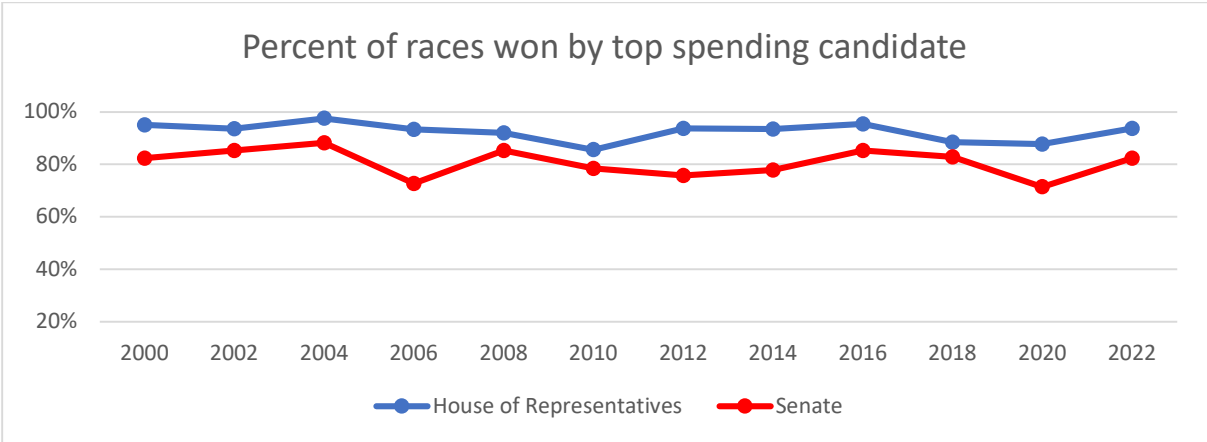


Figure 4. Percent of races for seats in the House of Representatives and the Senate won by top spending candidate by election cycle between 2000-2022. Source OpenSecrets (2024c).

For this reason, members of Congress spend about half of their time fundraising, even when they are already in office (Roemer 2015). This means that representatives in the U.S. do their publicly funded job essentially only part time. The rest of their time is consumed by raising money for their re-election campaigns. Hence, in order to win, U.S. political candidates must either be extremely wealthy themselves or raise a lot of money. Candidates without significant financial backing usually don't stand a chance. There are some rare exceptions to the rule, such as Alexandria Ocasio-Cortez's victory over her Democratic rival Joseph Crowley in a New York race for a seat in the House of Representatives. The latter outspent the political newcomer by a wide margin and still lost. Tellingly, this victory is being treated almost like a miracle in the press (Goldmacher & Martin 2018).

The pay-to-win dynamic pre-structures the political process to reflect the interests of the economic elite and large corporations, because that's where the money necessary to win comes from. Only a tiny fraction (ca. 0,00012 %) of the U.S. society and their businesses account for half of all the publicly known outside spending in U.S. electoral campaigns (Confessore, Cohen and Yourish 2015, Kuhner 2015).

This in turn leads to policies that privilege these interests over those of ordinary citizens. Gilens and Page (2014) found in a multivariate analysis of 1,779 policy issues contrasting policy preferences of ordinary citizens (assessed through national surveys for every issue) with those of large corporations and economic elites, that *“the preferences of the average American appear to have only a minuscule, near-zero, statistically non-significant impact upon public policy”* (idib. 575). Similarly, Barber (2016) found that legislators' ideological standpoint reflects that of their biggest campaign contributors much more than that of their average voter. In fact, *“the distance between voters and their senator is nearly as large as if voters were randomly assigned to their senator, indicating that congruence between voters and their representatives*

in Congress is quite weak." (Barber 2016: 244). This casts serious doubts on the validity of calling a congressman a "representative" in the true sense of the word in the money-driven system of U.S. politics.

Apart from marginalizing the voice of the electorate, the need to outspend the political opponent also leads to a demand and supply system for policies. In the system created by the absence of any limits on campaign spending, state-owned media, and state-funded campaigns, there is a striking resemblance to a consumer-producer relationship, with wealthy individuals and large corporations acting as consumers and politicians as producers. Similar to market dynamics, these political consumers invest in specific policy outcomes by supporting candidates, parties, and outside groups aligned with their interests. Once a threshold of financial support is met, politicians are compelled to prioritize these interests to maintain their funding base which is crucial for a successful re-election campaign. Consequently, policies favored by these influential consumers are produced, while those that do not align with their demands are overlooked or dismantled (Kuhner 2015). This system effectively renders those without significant financial resources powerless in shaping political outcomes, emphasizing the dominance of economic interests over broader democratic principles. This is evident in a number of pressing policy issues in the United States that, despite high public salience, have stagnated in terms of legislative advances over the past decade or more.

While polls show that 70 percent of the U.S. public support investments aimed at cutting U.S. carbon dioxide emissions to combat climate change, climate change deniers make up 52 percent of House Republicans and 60 percent of Senate Republicans in the current Congress (Drennen & Hardin 2021). Unsurprisingly, these politicians have received significant donations from oil and gas companies, amounting to \$442,293 per elected member of Congress that denies climate change (ibid. 2021). Another issue where the public and lawmakers are on opposite sides is raising the minimum wage. While polls consistently show that a large majority of nearly two-thirds of the U.S. public support a much higher minimum wage (Dunn 2021, Dugan 2013), Congress fails to deliver as corporate influence looms large (Morgan & Witko 2021). Similar divisions can be seen in another area: gun control. While roughly six in ten U.S. Americans support stricter gun laws, including 34 percent of Republicans (Schaeffer 2023), donations from the gun lobby are a major factor in preventing them from being enacted (Center for American Progress Action Fund 2022, Roemer 2023).

The policy market logic and the ideological alienation of the average congressman from the average voter can also be regarded as one of the contributing factors to the heightened polarization in Congress. Polarization in Congress is at its highest level in a century. However, there is a paradox: while Democratic voters have shifted ideologically to the left for a variety of reasons, which reasonably explains the parties' overall shift to the left if one accepts the median voter theory, the same is not true for Republican voters (Galston 2023). While Republican voters have only moderately shifted to the right, the party and its representatives have drastically shifted to the right. This can be explained by the fact that Republican members of Congress are hardly beholden to the policy preferences of the average voter, but rather to those of the corporate interests that provide the money necessary to elect them. For a Republican politician, the risk of being outspent by a challenger who takes an even more pro-

business, anti-regulation stance and thus generates more resources for his campaign is far more real than the risk of losing to a more moderate candidate who might in theory have broader social support. This is because there is a strong correlation between the money spent on a campaign and the prospects of winning. The pressure on Republican politicians to adopt the policy preferences of billionaire donors is more pronounced than it is for Democratic politicians because the former are more dependent on these donors' financial support (Gunn 2022). To be sure, both parties fall prey to this logic, just to different degrees. Republicans traditionally have a strong base of wealthy donors, including individuals from the business sector, especially from industries such as oil and gas (Goldenberg & Bengtsson 2016). Democratic politicians also receive significant donations from wealthy individuals and organizations. However, the Democratic Party's base of donors is comparatively more diverse, including labor unions, advocacy groups, and grassroots donors (Severns & Otterbein 2020).

There are however also studies disputing the quid pro quo relationship between campaign donations and policy outputs. A study by the CATO institute finds that *“although there may be some troubling cases where corporate campaign contributions appear to have distorted policy, a more thorough analysis suggests that, on average, firms do not systematically benefit from having a candidate to whom they contributed elected”* (Fowler, Garro & Spenkuch 2020).

It is noteworthy, however, that the libertarian CATO institute was co-founded by the Koch brothers, members of America's third-richest family with a net worth of 116 billion U.S. Dollars (Forbes 2024), who, despite official claims to the contrary, exert considerable influence over the institute's overall direction (Helmore 2019). This leads us to another way in which the affluent can influence policy in the U.S. in their interests: by funding research.

5 Bankrolling ideas

From the 1960s, the U.S. business elite has systematically funded research institutions and media outlets that promote ideological viewpoints that happen to advance their business interests and revenue prospects. The Heritage Foundation's connections with influential billionaire families like the Coors and Scaifes, as well as prominent donors like the Koch brothers, illustrate the close relationship between wealthy benefactors and think tanks in shaping political discourse and policy agendas in the United States (Mahler 2018). Not least due to their vast financial resources, the Heritage Foundation and the CATO Institute currently rank as the second and fourth most influential think tanks globally, respectively. This ranking is based on an analysis by Academic Influence, which tracks the level of attention and penetration of ideas worldwide (Barham 2023). Together with ideologically similar institutions, more often than not backed by other and/or the same mega-rich families, they influence the political discourse in the USA towards libertarian convictions like deregulation, minimal government interventions in the market and low taxes (Mayer 2017).

These research institutions provide the scientific/argumentative basis for politicians, backed by the same networks through campaign contributions and outside spending, to push for business-friendly policies under the guise of being beneficial to the broader public. For example, climate denialism has been significantly bolstered, if not originated, by conservative think tanks and tax-exempt, “philanthropic” foundations, supported by corporate interests and affluent families whose wealth is tied to fossil fuel industries (Dunlap & Brulle 2020). These entities have played a pivotal role in shaping the discourse surrounding climate change, amplifying skepticism and resistance to environmental policies.

In addition to promoting and scientifically underpinning policy proposals that benefit their donors in the marketplace of ideas, these institutions also have a more direct way of influencing policy. For example, the Heritage Foundation has been staffing Republican administrations since the Reagan era, the most recent example is the last Trump administration (Mahler 2018). The foundation is already in the starting blocks for a possible return of Donald Trump to the White House with “Project 2025”. It consists of a 900-page “policy bible” and a list of potential personnel for the new administration ready to implement its contents. According to the foundation's information, the previous Trump administration embraced nearly 64 percent of the 2016 edition's policy proposals after one year (The Heritage Foundation 2023).

Financial heavyweights also seek to influence the judiciary through third-party institutions like the George Mason University and the Federalist Society, both of which are closely tied to the conservative legal movement and billionaire donors who have a financial interest in how the federal judiciary interprets laws. These institutions pay for judges to attend so-called “judicial seminars” at luxurious resorts. These are essentially all-expenses-paid vacations for judges, where they are primed to adopt the ideological viewpoint of the paying institution (Perez 2023). Supreme Court judges also regularly receive expensive gifts from wealthy families. So many, in fact, that it has been argued that this was the reason why the court voted unanimously in 2016 to make it much harder to prosecute public officials - including themselves - for accepting bribes (Schladen 2023). Moreover, billionaire networks and their affiliated institutions and foundations, also provided legal advice in the form of amicus briefs to the Supreme Court in crucial campaign financing cases such as *Citizens United* and *McCutcheon* (Beachum 2017).

6 American plutocracy

As is evident from the above, money can buy a tremendous amount of influence in U.S. politics with respect to all three branches of government. But in the United States, money also holds sway within the fourth pillar of a liberal democracy, the media. Billionaires own part or all of several of America's most influential national newspapers,

including The Washington Post, The Wall Street Journal and The New York Times, as well as magazines, local newspapers and online publications (Vinton 2016). Moreover, since Elon Musk's takeover of former Twitter (now "X"), also all relevant social media platforms in the U.S. are controlled by billionaires (Neate 2022). Contrary to some of their claims, it would be naive to assume that these individuals invest huge sums of money to acquire ownership of these media outlets plainly for altruistic reasons.

A recent study shows that the ultra-rich can exert immense influence through media ownership on politics (Grossman, Margalit & Mitts 2022). A prime example comes from Israel, with the daily Israel Hayom, founded by Sheldon Adelson, an U.S. billionaire and casino mogul who, until his recent death, was one of the Republican Party's largest donors. Adelson launched the paper in 2007 at the urging of then-opposition leader Benjamin Netanyahu to counter perceived liberal media bias. Despite criticism of its alleged right-wing bias and promotion of Netanyahu's agenda, the paper quickly became the most widely read in the country within four years, paving the way for Netanyahu's rise to power (ibid. 2022). Adelson has pursued a similar strategy in the U.S. After buying the Las Vegas Review-Journal in 2015, the daily newspaper has experienced a remarkable growth spurt and has become aligned with the billionaire's political views (Rieder 2017). America's dominant TV news channel, Fox News, founded by billionaire Rupert Murdoch, also has a clear right-wing bias. Studies show that watching the channel leads to a significant rightward shift in viewers' attitudes, making them more likely to vote for Republican candidates (Martin & Yurukoglu 2017).

Another, more well-known way in which money and big business influence US politics is through lobbying and the so-called revolving door. The phenomenon of revolving-door lobbyists, in which individuals move seamlessly between positions in government and roles within lobbying firms or corporations, underscores the complex relationship between the public and private sectors in modern governance. This revolving door practice has raised concerns about the potential for conflicts of interest, as former government officials may use their insider knowledge and connections to advance the interests of private entities. Essentially, well-connected congressional staffers who spin through the revolving door sell access to key decision-makers in Congress (La Pira & Thomas 2014). In 2022, the defense sector hired dozens of former Armed Services Committee and Department of Defense employees to lobby on its behalf (Giorno 2023). In total, at least 672 former government officials, military officers, and members of Congress held positions as lobbyists, board members, or executives for the top 20 defense companies (ibid. 2023).

Given the enormous influence of money on all three branches of the U.S. government and the country's media landscape, as well as the staggering alienation of the average voter's political preferences from political decision making, the U.S. has increasingly been labeled a plutocracy (Kuhner 2015, Formisano 2015, Mahbubani 2020, Kenworthy 2022). This means that the U.S. would have a government by and for the wealthy, rather than a government by and for the people at large. The American public

is certainly aware of the uneven playing field on which it operates in politics against plutocratic interests. Recent polls show that 80 percent of Americans think that people who donated a lot of money to political campaigns have too much influence over decisions that members of Congress make. Conversely, 70 percent are of the opinion that the people these congressmen represent have too little influence over their decision-making. Moreover, roughly seven-in-ten U.S. adults (72 percent) say that there should be limits on the amount of money individuals and organizations can spend on political campaigns (Cerda & Daniller 2023).

These numbers clearly indicate that there is a public will to level the playing field between the one percent of the one percent and the rest of society. The question is whether the political system in the United States is already too beholden to the will of the wealthy to allow for real change. It remains to be seen whether the world's once foremost democracy can once again overcome the plutocrats, as it did at the end of the Gilded Age (Pizzigati 2012), and establish true rule by the people. The upcoming presidential election will be a critical juncture in this regard, as the Heritage Foundation, with its policy advice and staff, stands ready to tilt the playing field even further in favor of the plutocrats should a Republican president take over the White House. The Foundation's policy advice for a potential next Republican administration is focused on further de-regulation, dismantling administrative agencies charged with overseeing regulatory measures and workers unions (Dans & Grovens 2023).

7 Foreign influence

The relatively recent de facto abolition of campaign finance laws has implications reaching far beyond the nation's borders. While these decisions may have prompted champagne corks to pop among mega-rich circles within the US, their reverberations are also felt internationally. Foreign actors, much like their domestic counterparts, hold a vested interest in shaping U.S. policies to align with their agendas. With the cloak of dark money providing discreet cover, they seize upon opportunities to exert influence. After the *Citizens United* verdict in 2010 Obama foresaw this development in a statement:

“Last week the Supreme Court reversed a century of law that I believe will open the floodgates for special interests, including foreign corporations, to spend without limits in our elections. I don't think American elections should be bankrolled by America's most powerful interests, or worse, by foreign entities” (Obama 2010).

In response, Supreme Court Justice Samuel A. Alito Jr. visibly challenged the president, shaking his head in disagreement and uttering "not true" (Klain 2018). A challenge that has not aged well as will become evident.

There are two main ways that foreign agents can invest money in U.S. politics. Officially, the Foreign Agents Registration Act (FARA) requires foreign agents investing in U.S. politics to register with the U.S. and file detailed public disclosures. This publicly available information shows that China, Russia, Ireland, Canada and Saudi Arabia have been the countries spending the most to influence tourism and trade promotion in the United States since 2016 (Open Secrets 2024b). All of these countries have spent more than 150 million USD each since 2016. Globally, nearly five billion has been invested by foreign countries to influence U.S. policy in the official record over the same period. While these investments, especially by U.S. adversaries, also have the potential to shape policy in a negative way, they are at least controllable through the registration process. Moreover, the public can be informed about the financial background of certain lobbying and nonprofit groups. Much more concerning is the influence wielded by foreign entities through unofficial and anonymous channels, such as dark money.

As the origins of dark money are per definition unknown to the public, the money could very well come from adversarial governments like Russia. Such opaque investments can reasonably be assumed to have happened, as Russia has both the motives and the means to do so. The Russian government and its allied circle of oligarchs had an estimated 1 trillion USD of net private offshore wealth at the end of 2019 (Åslund & Friedlander 2020). From his tenure as a KGB officer, Vladimir Putin adheres to the conviction that everyone can be swayed by monetary incentives, a belief he actively employs in his strategy to undermine Western democracies (Conley 2019). In fact, not only Russia, but also China has turned corruption into an instrument of national strategy. The governments of both countries are already spending billions of dollars to undermine and weaken the U.S. at home and abroad (Sanford 2023, Johnson & Acemoglu 2024). By bribing U.S. citizens who claim to have connections to decision-makers or by supporting certain U.S. politicians in their election campaigns, the leadership of these countries seeks to influence the political process in the United States in their favor (Zelikow et al. 2020).

The frequency of detected financial attacks, characterized by the infiltration of funds through foreign political entities, has surged significantly in recent years. What was once an occasional occurrence, with two or three instances annually prior to 2014, has escalated to 15 to 30 incidents each year since 2016 (Rudolph & Morley 2020). This phenomenon, emblematic of what is now termed "malign finance", entails the covert funding of political parties, candidates, or influential groups by foreign entities, often utilizing non-transparent structures to obscure ties to nation-states or their proxies. According to a recently declassified US intelligence review, since 2014 Russia has invested at least 300 million USD to influence politics and policy in more than two dozen countries (Wong 2022). The report goes on to say that the actual amount is likely to be much higher, as not all investments can be detected.

The *Report on the Investigation into Russian Interference in the 2016 Presidential Election*, popularly known as the Mueller report, demonstrates how Russian offshore finance and oligarchs were deployed by the Kremlin to interfere in and after the 2016 U.S. elections. It further shows how some of these individuals had established contacts to the Trump campaign. Moreover, current Republican speaker of the House of Representatives, Mike Johnson, an opponent to continued U.S.-military aid to Ukraine, received campaign donations from a company owned by Putin ally and former minister of transport for the Russian Federation, Konstantin Nikolaev. The money, his campaign team assures, was returned as soon as they were made aware of the situation (Palmer 2024). Russia has also used the U.S. non-profit organization "Human Rights Accountability Global Initiative Foundation" to hide the funding of covert lobbying operation against Russia sanctions (Northam 2017).

If we follow the evidence that these are not isolated cases (Fly, Rosenberger, & Salvo 2018, Rudolph & Morley 2020, Owen, Prelec, & Mayne 2022), but rather the tip of the iceberg of Russian foreign meddling through malign finance, a dangerous picture emerges. Given the political market logic outlined above, policies favored by the Kremlin would be "in demand" and most likely to be produced if the financial backing were strong enough to incentivize congressmen, or worse, presidential candidates, to accommodate them. Politicians who adopt their positions in order to acquire funds offered by some kind of "philanthropic" organization operating with dark money may not even necessarily be aware that they have essentially just been bribed by foreign subversive agents to advance the Russian interest. Alternatively, they may be aware of it, but proceed anyway out of self-interest. Once aware of the origins of their funds, ethical politicians might refuse further donations, as purportedly demonstrated by Speaker of the House of Representatives, Mike Johnson. However, relying on the integrity of individual politicians is not a sustainable solution to counteract adversarial financial interference. Also the judiciary runs the risk of being undermined by foreign actors. With judicial races becoming increasingly more expensive, "judicial seminars" and other luxurious gifts as a normalized means of corruption, the door for malign influence is wide open for deep-pocketed adversarial agents.

Surely there are more advantageous positions to be in than having one's political and judicial decisions more or less for sale when facing a kleptocracy with virtually unlimited funds and normalized corruption habits. This is the real geopolitical danger of the U.S. system drifting into plutocracy.

Other than impacting U.S. elections through campaign contributions, foreign agents can and most likely do mimic the efforts of American billionaire circles to fund research, journalism and political activism to influence policy debates in the U.S. in their favor. Despite the U.S. government's recognition that disinformation is one of the Kremlin's most important and far-reaching weapons, there has been little political will to combat the influx of dark money (and outside expenditure more broadly) into academic and nonprofit institutions that aim to inform the public. Until this changes, dark money in

the U.S. will continue to be a major problem for sovereignty (Ciara Torres-Spelliscy 2017).

Even if there are potentially still too many hurdles and other factors at play in the US political system for these malign finance practices to practically equate to policy shopping by foreign governments, they certainly are at least effective in distorting the decision-making processes in the US. Such a distortion only furthers the alienation of the average voter from the political system. This dynamic plays into the hands of subversive adversaries who seek to undermine societal confidence in Western liberal democracy.

8 Conclusion

The influence of money in the U.S. political system is enormous. With the de facto elimination of campaign finance laws and the resulting influx of outside spending and dark money into the system, elections in all three branches of government have become much more expensive over the past 15 years. This has created a system in which economic power can easily be translated into political influence by establishing a market logic for policies and the positioning of members of Congress. The resulting mechanism is a vicious circle in which the wealthy can invest funds to obtain policies that favor their political influence and economic income prospects. This, in turn, further skews the playing field between plutocratic interests and the rest of society. More money concentrated at the top means more money to spend on influencing the system, which means more money going to the top, and so on. That's why the U.S. system is on its current trajectory transitioning from a democracy to a plutocracy. Some analysts even argue that the country has already crossed that threshold. Such a scenario is not inevitable, however, as there are readily available measures that could be implemented to level the playing field, such as campaign finance laws, stronger anti-corruption laws, and closing tax havens and loopholes to stem the influx of dark money. The good news is that there is broad public support for measures to regulate the influence of money in US politics. The bad news is that there are already well entrenched players with deep pockets doing their best to preserve and even deepen the system they have created.

If the influence of money in U.S. politics remains the same or increases, it could prove detrimental to democracy in America. Even without a complete transformation of the system into a plutocracy, the enormous influence of money is damaging the very foundation of liberal democracy: representation. Data-driven research and public opinion in the U.S. share the assessment that the average voter has little influence on the policy stances of their representatives as money has taken center stage. This undoubtedly alienates large segments of society from the political process, damages confidence in democratic institutions, and plays directly into the hands of U.S.

adversaries who seek to undermine democracy. Money-driven U.S. politics provides them with the perfect playground for their corrupt practices. Not only can money be spent to incrementally undermine democracy, but with enough financial incentive, policies can essentially be for sale through the vehicle of dark money campaign financing. While Russian misinformation and troll factories are often the focus of political debate, malign financial practices are still treated as an afterthought. Given the potentially catastrophic and immediate consequences of dark-money-fueled foreign electioneering, it should be a top priority to shut down the ways in which this money is allowed to infiltrate the political process in the world's leading superpower.

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