



Elizabeth Warren Uses Legal Loophole to Raise Big Cash

Democrat who plays middle-class hero and foe of money in politics kowtows to high-dollar donors

by *Brendan Kirby* | Updated 24 Aug 2017 at 7:19 AM

f As she was gearing up for her re-election campaign — and a potential presidential bid — Sen. Elizabeth Warren (D-Mass.) in January quietly set up a joint fundraising committee that allows wealthy donors to write five- and six-figure checks.

in As a candidate, Warren can raise a maximum of \$5,400 from any individual contributor — \$2,700 in the primary and \$2,700 for the general election. By combining her campaign fund with the Massachusetts Democratic State Committee and her political action committee, PAC for a Level Playing Field, the Elizabeth Warren Action Fund can raise cash in much larger increments.

Warren is still bound by individual funding limits, restricting how much she can directly control. But merging the fundraising operations allows her to share resources and cut costs. And it becomes more attractive to big donors, who can more efficiently support Warren and progressive politics in Massachusetts.

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Brendan Fischer, director of federal and FEC reform at the Campaign Legal Center, said 2016 Democratic presidential candidate Hillary Clinton took advantage of the same perfectly legal mechanism to merge her campaign committee with the Democratic National Committee and several state party committees to form a fundraising juggernaut. A single donor could dump \$350,000 into the Hillary Victory Fund.

In theory, Fischer said, such an arrangement allows a better-known candidate to help party organizations and less-known candidates raise money from a marquee name headlining joint fundraising events.

"What happened in most cases is, the money was transferred back to the DNC, and the money was used to help Clinton," he said.

In the case of the Elizabeth Warren Action Fund, campaign finance records show that almost all of the money raised in the first half the year — more than \$1 million — went back into Warren's campaign.

GOP Rivals Blast Warren

Although no one contends that what Warren did this year in any way violates campaign finance law, a pair of Republicans vying for the right to oppose her next year blasted the maneuver as one more sign of hypocrisy by a political figure who preaches one thing while doing another.

"It's certainly creative financing to rig the system in her favor," said Geoff Diehl, a state senator who ran President Donald Trump's presidential campaign in the Bay State last year.

The only reason for setting up a joint fundraising committee, he said, is to kowtow to donors who can write checks with multiple zeros.

"Certainly not the middle-class folks she claims to represent," said Diehl.

Shiva Ayyadurai, another contender for the GOP Senate nomination, also lambasted Warren for duplicitousness. The immigrant from India referred to his campaign slogan, "Defeat #FakeIndian Elizabeth Warren," a reference to the allegations that the senator lied about having American Indian heritage.

"That slogan resonates, resonates on a deep level ... because it reaches people's consciousness about how much this woman is an absolute fake."

"That slogan resonates, resonates on a deep level ... because it reaches people's consciousness about how much this woman is an absolute fake," he told LifeZette. "She's absolutely the epitome of hypocrisy."

Ayyadurai said Warren is animated by a desire to maintain "power by any means necessary." The campaign operation is just one example of hypocrisy, he said, adding that Warren supported the Dodd-Frank financial reform bill, ostensibly to rein in the big banks.

"What it really did was embolden big banks" while destroying 1,200 community banks, Ayyadurai said.

Fischer, the campaign finance expert, said joint committees are not new. He said they have grown more popular since the Supreme Court in 2014 sided in favor of Alabama political activist Shaun McCutcheon, who successfully challenged aggregate limits on contributions. The justices ruled that Congress could still restrict how much money a donor could give to a single candidate but could not limit the total amount that a contributor could give to candidates or federal committees. At the time, \$123,000 was the

total limit.

"They became supercharged after the Supreme Court's decision in McCutcheon," Fischer said.

Ayyadurai said the joint committee is a way for Warren to raise her profile and fuel her national ambitions.

"She's not just running for the Senate," he said. "She's actually running for president."

But Diehl said he believes Warren's stepped-up fundraising has as much to do with 2018 as it does 2020.

"She is concerned about her re-election," he said. "A lot of people in Massachusetts are finding out about her hypocrisy on a lot of issues."

Republicans Insist Warren Is Vulnerable

Most political analysts rate Warren's Senate seat as safe for Democrats. A July Morning Consult/Politico survey pegged her approval rating in the state at a healthy 57 percent.

But Diehl and Ayyadurai both insisted Warren is vulnerable.

Diehl pointed to a campaign she led against a ballot measure to index the gasoline tax to inflation, which would have automatically raised the levy over time without any vote of the people or legislators. Despite a 31-1 spending disparity in favor of pro-tax forces, he said, voters rejected the proposal in 2014.

In addition, Diehl points to last year's victory by Republican Charlie Baker in the gubernatorial race and Scott Brown's win in the special election to fill the vacancy caused by Sen. Ted Kennedy's death in 2010.

"We see this very much as a referendum on Elizabeth Warren," he said.

Ayyadurai, meanwhile, said he is the only Republican in the race capable of beating her. The entrepreneur, who was romantically involved with actress Fran Drescher, said he came to America in

1970 at the age of 7. He called it a "one-in-a-trillion" chance by his family, which belonged to the lowest "untouchables" caste in India's caste system.

Ayyadurai, who holds four degrees from the Massachusetts Institute of Technology, also claims to have invented email while still a high school student volunteering at the University of Medicine and Dentistry of New Jersey. The claim is hotly disputed by experts who contend the modern email system has many inventors, some of whom years earlier had developed versions of what would become email by today.



Ayyadurai also gained attention last year as a plaintiff in a defamation lawsuit — along with pro wrestler Hulk Hogan — against Gawker, which resulted in a \$750,000 settlement.

As a candidate, Ayyadurai said, Warren and her allies would not be able to dismiss him as a white supremacist — even though some progressives tried to after his appearance at last weekend's free-speech rally in Boston. But he said he must overcome a Republican Establishment that prefers offering up a "softball" opponent against Warren in exchange for a weak Democratic candidate to run against "RINO [Republican In Name Only] Baker for governor.

"I know I can beat Warren," he said. "The question is, will the Republican Establishment ever let me on the stage with her."

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