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Dark Money: Palestine, Mega Donors, and the 2018 Midterm Elections

By: Osamah Khalil · October, 2018

The 2018 mid-term elections are expected to be the most expensive in American history. Four years ago, the 2014 mid-term elections had fewer donors than in previous elections but spending still surpassed previous elections. To fill their campaign coffers, Democrats and Republicans are again expected to rely on mega donors. Democrats have outraised Republicans to date, and in response the Republican Party has turned to billionaire casino mogul Sheldon Adelson.[1]

Over the past decade, Adelson has been a leading donor to the Republican Party. He influenced President Donald Trump's recognition of Jerusalem as Israel's capital late last year and offered to partially underwrite the construction of the new US embassy. Faced with a large number of competitive races in 2018, Republicans were reportedly "desperate for Adelson's millions." Prior to the opening of the new Jerusalem embassy, Adelson donated $55 million to the Republican Party's Congressional Leadership Fund (CLF) and Senate Leadership Fund. Adelson's contribution to the CLF was not only three times larger than the $10 million he donated in 2016, but it was given at a much earlier date. In the final weeks before the midterm elections, Adelson donated even more to the Republican Party.

Adelson's involvement demonstrates the outsized influence of prominent donors

on American political campaigns and on the development and implementation of domestic and foreign policies. The two- and four-year election cycles in the United States require enormous funding and nearly endless political fundraising by candidates and political parties. At a minimum, large campaign contributions by individuals and corporations influence the parameters of acceptable debate on domestic and foreign policies in the United States.

Like other issue-driven voters and donors, pro-Israel supporters fund the candidates that share their perspectives and challenge those who do not. Once elected, politicians backed by pro-Israel donors generally support policies that reflect and reinforce America's bias toward Israel. Although this may be based on shared principles, the fear that donors could fund an opposition candidate over a particular vote or stance on policy issues is a constant reality that politicians face. This is not limited to Israel, as demonstrated by the debate over gun control in the United States. These factors will be on display again with the 2018 midterm elections.

Saban and Adelson: Supporting Israel Across Party Lines

While Adelson has generously supported Republicans, another pro-Israel donor, entertainment magnate Haim Saban, has focused on the Democrats. In a 2010 *New Yorker* magazine profile, Saban asserted that the "three ways to be influential in American politics" were donations to political parties, establishing think tanks, and controlling media outlets. Six years earlier, in a *New York Times* interview, Saban explained his interest in politics and foreign policy in simple terms: "I am a one-issue guy and my issue is Israel." Although Saban and Adelson are on opposite sides of the American political spectrum, they have adopted similar approaches in their support of Israel.

Politics

Since 2008, Adelson has donated over $170 million to Republican political candidates. In 2008, he was the key contributor to Freedom Watch, a newly-established "super" political action committee (PAC) whose leadership was comprised of former members of the George W. Bush administration. "Super PACs " can receive unlimited funds from individuals, unions, or corporations. The amounts donated and spent by Super PACs are reported to the Federal Election Commission (FEC), the independent regulatory body that administers and enforces US campaign finance law. Although Super PACs cannot make contributions directly to or coordinate with individual candidates, the oversight is lax and the fines are often trivial. Adelson spent $30 million in a losing effort as the Democratic Party swept the presidential and Congressional races, and Freedom Watch was later shuttered.

Four years later, Adelson promised to spend $100 million to defeat President Barack Obama. He initially supported the presidential aspirations of Newt Gingrich, who served as US Speaker of the House of Representatives from 1995-1999. As speaker, Gingrich was the leader of the Republican right wing and opponent of then President Bill Clinton. In December 2011, seven months after he announced his candidacy for president, Gingrich was interviewed by the Jewish Channel television station. He stated, "I think that we've had an invented Palestinian people who are in fact Arabs and who were historically part of the Arab community." Gingrich added that the Palestinians "had a chance to go many places, and for a variety of political reasons we [the United States] have sustained this war against Israel now since the 1940s, and it's tragic." Gingrich eventually lost the nomination to former Massachusetts Governor Mitt Romney, but not before Adelson contributed $15 million to his campaign.

As the Republican Party's presidential nominee, Romney also benefited from Adelson's largesse, and reportedly received $20 million. After securing the Republican nomination, Romney traveled to Israel in July 2012. At a fundraiser

held in Jerusalem, Romney was seated next to Adelson. In his speech, Romney ignored Israel's occupation of the Palestinian Territories and its impact on the Palestinian economy and society. Romney claimed that Israel's economic vitality, especially in comparison to the Palestinian Authority, was due in part to its cultural superiority over the Palestinians.

In addition to these direct donations, Adelson contributed at least $33 million to political action committees and reelection funds affiliated with the Republican Party. Publicly Adelson is believed to have contributed as much as $150 million to Republican Party candidates in 2012, but his efforts largely failed to achieve the desired result as Obama was reelected and Democrats added seats in the US Congress.

It is also worth noting that in the US electoral system, it is possible for individuals to make donations to organizations that are not required to report the names of the donors to the FEC.[2] These donations have become known as "dark money," and the amounts have increased dramatically in the past eight years since the US Supreme Court's controversial ruling in the *Citizens United v. Federal Election Commission* case. In the 2010 case, the court ruled that it was unconstitutional to prevent corporations or organizations from supporting or opposing particular candidates or issues through paid advertisements. However, the court did not overturn the restriction on direct contributions by corporations and organizations to individual candidates. Therefore, it is unlikely that mega donors like Adelson have limited their contributions to only non-dark money groups. Indeed, Adelson's total contributions may be far greater than what has been reported.[3]

After the poor showings in 2008 and 2012, Adelson adopted a lower profile and did not publicly support a particular candidate during the 2016 Republican primaries. Adelson gave over $82.5 million to political groups opposed to Democratic Party nominee Hillary Clinton as well as key Congressional and Senate campaigns. This included donating $20 million to a Trump-aligned Super PAC.

Adelson has benefited financially from his donations and access. In late 2017, President Trump signed a bill that instituted major changes to the US tax code, and Adelson's Las Vegas Sands corporation reported a $700 million gain from the legislation.

Meanwhile, Haim Saban has focused his donations on the Democratic Party. From 1999 to 2008, he gave over $11 million to the party and candidates. Saban was a major supporter and fundraiser for Hillary Clinton's unsuccessful 2008 campaign for the Democratic Party nomination. Saban donated at least $1.3 million in 2012, with most of the funds targeted at House and Senate campaigns. Four years later, Saban gave over $11.9 million to the Democratic Party and Clinton's failed 2016 presidential bid.

Lobbies, News Outlets, Think Tanks

Campaign contributions are only part of the story. Adelson has been a major funder of Birthright Israel, which provides Jews between the ages of 18 and 26 free trips to Israel, and has been a major supporter of Israeli settlements in the occupied West Bank. He was also an avid supporter of the pro-Israel lobbying organization, the American Israel Public Affairs Committee (AIPAC). While Saban donated $7 million to the Democratic National Committee's new headquarters, Adelson contributed to AIPAC's new office in Washington and helped fund AIPAC-sponsored tours of Israel for Republican lawmakers.

However, Adelson criticized AIPAC after it supported expanded US aid for the Palestinian Authority and reportedly broke with the organization. Since then, he has been a key donor to the Christian evangelical organization, Christians United for Israel, led by Pastor John Hagee. Christians United for Israel was one of the most vocal organizations in favor of Washington recognizing Jerusalem as Israel's capital, and Hagee hailed Trump's decision.

Both Saban and Adelson have invested in news outlets. Saban is the chairman

and part-owner of Univision, the US-based, Spanish-language television network. Univision has a large viewership and during the 2016 election the Trump campaign criticized the network for its coverage and apparent bias toward Clinton. In contrast, Adelson has focused on print media. In 2007, he launched *Israel Hayom*, a free daily newspaper with close ties to Israeli Prime Minister Benjamin Netanyahu. Eight years later, he secretly purchased the *Las Vegas Review Journal*, which was the city's leading newspaper and often had critical coverage of Adelson and his company's policies. A number of reporters and editors left the *Las Vegas Review Journal* after it was acquired by Adelson.

Think tanks are another arena where Saban and Adelson have been active. After the failure of the 2000 Camp David Summit and in the midst of the second Palestinian intifada, Saban decided to establish a think tank specifically focused on the Middle East and securing Israel's future. He made a $13 million donation to the Brookings Institution and the Saban Center for Middle East Policy was established. Although Brookings has generally been regarded as a moderate think tank with ties to the Democratic Party, scholars affiliated with the Saban Center openly advocated for the 2003 invasion and occupation of Iraq. In addition, the Saban Center and other Washington-based think tanks have increasingly emphasized conflict management of Israel's occupation, rather than conflict resolution.[4]

Saban hosts an annual forum at Brookings. Prior to Trump's announcement on Jerusalem, the president's son-in-law and advisor, Jared Kushner, was a guest. Kushner's family has a foundation, the Kushner Companies Charitable Foundation, that has donated money to the Beit El settlement near Ramallah. Built on private Palestinian land seized by Israel, the Beit El settlement has received support from other wealthy Americans through an organization called the American Friends of Bet El Institutions. Indeed, the former president of the organization is the current US Ambassador to Israel and Trump's former lawyer, David Friedman.

Although Saban has publicly expressed support for the two-state solution and a divided Jerusalem in an eventual agreement with the Palestinians, he did not criticize Kushner's support for settlements. Instead, Saban thanked Kushner for attempting in late 2016 to undermine a United Nations Security Council resolution critical of Israel's settlements that was supported by the Obama administration before Trump took office. The public interference by then president-elect Trump in the Obama administration's belated and timid efforts was unprecedented and may have been a violation of US law. "As far as I know, nothing illegal there," Saban told Kushner, "but I think that this crowd and myself want to thank you for making that effort. So thank you very much." Nor has Saban publicly criticized Trump's decision on Jerusalem.

Saban has chosen to focus his ire on critics of Israel. In May, he scolded six Democratic Party Senators who signed a letter requesting US Secretary of State Mike Pompeo to help relieve the humanitarian crisis in Gaza. The letter was in response to Israeli troops' massacre of Palestinian protestors in Gaza during the Great March of Return. "For you to listen to Senator [Bernie] Sanders and accuse Israel of being the main culprit is outrageous, misinformed, offensive and shows a lack of understanding of the region's basic fundamentals," Saban wrote. He admonished the senators: "Do your homework."

Like Saban, Adelson funded his own think tank. The Adelson Institute for Strategic Studies was founded in 2006 after its namesake made a $4.5 million donation to the neoconservative Shalem Center in Jerusalem. A 2007 conference hosted by the institute featured leading opposition figures in the Iranian diaspora. Adelson attended and was dismissive of individuals who did not favor attacking Iran. He reportedly declared, "I really don't care what happens to Iran. I am for Israel."

Saban and Adelson have also agreed that the boycott, divestment, and sanctions (BDS) movement must be stopped. In June 2015, they put aside partisan differences and combined efforts and funds to challenge BDS. Shortly after Saban

and Adelson met in Las Vegas, their efforts were endorsed by Hillary Clinton as part of her campaign for the presidency. In a letter to Saban written on campaign letterhead, Clinton stated, "I know you agree that we need to make countering BDS a priority." She added, "I am seeking your advice on how we can work together – across party lines and with a diverse array of voices – to reverse this trend with information and advocacy, and fight back against further attempts to isolate and delegitimize Israel."

The Clinton campaign's hacked emails suggest that the letter was meant to appease donors before she announced her support for the 2015 Iranian nuclear deal negotiated by the Obama administration. Five months after Clinton's letter was written, Saban hosted a private meeting at the Saban Center to counter BDS. Even after securing the Democratic Party nomination, the Clinton campaign blocked attempts to refer to Israel's military rule over the Palestinians as an "occupation" in the Democratic Party platform. Yet recent media reports suggest that the anti-BDS partnership between Saban and Adelson has collapsed and the two men are no longer coordinating their efforts.

Making Inroads Against Mega Donors

As demonstrated by the actions and rhetoric of leading Democrats, including Senate minority leader Charles Schumer, the Democratic Party is unlikely to challenge Trump's policies toward the Palestinians. Indeed, it demonstrates the bipartisan consensus in the United States toward Israel's continued occupation of the Palestinian Territories. Although Democrats are projected to win a majority in the House of Representatives in November, the influence of pro-Israel mega donors like Saban and Adelson on the political parties will only increase in preparation for the 2020 campaign.

Yet there is hope for Palestinian activists and their allies. Victories by progressive insurgent candidates in Democratic Party primaries demonstrate that there is

frustration with the stale orthodoxy of the party's establishment and limits to the influence of major donors. It also reveals that support for Palestinian rights may no longer be considered a detriment, if not a disqualification, for election to higher office. Although some progressive candidates were quick to express their opposition to BDS, Palestinian solidarity activists should continue to develop broad coalitions and alliances with individuals and advocacy organizations based on shared values of anti-racism, equality, social justice, and human rights. Identifying and supporting candidates at the state and local levels who embrace these values is essential to building a movement for real change. Moreover, it is imperative that candidates be held accountable for their positions and the endorsements they receive, especially from organizations that are opposed to Palestinian rights.

Much like the outreach to progressive Jewish organizations in North America, Europe, and Israel, coordination with supportive American evangelical congregations and communities is vital. Although evangelicals comprise an estimated 25 percent of US adults and have consistently supported Israel, significant divisions have begun to emerge. This has been due in part to the important role played by Palestinian Christians and the Kairos Palestine document in detailing the realities of Israel's occupation, especially in Palestinian cities that are traditional tourist destinations like East Jerusalem and Bethlehem.

As in the American Jewish community, there are also generational divisions. An increasing number of younger evangelicals have adopted more progressive positions on social issues. A recent poll demonstrated that evangelicals ages 18 to 34 viewed Israel less favorably than the over-65 age group (58% to 76%).

The implications of dark money are not limited to the Palestinians or Washington's policies toward the Middle East. Indeed, the need for comprehensive campaign finance reform in the United States has arguably never been greater or more difficult. In the absence of reform, robust fundraising efforts focused on small

donors combined with broad-based, effective grassroots campaigns will be essential to challenging the agenda of mega donors.

1. An earlier version of this commentary was published by Al-Jazeera Arabic in two parts (here and here.)
2. *The US Supreme Court recently upheld a ruling that placed some restrictions on dark money groups just before the 2018 midterm elections. Beginning on September 18, any group that produces an advertisement specifically advocating for the election or defeat of a political candidate must disclose any donors that have given more than $200. However, the ruling does not apply to "issue ads" that do not endorse or oppose specific candidates. In addition, it is unlikely that the US Federal Election Commission will have time to issue new regulations before the November elections.*
3. *See Jane Mayer, Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right (Doubleday, 2016).*
4. *For more on this dynamic, see Osamah Khalil, America's Dream Palace: Middle East Expertise and the Rise of the National Security State (Harvard University Press, 2016).*

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