

## Policy Brief

# Balancing Act: How to Keep Foreign Influence Out of US Politics and Protect Americans' Freedom to Give

By Bill Osmulski



# Executive Summary

- ◆ Concern about foreign influence in US elections and public discourse is shared by both parties and is driving new policy proposals at the federal and state levels.
- ◆ Current law already bans foreign funding of political activity.
- ◆ New proposals seek to expand election-based restrictions into political adjacent activities such as research, communications, and education, which impacts nonprofits.
- ◆ New reporting requirements and enforcement tools could weaken free speech protections and threaten donor privacy.
- ◆ Policymakers must balance efforts to stop foreign influence with the need to protect charitable giving and avoid disrupting charitable activities.

## Introduction

In recent years, Republicans and Democrats have expressed concerns that foreign powers are attempting to influence US elections and policymaking through a variety of subversive tactics, and both parties believe they are the target. That has created strong political motivation for both parties to confront this perceived threat, which generally involves identifying, exposing, and banning funding sources that can be traced to foreign governments, particularly hostile ones.

Federal law already bans foreign nationals from contributing money to political campaigns and political action committees in federal, state, and local elections. They are also prohibited from

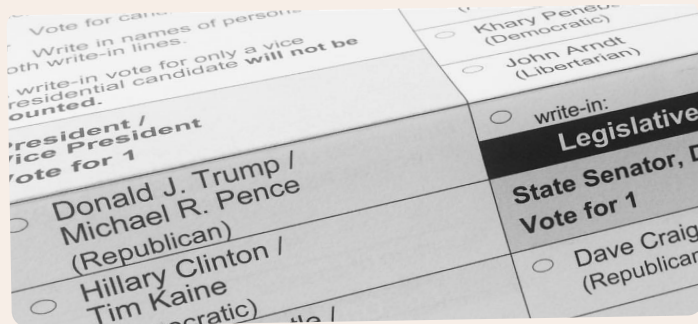
funding third-party independent expenditures in political races. Although these laws have been on the books for decades, they have not been consistently enforced. As attention to the issue has increased, lawmakers in several states have responded by introducing duplicative or unnecessary legislation that expands existing prohibitions and imposes new reporting requirements.

Some lawmakers in Congress, meanwhile, are focused on rooting out foreign influences in academic institutions and nonprofits. Such measures risk increasing the cost of compliance for nonprofit organizations and threaten donor privacy.

# Background

**“The American people are entitled to know when a foreign power engages in political activities or seeks to influence public discourse.”**

When President Donald Trump defeated Hillary Clinton in the 2016 presidential election, many of Clinton’s supporters claimed Russian interference was the cause.<sup>1</sup> When President Joe Biden defeated Trump in 2020, many of Trump’s supporters claimed Chinese interference was the cause.<sup>2</sup> During the 2024 election cycle, widespread reports about Russia, China, and Iran attempting to sway voters were echoed widely throughout the American news media.<sup>3</sup> These claims were highly politicized in the media and official investigations. Because both Republicans and Democrats



continue to believe they are the victims of foreign interference in US elections, both parties are highly motivated to take aggressive action.<sup>4</sup>

Official government investigations identify two main methods foreign actors could use to influence the outcome of US elections: directly

targeting election infrastructure through cyber-attacks and targeting public opinion to undermine confidence in the election process.<sup>5</sup> Investigators have largely ruled out the possibility that Russia or other governments have successfully manipulated vote totals. But the idea that foreign interests are shaping US public opinion during election cycles is considered an active threat.<sup>6</sup>

There are already protections in place to keep foreign money out of US elections. Under the Federal Election Campaign Act of 1971, foreign nationals are not allowed to make contributions directly to federal, state, or local elections or indirectly through political parties or political action committees.<sup>7</sup> They also cannot contribute to issue ads.<sup>8</sup> The law includes disclosure requirements about contributions and contributors to political campaigns that are designed to help ensure foreign nationals are not present.<sup>9</sup>

Additionally, the Foreign Agents Registration Act (FARA) requires individuals and organizations to register with the US Department of Justice if they are conducting political or advocacy work for a foreign entity.<sup>10</sup>

Registrants must disclose the nature of the relationship, include a copy of the written contract or details of an oral agreement, and provide state-

<sup>1</sup> Senate Intelligence Committee, “S. Rept. 116-290 – Russian Active Measures Campaigns And Interference In The 2016 U.S. Election, Volumes I-V,” (Nov. 10, 2020), 3.

<sup>2</sup> Nava, Victor “FBI blocked probe into alleged 2020 election plot by China,” (Jul. 1, 2025)

<sup>3</sup> Jingnan, Huo “Foreign influence efforts reached a fever pitch during the 2024 elections,” (Nov. 12, 2024)

<sup>4</sup> Zengerle, Patricia , Foreign Attempts to Sway U.S. Elections Dangerously High and Rising, Officials Warn” Reuters. (May 15, 2024)

<sup>5</sup> Senate Intelligence Committee, “Russian active measures campaigns,” (Nov. 10, 2020), 7.

<sup>6</sup> National Intelligence Council “Foreign Threats to the 2020 US Federal Elections,” (Mar. 10, 2021), i.

<sup>7</sup> 52 U.S.C. § 30121

<sup>8</sup> Washington Legislature, “HB 2123 Bill Analysis,” (Jan. 13, 2026)

<sup>9</sup> Congressional Research Service, “Campaign Finance Law,” (Dec. 30, 2019)

<sup>10</sup> Straus, Jacob R. Foreign Agents Registration Act (FARA): An Overview, Cong. Rsch. Serv. IF10499. (Jan. 5, 2024)

ments about how much money was exchanged and what it was used for.<sup>11</sup> Failing to comply with FARA can result in a \$10,000 fine and five years in prison.<sup>12</sup>

There are exemptions under FARA, but those are often covered by other disclosure laws. For example, FARA exempts lobbyists, but lobbyists are required to report if they represent foreign interests under the Lobbying Disclosure Act.<sup>13</sup>

Educational institutions are required to report contracts and gifts from foreign entities over \$250,000 under Section 117 of the Higher Education Act of 1965.<sup>14</sup> Despite these extensive reporting requirements enacted over decades of legislation, government officials still worry about potential gaps that enable foreign interests to interact with American society undetected.<sup>15</sup>

During the 2024 election, US Attorney General Merrick Garland accused Russia of spreading propaganda, misinformation, and fake news online targeting American voters.<sup>16</sup> He said, “The American people are entitled to know when a foreign power engages in political activities or seeks to influence public discourse.”<sup>17</sup>

By including anything that influences “public discourse,” Garland expanded the concern as well beyond elections into broader American society. This sentiment is widely shared by lawmakers on both sides of the political aisle, and there is currently a strong desire to do something about it.<sup>18</sup> On Feb. 10, 2026, the House Ways and Means Committee held a hearing on foreign influence

in American nonprofits.<sup>19</sup> The hearing demonstrated how quickly a concern such as “foreign influence” can become an all-out attack on philanthropy and the nonprofit community.<sup>20</sup>

Handpicked witnesses took turns maligning both 501(c)(4)s were generalized as “dark mon-



Attorney General Merrick Garland detailed Russia's latest attempts at targeting U.S. elections. September 4, 2024. Source: C-SPAN.

ey or secret spending organizations.”<sup>21</sup> Donor-advised funds were vilified as a funding strategy to mask political activity.<sup>22</sup>

At one point it was even asserted that charity and philanthropy, in general, have become threats to democracy because they can influence politics.<sup>23</sup> Critics argued for stronger regulations, reporting requirements, and structural reforms although none of it would do anything to prevent the potential for foreign influence.

<sup>11</sup> 22 U.S.C. § 612(a)(3)–(5), (8)–(9)

<sup>12</sup> 22 U.S.C. § 618(a)

<sup>13</sup> US Congress, “Lobbying Disclosure Act,” (Dec. 19, 1995)

<sup>14</sup> Edgerton, Adam K., “Section 117 of the Higher Education Act: Reporting of Foreign Gifts and Contracts,” Cong. Rsch. Serv. IF12927. Feb. 26, 2025, updated (Mar. 25, 2026)

<sup>15</sup> Press Release, Senate Comm. on the Judiciary, Sen. Grassley, Rep. Johnson Introduce Bill to Shine Light on Foreign Influences (Oct. 31, 2017)

<sup>16</sup> Barnes, Julian et al., “U.S. Announces Plan to Counter Russian Influence Ahead of 2024 Election,” *The New York Times* (Sep. 4, 2024)

<sup>17</sup> Barnes, Julian et al., (2024)

<sup>18</sup> Zengerle, Patricia, “Foreign Attempts to Sway U.S. Elections Dangerously High and Rising, Officials Warn,” *Reuters* (May 15, 2024)

<sup>19</sup> U.S. Congress, House, Ways and Means Committee, “Foreign influence in American non-profits,” (Feb. 10, 2026)

<sup>20</sup> *Id.*

<sup>21</sup> Weissman, Robert, House, Ways and Means Committee, Written Testimony, (Feb. 10, 2026)

<sup>22</sup> Sohn, Adam, House, Ways and Means Committee, Written Testimony, (Feb. 10, 2026)

<sup>23</sup> Walter, Scott, House, Ways and Means Committee, Written Testimony, (Feb. 10, 2026)

# Philanthropic Concerns

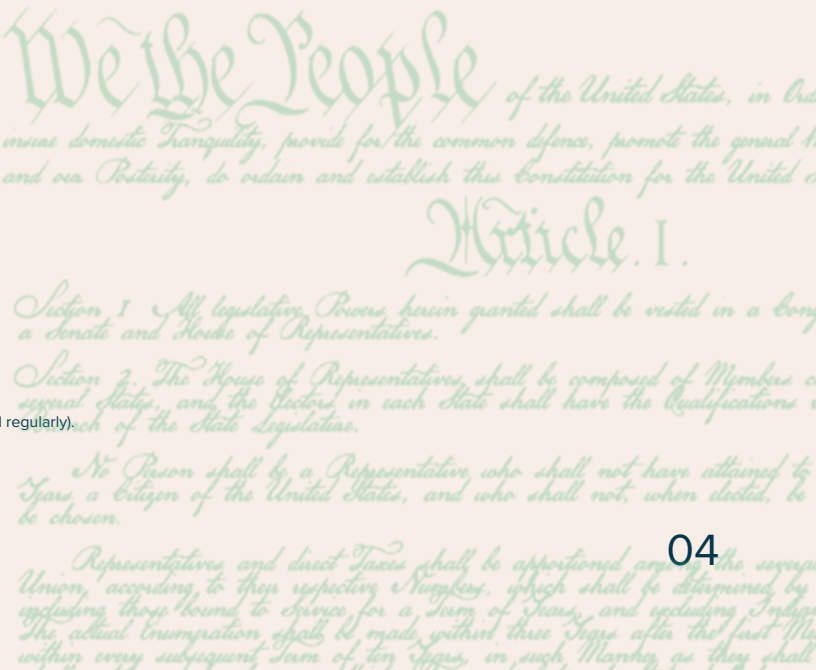
**“Threats to donor privacy often begin as seemingly innocuous campaign finance reform proposals to increase transparency.”**

The First Amendment of the US Constitution guarantees Americans the right to free speech.<sup>24</sup> The US Supreme Court has repeatedly affirmed this right includes anonymous speech.<sup>25</sup> Both are essential to the functioning of America’s charitable, nonprofit community, which is essential to the health and well-being of American society. Without assurances of donor privacy, many people are reluctant to support charity.<sup>26</sup> Proposals to address foreign influence target both donor privacy and freedom of speech.<sup>27</sup>

Threats to donor privacy often begin as seemingly innocuous campaign finance reform proposals to increase transparency. Those reforms tend to grow beyond their original scope and encroach into areas of concern for philanthropists and nonprofits.<sup>28</sup> For example, lawmakers in several states want to expand restrictions on direct campaign contributions by foreign donors to include ancillary activities like opinion polling and research.<sup>29</sup> Those are legitimate activities that effective

nonprofits conduct to ensure their programs are desirable and necessary. Furthermore, along with those proposed restrictions come new reporting requirements to ensure compliance, which increase administrative costs for nonprofits. The more a nonprofit spends on compliance, the less it can spend on actual programming, which reduces its effectiveness.

Additionally, the House Ways and Means Committee hearing in February demonstrated that policy-makers can instantly and effortlessly pivot from targeting a legitimate concern like foreign influence to targeting the entire charitable sector.<sup>30</sup> At that hearing, speakers openly shared their agenda to go after 501(c)(4)s, DAFs, donor privacy, and public outreach activities.<sup>31</sup>



<sup>24</sup> U.S. Const. amend. I.

<sup>25</sup> Hayward, Allison, “Anonymous Speech,” (Jan. 11, 2025)

<sup>26</sup> BBB Wise Giving Alliance, Give.org Donor Trust Report 2025: Special Report on Privacy and Security (Nov. 2025)

<sup>27</sup> See Citizens United v. FEC, 558 U.S. 310, 366–71 (2010); Buckley v. Valeo, 424 U.S. 1, 64–68 (1976).

<sup>28</sup> See Campaign Finance Law: Disclosure and Donor Privacy Issues, Cong. Rsch. Serv. R41542 (updated regularly).

<sup>29</sup> See State Level Policy Proposals in the next section for Minnesota, Nebraska, and Oklahoma.

<sup>30</sup> H. Comm. on Ways & Means Hearing (Feb. 10, 2026)

<sup>31</sup> *Id.*

# Current Policy Proposals

The federal government and several states have active legislation in 2026 that addresses the issue of foreign influence in US elections. Although most of these only target political committees and organizations, the potential for that scope to increase in the future could ultimately negatively impact the charitable sector as well.<sup>32</sup>

## Federal Level

At the federal level, Congress is considering several bills that seek to establish reporting requirements for nonprofits that receive funding from foreign sources.<sup>33</sup> These bills look past the potential for election interference to a broader impact on society.

The Department of Defense under the first Trump administration specifically warned in a 2019 report that “China harnesses academia and educational institutions, think tanks, and state-run media to advance its soft power campaign in support of China’s security interests.”<sup>34</sup> The bill links those activities to efforts to shape public perceptions and espionage.

**H.R. 1048 (DETERRENT Act)** lowers the reporting requirement threshold for institutions of higher education. Currently under the Higher Education Act of 1965, they are required to report gifts and contracts worth more than \$250,000 from foreign entities. The DETERRENT Act would lower the threshold to \$50,000.

**H.R. 1999 (Disclose GIFT Act)** addresses a gap in the Higher Education Act of 1965, which only requires institutions to report gifts and contracts. The Disclose GIFT Act would require covered faculty and staff at those institutions to also report foreign gifts and contracts.

**H.R. 3966 (Think Tank and Nonprofit Foreign Influence Disclosure Act)** requires nonprofits to report contributions from foreign governments above \$10,000 to the IRS, specifically targeting contributions from China. According to the bill’s findings, there are currently no reporting requirements for nonprofits to report foreign support.

**S. 3129 (Preventing Foreign Interference in American Elections Act)** amends the Federal Election Campaign Act of 1971 to include more election-related activities. Under this proposal foreign funds could not be used for voter registration activity, ballot collection, voter identification, get-out-the-vote activities, or other communications concerning an election. This would also apply to 501(c) organizations.

**S. 3826 (Litigation Funding Transparency Act)** applies to third-party litigation in certain civil action lawsuits, specifically including actions funded by nonprofit legal organizations. If those organizations receive funding from foreign sources for litigation, they would be required to disclose all their funders supporting the action to the court and to the other parties in the case. Information about the foreign donors of the action would then be available online on the United States Courts website.

**S. 3991 (DISCLOSE Act)** would amend the Federal Election Campaign Act of 1971 to include state and local ballot initiatives. It would also update communications prohibitions to include online ads in addition to traditional media formats. This proposal would apply to 501(c) organizations.

<sup>32</sup> Garrett, Campaign Finance Policy, R41542.

<sup>33</sup> See Think Tank and Nonprofit Foreign Influence Disclosure Act, H.R. 3966, 119th Cong. (2025).

<sup>34</sup> Gooden, Rep. Lance “HR 3966,” 119th Congress (2025-2026), (Jun. 12, 2025)

## State Level

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Policy discussions concerning foreign influence at the state level gravitate toward election reform. Even though federal law already prohibits foreign nationals from contributing to political campaigns or making independent expenditures in local, state, and federal elections, several state legislatures have pursued more expansive requirements and prohibitions.

**New Hampshire** has introduced SB 534, which would require every donor to every political committee to provide written affirmation they are not a foreign national.

**South Dakota**, meanwhile, recently passed a law that restates federal law. SB 17 bans candidates and committees from accepting funds from foreign nationals, which is already illegal under federal law.

**Tennessee** shares the federal government's concern over specifically hostile foreign governments interfering in US policy. HB 0471 would require individuals to file a special report if they represent a hostile foreign government. Those include China, Russia, North Korea, and Iran.

**Florida** lawmakers considered HB 905, the "Foreign Interference Restriction and Enforcement Act" this session. This extensive proposal establishes the term "foreign countries of concern" and then bans a wide range of activities with those countries. This includes a ban on public officials and political candidates from receiving anything of value, specific universities from receiving any donations, and municipalities from purchasing camera systems from the named countries. The countries listed in the proposal are China, Russia, Iran, North Korea, Cuba, Venezuela, and Syria.

**Georgia** and **Oklahoma** are moving toward copying the federal government's FARA law, but the two states have very different approaches. Oklahoma's SB 960 is the "Oklahoma Foreign Agents Registration Act." It requires anyone representing a foreign government to register with the state, and it involves extensive reporting requirements. Georgia's SB 177 requires that anyone representing a "hostile foreign principal" first register with the state.

**Minnesota, Nebraska, and Oklahoma** have seen proposals this year that seek to expand the prohibition on foreign funding sources to organizations that engage in issue advocacy. These include opinion polling, focus groups, making phone calls, traveling, and drafting ballot measure language. The language of these bills **in all three states** is virtually identical.

This final example shows how the progression of these proposals aimed at safeguarding elections can begin to encroach into the general nonprofit space. Opinion polling and focus groups, specifically, are common activities conducted by nonprofit organizations as part of their research and education efforts.

# Conclusion

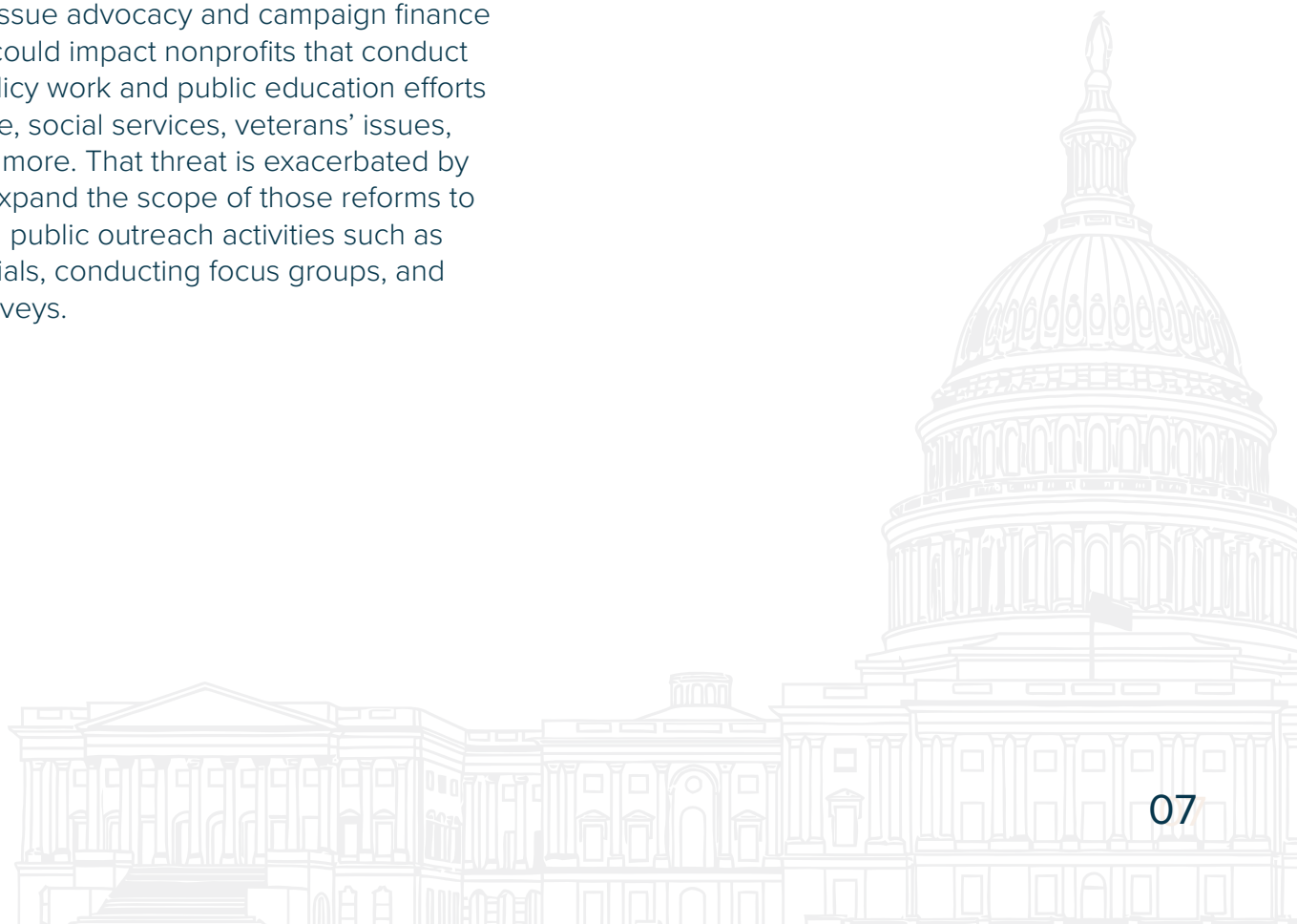
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The public's fear over foreign influence in American elections and society has prompted legislative proposals across the country to counter that perceived threat. These policies have the potential to ultimately threaten nonprofit donor privacy by imposing new reporting requirements and limitations to identify and prevent foreign influence in American institutions. Several vocal critics of philanthropy and charitable organizations have seized upon the timing of this issue to advance their own anti-philanthropy/anti-charity agenda.

These efforts directly impact the nonprofit community at the federal level, where resolutions target nonprofits that receive funds from foreign governments. At the state level, legislative proposals focus on issue advocacy and campaign finance reform. This could impact nonprofits that conduct legitimate policy work and public education efforts on health care, social services, veterans' issues, and so much more. That threat is exacerbated by attempts to expand the scope of those reforms to more general public outreach activities such as writing editorials, conducting focus groups, and collecting surveys.

Whenever the government introduces regulations regarding acceptable donors to nonprofits, the possibility exists it can alter its definition of what it regards as acceptable and the reporting requirements nonprofits must obey to ensure compliance with those policies.

Given the heavy-handed approach that characterizes the narratives and legislative proposals summarized in this report, the threat of scope creep is very real and is something the nonprofit and philanthropic communities must take seriously.



## *About the Author*

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Bill Osmulski joined Philanthropy Roundtable as director of policy research in December 2025. He brings a strong background in investigative reporting, strategic planning and policy research.

Prior to Philanthropy Roundtable, Osmulski spent 16 years in progressively senior roles at the John K. Maclver Institute for Public Policy in Wisconsin, culminating as senior fellow and content director. He started his professional career in Wisconsin television as a producer and reporter at stations in Milwaukee, Madison and Eau Claire. At Maclver, he launched its multi-media production operation to provide coverage and analysis of key policy events in state and local government.

In addition to his role with the Roundtable, Osmulski serves as an infantry officer in the Wisconsin Army National Guard.

Osmulski is originally from Munster, Indiana. He graduated from Marquette University with a bachelor's degree in broadcast and electronic communication and from the University of Wisconsin-Stout with a master's degree in operations and supply management. He is also a graduate of the U.S. Army's Command and General Staff College.



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