

The PAC's contempt for Ohio campaign finance laws by illegally funneling contributions from a nationwide PAC to an unregistered Ohio affiliate is troublesome. And its refusal to pay these fines to the State of Ohio is disgraceful as the debt is nearly a decade old.

Can you imagine what would happen if a student refused to pay something that they owed to a university or to the State? I don't have to answer that. We all know what would happen.

Mr. Speaker, I ask: How can the public trust Ms. DeVos to ensure borrowers repay their student loans in a timely manner when the group she chaired failed to pay fines that were imposed nearly a decade ago? The fines owed to the State of Ohio—the \$5.3 million—belongs to the taxpayers of Ohio. And every time, Mr. Speaker, I say \$5.3 million, I am going to say it twice because she owes \$5.3 million that belongs to the taxpayers of Ohio. This is money that could be used to pay for more teachers and other initiatives to help educate Ohio's children.

We cannot let her skirt the system and cheat Ohio taxpayers. No, we cannot let her be nominated and confirmed to be over our educational system.

I urge her to repay the \$5.3 million in fines prior to her Senate confirmation hearing next week.

PRESIDENT-ELECT TRUMP'S CABINET

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, in America, we expect no one to be above the law. But, what happens if someone is super rich and breaks the law?

Today, I rise to place on the Record a demand that the President-elect's Cabinet nominee for Secretary of Education, Betsy DeVos of Michigan, immediately pay fines she owes to the State of Ohio.

These obligations total \$5.3 million, just as Congresswoman JOYCE BEATTY stated in her opening statement, and also Congresswoman MARCIA FUDGE, who will speak subsequent to my own remarks. This is an enormous amount of money owed to the State of Ohio in unpaid fines and levied late penalties for Ms. DeVos' political organization for campaign finance violations in Ohio. They broke Ohio law. These are the largest fines ever levied in Ohio history, dating back to 2008. Essentially, the political organization Ms. DeVos led violated Ohio's election laws.

Betsy DeVos of Michigan was in charge of the political action committee known as All Children Matter, based in Virginia. During her chairmanship, she broke Ohio's election laws which impose spending donation limits of \$10,000 per candidate. She, in fact, violated those limits by funneling national PAC money, over \$870,000 of it, to Ohio's State can-

didates—incidentally, all Republican candidates.

Mr. Speaker, I include in the RECORD these names and the amounts of money they received.

OHIO CANDIDATES WHO RECEIVED DIRECT CONTRIBUTIONS FROM BETSY DEVOS' FEDERAL PAC—ALL CHILDREN MATTER

Blackwell, J. Kenneth & Raga, Thomas, \$10,000; Husted, Jon A., \$10,000; Raussen, Jim, \$7,500; Bacon, Kevin, \$6,000; Harris, Bill, \$5,000; Montgomery, Betty, \$5,000; Taylor, Mary, \$5,000; Bubp, Danny, \$4,000; Coughlin, Kevin, \$4,000; Luther, Brant, \$4,000.

Patton, Thomas F., \$4,000; White, Dan, \$4,000; Adams, John W., \$3,000; Bowling, Marcus U., \$2,500; Buehrer, Stephen, \$2,500; McGregor, Jim, \$2,500; Brinkman, Thomas, \$2,000; Cousineau, Thomas, \$2,000; Fink, Deborah Owens, \$2,000; Mandel, Josh, \$2,000.

McLaurin, Donald K., \$2,000; Farmer, Kyle J., \$1,500; Goodman, David, \$1,500; Peterson, Jon M., \$1,500; Seitz, William J., \$1,500; Setzer, Arlene J., \$1,500; Batchelder III, William G., \$1,000; Dolan, Matthew J., \$1,000; Faber, Keith Lloyd, \$1,000; Hite, Cliff, \$1,000.

Jordan, Kris, \$1,000; Niehaus, Tom, \$1,000; Schindel, Carol-Ann, \$1,000; Wagoner, Mark, \$1,000; Adams, Richard N., \$500; Jones, Shannon, \$500; Ohio House Republican Campaign Cmte, \$500; Rankin, Tim, \$500; Whiston, Tom, \$500; Young, Tom, \$500.

Source: The Columbus Dispatch and FollowtheMoney.org

Ms. KAPTUR. All these candidates pledged to advocate for privatizing public school education through vouchers once elected into office.

The Ohio Election Commission, comprised of an equal number of Republicans and Democrats, swiftly and unanimously levied a record fine against her organization in 2008. Their decision was subsequently vetted and upheld by a Republican judge in a State court.

Yet, now nearly a decade later, neither Betsy DeVos nor All Children Matter has paid their penalty of \$5.3 million to the citizens of Ohio.

Indeed, the State of Ohio prior to her violations had even informed Ms. DeVos by issuing a legal opinion that such contributions from her national PAC would be illegal to State candidates, and she willfully ignored them and that opinion. No one, no matter how wealthy, should be above the law.

And who exactly were the State candidates that received a direct campaign contribution from Betsy DeVos' political action committee All Children Matter? You will notice a few candidates still serving in Ohio office, including Lieutenant Governor Mary Taylor, Secretary of State Jon Husted, State Treasurer Josh Mandel, and Ohio Senate President Keith Faber. Former Ohio gubernatorial candidate J. Kenneth Blackwell also received a direct contribution. Mr. Blackwell now leads the President-elect's domestic policy transition team.

In addition, according to the Center for Responsive Politics, Betsy DeVos gave direct contributions to at least 20 current Members of the United States Senate. These are the same Senators who will now confirm her for her Secretary of Education position.

Talk about pay to play and a real need to drain the swamp, the Presi-

dent-elect ought to start in his own backyard.

The \$5.3 million fine that Betsy DeVos' political organization owes to Ohio could pay for better education for Ohio's children. It is outrageous that a candidate for Secretary of Education holds herself above the law and fails to make good on outstanding fines imposed nearly 10 years ago. Public records indicate she personally has a net worth of over \$5.1 billion.

The New York Times today has a front page story by Noam Scheiber that includes a quote from a writer and scholar who observes about the life of Ms. DeVos.

Mr. Speaker, I include in the RECORD this article as well.

[From the New York Times, Jan. 9, 2017]

BETSY DEVOS, TRUMP'S EDUCATION PICK,
PLAYS HARDBALL WITH HER WEALTH

(By Noam Scheiber)

After Tom Casperson, a Republican state senator from Michigan's Upper Peninsula, began running for Congress in 2016, he assumed the family of Betsy DeVos, President-elect Donald J. Trump's nominee to be education secretary, would not oppose him.

The DeVoses, a dominant force in Michigan politics for decades with a fortune in the billions, had contributed to one of Mr. Casperson's earlier campaigns. But a week before his primary, family members sent \$24,000 to one of his opponents, then poured \$125,000 into a "super PAC," Concerned Taxpayers of America, that ran ads attacking him.

The reason, an intermediary told Mr. Casperson: his support from organized labor. "Deceitful, dishonest and cowardly," was how Mr. Casperson's campaign described the ads, complaining that the groups running them "won't say who they are or where their money is coming from." On Primary Day, Mr. Casperson went down to defeat.

In announcing his intention to nominate Ms. DeVos, Mr. Trump described her as "a brilliant and passionate education advocate." Even critics characterized her as a dedicated, if misguided, activist for school reform. But that description understates both the breadth of Ms. DeVos's political interests and the influence she wields as part of her powerful family. More than anyone else who has joined the incoming Trump administration, she represents the combination of wealth, free-market ideology and political hardball associated with a better-known family of billionaires: Charles and David Koch.

"They have this moralized sense of the free market that leads to this total program to turn back the ideas of the New Deal, the welfare state," Kim Phillips-Fein, a historian who has written extensively about the conservative movement, said, describing the DeVoses.

Ms. DeVos declined to be interviewed for this article.

Like the Kochs, the DeVoses are generous supporters of think tanks that evangelize for unrestrained capitalism, like Michigan's Acton Institute, and that rail against unions and back privatizing public services, like the Mackinac Center.

They have also funded national groups dedicated to cutting back the role of government, including the National Center for Policy Analysis (which has pushed for Social Security privatization and against environmental regulation) and the Institute for Justice (which challenges regulations in court and defends school vouchers). Both organizations have also received money from the Koch family.

Indeed, the DeVoses' education activism, which favors alternatives to traditional public schools, appears to derive from the same free-market views that inform their suspicion of government. And perhaps more than other right-wing billionaires, the DeVoses couple their seeding of ideological causes with an aggressive brand of political spending. Half a dozen or more extended family members frequently coordinate contributions to maximize their impact.

In the 2016 cycle alone, according to the Michigan Campaign Finance Network, the family spent roughly \$14 million on political contributions to state and national candidates, parties, PACs and super PACs.

All of this would make Ms. DeVos—whose confirmation hearing has been delayed until next week amid mounting pressure that her government ethics review be completed beforehand—very different from past education secretaries.

"She is the most emblematic kind of oligarchic figure you can put in a cabinet position," said Jeffrey Winters, a political scientist at Northwestern University who studies economic elites. "What she and the Kochs have in common is the unbridled use of wealth power to achieve whatever political goals they have."

BIRTH OF A POWER COUPLE

Ms. DeVos, 59, grew up in Holland, Mich., the daughter of a conservative auto parts magnate who was an early founder of the Family Research Council, a conservative Christian group. When she married Dick DeVos in 1979, it was akin to a merger between two royal houses of western Michigan.

Her husband's father, Richard Sr., co-founder of the multilevel marketing company Amway, was an active member of the Christian Reformed Church that preached a mix of social conservatism and self-reliance. He once told the church's official magazine that Chicago's poor dwelled in slums because that was "the way they choose to live," according to a Washington Post story from the 1980s.

A fan of Rolls-Royces and pinkie rings, Richard Sr. wrote books with titles like "Ten Powerful Phrases for Positive People."

A similar air hung over his business. Amway sales representatives, which the company calls "independent business owners," make money both by selling the company's products—everything from perfume to toilet bowl cleaner—and by recruiting other sales representatives.

The Federal Trade Commission once investigated the company for running a pyramid scheme before concluding that it had misled potential recruits about how much they could expect to earn.

The flip side of the family's proselytizing for capitalism, according to Professor Philip-Fein, has been an effort to dismantle much "that would counterbalance the power of economic elites."

Amway funded a nationwide ad campaign in the early 1980s, protesting high taxes and regulations. Not long after, the company pleaded guilty to cheating the Canadian government out of more than \$20 million in revenue.

The family had a more winning public face in Dick DeVos, who combined the practiced empathy of a pitchman with the entitlement of an heir, spending over \$30 million on an unsuccessful run for governor of Michigan in 2006. The Detroit Free Press described him that year as the wealthiest man to seek office in the state's modern history.

Betsy DeVos, who served as chairwoman of the Michigan Republican Party for most of the decade between 1996 and 2005, has often played the role of strategist in the relationship. She was a key adviser in her husband's

run for governor and publicly brooded that he had been too gentlemanly in his first debate against the incumbent.

"He's very good with people, a retail politician who looks you in the eye, shakes your hand, listens to what you say," said Randy Richardville, a former Republican leader of the Michigan Senate, describing the couple's strengths. "I would never underestimate Betsy DeVos in a knife fight."

Ms. DeVos has sometimes lacked her husband's finesse, once famously blaming many of the state's economic woes on "high wages." She has won detractors, by their account, by browbeating legislators into voting her way.

"Betsy DeVos was like my 4-year-old granddaughter at the time," said Mike Pumford, a former Republican state representative who once clashed with her. "They were both sweet ladies as long as they kept hearing the word 'yes.' They turned into spoiled little brats when they were told 'no.'"

But Ms. DeVos has often made up for what she lacks in tact through sheer force of will.

Mr. Richardville said he and Ms. DeVos disagreed over term limits, which she supported as party chairwoman and he opposed: "I said, 'I don't think you should be setting policy. You should be supporting those of us who do make policy.' But she never backed down."

While Dick and Betsy DeVos appear to practice a more tolerant form of Christianity than their parents—Ms. DeVos has spoken out against anti-gay bigotry—as recently as the early 2000s they funded some groups like Focus on the Family, a large ministry that helps set the political agenda for conservative evangelicals. They have also backed groups that promote conservative values to students and Christian education, including one with ties to the Christian Reformed Church.

Their economic views are strikingly similar to the elder Mr. DeVos's.

According to federal disclosures, Amway, which Dick DeVos ran between 1993 and 2002, has lobbied frequently over the last 20 years to reduce or repeal the estate tax. Only the top 0.2 percent wealthiest estates paid the tax in 2015.

The company has also opposed crackdowns on tax shelters.

Ms. DeVos has been an outspoken defender of unlimited contributions known as soft money, which she described in a 1997 editorial as "hard-earned American dollars that Big Brother has yet to find a way to control."

After Congress later passed a major campaign finance reform bill, a nonprofit that Ms. DeVos helped to create and fund masterminded the strategy that produced Citizens United, the 2010 Supreme Court decision laying the groundwork for super PACs funded by corporations, unions and individuals to raise and spend unlimited amounts in elections.

And then there are the family's efforts to rein in the labor movement.

Through their contributions to think tanks like the Mackinac Center, as well as Mr. DeVos's direct prodding of Republican legislators, the family played a key role in helping pass Michigan's so-called right-to-work legislation in 2012. The legislation largely ended the requirement that workers pay fees to unions as a condition of employment.

Unions in the state bled members in 2014, the first full year the measure was in effect.

Allies say the DeVoses fight for their beliefs. "Betsy and Dick see themselves as principled conservatives," said Frederick Hess of the American Enterprise Institute. "It kind of seems healthy and admirable to

give resources to folks who are going to fight for causes you believe in."

But the fights can appear to be as much about consolidating power as ideology. Unions were arguably the family's most formidable political opponent in Michigan, one of labor's traditional strongholds.

CHANGES IN MICHIGAN

The DeVos family's roots as education activists date back at least to when Richard DeVos Sr. was running Amway and an institute based at the company's headquarters trained teachers to inject free-market principles into their curriculum.

According to an interview Ms. DeVos gave to *Philanthropy* magazine, she and her husband became interested in education causes when they began visiting a Christian school that served low-income children in Grand Rapids in the 1980s.

"If we could choose the right school for our kids"—by which she appeared to mean primarily private schools—"it only seemed fair that they could do the same for theirs," she told the magazine.

The family spent millions of dollars on a ballot proposal in 2000 asking if Michigan should legalize vouchers, in which students can use taxpayer money to attend private schools.

Many critics, like the education historian Diane Ravitch, argue that the point of vouchers is to destroy public education and teachers' unions. The group Americans United for Separation of Church and State has documented how conservative Christians have long supported vouchers, which could fund religious schools.

After voters objected by more than a two-to-one ratio, Dick DeVos gave a speech at the Heritage Foundation saying such efforts would have to shift to state legislatures, where groups backed by deep-pocketed donors could offer "a political consequence for opposition, and political reward for support of education reform issues."

It is not unusual for the wealthy—who devote nearly 50 percent of their philanthropic dollars to education, according to the group Wealth-X—to spend aggressively in the political realm to impose their preferred reforms.

Even by these standards, however, the DeVoses stand out for the amount of money they spend trying to advance their goals through politics rather than philanthropy, such as research into reforms or subsidizing schools.

As Sarah Reckhow, an expert on education philanthropy at Michigan State University, put it: "The DeVoses are like: 'No, we know what we want. We don't need to have all this window dressing.'"

Ms. DeVos has led two nonprofits that have spent millions of dollars electing governors and legislators sympathetic to school vouchers around the country.

Matt Friendewey, a spokesman for one of the groups, said the efforts had frequently been bipartisan, and that the amount of money they had spent has been dwarfed by contributions from teachers' unions opposed to reform. Yet in Michigan, at least, the family's political strategy has not been subtle.

After he defied Ms. DeVos on a key charter school vote, Mr. Pumford, the former Republican legislator, survived an effort by the Great Lakes Education Project, a nonprofit the DeVoses bankrolled, to defeat him in his 2002 primary.

But shortly after, the House speaker told him the Education Committee chairmanship he coveted would not be forthcoming. "I said, 'Why?'" Mr. Pumford recalled. "He said: 'You know why. The DeVoses will walk away from us.'" Mr. Pumford added: "She told me that was going to happen."

(Rick Johnson, the House speaker, said he did not recall the conversation but also that he had not promised Mr. Pumford the chairmanship and would not have explained his reasons for withholding it.)

Over time, the Great Lakes Education Project helped elect Republican majorities sympathetic to the DeVoses' agenda. But the DeVoses' lobbyists and operatives also discovered less messy ways to advance legislation.

Late one night of their last workweek in 2015, the Michigan House and Senate were about to approve some uncontroversial changes to campaign finance law, when the bill abruptly grew by more than 40 pages.

After the legislators discovered what they had voted for, many said they were horrified.

Tucked away in the new pages was a provision that would have made it much harder for local bodies like school boards to raise money through property tax increases.

"Michigan schools will likely suffer the brunt of the impact because the vast majority rely on periodic voter approval of local operating levy renewals for property taxes," the ratings agency Moody's wrote of the measure the following month.

"I was fooled into voting for something I opposed," said Dave Pagel, a Republican representative. "I consider it the worst vote I've made."

The chief culprits, according to Mr. Pagel and others at the state Capitol when the bill passed, were lobbyists closely tied to the DeVoses.

Tony Daunt, a spokesman for the Michigan Freedom Fund, a nonprofit headed by the DeVoses' longtime political aide, and whose political spending arm they have funded generously, said the group was "part of the discussion process with people in the legislature" about the proposal and "had consistently expressed support for the policy."

The law was later blocked by a federal judge, but the group has vowed to try again.

RADICAL SUSPICIONS

Ms. DeVos's advocates see in these fights the toughness to take on entrenched opponents of expanding reforms like charter schools and vouchers.

In promoting Ms. DeVos in *The Washington Post*, Mitt Romney, the Republican Party's 2012 presidential nominee, emphasized that her wealth gave her the independence to be "someone who isn't financially biased shaping education." He added, "DeVos doesn't need the job now, nor will she be looking for an education job later."

But critics see someone with an unmistakable agenda. "The signs are there that she will do something radical," said Jack Jennings, a former general counsel for the House education committee. "Trump wouldn't have appointed this woman for this position if he didn't intend something radical."

Ms. KAPTUR. The article states: "She is the most emblematic kind of oligarchic figure you can put in a cabinet position. . . . What she and the Kochs have in common is the unbridled use of wealth power to achieve whatever political goals they have."

If confirmed, Betsy DeVos would be responsible for administering our Nation's student loan portfolio and would have to ensure borrowers repay their loans in a timely manner. Yet, how can we believe she will demonstrate sound judgment in her responsibilities or be a role model when her own political organization has blatantly avoided paying legally obligated fines for her violations of Ohio's election laws?

Mr. Speaker, Betsy DeVos' attempt to subvert the law and buy influence

are diametrically opposed to everything the President-elect advised was wrong with America. He wants to drain the swamp. No one in America should be above the law, and neither should Betsy DeVos be above the law. She ought to pay the \$5.3 million she owes the people of Ohio.

SECRETARY OF EDUCATION NOMINEE BETSY DEVOS

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. FUDGE) for 5 minutes.

Ms. FUDGE. Mr. Speaker, I rise today with my colleagues, Representatives BEATTY and KAPTUR, to address the Secretary of Education.

Mr. Speaker, Betsy DeVos is an imminent and present danger to all of America's children. She does not support public schools. Public schools are where 93 percent or better of all America's children attend. She opposes increased accountability and transparency in for-profit schools, and has a privatization agenda that can set public education back more than 50 years. Even more alarming, she breaks laws and does not pay her bills. DeVos has owed my home State of Ohio \$5.3 million since 2008 for violating campaign finance laws. Despite repeated attempts to collect the money, she has failed to pay those fines.

As ranking member of the Subcommittee on Early Childhood, Elementary, and Secondary Education, I am deeply concerned about DeVos' nomination for Secretary of Education. As a member of the Ohio delegation, I am appalled by her deliberate refusal to pay millions in fines she owes our State. We cannot give the purse strings of America's education system to someone only concerned with her own bank account. And we cannot entrust the future of our children to a person who breaks the law, cozies up to Wall Street, and calls public schools, which I believe are the bedrock of our education system, a dead end.

I urge my Senate colleagues to vote "no" on DeVos. The future of our country and our children are at stake.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 42 minutes a.m.), the House stood in recess.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at noon.

PRAYER

The Chaplain, the Reverend Patrick J. Conroy, offered the following prayer:

God of the universe, we give You thanks for giving us another day.

As the early days of the 115th Congress play out, we are mindful and grateful that our Nation has once again experienced something so often lacking in our world's experience: the peaceful transition of government.

Though major change of party control did not take place in this Chamber, it is still the American experience that our streets are peaceful and winners and losers of elections move on with their lives in dignity.

We thank You again for the inspiration of our Nation's Founders and the legacy they left us with. May the Members of this assembly, and all Americans, be worthy of that legacy.

And may all that is done in the people's House be for Your greater honor and glory.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WILSON of South Carolina. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WILSON of South Carolina. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Michigan (Mr. BERGMAN) come forward and lead the House in the Pledge of Allegiance.

Mr. BERGMAN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the Representative-elect please present himself in the well.

Mr. SCHRADER of Oregon appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter, so help you God.