

COPY

IN THE  
OHIO ELECTIONS COMMISSION

Clifford O. Arnebeck, Jr., Esq.  
1021 E. Broad St.  
Columbus, OH 43205

Case No.

Exhibit:

Complainant,

v.

Partnership for Ohio's Future  
230 East Town St.  
P.O. Box 15159  
Columbus, Ohio 43215-0159

Respondent.

**RECEIVED**  
OCT 28 2010  
OHIO ELECTIONS COMMISSION

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AFFIDAVIT AND COMPLAINT

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STATE OF OHIO                    )  
  )     SS:  
COUNTY OF FRANKLIN        )

I, Clifford Arnebeck, having been duly cautioned and sworn, state as follows based upon personal knowledge:

1. This is a two count complaint against The Partnership for Ohio's Future an affiliate of the Ohio Chamber of Commerce that replaced Citizens for a Strong Ohio against whom I litigated between 2000 and 2005.
2. The first count is that the expenditures of The Partnership for Ohio's Future are not truly independent but rather had been coordinated with the Republican candidates, their agents, committees, parties and their *de facto* coordinated national campaign being directed by Karl Rove. As such the expenditures of the Partnership for Ohio's Future constitute in-kind contributions which are properly subject to the limitations prescribed by Ohio law for political contributions.
3. The second is for the false statement contained in the advertisements of the Partnership for

Ohio's Future: "not authorized by a candidate or candidate committee." This statement is false and is made with either knowledge of the falsity of the statement or with reckless disregard as to the falsity of the statement, all for the purpose of influencing a candidate election.

5. Some background information is necessary in regard to this complaint. That background is part of the basis for my personal knowledge of the matters addressed. The broader context of this matter as laid out below also provides evidence of the coordination between the donors and the candidates and their campaigns which supports a finding of probable cause as to both counts of the complaint.

6. During the 2000, 2002 and 2004 election cycles I represented The Alliance for Democracy and American Friends Service Committee of Northeast Ohio in complaints before the Ohio Elections Commission concerning the elections to The Supreme Court of Ohio against Citizens for a Strong Ohio and Informed Citizens of Ohio, organizations functioning as extensions of the Ohio Chamber of Commerce.

7. During the 2004 election cycle I also represented individual voters and The Alliance for Democracy in challenges to the presidential election and the chief justice election before the Ohio Supreme Court and, in the case of the presidential election, continued to pursue that matter in United States District Court in Columbus. I also represented the NAACP National Voter Fund in defending it against a Republican racketeering claim under the Ohio corrupt practices act against the NAACP and other voter registration groups in a case that was brought in Wood County, Ohio.

8. In 2006 I filed suit in United States District Court in behalf of various civil rights groups and a youth organization in regard to an ongoing conspiracy by Ohio Secretary of State Kenneth Blackwell and others to deprive blacks and young voters of voting rights and to manipulate vote counts to their disadvantage.

9. In 2007 I issued document hold notices to the Ohio Chamber of Commerce in connection with the contemplated state RICO claim under the Ohio Corrupt Practices Act in connection with corrupting elections in Ohio with corporate money.

10. In 2008, specifically July 17, 2008, I issued further document hold notices to the United States Chamber of Commerce and to the United States Department of Justice in regard to documents and in regard to e-mails of Karl Rove that originated out of the White House. This was also in connection with the contemplated state RICO claim in which we identified Karl Rove as the principal perpetrator in an Ohio racketeering conspiracy. We also identified Rove's computer guru Michael Connell as the key witness in regard to the full scope of this activity. The document hold notices were accompanied by a news conference calculated to bring these activities to the public attention.

11. Within days of this news conference, an anonymous tip, deemed credible by our cyber security expert who was both a friend and political and professional colleague of Mike Connell,

was delivered to me to the effect that Karl Rove had threatened witness Michael Connell. The nature of the reported threat was to induce Michael Connell to "take the fall" for the theft of the 2004 presidential election. Michael Connell had a contract with Kenneth Blackwell to set up the website in the Secretary of State's office and handle various aspects of the state computer system for tabulation of votes in both the 2004 and 2006 election cycles. Mike Connell brought SmartTech, the company that hosted a broad spectrum of Republican websites including the presidential campaign website for George W. Bush in 2004, the Republican National Committee, into the Ohio Secretary of State's office. Connell and SmartTech were also involved with other third party groups holding themselves out as independent from the Republican Party and the Republican campaign, including but not limited to Swift boat Veterans for Truth.

12. I advised law enforcement authorities, investigative press corps, and federal court chambers of the reported credible threat against the key witness that we had identified.

13. I proceeded to seek and obtain a court order requiring Michael Connell's attendance in federal court in Cleveland for the argument of his motion to quash the subpoena which we had served upon him. The court ordered the deposition to go forward on the day preceding the 2008 election. I deposed him as ordered by the court. In his deposition it was clear that Michael Connell had no intention of taking the fall for the theft of the 2004 presidential election. Furthermore, when pressed with appropriate follow-up questions, Michael Connell appeared to be a person who would not lie under oath.

14. On December 19, 2008 Michael Connell died in a plane crash returning from Washington, DC to his home Akron Canton Airport.

15. The anonymous tipster had identified Enterprise Alabama as the center of Rove's election stealing operation. In September 2008 I contacted intelligence investigative reporter Wayne Madsen for information about Enterprise, Alabama. He directed me to John Caylor, an investigative reporter for Enterprise. I talked to Caylor on September 10, 2008 and he related a variety of stories about organized crime activity in Enterprise.

16. On March 4, 2009 I was contacted by a retired Florida police officer named Doc Tomkiel urging me to protect John Caylor who was then in Washington, DC seeking witness protection status of the Department of Justice. I contacted Caylor and agreed to take his dying declaration, as, among other things, a protective mechanism.

17. I briefed a federal magistrate judge in a pending case in federal court and three attorneys from the Ohio Attorney General's office in regard to John Caylor's testimony. Caylor spent some 30 years studying the criminal racketeering enterprise named The Enterprise after Enterprise, Alabama. I made Caylor's testimony available to the FBI. I also filed with the federal court a notice of this submission of Caylor's dying declaration under seal.

18. In September 2009 letter was mailed to the Federal Bureau of Investigation in Cleveland by a person using the pseudonym of Mark Felt. With this letter was enclosed what purported to be

an operations report on the termination of Michael Connell as a national security threat. The letter indicated that six copies had been sent out, and one of those copies was sent to me. I have attached a copy of that letter.

19. In the earlier part of 2010 I received a letter from Brad Smith as the election attorney for the Ohio Chamber of Commerce in regard to the possible termination of the document hold notice to the Ohio Chamber of Commerce in view of the Citizens United States Supreme Court decision in January of 2010.

20. I indicated to Brad Smith that we were proceeding to organize a private action under the state RICO statute in the event that the State of Ohio and the U.S. Justice Department did not agree to take up the task to hold accountable Karl Rove and Tom Donahue with respect to an election corruption enterprise that we believe began in 2000, in which Donahue committed funds to Rove and Rove committed government deregulation and everything else that business wanted in the course of a George W. Bush administration. This election corruption enterprise had both a state prong focusing upon creation of "business friendly" state supreme courts and a federal component focusing upon controlling the presidency and the United States Senate to assure appointment of "business friendly" Supreme Court justices.

21. I have a confidential source who personally witnessed Karl Rove and Tom Donohue coordinating their activities to determine the outcome of a state Supreme Court election.

22. The importance of Michael Connell's demise is that he was a non-criminal professional actor who had been the architect of the computer aspects of this corrupt enterprise who, when pressed, would tie together the full spectrum of this enterprise as the activities of a single enterprise and as a coordinated pattern of activity directed by Rove. Attached is Bob Fittrakis' article in the Free Press on Michael Connell as Rove's computer guru.

23. In the current election cycle the election corruption enterprise of Rove and Donahue is being manifested through the influx of billionaire/global corporate money where the actual source of the funding and speech is concealed. It is also being spread across the full spectrum of campaigns that will determine not just the composition of Congress for the next two years but also the composition of state apportionment boards that will draw the lines that will determine the partisan mix of state legislatures and state congressional delegations for the next 10 years as well as the state courts and possibly the U.S. Senate with the effect of further curtailing the ability of the Democratic President to secure confirmations to the U.S. Supreme Court and other high offices of his choices for those offices. It is also being spent exercise partisan control over the Ohio Supreme Court.

24. Karl Rove has admitted as recently as in his interview with Bob Schieffer on CBS's Face the Nation on Sunday, October 24, 2010, that he is asking for the money. What he does not say but is clear from the background is that he is doing so as an agent for the full spectrum Republican national campaign to maximize their influence and control of governments for the next 10 years. See NPR report of October 27, 2010 and New York Times "Pro -G.O.P. Groups Prepare for Big

Push at End of Races” and New York Times “Large corporate donations help U.S. Chamber of Commerce influence politics: Analysis.”

25. Thomas Donahue as head of the United States Chamber of Commerce has been quite outspoken and proud of his accomplishments in delivering vast sums of money to Karl Rove and to Karl Rove's operations often through nonprofit corporate entities the names of which conceal the identity and character of the actual contributors.

26. As reported in the Wall Street Journal by Jim VandeHei on September 11, 2001, VandeHei was able to obtain four one million-dollar checks that had been given to the United States Chamber of Commerce for use in their campaign to influence state Supreme Court elections. The four companies identified were Wal-Mart Stores Inc., DaimlerChrysler AG, Home Depot Inc. and the American Council of Life Insurers. The 2005 final hearing before the Ohio Elections Commission on the complaint of the Alliance for Democracy against Citizens for Strong Ohio and the Ohio Chamber of Commerce, Chip McConville, the designated witness for the Ohio Chamber and Citizens for Strong Ohio admitted that the United States Chamber of Commerce had spent \$3 million in their expenditures to influence the O'Donnell/Resnick Supreme Court race. Inasmuch as Ohio and Mississippi were the primary target states for the US chamber in the 2000 election cycle and expenditures in Mississippi were reported as being approximately \$1 million it would appear that one fourth of the US chamber's expenditure in the Ohio campaign was from a foreign corporation. In a meeting I had with Lloyd Mahaffey of the United Auto Workers he told me that when representatives of Daimler Chrysler were confronted by the union concerning their expenditures to influence the Ohio Supreme Court race in 2000 as reported by the Wall Street Journal, their representatives assured Mahaffey that the decision to make that contribution was made in Germany.

27. The manifestation of this that is within the jurisdiction of the Ohio Elections Commission is in the secret corporate money being infused into two of the Ohio Supreme Court elections in an amount and in a way which will determine the outcome of those elections unless the public is informed before the election of the probable fact that these are illegal in-kind contributions to these campaigns, in violation of R.C. 3517.102, R.C. 3517.105 and R.C. 3599.03. If the corrupt nature of this coordinated rather than independent expenditure of funds is not exposed, the court will in all probability return to a one party Republican monopoly of the Ohio Supreme Court.

28. It should be noted that Supreme Court Justice Paul Pfeiffer, while a Republican, vigorously condemned the Chamber attack on Justice Resnick in the 2000 election cycle, and has been a consistent outspoken critic of the corporate spending to influence the state Supreme Court elections. Furthermore, in universal acknowledgment of his independence and integrity as a jurist Republican Party spokesmen such as former Governor Taft had expressed displeasure and disinterest in supporting the candidacy of Paul Pfeiffer even though he was seeking reelection as the Republican candidate on the Ohio Supreme Court. And, the Democratic Party has not nominated a candidate to oppose Senator Pfeiffer's reelection in either the 2004 or 2010 election cycles. Other than another Republican justice, Justice Douglas, who served on the court through 2002 the other Republican justices have not rejected or criticized the expenditure of corporate

money to support Republican only judicial candidates deemed "business friendly" by the United States and Ohio Chamber of Commerce.

29. On June 1, 2001, I was confidentially informed by a member of our joint Alliance for Democracy/Common Cause/Ohio litigation team against the Ohio Chamber of Commerce and United States Chamber of Commerce in connection with their attack upon Justice Resnick in the 2000 election cycle that a reliable confidential informant had reported that there had been a series of meetings during 2000 among the leaders of the various branches of Ohio government, including the chief justice, Moyer and Governor Bob Taft in which there had been a consensus that something had to be done about justice Resnick and the "gang of four" on the Ohio Supreme Court. Furthermore, I was advised that there had been a meeting of Chief Justice Tom Moyer and Republican candidate Terrence O'Donnell, the challenger to Democratic Justice Alice Robie Resnick with Andy Doehrel the president of the Ohio Chamber of Commerce.

30. The current beneficiary of this advertising, Maureen O'Connor, served as Lieutenant governor at the time Governor Taft was actively soliciting funds for Citizens for a Strong Ohio. Though a lawyer, like Governor Taft, Maureen O'Connor did not speak out in opposition to the Chamber's attack ads against justice Resnick as Reginald Jackson, in his capacity as President of the Ohio State Bar Association, called upon all lawyers and judges to do. Furthermore, Maureen O'Connor advertised on her 2008 website the fact that she had spoken to the AIG Corporation. AIG and the Starr Foundation were headed at the time by Hank Greenberg who contributed in excess of \$17 million to the United States Chamber of Commerce Institute for Legal Reform, out of which the Chamber's advertising to influence state Supreme Court elections was funded.

31. In the current advertising by the Partnership for Ohio's Future the ad states that it is not authorized by a candidate or candidate's committee. The statement is false and is being made with knowledge or reckless disregard of its falsity for the purpose of influencing a candidate election, in violation of Ohio Revised Code 3517.21(B)(10). The ads are plain and simply campaign ads in support of the candidacies of Republican candidates O'Connor and Lanzinger--together or separately. The varying expenditure level appears to be based upon polling data indicating how much advertising is needed to ensure the victory of each of those candidates in the current cycle. The funding and the advertising are authorized by the candidates in every sense other than formally and officially, in violation of R.C. 3517.102 and R.C. 3517.20.

32. Consistent with the national strategy of Rove and Donahue The Partnership for Ohio's Future has reneged on the Ohio Chamber's commitment made after the 2000 election to disclose the name names of donors to what they claimed to be there independent expenditures for issue advertising.

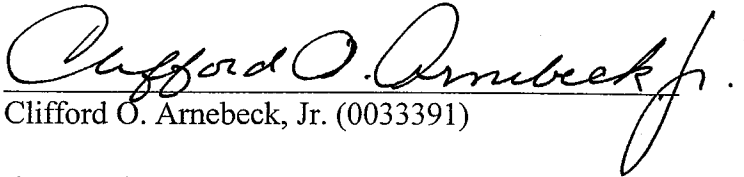
33. A finding of probable cause to believe that this secret money is an in-kind contribution to these campaigns will alert the public to the nature of the source of this money before the election.

34. Further, a finding of probable cause will enable private parties seeking to uphold the integrity of the election process to conduct discovery to prove their case which under the Ohio

racketeering statute must be done as a prerequisite to an assertion of criminal liability on the part of Partnership for Ohio's Future for making illegal expenditures to influence a candidate election in coordination with, rather than independently of the candidates for the election.

WHEREFORE, ~~and~~ plaintiff respectfully requests that respondents be found in violation of Ohio revised code sections 3517.102, 3517.105, 3599.03, 3517.21(B)(10) and 3517.20 and that may be appropriately sanctioned.

FURTHER AFFIANT SAYETH NAUGHT

  
Clifford O. Arnebeck, Jr. (0033391)

Sworn to and subscribed before me this 28th day October 2010.



Meredith C. Moriarty, Attorney At Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date  
Sec. 147.03 R.C.

  
Notary Public

*Polymer Letters*

THE  
JOURNAL  
OF  
THE  
ROYAL  
ANTHROPOLOGICAL  
INSTITUTE  
OF GREAT  
BRITAIN  
AND IRELAND  
PART 1  
1905







230 East Town Street • P.O. Box 15159 • Columbus, Ohio 43215-0159  
614.228.4201 • 614.228.6403 Fax

October 21, 2010

Mr. J. Curtis Mayhew  
Campaign Finance Administrator  
Ohio Secretary of State  
180 East Broad Street – 16<sup>th</sup> Floor  
Columbus, OH 43215

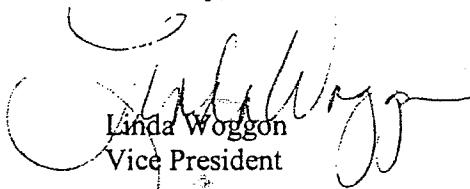
Dear Mr. Mayhew:

Enclosed is Form 30-E, Independent Expenditures Made by Individuals, Partnerships or Other Entities. This form is being filed by the Partnership for Ohio's Future (the Partnership), an Ohio corporation. It reflects independent expenditures made by the Partnership through October 13, 2010 related to the General Election.

These independent expenditures were made in accordance with the U.S. Supreme Court's January 2010 decision in *Citizens United v. Federal Elections Commission*. Since Ohio law does not require reporting such expenditures we have opted to voluntarily report them on Form 30-E.

Should you have any questions about this report, please feel free to contact me.

Sincerely,

  
Linda Woggon  
Vice President

Enclosure: Form 30-E

OCT 21 2010

30-E  
R.C. 3517.105

SECRETARY OF STATE

Page 1

# Independent Expenditures Made by Individuals, Partnerships or Other Entities\*

Prescribed by Secretary of State 07/05

Name of Individual, Partnership or Other Entity Partnership for Ohio's Future									
Street Address 230 E. Town Street									
City Columbus				State OH		Zip Code 43215			
Type of Report (Place X to the left of report type)	<input type="checkbox"/> Pre-Primary	<input type="checkbox"/> Post-Primary	<input checked="" type="checkbox"/> Pre-General	<input type="checkbox"/> Post-General	<input type="checkbox"/> Annual				
Date of Election	M 1	D 1	0	2	1	0	<input type="checkbox"/> Pre-Special	<input type="checkbox"/> Post-Special	<input type="checkbox"/> Semiannual

Candidate or Ballot Issue Maureen O'Connor		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate Office Sought Chief Justice, Ohio Supreme Court							
To Whom Paid Red State Strategies										
Address 3401 Mentor Avenue #240		Purpose Postcards		M 0	D 8	2	9	1	0	Amount \$59,424.14
City Mentor		State OH		Zip Code 44060						
Candidate or Ballot Issue Maureen O'Connor		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate Office Sought Chief Justice, Ohio Supreme Court							
To Whom Paid Sandler-Innocenzi, Inc.										
Address 705 Prince Street		Purpose TV Buy		M 0	D 9	2	9	1	0	Amount \$243,590.68
City Alexandria		State VA		Zip Code 22314						
Candidate or Ballot Issue Maureen O'Connor		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate Office Sought Chief Justice, Ohio Supreme Court							
To Whom Paid Sandler-Innocenzi, Inc.										
Address 705 Prince Street		Purpose TV Buy		M 1	D 0	0	5	1	0	Amount \$120,678.19
City Alexandria		State VA		Zip Code 22314						

\*Other Entities do not include corporations, labor organizations, campaign committees, legislative campaign funds, PACs, political contributing entities (PCEs) or political parties.

THE INFORMATION CONTAINED IN THIS REPORT IS MADE UNDER PENALTY OF ELECTION FALSIFICATION. WHOEVER COMMITS ELECTION FALSIFICATION IS GUILTY OF A FELONY OF THE FIFTH DEGREE.

Signature

Linda S. Woggon, Vice President

Print Name (and Title, if applicable)

Date

10/21/10

Page Total \$ 423,693.01

RECEIVED

OCT 21 2010

30-E  
R.C. 3517.105

SECRETARY OF STATE Page 2

# Independent Expenditures Made by Individuals, Partnerships or Other Entities\*

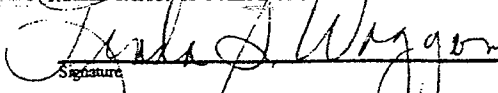
Prescribed by Secretary of State 07/05

Name of Individual, Partnership or Other Entity Partnership for Ohio's Future									
Street Address 230 East Town Street									
City Columbus				State OH		Zip Code 43215			
Type of Report (Place X to the left of report type)	<input type="checkbox"/> Pre-Primary	<input type="checkbox"/> Post-Primary	<input checked="" type="checkbox"/> Pre-General	<input type="checkbox"/> Post-General	<input type="checkbox"/> Annual				
Date of Election	1	1	0	2	1	0	<input type="checkbox"/> Pre-Special	<input type="checkbox"/> Post-Special	<input type="checkbox"/> Semiannual

Candidate or Ballot Issue Judith Ann Lanzinger		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate, Office Sought Justice, Ohio Supreme Court	
To Whom Paid Red State Strategies				
Address 9401 Mentor Avenue #240		Purpose Postcards		M D Y Amount 0 9 2 9 1 0 \$59,424.14
City Mentor		State OH	Zip Code 44060	
Candidate or Ballot Issue Judith Ann Lanzinger		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate, Office Sought Justice, Ohio Supreme Court	
To Whom Paid Sandler-Innocenzi, Inc.				
Address 705 Prince Street		Purpose TV Buy		M D Y Amount 0 9 2 9 1 0 \$243,590.67
City Alexandria		State VA	Zip Code 22314	
Candidate or Ballot Issue Judith Ann Lanzinger		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	If Candidate, Office Sought Justice, Ohio Supreme Court	
To Whom Paid Sandler-Innocenzi, Inc.				
Address 705 Prince Street		Purpose TV Buy		M D Y Amount 1 0 0 5 1 0 \$844,747.32
City Alexandria		State VA	Zip Code 22314	

\*Other Entities do not include corporations, labor organizations, campaign committees, legislative campaign funds, PACs, political contributing entities (PCEs) or political parties.

THE INFORMATION CONTAINED IN THIS REPORT IS MADE UNDER PENALTY OF ELECTION FALSIFICATION. WHOEVER COMITS ELECTION FALSIFICATION IS GUILTY OF A FELONY OF THE FIFTH DEGREE.

  
Signature  
Linda S. Woggon, Vice President  
Print Name (and Title, if applicable)

10/21/10  
Date

Page Total \$ 1,147,762.13

Ex C

DAY, SEPTEMBER 11, 2001

## Political Cover

### Major Business Lobby Wins Back Its Clout By Dispensing Favors

Some Members Can Hide Behind Chamber's Name To Pursue Private Ends

### Targeting 'Unfriendly' Judges

By JIM VANDERHEI

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Last summer, Philip Anschutz, chairman of Qwest Communications International Inc., wanted to defeat legislation that could have prevented his company from expanding overseas. But the billionaire investor, who shuns publicity, preferred to keep a low profile.

Enter Thomas Donohue, president of the U.S. Chamber of Commerce. Mr. Donohue,



Thomas Donohue

who considered Mr. Anschutz a potential \$1 million donor to the chamber, eagerly proposed a solution: His organization would step up its efforts to derail the legislation, and it would keep Mr. Anschutz and his associates fully informed.

It wasn't the first time Mr. Donohue had helped a corporate chieftain out of a jam.

By selectively offering such personalized assistance, the 62-year-old executive has transformed the way the nation's flagship business organization does business. Since taking over the U.S. Chamber of Commerce four years ago, he has more than doubled the group's fund-raising tally to \$100 million annually. His most striking innovation has been to offer individual companies and industries the chance to use the chamber as a means of anonymously pursuing their own political ends.

Internal chamber documents reviewed by The Wall Street Journal show that the organization has created several special accounts to take in money for projects on behalf of individual companies or groups of companies with a common policy goal. In some cases, the money is spent just days after it comes in the door. The chamber, like many nonprofit organizations, isn't required to report the sources of its funding, which makes it an attractive vehicle for those such as Mr. Anschutz who sometimes like to operate under the radar. Mr. Anschutz couldn't be reached for comment.

Mr. Donohue, who is 62 years old, defends the chamber's special projects, saying all of them are consistent with the organization's pro-business mission and its role as an advocate for the American business community at large. And, he adds, none of them conflict with the interests of any of the chamber's 150,000 dues-paying member companies. "The chamber is not for sale," Mr. Donohue says, though he adds that he is constantly marketing its lobbying and legal services to companies who could use them.

Many companies are buying. Last fall, for example, Wal-Mart Stores Inc., DaimlerChrysler AG, Home Depot Inc. and the American Council of Life Insurers all kicked in \$1 million each for one of the chamber's special projects: a TV and direct-mail advertising campaign aimed at helping elect business-friendly judges. The participants had all been targets of costly lawsuits, and the chamber's campaign gave them a way to fight back—without disclosing their identities. That allowed them, among other things, to avoid attracting the attention of the nation's trial lawyers, who were spending millions of their own to help elect plaintiff-friendly judges.

#### 'Fixing' the System

Wal-Mart spokesman Tom Williams says his company joined the campaign because "we're always looking for ways to drive down costs for our business and save money for our customers." He says that the fact that Wal-Mart's sponsorship of the ads wouldn't be made public didn't figure into its decision. Nor did the prospect of anonymity sway the ACLI, says Phil Anderson, a spokesman for the Washington-based trade group. Rather, he says, the group wanted to "get people to make different political decisions" and "fix" the legal system.

"Finally," says Mr. Donohue, the "business community is finding out" that class-action lawsuits are "sucking the vitality out of their ability to develop products and do business" without ending up in court. "And somebody—thank you very much—was smart enough to organize" the campaign.

Although Mr. Donohue promised contributors anonymity in the effort, some balked. General Motors Corp., which contributed \$250,000 to defeat product-liability legislation, "told them that our [money] cannot be used in judicial races," says GM spokesman William H. Noack. "We did not think it was appropriate," because GM doesn't typically contribute such "soft money" to political campaigns.

Still, Mr. Donohue raised more than \$5 million for judicial campaign ads in Michigan, Mississippi, Ohio, Indiana and Alabama. Many of the targeted judges had rendered verdicts against one or more of the companies contributing to the effort. In Mississippi, where the chamber spent about \$1 million on the state's Supreme Court elections, it still is engaged in a court battle to protect the identities of its donors.

In mid-September, a few weeks after the money earmarked for the judicial races starting rolling in, Bruce Josten, one of Mr.

Please Turn to Page A6, Column 1

# Business Lobby Recovers Its

Continued From Page A1

Donohue's closest colleagues, approached more than a dozen pharmaceutical companies. He asked them to pony up more than \$1 million each to run a separate set of ads under the chamber's banner. The idea was to help defend the views of GOP candidates that sided with the industry in the debate over a Medicare prescription-drug benefit.

At the time, Democrats were pounding Republican candidates and the drug industry for not supporting the initiative, which could have lowered drug prices as well as drug-company profits. The industry, arguing that the legislation would kill its incentives to invest in new drugs, struck back, launching a series of ads through its trade group. But many GOP leaders considered the ads ineffective. Mr. Josten says he offered drug-company executives a "better messenger"—the chamber. The idea that the chamber would seem to be a less self-interested spokesman than the drug trade association wasn't a "tough sell," he adds.

Eleven drug makers, including Merck & Co. and Bristol-Myers Squibb Co., contributed \$1.22 million each to the campaign, internal chamber documents show. Schering-Plough Corp., which isn't a member of the chamber, chipped in a similar amount. The companies were asked to wire the money to the chamber, which, in turn, paid media-buying companies to place the TV ads under "the U.S. Chamber of Commerce" logo. The chamber collected a total of \$15 million between Sept. 23 and Oct. 27, as the ads began airing.

The pharmaceutical companies would neither confirm nor deny that they contributed to the campaign. Ronald Asinart, a spokesman for Schering-Plough, says his company "supports the position that facilitates public debate of new ideas that best represent the company's point of view."

GOP strategists say the chamber's ads helped Republican candidates—Reps. Ernie Fletcher of Kentucky and Mike Rogers of Michigan, for example—win in several House and Senate races where health care was a major issue. The ads also helped the candidates focus their own spending on other issues.

## 'Good for Getting It'

Mr. Donohue says the chamber's political campaigns benefit all chamber members because the money is spent on pro-business initiatives. "We gave them a means to do this. We gave them a mechanism to do this. We showed them that we have the courage to do this," he says. As for the fund-raising, says the sharp-tongued Brooklyn native, "I'm good for getting it."

Indeed, fund raising has been an important part of Mr. Donohue's crusade to re-establish the chamber as an influential player here in Washington. The group's prestige reached its peak during the Reagan years, because of its zealous support for the president's supply-side economic program. But by the mid-1990s, the group's clout had waned. Many of its allies trace the low point to 1994, when Richard Leshner, Mr. Donohue's predecessor, endorsed Hillary Clinton's failed national health-care program, sparking a revolt among his members.

When Mr. Donohue, a former leader of the American Trucking Association, took over the chamber in 1997, after Mr. Leshner's retirement, he pledged to dispel what he said was the chamber's image as "a sleeping giant, missing in action from many important battles."

Over the next few years, he hired a

stable of lobbyists, mainly Republican aides to the GOP-controlled Congress, and a new team of policy experts. During the same period, the chamber started to draw a growing percentage of its members and contributors from among the nation's biggest companies. Those companies helped the chamber raise \$35 million in 2000 for general operations, up sharply from \$3 million four years ago, and kicked in another \$20 million for special projects.

Mr. Donohue has benefited along the way. He says his salary this year will top \$1 million, about twice that of his predecessor. The chamber also will spend another \$1 million this year to lease and run the eight-seat private jet that it keeps at Mr. Donohue's disposal under terms of his contract. The executive, who rides around Washington in a chauffeured Lincoln, is known for throwing some of the city's most lavish parties on the chamber's behalf. At one recent fête at the National Building Museum, pop star Bruce Hornsby provided the entertainment.

Late last year, Mr. Donohue landed a seat on the Qwest board and stock options in the company worth \$750,000. He also sits on the boards of Sunrise Assisted Living Inc., XM Satellite Radio Holdings Inc. and Union Pacific Corp. "I operate at the same level as CEOs. They expect me to be on boards," Mr. Donohue says.

Mr. Donohue feels he has become so visible that he pays security companies to sweep his house, office and business cars for wire-tapping devices as often as twice a year. He fears that trial lawyers or agents from China or Cuba might be try-

## 'Tools' of the Trade

Mr. Donohue says his plane and parties are little more than tools to help him raise more money and make the chamber the most powerful business lobby in town. "Are we more powerful? Damn right we are," he says. The chamber, he adds, continues to spend the vast majority of its money on bread-and-butter issues that appeal to most of its members: free trade, lower taxes and regulatory and legal reform. But he makes no apologies for the group's aggressive efforts on behalf of some of its deepest-pocketed constituents.

Take, for example, its service to Ford Motor Co. and other major auto makers in the wake of last year's recall of 6.5 million Firestone tires. Firestone tire failures on Ford Explorer vehicles had been implicated in the deaths of more than 100 Americans. The initiative inspired a fervent crusade by GOP Sen. John McCain of Arizona, among others, for legislation to subject certain manufacturers of defective products to criminal penalties.

The legislation could have exposed the auto makers to billions of dollars in new lawsuits and might have influenced product-liability cases in other industries. Mr. Josten, the chamber's executive vice president, reached out to the Alliance of Automobile Manufacturers, the Rubber Manufacturers Association, which represents tire makers, and lawyer Victor Schwartz, who represented tire maker Bridgestone-Firestone Inc., to develop a response.

Mr. Josten and his colleagues mounted a fierce lobbying effort against the McCain bill and helped convince such GOP allies in the House to introduce an alternative that provided business with far more protection from lawsuits. The alternative measure was signed into law by President Clinton six days before the 2000 election.

# Clout by Dispensing Favors

The successful campaign was run out of the chamber's Institute for Legal Reform, which, according to internal documents, has received \$250,000 from GM, \$200,000 from Toyota Motor North America, \$150,000 from Ford and \$50,000 from DaimlerChrysler. Ford felt it would be "more effective to work with a broad-based coalition of companies" with common interests rather than on its own, says company spokeswoman Ellen Dickson.

Several manufacturers and insurance companies also contributed to the Institute for Legal Reform. Wal-Mart and insurer Aegon USA Inc., for instance, each kicked in \$1 million, while State Farm Mutual Automobile Insurance Cos. contributed \$500,000. Sen. McCain credited the institute with persuading GOP legislators to keep his bill from ever reaching the floor.

## Raised Eyebrows

Around the same time, the chamber's campaign on behalf of Mr. Anschutz was in full swing. It was urging lawmakers to reject a bill introduced by Sen. Fritz Hollings, a South Carolina Democrat, that would have barred partially state-owned foreign companies, such as Deutsche Telekom AG, from merging with a U.S. telecom firm. Mr. Anschutz's Qwest was among several companies that had expressed interest in merging with Deutsche Telekom.

At first, Mr. Donohue's decision to oppose the legislation "raised a lot of eye-

brows" at the chamber, says one of the organization's senior officials. The chamber typically avoids taking a position that could hurt any of its members, and cross-border telecom mergers were likely to produce both winners and losers. But Mr. Donohue says he felt that global expansion was good for the entire telecom industry, not just the handful of companies involved in the Deutsche Telekom talks.

For help, Mr. Donohue approached the companies involved in the talks. Deutsche Telekom rebuffed his appeal for a donation. But VoiceStream Wireless, which was in advanced negotiations with the German company, agreed to join the chamber and gave it \$100,000. Qwest joined, too, and kicked in \$100,000. Spokesmen for both companies said their contributions weren't related to the lobbying campaign.

In early October, Mr. Donohue got ARL-CIO chief John Sweeney to join him at a news conference to denounce the legislation as bad for the U.S. economy. That left the measure as good as dead. Deutsche Telekom completed its merger with VoiceStream earlier this year.

Mr. Donohue is still hoping to talk \$1 million out of Mr. Anschutz and dozens of other business leaders. "We're only about a third of the way of where we are going to get before I get out of here," says Mr. Donohue. "We're going to get bigger [and] stronger."

EX D

October 27, 2010

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## A Web Of GOP Influence

These groups style themselves as independent, grass-roots organizations, though they are tightly interconnected. The network is behind a slew of campaign ads this fall.

### FOLLOW A PATH

#### The Swift Boat Backer's Ties

A Texas homebuilder writes millions in dollar checks.

#### A Consultant's Connections

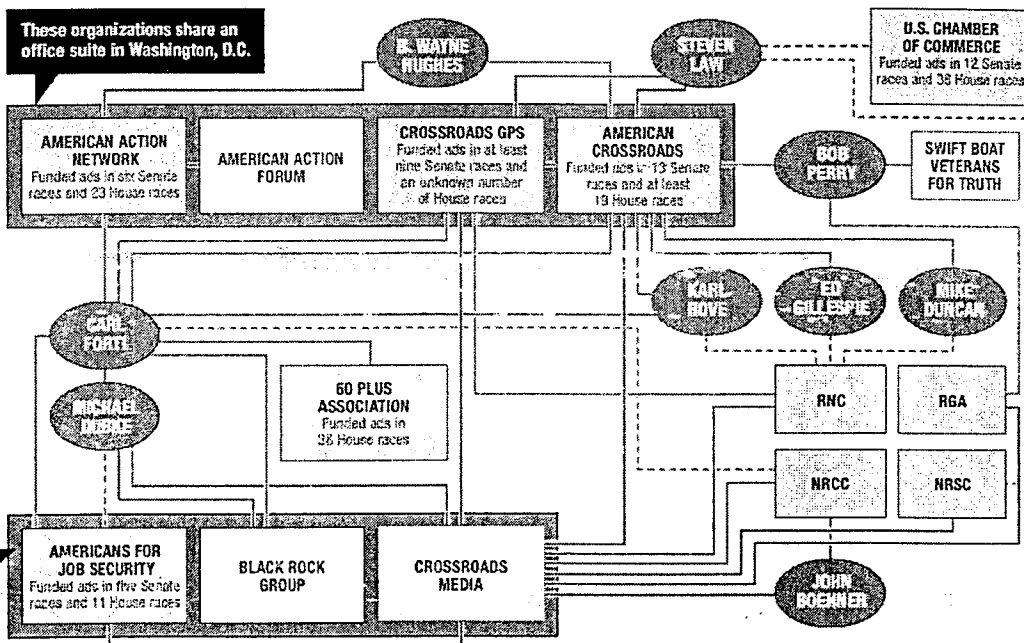
A strategist praised by Karl Rove as one of the smartest people in the world is a key link in the network.

#### From Capitol Hill To Campaign Ads

A former aide to a powerful GOP senator runs at the crossroads of the network.

### EXPLORE THE NETWORK

These organizations share an office suite in Alexandria, Va.



### Notes

Campaign activity numbers are as of early October.

Credit: Katie Bascuas, Nelson Hsu, Alyson Hurt, Peter Overby, Enca Ryan and Andrea Seabrook / NPR

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# 'Independent' Groups Behind Ads Not So Independent

PETER OVERBY and ANDREA SEABROOK

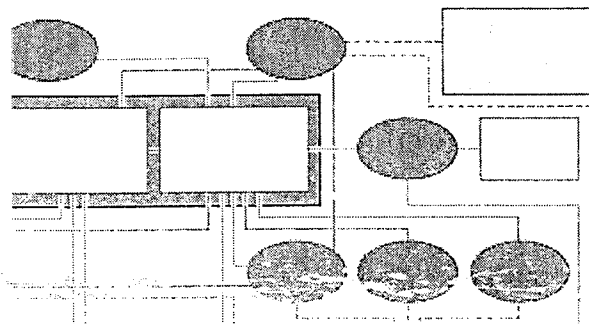
October 27, 2010

text size **A A A**

These are the final frantic days of the campaign season. From Missouri to Hawaii, New York to California, political groups are jamming in their last attacks. It's a banner year for attack ads — and the organizations making them — partly due to the sea of cash unleashed by a Supreme Court decision early this year.

## Mapping The Connections

See how some of these self-styled independent, grass-roots organizations are interconnected.



INTERACTIVE: A Web Of GOP Influence

Advocacy groups have popped up all over the country, raising and spending millions of dollars — without having to name their donors. Never before has so much of the congressional election campaign been waged by groups that operate independently of the parties and candidates.

But in reality, those so-called independent groups may not be so independent after all.

## Who Are They?

The groups often bear ambiguous names — Americans for Job Security, Crossroads Grassroots Policy Strategies, the 60 Plus Association. Many of them live through the

generosity of anonymous donors. The ambiguity and anonymity blur the public understanding of who these groups are.

So let's start with who they say they are.

One of the biggest players is American Crossroads, which has run ads like one in upstate New York that says Democrat Scott Murphy "broke our trust."

## Quiz: Understanding Ads

To explain more about how these "independent" groups work, we made one up. Listen to the ad from the fictional nonprofit organization and then answer the questions below.



Credit: NPR

"Now he wants our vote again? Fool us once, Scott. Shame on you," it says.

Its sister organization, called Crossroads Grassroots Policy Strategies, or Crossroads GPS, describes itself as a "grassroots advocacy organization that is committed to educating, equipping and mobilizing millions of American citizens."

Another group, Americans for Job Security, calls itself "the only independent, bi-partisan, pro-



Question

1/3

**Who made the ad?**

- A. ☐ John Smith's Opponent
- B. ☐ Americans For Apples
- C. ☐ United Apple Workers Union

**Check Answer**

*Credit: Andrea Seabrook/NPR*

business issue advocacy organization in America." It's running an ad in southwest Virginia that says Democratic Rep. Rick Boucher "has failed to protect our jobs."

"Now it's time Rick Boucher loses his," it adds.

And then there's the 60 Plus Association, which says it's a "non-partisan seniors advocacy group." It has an ad in Pennsylvania that says Rep. Chris Carney, a Democrat, "betrayed us. He supports Pelosi's agenda 91 percent of the time."

With these advertisers and others, the same words come up again and again: Grass-roots. Nonpartisan. Independent.

Their ads seem to imply the groups are homegrown. But every single one mentioned here is based within 20 minutes of Capitol Hill. Most of them, in fact, are in just two office suites.

As for their independence: It would be illegal for them to coordinate their attacks with the candidates they're helping, or with Republican Party committees. But among themselves, they're proud of the way they synchronize their efforts.

"If one group puts an ad on television in a certain congressional district, they let everyone else know that," says Jonathan Collegio with American Crossroads. "This way they don't double up on the advertising."

**What They Do**

**View The Ads**

Americans for Job Security is behind this ad, running in Virginia. Find links to other ads below.

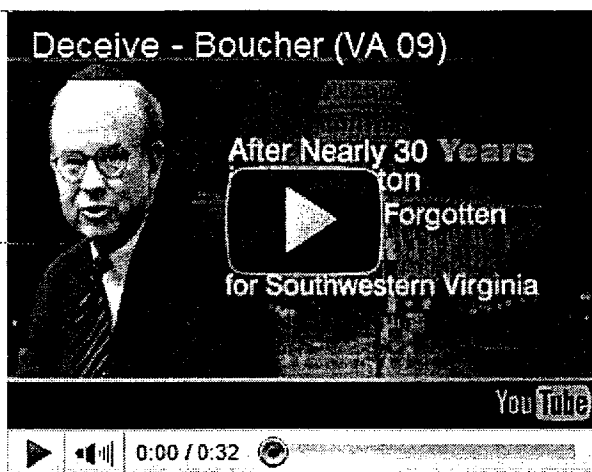
**More Ads**

60 Plus Association  
American Action Network  
American Crossroads

This teamwork didn't happen by accident. But it's hard to grasp just how interconnected these secret donor groups are — so it may help to take a look at this map.

In addition, here's an example using someone you've heard of: Karl Rove, President George W. Bush's top political strategist.

Rove co-founded American Crossroads, which later set up Crossroads GPS. Together they've run ads in at least 30 races around the country. They both use the same media services firm to buy airtime for their ads, Crossroads Media, which isn't related to them.



Source: YouTube

Other clients of Crossroads Media include House Republican leader John Boehner, the Republican National Committee, and the Republican Governors Association, or RGA.

This fall, the RGA received a donation of \$3.5 million from Bob Perry. You might recognize that name, since Perry helped to fund the Swift Boat Veterans for Truth ads against presidential candidate John Kerry in 2004.

This fall, Perry made another donation: \$7 million to American Crossroads, the group co-founded by Karl Rove.

This clearly isn't a bunch of individual, independent groups — as you can see from the map. It's one big network: a Republican campaign operation, working outside the official party.

### The Other Side

#### Funding An Attack Ad: How The Money Flowed In 2008

Two years ago, NPR traced the money going to a pro-Democratic "independent" political group that put out an ad attacking Republican presidential nominee John McCain.

See How The Money Flowed For That Ad

Related Story:  
Independent Group Airs Anti-McCain Ad  
March 6, 2008

This is not a new strategy. The cash flowed freely — and often in secret — two years ago. Except then it was mostly in support of Democrats. Back in 2008, NPR traced one network from its funders, including a union and liberal financier George Soros, to an anti-war coalition and an attack ad against Republican presidential candidate John McCain.

But what Democrats developed, Republicans have mastered.

A big reason why: money. Early this year, the Supreme Court ruled that corporations could spend unlimited amounts of money in partisan politics, and Republican advocacy groups have been flush with cash ever since. At the beginning of October, they had outspent Democratic groups by a 9-1 margin.

Democrats, including President Obama, are trying to make up for it by rallying the liberal base against that corporate money — but that can backfire, says Collegio of American Crossroads.

"In the eight days following President Obama's remarks, we actually raised more than \$13 million," he says.

Where did much of money come from? Well, while American Crossroads has to disclose its donors, Crossroads GPS does not. It's a legal loophole that looms larger this year than ever before, even for those that claim to be grassroots organizations.

And it's enabled Republicans to build a wide and rich campaign network outside their party.

One last example of how just tightly the web is woven: B. Wayne Hughes made a fortune in the self-storage business. He sits on the board of the American Action Network. The way the group is organized, it's unclear how much he's given to it. But he recently gave \$1.5 million to American Crossroads, just as the ad campaigns were ramping up.

That group says on its website: "We believe that a new direction for America starts with you — not with clever political ads, consultants and slick fundraising pitches."

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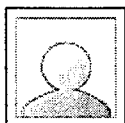
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**Conny Countie (Conny)** wrote:

Every single day NPR continues to show it extreme leftist bias. Does anyone think for one minute these "reporters" would ever do a similar connect the dots chart on the left and the Democrats (hello George Soros, "non partisan" Brennan Center, NCAAAP, Unions, etc)? Where was your 2008 chart?

You can fool some of the people some of the time but your firing of Juan Williams opened the eyes of many who thought NPR was fair and objective. Now they know better. It is an outrage that one cent of my tax dollars is paying for your liberal nonsense.

Thursday, October 28, 2010 1:37:54 PM

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**Emily Watson (EmilyWatson)** wrote:

Who made the ad? I don't see the appropriate choice...

1. John Smith's Opponent
2. Americans For Apples

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October 24, 2010

## Pro-Republican Groups Prepare Big Push at End of Races

By JIM RUTENBERG

OVIEDO, Fla. — The anonymously financed conservative groups that have played such a crucial role this campaign year are starting a carefully coordinated final push to deliver control of Congress to Republicans, shifting money among some 80 House races they are monitoring day by day.

Officials involved in the effort over the midterm elections' final week say it is being spearheaded by a core subset of the largest outside conservative groups, which have millions of dollars left to spend on television advertisements, mailings and phone calls for five potentially decisive Senate races, as well as the scores of House races.

Bolstered by a surge in last-minute donations and other financial support, outside liberal groups and unions say they are stepping up their response in advertising and get-out-the-vote efforts, but remain largely outgunned by the scale and sophistication of the operation supporting Republican candidates.

A vivid picture of how outside groups are helping Republicans across the country can be found here in central Florida. The incumbent Democrat, Representative Suzanne M. Kosmas, had a nearly four-to-one fund-raising advantage over her Republican challenger, State Representative Sandy Adams, at the end of September.

Ms. Adams, low on cash, has not run a single campaign commercial. But a host of outside groups have swept in to swamp Ms. Kosmas with attack ads, helping establish Ms. Adams as the favorite without her having to spend on television.

Many of the conservative groups say they have been trading information through weekly strategy sessions and regular conference calls. They have divided up races to avoid duplication, the groups say, and to ensure that their money is spread around to put Democrats on the defensive in as many districts and states as possible — and, more important, lock in whatever gains they have delivered for the Republicans so far.

“We carpet-bombed for two months in 82 races, now it’s sniper time,” said Rob Collins, president of American Action Network, which is one of the leading Republican groups this campaign season and whose chief executive is Norm Coleman, the former senator from Minnesota. “You’re looking at the battle field and saying, ‘Where can we marginally push — where can we close a few places out?’ ”

Democrats said the conservative groups were upending some of their best-laid plans in several important races, like here in Florida, especially those in which they had been counting on the financial advantages their candidates had over lesser-financed Republicans at the beginning of the general election.

Filings with the Federal Election Commission over the weekend show that one Republican group, American Future Fund, has purchased more television advertisements attacking Representative Bruce Braley, Democrat of Iowa, who was expecting an easier path to re-election. Another group, the 60 Plus Association, reported spending more than \$150,000 against Representative Solomon P. Ortiz, Democrat of Texas, who has been considered a likely victor in November against his cash-short challenger, Blake Farenthold.

“As you know, they have been dumping tens of millions of dollars of secret money into these campaigns,” Representative Chris Van Hollen of Maryland, the chairman of the Democratic Congressional Campaign Committee, said in an interview. “I would say the outside groups have shuffled the deck in a number of these races.”

The coordinating effort is led out of a nondescript office suite just blocks from the White House, where two groups formed with help from Karl Rove — American Crossroads and Crossroads GPS — share space with American Action Network, a nonprofit advocacy group. Together those strategists had already committed nearly \$45 million for advertisements among them, according to Democratic advertising monitors’ best estimates. That does not include millions more being spent to get voters to polls through mailings, phone calls and text messages.

Their office suite — which has been deluged with incoming messages from nervous donors asking for progress reports or offering advice — is also the site of the weekly strategy sessions, which have up to roughly 25 representatives from other Republican groups active this campaign season, participants say.

A secondary hub is in Alexandria, Va., at the office of the Crossroads groups' political director, Carl Forti, a protégé of Mr. Rove's whose company does communications consulting for Americans for Jobs Security and the 60 Plus Association, which have spent more than \$12 million between them this election cycle.

Working from color-coded master spreadsheets — one of which was obtained by The New York Times — the conservative groups are now closely monitoring polling in 80 House races that they judge crucial to ensuring a Republican majority. Based on those results, the groups have started to place their final advertising bets in ways carefully coordinated to fill openings left by the more financially limited official party and candidate committees.

In several cases, officials with the outside groups said, they intend to force Democrats to spend money in districts they presumed safe; in others, they said they would wipe out financial advantages Democratic incumbents were counting on to stave off strong challenges from underfinanced opponents.

"We're going to continue to have a very strong presence on the Senate and in each of the key House races where we've played a big role," said Steven Law, the president of American Crossroads and Crossroads GPS.

The groups, he said, are planning "an expansion of that effort, where we see holes and gaps."

Over all, they said, their moves are most acutely focused on those races determined to be the most critical in securing Republican Congressional control, rather than on tantalizing but long-shot attempts to defeat Democratic nemeses like Representative Barney Frank of Massachusetts.

Both sides reported seeing an influx of new spending by liberal outside groups that had generally been subdued until now — a late-stage cavalry effect that Mr. Law called "alarming from my vantage point," though he wondered if it was coming a bit late.

A group called Women's Voices. Women Vote Action Fund, recently began a significant advertising campaign against Ken Buck in Colorado, the Republican challenger to Senator Michael Bennet; Commonsense Ten, a liberal group that had been mostly focused on Senate races, has started a new advertising campaign to help Mr. Braley of Iowa.

"It's clear that both institutional donors and individual donors dug deep over the last two or three weeks, and it will make a difference for sure," said Jim Jordan, a strategist with Commonsense Ten. "But when we look back at the totality of it all we will still be outspent on electronic media six- or seven-to-one."

In Florida, a review of records at the local NBC affiliate, WESH, shows that a succession of outside groups bought time for waves of anti-Kosmas advertisements, an anonymous, attack-ad relay race.

"They are not required to disclose who they are," Ms. Kosmas said. "Therefore it's impossible to connect them to their real agenda."

Mr. Van Hollen sought to attach any Republican success on Election Day to the corporate benefactors backing the groups. "They are going to be very much indebted to these special interest groups that have come into these races," he said.

In an e-mail, Representative Pete Sessions of Texas, the chairman of the National Republican Congressional Committee, accused Mr. Van Hollen of focusing on the anonymous donors as a way to "distract voters with scare tactics and side topics" rather than issues like jobs.

He added, "We appreciate the lawful work of any organization that is committed to working towards our goal of retiring Nancy Pelosi," the House speaker.

*This article has been revised to reflect the following correction:*

***Correction: October 26, 2010***

*An article on Monday about organizations that are spending money to influence the November elections misidentified one liberal group that recently began an advertising campaign in Colorado against Ken Buck, a Republican seeking to defeat Senator Michael Bennet. It is "Women's Voices. Women Vote Action Fund," not "Women's Voices Women Vote." (The action fund is set up as a*

*legally distinct organization from the group called "Women's Voices. Women Vote." Under tax and campaign finance rules, only the action fund may engage in certain political activities.)*



Ex. F



Everything Cleveland

## Large corporate donations help U.S. Chamber of Commerce influence politics: Analysis

Published: Thursday, October 21, 2010, 8:48 PM

Updated: Thursday, October 21, 2010, 9:03 PM

The  
New York  
Times

**The New York Times**



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Associated Press

In this Aug. 4, 2009, photo, the United States Chamber of Commerce building is seen in Washington. During the worst of the economic crisis, the nation's most powerful business lobby pleaded with Congress to prop up financial institutions and stimulate the economy with hundreds of billions of dollars in borrowed money to stave off an economic disaster.

**ERIC LIPTON, MIKE McINTIRE and DON VAN NATTA JR., New York Times**

Prudential Financial sent in a \$2 million donation last year as the U.S. Chamber of Commerce launched a national advertising campaign to weaken the historic rewrite of the nation's financial regulations.

Dow Chemical delivered \$1.7 million to the chamber last year as the group took a leading role in aggressively fighting proposed new rules that would impose tighter security requirements on chemical facilities.

And Goldman Sachs, Chevron Texaco and Aegon, a multinational insurance company based in the Netherlands, donated more than \$8 million in recent years to a chamber foundation that has helped wage a national campaign to limit the ability of trial lawyers to sue businesses.

These large donations -- none of which were publicly disclosed by the chamber, a tax-exempt group that keeps its donors secret -- offer a glimpse of the chamber's money-raising efforts, which it has ramped up recently in an orchestrated campaign to become one of the most well-financed critics of the Obama administration and an influential player in this fall's Congressional elections.

Such donations suggest that the recent allegations from President Barack Obama and others that foreign money has ended up in the chamber's coffers miss a larger point: The chamber has had little trouble finding U.S. companies eager to enlist it, anonymously, to fight their political battles and pay handsomely for its help.

And these contributions, some of which can be pieced together through tax filings of corporate foundations and other public records, also show how the chamber has increasingly relied on a relatively small collection of big corporate donors to finance much of its Washington agenda.

The chamber makes no apologies for its policy of not identifying its donors. It has vigorously opposed legislation in Congress that would require groups like it to identify their biggest contributors when they spend money on campaign ads.

Proponents of that measure pointed to reports that health insurance providers funneled at least \$10 million to the chamber last year, all of it anonymously, to oppose Obama's health care legislation.

"The major supporters of us in health care last year were confronted with protests at their corporate headquarters, protests and harassment at the CEO's homes," said R. Bruce Josten, the chief lobbyist at the chamber, whose office looks out on the White House. "You are wondering why companies want some protection. It is pretty clear."

### **Critics target ramped up political activity**

The chamber's increasingly aggressive role -- including record spending in the midterm elections that supports Republicans more than 90 percent of the time -- has made it a target of critics, including a few

local chamber affiliates who fear it has become too partisan and hard-nosed in its fundraising.

"When you become a mouthpiece for a specific agenda item for one business or group of businesses, you better be damn careful you are not being manipulated," said James C. Tyree, a former chairman of the Chicagoland Chamber of Commerce who has personally backed Republicans and Democrats, including Obama. "And they are getting close to that, if not over that edge."

But others praise its leading role against Democrat-backed initiatives, like health care reform, financial regulation and climate change, which they argue will hurt U.S. businesses. The Obama administration's "antibusiness rhetoric" has infuriated executives, making them open to the chamber's efforts, said John Motley, a former lobbyist for the National Federation of Independent Business, a chamber rival.

"They've raised it to a science, and an art form," he said of the chamber's pitches to corporate leaders that large contributions will help "change the game" in Washington.

As a nonprofit organization, the chamber need not disclose its donors in its public tax filings, and because it says no donations are earmarked for specific ads aimed at a candidate, it does not invoke federal elections rules requiring disclosure.

**More about influence**

**More about Obama**

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## **Tax returns delete donor names**

The annual tax returns that the chamber releases include a list of all donations over \$5,000, including 21 in 2008 that each exceed \$1 million, one of them for \$15 million. However, the chamber, as it is allowed by law, omits the donors' names.

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But intriguing hints can be found in obscure places, such as the corporate governance reports that some big companies have taken to posting on their websites, which show their donations to trade associations. Also, the tax filings of corporate foundations must publicly list their donations to other foundations -- including one run by the chamber.

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These records show that while the chamber boasts of representing more than 3 million businesses, and having approximately 300,000 members, nearly half of its \$149 million in contributions in 2008 came from 45 donors. Many of those large donations coincided with lobbying or political campaigns that potentially affected the donors.

Dow Chemical, for example, sent its \$1.7 million to the chamber in the past year to cover not only its annual membership dues but also to support lobbying and legal campaigns. Those included one against legislation requiring stronger measures to protect chemical plants from attack.

A Dow spokesman would not discuss the company's reasons for the large donation, other than to say it supports the chamber's work.

Prudential Financial's \$2 million donation last year coincided with a chamber lobbying effort against elements of the financial regulation bill in Congress. A spokesman for Prudential, which opposed certain proposed restrictions on the use of financial instruments known as derivatives, said the donation was not earmarked for a specific issue.

But he acknowledged that most of the money was used by the chamber to lobby Congress.

"I am not suggesting it is a coincidence," said the spokesman, Bob DeFillippo.

### **Murdoch's News Corp. gives \$1 million**

More recently, News Corp. gave \$1 million to support the chamber's political efforts this fall; Rupert Murdoch, the chairman, said it was in best interests of his company and the country "that there be a fair amount of change in Washington."

Business interests also give to the chamber's foundation, which has worked to shield businesses from lawsuits, along with promoting free trade. Its tax filings show that seven donors gave the foundation at least \$17 million between 2004 and 2008, about two-thirds of the total raised.

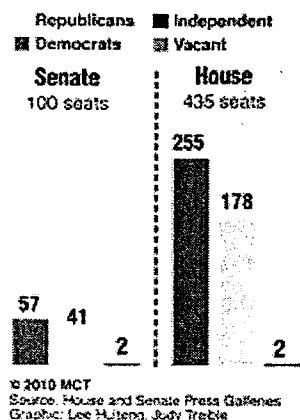
These donors include Goldman Sachs, Edward Jones, Alpha Technologies, Chevron Texaco and Aegon, which has U.S. subsidiaries and whose former chief executive, Donald J. Shepard, served for a time as chairman of the U.S. Chamber of Commerce's board.

Another large foundation donor is a charity run by Maurice R. Greenberg, the former chairman of insurance giant AIG. The charity has made loans and grants totaling \$18 million since 2003. U.S. Chamber Watch, a union-backed group, filed a complaint with the Internal Revenue Service last month asserting that the chamber foundation violated tax laws by funneling the money into a chamber "tort reform" campaign favored by AIG and Greenberg. The chamber denied any wrongdoing.

The IRS complaint raises the question of how the chamber picks its campaigns and whether it accepts donations that are intended to be spent on specific issues or political races.

## Balance of power in U.S. Congress

Current balance of power in the Senate and House:



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The chamber says it consults with members on lobbying targets, but that it does not make those decisions based on the size of a donation or accept money earmarked to support a specific political candidate.

Endorsement decisions, chamber officials said, are based on candidates' votes on a series of business-related bills and through consultations with the chamber's regional directors, state affiliates and members.

To avoid conflicts of interest, individual businesses do not play a role in deciding on which races to spend the chamber's political advertising dollars. The choices instead are made by the chamber's political staff, based on where it sees the greatest chance of getting pro-business candidates elected, chamber executives said.

"They are not anywhere near a room when we are making a decision like that," Josten said, of the companies that finance these ads. The chamber's extraordinary money push began long before this election season. An organization that in 2003 had an overall budget of \$80 million, it is spending \$200 million this year, and the chamber and its affiliates allocated \$144 million last year just for lobbying, making it the biggest lobbyist in the United States.

In January, chamber president Thomas J. Donohue, a former trucking lobbyist, announced that his group intended "to carry out the largest, most aggressive voter education and issue advocacy effort in our nearly 100-year history."

The words were carefully chosen, as the chamber asserts in filings with the Federal Election Commission that it is simply running issue ads during this election season. But a review of the nearly 70 chamber-produced ads found that 93 percent of those that have aired nationwide that focus on the midterm elections either support Republican candidates or criticize their opponents.

### \$10 million spent in week on Senate, House races

And the pace of spending has been relentless. In just a single week earlier this month, the chamber spent

\$10 million on Senate races in nine states and two dozen House races, a fraction of the \$50 million to \$75 million it said it intends to spend overall this season. In the 2008 election cycle, it spent \$33.5 million. To support the effort, the chamber has adopted an all-hands-on-deck approach to fundraising. Josten said he makes many of the fundraising calls to corporations nationwide, as does Donohue. (Both men are well compensated for their work: Donohue was paid \$3.7 million in 2008, and has access to a corporate jet and chauffeur, while Josten was paid \$1.1 million, tax records show.)

But those aggressive pitches have turned off some business executives.

"There was an arrogance to it like they were the 800-pound gorilla and I was either with them with this big number or I just did not matter," said Tyree, of Chicago.

Another corporate executive, who asked not to be named, said the chamber risks alienating its members.

"Unless you spend \$250,000 to \$500,000 a year, that is what they want for you to be one of their pooh-bahs, otherwise, they don't pay any attention to you at all," the executive said, asking that the company not be identified.

Chamber officials acknowledge the tough fundraising, but they say it has been necessary in support of their goal of remaking Congress on Election Day to make it friendlier to business.

"It's been a long and ugly campaign season, filled with partisan attacks and political squabbling," William C. Miller Jr., the chamber's national political director, said in a message sent to chamber members this week. "We are all tired -- no doubt about it. But we are so close to bringing about historic change on Capitol Hill."

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**COLUMNS****Bob Fitrakis****Behind the firewall: Bush loyalist Mike Connell controls Congressional secrets as his email sites serve Karl Rove**

July 29, 2008



In 2001, Michael L. Connell of GovTech Solutions, L.L.C., a notoriously partisan GOP operative and Bush family confidant, was selected to re-organize the Capitol Hill IT network. Under the guise of selecting a female-owned IT company (Connell's wife Heather is listed as the owner), former Congressman and convicted felon Bob Ney reportedly arranged for Connell to be the man behind the firewall for the U.S. House of Representatives. Connell's role and activities need to be investigated by putting Connell under oath and examining how arguably one of the country's most zealously partisan IT specialists managed to land the contract and be allowed access to this electronic communication system.

Initially, Connell's forays into partisan politics had very public ups and downs. Connell got his big break in 1987 as a staff member for former CIA Director and Vice President George H.W. Bush's successful campaign for president. He programmed and developed an advanced delegate tracking system for Republican National Convention in 1988. With no presidential campaign in 1990, Connell emerged in partisan politics, this time in a well-publicized scandal. On November 11, 1990, Senator Dan Coats (R-IN) fired Connell for his role in a "push polling" scheme that Coats denounced as "clearly unethical." Next, Connell resurfaced as a congressional staffer and mouthpiece as U.S. Rep. Martin R. Hoke's (R-OH) Communication Director in 1993-4.

In 1996 election year, Connell's back at partisan campaign IT activity. His newly formed New Media Communications began providing design makeovers and software for Republican candidates and organizations in Ohio and Illinois. Public records reflect that he specifically worked on implementing databases and web services for John Boehner's (R-OH) Freedom Project PAC, John Kasich's (R-OH) Pioneer PAC, and Dick Armey's (R-TX) Majority Leaders Fund. Also during this period he did computer work for right-wing ideologue David Horowitz's Center for the Study of Popular Culture and the website FrontPageMag.com.

Tom Brazatis of the Cleveland Plain Dealer described Connell as "an Internet consultant in 1998 for the winning campaigns of governors Bob Taft in Ohio and Jeb Bush in Florida." The article stated that Connell told the Plain Dealer that he had been hired to do "special internet projects" for George W. Bush. "Connell declined to be more specific," noted the Plain Dealer's 2000 article.

After Jeb Bush won the governor's office, Connell received various Florida IT contracts from the governor's office, Florida Department of Education and Community Affairs, and did computer work for the Florida Republican Party. A few months after Bush's 1998 Florida victory, New Media Communications merged with GOP lobbyist and operative Thomas J. Synhorst and formed DCI/New Media L.L.C. in Richfield, Ohio. Synhorst is listed as a co-founder of GovTech. Connell designed Jeb.org, JebWear.com, and GOPWear.com during that election cycle.

"I'm loyal to my friends and I'm loyal to the Bush family..." read a Connell quote in Inside Business magazine, November 2, 1999.

Crain's Cleveland Business reported when Connell created GovTech Solutions in 2001 he told them he had "...decided to roll out a separate company for its political work because government and corporations are two animals different enough to have it make sense." Connell told Crain's that his "GovTech Solutions is the only private-sector company to gain permission from HIR [House Information Resources] to place its servers behind the firewall"

One has to wonder about the implications of the premier partisan campaign IT man, steadfastly loyal to the country's most well-known security-industrial complex and CIA family, serving as the man behind the U.S. Congress' firewall.

According to the Federal Election Commission, Connell's company New Media Communications

received more than \$800,000 from the Bush-Cheney Re-Election Campaign between January 2003 and October 2004. During the same period New Media Communications brought in \$1.2 million in contracts from Republican congressional candidates, political parties, and the National Rifle Association, according to the Akron Beacon Journal on November 24, 2004.

SourceWatch notes that Connell developed the websites for the House Intelligence, Judiciary, Financial Services, Ways and Means, and Administration Committees. According to SourceWatch, Connell teamed up with R. Rebecca Donatelli, Chair of the D.C.-based Campaign Solutions, to form Connell Donatelli Inc. (CD Inc.) as a specialized online advertising agency in July 2004. One of CD, Inc.'s first activities was to become the registrant, administrator and tech organizer for the anti-Kerry group Swiftboat Veterans for Truth's website [swiftboatvetsfortruth.org](http://swiftboatvetsfortruth.org).

Connell also handled the IT system work for the Bush-Cheney Re-election Campaign and worked for Secretary of State J. Kenneth Blackwell in designing the system that allowed the real time outsourcing of Ohio's presidential vote count to a Chattanooga, Tennessee server site. The blog ePluribus Media deserves great credit for breaking this key story. The Tennessee servers at the old Pioneer Bank building was a massive repository of Republican and conservative websites.

An article about Connell's partisan IT activities in George W. Bush's hometown newspaper, the Crawford, Texas Lone Star Iconoclast, invokes the specter of the Watergate scandal. It notes that "There's Ohio in 2004 when his [Connell's] company (SmartTech) ran election results through his computers before releasing them to Ken Blackwell's Secretary of State office."

The Iconoclast pointed out in that December 18, 2007 article entitled "Plumbers 2.0" that top Bush operatives, including Karl Rove, emailed plans for dismissing eight U.S. attorneys using the accounts set up by Connell [gwb43.com](http://gwb43.com) and [georgebush.com](http://georgebush.com). As ePluribus Media put it, "In the virtual worlds of computer security, networking and email, the lines separating the inner workings of the current government in Washington D.C. and the outer world of partisan politics exist only in theory."

The IT cyberstructures created by Connell remain in place for the 2008 election. On February 22, 2008, the Akron Beacon Journal reported Connell's team helped develop the John McCain for President website, just as it helped create the website for the last two Bush presidential campaigns.

While the Republicans tell us to pay no attention to the man behind the congressional firewall, that he's just another government contractor, Connell is thinking long-term. When asked by Campaign and Elections magazine in June 2004 what he wished to be doing in ten years, he replied that his goal was to be in a "senior position" in the campaign to elect Rick Santorum president of the United States. He also cited among his political heroes, Saint Paul because he "... leveraged Roman citizenship to fuel the expansion of the early church" and he cited George W. Bush because he had "the courage to publicly share his faith."

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Bob Fittrakis has a Ph.D. in political science and was an election observer in the Ohio 2004 general election and Ohio's 2008 primary. Originally published by The Free Press at <http://freepress.org>.





Supervisory Special Agent  
Federal Bureau of Investigation  
Federal Office Building  
1501 Lakeside Ave  
Cleveland, OH 44114

Aug 31, 2009

Re: Michael Connell, Homicide, N9299N

Enclosed is a document that is not supposed to exist. The AMD is designed to mimic existing aircraft components in order to thwart investigations. You may be able to find evidence of it in the static port system.

Connell was not NST.

Sincerely,

Mark Felt

Six cc's

[REDACTED]

19/12/2008 08:30

FOR: [REDACTED]

FROM: [REDACTED]

Subject: NST, KCGS, N9299N

- 02:30, 19/12/08, [REDACTED] directed to KCGS to neutralize NST in DC FRZ, Piper Saratoga, N9299N
- [REDACTED] arrived NE of KCGS at 04:26, approached on foot N from Indian Creek Park. [REDACTED] covered theater from park side, [REDACTED] and [REDACTED] proceeded to target area across RW 33, [REDACTED] covered [REDACTED], no surveillance detected
- [REDACTED] opened cowling, unlocked door, installed AMD on static port system. Sanitized area.
- [REDACTED] exited KCGS via park at 05:57

- OOA 06:42

COMMENTS: [REDACTED]

CC: [REDACTED]