

# After Citizens United

# A Look into the Pro-Corporate Players in American Politics

The Supreme Court's 5-4 ruling in *Citizens United v. FEC* decided that the First Amendment right of free speech should apply with little distinction to both individuals and corporations. Since *Buckley v. Valeo* established money as a form of speech, the Court's decision allows for corporations to donate unrestricted funds from their general treasuries to political organizations, effectively overturning decades of state and federal campaign finance laws. Fearing effects of greater corporate influence in American public life, Justice Stevens in his dissenting opinion warned that corporations can "amass and deploy financial resources on a scale few natural persons can match," and are not "themselves members of 'We the People' by whom and for whom our Constitution was established."

Although corporations now have a constitutional right to contribute money to independent expenditure groups, these groups are not bound to publicly disclose the sources of their funding. Even though the majority opinion in *Citizens United* actually *upheld* Congress's right to enact disclosure laws, claiming that such "transparency enables the electorate to make informed decisions" without "impos[ing] a chill on speech or expression," 501 (c)4 and (c)6 organizations that do not disclose their financial backers are increasingly engaging in political work.

While we do not know who is funding such organizations, we do know that the groups playing a larger role in the 2010 elections are overwhelmingly backing right-wing candidates. According to <u>TIME</u>, pro-Republican groups could spend as much as \$300 million for the 2010 election. Many of the organizations almost exclusively supporting pro-corporate politicians never even have to report where their funding comes from. Corporate dollars are also financing many Tea Party and other conservative "grassroots" groups, giving "Astroturfing" an even more prominent role in American politics.

Legislative remedies such as the DISCLOSE Act would have only brought more transparency to the process, but leave corporate involvement in electoral politics mostly intact. Due to the sweeping language of the Supreme Court's ruling in *Citizens United*, only a Constitutional Amendment can overturn the decision.

This report looks into the groups, empowered by the *Citizens United* decision, that are propagating their pro-corporate agenda. Many originated in the aftermath of *Citizens United* and directly point to the ruling as essential to their founding; others have been active for years but have gained new prominence as a result of the decision. What they all have in common is a relentless desire to discredit progressive ideas and elect pro-corporate candidates to office across the country.

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### **60 Plus Association**

#### Where:

AZ-01; AZ-05; AZ-08; FL-02; FL-04; FL-24; IN-02; NY-01; NY-20; OH-16; PA-03; PA-10; PA-11; TN-08; WI-03; WI-08

Jim Kuhnhenn of the Associated Press reported that 60 Plus "is spending more than \$4 million against nine House Democrats: Arizona's Ann Kirkpatrick, Harry Mitchell and Gabrielle Giffords; Florida's Allen Boyd, Suzanne Kosmas and Alan Grayson; Pennsylvania's Kathy Dahlkemper and Paul Kanjorski; Indiana's Joe Donnelly, and Ohio's John Boccieri. It also is airing an ad against Tennessee's Roy Herron, a Democrat seeking to fill an open seat." Most recently, 60 Plus launched a \$435,000 ad campaign against Chris Carney of Pennsylvania, in addition to a \$550,000 in negative ads against Scott Murphy and \$230,000 for ads against Tim Bishop, both New York Democrats. In Wisconsin, the group is spending \$540,000 against Ron Kind and \$110,000 against Steve Kagen.

#### Who:

Founder and Chairman James "Jim" Martin was honored by the right-wing Human Events newspaper as "The Man Who Put Death Tax on the Political Map," after he coined the phrase "death tax" during the debate over the Estate Tax. When he worked for Republican Congressman Ed Gurney's successful campaign for the US Senate in 1968, Martin gave George W. Bush "his first job" and Bush later gave him the nickname "Buddha." Martin became the vice president of conservative activist Richard Viguerie's direct mail firm, a centerpiece of right-wing electioneering that has also done work for 60 Plus. Most recently, he joined the Tea Party Express Bus Tour, where he criticized Rep. Steve Cohen for "shamelessly pander[ing] to the African Americans in his congressional district by charging the Tea Party folks with being 'racist,'" and promised "political pain at the polls in 2010" to supporters of Health Care Reform.

An unapologetic proponent of privatizing Social Security, Martin referred to privatization as "the way of the future," and wrote in 2001 that Social Security was "a burden, not a blessing" and an "antiquated relic of a bygone era." 60 Plus is the self-declared "conservative alternative" to the AARP, which Martin refers to as the "Association Against Retired Persons."

60 Plus supports the DeMint and Ryan proposals to <u>privatize</u> ("personalize") Social Security; blamed "<u>enviros</u>" for the BP Gulf Oil Spill; says the American Clean Energy and Security Act will have a "serious negative impact" on seniors; believes that abolishing the Estate Tax for the wealthy will "<u>help Katrina victims</u>," and argued that Health Care Reform will be the "death knell" of senior citizens.

#### **About:**

The 60 Plus Association is a 501(c)4 organization founded in 1992. In 1999, it joined the corporate front-group <u>Citizens for Better Medicare</u>, which aggressively lobbied against prescription drug benefit legislation. Citizens for Better Medicare received the majority of its funding from Pharmaceutical Research and Manufacturers of America (PhRMA) and the U.S. Chamber of Commerce.

60 Plus was named one of PhRMA's "stealth PACs" by Public Citizen, and 60 Plus does not have to disclose its donors to the public. In 2003, Pfizer paid the disgraced firm Bonner & Associates to lobby against prescription drug plans in Minnesota and New Mexico, which in turn used 60 Plus as a front group to directly advocate against the proposals. 60 Plus has also been tied to Jack Abramoff and his illegal lobby practices.

#### **Current attacks:**

The new ads focus on the purported \$500 billion "cut" from Medicare. The Medicare "cut" actually represents <u>significant savings</u> through reducing waste, subsidies, and overpayments as part of Health Care Reform, and <u>PolitiFact</u> writes that the "government-run Medicare program will keep paying medical bills for seniors." According to the <u>AARP</u>, "none of the health care reform proposals being considered by Congress would cut Medicare benefits or increase your out-of-pocket costs for Medicare services" and that "rather than weaken Medicare, health care reform will strengthen the financial status of the Medicare program."



## **American Action Network & American Action Forum**

#### Where:

FL-SEN; NH-SEN; WA-SEN; WI-SEN; OH-12; WA-08

The American Action Network targeted key US Senate races and launched ads opposing Paul Hodes of New Hampshire, Patty Murray of Washington, Russ Feingold of Wisconsin and Charlie Crist of Florida. They have spent close to \$900,000 against Paul Hodes in New Hampshire and \$750,000 attacking Patty Murray in Washington, and hopes to spend approximately \$25 million altogether in 2010. Along with attack ads, the American Action Network ran positive ads backing GOP incumbents Dave Reichert of Washington and Pat Tiberi of Ohio.

#### Who:

Former Republican US Senator Norm Coleman and McCain-Palin policy advisor Douglas Holtz-Eakin founded the American Action Network, the 501 c4 political arm, and the American Action Forum, a 501 c3 organization designed to be a conservative think tank. The American Action Network's President is the former chief of staff to House GOP Whip Eric Cantor. Other leading right-wing figures involved in the group's establishment include Fred Malek, the Finance Chair of McCain-Palin '08 and a longtime Republican fundraiser; Robert Steele of Goldman Sachs and Wachovia; tobacco heir C. Boyden Gray; and Home Depot founder Kenneth Langone. Other board members of the two groups include former RNC head Ed Gillepsie, RGA chief and Governor Haley Barbour (R-MS), former Governors Jeb Bush (R-FL) and Tom Ridge (R-PA), former Senators George Allen (R-VA) and Mel Martinez (R-FL), and former Congressmen Jim Nussle (R-IA), Vin Webber (R-MN) and Tom Reynolds (R-NY).

#### **About**:

Norm Coleman <u>explicitly pointed to</u> the *Citizens United* decision as a reason for the American Action Network's ability to emerge this election year, saying that it "<u>greatly enhanced</u>" the group's fundraising. Moreover, the group does not have to disclose the identity of its donors to the public, and sees left-leaning groups such as the Center for American Progress and Democracy Corps as models. While the American Action Network focuses primarily on political advertisements attacking Democrats, the American Action Forum concentrates on policy work and <u>polling</u> competitive congressional districts. The sister organizations concentrate on the traditional

conservative criticisms of Health Care Reform, Wall Street Reform, and the Obama Administration's handling of the economy.

#### **Current Attacks:**

The negative advertisements attacking Democratic Senate candidates are centered on the issues of economic policy and spending. The American Action Network launched its premier negative ad against Patty Murray of Washington (Norm Coleman's <u>former aide</u> is the campaign manager for Sen. Murray's Republican opponent, Dino Rossi). In <u>the ad</u>, the narrator says Murray wore her "tennis shoes out on our backs" and shows a woman walk over a man, woman and child, claiming that she "raised taxes on small businesses" and "cost us jobs" without citing any specific legislation. However, the Senator had a perfect <u>100% rating</u> from the National Association of Small Businesses and even at times voted <u>the same way</u> as Norm Coleman on small business legislation.

The American Action Network's <u>ad against</u> New Hampshire's Paul Hodes <u>incorrectly</u> <u>claims</u> that the American Clean Energy and Security Act would raise energy prices and kill jobs. The ad against Russ Feingold of Wisconsin <u>absurdly blames</u> the Senator for the nation's \$9 trillion debt, even though the group supports the Bush-era policies that <u>produced huge deficits</u> and increased the debt.



# **American Crossroads & Crossroads GPS**

#### Where:

CA-SEN; CO-SEN; IL-SEN; KY-SEN; MO-SEN; NH-SEN; NV-SEN; OH-SEN; PA-SEN

American Crossroads and its sister organization, Crossroads Grassroots Policy Strategies (GPS), is on the air in almost every top-tier Senate race. The two groups have so far <a href="maised \$32 million">raised \$32 million</a> and plan on raising \$52 million before Election Day. Although they have currently launched ads only in Senate campaigns, the two groups <a href="mainto">intend to move</a> <a href="mainto">into</a> targeted races for the House by running negative ads against vulnerable Democrats.

American Crossroads has already spent <u>over \$1 million</u> in Missouri in ads blasting Democrat Robin Carnahan in addition to <u>nearly \$1 million</u> in ads attacking Michael Bennet of Colorado. The two groups recently announced a massive <u>\$2.2 million</u> ad campaign against Nevada's Harry Reid and Senate hopefuls Paul Hodes of New Hampshire, Joe Sestak of Pennsylvania, Jack Conway of Kentucky, Lee Fisher of Ohio, and Alexi Giannoulias of Illinois.

#### Who:

Notorious Bush adviser and Republican strategist Karl Rove founded American Crossroads, and he <u>overtly named</u> *Citizens United* as responsible for their fundraising prowess. <u>Ed Gillespie</u>, the former chair of the Republican National Committee, is also a key figure in the founding of American Crossroads. Another former RNC head, <u>Mike Duncan</u>, is the group's Chairman, and <u>Steven J. Law</u> of the U.S. Chamber of Commerce is its President and CEO.

Other staff members from GOP network include: <u>Carl Forti</u> of the Mitt Romney's presidential campaign and the National Republican Congressional Committee is the Political Director; RNC policy aide <u>Steven Duffield</u> is the Issues Director; the deputy research director of Romney's campaign <u>Chris McInerney</u> is the Research Director, and the NRCC's <u>Jonathan Collegio</u> is the Communications Director.

#### About:

Of the \$32 million raised between the two groups, American Crossroads GPS gathered the bulk of the funds. Crossroads GPS is a 501(c)4 "social welfare" organization that is not obligated to disclose sources of its funding to the public; American Crossroads, on the other hand, is a 527 organization that is required to report its donors to the FEC because of its express advocacy in federal elections.

<u>Politico reports</u> that Crossroads GPS plans to spend "\$18 million on 'issue advocacy,' \$15 million on 'targeted grassroots advocacy,' \$3 million on 'issue research,' \$2 million on polling and \$5 million buying, renting and enhancing lists." The twin-groups are <u>also preparing</u> "a monster \$10 million national get-out-the-vote campaign that will include 40 million pieces of political mail and 20 million phone calls to voters in key states," writes Michael Crowley of *Time*.

According to recent <u>FEC reports</u>, American Crossroads received \$1 million from the Dixie Rice Agricultural Corporation and \$1 million from Southwest Louisiana Land LLC. (both owned by conservative billionaire <u>Harold Simmons</u>), over \$800,000 from TRT Holdings Inc (which owns Omni Hotels and Gold's Gym), and \$400,000 from the American Financial Group, Inc. (owned by <u>billionaire and GOP-advocate</u> Carl Linder). <u>Multimillionaires</u> funding the group include Bradley Wayne Hughes, the founder of Public Storage who gave \$1.55 million, and Jerry Perenchio of Univision, Trevor Rees-Jones of Chief Oil & Gas and Robert Rowling of TRT Holdings all donated \$1 million each.

#### **Current attacks:**

Crossroads GPS ads accuse Democrat <u>Joe Sestak</u> of "voting to gut Medicare" and "higher insurance premiums" by supporting Health Care Reform, charges that <u>FactCheck dubs</u> "a wild exaggeration" and "not true," respectively. According to the <u>AARP</u>, the Health Care Reform law prevented an increase in premium costs, and that Health Care Reform does not "cut Medicare benefits or increase your out-of-pocket costs for Medicare

services." In fact, the law cracks down on waste while closing the prescription drug "doughnut hole." The Crossroads GPS ad also relies on false claims that the Health Care Reform law will lead to "big government health care," when in fact the new law <u>leaves</u> the private insurance system in place. Crossroads employs the same bogus and deceptive attacks regarding Health Care Reform against <u>Barbara Boxer</u>, <u>Robin Carnahan</u>, and <u>Jack Conway</u>.

PolitiFact <u>claims</u> that a Crossroads ad against Harry Reid and the Stimulus Plan misleadingly "cherry-picked" data and rated the ad "False." Their <u>ad</u> against Michael Bennet <u>inaccurately blames</u> the Stimulus Plan for the budget deficit and higher unemployment rates, even though the deficit in fact resulted from President George W. Bush's <u>squandering</u> of the surplus achieved under President Bill Clinton and the rise in <u>job losses</u> began during the economic collapse during Bush's second-term. In fact, the Stimulus Plan is responsible for <u>staving off</u> an even higher jump in unemployment.



# **American Future Fund**

#### Where:

AL-02; AR-01; GA-08; IA-01; IN-09; MI-01; MI-07; MS-01; NJ-03; NM-01; SC-05; SD-At Large; TX-17; WA-03; WV-01

American Future Fund is spending handsomely to attack Democratic congressmen and challengers running in open Democratic seats. *CQ* reports that AFF is spending \$4 million altogether in fourteen congressional districts, and the group intends to spend between \$20-25 million in total. During the primary season, AFF ads criticized Republicans Rand Paul of Kentucky, Bill Binnie of New Hampshire, and Tom Campbell of California. The AFF is strongly backing Senate candidates Kelly Ayotte of New Hampshire and Carly Fiorina of California.

Before launching an ad campaign in fourteen congressional districts across the country, AFF hit Bruce Braley of Iowa with a controversial ad regarding the Islamic Community Center near Ground Zero. Now, the group is targeting Democratic incumbents such as Bobby Bright of Alabama; John Spratt of South Carolina; Jim Marshall of Georgia; Mark Schauer of Michigan; Martin Heinrich of New Mexico; John Adler of New Jersey; Chet Edwards of Texas; Travis Childers of Mississippi; Baron Hill of Indiana, and Stephanie Herseth Sandlin of South Dakota. In addition, AFF is running ads against West

Virginia's Mike Oliverio, Arkansas' Chad Causey, Washington's Denny Heck, and Michigan's Gary McDowell, all Democrats running for open Democratic seats.

#### Who:

Nick Ryan, a former aide to Iowa Congressman Jim Nussle who managed his unsuccessful 2006 gubernatorial bid, founded the AFF. The group is based in Des Moines, Iowa, and the organization is determined to "educate citizens across the country on common conservative principles."

Iowa politician Sandra "Sandy" Greiner is the AFF's President. Greiner served in the Iowa State House from 1992 to 2008, and is currently pursuing a bid for the State Senate. Like Ryan, she has close ties to Big Agriculture, and she is the past head of the rightwing American Legislative Exchange Council's state chapter. While in the legislature, Greiner received 100% ratings from the Iowa Family Policy Center, a leading Religious Right group, the anti-choice Iowa Right to Life Committee, and the pro-corporate Iowa Association of Business and Industry. Greiner's predecessor Nicole Schlinger was the former executive director of the Republican Party of Iowa and a staffer for Romney '08 and gubernatorial nominee Terry Branstad. AFF's Director Katherine Polking was a staffer for Republicans Chuck Grassley and Tom Latham. She is now with Nick Ryan's lobbyist firm the Concordia Group, which focuses on lobbying for agribusiness interests.

#### **About:**

According to <u>Stuart Rothenberg</u>, GOP stalwarts such as Ben Ginsberg, Ed Tobin, and Jan Van Lohuizen played key roles in AFF's founding. Larry McCarthy, who produced the infamous "Willie Horton" ad, was the group's media consultant. In 2008, the Minnesota Democrats filed a <u>complaint with the FEC</u> against the AFF, claiming that it improperly engaged in political electioneering by "expressly advocating" for Republican Senator Norm Coleman, rather than running "issue advocacy" ads. Potential Republican Presidential candidates including <u>Newt Gingrich</u> and <u>Rick Santorum</u> both addressed AFF events while in Iowa.

When the AFF spent over \$600,000 attacking Martha Coakley in her race against Scott Brown earlier this year, the firm McCarthy Marcus Hennings produced the ads.

McCarthy Marcus Hennings also lists the American Hospital Association, the American Insurance Association, the U.S. Chamber of Commerce, and the National Federation of Independent Business as clients, in addition to the Republican Governors Association, the NRSC, the NRCC and numerous Republican officials such as Senate Republican Leader Mitch McConnell.

As a 501 c4 non-profit, AFF does not have to disclose its donors to the public. Dan Morain, the senior editor of the *Sacramento Bee*, wrote that groups like the AFF "operate in the shadows. Their donors are anonymous. The power behind them is rarely apparent. It's impossible to track the exact amounts they spend on campaigns in any timely fashion." The editorial board of Iowa's *Quad City Times* asked the AFF "to let 1st District residents know who is paying for the billboards and ads in our community" after it began

attacking Congressman Bruce Braley, "Our request: Tell Quad-Citians who you are."

#### **Current attacks:**

Following a slew of ads smearing the Health Care Reform law, the AFF released an ad trashing Rep. Bruce Braley for refusing to oppose the Park51 Islamic Community Center near Ground Zero. The AFF's "Mosque" ad compares the project to "the Japanese building at Pearl Harbor," employs discredited attacks against Park51's organizer, and ties Braley to the project simply for saying that Iowans shouldn't make decisions about the zoning of New York City property. In its new ads targeting vulnerable Democratic incumbents and Democrats running for open seats, AFF knocks the candidates' support for Nancy Pelosi, and even blames Democrats who voted against Health Care Reform for the law because they voted for Pelosi as Speaker. Furthermore, these ads utilize debunked and misleading attacks against the Stimulus Plan, the American Clean Energy and Security Act, and Health Care Reform's impact on Medicare.



# **Americans for Job Security**

#### Where:

CO-SEN; IN-08; NC-02; NM-02; OH-18; PA-04; PA-07; VA-09

Americans for Job Security has already spent over \$6 million in the election, and is a huge booster of Republicans such as Pennsylvania's Pat Toomey and Colorado's Ken Buck. Now the group is attacking Democratic Congressmen, including Zack Space of Ohio, Jason Altmire of Pennsylvania, Rick Boucher of Virginia, Harry Teague of New Mexico, and Bob Etheridge of North Carolina. In addition, Americans for Job Security is attacking Democrats running for open Democratic seats, including Bryan Lentz of Pennsylvania and Trent Van Haaften of Indiana.

#### Who:

Utilizing hefty and anonymous corporate donations to run a misleading and deceptive ad campaign, Americans for Job Security is almost the epitome of pro-corporate astroturfing. Americans for Job Security is registered as a 501(c)6 trade association, and consequently does not have to disclose its donors to the FEC. Former Montana Governor Marc Racicot, who also served as the Chair of the Republican National Committee and President of the American Insurance Association, founded the organization. Stephen DeMaura, a former executive director of the New Hampshire Republican Party, recently

replaced prominent Republican consultant Michael Dubke as President. The organization even <u>sublets</u> its office space from Dubke's GOP consulting firm Crossroads Media.

#### **About:**

Americans for Job Security is an authentic corporate creation: founded in 1997, it initially received two \$1 million contributions from the American Insurance Association (previously led by founder Marc Racicot) and the American Forest and Paper Association. Proud of its support from corporate backers, the group hailed the Supreme Court's decision in *Citizens United* as an "unequivocal victory."

The *New York Times* profiled Americans for Job Security and its history of controversial and shadowy political work on behalf of business interests. While the group "avoids disclosure by reporting all its revenue as 'membership dues'... a review of its tax returns shows membership revenue fluctuating wildly depending on election cycles." In fact, Americans for Job Security reported \$0 in "membership dues" in 2007 but \$12.2 million in 2008. The *Washington Post* writes that even though Americans for Job Security classifies itself as a trade association, it "spends the vast majority of its budget on television and radio ads before elections," and the ads are overwhelmingly negative attacks against Democrats.

According to a Public Citizen <u>report</u>, "Americans for Job Security is a sham front group that would be better called Corporations Influencing Elections." Public Citizen <u>also maintains</u> that Americans for Job Security is "one of the most egregious offenders" in circumventing FEC rules on "electioneering activity."

#### **Current attacks:**

The group's <u>newest ads</u> compare Democrats Zack Space, Jason Altmire, Bryan Lentz and Trent Van Haaften to <u>burglars and pickpockets</u>. Many of their <u>ads</u> slam the Stimulus Plan, which actually improved <u>job growth and Real GDP</u> and <u>prevented total economic collapse</u>, and dishonestly malign progressive legislation. When <u>criticizing</u> Rep. Space for backing the American Clean Energy and Security Act, the group baselessly claims the bill would "kill Ohio jobs." However, a <u>University of California</u>, <u>Berkeley study</u> found that ACES "would create between 918,000 and 1.9 million new jobs, increase annual household income by \$487-\$1,175 per year, and boost GDP by \$39 billion-\$111 billion." In the group's <u>ad against Bryan Lentz</u> of Pennsylvania, who is running to replace Joe Sestak, Americans for Job Security alleges that Health Care Reform cuts \$500 billion from Medicare, a claim FactCheck.org forcefully debunked as a gross distortion.



# Americans for New Leadership & Liberty.com

#### Where:

NV-SEN, DE-SEN

Americans for New Leadership claims to have spent only \$300,000 so far in ads attacking Senate Majority Leader Harry Reid (D-NV) and supporting his far-right opponent, Sharron Angle. After its first ad, the group was mocked for misspelling Sharron Angle's name. Although it did not air any ads in the Delaware primary, the organization's website Liberty.com did create an infamous online video which said that Christine O'Donnell's primary opponent Mike Castle has a male lover.

#### Who:

The Tea Party-backed group was founded by Tea Party activists <a href="Eric Odom and Yates"><u>Eric Odom and Yates Walker</u></a>. Both worked on Christine O'Donnell's <a href="Successful senatorial campaign"><u>successful senatorial campaign</u></a> against Mike Castle in Delaware's GOP primary, where Walker served as her spokesman and Odom was involved in online organizing. Previously, Odom and Walker worked for Doug Hoffman's failed 2009 campaign for Congress. A Tea Party activist, Odom is involved with a plethora of Tea Party groups: he founded the website TaxDayTeaParty.com and the American Liberty Bus Tour, and runs the <a href="Liberty First"><u>Liberty First PAC</u></a> and the American Liberty Alliance, a <a href="for-profit"><u>for-profit</u></a> organization. Erik Erikson, founder of the prominent conservative blog RedState, <a href="criticized"><u>criticized</u></a> Odom's "tangled web" of Tea Party organizations.

Republican activist and Fox News Commentator Dick Morris helped engineer the organization's growth. Morris asked <u>viewers of *Hannity*</u> and his email list to donate to Americans for New Leadership, and <u>said</u> in an email solicitation that "the campaign in Nevada to replace Harry Reid is in a desperate situation and needs your help." <u>Conservative activists</u> Jen Harrington, who worked in the Bush Administration, and Brent Husson, the former executive director of the Nevada Republican Party, are also managing the organization.

#### **About:**

Spokesman Yates Walker <u>told *Politico*</u> that the group intends to capitalize on the Supreme Court's *Citizens United* ruling: "January's *Citizens United* Supreme Court ruling, which struck down the law banning corporate spending in elections, paved the way for the new group's formation, Walker said." The organization can also raise and spend <u>unlimited amounts</u> of money as an independent committee.

Calling itself the <u>right-wing version of MoveOn.org</u>, Americans for New Leadership is attempting to strengthen the conservative "netroots" with its independent expenditure effort and website Liberty.com. Their <u>website says</u> that the organization's mission is to "keep the American electorate informed and vigilantly guarding against the forces on the left who seek to redefine individual liberty, redistribute wealth, and remake America into a socialist, cradle-to-grave nanny state." Moreover, the group decries the mainstream media as "infiltrated by the activist left" and says that the "fourth estate has become an accomplice to the progressive left's assault on individual liberty." It is focusing most of its resources on opposing Harry Reid's reelection, and manages the website DumpReid.com.

#### **Current attacks:**

In a Liberty.com video, an anchorwoman criticizing Delaware Congressman and then-Senate candidate Mike Castle responds an anonymous questioner asking "isn't Mike Castle cheating on his wife with a man?" by saying, "That's the rumor." Americans for New Leadership has launched two ads in Nevada. Their first ad not only originally misspelled Sharron Angle's name, and also asserted that "Sharron Angle won't 'phase-out' Social Security" and called the charge a "lie." However, Angle explicitly said in a debate that "we need to phase-out Medicare and Social Security out in favor of something privatized" and that Social Security "can't be fixed." In its second ad, Americans for New Leadership repeats the Medicare funding distortion and grossly misrepresents the Stimulus Plan and the American Clean Energy and Security Act.



# Americans for Prosperity & Americans for Prosperity Foundation

#### Where:

AZ-08; CO-04; FL-02; FL-08; FL-24; IN-02; KS-03; MI-01; MI-07; MO-04; ND-At Large; NV-03; WA-03

In August, Americans for Prosperity began running advertisements against Democratic incumbents and leading Democratic candidates for Congress. In the last three months Americans for Prosperity spent \$6 million in ads; the group's first targets include Democratic incumbents Mark Schauer of Michigan, Ike Skelton of Missouri, Earl Pomeroy of North Dakota, Joe Donnelly of Indiana, Dina Titus of Nevada, and Betsy Markey of Colorado, in addition to Michigan's Gary McDowell, Washington's Denny Heck and Kansas' Stephene Moore, who are running for open Democratic seats.

Americans for Prosperity's new advertisement campaign attacks Arizona's Gabrielle Giffords and Florida's Allen Boyd, Alan Grayson and Suzanne Kosmas. According to Jane Mayer in *The New Yorker*, Americans for Prosperity plans to spend \$45 million on "some fifty House races and half a dozen Senate races, staging rallies, organizing door-to-door canvassing, and running ads aimed at 'educating voters about where candidates stand."

#### Who:

Americans for Prosperity and its sister organization, Americans for Prosperity Foundation, have 31 state chapters and are active players in organizing Tea Party demonstrations and training activists. Industrialist David Koch is the Chairman of the Americans for Prosperity Foundation, and a recent article in *The New Yorker* detailed the millions of dollars Koch has invested in right-wing causes and the Tea Party movement. David Koch and his brother, Charles, have a combined net worth of \$4 billion and control the corporate behemoth Koch Industries, which was founded by their father and is based in Wichita, Kansas. Richard Fink, Koch Industries' chief Washington lobbyist, cofounded the group with David Koch.

The organization's President <u>Tim Phillips</u> is the founder of the firm Century Strategies along withReligious Right leader Ralph Reed. <u>Peter Stone of the National Journal</u> found that Century Strategies not only assisted GOP campaigns, but also became a leader in corporate astroturfing, and "raked in millions of dollars by mounting grassroots lobbying drives and other campaigns—as well as doing some inside-the-Beltway advocacy—for two dozen or so Fortune 100 companies and lesser-known enterprises." Century Strategies is also <u>tied to disgraced lobbyist Jack Abramoff</u> and its clients included Bush-Cheney '04 and the RNC. Americans for Prosperity's <u>Vice President</u> was the "director of Kansas Public Affairs for Koch Industries," and its <u>Policy head</u> led two pro-corporate groups: the Free Enterprise Fund and the Internet Freedom Coalition.

<u>Nancy Pfotenhauer</u> is the past CEO of Americans for Prosperity, and was the director of Koch Industries' Washington Office. Along with her role as an activist for Koch Industries and energy corporations, she led the <u>Independent Women's Forum</u>, which works against both feminism and environmental protection laws, and was a senior adviser to McCain-Palin '08.

#### About:

Citizens for a Sound Economy, which supported pro-corporate political causes, split up in 2004 into two conservative organizations: Americans for Prosperity and FreedomWorks, which is led by Dick Armey. Koch said that he, his brother, and their partners "envisioned a mass movement, a state-based one, but national in scope, of hundreds of thousands of American citizens from all walks of life standing up and fighting for the economic freedoms that made our nation the most prosperous society in history."

During the debate over Health Care Reform, Americans for Prosperity launched the antireform group Patients United Now. The group is a chief critic of the Stimulus Plan and the American Clean Energy and Security Act. Jane Mayer of *The New Yorker* writes that "Americans for Prosperity, in concert with the [Koch] family's other organizations, has been instrumental in disrupting the Obama Presidency" and is a frequent presence behind Tea Party rallies, organizing sessions and leadership trainings. Americans for Prosperity's thirty-one state branches are key components of its political muscle. Americans for Prosperity-Wisconsin is involved in a "vote caging" operation with Republican and Tea Party groups to challenge minority and young voters, and the group's Texas chapter gave its "Blogger of the Year" Award to a blogger who called President Barack Obama "cokehead in chief" and said that he is a schizophrenic possessed by the devil.

#### **Current attacks:**

Before Congress voted on Health Care Reform, Americans for Prosperity gained notoriety for spending \$750,000 on an ad claiming that "government-run health care" would harm cancer patients, especially women with breast cancer. PolitiFact gave the ad its "Pants on Fire" rating for distorting both new recommendations on mammograms and the Health Care Reform bill, which has a provision to "ensure that mammograms for women aged 40 to 50 would be covered," and FactCheck called it "very misleading."

The organization's new ads concentrate on the Stimulus Plan, the American Clean Energy and Security Act, and Health Care Reform. Americans for Prosperity's <u>ads</u> push the <u>fictitious claim</u> that Health Care Reform creates "Government Healthcare." PolitiFact <u>points out</u> that "Obama's plan leaves in place the private health care system, but seeks to expand it to the uninsured." In addition, the group also <u>misleads viewers</u> by interpreting savings from waste and overpayment in the Medicare program as cuts affecting seniors. Americans for Prosperity also employs <u>false attacks</u> against the American Clean Energy and Security Act, and groundlessly blames the Stimulus Plan for increased unemployment, even though studies show that the <u>Stimulus stopped</u> the prolongation of the massive job losses which began under the Bush Administration.



## Club for Growth & Club for Growth Action

#### Where:

CO-SEN; FL-SEN; NV-SEN; PA-SEN; WI-SEN

Club for Growth Action recently launched a \$1.5 million ad campaign to benefit right-wing Tea Party candidates for US Senate. So far, the group has spent nearly \$300,000 attacking Michael Bennet of Colorado, and almost \$200,000 opposing Russ Feingold of Wisconsin. They have also spent over \$700,000 attacking Nevada Republican Sharron Angle's opponents Sue Lowden (R) and Harry Reid (D), close to \$500,000 criticizing Joe Sestak and Arlen Specter in Pennsylvania, and over \$300,000 against Charlie Crist and Kendrick Meek in Florida.

#### Who:

Established in 1999 by a group of economic conservatives who sought to overhaul the country's regulatory system and dramatically reduce the role of government, the Club for Growth has emerged as a serious force in conservative politics. Steve Moore founded the Club for Growth along with Ed Crane, the president of the libertarian Cato Institute, conservative economist Larry Kudlow, Richard Gilder of the right-wing Manhattan Institute, and *National Review* magazine President Dusty Rhodes. Other conservative institutions tied to the Club for Growth include the Heritage Foundation, the National Taxpayers Union, and Americans for Fair Taxation. The Club's past President is former Congressman and current GOP Senate hopeful Pat Toomey of Pennsylvania, and the Club is currently led by former Indiana Republican Congressman Chris Chocola.

The organization frequently engages in competitive Republican primaries by attacking the candidates it deems depart from conservative economic orthodoxy. For example, it spent \$175,000 attacking Republican Senator Bob Bennett of Utah, and spent over \$1.1 million combined in the seven Republican House races where it endorsed candidates.

#### **About:**

With its ability to forward huge sums to candidates and run attack ads against their opponents, "the Washington-based advocacy group is a political force to be reckoned with in Republican circles," writes *The Los Angeles Times*. It aims to spend \$24 million on this year's election. Following the *Citizens United* ruling, Club for Growth set up Club for Growth Action, an independent expenditure committee which accepts "unlimited individual and corporate contributions."

The Club for Growth is a vocal proponent of privatizing Social Security, establishing private school vouchers, reducing regulations, and lowering and ultimately eliminating corporate, income, and capital gains taxes. The group calls on officials to "embrace" the idea of privatizing Social Security, even <a href="exclaiming">exclaiming</a>: "Privatize Social Security? Hell Yeah!" The Club also <a href="exposes">opposes</a> the DISCLOSE Act, which would require political organizations to publicly report their donors, and ban foreign-owned corporations from financially participating in elections.

Along with running attack ads, <u>USA Today</u> described Club for Growth's practices of forwarding pooled contributions to candidates: "Since Jan. 1, 2009, for instance, the Club for Growth has tapped its members for \$3.8 million that it has passed on to candidates, including nearly \$850,000 for Republican Pat Toomey, the Club's former president, who is running for the Senate in Pennsylvania."

#### **Current attacks:**

Club for Growth Action's new ads generally highlight issues such as the budget and Health Care Reform. Blaming Senators like Russ Feingold and Michael Bennet for the country's debt and deficit, the Club forgets that the <u>most significant factors</u> behind the shortfalls include the economic downturn that began under the Bush Administration, the

Bush tax cut scheme, and the wars in Iraq and Afghanistan. The Club for Growth supported many of these policies, such as the Bush tax cuts that mostly benefited the wealthiest Americans. In fact, Democratic President Bill Clinton's Administration left the country with a budget surplus and a path towards <u>paying off the national debt</u>. Regarding Health Care Reform, Club for Growth Action repeats the <u>myth</u> that the policy leads to "Big Government Health Care" and "job killing taxes."



# **U.S.** Chamber of Commerce

#### Where:

CA-SEN; CO-SEN; FL-SEN; IL-SEN; IN-SEN; KY-SEN; MO-SEN; NH-SEN; OH-SEN; PA-SEN

The U.S. Chamber of Commerce has commenced a massive influx of spending into nearly all of the top-tier Senate races. So far the Chamber spent over \$1 million in Colorado, Florida, New Hampshire on ads in each state, along with more than \$800,000 in California, \$500,000 in Kentucky, \$300,000 in Missouri, and \$200,000 in Pennsylvania and Indiana. According to the Washington Post, the U.S. Chamber of Commerce "vows to spend \$75 million or more on November's midterm election cycle."

#### Who:

A presence in American public life and the private sector for almost 100 years, the U.S. Chamber of Commerce is the country's largest trade association with thousands of state and local chapters. Thomas J. Donohue has led the Chamber since 1997, and under his leadership the Chamber's lobbying and campaign efforts have tremendously increased. In 2009 alone, the Chamber spent \$144 million on lobbying, more than double than the year prior. According to Donohue, "People seem to listen to you more when you've got a bagful of cash."

Donohue fiercely yet unsuccessfully opposed Wall Street Reform, and under his tenure the Chamber has <u>engaged in debates</u> over "trade, tort reform, union organizing rights, financial regulation and health care." The Chamber is also a fierce opponent of bills that attempt to combat climate change, promote environmental preservation, strengthen workplace protections, and ensure equal pay for equal work. Donohue <u>claimed</u> that BP should not have to pay for the entire cleanup of BP's oil spill in the Gulf, and that taxpayers should also pay a price; <u>supports</u> the privatization of Social Security; and <u>opposed Al Franken's Amendment</u> to "prevent the Pentagon from doing business with

contractors who force employees into binding arbitration over rape and sexual assault charge."

#### About:

When the Supreme Court's ruling in *Citizens United* opened up the floodgates for increased and anonymous corporate financing of political activity, and the U.S. Chamber of Commerce was already established as the principal agent in raising and disseminating corporate money. 501(c)6 trade associations like the Chamber "can take large contributions from companies and wealthy individuals in ways that will probably avoid public disclosure requirements." "The chamber has developed that into something of a specialty," Tom Hamburger writes in *The Los Angeles Times*, "under a system pioneered by Donohue, corporations have contributed money to the chamber, which then produced issue ads targeting individual candidates without revealing the names of the businesses underwriting the ads." The Chamber's grassroots organization, Friends of the US Chamber, claims to have "roughly equivalent" the amount of members of Barack Obama's Organizing for America.

#### **Current attacks:**

The U.S. Chamber of Commerce was one of the first groups to launch campaign ads in the 2010 election season. While the Chamber spent handsomely on a positive ad promoting Ohio Republican Senate hopeful Rob Portman, the vast majority of the Chamber's ads have been negative attacks on Democrats. The Chamber used inaccurate data in its ad campaign against Barbara Boxer that focused on California's water supply, and Pennsylvania television stations even pulled the group's ads criticizing Joe Sestak because of their errors.

In the Chamber's ads knocking Democrats <u>Brad Ellsworth</u> of Indiana and <u>Paul Hodes</u> of New Hampshire, the Chamber <u>grossly misrepresented</u> Health Care Reform as a "government takeover of health care," and <u>falsely maintained</u> that the new law would "ration services" in its <u>ads against Michael Bennet</u> of Colorado. When attacking Kentucky Democrat <u>Jack Conway</u> over Health Care Reform, the Chamber said that premiums would increase, even though the bill actually <u>helps avert</u> a massive hike in premiums, and repeats the <u>erroneous claim</u> that the law cuts \$500 billion from Medicare.

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# **Corporate Defenders and Mouthpieces**

The growth of pro-corporate independent expenditure committees coincided with a more intensified effort to defend corporations' more powerful role in politics. Jeff Sessions (R-AL), the ranking Republican member of the Judiciary Committee, <u>said</u> that the Supreme Court's landmark decision in *Brown v. Board of Education* is "akin in my view to the *Citizens United* case," and that desegregating schools was similar to allowing corporations greater access to the political process. Senate Republican Leader Mitch

McConnell (R-KY), who *The Hill* <u>described</u> as "a longtime and vehement opponent of campaign finance reform," even filed an <u>amicus brief</u> in the case in support of Citizens United. Business interests, Tea Party groups, and pro-corporate advocacy organizations have staunchly opposed legislation intended to check corporate power in elections and bring more transparency to politics. They often argue that regulations on corporate involvement in elections are an attack on free speech itself.

The U.S. Chamber of Commerce is one of the leading opponents of attempts to quench corporate influence in politics. *The Hill* profiled the Chamber's intense lobbying against the DISCLOSE Act which one Hill aide called "borderline thuggish," saying that "the Chamber has threatened [multiple vulnerable members] with ads against them if they vote for the bill." FreedomWorks, a Tea Party mainstay led by former House Republican leader and corporate lobbyist Dick Armey, is rallying Tea Party groups against legislation like the DISCLOSE Act. FreedomWorks has ties to Americans for Prosperity, as both groups used to be apart of Citizens for a Sound Economy, and received significant funding from the pro-corporate Sarah Scaife Foundation and the Dick and Betsy DeVos Foundation. In fact, the DeVos Foundation helped finance Citizens United's successful legal challenge to restrictions on corporate electioneering.

The leading advocacy organization against all campaign finance reform efforts is the Center for Competitive Politics. The group's main purpose is to legalize greater and more direct corporate involvement in politics, and to thwart public financing systems. The CCP filed an <u>amicus brief</u> in support of Citizens United and actively resists state and federal steps towards the public financing of elections, which it <u>blasts</u> as taxpayers' "subsidizing political campaigns." The Brennan Center for Justice <u>described</u> the group's research as "unscientific and unsupported," and unable "to demonstrate any problem" with public financing.

The CCP was founded by Bradley Smith, a former FEC head and a principal opponent of corporate restrictions in public affairs. The *Washington Post* referred to his views as "quite radical," and Senator John McCain (R-AZ) said that "sending Brad Smith to the FEC is akin to confirming a conscientious objector to be Secretary of Defense." The Center's President, Sean Parnell, previously worked at The Heartland Institute, a procorporate 'think tank' that promotes Climate Change denialism and combats regulations on the tobacco, agriculture, and insurance industries, and receives financial support from the fossil fuel industry and the rightwing Olin, Koch, Scaife, and Walton Foundations.

Pro-corporate activists attempt to conflate reasonable restrictions on corporate involvement in politics with censorship. The head of Citizens United, David Bossie, wrote that since Elena Kagan argued *Citizens United* on behalf of the government as Solicitor General, she effectively believes that "the government has the authority to ban books and other forms of communication." The Center for Competitive Politics said that the *Citizens United* ruling was about preventing "government bans on books." Essentially, they argue that the avalanche of corporate financing in campaigns *benefits* the democratic process, and any restrictions are a form of draconian government suppression of speech.

Justice Sandra Day O'Connor, when reacting to the *Citizens United* decision, <u>said</u> that "no state can possibly benefit from having that much money injected into a political campaign." Because of their massive financial and legal resources, corporations already have significant sway over public officials, and their clout has only increased as a result of *Citizens United*. With the ability to drown out the voices of *real* individuals and ordinary citizens, corporations in the post-*Citizens United* era have more ways to promote their agenda and silence their critics.

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# **Conclusion**

Unless the Supreme Court reverses the *Citizens United* decision, only a Constitutional Amendment is able to limit the extent of corporate participation in electoral politics.

Multiple opinion polls show that the public, including most Republicans, overwhelmingly oppose the Court's decision and believe *Citizens United* was wrongly decided.

People For the American Way and Public Citizen have launched the "<u>Pledge to Protect America's Democracy</u>," which asks candidates for office to support an Amendment overturning *Citizens United*. Members of both the Senate and the House have proposed Constitutional Amendments, President Barack Obama repeatedly and forcefully condemned the decision, and the Elena Kagan nomination hearings and debate demonstrated increased alarm over the Roberts' Court's pro-corporate activism.

Legislation that can mitigate the impact of the *Citizens United* ruling includes the Shareholders Protection Act, which would require shareholder approval of political spending, and the Fair Elections Now Act, which provides public financing for federal candidates. Ultimately, a Constitutional Amendment is the most comprehensive way to reverse *Citizens United* and prevent the corporate takeover of our democracy.

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