


RELEASE IN PART B6

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Barry Bennett, Anti-Bain Documentary Maker, Has History Of Running Secret Money Operations

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WASHINGTON -- South Carolina has a reputation as the most vicious contest in the presidential primary calendar. It's where Sen. John McCain (R-Ariz.) was attacked for having a black baby, it's where then-Sen. Hillary Clinton (D-N.Y.) and former President Bill Clinton were labeled racists, and it is now where Mitt Romney faces the harshest attack of his campaign to become the Republican standard bearer.

"When Mitt Romney Came to Town," a 28-minute documentary purchased by a cash-flush super PAC supporting former House Speaker Newt Gingrich, highlights a series of business deals made by Bain Capital, the private equity firm formerly led by Romney, that cost thousands of Americans their jobs. Bain Capital and Romney are portrayed as Yankee aggressors leading a veritable Sherman's March through the American economy. A state like South Carolina, with a 9.9 percent unemployment rate and a recent history of factory closures, has an electorate primed for this kind of argument.

The film was produced by a Republican operative named Barry Bennett while he was consulting for another super PAC, which supports Texas Gov. Rick Perry in the presidential race. Bennett insists that he paid \$40,000 out of his own pocket to make the documentary after reviewing opposition research gathered by Romney's opponents in the 2008 presidential campaign.

But Bennett has a history as a frontman for Republican Party ventures financed by donors intent on maintaining their anonymity. Since the 1990s, he has headed two nonprofits set up for the purpose of influencing elections while maintaining donor secrecy. He has operated within the underbelly of politics where secret money flows through obscure trusts and foundations to finance attack ads and campaigns free of fingerprints.

So eyebrows have been raised and doubts expressed that "When Mitt Romney Came to Town" is really his solo effort.

"[Obama campaign adviser] David Axelrod is going to have a heyday with this," said Bennett, explaining to the New York Times his reason for making the documentary, "and Republicans need to know this story before we nominate this guy."

People involved in politics and making documentaries, however, wonder about Bennett's ability to pay for it himself and what it really cost. The documentary's high production

values and the reports of people receiving payments for talking on camera have sparked speculation that the documentary must have cost more than \$40,000.

And Bennett has a lot of experience with anonymous donors.

SECRET MONEY

Back in 1995, he was working for the Republican National Committee, then led by Haley Barbour and staffed by a who's who of lobbyists working in Washington today. The new Republican majority in Washington, under Speaker Gingrich, was in the midst of a major battle with President Clinton over proposals to cut Medicare and enact a balanced budget amendment. According to a 1997 Democratic minority report on campaign finance abuses from the Senate Committee on Government Affairs, Barbour wanted to save RNC resources for electoral campaigns so he ordered the creation of several nonprofits solely to run independent ads supporting those Republican legislative measures.

The network of nonprofits served three purposes: It saved the RNC from spending its "hard money" dollars on non-electoral ads, it provided anonymity for donors because it operated outside Federal Election Commission disclosure rules, and it placed the imprimatur of authenticity on claims that were actually originating from the RNC. As one RNC official explained in a memo: "Always remember, 'What we say about ourselves is suspect, but what others say about us is credible.'"

All of this was a prelude to the rise of super PACs, which were essentially authorized by the Supreme Court in its 2010 *Citizens United v. FEC* decision.

Central to the network of nonprofits was the Coalition for Our Children's Future. CCF needed a frontman, and RNC officials settled on Bennett, who had at this point left the RNC to work for Rep. Frank Cremeans (R-Okla.). Bennett later testified to the Senate Government Affairs Committee that he was unaware he had been named executive director of CCF until he received business cards in the mail.

Bennett also told the committee that he never felt like he was fully in charge of CCF. He considered Odell, Roper & Sims, a fundraising firm hired by the RNC to oversee the creation and funding of CCF, to be the final arbiter on all financial decisions. He did, however, manage the crafting of \$4 million worth of ads and their placements. He worked closely with the congressional campaigns of a few vulnerable Republicans, who helped raise money and direct when and where they wanted spots placed.

While CCF was ostensibly established to run issue ads on Medicare and the balanced budget amendment, the targeted ads in congressional districts went beyond that original intent. And wealthy donors with political goals apparently took note.

In 1996, the group was approached by an anonymous donor who wanted to cut a \$700,000 check for ads to run against a select slate of candidates, according to the Senate committee's majority report. Bennett, although still executive director, was mainly focused on Cremeans' reelection campaign. Still, he was party to a confidentiality agreement, signed by the directors of CCF and orchestrated by Odell Roper and RNC counsel Benjamin Ginsberg, to keep the identity of the donor secret.

Democrats on the Senate committee that investigated CCF concluded that the anonymous donor was likely the Economic Education Trust, which was assumed to be run and largely funded by billionaire businessmen David and Charles Koch. "What the Committee did develop is a startling coincidence in terms of where Koch family members individually and the corporate PAC made contributions and where advertising, that we believe was funded by the Economic Education Trust, was ultimately aired," Elizabeth Stein, an investigator

for the Senate committee's minority staff, said in a 1997 interview with "Frontline." "There was a big overlap in places where Koch Industries had business or financial interests and where advertising supported by the Economic Education Trust was aired."

The Economic Education Trust was involved in funding other nonprofit groups that were operated by a for-profit shell corporation named Triad Management. Like the Triad-run groups, CCF specifically targeted lawmakers in states where Koch Industries did a lot of business.

AFTER CITIZENS UNITED

Bennett's work with major donors looking to hide their identities didn't end there. In 2010, he left a job as chief of staff to Rep. Jean Schmidt (R-Ohio) to become executive director of the Alliance for America's Future. Joining him at the new conservative nonprofit were Mary Cheney, the daughter of former Vice President Dick Cheney, and Kara Ahern, Cheney's former chief of staff.

The nonprofit was formed after the *Citizens United* ruling that, among many other things, allowed nonprofits to spend money on express advocacy for candidates seeking election. This change effectively sanctioned much of the activity that Bennett and CCF had pursued in the 1990s. The CCF ads had to mask their negative message about a candidate behind criticisms over issues. The Alliance for America's Future, however, could raise unlimited contributions from anonymous donors to fund ads that openly call for the victory or defeat of candidates.

The nonprofit is part of a network of independent conservative groups that have either been established or increased their visibility in the wake of the *Citizens United* decision. They include the Karl Rove-linked American Crossroads and the Koch brothers-funded Americans for Job Security. The Alliance for America's Future is connected to both of those groups through Michael Dubke, who is listed as a controlling officer for a super PAC, Partnership for America's Future, set up by the Alliance for America's Future. Dubke is a founder of Americans for Job Security and owns media firm Black Rock Group with American Crossroads political director Carl Forti.

In the 2010 election, the Alliance for America's Future spent nearly \$700,000 across six congressional races. Its biggest investments were \$360,000 to oust Rep. Timothy Bishop (D-N.Y.) and \$272,000 to elect Sen. Rob Portman (R-Ohio). Portman won, but so did Bishop. The group also ran ads at the state level in favor of Nevada gubernatorial candidate Brian Sandoval in his successful primary bid against incumbent Republican Gov. Jim Gibbons.

The Sandoval spending turned into a major controversy in Nevada when the Democratic secretary of state, Ross Miller, labeled the group a political action committee, which would have required it to disclose its donors, and subsequently filed suit in state court to block the group from running more ads.

"This out-of-state organization is attempting to influence the outcome of a Nevada election and, at the same time, dodge state law that requires disclosure and transparency in election activity," Miller said in a statement in May 2010.

Miller won initially in court, but the Alliance for America's Future appealed the decision all the way to the state Supreme Court. That court has yet to rule on the group's status. Donors who give to a group like the alliance are doing so to avoid sticking out their neck publicly when opposing an incumbent governor, as in Nevada, or fighting for a potentially

unpopular law. The latter situation came up in Ohio in 2011 when the Alliance for America's Future invested millions of dollars in a campaign to support newly elected Ohio Gov. John Kasich's signature plan to scale back collective bargaining rights for public employees.

The controversial measure sparked major union protests, reminiscent of those seen in Wisconsin after Gov. Scott Walker (R) signed a similar bill, and a campaign to reverse the law through the ballot initiative process. With Issue 2 on the ballot, groups from outside Ohio entered the fray waving millions of dollars.

The Alliance for America's Future alone wound up spending more than \$1 million, mostly on mailers to Ohio voters, and refused throughout to disclose its donors to the public.

Paul Blumenthal is a reporter for the Huffington Post covering money and influence in politics. He previously worked as the Senior Writer for the Sunlight Foundation covering influence, lobbying, and transparency issues. His work has been featured in many different outlets including PBS' Frontline, CNN, the New York Review of Books, the New York Times, and National Journal. He can be reached at paulblumenthal[redacted] or you can follow him on Twitter @PaulBlu.