



The State Policy Network's Cozy Relationship With Big Tobacco

By: Rebekah Wilce – December 19, 2013

This article is an excerpt of the Center for Media and Democracy's new report, "EXPOSED: The State Policy Network: The Powerful Right-Wing Network Helping to Hijack State Politics and Government." For more, please see StinkTanks.org and the State Policy Network portal on our sister website, SourceWatch.org.

The State Policy Network (SPN), a web of right-wing "think tanks" in every state across the country, has close ties with the tobacco industry. When tobacco companies like Reynolds American or Altria/Philip Morris want to avoid tobacco taxes and health regulations, reports by SPN groups in many states can help inspire local resistance.

SPN, its member affiliates, and SPN-related entities such as the American Legislative Exchange Council (ALEC), the Heritage Foundation, and the Cato Institute, continued to receive funding from the tobacco industry that has continued through at least 2012, according to Altria/Phillip Morris documents. *The Nation* journalist Lee Fang previously reported that SPN relied on funding from the tobacco industry throughout the 1990s, and in return assisted the tobacco industry "in packaging its resistance to tobacco taxes and health regulations as part of a 'freedom agenda' for conservatives."

During SPN President Tracie Sharp's tenure at the Cascade Policy Institute (CPI, an SPN affiliate) from 1991 to 1999, Philip Morris state lobbyists worked hand-in-hand with CPI to oppose tobacco taxes, as Lee Fang describes in the *Nation*.

In 2001, Philip Morris Director of External Affairs Joshua Slavitt told an SPN conference that the best way to "positively impact your relationship with prospective and current corporate contributors" was to "understand their priorities" and to make "contribution requests to suit the needs of your supporters."

It appears that SPN and its member think tanks were listening, as cash from Big Tobacco to SPN continues to flow. In 2012, Altria (formerly Philip Morris) listed SPN and 21 member think tanks as recipients of corporate "charitable" contributions (which it calls "business directed giving"), although the corporation does not disclose the amount of the contributions. The Center for Media and Democracy (CMD) has discovered that Altria/Philip Morris and Reynolds American contributed a total of \$105,000 to SPN alone in 2010. Industry documents made publicly available by the 1998 Master Tobacco Agreement between the Attorney Generals of 46 states and the nation's five major tobacco companies and two tobacco industry associations show that SPN think tanks have been recipients of funding from Big Tobacco dating back to the early 1990s.

In turn, many SPN think tanks often advocate against raising tobacco and excise taxes and work to defeat smoking bans. In Ohio, for example, the Buckeye Institute (which has received at least \$60,000 in direct funding from the tobacco industry over the years, including funding from Altria as recently as 2012) has published numerous reports and articles against tobacco taxes, and the 1851 Center for Constitutional Law, formerly an offshoot litigation center of the Buckeye Institute, has led legal efforts against Ohio's public smoking ban.

Revealed: Previously Unknown Funders of SPN

SPN has grown into a multi-million dollar "think tank" empire, as SPN and its member think tanks cumulatively reported over \$83.2 million in revenue and \$78.9 million in expenses in 2011. SPN itself saw an increase in revenue of more than \$3 million from 2011 to 2012. Where is all that money coming from?

Until recently, very little information on SPN's funding was available. However, CMD has discovered a public document listing SPN's 2010 funders, which include the following top and key funders (bolded funders have also funded ALEC):

- Giving \$1.5 million or more:
 - Donors Capital Fund
- Giving \$250,000 to \$600,000:
 - DonorsTrust Inc.
 - Northern Trust Charitable Giving Program (a donor-advised fund)
 - BMO Harris Bank
- Giving \$100,000 to \$249,000:
 - Jaquelin Hume Foundation
 - Karen Wright (member of the Kochs' million-dollar donor club and American Petroleum Institute boardmember)
- Giving \$25,000 to \$99,000:
 - Famsea Corporation
 - RAI Services Company (Reynolds American Inc.)
 - Altria Client Services Inc.
 - Microsoft
 - AT&T

- GlaxoSmithKline
- White Hat Ventures, LLC
- Giving \$5,000 to \$24,000:
 - Kraft Foods
 - Atlantic Trust Company
 - Philip Morris
 - Reynolds American
 - Express Scripts
 - American Legislative Exchange Council
 - DCI Group, LLC (top Republican lobby and PR firm with ties to the Koch brothers, the tobacco industry, the Tea Party, and billionaire Pete Peterson’s “Campaign to Fix the Debt”)
 - Verizon Communications, Inc.
 - Comcast
 - Olive Hill, LLC
 - Time Warner Cable Shared Service Center

Although there is no direct funding from Koch Industries or any of the Koch family foundations in that document, both Donors funds are connected to the Kochs and operate to conceal the identity of the donor. Is part of the combined \$2 million from the two Donors funds (the biggest donors to SPN itself by far in 2010) from the Koch fortune?

In addition, the following corporations, front groups, and various non-profit organizations sponsored SPN’s most recent annual meeting in Oklahoma City on September 24 - 27, 2013, for undisclosed amounts (bolded funders have also funded ALEC):

- Express Scripts
- Vernon Kriebel Foundation
- The Roe Foundation
- Alliance for School Choice
- Atlas Network

- RAI Services Company
- The Liberty Foundation
- Voter Gravity
- Altria
- NJOY (electronic cigarettes)
- Charles Koch Institute
- National School Choice Week
- Quick Reliable Printing (QRP)
- R Street
- Taxpayers United of America
- eResources
- *How Money Walks*
- Spark Freedom
- Franklin Center for Government and Public Integrity
- Facebook
- Jones Public Relations
- National Cable & Telecommunications Association
- Reason Foundation
- Consumer Healthcare Products Association
- American Legislative Exchange Council
- The Carleson Center Welfare Reform Action Fund
- Stephen Clouse and Associates
- Comcast
- A.C. Fitzgerald & Associates
- ClearWord Communications Group, Inc. (donor strategies firm)

- Time Warner Cable
- K12 Inc.
- Competitive Enterprise Institute
- Frontiers of Freedom
- Ceterus (virtual office company)
- Case Consulting Services
- DonorsTrust
- The Heritage Foundation
- National Center for Policy Analysis (NCPA)
- Students for Liberty
- Right on Crime
- Tax Foundation
- ROC Exposed (an anti-labor front group run by Berman & Co.)
- Microsoft
- Mercatus Center at George Mason University
- Mackinac Center for Public Policy
- Americans for Tax Reform
- The Independent Institute
- Americans for Prosperity Foundation
- MP Plumbing Co.
- American Enterprise Institute
- Campaign Marketing Strategies
- U.S. Chamber of Commerce Global Intellectual Property Center
- Koch-financed group focusing on young voters)
- American Philanthropic

- Young Americans for Liberty