



Exposed: Tucker Carlson, His 'Charity' and the Trump Campaign Cash He Didn't Tell Fox Viewers About

The Trump campaign paid an estimated six figure sum to Carlson's The Daily Caller.

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June 17, 2017

Tucker Carlson, FOX News' new primetime anchor, received a six-figure sum from the Donald Trump campaign for president through his Daily Caller operation—which rented out its email list to Trump—according to Center for Media and Democracy's newest investigation. CMD estimates the amount to be \$150K in cash from the campaign to Daily Caller, which paid Carlson an untold sum.

CMD's investigation also uncovered troubling information about how Carlson's non-profit charity, the Daily Caller News Foundation, benefits his private for-profit media site, The Daily Caller. The relationship between the two groups “raises significant questions about whether the (c)(3) is operating for private benefit instead of for a charitable or educational purpose consistent with its tax-exempt status,” according to Elizabeth Kingsley, a nonprofit tax expert at the D.C. law firm of Harmon, Curran, Spielberg + Eisenberg.

Today, Callum Borchers [breaks the story](#) of CMD's investigation of these two issues in the *Washington Post*.

The Trump Campaign Paid an Estimated Six Figure Sum to Carlson's The Daily Caller

Carlson never disclosed the Trump campaign cash to his viewers on FOX News, even as he analyzed the presidential race. Meanwhile, as a FOX News headliner, Carlson has [attacked news outlets](#) like the *New York Times*, claiming they are biased against Trump.

CMD—which analyzed emails sent by the Trump campaign to The Daily Caller subscribers—estimates that Carlson's Daily Caller received at least \$150,000 from the Trump campaign in the months right before the November election based on the fee charged for mailings to its list, though the full extent of the funding is unknown.

CMD also examined the relationship between the non-profit and for-profit arms of Tucker Carlson's Daily Caller operations. The mechanics of how they operate together raise serious concerns about whether Carlson's tax-free nonprofit is operating primarily for the private benefit of his for-profit media outlet, which would be a violation of tax law.

CMD's findings raise questions about Carlson's approach to financial conflicts of interest, journalistic standards, and more as he takes over the lead primetime slot at FOX News.

About Tucker Carlson's Daily Caller and the Daily Caller News Foundation

The Daily Caller was founded in 2010 by Tucker Carlson and Neil Patel, a former advisor to Vice President Dick Cheney. The corporation describes itself as "a for-profit, independent news outlet" that generates "revenue for our mission through advertising." The outlet's non-profit arm, the Daily Caller News Foundation, was also founded by Carlson and Patel.

Through the 2016 election, Carlson was listed as the Editor-in-Chief of the for-profit and Chairman of the non-profit, with Patel as the Publisher and President, respectively.

Carlson is now listed as the Co-Founder of The Daily Caller and Chair of the non-profit, but is no longer the Editor-in-Chief. The Daily Caller continues to feature his FOX News interviews prominently.

The Daily Caller website has more than 16.5 million unique visitors per month, and it is [listed](#) as the 109th most visited website in the United States, placing it ahead of the websites for USA Today, MSNBC, and the *Los Angeles Times*.

The most recent public tax filings of the non-profit are from 2014, and key information about its total revenue and expenditures from 2015 are not available online. Its 2016 revenue and expenses will not be filed with the IRS until later this year.

"Decisions about what to investigate, as well as our conclusions," the Daily Caller has asserted, "are guided only by our journalists." The Daily Caller's articles contained a stream of anti-Clinton stories as Clinton and Trump faced off in the general election.

The amount Carlson paid himself last year through The Daily Caller is not known, nor is there any disclosure of how his income last year compares with prior years without a presidential election. Still, as a co-owner, it can be presumed that Carlson received compensation from The Daily Caller (and FOX) in 2016.

The Daily Caller's Trump Campaign Relationship Under Carlson's Leadership

In the 2016 presidential election, The Daily Caller sold the Trump campaign access to its email list for at least the three-month period prior to Election Day. The total price for such repeated access to that list by the Trump campaign during that period is unknown.

CMD's Executive Director, Lisa Graves, subscribed to The Daily Caller's email list using a CMD prwatch.org account and began receiving "Trump for President" emails from Carlson's for-profit media outlet in the months before Nov. 8. (See samples of these emails down below.)

These co-branded email alerts to subscribers were sent by The Daily Caller, on Daily Caller letterhead, with this text above the Trump campaign's claims and requests:

THE DAILY CALLER | *A Message from Our Sponsor*

TRUMP

PENCE

MAKE AMERICA GREAT AGAIN

The Daily Caller emails were signed by “Donald J. Trump” or key campaign staffers and were sent from dailycaller.com.

From September through November of 2016, The Daily Caller’s “sponsor,” the Trump campaign, sent at least 25 emails to The Daily Caller’s email list. Subscribers were told they needed to be “on board more than ever before” with Trump and support Trump’s campaign.

The email blasts were sent from The Daily Caller’s newsletter@info.dailycaller.com email address and were signed by Trump, Kellyanne Conway, and Donald Trump Jr. One email was also signed by Brad Parscale, listed as the Digital Director of the Donald J. Trump for President campaign, who was also president of the Giles-Parscale firm that received nearly a hundred million dollars from the Trump campaign.

While other for-profit news outlets do sell advertising to political campaigns, The Daily Caller’s arrangement with the Trump campaign was unusual, in that it permitted the campaign to send co-branded emails to Daily Caller followers that were not visible to the general public, even as the outlet claimed to be independent and relentlessly attacked Clinton and pushed stories that aided or echoed the Trump campaign.

Campaign ads also run as commercials during evening news hours or as pages between stories in a newspaper, but they are visible to the general public and not often described favorably as “our sponsor,” unlike the Trump campaign emails through The Daily Caller.

All advertising copy is pre-approved by The Daily Caller.

As 2017, The Daily Caller’s email list was said to include 400,000 opt-in names, and was offered to advertisers at a rate of \$6,000 per email. Whether that was the same rate charged for the frequent emails sent by the Trump campaign before the presidential election is not known, but it serves as a baseline for the estimated value of the list.

At an un-tiered market price as of 2017, the 25 Trump campaign emails would have amounted to \$150,000 dollars in advertising revenue for The Daily Caller, with an untold amount contributing to Carlson’s salary, bonuses, or profit-sharing.

The full details of the exchange are not known due to a third-party vendor loophole through which political campaigns can circumvent certain kinds of disclosure requirements when making some kinds of advertisement purchases.

For example, the Trump campaign listed the Texas-based Giles-Parscale for “Digital Consulting/Online Advertising” purchases, which then subcontracted with other entities to purchase the majority of the campaign’s ads and email services. The Trump campaign reported to the FEC that it distributed \$87.8 million to Giles-Parscale during the 2016 cycle. It is not known if The Daily Caller emails were funded through Giles-Parscale or another vendor. For example, the Trump campaign disclosed that it spent more than \$10 million on “placed media”

through the American Media and Advocacy Group. It is not clear which vendor purchased frequent access to The Daily Caller list for the campaign, though it is clear that The Daily Caller knew it was getting money through the Trump campaign and the emails are plainly from the Trump campaign.

CMD's analysis of the emails, tweets, and stories indicates that candidate Trump, The Daily Caller, and its non-profit affiliate enjoyed a symbiotic relationship.

For example, as the Trump campaign was buying access to The Daily Caller email list, in the three weeks leading up to the November election, Trump tweeted out eight Daily Caller stories to his audience of 26.5 million followers. During that same period, DailyCaller.com published numerous anti-Hillary Clinton articles produced by The Daily Caller News Foundation, some of which echoed Trump claims or were echoed by the campaign or its surrogates. Since the election, Trump has continued to promote The Daily Caller claims and Carlson.

Indeed, Trump's infamous fake news assertion of "what happened in Sweden last night" at his first post-Inauguration rally was based on a clip from Carlson's show the night before featuring Ami Horowitz, whose claims have been sharply criticized. And, as was [widely documented](#), no incident happened in Sweden the night before Trump's speech.

Trump also chose Carlson to conduct a major two-part TV interview, granting Carlson access to Air Force One and sharing with him his personal thoughts on his new administration. The interview was a newsworthy, and thus financially valuable, event for Fox News. At no time did Carlson reveal to viewers that his for-profit media company last year profited from giving the Trump campaign the use of its email list.

In the process of examining the symbiotic relationship between The Daily Caller, Carlson, and Trump, CMD also found that The DailyCaller.com relies heavily on its non-profit affiliate to provide content for the for-profit website. It is not clear how much of the Daily Caller's email list is the result of the non-profit's stories or email subscriptions. CMD's analysis indicates that the non-profit news site may exist primarily for the private benefit of Carlson's for-profit.

The IRS tax code states that 501(c)(3) organizations "may not participate in any campaign activity for or against political candidates." Yet the primary purpose of The Daily Caller News Foundation appears to be to drive traffic to The DailyCaller.com website, which also provided a presidential candidate with paid access to its email list.

CMD has found no evidence to suggest that The Daily Caller has engaged in this type of relationship with any other political candidate or advertiser, except for one email blast supporting Senator Ted Cruz in an earlier primary fight.

The Daily Caller's For-Profit and Non-Profit Arms

The Daily Caller brand is comprised of two entities, The Daily Caller Inc., a for-profit media organization, and The Daily Caller News Foundation, a non-profit charity. The way they operate raises significant tax law questions.

Like other media corporations, The Daily Caller is revenue-driven. But unlike other media companies, The Daily Caller receives a sizable portion of its content from its own non-profit charity. DailyCaller.com regularly features stories from The Daily Caller News Foundation, helping to drive traffic that The Daily Caller Inc. converts into advertising revenue.

The Daily Caller claimed in its 501(c)(3) application to the IRS and on its website that the foundation deserves its charity status because it “is a consumer research educational organization” whose goal is to provide “consumer news and research” to “mainstream consumers,” and because it licenses its content to other news outlets free of charge and has a mission “to train up-and-coming reporters and editors.”

But CMD’s analysis indicates that one of the Daily Caller News Foundation’s primary activities is to provide The Daily Caller Inc. with a steady stream of content for its for-profit news website.

The Daily Caller Inc. acknowledges this activity in its promotional materials for advertisers. In its 2016 advertising deck, The Daily Caller Inc. touts the nonprofit’s influence, stating, “The Daily Caller News Foundation *has an advantage* that most new media outlets do not: access to millions of views. Reporting created by The Foundation is *automatically sent for consideration* to the for-profit Daily Caller” [emphasis added].

To quantify the relationship between The Daily Caller’s for-profit and non-profit entities, CMD analyzed the organization’s media output for two standard work weeks, one in mid-January of 2017 and the other in early-March of 2017.

CMD found that of the 672 articles the non-profit affiliate published during those two weeks, all 672 were immediately cross-posted by the DailyCaller.com—proving that the for-profit’s publishing of nonprofit-created content is certainly “automatic.”

CMD also found that the for-profit DailyCaller.com website is incontrovertibly dependent on The Daily Caller News Foundation to fill its webpages with content. The DailyCaller.com divides its stories into 14 categories across the top bar of its main page. Some of these news sections, like the Entertainment section, provide a constant barrage of click-bait-driven, salacious headlines, (e.g. “This Mexican Weather Woman Is Blowing Up The Internet”), that only feature for-profit-created and often vapid content. The Entertainment, Sports, Guns and Gear, Deals, and Blog sections all fall into these categories. The website also hosts an Opinion section.

The remaining six categories, including the Politics and US sections—essential to the company’s viability as a “24-hour news publication” known for its political coverage—are chock-full of stories created by its non-profit arm. (*See* related stories on how The Daily Caller has helped fuel the war on women and peddled disinformation about climate and the fossil fuel industry here.)

Throughout those two sampled work weeks, 46% of the content published in DailyCaller.com’s Politics section was created by the non-profit affiliate, as was 67% of its US section, 84% of its World section, 95% of its Business section, 44% of its Education section, and 99% percent of its Energy section.

In contrast, the other news outlets that the Foundation listed to the IRS as recipients of its services only run a handful of Foundation stories per year. The *Business Insider*, for example, only ran seven Foundation stories in 2016, while *Real Clear Politics* published just four. The other six news outlets that the Foundation listed to the IRS did not run *any* Foundation stories in 2016.

During the Foundation's correspondence with the IRS in 2013 to gain tax-exempt tax status, the IRS asked for the Foundation to "explain in detail how your activities differ from the activities of the Daily Caller," which the IRS noted was a for-profit website.

The Foundation responded by stating its work "focuses on longer-term investigative writing and on policy focused coverage," and that "the Foundation's reporting is difficult to do in a for-profit environment because it has a smaller audience potential (policy reporting) or because it takes a long time (investigative reporting)."

CMD's analysis of the Foundation's output does not support those statements.

Of the 672 stories the Foundation published during the two weeks CMD reviewed, only 39% was original content, and much of that "original" content was repurposed public press statements, Tweets, and government-authored reports.

The remaining 61% of the Foundation's stories were based on the reporting of *other* media companies, most of whom, like the *New York Times*, Politico, and Reuters, are for-profit entities. To produce these stories, the Foundation simply [linked to](#) and summarized the findings of those organizations' work.

Further, CMD found that 82% of the Foundation's 672 stories focused on events and policy trends that had occurred within just seven days of being published, and that 17% were not related to a broad definition of public policy at all (often these non-policy stories were [sensational](#) or [commercial product-focused](#)).

Significantly, the Daily Caller News Foundation is not, as stated above in The Daily Caller Inc.'s advertising deck, a "new media outlet." As opposed to the for-profit DailyCaller.com site, the barebones DailyCallerNewsFoundation.org website is not equipped with any social media sharing capabilities and is scarcely promoted by The Daily Caller brand.

In fact, the Daily Caller News Foundation does not have any external websites like a Facebook Page, Twitter Handle, Google Plus Account or LinkedIn Page to promote its material. On the other hand, The Daily Caller Inc. embraces all of those platforms, and has a Facebook Page with 4.5 million likes, a Twitter account with 284,000 followers, a Google Plus account with 13,400 followers, and a LinkedIn page that regularly features nonprofit-created content.

Further, when Foundation authors allude to their previous work in Foundation-published stories, they hyperlink to DailyCaller.com posts, and not Foundation posts.

The Daily Caller's dependence on nonprofit-created content to drive for-profit revenue is structural. The Daily Caller's for-profit and non-profit arms are located in the same office building, the Daily Caller gives the Foundation free rent and Internet in exchange for licensing

its content to the for-profit operation and the nonprofit's Editor-In-Chief has served as the for-profit's Senior-Editor, along with other ties.

As of 2014, the latest tax filing available, The Daily Caller News Foundation's Board of Directors consisted of The Daily Caller Inc.'s founders—Carlson and Patel—The Daily Caller Inc.'s Senior-Editor, Christopher Bedford, and the Foundation's then-editor, William J. Antle. The latter were added in 2013.

Both entities were incorporated in Delaware by the same financial services company, and in 2011, the for-profit provided the nonprofit with two seed loans worth \$35,000. That year, the nonprofit declared the for-profit to be a "related entity" in its tax filings, as it did in 2012 and 2013. It did not, however, reveal how much the for-profit entity was paying Carlson or Patel. In subsequent years, the related for-profit was not listed. In the last year with a publicly available tax filing, the non-profit reported more than \$3 million in revenue. There is no information about the revenue of the for-profit that year, during the presidential election year, or previously.

The Daily Caller News Foundation is currently organized as a 501(c)(3) charity, which allows it to pay zero taxes on revenue, receive funding from foundations, and offer its donors the opportunity to claim a tax deduction.

To acquire and maintain 501(c)(3) status, an organization "must not be organized or operated for the benefit of private interests." Yet The Daily Caller Inc. and its owners derive substantial financial benefit from The Daily Caller News Foundation's operations.

The fact that the Foundation's content is advertised and promoted by The Daily Caller Inc.'s digital platforms instead of the nonprofit's, that those platforms generate revenue for the for-profit and its owners, and that the Foundation is instrumental to the Daily Caller Inc.'s for-profit business structure raise major red flags, according to an expert in non-profit law.

"The structure of the relationship raises significant questions about whether the (c)(3) is operating for private benefit instead of for a charitable or educational purpose consistent with its tax-exempt status," said Elizabeth Kingsley, a nonprofit tax expert at the D.C. law firm of Harmon, Curran, Spielberg + Eisenberg. "And there is a legitimate question of whether its content qualifies as educational and does not stray into being campaign intervention."

The bias of content produced by The Daily Caller News Foundation, its extensive links to the overtly political DailyCaller.com, and the use of emails captured through the nonprofit's content to support Trump's campaign cast doubt on the Foundation's compliance with applicable laws.

Media companies can be extremely lucrative enterprises. *The Huffington Post* was sold to AOL for \$315 million. Matt Drudge, the founder of the DrudgeReport, has amassed an estimated \$90 million in net worth off of his website's advertising revenues. The annual revenue or profit of The Daily Caller is not part of the public record.

The Daily Caller Is a "Koch Caller" Too

The Texan satirist and political commentator Jim Hightower likes to say, “Tug on any right-wing thread in America and you’ll most likely find that it’s tied to the multi-billionaire Koch boys, Charles and David.”

The Daily Caller is no exception.

The company’s 501(c)(3) arm does not have to disclose its donors, but tax filings from the Koch family foundations show a substantial investment in the Daily Caller News Foundation through charitable gifts.

Between 2012 and 2014, the Charles Koch Foundation and the Charles Koch Institute gave a combined total of \$197,312 to the Daily Caller News Foundation. Then, in 2015, the latest tax filing available, the Charles Koch Foundation donated \$590,000, and the Charles Koch Institute kicked in another \$18,200.

All in all, the Koch family foundations reported contributing \$805,512 to the Daily Caller News Foundation between 2012 and 2015.

There is no public reporting yet of any amounts provided in 2016 during the presidential election. Individual checks from Charles or David Koch or corporate contributions from Koch Industries are also not publicly reported, and if given would be additional revenue for Carlson’s operation.

The Daily Caller, in turn, actively promotes the Kochs’ political crusades, offers glowing reviews of Charles Koch’s business books, and regularly posts glib responses to criticisms of Koch influence in U.S. politics.

When the Koch donor network met this January in Palm Springs and pledged to spend hundreds of millions to further their political agenda, Christopher Bedford—who was then both The Daily Caller senior editor and the Daily Caller News Foundation editor-in-chief—was on hand to file eleven glowing news stories about the conference (e.g. “Charles Koch Calls For Action: ‘We Might Not Have An Opportunity Again Like We Have Today’”).

In these articles, Bedford disclosed that he was a fellow at the Charles Koch Institute in 2010, but did not mention how much The Daily Caller News Foundation had received from the Koch foundations, or if they had received any donations from the Kochs themselves through their personal trust account checks or from Koch Industries.

Carlson also has numerous connections to the Kochs, including but not limited to the following:

- In 2009, Carlson became a Senior Fellow at the CATO Institute, a D.C.-based think tank founded by Charles Koch, whose board is controlled by the Kochs.
- Carlson spoke at the 2011 conference of the American Legislative Exchange Council (ALEC), the Koch-funded corporate bill mill where a Koch Industries lobbyist has served on the group’s corporate board for more than two decades. Carlson also received its “Warren Brookes Award for Excellence in Journalism.”

- Carlson has been a headliner at rallies for state affiliates of David Koch's Americans For Prosperity, including a claimed "non-electoral" event to "Call Out Kay," (North Carolina Senator Kay Hagan), just 6 weeks before her unsuccessful 2014 re-election bid.
- Carlson has been the keynote speaker at galas for State Policy Network (SPN) affiliates like the New York-based Yankee Institute. Many of those SPN affiliates share something notable in common with The Daily Caller News Foundation: they are listed as Charles Koch Institute "partner organizations."