



Robert Mercer Is A Force To Be Reckoned With In Finance And Conservative Politics

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When Robert Mercer accepted a lifetime achievement award from a technology group in 2014, the Renaissance Technologies co-CEO summed up his career modestly.

"What I am is simply a computer programmer," he told the crowd.

In fact, both professionally and politically, Mercer is much more than that.

At 70, Mercer is an American success story, having helped turn Renaissance into one of the most profitable hedge funds in the world, and by all accounts becoming very rich in the process.

Along the way, he and his daughter Rebekah have become a force to be reckoned with in conservative politics, contributing lavishly to right-wing causes in the United States and even Europe.

According to the Center for Responsive Politics, in 2016 Mercer gave some \$25 million to conservative groups and candidates, including President Trump. Last year, he was also one of the 10 biggest political donors in the country, alongside better-known figures such as George Soros, Sheldon Adelson and Mike Bloomberg.

"Even though he is very private, he has very deep pockets and he cuts a wide swath in conservative politics," Sheila Krumholz, the center's executive director, told NPR.

In fact, Mercer is typical of a new kind of mega-donor in politics these days, she says.

"In years past, big donors gave soft money to the parties, and maybe they got perks. They got donor rewards. They got a seat at the head table or got invited to briefings, breakfasts, etc. But here's someone who's very private and yet wants to use his money in very strategic, specific ways that he controls," she says.

Mercer is a major donor to well-known conservative groups such as the Club for Growth, the Heritage Foundation, the Media Research Center and the Cato Institute.

Rebekah Mercer, the second of Robert and Diana Mercer's three daughters, has arguably become even more powerful, with direct ties to Trump senior strategist Steve Bannon. She ran the pro-Trump super PAC Make America Number 1 and served on the Trump transition team.

With very few exceptions, neither Mercer talks to the press or speaks publicly and if they have specific policy goals, those are shrouded in mystery. NPR contacted a spokesman for the Mercers but did not receive a reply.

Those who know Mercer say he has long held strong views on government spending, the environment and civil rights.

"They were very, very conservative. Libertarian. If I wanted to use a prejudicial word I would probably say they were reactionary," says Nick Patterson, who helped hire Mercer at Renaissance in 1993 and is now a senior computational biologist at the Broad Institute.

Patterson says he got along with Mercer and people at Renaissance tended to avoid discussing politics. But Mercer wasn't afraid to say what he thought.

"He was an extreme skeptic about climate change," Patterson told NPR in an interview. "The second thing I remember is, he really, really hated Bill and Hillary Clinton. And he was quite vocal about that." Mercer described Bill Clinton as a "rapist" and even a "murderer," Patterson says.

Raised in New Mexico, Mercer early on developed a love of computers, getting a job at the weapons lab at Kirtland Air Force Base.

"Perhaps the most important thing I learned is that I really loved everything about computers. I loved the solitude of the computer lab late at night. I loved the air-conditioned smell of the place. I loved the sound of the discs whirring and the printers clacking," he said in his 2014 speech, before the Association for Computational Linguistics.

Mercer was asked to work on a computer program that calculated the electromagnetic fields generated by nuclear fusion explosions. The program the lab used was "very unpleasant" and he set about rewriting it in a way that made it run 100 times faster.

"And then a strange thing happened," he told the audience. "Instead of running the old computations in one-one hundredth of the time, the powers-that-be at the lab ran programs that were 100 times bigger.

"I took this as an indication that one of the most important goals of government-financed research is not so much to get answers as it is to consume the computer budget, which has left me ever since with a jaundiced view of government-financed research."

Mercer received a Ph.D. in computer science at the University of Illinois, and then went to work at IBM Research, where he did early work in artificial intelligence and voice recognition.

For much of his career, Mercer, his wife and three daughters lived an unremarkable existence in the New York suburbs. But in 1993, he and his IBM colleague Peter Brown joined the hedge fund Renaissance, in East Setauket, Long Island.

It was the dawn of the "quants," when Wall Street was beginning to appreciate the power of computers to turbocharge trading. Mercer and Brown set to work designing complex mathematical models that made trading dramatically faster and their work eventually paid off.

"Their primary work was to look very, very hard at equity trading. After some effort, some several years of effort, they were able to produce a system that was hugely profitable," Patterson says.

In fact, Renaissance became one of the most successful hedge fund companies in the world. Its Medallion fund, which is mainly a tax-free employee retirement fund, racked up annual gains of more than 70 percent between 1994 and 2014, according to Bloomberg.

Brown and Mercer eventually were named to head Renaissance.

Unlike the firm's founder, James Simons, Mercer isn't named on the lists of the wealthiest Americans compiled by Forbes magazine and Bloomberg, and it's not clear how much money he actually has. But by all appearances, he is very wealthy indeed, living in a Long Island mansion known as Owl's Nest and owning a series of yachts.

And Mercer's wealth has allowed him to make his voice heard politically. While some of the beneficiaries of his largesse, such as the Heritage Foundation, are well within the conservative mainstream, others are decidedly unorthodox.

Bloomberg reported last year that the Mercers attended and funded a conference run by an Arizona physician who suggested that elements of the government were behind the San Bernardino massacre.

"Mercer is preoccupied with the country's monetary and banking systems, which he sees as hopelessly compromised by government meddling," Bloomberg wrote, quoting people who know him. "He was the main financial backer of the Jackson Hole summit, a conference that took place [in August 2015] to advocate for the gold standard, two of these people said."

Mercer's influence hasn't been confined to the United States: He was a key supporter of Leave.eu, which spearheaded last summer's successful Brexit campaign.

Mercer and his daughter have also been enthusiastic backers of the conservative website Breitbart News, where they formed ties with key figures in the Trump White House such as Bannon and Kellyanne Conway. They own part of the data mining company Cambridge Analytica, which played a role in Trump's victory last year.

That has given both Mercers a strong foothold in the Trump White House, and last year Politico called Rebekah Mercer "The Most Powerful Woman in GOP Politics."

Mercer's political activities have also exposed him to a level of public scrutiny he is said to dislike.

At least one anti-Mercer demonstration has taken place outside the Renaissance office. And earlier this month, Mercer was dragged into the spotlight when he was sued by Renaissance

partner David Magerman, who claims he was fired for publicly criticizing his co-CEO's political views in a Wall Street Journal article.

Among other things, Mercer said the United States went in the wrong direction after the 1964 Civil Rights Act, and also insisted the only remaining racists in the United States were African-Americans, according to Magerman. Mercer has not yet responded to the suit.

Mercer has contributed heavily to political groups that support Republican candidates, such as the Freedom Partners Action Fund. He backed Texas Senator Ted Cruz in last year's GOP primary race; after Cruz's defeat, he switched his support to Trump.

But in a profile of Mercer in the New Yorker, writer Jane Mayer quoted former Democratic operative Pat Caddell saying Mercer "despises the Republican establishment."

"He thinks that the leaders are corrupt crooks, and they they've ruined the country," Caddell said.

That skepticism about the establishment somehow makes Mercer a natural fit for the era of Trump, who won office by thumbing his nose at the elite of both parties.

And Mercer has made clear he's not afraid to strike out in an independent direction if GOP leaders pursues goals he disagrees with.