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FUNDERS BEHIND NEW ANTI-OBAMA AD BLITZ STAY HIDDEN

Posted by *Jane Mayer*

A new and highly aggressive multi-million-dollar anti-Obama ad campaign has started airing on television stations in eight key political swing states—but for now at least, the funders are staying hidden in the shadows.

The ads in question have a distinctly oily aura, which is unsurprising, perhaps since the group sponsoring them has been funded in the past by major fossil-fuel companies. The group defines itself as a non-partisan nonprofit, but exemplifies the growing role that secret money is playing in the 2012 Presidential campaign. Technically, the ads have been produced and aired by the Washington-based American Energy Alliance, a 501c-4 social-welfare organization under the Internal Revenue Service's tax code, whose activities, under the law, have to be largely non-political. This group shares office space and personnel with a sister organization, the Institute for Energy Research, a 501c-3, whose tax status is typically reserved for charities. Its activities have to be strictly non-partisan and non-political. Both groups hide the identities of their funders. All that Benjamin Cole, director of communications for both groups would say is that the ads are funded by "individuals, foundations, and corporations."

Cole says that the \$3.6 million ad campaign "is not election related at all. We're not seeking to influence the elections." It is, he says, only a coincidence that most of the eight states that the ads will air in—Colorado, Florida, Iowa, Michigan, New Mexico, Nevada, Ohio, Virginia—are considered hotly contested swing states that could decide the outcome of the election. He says these states were chosen only because they are all places where energy is an issue. He explained, for instance, that offshore oil drilling is an issue in Virginia, and the high price of gasoline is an issue in Florida—a definition that would, it seems, allow for the group to chose any state.

He acknowledges, however, that the ads will directly blame Obama for recent increases in gas prices, despite the fact that even such conservative and libertarian voices such as Cato Institute scholars and Rupert Murdoch's *Wall Street Journal* have protested that this is specious.

So who is behind the advertising campaign to push the line that Obama is to blame? Bill Burton, senior strategist at the pro-Obama Super PAC Priorities USA believes that it comes from a familiar source. "The Koch brothers and other oil barons are using profits from high gas prices to fund false political attacks benefitting Governor Romney," he says.

Cole retorts that there is “not a single penny of Koch money” paying for the two-week ad campaign. But he declined to confirm or deny reports, including one by Politico, that the Koch brothers, whose privately owned conglomerate, Koch Industries, is a major domestic-oil refiner, have steered funds to both the American Energy Alliance and the Institute for Energy Research. A spokesperson at Koch Industries did not respond to questions on the Kochs’ ties to the groups.

The ties, though, appear to be extensive. In the past, according to National Public Radio, the Energy Research Institute has received funds from the Claude R. Lambe Charitable Foundation, which is controlled by the Kochs, as well as from Exxon Mobil and other energy companies.

The president of the American Energy Alliance, Thomas Pyle, formerly worked for Koch Industries, according to the watchdog group OpenSecrets.org. The records show that he also worked as an outside lobbyist for the Kochs’ private interests in Washington, first at Perceptum Consulting, and later at the Rhoads Group. According to Politico’s Ken Vogel, Pyle has “regularly attended” semi-annual political meetings run by the Kochs, including one this past winter in Indian Well, California, where the Kochs raised over a hundred and fifty million dollars to be directed to groups working against the Democrats in the 2012 general election. At a previous such political summit, Charles Koch described the 2012 election as “the mother of all wars.”

Pyle has a colorful political résumé as well. He worked as a top aide to Tom DeLay, the former Republican Majority Leader of the House of Representatives who was later convicted of money laundering, and he was identified by the Washington *Post* as a participant in the so-called “Brooks Brothers Riot,” in which Republican operatives from Washington stormed vote-counters in Florida during the hotly contested 2000 Bush v. Gore Presidential election. (“Tom Pyle is not running from his record at all,” Cole said, when asked about these ties. “It’s regrettable that the President is running from his.”)

The Kochs have blazed the trail for this sort of secretly funded, independent campaign. The ads attacking Obama for high gas prices follow an even larger ad buy last January made by Americans for Prosperity, an advocacy group founded and partly funded by David Koch, that, according to the *Journal* aired six million dollars’ worth of ads criticizing the President’s handling of Solyndra, the solar-energy firm that went bankrupt after receiving grants from the government. Those ads, interestingly, ran in many of the same key Presidential-battleground states earmarked for the new anti-Obama gas ads—specifically Ohio, Iowa, North Carolina, Virginia, Michigan, and Wisconsin.

So, whose money is behind the American Energy Alliance? The most striking feature of the 2012 Presidential campaign is that, at least for now, neither viewers of the ads, nor voters, nor virtually anyone else can tell.