

THE NEW YORKER

A REPORTER AT LARGE

STATE FOR SALE

A conservative multimillionaire has taken control in North Carolina, one of 2012's top battlegrounds.

by Jane Mayer

OCTOBER 10, 2011

In the spring of 2010, the conservative political strategist Ed Gillespie flew from Washington, D.C., to Raleigh, North Carolina, to spend a day laying the groundwork for REDMAP, a new project aimed at engineering a Republican takeover of state legislatures. Gillespie hoped to help his party get control of statehouses where congressional redistricting was pending, thereby leveraging victories in cheap local races into a means of shifting the balance of power in Washington. It was an ingenious plan, and Gillespie is a skilled tactician—he once ran the Republican National Committee—but REDMAP seemed like a long shot in North Carolina. Barack Obama carried the state in 2008 and remained popular. The Republicans hadn't controlled both houses of the North Carolina General Assembly for more than a century. ("Not since General Sherman," a state politico joked to me.) That day in Raleigh, though, Gillespie had lunch with an ideal ally: James Arthur (Art) Pope, the chairman and C.E.O. of Variety Wholesalers, a discount-store conglomerate. The *Raleigh News and Observer* had called Pope, a conservative multimillionaire, the Knight of the Right. The REDMAP project offered Pope a new way to spend his money.

That fall, in the remote western corner of the state, John Snow, a retired Democratic judge who had represented the district in the State Senate for three terms, found himself subjected to one political attack after another. Snow, who often voted with the Republicans, was considered one of the most conservative Democrats in the General Assembly, and his record reflected the views of his constituents. His Republican opponent, Jim Davis—an orthodontist loosely allied with the Tea Party—had minimal political experience, and Snow, a former college football star, was expected to be reelected easily. Yet somehow Davis seemed to have almost unlimited money with which to assail



"In a very real sense, Democrats running for office in North Carolina are running against Art Pope," one political operative says.

Snow.

Snow recalls, “I voted to help build a pier with an aquarium on the coast, as did every other member of the North Carolina House and Senate who voted.” But a television attack ad presented the “luxury pier” as Snow’s wasteful scheme. “We’ve lost jobs,” an actress said in the ad. “John Snow’s solution for our economy? ‘Go fish!’ ” A mass mailing, decorated with a cartoon pig, denounced the pier as one of Snow’s “pork projects.” It criticized Snow for “wasting our tax dollars,” citing his vote to “spend \$218,000 on a Shakespeare festival,” but failing to note that this sum represented a budget cut for the program, which had been funded by the legislature since 1999.

In all, Snow says, he was the target of two dozen mass mailings, one of them reminiscent of the Willie Horton ad that became notorious during the 1988 Presidential campaign. It featured a photograph of Henry Lee McCollum, a menacing-looking African-American convict on death row, who, along with three other men, raped and murdered an eleven-year-old girl. After describing McCollum’s crimes in lurid detail, the mailing noted, “Thanks to arrogant State Senator John Snow, McCollum could soon be let off of death row.” Snow, in fact, supported the death penalty and had prosecuted murder cases. But, in 2009, he had helped pass a new state law, the Racial Justice Act, that enabled judges to reconsider a death sentence if a convict could prove that the jury’s verdict had been tainted by racism. The law was an attempt to address the overwhelming racial disparity in capital sentences.

“The attacks just went on and on,” Snow told me recently. “My opponents used fear tactics. I’m a moderate, but they tried to make me look liberal.” On Election Night, he lost by an agonizingly slim margin—fewer than two hundred votes.

After the election, the North Carolina Free Enterprise Foundation, a nonpartisan, pro-business organization, revealed that two seemingly independent political groups had spent several hundred thousand dollars on ads against Snow—a huge amount in a poor, backwoods district. Art Pope was instrumental in funding and creating both groups, Real Jobs NC and Civitas Action. Real Jobs NC was responsible for the “Go fish!” ad and the mass mailing that attacked Snow’s “pork projects.” The racially charged ad was produced by the North Carolina Republican Party, and Pope says that he was not involved in its creation. But Pope and three members of his family gave the Davis campaign a four-thousand-dollar check each—the maximum individual donation allowed by state law.

Snow, whose defeat was first chronicled by the Institute for Southern Studies, a progressive nonprofit organization, told me, “It’s getting to the point where, in politics, money is the most important thing. They spent nearly a million dollars to win that seat. A lot of it was from corporations and outside groups related to Art Pope. He was their sugar daddy.”

Bob Phillips, the head of the North Carolina chapter of Common Cause, an organization that promotes campaign-finance reform, said that Snow’s loss signals a troubling trend in American politics. “John Snow raised a significant amount of money,” he said. “But it was exceeded by what outside groups spent in that race, mostly on commercials against John Snow.” Such lopsided

campaigns will likely become more common, thanks to the Supreme Court, which, in a controversial ruling in January, 2010, struck down limits on corporate campaign spending. For the first time in more than a century, businesses and unions can spend unlimited sums to express support or opposition to candidates.

Phillips argues that the Court's decision, in *Citizens United v. Federal Election Commission*, has been a "game changer," especially in the realm of state politics. In swing states like North Carolina—which the Democrats consider so important that they have scheduled their 2012 National Convention there—an individual donor, particularly one with access to corporate funds, can play a significant, and sometimes decisive, role. "We didn't have that before 2010," Phillips says. "Citizens United opened up the door. Now a candidate can literally be outspent by independent groups. We saw it in North Carolina, and a lot of the money was traced back to Art Pope."

Though conservatives like Pope took the lead in exploiting the new possibilities for corporate spending, the use of ostensibly nonpartisan advocacy groups has been proliferating on both the left and the right. Fred Wertheimer, who heads Democracy 21, another group that works for campaign-finance reform, says, "Tax-exempt organizations that are supposed to 'promote the social welfare' are being improperly used by Democratic and Republican supporters alike to engage in extensive campaign activities." He just filed a complaint about the practice with the Internal Revenue Service. "The disastrous *Citizens United* decision has opened the door wide to influence-buying," he says.

John Snow was not the only candidate in North Carolina to fall victim to such tactics. In Fayetteville, an hour south of Raleigh, Margaret Dickson, a sixty-one-year-old retired radio broadcaster and media executive who had been married for thirty-one years and had three grown children, was seeking reelection to the North Carolina State Senate. She'd served seven years in the state's General Assembly, had the backing of much of the business community, and considered herself a centrist, pro-business Democrat. Then came what she calls "the hooker ad." Her Republican opponent released an ad suggesting that Dickson was using her seat to promote her personal investments. As Dickson describes it, "They used an actress with dark hair who was fair, like me. She was putting on mascara and red lipstick. She had on a big ring and bracelet." A narrator intoned "Busted!" and the actress's hand grabbed what appeared to be a wad of hundred-dollar bills. Dickson says, "The thrust of it was that I am somehow prostituting myself." Another television ad, paid for by Real Jobs NC, described Dickson as a "Tax Twin" to Nancy Pelosi, saying that there was "not a dime's worth of difference" between them. (Dickson's voting record is substantially less liberal than Pelosi's.) Dickson held a press conference to defend her record, but it was too late: "Those ads hurt me. I've been through this four times before, but the tone of this campaign was much uglier, and much more personal, than anything I've seen."

Variety Wholesalers, Pope's company, had contributed two hundred thousand dollars to Real Jobs NC. Roger Knight, the group's executive director, told me that the *Citizens United* decision made it much easier to raise money, because "it allowed us to direct the fund-raising toward businesses." He added that Pope provided the fund-raising effort with essential seed money. "Art

would provide some of the guidance” on the attack ads, Knight said, and because Pope was on the board “he would approve them.” Pope says that he was dismayed when he saw the “hooker” ad, which was paid for by Dickson’s opponent. But he and three family members gave money to the opponent’s campaign, and Dickson argues that “political contributors make paid advertising possible” and “bear some responsibility.”

Dickson’s opponent, meanwhile, was championed by another corporate-backed group with financial ties to Pope, Americans for Prosperity, a national Tea Party group, which spent eleven thousand dollars disseminating its message. In the past decade, Pope and groups affiliated with him have contributed more than two million dollars to Americans for Prosperity. Pope is one of the organization’s four directors. Americans for Prosperity bills itself as an independent, nonpartisan “social welfare” organization. But, that fall in North Carolina, its ads, like those of Real Jobs NC, promoted only Republicans.

On Election Night, Dickson fell about a thousand votes short of victory in her district, which has a population of more than a hundred and fifty thousand. “I’ve never met Art Pope,” she says, but she is convinced that “Art Pope was after my seat. It wasn’t personal. They wanted control, and they were willing to say anything and do anything to achieve it.”

That same fall, Chris Heagarty, a Democratic lawyer, ran for a legislative seat in Wake County, which includes Raleigh, where Pope lives. He had previously directed an election-reform group, and was not naïve about political money. Yet even he was caught off guard by the intensity of the effort marshalled against him. Real Jobs NC and Civitas Action spent some seventy thousand dollars on ads portraying him as fiscally profligate, and Americans for Prosperity spent heavily on behalf of his opponent. One ad accused him of having voted “to raise taxes over a billion dollars,” even though he had not yet served in the legislature. Another ad depicted Heagarty, who has dark hair and a dark complexion, as Hispanic. (He is Caucasian.) The ad was sponsored by the North Carolina Republican Party, to which Pope had contributed in 2008. Heagarty said, “They slapped a sombrero on a photo of me, and wrote, ‘Mucho Taxo! Adios, Señor!’ ” He said, “If you put all of the Pope groups together, they and the North Carolina G.O.P. spent more to defeat me than the guy who actually won.” He fell silent, then added, “For an individual to have so much power is frightening. The government of North Carolina is for sale.”

John Hood, the president and chairman of the John Locke Foundation—a conservative think tank founded and largely funded by Pope’s family foundation—argued last year that Pope’s critics lack a “rudimentary understanding of the reality of public-policy philanthropy in North Carolina.” In an essay posted on the foundation’s Web site, Hood poked fun at liberals who had begun to “froth at the mouth” over Pope’s spending, and denied that Pope has had an “inordinate influence on the state.”

Yet Pope’s triumph in 2010 was sweeping. According to an analysis by the Institute for Southern Studies, of the twenty-two legislative races targeted by him, his family, and their organizations, the Republicans won eighteen, placing both chambers of the General Assembly firmly under Republican majorities for the first time since 1870. North Carolina’s Democrats in Congress hung on to power,

but those in the state legislature, where Pope had focussed his spending, were routed.

The institute also found that three-quarters of the spending by independent groups in North Carolina's 2010 state races came from accounts linked to Pope. The total amount that Pope, his family, and groups backed by him spent on the twenty-two races was \$2.2 million—not that much, by national standards, but enough to exert crucial influence within the confines of one state. For example, as Gillespie had hoped, the REDMAP strategy worked: the Republicans in North Carolina's General Assembly have redrafted congressional-district boundaries with an eye toward partisan advantage.

Experts predict that, next fall, the Republicans will likely take over at least four seats currently held by Democrats in the House of Representatives, helping the Party expand its majority in Congress. Meanwhile, the Republican leadership in the North Carolina General Assembly is raising issues that are sure to galvanize the conservative vote in the 2012 Presidential race, such as a constitutional ban on gay marriage.

Republican state legislators have also been devising new rules that, according to critics, are intended to suppress Democratic turnout in the state, such as limiting early voting and requiring voters to display government-issued photo I.D.s. College students, minorities, and the poor, all of whom tend to vote Democratic, will likely be most disadvantaged. Obama carried North Carolina by only fourteen thousand votes and, many analysts say, must carry it again to win in 2012, so turnout could be a decisive factor. Paul Shumaker, a Republican political consultant, says, "Art's done a good job of changing the balance in the state."

Politicians on the left, unsurprisingly, see things less benignly. Nina Szlosberg-Landis, a Democratic activist in Raleigh, says, "It's part of a very deliberate national strategy of the ultra-conservative movement to change the face of democracy. And I have to hand it to them. They're pretty successful."

For years, Pope, like several other farsighted conservative corporate activists, has been spending millions in an attempt to change the direction of American politics. According to an analysis of tax records by Democracy NC, a progressive government watchdog group, in the past decade Pope, his family, his family foundation, and his business have spent more than forty million dollars in this effort. Sizable as Pope's contributions have been, they are negligible in comparison with his fortune. The Pope family foundation—of which Art Pope is the chairman and president, and one of four directors—reportedly has assets of nearly a hundred and fifty million dollars.

This wealth has enabled Pope to participate in the public arena on a scale that few individuals can match. Some have compared him to Charles and David Koch, the conservative oil-and-chemical magnates, whom Pope regards as friends; Pope has at times joined forces with them, attending some of their semi-annual secret planning summits and, through the family foundation, contributing millions to many of the same causes. Pope, in addition to being on the board of Americans for Prosperity—which David Koch founded, in 2004—served on the board of its predecessor, Citizens

for a Sound Economy, which Koch co-founded, in 1984. Charles Koch recently praised the Popes, along with other donors, for providing financial support for the 2012 election effort, and tax records show that Pope has given money to at least twenty-seven groups supported by the Kochs, including organizations opposing environmental regulations, tax increases, unions, and campaign-spending limits. Pope, in fact, helped fund the legal center run by James Bopp, the lawyer who made the initial filing in the Citizens United case.

In pursuit of his goals, Pope, like the Kochs, has created a network combining a family fortune, the resources of a large private company, and family-funded policy organizations. Of the forty million dollars that his network has spent in the past decade, thirty-five million has gone to half a dozen ostensibly nonpartisan policy groups, which he has been instrumental in creating and directing. Pope claims that these organizations are independent of his control, but, on average, the Pope family foundation supplies them with more than eighty-five per cent of their funds. Though these groups are officially defined as philanthropic, almost all parts of the Pope enterprise push the same aggressively pro-business, anti-government message. Because Pope funds the groups through his family foundation, he is able to take tax writeoffs. “I am careful to comply with the law,” Pope says. “And I keep my personal activities separate from my philanthropic, public-policy, grassroots, and independent expenditure efforts.” But, by taking full advantage of recent changes in tax and campaign-finance law, he has created a singular influence machine that, according to critics, blurs the lines between tax-deductible philanthropy and corporate-funded partisan advocacy.

Marc Farinella, a Democratic political consultant who was Obama’s 2008 campaign director in North Carolina, and is now an adviser to the state’s Democratic governor, Beverly Perdue, says, “In a very real sense, Democrats running for office in North Carolina are always running against Art Pope. The Republican agenda in North Carolina is really Art Pope’s agenda. He sets it, he funds it, and he directs the efforts to achieve it. The candidates are just fronting for him. There are so many people in North Carolina beholden to Art Pope—it undermines the democratic process.” Farinella contends that the Citizens United decision is likely to make the problem worse. Because Variety Wholesalers is privately owned by the Pope family, Pope “has access to huge quantities of corporate funds,” which now can be channelled freely into politics. Still, Farinella notes, “there are very few people in North Carolina who understand who Art Pope is.”

I met with Pope recently in a suburban office building that serves as the Raleigh headquarters of Variety Wholesalers. In a spare conference room overlooking a parking lot, he told me that he is indeed misunderstood. “If the left wing wants a whipping boy, a bogeyman, they throw out my name,” he said. “Some things I hear about Art Pope—you know, I don’t like this guy Art Pope that they’re talking about. I don’t know him. If what they say were true, I wouldn’t like a lot of things about me. But they’re just not true.”

Pope said that he was particularly affronted when “people throw around terms like ‘So-and-So tried to buy the election.’ ” In his view, such language evokes “images of actually bribing someone when they vote . . . or bribing a legislator after they’re elected. That’s illegal, that’s corrupt, and

that's something I've fought very hard against in North Carolina." Pope sees himself as a reformer. The money that he spends on politics, he said, strengthens American democracy, by providing voters with more information and more choices: "Most of the efforts that I or my company have supported have been to get the message out on the issues, so that voters can make an informed choice." He added, "To donate money, or make an independent expenditure to educate voters on the issues, or on voting records of the incumbents—I mean, it helps citizens make informed decisions! It's the core of the First Amendment!" Asked whether candidates with the biggest budgets might drown out less wealthy candidates, he said, "I really have more faith in the North Carolina voters than that."

Martin Nesbitt, Jr., the Democratic leader in the North Carolina Senate, says of Pope's arguments, "Look at his ads and tell me what's informative about them. They're simply spewing right-wing stuff at voters, saying, 'They raise taxes, they raise taxes, they raise taxes.' " Of Pope's spending in 2010, he says, "It wasn't an education; it was an onslaught. What he's doing is buying elections."

Pope, who graduated from the University of North Carolina at Chapel Hill in 1978, with a degree in political science, and who has a law degree from Duke University, relishes debate and conflict with his opponents. He once filed a defamation suit against another Republican, who had accused him of buying an ally, and eventually won an apology. The day I met with him, he spent nearly four hours making the case that he and fellow-conservatives are the outspent underdogs in North Carolina, and that his expenditures merely represent a step toward balancing the score. He argued that the Z. Smith Reynolds Foundation, a seventy-five-year-old nonprofit established by the Reynolds tobacco fortune, spends more money than he does in North Carolina, funding mostly progressive social-welfare organizations, many of whose leaders are outspoken critics of Pope. The Reynolds Foundation did spend seventeen million dollars last year, mainly in North Carolina; however, as a nonprofit foundation, it is legally barred from spending money to influence the outcome of a political campaign, unlike Pope and his corporation. The Republican Party filed a complaint alleging that the Reynolds Foundation had crossed this line in 2008, by funding voter guides and get-out-the-vote operations, but the state's election board dismissed it. Nevertheless, Pope's conference table was littered with papers, many of them highlighted and footnoted, underscoring his arguments. He is now fifty-five years old and bespectacled, but the energy with which he darted from one file to the next suggested why his classmates at the Asheville School, an elite preparatory academy, had nicknamed him the Flea. He was on the school's basketball team, and had such a strong tendency to spin and bounce off his opponents that he was often given personal fouls.

As a political combatant, Pope is more subtle than Jesse Helms, his conservative forebear. Mac McCorkle, a former Democratic campaign consultant in the state, who is now a visiting lecturer at Duke, recalls, "Helms would just call you a Commie pinko and shout you down. Pope's different. A lot of people find him intellectually engaging. He's been underestimated." McCorkle said that Pope's weakness "is that he never comes out except where you think he will. He'll say he cares about the poor, but there's a puerile Ayn Randism to him. In the end, his views are pretty cardboard. Deep

down, he's an ideologue, a zealot."

Pope, when explaining his views to me, invoked not Rand but the great political philosophers. He said, "Politically, I would describe myself as conservative, and philosophically I would describe myself as a classical liberal, which you had in John Locke, David Hume, Adam Smith, and John Stuart Mill." He added that he supports "a free-market economy, subject to the rule of law." Pope also described himself as a big admirer of John Rawls's "A Theory of Justice," which argues for equality of opportunity, but he had one major caveat: he doesn't like Rawls's belief in "redistributive justice," which allows for the transfer of wealth to the worst-off members of society. Joseph Levine, who teaches political philosophy at the University of Massachusetts-Amherst, and who studied with Rawls at Harvard, says, "John Rawls would be rolling in his grave if he knew what Art Pope said."

Pope believes that wealth is the just reward for talent and hard work, and that all Americans have a fair chance at success. Using Michael Jordan and rock stars as examples, he said, "Why should they be deprived of that money—why is that unfair?" He said, "I'm not envious of the wealth that Bill Gates has," and added, "America does not have an aristocracy or a plutocracy." Citing I.R.S. data, and the Forbes 400 list of the wealthiest Americans, he said that "wealth creation and wealth destruction is constantly happening. And, really, when you look at the lowest income, most of that is just simply a factor of age and marriage. If you're young and single—and God forbid if you're young and a single parent, and don't have a high-school education—then your earnings will be low, and you'll be in the bottom twenty per cent. But, usually, as people get older . . . they save and retain wealth, and work their way up."

The Pope network echoes this message. Dallas Woodhouse, the director of Americans for Prosperity North Carolina—a branch that was founded by Pope—rails against tax increases for the well-off, and explained to me that "in some parts of the country couples earning two hundred and fifty thousand dollars a year are just middle class." Meanwhile, Bob Luebke, a researcher at the John W. Pope Civitas Institute, in Raleigh, which the Pope family foundation almost single-handedly funds, has written that the poor in America live better than the "picture most liberals like to paint." The evidence he offered was a new study, by the conservative Heritage Foundation, claiming that a majority of the poor have refrigerators, cable television, microwaves, and shelter. "The media obsession with pervasive homelessness also appears to be a myth," Luebke declared. Similarly, John Hood, the John Locke Foundation's president, has written that "the extent of true poverty in North Carolina and around the country is woefully overestimated," and that the poverty that does exist is largely the result of "self-destructive behavior."

According to Gene Nichol, the chairman of the Center on Poverty, Work, and Opportunity, at the U.N.C. School of Law, seventeen per cent of the state's population, and a third of its children of color, lives in poverty. "Economic justice is an uphill battle," Nichol said. "And Mr. Pope and his colleagues make it tougher."

Pope told me that he cares deeply about the people of North Carolina; he just believes that they are better served by private enterprise than by public largesse. He therefore believes in cutting

personal and corporate income taxes, reducing estate taxes, and cutting government spending. He questions the notion that government serves the public interest, and calls himself a supporter of “public-choice theory,” which views the political system as being driven largely by self-interest. At the same time, he donates to food banks and to shelters for the indigent. Robert H. Dorff, a professor at the U.S. Army War College, and a friend of Pope’s, said, “He’s a profound believer in charity. But he believes, philosophically, that it’s the role of others, not the government, to take care of others.”

Such views, which are increasingly entering the mainstream of American politics, incense progressives like Nichol, who says, “Why should we believe the private sector will take care of poverty? It never has in our history.” David Parker, the chair of the Democratic Party in North Carolina, says that Pope’s theories gloss over the fact that he was born privileged. “All this talk about the Protestant work ethic, but he made his money the old-fashioned way: his mother bore a son.” Parker adds, “We are all prisoners of Art Pope’s fantasy world.” Dean Debnam, a North Carolina businessman who backs progressive politics, says that Pope “keeps people working part time, and at minimum wage. It’s a plantation mentality. He preys on the poorest of the poor, and uses it to advance the agenda of the richest of the rich.”

The Pope fortune has always depended on low-income patrons. In 1930, Pope’s grandfather James Melvin Pope established five small dime stores in eastern North Carolina, which he sold to the next generation, during the Second World War. Pope’s father, John W. Pope, whose snowy-haired portrait hangs in the hallway outside Pope’s office, was a tough and thrifty merchant, and he expanded the family business into an empire spanning thirteen states; the family foundation is named after him. Currently, Variety Wholesalers owns several chains of discount stores, among them Roses, Maxway, Super 10, and Bargain Town, amounting to more than four hundred outlets in the Southeast and mid-Atlantic regions. The company favors a specific demographic: neighborhoods with median incomes of less than forty thousand dollars and a population that is at least twenty-five-per-cent African-American.

Because Variety Wholesalers is privately owned, its operations are less transparent than those of a publicly traded company. Ray Gaul, the director of global research at Kantar Retail, a consultant to suppliers such as Procter & Gamble, says of Variety, “We tried to understand what they do, but they’re fairly black-hole-ish.” Gaul says that his research department followed Variety for ten years, before dropping its coverage in 2007. “They were struggling to open new stores,” he says. “A lot of these stores would be considered underperforming compared to Walmart or Dollar General.” (In an e-mail, Pope said, “I readily acknowledge that Variety ‘underperforms’ by some, but not all, measures, compared to Walmart,” but he stressed that his stores are among the few regional merchandisers that, in recent years, have not just survived but grown.)

Many of the goods sold at Variety’s stores are inexpensive items made in Asian countries with low manufacturing costs; the profit margins on such items are exceedingly small, requiring the company to maintain a tight operating budget. According to Gaul, employee wages represent a major cost for a discount-store company like Variety. Variety employs some seven thousand people, and

the bottom rung earns the minimum wage. Pope insisted that his political activism “has not been motivated by narrow corporate interest,” but fellows at Pope-funded think tanks have repeatedly assailed minimum-wage laws. Roy Cordato, a vice-president at the John Locke Foundation, told me that “the minimum wage hurts low-skilled workers, by pricing them out of the market,” and that concern about worker exploitation was “the kind of thinking that comes from Karl Marx.” In Cordato’s view, “any freely made contracts among consenting adults should be legal,” including those involving prostitution and the sale of dangerous drugs. He supports child-labor laws, but opposes what he calls “compulsory education” for minors.

Pope grew up on Raleigh’s most elegant street, Glenwood Avenue, in a large house next to a country club. While his older brother preferred playing golf, Pope was politically minded, and in high school he volunteered as a driver for a state Republican candidate. He read academic papers on free-market economics, and credits a summer program run by the Cato Institute, to which he has since given money, for immersing him in the writings of conservative icons such as Friedrich August Hayek and Ayn Rand. His favorite novelist was the science-fiction writer Robert Heinlein, whose book “The Moon Is a Harsh Mistress” popularized an acronym that has become a rallying cry for young libertarians: “TANSTAAFL,” which stands for “There Ain’t No Such Thing as a Free Lunch.”

Pope’s parents, like most white Southerners at the time, were registered Democrats and also staunch conservatives. They admired Barry Goldwater, whom Pope remembers seeing on the campaign trail when he was a child, and Jesse Helms, to whom Pope’s father was close. (The Pope family foundation donates regularly to the Jesse Helms foundation.) In 1976, while Pope was in college, he helped found the Libertarian Party of North Carolina. But he told me that he resigned after “three or four” meetings, because some members had spoken in serious terms about the mythical beast Sasquatch. “I’m more of a traditional conservative,” he said. Ronald Reagan brought Pope and his family fully into the Republican fold. His parents gave the Republican Party in North Carolina so much money that the state headquarters was named for them. His father, whom a family acquaintance describes as “domineering,” became known as a particularly outspoken trustee at U.N.C.-Chapel Hill, which he believed had been taken over by radical scholars.

Pope graduated from Duke Law School in 1981, and after a few years went to work as a general counsel in his father’s company. “I am not an heir,” Pope insisted, explaining that his father demanded that he and his siblings buy equity stakes in the family business. Though Pope was spending his days at Variety Wholesalers, he remained active in Raleigh’s conservative political circles. In 1988, Pope was elected, as a Republican, to the state’s House of Representatives. Richard T. Morgan, a Republican colleague in the legislature, recalls Pope as “a rare breed” among elected officials. In a self-published memoir, Morgan, who became speaker of the state’s House in 2003, describes Pope as an obsessive policy geek, “perennially disheveled, shirt wrinkled, shirt-tail half out, weaving down the halls of the legislature wearing rumpled suits.” He writes that Pope was so focussed on bureaucratic detail that he’d spend hours wading through documents, and, “when he was done, there wasn’t a bone buried in the budget Art hadn’t dug up and chewed on.”

According to the North Carolina Center for Public Policy Research, Pope was a “rising star” in the General Assembly. But Morgan told me that Pope was continually frustrated. “His attitude was ‘My way, or everyone else is wrong,’ ” Morgan said. Martin Nesbitt, now the Democratic leader in the State Senate, recalls serving with Pope in the North Carolina House of Representatives: “Pope didn’t like the legislature, because people wouldn’t listen to him when he talked.”

In 1991, Pope surprised his peers by running for lieutenant governor. He lost soundly. Bob Geary, a political reporter for the *Indy*, the alternative weekly in Durham, recalls, “Pope was a terrible candidate. I’ve never seen him smile. He’s very introverted, very pedantic.” Pope acknowledged that he was not a natural campaigner. “I am not the charismatic stump speaker,” he admitted. “But I learned a lot.” McCorkle, the Duke lecturer, who advised Pope’s Democratic opponent in the race, says of Pope, “He’s a smart, smart guy who learned he wasn’t a front man. In debates, he came off as too wonkish. He’s not appealing. I think he knows that.” During the campaign, Pope’s opponent successfully tied him to the Cato Institute’s laissez-faire views on drugs, prostitution, and abortion. Since then, Pope has adopted some socially conservative positions, including opposition to gay marriage and to public funding for abortions.

Pope continued to rise at Variety, becoming chief financial officer. During this period, colleagues say, he also sought several powerful state administrative jobs, including chief of staff to the Republican speaker of the House, in 1994, and membership on the North Carolina university system’s board of governors, in 1995. But Morgan told me that Pope was repeatedly rejected by colleagues, because “they thought he was too big for his britches.” When Pope didn’t get his way, Morgan claims in his memoir, he tried to pull rank among the Republicans by citing his family’s money. Morgan writes that, at one point, Pope showed up in his office and “rapped a list down” on his desk with “every candidate and group he and his family had given money to.” Morgan told me, “I think it was his effort to say, ‘You owe me this.’ It happened more than once.” (Pope, in an e-mail, acknowledged delivering such a list to Morgan, but said that Morgan had asked for it, adding, “If Morgan is stating that I engaged in ‘pay to play,’ asking for a favor from him in exchange for past or future contributions, that is defamatory.”)

Relations between Pope and the moderate Republicans in Raleigh deteriorated further, Morgan says in his memoir, when he declined to replace the House whip with Pope’s preferred candidate. Morgan writes that Pope stomped out of his office, swearing, “It’s time to pick a side and go for blood.” Morgan writes, “Beneath his rumpled suits Art had a mean streak.” The two became bitter enemies. (Pope denied this account, saying, “That’s simply not my style,” and adding, “It was Richard Morgan who had a reputation for not only being mean but also petty.”)

Pope returned to the General Assembly in 1999, when he was appointed to fill a vacancy; he then won another term. But in 2002 he abandoned his electoral ambitions. He told me that running for office had become too big a strain on his family. His first marriage, to Alexandra Hightower, a lawyer with whom he had two children, had fallen apart. (He is currently married to the former Katherine Keith, who has a child from a previous marriage.) Pope’s family was also shaken in 2004,

when his brother died unexpectedly. Pope waged an acrimonious, and ultimately successful, legal battle against his widowed sister-in-law, who disputed his claim that the brother's estimated fifty-million-dollar share of the Pope fortune belonged to the family foundation.

Meanwhile, Pope continued to fight battles in Raleigh. In 2004, Morgan writes, Pope attempted to purge Republican moderates from the General Assembly—including him. Pope poured his company's money into an independent group that, during the primary season, ran ads attacking them. After a complaint was filed with the state election board, Pope testified that the ads—which used the phrase “Call him out!” rather than “Vote him out!”—were not aimed at defeating candidates, and therefore complied with campaign-finance laws barring direct corporate spending against candidates. His position was upheld, which suggests that even before the Citizens United decision the restrictions against corporate campaign spending were elastic. Pope, for his part, insisted that the Citizens United decision has changed nothing for him, for, as he sees it, none of the campaign ads he has funded have been explicitly intended to defeat candidates.

In Morgan's view, however, Pope was indeed trying to oust him, as punishment for having been insufficiently partisan. In 2003, when the two parties had equal representation in the House, Morgan had cut a deal to become co-speaker with a Democrat, infuriating Pope. The Democrat was later caught up in a major corruption scandal, which made Pope even angrier. Morgan survived the attack-ad onslaught in 2004, but not a second attempt by the Pope forces, in 2006. The problem, he writes, was money: “I had to raise it, while all Art had to do was write a check.” Two other moderate Republicans, Morgan told me, lost seats because of Pope's campaign.

In an e-mail, Chris Kromm, the executive director of the Institute for Southern Studies, said of the 2004 and 2006 efforts, “Pope began in earnest his quest to be kingmaker in the North Carolina G.O.P., spending big money to push out moderates and get farther-right Republicans elected.” In doing so, he sent a clear message to the remaining Republican moderates: if they didn't heed him, he would not hesitate to go after them. “Pope created a climate of fear,” Kromm told me. “He has a whole network that can reward or punish Republicans. . . . That's the strength of the Pope network. It enforces ideological conformity, and gets people in line. . . . He just keeps pushing this far-down-the-spectrum view relentlessly, until it's viewed as common consensus.” A prominent Republican in the state, who declined to be named, agreed: “There weren't a lot of Republicans willing to cross Art after that.”

During the years that Pope was a legislator, he explored more indirect means of gaining political influence as well. He began to set up a multimillion-dollar conservative-opinion empire aimed not at winning just one election cycle but at transforming the political debate for generations. In 1989, three years after incorporating the family foundation, Pope directed money from it to the think tank that he called the John Locke Foundation, and whose stated purpose is to promote an agenda of limited government and free enterprise. About eighty per cent of its funding has come from the Pope family foundation, and some additional money has come from tobacco companies and two Koch family foundations. Pope, who was previously the chairman of the Locke Foundation's board and

still serves on it, set up the group with the help of John Hood, its current president and chairman. A graduate of U.N.C.-Chapel Hill, Hood had edited a campus libertarian magazine when he was a student, and that caught Pope's eye. Hood, who later became a fellow at the Heritage Foundation, in Washington, says, "We set up an answer to what we saw as the liberal establishment. The conservatives thought the liberals had the universities, so they had to balance that with think tanks."

Hood says of his operation, "What we try to do is make arguments. We believe persuasion matters." The foundation focussed its energies on the fifteen thousand opinion-makers who, in its view, mattered most in the state: politicians, journalists, lobbyists, business leaders, university heads. "We try to pitch those for whom political debate is their job, whether they agree with us or not." He also believes that the collapse of the traditional news business has provided an opening: "Our goal is to fill in some of the gaps as the state press corps shrinks." Over time, he has become a ubiquitous presence in the North Carolina media. He is a regular guest on talk radio, and appears as a panelist on "NC Spin," a weekly statewide television program. He writes an opinion column that is syndicated in more than fifty newspapers across the state. One such column—a vow to resist Obama's health-care program, titled "I Will Not Comply"—was promoted heavily by Rush Limbaugh. Pope's funding of the Locke Foundation is rarely noted, in print or on the air.

At first, the Locke Foundation wasn't taken very seriously, Kromm says, but around the time that Pope's father died, in 2006, "Pope really took over the reins. He took charge, and the network started exploding. It was a whole new level of influence in state politics." Geary, the *Indy* reporter, agrees. "When Pope's dad died, he got hold of the family fortune. That's when he really started throwing his money around." Pope told me that his father's estate went to his mother, who is still alive, although he noted that in the past decade his family has substantially increased its rate of giving to the Pope foundations. "I'm not going to apologize for making the decisions on how I spend my generation's money," he said. "And, actually, when my father was alive, he wasn't on the board, but he obviously knew what we were doing."

In 2007, Pope set up yet another technically nonpartisan think tank, the John W. Pope Civitas Institute, which monitors state policy, promotes conservative solutions, and trains people to run for office. Critics describe Civitas as Pope's conservative assembly line, a characterization that he rejects. "It's not my organization," he said. "I don't own it." The Pope family foundation has provided more than ninety-seven per cent of the Civitas Institute's funding since it was founded—more than eight million dollars. Pope sits on its board of directors. Civitas underwrites polls on issues of the day—posing questions that critics have called biased—and disseminates its findings in order to support right-wing arguments. These polls save conservative candidates a lot of expense. "Civitas was clever," Bob Hall, the executive director of Democracy NC, the progressive watchdog group, says. "It takes campaign expenses—like polling, message development, and voter-turnout analysis—and makes them tax-deductible." (Pope, in response, said that the poll results are equally available to everyone.)

The top officers of the Pope organizations can seem to be engaged in a perpetual game of

musical chairs. Currently, the president of the Civitas Institute is Francis De Luca, who formerly ran Americans for Prosperity North Carolina. Though Civitas is ostensibly nonpartisan, its sister organization, Civitas Action, also headed by De Luca, is organized under a different part of the tax code, which allows it to sponsor hard-hitting election ads, and it did so against the Democrats in 2010. Chris Fitzsimon, the founder and director of NC Policy Watch, a progressive think tank, says, “Civitas describes themselves and their polls as ‘nonpartisan,’ yet with another arm they’re running the most virulent ads against Democrats, and it’s the same people. It’s just a shell game.”

Some officials at Civitas appear to shuttle frequently between “nonpartisan” and partisan roles. In early February, 2008, Jack Hawke, a Republican political operative in the state, stepped down as president of the Civitas Institute; by the end of the month, he had signed on with the campaign of Pat McCrory, the Republican gubernatorial candidate, eventually becoming its manager. After McCrory lost, to Beverly Perdue, Hawke returned to Civitas, as a senior fellow. In January, 2010, Hawke signed a form indicating that he will become treasurer of McCrory’s new political-action committee, which is widely seen as the first step toward a rematch of the 2008 governor’s race. Hawke is currently an unpaid senior fellow at Civitas. “Jack Hawke’s serial involvement in Civitas and the McCrory campaign is no accident,” Marc Farinella, the Democratic campaign consultant, said. “Pope has used the federal tax code to create a massive campaign apparatus that is only thinly disguised as a collection of benign, civic-minded nonprofit groups.” Hawke did not respond to interview requests.

McCrory, meanwhile, has been getting a boost from the technically nonpartisan Americans for Prosperity North Carolina. It has been raising McCrory’s profile by using his voice in statewide “robo-calls,” on issues such as opposition to Obama’s health-care plan. “Pat McCrory isn’t a candidate,” Woodhouse, the group’s director, said. “Once he becomes one, he wouldn’t have much to do with us. We don’t endorse or oppose candidates or express advocacy. We talk about issues.” Yet the nonprofit’s Web site features a head shot of Governor Perdue under the headline “VETO BEV PERDUE” and text that reads, “It’s time we take back our government from ARROGANT Bev Perdue!”

Another Pope-funded organization is the John William Pope Center for Higher Education Policy, which broke off from the Locke Foundation in 2003. It has pushed for deep budget cuts in the state’s celebrated university system, and has been a harsh critic of its alleged liberal tilt. Jane Shaw, the center’s president, told me that “a lot of radicals have found their niche” teaching in the state system. In order to support the claims of political bias, the Pope organization has dug up the voter-registration records of professors and trustees. The group also sponsors visits of conservative speakers on campuses; one such speaker was Deroy Murdock, who claims that Saddam Hussein played an important role in the 9/11 attacks.

According to both conservative and liberal observers, Pope’s advocacy network has achieved its greatest influence over the new Republican majority in the North Carolina legislature. Hood, the head of the Locke Foundation, says of the General Assembly, “A significant number of our

recommendations were adopted this year. We favored no new taxes, lifting the cap on charter schools, cutting spending, as well as dozens of small-ticket items.” Martin Nesbitt, the Democratic leader, said, “The John Locke and Civitas foundations put out road maps for how to change everything, and the legislature pretty much followed the script.”

Several former staff members at Pope organizations now have positions of power in the state legislature. One former Civitas staffer is the policy adviser to the House speaker, and a staffer from a Pope-sponsored legal foundation serves as the speaker’s general counsel. The Senate clerk was previously the head of communications at Americans for Prosperity North Carolina. Several graduates of an Emerging Leaders fellowship program that Hood runs have been elected to the General Assembly. The pro-corporate agenda of the current legislature is so pronounced that even conservative Republicans seem surprised. Carter Wrenn, a longtime operative in the state, said, “Business is having a field day like it never has before in the legislature.”

Pope’s network has campaigned to slash education budgets, which is a controversial move. George Leef, the director of research at the Center for Higher Education Policy, has described the funding of higher education as “a boondoggle” that robs taxpayers, and Shaw has demanded that the legislature “starve the beast.” Last spring, the Republican majority voted to cut four hundred and fourteen million dollars from the state-university budget—a sixteen-per-cent reduction. Funds were also severely cut for public schools and preschool programs. Even though public opinion overwhelmingly supported leaving a penny sales tax in place, in order to sustain education funding, Republican legislators instituted the cut anyway, overriding a veto by Perdue, the Democratic governor. (Many of the Republicans had signed a no-tax pledge promoted by Americans for Prosperity.) At the university level, the cuts are expected to result in layoffs, tuition hikes, and fewer scholarships, even though the state’s constitution specifically requires that higher education be made as free “as practicable” to all residents. The former U.N.C. president Bill Friday told me that the changes may place higher education out of reach for many poor and middle-income families. “What are you doing, closing the door to them?” he asked. “That’s the war that’s on. It’s against the role that government can play. I think it’s really tragic. That’s what made North Carolina different—it was far ahead. We’re going through a crisis.”

At the same time that Pope’s network has been fighting to get university budgets cut, Pope has offered to fund academic programs in subjects that he deems worthwhile, like Western civilization and free-market economics. Some faculty members have seen Pope’s offers as attempts to buy academic control. Burley Mitchell, a Democratic member of the university system’s board of governors, defended Pope as “seriously interested in the betterment of the university. He’s certainly been a generous supporter.” But in 2004, faculty protested a grant proposal from Pope that would have amounted to as much as twenty-five million dollars, and the proposal was eventually scrapped. Bill Race, the former chairman of the classics department at U.N.C.-Chapel Hill, told me, “The Pope machine is narrow-minded and mean-spirited and poisoned the university.” Pope reacted angrily to the notion that some professors consider his money tainted. “We’re in retailing!” he said. “It’s not as

if it's blood diamonds!"

The issue of academic control surfaced again in September, when the John William Pope Center for Higher Education Policy offered to help fund a Western-philosophy course that the university had included in budget cuts. At the same time, the center publicly ridiculed other courses, such as one on the culture of the Beat Generation. Some faculty members objected to an outside political organization trying to hold sway over which courses survived. "It's sad and blatant," Cat Warren, an English professor at North Carolina State University, in Raleigh, who has been critical of Pope, says. "This is an organization that succeeds in getting higher education defunded, and then uses those cutbacks as a way to increase its leverage and influence over course content."

Pope, she believes, has already encroached too far on the economics department at N.C. State, where he has donated more than half a million dollars for free-market-related programs. The grant has funded annual lectures, all of which have been given by prominent conservative and free-market thinkers. The speakers are picked by Steven Margolis, the former department chair, and Andrew Taylor, a political-science professor who is a columnist for *Carolina Journal*, a John Locke Foundation publication. "I'm pretty sure we would not invite Paul Krugman," Margolis told me. A dozen members of the economics faculty have been listed as "John Locke Foundation Affiliates." Among them is Roy Cordato, of the John Locke Foundation. His previous research, including a paper he wrote opposing cigarette taxes, was funded, in part, by tobacco companies. Like Pope, he strongly opposes government efforts to combat climate change. Warren says, "I find it incredibly troubling that there are all these faculty members associated with this particular foundation."

The John Locke Foundation, meanwhile, is sponsoring what it calls the North Carolina History Project, an online teaching tool aimed at reorienting the study of the state's history away from social movements and government and toward the celebration of the "personal creation of wealth." Fitzsimon, of NC Policy Watch, says, "It's all part of Pope's plan to build up more institutional support for his philosophy. He's very savvy about not leaving any strategy unaddressed."

Last year, Pope garnered national attention when North Carolina Democrats accused Pope of engineering, in 2009, the re-segregation of public schools in Wake County, which includes Raleigh. Conservative board members, elected with the support of Pope and Tea Party activists, overturned a program that used busing to achieve economic diversity in schools—a program that the *Washington Post* had called "one of the nation's most celebrated integration efforts." The new school board pledged, instead, to send more students to neighborhood schools. Pope was the second-largest individual contributor to the local Republican Party, which helped fund the school-board candidates' campaigns. The largest contributor was Bob Luddy, who is a board member at the John Locke Foundation and at the Civitas Institute. Americans for Prosperity provided additional support for anti-busing activists, describing them as "freedom loving" and their opponents as "radical union organizers."

The Reverend William Barber, the head of the North Carolina chapter of the N.A.A.C.P., which has filed a civil-rights complaint with the Justice Department, says that the new board wants to

racially divide one of the largest, and best, public-school systems in the country. “Civitas pushes this extreme, ultra-right-wing agenda,” he says. “The first thing the school board did was start putting black children back into their so-called neighborhoods. The concept first came out of the lips of George Wallace.” Pope told me, “No one that I know of wants to re-segregate the Wake County schools!” He called himself “a big education reformer” who ardently supports charter schools; one of his three children attended such a school.

Bob Hall, the Democracy North Carolina director, sees Pope’s involvement in education as part of a long-term strategy. “It’s about how you shape the future,” Hall says. “It’s one thing to build a building, another to shape a generation’s minds. That’s what they’re after—ideology. Pope is pushing a world view, not just a business deal.” Hall notes that, because the state legislature appoints the university trustees, “Pope’s got trustee influence now, too.” In fact, the General Assembly recently placed Fred Eshelman, the founding director of Real Jobs NC, on the university system’s board of governors. The husband of another Pope functionary, meanwhile, was just appointed to the state’s public-television board.

Chris Fitzsimon, of NC Policy Watch, says of Pope, “You practically need a flow chart to keep track of this guy.” Fitzsimon, a former journalist, often appears in the North Carolina media as an ideological counterweight to the Pope network. But Fitzsimon says that “you’d need a Marxist, not a wishy-washy liberal,” to provide true balance to the views promoted by the Pope network. “He’s moved the whole damn fulcrum of debate in the state to the right.”

Even some North Carolinians associated with Jesse Helms think that Pope has gone too far. Jim Goodmon, the president and C.E.O. of Capitol Broadcasting Company, which owns the CBS and Fox television affiliates in Raleigh, says, “I was a Republican, but I’m embarrassed to be one in North Carolina because of Art Pope.” Goodmon’s grandfather A. J. Fletcher was among Helms’s biggest backers, having launched him as a radio and television commentator. Goodmon describes Pope’s forces as “anti-community,” adding, “The way they’ve come to power is to say that government is bad. Their only answer is to cut taxes.” Goodmon believes that Pope’s agenda is not even good for business, because the education cuts he’s helped bring about will undermine the workforce. “If you want to create good jobs, you need good schools,” he says. “We’re close to the bottom out of the fifty states in education spending, and if they could take it down further they would.” He says of Pope, “It’s never about making things better. It’s all about tearing the other side down.”

So far, Pope’s strategy seems to be a success. Martin Nesbitt, the Democratic leader in the State Senate, says, “Art Pope set out to buy power, and it’s working.” He believes that Pope’s forces, by redrawing the political districts, are setting the stage to control the state for the next decade. Nesbitt says, “I don’t hold anyone’s political views against them. But any time you have the takeover we did, with the influence of money and absolute power, you have to worry. It’s a blue state that has a Democratic governor, and voted for Obama in 2008, but in two years they turned it into a red state, all because of their money.”

Pope is widely expected to pour more money into North Carolina for the 2012 elections. Carter Wrenn, the longtime Republican campaign adviser, says, “I’d guess Art will be a player. I’d be amazed if he decided to just drop it and go to the beach.” Gary Pearce, the former executive director of the North Carolina Democratic Party, says of Pope, “I’d guess the governorship will be his next move. He’ll try to elect a Republican governor. That’s the only thing he doesn’t have now.” McCorkle, speaking of next year’s elections, expresses worry: “The Democrats have become flabby and undisciplined. On our side, we really don’t have anyone like Art Pope. It’s a real problem.” Whatever Pope’s next move, Nina Szlosberg-Landis, the Democratic activist, predicts, “we’re just seeing the beginning of it all. Corporate money is taking over. People are going to wake up in a whole new state, and maybe a whole new country.”

Nothing would please Pope more. When asked about 2012, he said, “Yes, I’m going to support my side. I really do believe in the marketplace of ideas. I really do believe that my philosophies and theories that I support, classical liberalism, will prevail over arguments for socialism and the growth of government.” He added that if his opponents disagreed they could fund their own side: “I welcome the competition.” ♦

ILLUSTRATION: STEVE BRODNER

To get more of *The New Yorker's* signature mix of politics, culture and the arts: **Subscribe now**