

Eyes on the Ties

Jeffrey Yass: The Billionaire Behind Pennsylvania's Right-Wing Machine

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September 28, 2022

Billionaires have financed the right-wing movement in the United States for years. Over the past few decades, the most well-known of these billionaire financiers have been the Koch brothers. Koch-backed groups like Americans for Prosperity, the State Policy Network, and the American Legislative Exchange Council have been successful in both organizing conservative campaigns and passing pro-corporate legislation. Wealthy elites like the Koch brothers have understood that to pass their political agenda they not only needed to get their preferred candidates elected, but they also needed to build and sustain the organizational infrastructure necessary to win broad support for their agenda.

To this end, these billionaire financiers formed networks of right-wing think tanks, PACs, and “grassroots” organizations that create the illusion of broad support for pro-corporate ideas and legitimize extreme libertarian policies in the media. These organizations help the wealthy and their companies avoid paying their fair share in taxes, fight against raising the minimum wage, and work to dismantle unions. National right-wing think tanks like the Heritage Foundation and the Cato Institute legitimize and help shape pro-corporate policy platforms for conservative politicians. Similar, and often affiliated, think tanks operate on the state level and exert their influence in state legislatures.

Pennsylvania has a thriving network of right-wing organizations with power and sway over the state government. In recent years, a lesser known billionaire has started to stand out for his outsized influence over the Pennsylvania right-wing movement: Jeffrey Yass.

Yass is the richest person in the state with a net worth of approximately \$12 billion. He is the founder of Susquehanna International Group, a large private equity firm. As a libertarian who has financially supported Rand Paul and Gary Johnson in past Presidential elections, Yass serves on the board of the Cato Institute, a national libertarian think tank. His top issue and main priority legislatively is school privatization. The Susquehanna Foundation, where Yass serves as Vice President and a major donor, gives millions of dollars to groups like the Children's Scholarship Fund Philadelphia and Philadelphia charter schools.

Yass has come under more scrutiny for his political spending in recent election cycles. As *Spotlight PA* has reported, he spent at least \$18 million on the primary elections alone in 2022. It even appears that other billionaires take Yass's lead in Pennsylvania. Dick Uihlein, a billionaire donor who financed groups at the January 6th insurrection attempt, also gave \$4.25 million to one of Yass's PACs, the Commonwealth Children's Choice Fund.

However, Yass's influence over state politics doesn't stop after elections are over. His money gets distributed throughout the right-wing network in the state and influences legislation and the conservative agenda year round. The right-wing organizations that spend Yass's money consistently and successfully lobby to cut corporate taxes, bust unions, block climate solutions, ban abortion, target trans youth, and prevent what the right calls "critical race theory" from being taught in schools.

Follow the Money: The Jeffrey Yass PACs

Yass relies on a right-wing group called the Commonwealth Partners Chamber of Entrepreneurs to control two PACs that spend his millions of dollars to influence politics in the state. Matthew Brouillette is the founder and CEO of Commonwealth Partners and manages the two Yass-funded PACs: the Commonwealth Children's Choice Fund and the Commonwealth Leaders Fund. Since 2017, Jeffrey Yass has funneled \$43,630,000 to the Students First PAC, which then donated \$35,500,110 to the Commonwealth Children's Choice Fund and \$1,750,000 to the Commonwealth Leaders Fund. The Children's Choice Fund then also donated \$23,973,000 to the Commonwealth Leaders Fund over the same period of time. These PACs then donate millions to Republican party leaders in the state and distribute the rest to other conservative PACs connected to Brouillette and the right-wing network that he plays a major role in.

Matthew J. Brouillette was also the CEO of another group called the Commonwealth Foundation from 2002 to 2016. The Commonwealth Foundation is a right-wing think tank and member of the Koch-affiliated State Policy Network. The group is largely funded by the Sarah Scaife Foundation, a conservative foundation founded by Richard Mellon Scaife. The Sarah Scaife Foundation is run by Michael Gleba, a trustee of the national right-wing think tank, the Heritage Foundation. In 2018, the Commonwealth Foundation also received \$100,000 from Brouillette's Commonwealth Partners for organizational support.

According to state records, in the spring of 2022, Brouillette registered as a lobbyist for the Commonwealth Foundation for the first time since his departure from the group in 2016. The Commonwealth Foundation has already spent \$78,837 on lobbying in 2022 alone, up from a total of \$48,759 in all of 2021. The Commonwealth Foundation lobbies to advance its agenda of dismantling public sector unions, public assistance programs, and public schools, and also for lowering corporate taxes. While Pennsylvania does not require lobbyists to disclose their lobbying activities, it appears that the group expanded lobbying efforts in 2022 to win conservative priorities in the state budget. The group touted 2022 state budget wins such as slashing the state corporate tax rate and winning a \$125 million increase in the Educational Improvement Tax Credit which supports charter schools, the biggest legislative priority for Yass.

Brouillette's two organizations, the Commonwealth Foundation and Commonwealth Partners, sit at the center of the right-wing political network in Pennsylvania. Brouillette sets the right-wing policy agenda and uses the Yass-funded PACs to funnel money to groups like the Pennsylvania Manufacturers' Association, the Citizens Alliance of Pennsylvania, and others that spend large sums of money to influence elections and legislation.

In addition to being a hub for PAC funding, the two groups share office space at two different locations in Harrisburg: 420 3rd St and 225 State St. The office at 420 3rd St, which is right across the street from the state capitol, is owned by Commonwealth Entrepreneurs LLC, an entity controlled by Commonwealth Partners. The Commonwealth Foundation, and the two Yass funded PACs, all pay rent to the Commonwealth Entrepreneurs LLC every month.

Dauphin County property records indicate that the Pennsylvania Manufacturers' Association Foundation is the owner of the building at 225 State St. That makes the group the landlord for the Commonwealth Foundation, Commonwealth Partners, and many other right-wing think tanks that have also been registered at this address. These include:

- Pennsylvania Leadership Council
- National Federation of Independent Business PA
- Reach Alliance (school privatization advocacy group)
- Keystone Community Hope
- Pennsylvanians For Right to Work
- Americans for Fair Treatment
- Pennsylvania Manufacturers' Association

Given that Yass's top issue is school privatization, it's no surprise that two of the organizations connected to Yass and his money manager, Brouillette, were focused on dismantling public schools. Keystone Community Hope went defunct in 2018. Charles Mitchell, the current CEO of the Commonwealth Foundation, was a Trustee and Treasurer of the group. The group appears to have been a school privatization advocacy organization that canvassed in Pennsylvania and promoted skewed surveys about public schools. The Reach Alliance and its affiliate the Reach Foundation are also now defunct school privatization groups. Matthew Brouillette served on the Reach Foundation board along with David Taylor of the Pennsylvania Manufacturers Association, CEO of major corporate lobbying firm, Chris Bravacos, and President of the Pennsylvania Family Institute, Michael Geer. Otto Banks was the President of the Reach Foundation and Reach Alliance. Jeffrey Yass financially supported Banks's campaign for Mayor of Harrisburg in 2021.

Yass's Network of Union Busters

Jeffrey Yass's private equity firm, Susquehanna International Group, manages over \$400 billion in investments in large corporations like Amazon, ExxonMobil, and Tesla. Yass and his firm have a financial interest in cutting corporate taxes, busting unions, and cutting wages so they can squeeze as much money out of their investments as possible. The network of Yass-tied right-wing groups at 225 State St lobbies hard on behalf of corporations like these to lower the state corporate tax rate and attack unions.

Yass and the Commonwealth Foundation have deep ties to groups like the Fairness Center and Americans for Fair Treatment. The latter is an affiliate of the Koch-backed State Policy Network,

which Yass's Susquehanna Foundation has funded in the past. The address listed for Americans for Fair Treatment on the State Policy Network website is 225 State St, the office of both the Commonwealth Foundation and Brouillette's Commonwealth Partners. Charles Mitchell, the President and CEO of the Commonwealth Foundation is also a long-standing board member of Americans for Fair Treatment. The group's goal is to capitalize on the Supreme Court's Janus decision, which allows public sector union members to avoid paying union dues even while still being represented by the union. Americans for Fair Treatment does this by encouraging members of public sector unions to stop paying dues, weakening unions over time by reducing the number of dues paying members. The group even uses retail discounts and scholarships to entice union members to opt-out and become a member of Americans for Fair Treatment.

The Fairness Center provides legal services for union members looking to file a lawsuit against their union. The Commonwealth Foundation is a former funder of the Fairness Center, providing general operating funds. When Matthew Brouillette was the CEO of the Commonwealth Foundation, he also served as a trustee on the board of the Fairness Center. In the spring of 2022, the group was successful in winning a case against the Pennsylvania State Education Association. The Fairness Center represented the plaintiffs in the case who won a ruling preventing unions from being able to charge opt-out members even a small fee, despite unions still being required to represent them in bargaining and in grievance hearings.

In late 2021, both anti-union groups testified in front of the State House of Representatives in favor of a conservative bill that would severely hinder public sector unions' ability to exist and represent their members. The bill would restrict the ability of public sector unions to get necessary contact information for their members, would require recertification of the union every six years which can be costly for unions that are already operating on tight budgets, and would prohibit automatic deduction of Political Action Committee (PAC) donations from union members' paychecks. The PAC restriction would limit the ability of public sector unions to financially support pro-worker candidates that support raising the minimum wage, protecting union jobs, and support adequate funding for public education.

The other anti-union group once housed at the 225 State Street building is Pennsylvanians for Right to Work. The group, now defunct, had a PAC and a registered lobbyist in Harrisburg with the goal of passing anti-union Right to Work legislation in Pennsylvania. Frederick Anton III, the late Chairman of the Pennsylvania Manufacturers' Association, was a major donor to the Pennsylvanians for Right to Work PAC. Frank Scavo, the current Director of the Pennsylvania Coalition for Election Integrity also served on the board of Pennsylvanians for Right to Work. Scavo made news when he was arrested for his role in the January 6th insurrection attempt and was sentenced to 60 days in prison.

The Yass-tied Business Network: Fighting Climate Regulation

As the owners of the State Street office, and landlords to the Commonwealth Foundation and Commonwealth Partners, the Pennsylvania Manufacturers' Association plays a key role in the state's right-wing machine. The Pennsylvania Manufacturers' Association is a statewide trade association representing the manufacturing sector. It is an affiliate of the National Association of

Manufacturers (NAM), a group led by the Chairman and CEO of Dow Inc. NAM's Board of Directors also includes representatives from large energy corporations like ExxonMobil, General Electric, United States Steel Corp., Koch Companies, BP, Dominion Energy, DTE Energy, and Shell, among others. In Pennsylvania, however, members include several chambers of commerce composed of banks and electric utilities such as Mid Penn Bank, M&T Bank, PPL Electric Utilities, Fulton Bank, Wells Fargo, UGI Utilities, FirstEnergy Corp, and others.

David Taylor, the President and CEO of the Pennsylvania Manufacturers' Association, oversees the spending of Yass's PAC money as a board member of Commonwealth Partners. The Pennsylvania Manufacturers' Association's PAC also receives over 50% of its funding from the Yass-funded Commonwealth Children's Choice Fund. The PMA PAC used that money to give about \$120,000 to Republican leadership while the group spent \$370,540 on lobbying in Harrisburg in 2021. The PMA has already spent \$315,808 on lobbying in 2022.

The fossil fuel backed group lobbied hard against Governor Wolf's decision to make Pennsylvania a participating state in the Regional Greenhouse Gas Initiative which puts a cap on the region's CO2 emissions. In July of 2022, the Commonwealth Court of Pennsylvania halted the decision until a trial in the fall. The PMA joined other corporate lobbying groups like the Pennsylvania Energy Consumer Alliance (PECA), the Pennsylvania Chamber of Business and Industry, and the National Federation of Independent Business in filing an amicus brief trying to block the cap on CO2 emissions from ever being implemented.

The Pennsylvania Manufacturers' Association operates a website called Pennsylvania Prosperity with the corporate run Business-Industry Political Action Committee (BIPAC). David Taylor, President of the PMA, sits on the BIPAC board along with corporate leaders from Halliburton, Rolls Royce, and the American Bankers Association. The only campaign that Pennsylvania Prosperity lists on their website is the PA Power Jobs Alliance, a front group that includes coal and gas companies, created to pressure legislators to stop Governor Wolf's efforts to limit CO2 emissions and help mitigate the climate crisis.

Yass's Students First PAC and the Commonwealth Leaders Fund have also given millions of dollars to a group called Citizens Alliance of Pennsylvania. This group supports right-wing candidates in the state through funding ads and mailers for conservative candidates. In 2021 the group urged supporters to contact their representatives to support legislation that was moving through the state legislature that would prevent Governor Wolf from being able to limit CO2 emissions. That legislation passed but was unable to get enough votes to override the Governor's veto.

Yass-tied Efforts to Ban Abortion and Fight "Critical Race Theory"

The former Chairman and Treasurer for Citizens Alliance of Pennsylvania is a powerful figure in Harrisburg, Lowman Henry. Henry is also the Chairman of the Board for the Pennsylvania Manufacturers' Association, the President of the Pennsylvania Leadership Council, Chairman and CEO of the Lincoln Institute, and on the board at the Koch-backed State Policy Network.

Lowman Henry's group, the Pennsylvania Leadership Council, convenes right-wing groups in the state through the annual Pennsylvania Leadership Conference. The Chairman of the Pennsylvania Leadership Council is David Taylor, the President and CEO of the Pennsylvania Manufacturers' Association. This conference brings together powerful right-wing think tanks and activists in the state to mingle with Republican politicians and PAC leaders like Brouillette, who was a speaker at the event in 2021. Featured sponsors of the Conference held in March of 2022 were the Citizens Alliance of Pennsylvania, the Pennsylvania Manufacturers' Association, the Commonwealth Foundation, Americans for Prosperity PA, and the Bill McSwain Campaign (Yass's preferred gubernatorial candidate). The event hosts speakers including many state elected officials and leaders of national right-wing think tanks like the Heritage Foundation.

Another sponsor of the PA Leadership Conference is the Pennsylvania Family Institute. The PA Family Institute is an anti-abortion, anti-gay, and anti-trans group that spent \$72,254 on lobbying efforts in the state in 2021. The group also operates the Independence Law Center, a group that represents people in religious liberty cases. The group's PAC, the PA Family PAC, received \$50,000 from the Yass-funded Commonwealth Leaders Fund in 2020, making Yass by far the largest donor to the PA Family PAC.

The PA Family Institute is currently trying to change the Pennsylvania constitution via ballot measure to ban abortion. To build momentum for their efforts, the group hosted the March for Life in September of 2022 along with the Women's Choice Network, a group that operates crisis pregnancy centers, and the Pennsylvania Catholic Conference, a Catholic group that spends millions of dollars on anti-choice lobbying in Harrisburg.

The PA Family Institute also spreads hate and misinformation related to Critical Race Theory and transgender athletes in Pennsylvania. The group put out a memo calling Critical Race Theory "state sanctioned racism" and cites right-wing writer Christopher Rufo who has made debunked claims about Critical Race Theory that stoked heightened racist attacks on public schools.

The PA Family Institute also advocates for the state legislature to ban transgender women athletes, who they refer to as "boys," from competing in women's sports. This legislative effort is not the first time the Institute has targeted transgender people in Pennsylvania. In recent years, the group fought against a bill that would protect LGBTQ people from discrimination in housing, employment, and other public accommodations. The Institute focused on the "public accommodations" language in the bill in an attempt to fear monger about transgender women using the women's bathroom and successfully urged supporters to lobby their representatives to block the legislation.

Despite being the richest man in the state, Jeffrey Yass tries to keep a relatively low profile. But for advocates of unions, reproductive justice, good public schools, environmental justice, racial justice, and queer and trans rights, he needs to be exposed as the powerful and dangerous figure he is. With unlimited campaign spending in Pennsylvania, Yass has immense power over election results in the state. What's even more concerning is his cultivation of the tight-knit

network of right-wing organizations that push an ultra-conservative agenda on a daily basis in Harrisburg.