

## Pa.'s Richest Person Has Spent at Least \$18 Million on the 2022 Primary — Mostly to Influence One Issue

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HARRISBURG — What does a conservative upstart challenging a top House Republican in York County have in common with a scion of a Democratic political family facing a progressive primary in Philadelphia?

Despite differing priorities and positions, both candidates' campaigns are beneficiaries of the political largess of billionaire Jeff Yass, a Montgomery County investor and Pennsylvania's richest denizen.

A billionaire who turned gambling winnings into one of the largest stock trading companies in the U.S., Yass is a registered Libertarian, according to Pennsylvania Department of State records.

But his party registration hasn't stopped him from pumping at least \$18 million into this year's Democratic and Republican primaries.

Among the beneficiaries: Republican gubernatorial candidate Bill McSwain, a conservative advocacy group that has a history of challenging Republican incumbents, and a handful of Philadelphia Democrats squaring off with progressives in the May 17 primary.

The common thread in Yass' spending? Opinions vary.

Yass' allies, including many who spend or have sought his dollars, argue he is a single-issue donor who backs candidates who support alternatives to public schools.

"It's no secret," longtime conservative activist Matt Brouillette said. "Where Jeff and [his wife] Janine invest their philanthropy and political dollars, they are passionate about getting kids to better schools."

But critics from various political backgrounds argued Yass' spending prioritizes peddling influence or inserting his ideology into both major parties, whether the issue is privatizing public schools or cutting taxes.

Yass' personal net worth is valued at \$12 billion, according to Forbes. And because of Pennsylvania's lax campaign finance law, which allows individuals to donate unlimited amounts of cash to campaigns, Yass can write as many checks as he wants.

“This is about power for Jeffrey Yass,” said Eric Rosso, an organizer with the Working Families Party, a left-wing third party active in Philadelphia. “This is a billionaire wanting to exert his personal influence on the election.”

Since 2010, Yass has given \$41.7 million to Students First, the Wynnewood-based political action committee he founded with two fellow traders. And over the years, Yass has increasingly become its sole funder, his donations growing bigger.

The PAC either gives directly to candidates, often Democrats, or funnels money to another committee, often ones linked to the school choice movement.

Yass did not directly respond to requests for comment. In an emailed statement, Students First PAC said it backed candidates who “have a track record of supporting educational choice or are philosophically supportive of educational choice,” and that its spending counterbalances the influence of teachers unions.

The PAC’s strongest financial relationship is with political organizations run by Brouillette, who says he met Yass sometime in the 2000s. Brouillette once ran the Commonwealth Foundation, a Harrisburg-based free-market think tank that’s part of a national network of similar organizations funded by top conservative donors.

In 2016, he transitioned to running Commonwealth Partners Chamber of Entrepreneurs, a 501(c)(6) nonprofit that can influence elections, to “put political punch” behind his policy goals.

Since 2018, Students First has poured at least \$30.25 million into Brouillette’s two interconnected PACs — Commonwealth Children’s Choice Fund and Commonwealth Leaders Fund — according to Pennsylvania Department of State data. That total represents 78% of Students First’s spending during that time.

Commonwealth Children’s Choice Fund often donates directly to candidates, and Commonwealth Leaders Fund purchases mailers, TV, and digital ads to independently support or oppose candidates.

Those dollars have flowed to a number of mostly Republican causes, including independent ad buys attacking Democratic incumbents, as well as to GOP candidates in critical statewide races like one for an open state Supreme Court seat last year (Republican Kevin Brobson emerged victorious). Candidates across the ideological spectrum — from arch-conservative state Sen. Doug Mastriano (R., Franklin) to moderate suburban state Rep. Chris Quinn (R., Delaware) — have benefitted from this cash.

“Money follows value,” Brouillette added. “And we have demonstrated our ability to win elections.”

Students First did not address specific questions about Brouillette but said it donates to groups that “agree in writing” to use its donations solely to support candidates who, at the recipient’s discretion, support alternatives to public schools.

With so much money at stake, many Republican gubernatorial candidates sought out Brouillette's endorsement. Initially, he backed McSwain, a former U.S. prosecutor who has run as an outsider and presented a tough-on-crime image.

Since Brouillette endorsed McSwain in January, Commonwealth Leaders Fund has spent \$7.9 million on ads boosting McSwain's profile and attacking the candidate's competitors.

Commonwealth Children's Choice Fund, meanwhile, gave McSwain \$4.9 million in direct donations last month, one of the Republican establishment's attempts to prevent Mastriano from becoming the GOP gubernatorial nominee.

In an email, the McSwain campaign said Brouillette chose him because of his early focus on education issues and pledge to "defend parents, students, and good teachers" with an education plan in mid-December 2021.

But just days before the primary, Commonwealth Partners Chamber of Entrepreneurs switched its endorsement from McSwain to former U.S. Rep. Lou Barletta (R., Pa.). In a news release, Brouillette said McSwain and fellow candidate Dave White should drop out and endorse Barletta to prevent Mastriano from winning the primary.

Mastriano, one of the loudest backers of false election fraud claims, was subpoenaed by the congressional committee investigating the Jan. 6 storming of the U.S. Capitol, and leads the polls in a crowded GOP field that he appears poised to win.

While McSwain hasn't claimed there was widespread election fraud, he did send a letter to Donald Trump last year alleging ex-U.S. Attorney General Bill Barr stopped him from investigating "possible election irregularities." (Trump still denounced McSwain in April). Barletta, meanwhile, was on a list of alternate, pro-Trump electors, and claims that dead people vote by mail ballot.

Yass' spending isn't restricted to Pennsylvania. He's a top donor to the Club for Growth, a national conservative political group that backed outgoing U.S. Sen. Pat Toomey (R., Pa.) as well as U.S. Sens. Ted Cruz (R., Texas) and Josh Hawley (R., Mo.).

Those donations came under close scrutiny after the Jan. 6 attack on the U.S. Capitol, which occurred as lawmakers — including Cruz and Hawley — prepared to vote to reject Biden's victory.

Laura Goldman, a former Wall Street stockbroker and friend of Yass, said at the time that Yass felt deceived by Club for Growth beneficiaries who tried to overturn the results.

Yass does not believe the election was stolen, he said in an email publicized by Goldman and confirmed as authentic by The Guardian.

**'I have a right to be supported'**

Like McSwain's campaign, Democratic beneficiaries of Yass' money say he picked them for their stance on education.

State Sen. Anthony Williams (D., Philadelphia), whose father was also a state senator, has received more Yass money than any other Democrat this year.

Facing a serious primary challenge from a public school teacher with connections to a citywide progressive group, Williams and an associated PAC have received \$215,000 from Yass-backed groups since 2021. That sum represents more than 31% of Williams' total fundraising this election cycle.

Williams told Spotlight PA he first met Yass sometime before his unsuccessful 2010 run for governor. They were introduced by a mutual friend who knew they shared an interest in helping kids in low-performing schools.

His support for alternatives to public schools came from taking calls from parents who wanted to get their kids out of struggling city classrooms, Williams said. The only way was "if you knew somebody," he said, and he decided to fight to give everyone the same opportunity to pick a new school.

The stance, Williams said, was unrelated to Yass' frequent donations to his campaigns for state Senate, mayor of Philadelphia, or governor of Pennsylvania.

"I have a record on the issue, so I have a right to be supported," he said.

At least four other Philadelphia Democrats have also received donations from Students First or Yass-linked PACs, including Commonwealth Children's Choice Fund.

State Rep. Amen Brown faces two challengers in a newly drawn West Philadelphia district. Last month, Brown was also the only Democrat to vote for a bill that would establish a statewide voucher program for students in schools with low standardized test scores; after the vote was tallied though, he flipped his vote from for to against. Brown did not reply to a request for comment.

Yass-linked PACs have given Brown at least \$62,500 since the start of 2021, or roughly 40% of his total donations in that same time period.

State Rep. Rick Krajewski was first elected in 2020 with the backing of a Philadelphia political group inspired by progressive icon U.S. Sen. Bernie Sanders (D., Vt.).

He's being challenged by James Wright, whose campaign has received \$35,000 from Yass-linked PACs, or about 63% of his total donations. Wright's campaign did not reply to a request for comment.

In an interview, Krajewski argued that the scale of Yass' donations to Wright raised red flags.

“His interests aren’t the interests of a lot of working-class folks here in Philadelphia and in the state, and those people deserve a voice even if they don’t have a billionaire like Yass being able to push their agenda,” Krajewski said.

But Williams countered that attacks on Yass were a distraction from other issues, such as gun violence, that are more important to voters.

“It’s a way for somebody to have a campaign not based upon issues, not based upon record, not based upon performance, but based upon the optics and narrative,” Williams said. “I’m in debates where nobody talks about the level of violence and they talk about Jeff Yass. That’s weird to me.”

Progressive efforts to make Yass money politically toxic to Democrats are starting to have an impact. One candidate — state Rep. Isabella Fitzgerald, who is facing a fellow incumbent this May due to redistricting — returned a contribution from a Yass-funded PAC after it was reported by the Pennsylvania Capital-Star.

“The funds were returned because Jeffrey Yass does not represent what Rep. Fitzgerald stands for,” her campaign manager told the Capital-Star.

Students First said that “in an election between or among educational choice advocates, we are happy to provide moderate support to each candidate.”

When facing “a pro-union, special interest candidate,” the PAC said, it’s “willing to ensure that the pro-educational choice candidate is not outspent.”

### **Republican v. Republican**

Yass’ money isn’t just causing intraparty divisions among Democrats. His dollars are also financing a number of competitive Republican legislative primaries against top incumbents.

In March, Students First donated \$1.2 million to Citizens Alliance of Pennsylvania, a PAC that has a long history of successfully challenging legislative Republicans for not being conservative enough. That amount represents almost 95% of what the PAC has raised this year.

CAP is currently backing three primary challengers, as well as one incumbent who was drawn into a race with another incumbent as part of redistricting.

Wendy Fink, a conservative former school board candidate in York County who is running against House Appropriations Committee Chair Stan Saylor, has received at least \$265,000 from Citizens Alliance, according to a campaign finance report.

Fink’s website says she has an “unwavering commitment to freedom, capitalism, and the constitution,” while CAP-funded ads have attacked Saylor’s record on pensions, Gov. Tom Wolf’s budgets, and the gas tax. Fink did not reply to a request for comment.

Leo Knepper, executive director of CAP, said he's never had a conversation with Yass. But speaking broadly of the group's donors, he argued they all share a commitment to an ideology of personal liberty and free markets — "classical liberal values."

They also share a skepticism of the Republican Party, he added, for breaking with those values.

In an interview, Saylor said Yass' prolific donations were a reason to distrust those who receive his aid.

In particular, he pointed to Students First's support for House Minority Whip Jordan Harris (D., Philadelphia), who has received more than \$800,000 since 2012; and Josh Shapiro, the only Democrat running for governor, who received \$125,000 during his 2016 attorney general campaign.

"Is he trying to buy people?" Saylor said. "That's the question, because he's not giving to all conservatives or all liberals. He picks and chooses, and is it who he thinks he can control? Because I don't know why else you would be giving to all sides of the political spectrum."

Saylor tried to downplay the extent of Yass' donations to Republicans. He received \$6,500 from Students First before 2016 and \$5,000 from the Brouillette-run Commonwealth Children's Choice Fund in 2021.

To Working Families Party activist Rosso, Yass' bipartisan investments hint that the accomplished gambler is hedging his bets.

Rather than putting it all on blue or red, Rosso said, Yass "wants to have elected officials who he is close to," that he "can pick up the phone and exert [his] influence on, no matter what the question is in front of them."

Samuel Chen, a political strategist who has worked for former U.S. Rep. Charlie Dent (R., Pa.) and Toomey, said he's had clients ask to meet with Brouillette because they think he has enough money to "choose the next governor."

However, unlike Rosso, Chen argued Yass' goals, like those of other modern super-donors, are driven less by a desire to call in favors and more by Yass' hope to shape Pennsylvania politicians to his own worldview.

"They are not mercenaries," Chen said. "They have an ideological agenda, but they want to control the shift in politics ... They want to have some level of control of who gets in."

Chen highlighted Yass' position on the board of the Cato Institute, a libertarian think tank, as proof of Yass' ideology. The think tank argues for orthodox Republican positions on taxes and regulations but is also pro-immigration and criminal justice reform.

But with the resources and will to spend millions, the merits of his or any candidate's ideology may not matter, Chen said, because Yass has enough to buy an election.

“We risk stifling debate when we do this,” Chen said. “It becomes who shouts the loudest and longest.”