

FreedomWorks Founded with Oil Money

FreedomWorks was formed with the 2004 merger of Citizens for a Sound Economy (“CSE”), headed by former House Majority Leader Dick Arney, who today runs FreedomWorks, and Empower America. CSE was founded in 1984 by David Koch, prominent right-wing funder and co-owner of Koch Oil, the U.S.’s largest independent oil company. In 2000 and 2001, foundations controlled by Koch, and his brother Charles, gave \$2.85 million to CSE. In 2001, Exxon gave \$275,000 to CSE.

<http://mediamattersaction.org/transparency/organization/FreedomWorks/funders?>

On its website, FreedomWorks claims “...hundreds of thousands of grassroots volunteers nationwide”
<http://www.freedomworks.org/about/about-freedomworks>

FreedomWorks’ advocacy arm is a 501-C-4 group with an annual budget of \$7 million. (“The Movement,” McGrath, New Yorker, February 1, 2010) It will not disclose its donors.

The FreedomWorks Foundation, a 501-C-3, spent \$3.26 million in 2008; it also does not disclose donors. (IRS 990 for FY 2008)

FreedomWorks has a federal PAC, last active in 2000, when its largest contribution, of \$25,000, was from Gordon Cain, a Houston petrochemical executive. (opensecrets.org) The non-federal 527 PAC has not been active since 2006. Citizens for a Sound Economy is still incorporated and maintains a website that brings visitors to FreedomWorks.

Arney Ties to Oil – In and Out of Congress

Dick Arney has ties to the oil industry. For his last three elections in Congress, 1998, 2000 and 2002, Arney’s PAC and leadership PAC raised \$262,000 from oil company PACs and executives, the most he raised from any single industry.

<http://www.opensecrets.org/politicians/industries.php?cycle=2002>

As a lobbyist with DLA Piper, Arney lobbied on behalf of Irving Oil from 2004-2007. Irving Oil owns Canada’s largest oil refinery.

Corporate Front

CSE/Freedomworks has always been a front for advancing the corporate interests supported by Arney as congressman and his clients’ interests as lobbyist. In 1998 CSE received \$700,000 from sugar companies at the same time it opposed Everglades legislation also opposed by the industry. The organization received more than \$1 million from Philip Morris at a time when CSE was opposing cigarette taxes. (“Think Tanks: Corporations Secret Weapons,” Morgan, Washington Post, January 29, 2000.)

Front for Insurance Company: In 2006, it was revealed that individuals who signed up for one company’s health insurance policy also, often unwittingly, became members of FreedomWorks’ and its predecessor organization, CSE. “Critics see the effort as a way for political groups to inflate their membership rosters -- and their bottom lines -- by taking dues from people with no interest in the groups’ politics.” (Washington Post, 7/22/2006) Freedomworks made over \$600,000 from sales of insurance policies from 2000-2005, even as the organization lobbied on issues supported by its insurance partner, Medical Savings Insurance Co.

Front for Asbestos Insurers: In 2005, Arney and FreedomWorks opposed a bill to create a trust fund for asbestos victims. Arney did not disclose that he was also working as a lobbyist for Equitas, a British

insurer that has lobbied to thwart the asbestos trust fund legislation. “In addition to paying for a radio and print ad campaign, the group is also tapping its networks of activists to help, a move it claims is generating hundreds of calls and thousands of e-mails to Senate offices.” Neither FreedomWorks nor Equitas would disclose if Equitas funded any of the campaign. (Roll Call, May 4, 2005)

Front for Telecommunications Giants: FreedomWorks has accepted corporate contributions from telephone giants Verizon and SBC (now AT&T). In 2006 it launched the "Choose Your Cable" campaign, the goal of which was to eliminate local franchising agreements that are slowing down the telephone industry's entry into the cable television market. FreedomWorks is lobbying against local franchising not only in Congress, but also in many state legislatures. <http://www.commoncause.org/site/pp.asp?c=dkLNK1MQIwG&b=1497377>

In 2007, Verizon became a lobbying client of DLA Piper, the firm for which Armev lobbied, paying it \$750,000 over the next three years. (opensecrets.org)

And Now...Taking its Lead from American Petroleum Institute

Beginning in 2009, FreedomWorks joined a coalition, “Energy Citizens,” with American Petroleum Institute (“API”) and other groups. Energy Citizens encouraged individuals to attend town hall meetings on climate legislation and FreedomWorks sent out talking points on the issue, encouraging its members to attend to ask pointed questions of lawmakers and congressional staffers. (CQ Today, 8/17/2009)

API provided most of the resources for the rallies. In a letter to API members, Jack Gerard head of API wrote “...API will provide the up-front resources to ensure logistical issues do not become a problem. This includes contracting with a highly experienced events management company...It also includes coordination with the other interests who share our views on the issues, providing a field coordinator in each state, conducting a comprehensive communications and advocacy activation plan for each state, and serving as central manager for all events.” <http://www.desmogblog.com/sites/beta.desmogblog.com/files/GP%20API%20letter%20August%202009-1.pdf>

Tea Party Connections

Not only did FreedomWorks promote the big kick-off of the Tea Party movement in 2009 through recruitment of its members to events, but “...In the weeks before April 15, FreedomWorks spent as much as \$20,000 aiding the tea party movement, the group's spokesman, Adam Brandon, said.” (National Journal, June 13, 2009)

FreedomWorks continues to recruit for tea party events, and vice-versa. Recently, for example, demonstrators visited Sen Lindsey Graham's office in S.C. to criticize his support for climate legislation. “Kathy Murphy of Six Mile, affiliated with two Tea Parties in the Upstate in addition to FreedomWorks, said the demonstration focused on cap and trade in particular and Graham in general.” (Greenville News 2/28/2010)