

## Americans United for Change

By Fred Lucas

*Summary: Funded by MoveOn and the labor movement, the advocacy efforts of Americans United for Change toe the Left's line. The group has pushed for Obamacare, President Obama's failed stimulus packages, and against efforts to reform the nation's out-of-control entitlement programs. It still has close ties to the Obama White House and promises to be a force in the upcoming election.*

Outside the Marriott Marquis Hotel in Times Square, agitators gathered dressed in phony football uniforms. They called themselves the "New York 99ers," a name derived from the so-called 99 percent, the rallying cry of the Occupy Wall Street movement.

The faux football team was arranged by Americans United for Change outside the hotel where New York Jets owner Woody Johnson was holding his April 26 fundraiser for presidential candidate Mitt Romney. The news release for the morning protest said the group wanted to ask Romney, "Is there any play in the GOP presidential hopeful's economic playbook other than giving millionaires, big oil companies and corporations that offshore American jobs trillions of dollars in new tax breaks and praying it works this time?" The group's class envy message continued with references to "Hundred-millionaire Romney."



**Author and AUFC spokesman Robert Creamer, who served prison time for bank fraud, enjoys lecturing others on ethics.**

The Americans United for Change website says, "We are not a partisan organization nor are we allied with any political party. Together, we will amplify our voices so the priorities of working people can no longer be ignored by the powerful. Our goal is simple: a government that works for all of us."

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Yet this nonpartisan group takes every chance it gets to whack Romney and lambaste Republicans in Congress. Since 2009 it has pushed for President Barack Obama's policies. FactCheck.org describes the group as "a liberal group whose message closely mirrors that of the Obama White House."

President Obama certainly seems to follow the organization's campaign advice in dodging accountability for his failures: "A successful campaign will heavily focus on the radical, do-nothing Republican Congress," said Bob Creamer, a consultant speaking for AUFC and also an ex-con sentenced to five months in prison in 2006 on federal bank fraud and tax violations.

"Most [Americans] believe Obama shares their values and their concerns, and where he has failed them is his effectiveness to improve the economy. It seems to me the case the campaign needs to make is that that failure is a consequence of the damage created by Republicans and the refusal of Congress to take the necessary steps that he proposed for the economy."

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Adding to the rich-people-are-bad theme, AUFC has run a campaign and even built a website around the fictional character Gordon Gekko—the main villain in Oliver Stone's *Wall Street* movies—as Romney's 2012 running mate.

In one satirical news release, the Romney-Gekko 2012 campaign unveiled an ad for "Mitt's Hits" that has the presidential candidate singing parody titles, "Switzerland the Beautiful (to the tune of "America the Beautiful"), "If I Had (Another) Million Dollars," "Money for Nothing," and "Saw that Poll, Now I'm a Believer."

Outside of presidential politics, AUFC also felt it had to politicize the national pastime, and so it started the website "Strike Out Beck," which asks viewers to sign a petition demanding Major League Baseball sever ties with GBTV, the online TV network of Glenn Beck. (Those ties weren't exactly intimate. GBTV simply contracted to pay MLB Advanced Media, a subsidiary of Major League Baseball that streams ballgames online, to provide the capacity to stream Beck's network online.)

Americans United for Change began in 2005 with the fight to block President George W. Bush's efforts to put Social Security, now headed for bankruptcy, on a stronger financial footing for future generations. It was ironically called Americans United to Protect Social Security and it did succeed in blocking needed reforms. The organization changed its name in 2006 and expanded its grassroots agenda with much success in the 2006 and 2008 elections, and not so much success in 2010.

## **Funding and Spending**

The labor union-backed AUFC, based in Washington, D.C. with offices in 23 states, is clearly growing, based on its most recent publicly available IRS Form 990 (tax return)

from 2009. That year, the group raised \$4.8 million, up sharply from \$2.5 million in 2008.

AUFC is a 501(c)(4) organization, which means it does not have to disclose its donors. But the left-wing MoveOn PAC reported contributing \$305,171 in 2006, another \$150,000 in 2008, and back up to \$300,000 in 2010, according to the Center for Responsive Politics. The Teamsters gave the group \$25,000 during the 2010 cycle and the National Air Traffic Controllers Association dropped in \$50,000 for the 2008 cycle.

AUFC Acting Executive Director Tom McMahon earned \$254,250 according to the 990 form from 2009, a handsome income that probably put him in the neighborhood of the dreaded 1 percent the New York 99ers are supposed to hate. Interestingly, he wasn't paid by the organization, but rather through a private contractor, New Partnership Consulting. AUFC did not respond to phone and e-mail inquiries about whether McMahon is still paid by a third party and why such an arrangement was made.

## **Friend to Obama's Agenda**

AUFC has been a good friend to the Obama White House from the beginning. According to the 990 form, the group spent \$3.5 million on media buys and production in 2009, a year filled with on-air battles over the stimulus, the Obama budget, health care, cap and trade, and other policies pushed by Obama and the then-Democratic Congress. Some of the funding to pay for those ads came from the usual suspects such as MoveOn.org, the Service Employees International Union, and the American Federation of State, County, and Municipal Employees (AFSCME).

In 2009, then-White House Deputy Chief of Staff Jim Messina collaborated with AUFC on strategy and ad copy, while senior presi-

dential advisor Valerie Jarrett and her chief of staff, Michael Strautmanis, kept in regular contact with the organization.

That same year, the organization led a state-by-state ad campaign to rally the public to contact their members of Congress in support of the \$787 billion American Recovery and Reinvestment Act. AUFC was at the head of the line when the White House recruited surrogates to pressure wavering Democrats in Congress. AUFC targeted 12 moderate Democrats, including senators from North Dakota (Kent Conrad), Nebraska (Ben Nelson), Louisiana (Mary Landrieu), Arkansas (Blanche Lincoln and Mark Pryor), Indiana (Evan Bayh), New Hampshire (Jeanne Shaheen), and Virginia (Mark Warner).

During the debate over the stimulus, many AUFC ads focused on talk radio show host Rush Limbaugh, whom the White House and Democrats targeted in the early months of the new administration. Trying to push the stimulus, AUFC aired radio ads in Ohio, Nevada, and Pennsylvania that said, “Every Republican member of the House chose to take Rush Limbaugh’s advice.... Every Republican voted with Limbaugh—and against creating 4 million new American jobs. We can understand why an extreme partisan like Rush Limbaugh wants President Obama’s jobs program to fail—but the members of Congress elected to represent the citizens in their districts? That’s another matter. Now the Obama plan goes to the Senate, and the question is: Will our Senator [insert names of George Voinovich in Ohio, Arlen Specter in Pennsylvania, and John Ensign in Nevada] side with Rush Limbaugh too?” Specter voted for the stimulus and became a Democrat shortly thereafter.

## Framing the 2006 Agenda

AUFC was launched in 2005 with the aim of stopping George W. Bush’s Social Security reform proposal that would allow younger workers to invest a portion of their retirement

in private accounts. At the time, liberals worried that the recently re-elected president might have sufficient political capital to make progress on entitlement reform.

“Americans United for Change beat back President Bush, his allies in Congress and the special interests who sought to break the solemn promise America made to its senior citizens by dismantling Social Security with an expensive and risky privatization scheme,” AUFC’s website says. Emboldened by its success, the organization moved on to other issues under the leadership of its president, Brad Woodhouse.

In 2006 the group set out to have a major impact on the mid-term elections and help lay the groundwork for much of what Barack Obama would campaign on and attempt to legislate as president. The organization called for “improving access to affordable healthcare for all Americans,” the slogan for Obamacare. The group also made part of its agenda “making college more affordable,” the rationale Democrats used for nationalizing student loans; “creating a responsible energy policy,” which meant the cap and trade system that Obama failed to get through Congress but is now implementing piecemeal through regulations issued by the EPA; “protecting our homeland,” a token gesture to avoid appearing too far out of the mainstream; and other Democratic favorites like “increasing the minimum wage” and “allowing Medicare to directly negotiate lower prices for prescription drugs.”

AUFC weighed in heavily on Medicare Part D, the Bush-era prescription drug plan for senior citizens, by holding 200 events in 23 swing districts across the country. They also followed Bush and other Republicans on the road with rapid response.

AUFC got involved in a big way in a competitive Senate race in Missouri after an effort to hike the minimum wage from \$5.15 to \$7.25 per hour failed. “In Missouri, Americans

United for Change targeted Senator Jim Talent for his opposition to increasing the federal and state minimum wage while voting for multiple pay raises for himself and his colleagues,” the group boasts. “Our staff in Missouri held press conferences, did rapid response to presidential visits and publicized reports on the issue.”

Also in 2006, the organization released ads with the slogan, “Stay the Course,” to describe Bush and the Republican Congress. The ads targeted competitive House races in Northern Virginia; Buffalo, New York; and Rochester, Minnesota. “Ultimately we created *the* national issue of 2006 as we challenged the Bush Administration’s ‘Stay the Course’ policies on issues from the war in Iraq, failure to increase the minimum wage and drastic cuts in student loans,” AUFC claims. “Our challenge against their ‘Stay the Course’ message became a mantra in many races around the country. If there was one overriding national issue this year, it was ‘it’s time for a change’... a message first heard in Americans United for Change’s commercial on the corruption in Congress back in January.”

Actually, some variation of “it’s time for a change” has been around ever since challengers first sought to unseat incumbents. Nevertheless, AUFC did drive much of the agenda in 2006, when it also released the first ad on criminal lobbyist Jack Abramoff and corruption in the GOP ranks.

“While President Bush and the governing majority in Congress, which was benefiting from the status quo at the time, refused to pass meaningful reform to clean up its act, the issue of corruption highlighted by Americans United For Change took root and the voters went to the polls and took their own action to clean up Washington,” brags the group.

Democrats won major victories in Congress that year, taking control of both the House and

Senate. Among the Republicans swept out of office was Sen. Jim Talent in Missouri.

## Political Speech for Me but not for Thee

In 2008, AUFC launched the “The Bush Legacy Bus” that toured the country in the weeks leading up to the Democratic National Convention. The bus was a partisan, left-wing museum on wheels, proclaiming that on education, “Bush’s proposed Head Start budget would cut 14,000 slots”; on the economy, “productivity is up by 20 percent, but wages are flat”; on pollution, “one in three national parks has increased pollution levels that exceed EPA health standards”; on gas prices, “In 2000, it cost \$13.70 to fill a tank of gas, in 2008, it cost \$40.70”; on Hurricane Katrina, “120,000 people still displaced, New Orleans’ Ninth Ward is still in ruins”; and of course, “The war in Iraq – Bush’s ‘shifting’ rationales for the attack were all disproved.”

AUFC says the approaches in its arsenal also include targeted press and editorial outreach, online petitions and organizing, grassroots organizing, and community meetings.

After Obama came to the White House, Woodhouse left AUFC to become the director of communications for the Democratic National Committee. Meanwhile, McMahon—once the deputy national campaign manager for Howard Dean’s 2004 presidential bid—left his post as DNC executive director to become the acting executive director of AUFC. Deputy executive director Caren Benjamin is a former aide to former House Speaker Nancy Pelosi (D-Calif.).

FactCheck.org took the group to task in February 2011, after it aired an ad chiding House Republicans for voting to repeal Obamacare. The AUFC ad claimed repealing Obamacare would “raise health care premiums.” Factcheck.org was quick to point out that might be true for populations

already getting health subsidies, “But overall, the Congressional Budget Office has said the law won’t change premiums for most Americans significantly, compared with what premiums would have cost without the law. That’s for employer-sponsored plans. The CBO actually said for those buying insurance on the individual market, premiums would go up—not down—but more than half of those purchasing their own plans would get subsidies that reduce their out-of-pocket costs substantially.”

Despite spending millions on ads to help Democrats, and despite connections with big money political players such as MoveOn, SEIU, and others, Americans United for Change was deeply offended by the *Citizens United* case that lifted bans on political speech and allowed unions and corporations to buy independent political ads. So the leftist activists who despised that cowboy Bush took a page from Wild West history by offering bounties: AUFC put up a \$25,000 reward for any employee who would rat out his employer’s company if it donated money to a super PAC.

“We think there are a lot of big corporations on the bubble about whether they’re going to use corporate funds to try to affect the outcome of the election,” said that exemplar of ethics Bob Creamer, speaking on behalf of AUFC to the Huffington Post website. “And we want to make it clear that they cannot take that kind of action without the risk of economic consequences.”

Creamer, recall, pleaded guilty to manipulating checking accounts at several banks to obtain what federal prosecutors called “unauthorized and unsecured short-term loans” worth hundreds of thousands. After a long investigation, he was indicted on 34 counts in 2004, but pleaded guilty to two.

Elaborating on the bully tactics, Creamer added, “The message is: In the digital age, nothing is secret. The \$25,000 is intended

to make those CEOs wonder if the person down the hall—who may look at an email or have some direct knowledge of the corporation’s activity—may decide that \$25,000 is worth more than their loyalty to that corporation.”

Americans United for Change had shown its disdain for free political speech before, having joined a coalition of left-wing groups that advocated consumer boycotts, stockholder lawsuits, and orchestrated mischief at stockholder meetings to punish any company making contributions that may influence elections. Their partners included Common Cause, Public Citizen, Coalition for Accountability in Political Spending, SEIU, MoveOn, Public Interest Research Group (PIRG), Public Campaign Action Fund, Campaign for America’s Future, National People’s Action, Progress NOW, Every Child Matters, Health Care for America Now (HCAN), Occupy Wall Street, and USAction.

Such indignation over political advertising did nothing to inhibit the organization from proudly announcing in April that it had teamed with AFSCME to launch a series of ads against four GOP House members in the Midwest: Reps. Paul Ryan and Sean Duffy, both of Wisconsin; Chip Cravaack of Minnesota; and Dan Benishek of Michigan.

The ads declared, “The unpopular Ryan-Romney budget puts millionaires before Medicare/Medicaid beneficiaries, corporations before kids, oil subsidies before students, and Wall Street banks before middle-class jobs.” All dubious claims to be sure, but something the liberal groups hoped would frighten voters who only pay attention in election years.

“The Republican members of Congress who lined up to vote for the Ryan-Romney budget are calling themselves ‘courageous’—they’re admiring each other for the ‘tough,’ ‘serious,’ ‘bold,’ ‘fiscally responsible’ decisions they’ve made for the ‘good of the

country,” said a proud McMahon announcing the ad campaign by the two groups.

Then, the fear mongering began.

“But can anyone tell me what is ‘courageous’ about forcing seniors in nursing homes on Medicaid to find somewhere else to go or taking away health care from sick kids, but continuing to hand over \$40 billion worth of subsidies to the big oil companies?” McMahon said. “Can someone explain how awarding a \$3 trillion tax break to millionaires and corporations guilty of shipping thousands of American jobs overseas is ‘fiscally responsible’? What exactly is ‘bold’ about making Medicare beneficiaries pay more and more out of pocket for fewer services and making college less affordable for millions and shortchanging veterans on the services they deserve? And how do these Republican lawmakers expect us to take them ‘seriously’ claiming that this budget gets America’s fiscal house in order when in fact it would explode the deficit and cost over a million middle-class Americans their jobs? That doesn’t sound like the ‘path to prosperity’ to me. That sounds like the roadmap to middle-class extinction.”

It’s enough demagoguery to make Huey Long blush.

One may hope such hyperventilation won’t be taken serious by even the most uninformed voters. But keep in mind that Americans United for Change has a daunting record of success in raising the needed money to stir hysteria. It will be interesting to see if the public stops buying it in 2012.

**FW**

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Many thanks.

Terrence Scanlon  
President

# PhilanthropyNotes

Hungry for new tax revenues to shore up America's welfare state programs, the Left hopes Congress will strip religious institutions of the tax exemption they currently enjoy. The federal government foregoes up to \$71 billion in revenue each year by its stubborn insistence on adhering to the Establishment Clause and honoring a nearly complete tax exemption for churches, the *Chronicle of Philanthropy* reports. That sum was generated by **Ryan Cragun**, a sociology professor at the University of Tampa, who added up the so-called "cost" of religious organizations' exemption from taxes on donations, property, business enterprises, capital gains, and housing allowances for clergy. The study appeared in *Free Inquiry*, a magazine published by the **Council for Secular Humanism**.

Criminal justice expert **Christopher Stone** takes over the reins at **George Soros's Open Society Foundations** this month. He replaces **Aryeh Neier**, who is retiring after serving as the mammoth philanthropic network's president since 1993. Stone is a professor at Harvard's John F. Kennedy School of Government. "He has a passion for changing things and great vision and an understanding of how to build institutions and reimagine them so they endure," said **Barry C. Scheck**, co-director of the **Innocence Project**.

In other Soros news, Open Society Foundations announced that radical lawyer and former Obama administration official **Kenneth H. Zimmerman** will become the next overseer of the network's U.S. operations. Zimmerman served as senior advisor to Housing and Urban Development Secretary **Shaun Donovan**, a longtime ACORN ally, and was also executive director for the **New Jersey Institute for Social Justice**. Zimmerman replaces longtime Soros employee **Diana L. Morris**, who had filled the position on a temporary basis after **Ann Beeson** quit after four years. Beeson left to return to her home state of Texas, where she will reportedly "help develop a national plan to strengthen the role of arts and culture in advancing social change."

**Capital Research Center** board of trustees member **Edwin Meese III** was presented with a Bradley Prize last month by the Milwaukee-based **Lynde and Harry Bradley Foundation**. Meese was attorney general in the Reagan administration. This year's other three awardees were **Institute for Justice** co-founder **William H. "Chip" Mellor**; political economist **Nicholas Eberstadt**; and **Heritage Foundation** co-founder **Ed Feulner**.

## Goldman Sachs WATCH

A New York jury has convicted former Goldman Sachs director Rajat Gupta on three counts of securities fraud and one count of conspiracy for sharing corporate secrets with hedge fund manager Raj Rajaratnam. Federal prosecutors previously said Gupta tipped off Galleon Group LLC co-founder Rajaratnam about Goldman's earnings in the first quarter of 2007. Rajaratnam is now in prison serving an 11-year sentence after being convicted of other financial crimes last year.