

The Democrats' Mystery Man

Fred Eychaner donates tens of millions to politicians and left-wing causes, but the mainstream media have never told you about him

By Barbara Joanna Lucas

Summary: *Fred Eychaner is one of the most powerful political players and tycoons you've never heard of.*

Hillary Clinton, the leading Democratic presidential candidate, collected \$250,000 when she visited the Chicago mansion of Fred Eychaner in May for a fundraising event. The occasion prompted a rare bit of media coverage of the multimillionaire mogul usually described as “reclusive” or “secretive” in media accounts because he avoids interviews and cameras.

“Everybody working together needs to make Hillary the next president,” the 70-year-old Eychaner told the gathering of rich Democrats.

Most Americans haven't heard of Eychaner (pronounced Eye-can-er). Those versed in media giants are certainly familiar with Rupert Murdoch or Arthur “Pinch” Sulzberger. Those who know the political donor class know about George Soros, the Koch brothers and Tom Steyer. Eychaner is a media mogul political donor who manages to operate under the radar.

But every serious Democrat who wants to rake in big campaign donations knows Ey-



Reclusive philanthropist Fred Eychaner

chaner's name. He favored Hillary Clinton in the 2008 cycle over the inexperienced senator from his home state who unexpectedly snatched the nomination away from the former first lady. But like most donors, he then dutifully switched his support to Barack Obama. Now he is backing Clinton again, after reaching hall-of-fame status among Democratic donors.

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Many ironies surround Eychaner. He is worth at least \$500 million but calls his wealth a “burden.” He says he doesn’t like consolidation, but his company, Newsweb Corp. keeps gobbling up smaller, family-owned companies.

He doesn’t often speak publicly, but when he does, he uses over-the-top, incendiary language, accusing Republicans of being divisive.

Above all, he says he staunchly opposes the *Citizens United* decision by the Supreme Court, which affirmed the free speech rights of unions and corporations to publicize their political opinions. Yet he was the biggest Democratic super PAC donor of the 2012 election cycle, and fourth overall among political donors that year from either party. Moreover, he is the secretive figure who donated all that money to the party that professes to hate “dark money.” Eychaner even ranks fifth nationally among lifetime donors to the Democratic National Committee.

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A secretive money man who gave and bundled, Eychaner received a presidential appointment from President Obama and not surprisingly is part of the Chicago political machine. He is closely aligned with former Obama advisers David Axelrod and Rahm Emanuel (the latter now mayor of Chicago), as well as the dynasty of Illinois House Speaker Michael Madigan and his daughter, state Attorney General Lisa Madigan.

Despite his political ties, Eychaner doesn’t always put his mouth where his money is. He has given somewhat faint praise to the Democrats, which seems out of proportion to the vast sums of money he has sent their way.

“At the end of the day, are we better off with Republicans or Democrats?” he said when explaining why he throws so much money at Democrats. Axelrod describes Eychaner in *National Journal* as “a very, very smart, discerning guy.”

Among Eychaner’s other inconsistencies are his dealings with the Clintons. *Politico* has reported that his donations to the Bill, Hillary and Chelsea Clinton don’t add up. He is listed on the Clinton Foundation’s website as among the elite donors who gave \$25 million or more, and the website also reports that it received between \$10,001 and \$25,000 from Eychaner’s Alphawood Foundation. But the Alphawood Foundation’s IRS filings show it contributed \$7.25 million from 2003 to 2007. The Clinton Foundation said Alphawood’s \$7.25 million is included in Eychaner’s total, while Alphawood executive director James McDonough explained that his “understanding is that they’ve lumped all our donations under Fred Eychaner’s name” (*Politico*, May 20, 2015).

“If you want to try to go to a sports analogy, that’s a career total for support starting in

2001, for the library and for HIV and for everything else along the way, for general operating support sometimes and for their endowment,” Eychaner said. “So, it’s all reported. None of it is lacking in transparency” (Bloomberg, May 20, 2015).

Who is Fred Eychaner?

Eychaner is the oldest of four children in a Republican family from rural DeKalb, Illinois, which is about 65 miles from Chicago. His parents, whom he describes as “teetotaling Methodists,” owned a moving company, and he worked there as a teenager.

Though he had a stuttering problem as a young man, Eychaner worked on it and went on to win a school speech contest. He was even an Eagle Scout. While still in high school, he worked for his hometown newspaper, the *Daily Chronicle*, which began his career in media.

So far, so good. How does someone with responsible roots and an industrious attitude become a financier of the far Left?

Eychaner has said he generally held a Republican worldview before enrolling in Northwestern University’s Medill School of Journalism in Chicago, a city where wealth and poverty mix. “Living in Chicago as a country boy, basically, and going to college made a very big impact on me,” he told the *Chicago Tribune* in 2005, in one of his rare interviews.

Classmates told the newspaper that Eychaner was a good student but more interested in the business side of journalism than breaking news. For a time, he was a sports writer for a local newspaper to help pay his way through college.

After graduating, he took a hitchhiking trip through Latin America before returning to

graduate school at Northwestern. When he realized graduate school wasn't for him, he focused on his new company, Newsweb Corporation.

After successfully growing his business in the 1970s and 1980s, he came out to his Republican, Methodist parents in the late 1980s. His parents went on to start a local chapter of Parents, Families and Friends of Lesbians and Gays (PFLaG) and participated in Chicago's annual gay pride parade. It wasn't until April 1993 that Eychaner—by then a significant industry figure—came out to the public in an interview with *Broadcasting & Cable* magazine. “I had been dropping clues along the way,” he said.

Newsweb Corp.

In graduate school in 1971 Eychaner began a printing press business on the side called Newsweb Corp. that would focus on a niche market for alternative newspapers, ethnic newspapers, and college newspapers. He repeatedly missed his classes and said he was eventually kicked out of Northwestern.

After his company began to make a profit, he bought a radio station. He also made smart and big investments in the parent company of the *Des Moines Register* and the *Detroit News*. In the 1980s, when the Gannett Co. (best known for its *USA Today* property) bought those papers, he made a fortune.

Also in the early 1980s, he spent \$1.5 million for a permit to build TV antennas in northwest Indiana. Eychaner was able to buy Channel 50, WPWR-TV in Chicago, and worked to enlarge the station's audience.

His big move came in 2002, when he sold Channel 50 to News Corp. owner Rupert Murdoch for \$425 million. “This was the most astonishing deal I have witnessed in covering media in Chicago,” Robert Feder, a

Chicago reporter who covered Exchanger's media holdings, told the *National Journal*. “It takes my breath away when I think of it now.... He outfoxed Murdoch, which rarely happens for anyone.”

“He has such a low public profile,” Feder added. “One-on-one, he is modest and humble and unassuming. Everything is very closely guarded. We can only surmise things based on what he has done and deals he has made and gifts he has given.”

Eychaner can reportedly move around Chicago without being recognized, sometimes taking public transportation, sometimes driving a Ford, which is at odds with the lifestyle he displays at his 5,600-square-foot glass and concrete mansion. The home was designed by prominent Japanese architect Tadao Ando. Before the aforementioned Hillary fundraiser, he had hosted former President Bill Clinton at the home at least three previous times.

Forbes has estimated Eychaner's fortune at \$500 million, but Breitbart News reported that *Forbes* senior editor Peter Newcomb thought the real number much higher. “My hunch,” said Newcomb, is that Eychaner has “a lot more than the \$500 million we attributed to him. He has a lot of investments in various media properties. He's given away well over \$100 million (over the past couple years). People who give away that kind of money tend to have a lot more.”

His group of radio stations formerly included the short-lived Air America affiliate in Chicago, the liberal talk radio network that collapsed amid a mixture of corruption and low ratings.

Alphawood Foundation

Eychaner founded the Alphawood Foundation, which boasted assets of \$169 million

in 2013, the most recent data available, with much of those funds gained from the killing he made when he sold his Chicago TV station to Murdoch. The organization's primary funding areas are gay rights groups, AIDS/HIV treatment, domestic violence prevention, the environment, arts, education, and architecture preservation. *National Journal* reported he is the single largest donor to the AIDS Foundation of Chicago.

The foundation has more than \$100 million in assets and is larger than the Oprah Winfrey Foundation and Ronald McDonald House Charities (*Chicago Tribune*, June 7, 2005).

Though Eychaner has a journalism background, Alphawood doesn't finance many journalism-related organizations or causes, such as greater freedom of information access. Some exceptions have been the National Lesbian and Gay Journalists Association, Northwest Indiana Public Broadcasting, and the left-wing Free Speech TV.

Because of his reclusive nature, Eychaner initially wanted to call the organization “Anonymous,” but then found it was already taken, so he arrived at the name Alphawood, Inside Philanthropy reported.

Alphawood does not accept grant proposals from organizations. First-time grants are made by invitation only, according to Inside Philanthropy. The organization's grants typically range from \$50,000 to \$150,000. One of the largest gifts it has made was \$32 million to an Asian arts program at a British university (*National Journal*, May 8, 2014). Eychaner is the president of the organization, while he tapped former *Sun-Times Media* general counsel James McDonough to be the executive director (Breitbart, Sept. 16, 2014).

Eychaner, Obama, and Democrats

Eychaner has visited the White House at least 18 times, according to White House visitor logs. Seven of those visits were in 2012, when he apparently knew the price of admission. One of those visits came when he secured a highly coveted seat at the official state dinner with British Prime Minister David Cameron. Six of those visits came during President Obama's second term. Not surprising access for the man who may have been the first super PAC donor in the United States, according to the Center for Public Integrity, which tracks money in politics.

Eychaner has a history with the president. When Obama ran for his only term in the U.S. Senate in 2004, Eychaner contributed \$12,000 to his campaign. After Obama won the 2008 presidential nomination, Eychaner hosted Michelle Obama's appearance at his Chicago mansion where he tried to rally support from the LGBT community behind the Obamas (Hot Air, Dec. 7, 2009).

In September 2010, Obama appointed Eychaner, an arts lover, to the board of trustees of the John F. Kennedy Center for the Performing Arts in Washington, D.C. Eychaner has been on the boards of both the Joffrey Ballet and the Art Institute of Chicago.

In 2012, Eychaner really went to bat for Obama. When Obama sought a second term, Eychaner directed \$14.1 million to Democratic super PACs in that election cycle, with \$4.5 million of those donations going to Priorities USA Action, a pro-Obama super PAC headed by erstwhile journalist David Brock.

He contributed \$5,000 directly to Obama's re-election campaign and bundled more than \$500,000 for Obama, the Democratic National Committee (DNC), and swing-state Democratic parties.

Boosting Democrats

Nevertheless, he doesn't like to be thought of as a big money man. He told the *National Journal*, "I am not the progressive Koch brother."

But clearly, he isn't just boosting pro-Obama super PACs. During that 2012 cycle, he also contributed \$4.3 million to Senate Majority PAC and \$4.25 million to the House Majority PAC and \$200,000 to America Votes Action Fund, all Democratic groups. Joining the preposterous "war on women" narrative, he donated \$750,000 to Women Vote, a super PAC run by the pro-abortion Emily's List. He also donated \$50,000 to the pro-lesbian LPAC. (For more on the false left-wing narrative, see "The War on Women Myth," *Organization Trends*, January 2014.)

In fact Eychaner violated the legal contributions limits at the time by \$1,000, according to the Center for Public Integrity. Ironically, the violation became a moot point after the Supreme Court's 2014 ruling in *McCutcheon v. Federal Election Commission*, another pro-First Amendment court decision that Eychaner and his friends condemn.

In 2013, he spent another \$100,000 toward the campaign of former DNC chief Terry McAuliffe for governor of Virginia. McAuliffe won, but in 2014, Eychaner's political investments did not pay off so well. He contributed \$5 million to the Senate Majority PAC and \$2.5 million to the House Majority PAC in a year when Democrats took a royal thrashing, arguably their worst defeat in history (Center for Responsive Politics).

He endeared himself with the Chicago political machine not only with his money but also his actions. Chicago Mayor Rahm Emanuel has had a close relationship with Eychaner going back to 2005, when Emanuel first served as chairman of the Democratic Congressional Campaign Committee. Emanuel,

a former ballet dancer in college, greatly appreciates Eychaner's role in bringing the Joffrey Ballet to Chicago (Bloomberg, May 20, 2015).

Eychaner shared President Obama's enthusiasm for the Association of Community Organizations for Reform Now (NOW), a disgraced radical left-wing nonprofit that declared bankruptcy after scandals cost it federal funding. Obama worked for and represented ACORN in court as a lawyer and was a community organizer before he entered electoral politics. Eychaner gave \$100,000 to ACORN-affiliated Project Vote (Hot Air, Dec. 7, 2009).

Eychaner's Activism

Despite at least edging toward billionaire status and having every major Democrat kissing his ring, Eychaner still keeps up a modest persona. "I don't want to be a player," Eychaner told *National Journal*. "I am a basic social activist with small-business experience, and you go where you need to go."

He was the key machine player behind bringing same-sex marriage to Illinois, and he trusted House Speaker Mike Madigan to get the job done, even though many of his gay allies thought it an unwise strategy. "I would go on the record with my respect for Mike Madigan, which will probably upset a lot of friends," Eychaner told *National Journal*. "He's enormously skillful at what he does. The only speakers of any House who survive are the ones who can keep their majority and keep everyone going largely in the same direction. Mike Madigan is superb at that."

Eychaner built a well-financed lobbying and public relations operation that used existing gay rights organizations and hired ASGK Public Strategies, a P.R. firm with connec-

tions to Obama and Axelrod, to push the marriage legislation.

Others in the state's gay community accused him of giving Madigan too much leeway, especially after the bill's supporters in the House of Representatives delayed the vote early in 2014 because they lacked sufficient support among House members. The outside activists wanted a vote immediately, even though it wasn't that beneficial to them at the time—unless they just wanted to put politicians on the record and then denounce them. An activist named Rick Garcia publicly said Eychaner was in Madigan's pocket.

But Eychaner's trust in the old pol paid off. Madigan cajoled enough lawmakers to support changing the definition of marriage in Illinois, even though it took five months after he withdrew the initial bill. "The person to the left of you by one degree thinks you're selling out," Eychaner said. "You've got to do what you've got to do. I don't think I'll be in that position again."

In April 2014, the gay rights group Lambda Legal presented him with a lifetime achievement award in Chicago. At the award ceremony, Mr. Reclusive launched into a vitriolic rant. He bashed former President Ronald Reagan and all Republicans, whom he said deserve blame for impeding progress. "Reagan had been president for six years before he spoke out on the [AIDS] epidemic," Eychaner said in the Lambda Legal speech. "And by that time, 38,000 of us had been diagnosed positive and 20,000 of us were dead.... If the dead and dying had been American Legionnaires or New York Yankees or evangelicals at their megachurches, there would have been a swift public outcry and an intentional public health and scientific response.... Instead, Reagan and his Republican allies chose to demonize us, all of us.... The hatred and damage they

sowed in those years continues to ricochet today in our politics." (Actually, Reagan never demonized gays. He worked with them during his Hollywood career, opposed a gay-baiting proposition on California's ballot in 1978, and raised AIDS spending over 1,000 percent as U.S. president. -Editor)

"Remember, it was just our last president, George W. Bush, who was elected with the drumbeat of a constitutional amendment which would have banned marriage equality, demonizing us yet again for overt, political, partisan advantage," Eychaner added in the speech. "Our victories today are real. They are sweet. But let's always remember and never forget that our progress has been won at the cost of many lives, much time, money, sweat and many, many tears."

"They have done the same dehumanization of progressives of all kinds," he went on. "They race-bait people of color as they try to obstruct their voting rights. They are trying to again interfere with a woman's right to free choice."

During that same address, however, he hailed the progress that gay rights have made in the United States.

"It's been a broad, grass-roots process, fighting in the trenches, one phone call at a time, one legislative letter, one contact," Eychaner said. "The process of coming out was critical to getting where we are today. Coming out to our friends, our family, our co-workers, God forbid, to our clients" (See "Windy City Times: Fred Eychaner receives Lambda Legal Bon Foster Award YouTube, April 23, 2014, <https://www.youtube.com/watch?v=oTDFnrEAjW8>).

Going into the 2016 election, numerous Democrats will continue to decry "dark money"—which would by their definition

have to include Eychaner. Hillary Clinton claims to be so repulsed by money in politics that she has sworn to only appoint Supreme Court justices who pledge to overturn the *Citizens United* decision.

The problem isn't that Democrats raise and spend big money. Rather—as is so often the case with the Left—the problem is their calculated outrage over something they are knee deep in: in this case, money in politics. It's like the town drunk calling for Prohibition, because alcohol is a corrupting influence, and then saying as long as the booze is legal, he has to contribute to society's ills by drinking heavily.

Meanwhile, it's a sure bet that Clinton and other Democrats will continue to gleefully accept cash from big money men like Eychaner, who because of his secrecy is perhaps the darkest money man of all.

Barbara Joanna Lucas is a writer in Virginia and blogs at TheSharpBite.blogspot.com.

FW

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Thank you for your support.
Terrence Scanlon, President



WHITNEY BALL, RIP

We mourn the death of Whitney Ball, who as founder and longtime leader of DonorsTrust was one of the nation's leading entrepreneurs in conservative and libertarian philanthropy. Her long battle with cancer, which never dimmed her passionate spirit or weakened her religious faith, ended this August.

Whitney not only founded DonorsTrust, a sponsor of donor-advised funds for philanthropists committed to liberty, she also helped Kim Dennis, now at the Searle Freedom Trust, to direct the early years of the Philanthropy Roundtable, a network of individual and institutional donors "working to strengthen our free society, uphold donor intent, and protect the freedom to give." Before that, the West Virginia native and Sweet Briar graduate was a fundraiser for the libertarian Cato Institute and for conservative pundit M. Stanton Evans' National Journalism Center.

As an Evans' protégé, Whitney delivered a moving eulogy last year at his memorial service.

"Just being around him and working with him was enough to absorb the true foundational principles of liberty, the evils of government run amok, the awesome power of the free market ... I meet a lot of conservatives and libertarians around the country, outside of Washington, and many of them don't know of Stan. They've never heard of him, but know him or not, they are most certainly influenced by him through the countless journalists and commentators that they are exposed to on a daily basis."

What she said of Stan is just as true of her: neither of them sought fame, and so neither of them was as well known as they deserved to be, yet both of them had an outsized influence in the fight for freedom.

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Whitney's contributions appear in the numerous encomia she has received in death (gathered at a memorial page at the DonorsTrust website). Whitney also helped to launch the State Policy Network, the Student Free Press Association, and the Talent Market among other groups. But it's the aggregate giving of DonorsTrust that best demonstrates how wide her influence has been. As William E. Simon Foundation president James Piereson explains in his tribute to her, Whitney "built DonorsTrust into a formidable force that now distributes approximately \$90 million per year to conservative causes, the largest annual pay out of any conservative organization." During its 16 years of life, Piereson adds, DonorsTrust has donated nearly three-quarters of a billion dollars to conservative and free-market organizations.

That explains why Whitney came under scathing attack by the Left, but she never flinched, even as she fought breast cancer for an amazing 14 years. Under her guidance, DonorsTrust battled not only for liberty, but also for an even more rarely defended cause: Donor intent. Countless conservatives have lamented the way fortunes that were built by liberty-loving entrepreneurs have ended up in the hands of those who despise the free-market system which made the wealth they now control possible. But before Whitney, almost no one did anything enduring to change this situation.

With DonorsTrust, she launched an institutional vehicle that would allow donors to escape that fate. As she explained in an interview with CRC vice president Scott Walter for *Philanthropy* magazine, DonorsTrust allows a funder to open a donor-advised fund and know that the money will never be given to any group that works against "limited government, personal responsibility, and free enterprise." Donors also have the option to invest in field-of-interest funds that combine multiple donors' contributions and focus them strategically on the most promising grantees in areas like K-12 education reform.

In that same interview, Whitney offered wisdom on other topics, such as the need for government to keep its regulatory fingers off of donor-advised funds, which typically outperform their private foundation rivals. She also discussed the best ways for donors to pass on the habit of giving to their children. "If you involve your children early in philanthropic decisions, they'll learn from it," she advised. "Above all, I think what's most important is being involved with the kids. Often people who lament the next generation's decisions were never involved with that generation until it was too late."

Whitney, by contrast, was involved with so many people. "No one," Piereson concludes, "knew the landscape of the conservative movement better," which makes Whitney's death "a heartbreaking loss." Our thoughts and prayers go out to her brother, her parents, and her legions of friends.

*Terrence Scanlon, president
Capital Research Center*

PhilanthropyNotes

Through its **Iran Project**, the **Rockefeller Brothers Fund** has been promoting President **Obama's** pie-in-the-sky nuclear nonproliferation pact with the Islamic Republic of Iran, Bloomberg News reports. The fund, which rushed to provide aid and comfort to America's enemies after the 9/11 terrorist attacks, has given around \$3.3 million to the San Francisco-based **Ploughshares Fund**, an anti-American philanthropy devoted to undermining U.S. national security. Ploughshares has spent \$4 million in the past five years to push a pact with Iran and coordinated with the so-called peace groups and think tanks on its payroll to support the U.S.-led negotiations. "We're trying to leverage our investments to play on our strengths," said Ploughshares president **Joseph Cirincione**. The deal also obligates the U.S. government to lobby state and local officials to remove policies that prevent state and local governments from investing in companies that have interests in Iran. Florida and California, for example, have laws that prevent state pension funds from investing in corporations that do business with Iran.

Although Democratic presidential candidate **Hillary Clinton** has recently been criticizing Wall Street in scathing terms, the street's financial masters-of-the-universe keep throwing money at her. Her campaign released a list of 120-plus "Hillblazers," meaning supporters on Wall Street and in Hollywood who have raised a minimum of \$100,000 for her campaign by hosting fundraising events. At least two members of the **Democracy Alliance**, **George Soros's** billionaires' club, made the list: fashion magnate **Susie Tompkins Buell** and media tycoon **Fred Eychaner**. A Washington, D.C. lobbyist for mega-corporations, **Steven Elmendorf**, also made the list.

The **Ford Foundation**, America's second-largest philanthropy, announced it will shift all of its grant-making to programs fighting inequality. "Not only will Ford direct all of its money and influence to curbing financial, racial, gender, and other inequities, but it will give lots more money in a way grantees have been clamoring for: It hopes to double the total it gives in the form of unrestricted grants for operating support," the *Chronicle of Philanthropy* reports. The foundation's president, **Darren Walker**, said Ford will create a "social-justice infrastructure" that will resemble the support Ford gave nonprofits during the civil rights era.

Patricia Driscoll, ex-girlfriend of NASCAR driver **Kurt Busch**, has quit as executive director of the **Armed Forces Foundation** after allegations surfaced that she mishandled foundation money, ESPN reports. FBI and IRS found "a host of questionable practices during her 12-year run leading the Washington, D.C.-based entity, which has ties to multiple sports-related entities and athletes."

Goldman Sachs WATCH

Worried about death-by-overworking, Goldman Sachs Group Inc. put its investment-banking interns on notice that they won't be allowed to work past midnight, the Wall Street Journal reports. The new guidelines forbid interns from being in the office between midnight and 7 a.m. This new policy came after a junior Goldman banker was found dead in his San Francisco office earlier this year.

Heidi Cruz, wife of Sen. Ted Cruz (R-Texas) and a managing director at Goldman Sachs Group Inc. in Houston, has taken an unpaid leave from her private wealth-management job to help with her husband's campaign for the U.S. presidency, according to news reports.