

John Sperling: Not Just Another Liberal Clone

The maverick mogul of online education dabbles in pot, politics and prolonging life

by John Gizzi

Summary: John Sperling is one of a "troika" of prominent liberal billionaires that includes George Soros and Peter Lewis. But deep down, this former academic turned capitalist actually may be more of a quirky libertarian than a conventional liberal.

In 2004 three liberal billionaires—George Soros, Peter B. Lewis and John Sperling—came to prominence when they forged a political alliance aimed at defeating President George W. Bush. Their plan failed, but none has given up on his ambitions. As readers of *Foundation Watch* and *Organization Trends* are aware, Soros and Lewis have had a major impact on liberal "527" political organizations and the future of campaign fundraising despite their often extreme political views and unusual personal backgrounds.

But of the trio, John G. Sperling is arguably the most eccentric. If Sperling ever uses his philanthropy to shape the character of liberal criticism of the Bush Administration, it is likely only to further alienate the American people from the President's opposition.

From a lowly, hard-luck childhood, Sperling has climbed to the pinnacle of financial success. A dyslexic who could barely read when he left high school, he went on to earn a Ph.D. from Cambridge University. Once a liberal arts state university professor, he launched a revolutionary private, for-profit and online institution of higher learning, the University of Phoenix (UOP), "the nation's largest accredited university," boasting more than 140,000 students and 10,000 instructors. Sperling is a former strike organizer who founded the Apollo Group—



John G. Sperling's University of Phoenix empire offers courses online, as well as at some 170 campuses. Shown (from the top) are UOP facilities in Clearwater, Florida, Baltimore and Cleveland.

a Nasdaq-traded Internet corporation with \$1 billion in revenue last year. He cut his teeth on socialist propaganda, but *Forbes* lists him as among the "400 Wealthiest People in America."

Now 84, John Sperling has sunk more than \$50 million into a quest for anti-aging solutions. He sponsors research into stem cells, therapeutic cloning and genetic engineering. As if all that weren't enough, he turned his attention to politics in 2004, working with Soros and Lewis to legalize the medical use of marijuana and defeat Republicans.

Ever the maverick, Sperling insists on doing things his way. And while he may not figure out how to live forever, he will probably leave a legacy as colorful as it is quirky.

Rebel With A Cause

John Sperling's beginnings are the stuff of storybook legend. Raised in a log cabin in the Missouri Ozarks, the youngest of six children, John was plagued with childhood pneumonia and dyslexia (except for his signature, he still prints everything). Of his

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Calvinist fundamentalist parents, he told the *Washington Post*, "They didn't believe in instant damnation but pretty damned close." That upbringing may help explain his later attraction to unorthodox causes. In his autobiography, *Rebel With a Cause* (2000), Sperling recalled how he reacted upon hearing news of the death of the father who had beaten him as a child: "I could hardly contain my joy."

Sperling joined the Merchant Marine after high school. While sailing to Japan and Shanghai, China, the young crewman had time to read books lent to him by older shipmates. According to a profile in the business magazine *Fast Company*, "Many of the ship's crew members were socialists—some were Trotskyites and Stalinists—and they introduced him to a leftist ideological culture."

With money saved from two years at sea and a part-time shipyard job, Sperling put himself through Reed College in Portland, Oregon. Following a stint in the U. S. Army Air Corps, he used the G. I. Bill to earn a master's degree in English history at the University of California at Berkeley, and then earned a Ph.D. from Kings College at Cambridge University. Sperling was briefly a history professor at Ohio State

before achieving tenure as a professor of humanities at San Jose State University in California.

No reserved academic, Sperling exhibited a rebellious streak throughout his career. In his autobiography, the twice-divorced Sperling admits to numerous affairs with wives of fellow faculty members. And as a state and national officer in the American Federation of Teachers, Sperling became the pivotal organizer of a sister union, the United Professors of California. In 1968 he led a strike of San Jose State professors to demonstrate solidarity with their counterparts at San Francisco State College.

"There were a lot of issues that led the professors to vote to strike," recalled Dr. Gene Prat, then an assistant professor at the college. "Equal opportunity, the policy of open admissions, the hours required for teaching in the classroom, minority enrollment, and experimental curriculum. To some, it wasn't clear why they were going on strike, but it was fun."

Whatever the residual meaning of his romantic encounters and labor activism, one thing was clear: the classroom wasn't a big enough arena to contain John Sperling's ambitions.

The Accidental Tycoon

In 1972 Sperling was assigned to run a San Jose State program that instructed police officers and teachers in ways to work with juvenile delinquents. The program proved to be popular with students, who asked him to come up with other practical community-oriented programs. Sperling responded by organizing a curriculum for working adults. When San Jose State turned his ideas down, they found a home at the Jesuit-run University of San Francisco—and participants flocked to his courses.

Seizing the opportunity, Sperling cobbled together a prototype of what would become his Apollo Group corporation. Soon he was marketing his curriculum for sale to other schools. For-profit higher education was born. Suddenly, the pedagogue who had come of age celebrating socialism and condemning capitalism found himself an entrepreneur immersed in the world of business.

California state government bureaucrats found suspect something as *avant-garde* as Sperling's adult-education program. Facing their hostility and unable to secure state accreditation, Sperling moved his operations to Phoenix, Arizona. There, after years of protracted warfare with state education officials and legislators, Sperling finally won accreditation for the University of Phoenix as a global, online, for-profit education institution. The *Fast Company* profile describes the product:

The University of Phoenix's main campus sits on a side road just off of Interstate 10. Three red-brick buildings which house classrooms and administrative offices cluster around a courtyard that's ringed with conifers. And that's it. There's no student center, no fine-arts buildings, no

More than one critic pointed out the irony: a former humanities professor who once proclaimed that corporations were "terrible" has set up a private, for-profit university that offers no arts or humanities, but instead turns out business graduates.

athletic center. In a school that offers undergraduate and graduate-degree programs in business, information technology, accounting, management, marketing, and the like, ivy-colored quads are deemed superfluous. At least, that's one explanation. But in a larger sense, this Spartan campus is simply the physical manifestation of Sperling's assault on the traditional college experience. It is the embodiment of his notion of how a university for

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working adults should look, feel, and function.

In mid-afternoon, when many colleges are bustling with students, the university's courtyard is deserted. All of that changes as night falls and students begin to arrive from their day jobs. As the classrooms fill with thirtysomething and fortysomething professionals dressed for work, the place takes on its true character: that of a corporate campus. The average student is 34 years old and earns between \$50,000 and \$60,000 a year. About 60% of students receive some tuition reimbursement from their employers, which include such blue-chip behemoths as AT&T, Boeing, IBM, Intel, Lockheed Martin, and Motorola—not to mention the U.S. military.

Charges of “diploma mill” (“McEducation,” is how *People* magazine described it) fly like shrapnel at the University of Phoenix, especially from Sperling's former colleagues in academia. More than one has pointed out the irony: a humanities professor who once proclaimed that corporations were “terrible” has incorporated a private, for-profit university that offers no arts or humanities in its curriculum, but instead turns out business graduates.

But critics don't deter Sperling, nor has a single campus been big enough to contain his mounting ambitions. In 1989 he purchased a long-distance learning company, paying experts to devise a means of providing electronic education. It was a big gamble. Recalling in his autobiography the tremendous risk-taking involved in the genesis of the University of Phoenix Online, Sperling wrote: “I drove my company to near-bankruptcy on a couple of occasions. That kind of bet-the-farm risk taking helped build the Apollo Group. But I had nowhere to go but up. I had nothing to lose.”

His vision of an Internet-based curriculum could not have been better timed. When the Apollo Corporation went public

in 1994, Sperling took home \$320 million. This year it boasts revenues of about \$900 million and is growing at 30 percent annually. Enrollment at the university—online, and also on some 170 campuses and learning centers in 22 states—is some 160,000 students, making UOP the largest single institution for private education in the United States.

Legalizing Pot

“When you're 83 and worth \$1.5 billion,” wrote the *Washington Post's* Hanna Rosin in her October 2004 feature on Sperling, “you have earned the right to spend a few million on, well, whatever the heck you want.”

Sperling has. As might be expected, his causes are somewhat offbeat. Since 1996, he has donated to such things as drug law reform (\$13 million), anti-aging (\$50 million and growing) and pet cloning (\$10 million).

secretary of state Sam] Vagenas, ‘And it's a welfare program for cops.’”

Maintaining that his interest in the issue is “purely public policy,” Sperling told *Reason* magazine that “I spent ten years reading about drug policy and never read a positive article...[W]e have to medicalize drug use. We have to get it out of the hands of the criminal justice community and put it in the hands of the public health and medical community.”

In 1996 Sperling joined George Soros and Peter Lewis to campaign for relaxed restrictions on possession and use of marijuana. The troika of billionaires has since spent a combined \$20 million on marijuana initiatives in seventeen states. So far their efforts have succeeded in nine. *The Political Arena* dubbed them “the holy trinity of drug policy reform.”

The first battleground was Arizona, Sperling's home state. With \$440,000 of his

Many of his crewmates were socialists—some were Trotskyites and Stalinists—and they introduced Sperling to a leftist ideological culture.

Over the past decade the billionaire has promoted a state-by-state campaign for decriminalization of marijuana and its use for medicinal purposes. The interest is personal: Sperling was introduced to marijuana while undergoing radiation treatment for prostate cancer in the 1960s. Writing in his autobiography about his recuperation in Hawaii, he recalled how “I was able to lie in the shade, listen to the surf, and smoke enough marijuana to mask the burning completely.” He insists that his current drug use is “very limited.”

“Since the Reagan and [George H.W.] Bush Administrations,” reported *Fortune*, “Sperling had been compiling a file of newspaper clippings on the war on drugs—stories about the \$19 billion taxpayers spend every year, editorials about the lack of success in stemming the drug trade, and lots of statistics about the disproportionate numbers of black and Hispanic men in prison for drug offenses. ‘The war on drugs is a war against the minority poor,’ he told [Arizona's deputy

own money, Sperling launched Arizonans for Drug Reform and hired Democratic political consultant Vagenas to run it. Soon, Arizona's Proposition 200 (officially the Drug Medicalization, Prevention and Control Act of 1996) qualified for the state ballot. Early surveys showed less than a quarter of Arizona voters favored legalization, but the Soros-Lewis-Sperling-funded campaign turned public opinion around. Ads focused on the doctor-patient relationship, on the nausea that accompanies chemotherapy and on loss of appetite and weight loss in AIDS patients. A star-studded board endorsed the initiative, and Sperling convinced no less an Arizona institution than former Senator Barry Goldwater to endorse the measure. That November it passed by an impressive margin of 65 percent to 35 percent.

On the same day as the Arizona victory, California voters enacted Proposition 215 (the Compassionate Use Act of 1996) by a statewide margin of 56 percent to 44 percent. Akin to measures twice passed by the

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California legislature but vetoed by then-Governor Pete Wilson, Prop 215 proposed to allow patients to own, grow and use marijuana on a doctor's recommendation that "the person's health would benefit from the use of marijuana" in treating cancer, chronic pain or "any other illness for which marijuana provides relief." Opponents pounced on the open-ended last sentence; Orange County Sheriff Brad Gates charged that the initiative would "legalize marijuana, period, with no controls on quality, or dosage, or who can get it."

The warning fell on deaf ears. Backed by \$200,000 from Sperling, and more than \$500,000 each from Soros and Lewis, proponents of 215 won the day, arousing sympathy for those who were severely ill and in pain. But not everyone was happy with the outcome. Retired General Barry McCaffery, President Clinton's drug czar, admitted that the three billionaires "have been very clever," but complained that they "are trying to normalize drug use in America."

Lending support to that claim is the fact that Sperling & Friends have bankrolled other state measures that go far beyond marijuana decriminalization for medical purposes. In 2002 they supported Nevada's Question 9, a state initiative to legalize marijuana outright. The initiative also required the state to devise a system to regulate marijuana's growth, sale and taxation. In 2004, they backed Ohio State Issue 1 to mandate treatment rather than jail for first-time offenders. However, both measures lost by margins of 2-to-1.

The Clone Wars

Sperling's strongest passion of late is prolonging human life. By most accounts, the Arizonan has spent more than \$50 million researching and promoting anti-aging technology.

In 2001 he founded Exeter Life Sciences, a holding company that has begun to acquire biotech companies. Sperling "has quietly assembled an unorthodox team of researchers poised to use all relevant technology—including, ultimately, therapeutic cloning, stem cell medicine, and genetic engineering—to alleviate human suffering and the fear of death," according to a 2004 article in the health and medicine journal *News Target*.

He also founded Kronos, a wellness center near Phoenix that *News Target* characterizes as "a for-profit medical practice catering to the wealthy." Named for the Greek god of time, Kronos offers vitamin therapy and extensive body and blood analysis in an effort to forestall the aging process. Clients pay \$4,500 to undergo a battery of tests and receive detailed medical, dietary and exercise plans.

One of Sperling's strangest and most controversial projects grew out of a "pet" passion. Inspired by a discussion over breakfast with longtime friend and filmmaker Lou Hawthorne about Dolly, the famous cloned sheep, Sperling exclaimed: "Hey, we should clone Missy (Sperling's beloved dog)." When Hawthorne casually



The Kronos Optimal Health Centre in Scottsdale, Arizona. For Centre clients, the promise of an extended life doesn't come cheap.

said it would cost \$2 million over the next two years, Sperling replied: "Okay, go ahead."

With Hawthorne as chief executive officer, Sperling launched the Genetic Savings and Clone Company. He has showered lavish funding on a team of genetic researchers that he and Hawthorne hand-picked to complete this animal cloning project.

"Since the summer of 1998, [cloning researcher Dr. Mark] Wethusin and his 30-person team have run through Sperling's original \$2 million, plus \$2 million more," *Fortune* reported. "Sperling has invested another \$6 million in GS&C to create a for-profit cloning farm so that other people can clone their pets, too. The technology and scientific techniques to do that don't exist yet, but when they do—and all indications

from the advancing march of science seem to think they will—GS&C will be ready with a 2,700-acre animal colony and fully automated, robotic cloning factory. It's a vision of the future that makes some people shudder, including the folks at the Humane Society, PETA, and the ASPCA, but Sperling isn't concerned. 'Oh, come on,' he says, 'Aren't there more important things in the world to fret over? Pet cloning isn't hurting anyone.'"

Sperling endures criticisms from anti-biotech leftists with the same aplomb as he brushes off criticisms from conservatives. But alas, his investment in cloning didn't quite pay off for him personally. "In went Sperling's \$4 million," noted *Fortune*, "and out came a purring bundle of fur"—it was a cat named CC, but "what he'd really been wanting to do was clone his dog."

The "Metro/Retro" Fizzle

Sperling's youthful passion for left-of-center politics remains strong. He told an interviewer earlier this year, "If I were my son's age, I'd go buy myself a Senate seat." But in surprising contrast to his commitment to drug legalization, Sperling has not used his considerable fortune to underwrite his political ideals. At least not yet.

Last year, the "holy trinity of drug policy reform" morphed into a troika of Bush-bashers. Soros, Lewis and Sperling joined California savings-and-loan magnates Herb and Marion Chandler in a closed-door meeting at the Aspen Institute in Colorado to determine how best to spend their billions to defeat President Bush. Soros and Lewis each gave well in excess of \$20 million to anti-Bush "527s"—the political groups permitted to accept "soft money" in limitless amounts. The Sandlers chipped in \$13 million; this made them the fourth-highest donors to 527s, right after Soros, Lewis and Hollywood producer Stephen Bing.

But what of Sperling? There is no record that any of his millions went to the Joint Victory Committee—the umbrella group made up of the three largest anti-Bush 527s. The Center for Public Integrity, campaign finance watchdog, reports that since 2000 Sperling has given only three comparatively modest contributions to

obscure 527s: \$100,000 to the Environmental Accountability Fund, \$50,000 to IMPAC 000 (which assisted with Democratic voter registration) and \$25,000 to LoneStar Fund (the PAC of former Democratic Rep. Martin Frost of Texas, created to assist Democratic candidates for Congress). In short, the contributions by Soros and Lewis to 527s committed to President Bush's defeat dwarf Sperling's \$175,000 in aggregate 527 donations over the past five years.

Sperling has also donated \$147,500 to candidates and political action committees over the last two election cycles—again, a relatively small amount for someone worth \$1.5 billion. Recipients have included the Democratic Senatorial Campaign Committee (\$23,000 in May 2003), the 2004 Democratic presidential campaigns of Howard Dean and Wesley Clark (\$2,000 each in 2003), the Democratic Parties of Arizona (two \$10,000 donations in 2004) and New Mexico (\$5,000 in 2002) and far left Berkeley, California Rep. Barbara Lee (two \$2,000 donations in 2003).

Incongruously, Sperling even has a history of contributing to Republicans. He's donated regularly to California Rep. Howard "Buck" McKeon, a strong conservative. He contributed token amounts to Arizona Republicans Sen. John McCain and then-Rep. Jon Kyl in 1992, and \$1,000 each to Utah Republican Senators Robert Bennett (1992) and Orrin Hatch (1999).

Whatever the reason, Sperling demonstrated his political zeal during the last election cycle not with dollars, but with a self-published book, *The Great Divide*, and a newsletter of the same name. Disappointed by the strong Republican showing in the 2002 mid-term elections, Sperling and three co-authors outlined their own roadmap to a future Democratic victory. In an analysis paralleling the now-popular demographic breakdown of American states as either red (Republican) or blue (Democratic), Sperling and friends characterized the states as either "Metro" (Democratic) or "Retro" (Republican).

"Retro America is made up of 25 states where low wages, subsidies, religious zealotry and social rigidity trump diversity, innovation and scientific achievement," they wrote. By contrast, they described

the Metro states in polar opposite terms (they are the "economic engine of America") and admonished Democrats to write off the Retro states (which have a higher percentage of Christian fundamentalists "hostile to science").

Sperling lavished \$2 million from his own pockets on a campaign to tout the book and its Metro/Retro theme, placing full-page ads in big city newspapers and on high-profile websites. The sometimes puzzling ads typically showed two headshots—for example, one of Mel Gibson and the other of Michael Moore—labeled "Retro vs. Metro." Other pairings in the series, as noted by the *Washington Post*, included "Tom DeLay vs. Hillary Rodham Clinton. A Humvee vs. a Toyota Prius. Oil rigs vs. windmills. George W. Bush vs. John Kerry." The ads set the stage for a nationwide tour by Sperling and his co-authors (University of Colorado economics Prof. Suzanne Helburn, former Arizona deputy secretary of state Samuel George and economist Carl Hunt).

Reaction to Sperling's roadmap to a Democratic electoral triumph was mixed.

"If you want a fresh look at America," wrote ex-Senator Bill Bradley, "read this book. It's full of valuable information." Donna Brazile, Al Gore's former campaign manager, proclaimed, "We could have used John Sperling's insight in 2000, and it's even more relevant today."

But others were less enthusiastic. John Podesta, the onetime Clinton chief of staff who now heads the Center for American Progress, told the *Washington Post* that Sperling's idea of writing off one part of America and focusing on another was only the "mirror image of Karl Rove. It embraces wedge politics and just tries to get you 51%. And it seems inconceivable [John] Kerry would run a political strategy based on that."

However, such barbs are not likely to deter John Sperling as he pursues his maverick ways during the final years of his life. Sperling recalls that at age 16, when he once knew he was about to commit a sin, "I dared God to strike me dead." When it didn't happen, the billionaire says, "That freed me from religion right there."

We can only expect that John Sperling will continue to defy expectations. **FW**

John Gizzi is the political editor for Human Events, a weekly Washington news journal.

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PhilanthropyNotes

Bitter controversy has erupted over arrangements by the **World Trade Center Memorial Foundation** to lease space at its planned Cultural Complex on the New York site of the 9/11 attack for an **International Freedom Center (IFC)**. According to a scathing op-ed in the June 7 *Wall Street Journal*, the IFC organizers are veteran leftists who are planning exhibits that will put their portside ideological tilt on the history of freedom. "The driving force behind the IFC is **Tom Bernstein**," president of **Human Rights First**, which has sued the Bush administration repeatedly concerning its treatment of war detainees. Others involved with the IFC project include: **Michael Posner**, executive director of Human Rights First, who leads its "Stop Torture Now" campaign focused against the U.S. military; **Anthony Romero**, executive director of the **ACLU**, "who is pushing IFC organizers for exhibits that showcase how civil liberties in this country have been curtailed since September 11"; **Eric Foner**, "radical-left history professor at Columbia University"; and (who else?) **George Soros**, billionaire founder of the **Open Society Institute**, "the nonprofit foundation that helps fund Human Rights First and is an early contributor to the IFC." The article was written by **Debra Burlingame**, sister of **Charles Burlingame**, pilot of the hijacked airliner that crashed into the Pentagon. "Ground Zero has been stolen, right from under our noses," she writes. "The public will have come to see 9/11 but will be given a high-tech, multi-media tutorial about man's inhumanity to man, from Native American genocide to the lynchings and cross-burnings of the Jim Crow South, from the Third Reich's Final Solution to the Soviet gulags and beyond...The so-called lessons of September 11 should not be force-fed by ideologues hoping to use the memorial site as nothing more than a powerful visual aid to promote their agenda."

George Soros's ambitions aren't limited to co-opting an American war memorial for ideological reasons; he also appears to have designs on "America's pastime." The June 2 *Washington Post* reported, "Billionaire financier and philanthropist George Soros has joined Washington entrepreneur **Jonathan Ledecky's** bid to purchase the **Washington Nationals**." But enthusiasm for baseball may not be the main motive. Ledecky is quoted as saying, "The Soros family shares my belief that the Washington Nationals are a community trust that can serve as a positive platform for the economic development of the inner city."

Liberal Hollywood philanthropist and activist **Laurie David** is upset at "the hypocrisy of **ExxonMobil's** new multi-million dollar ad campaign." Writing on **Arianna Huffington's** blog on May 19, the wife of actor **Larry David** (and key organizer of the anti-Bush 527 group **America Coming Together**) denounced the oil giant's energy ads because they "cleverly never mention the words 'global warming.'" In David's view, "ExxonMobil is a huge part of our global warming problem" and "there's no advertising campaign yet invented that will refreeze the polar ice caps or slow down the extreme weather heading our way."

On June 1 A.P. reported that media mogul and liberal philanthropist **Ted Turner** surprised an audience of **CNN** employees with remarks that many conservatives could endorse. "CNN should cover international news and the environment, not the 'pervert of the day,' network founder Ted Turner said...I guess you've got to cover **Michael Jackson**, but not three stories about perversion that we do every day as well."

A daylong May meeting brought together a dozen U.S. state treasurers and hundreds of financiers, insurers, foundation and pension managers and other investors to debate ways to coerce U.S. companies into addressing the "risk of climate change," the Associated Press reported on May 11. State and city officials representing \$2.7 trillion in investments have formed a coalition around the issue, and North Carolina treasurer **Richard Moore** called on them to "pick four or five companies that could make the most difference and give them a reasonable timetable...We should tell them, 'If you don't do this we will not own your stock.'" The meeting was sponsored by the environmental investment group **CERES** and the **Ted Turner-financed U.N. Foundation**.