

Republican Insiders Attempt Hostile Takeover of FreedomWorks

Political Payback: Our favorite “Armeys Axiom” goes something like this: “Every argument in Washington, like in a marriage, is really about something else.” So it goes with the attempted hostile takeover of FreedomWorks by three Republican insiders from the old guard. Is it about a book contract, or a pilfered appearance on CNBC? No, it is not. As it turns out, the fight for lower taxes, less government and more freedom is all well and good until it is Republicans – “old friends” – that are the ones needing to be held to account. It is our sense that the irresponsible acts of the so-called Trustees of FreedomWorks – Dick Armeys, C. Boyden Gray, and James C. Burnley -- on September 4th, and their continued hostile acts today, are all about retribution for our willingness to take a strictly nonpartisan approach to politics, our willingness to hold both Republicans and Democrats to the standards set out by our freedom philosophy and the clear limits on government power delineated in our U.S. Constitution. Their actions are, in the words of our bylaws, “inconsistent with or repugnant to” the corporation’s purpose “to increase awareness... of the operation and value of a free economy.”

Timeline: On December 29th, 2011, C. Boyden Gray writes a \$5,000 check to Senator Orrin Hatch. On May 3rd, 2012, Gray wrote a \$2,400 check to Ben Quayle for Congress. This was the third check he had written for Quayle, totaling \$7,300.

On May 17th, 2012, FreedomWorks PAC endorses freshman Representative David Schweikert in his primary challenge against fellow freshman Quayle. Quayle had been a reliable vote for the Republican leadership, while Schweikert had been willing to stand on principle even under tremendous pressure from top brass. Over the course of this closely watched primary fight, FreedomWorks for America spent \$18,500 on grassroots Get Out The Vote for Schweikert. C. Boyden Gray reached out to Matt Kibbe, President and CEO of FreedomWorks, in several phone calls that summer, wondering why we were engaged in this primary fight.

On May 31st, Kibbe finally agree to have Lunch with Representative John Mica after multiple requests. He’s not sure why Mica is so insistent. The request comes from Mary.Klappa@[address deleted], Mica’s official, taxpayer-funded scheduler: “Congressman Mica would like to talk to Mr. Kibbe about the elections,” she writes. In truth, all Mica wanted to discuss was *his* election against Tea Party freshman Rep. Sandy Adams, even pulling out a map of the new congressional district that pitted the two against each other. Later that day, Kibbe received a call from James Burnley, a former Transportation Secretary under Reagan and now a transportation lobbyist. It turns out that he suggested to Mica that he get together with Kibbe. Jim did not tell Kibbe what to do, but he made it very clear to him that he had a dog in this race.

On June 16th, Gray endorses Orrin Hatch on the very same day FreedomWorks for America announces our “Retire Hatch” campaign in Utah. Grey said: “I cannot think of anyone better qualified to represent the state of Utah, to be Chairman of the Finance Committee with responsibility to reduce recent avalanche of regulatory burdens, and to provide continued and indispensable support for the Constitutionalist judicial nominees.”

Gray's endorsement becomes key weapon against FreedomWorks' efforts, and is later quoted by Greta Van Susteren in her defense of Hatch on Fox News.

On July 11th, C. Boyden Gray hosts a fundraising reception for Wisconsin Senate Candidate Tommy Thompson. On July 13th, FreedomWorks PAC endorses tea party favorite Eric Hovde. On August 15th, Thompson ekes out a victory against Hovde. FreedomWorks opts to stay out of the Wisconsin general election for Senate, in consideration of Thompson's full-throated advocacy of ObamaCare.

On August 26th, *The Daily Beast* described what was at stake in this Arizona House Republican Primary: "Quayle's dad, Dan, is an entrenched national political insider who has endorsed Mitt Romney. Ben Quayle has been endorsed by other national political insiders [including John McCain and Condoleezza Rice]. Schweikert, conversely, has been endorsed by dozens of established local hardline-conservative Arizona Republicans, the editorial board of *The Arizona Republic*, Citizens United, and the Tea Party—associated FreedomWorks."

On August 29th, Schweikert defeats Quayle, thanking FreedomWorks, saying he would not have succeeded without our efforts. According to the *Arizona Republic*, Schweikert asked campaign supporters to rebuild the unity in the Republican Party before the outcome was known. "This was an inter-family battle," Schweikert said, "I need you to reach out, whether we win or lose, to start the healing."

Two days later, on August 31st, 2012, around 5 pm Kibbe received a formal notice from two of "the trustees" of FreedomWorks, C. Boyden Gray and Dick Armev, summoning me to a meeting Tuesday afternoon, September 4th. He responded and asked the purpose, because he had a busy schedule of donor and activist meetings the following week, and would have to cancel. No response.

On September 4th, C. Boyden Gray and Dick Armev voted to remove Kibbe from FreedomWorks Board of Trustees. They then voted to replace Kibbe with James Burnley, a former Reagan official and transportation lobbyist at Venable, LLP. These new trustees then place Kibbe, and Executive V.P. Adam Brandon, on "administrative leave," what Gray describes as a "cooling off period" to lower tensions between senior management at FreedomWorks and Dick and Susan Armev. It is eight weeks out from the most important election in our lifetime. "Do you have any idea," Kibbe asks, "how much your actions will damage FreedomWorks efforts?" No answer is given.

One of the first actions taken by Dick Armev is his attempt to reassess our political priorities. "We have to help my friend Tommy Thompson," he tells the staff in his first meeting with them. He later tells the staff that he has discussed the Missouri Senate race with "my friend [Senator] Roy Blunt, and he says they really need grassroots cover for Todd Akin." FreedomWorks PAC had endorsed John Brunner, who barely lost to Akin. We had declined to endorse Akin, even before "legitimate rape" became a late night punch line.

On December 3rd, Dick Arney's resignation from FreedomWorks is somehow leaked to *Mother Jones*, a radical leftist magazine, which reports the news on December 3rd. Arney grants MJ the first of several interviews trashing the senior management at FreedomWorks.

That same day, House Speaker John Boehner boots Rep. Schweikert off of his key committee, Financial Services. Other FreedomWorks favorites like Rep. Justin Amash are punished in the purge of fiscal conservatives from first tier committee assignments. FreedomWorks launched full grassroots campaign to stop the purge.

On December 12th, C. Boyden Gray delivers a letter on behalf of himself and James Burnley, appointing two outside attorneys to investigate FreedomWorks management for unspecified charges. When asked why he has never communicated with the Board of Directors on these charges or any of their actions, Gray said "this is our legal prerogative, we can act as we deem fit for the institution."

Bottom Line: The Actions of The Trustees Put FreedomWorks Values and Mission at Risk. They have put personal and political agendas above the agenda of freedom.