Who Is Consumers' Research?

The New Anti-"Woke" Advertiser Is a Dark Money Group Made from an Old Brand and Fueled by Secret Cash

A Backgrounder by Lisa Graves and Evan Vorpahl, True North Research

A group called "Consumers' Research" grabbed headlines after announcing a million dollar ad buy against "woke" corporations that have taken a stand against rightwing measures to make it harder for Americans to vote.

<u>CNBC called it a "dark money" group</u> after its executive director, William Hild III, refused to disclose who is bankrolling those ads attacking Coca Cola, American Airlines, and Nike.

The ads seem designed to try to chill the named CEOs -- and others -- from bucking the GOP's false claims about voter fraud in the 2020 election, which Democrats have dubbed "the Big Lie" that Donald Trump supposedly won the election. According to the election certifications of state officials, Trump lost big, by more than 7 million in the popular vote and by 74 Electoral College votes. Trump's outright lies about the election -- which had the highest percentage of voter participation in 60 years -- incited a violent insurrection at the Capitol on January 6.

So who is Consumers' Research? Here are the TOP THREE TRUTHS to know about it:

Consumers' Research was "established" in 1929, but it basically died in 2002 -- with zero or almost no income for a decade -- only to be reborn in 2013 as a vehicle for amicus briefs tied to GOP Attorneys General. It did not even have a website until a few years ago (2013), but it does have big secret money. So, it is legally true that a group with its name got its start 90+ years ago; and it is also true that it barely existed in this century, until recently.

2. Co	nsumers' Research has taken many positions at odds with most consumers. It
🖵 si	ttacked the Affordable Care Act and the Consumer Financial Protection Bureau ided with payday lenders against limits on interest rates pposed life-saving airbags in cars, fuel efficiency standards, climate change
S	cience, rules against junk mail faxes, and even limits on cancer-causing products and it sided with Big Tobacco companies against second-hand smoke regulations.

No wonder it has hardly any followers. As "@ConsumersFirst" on Twitter it has 3,697 followers -- fewer than me and I wasn't established in 1929 -- and even less on Facebook.

Consumers' Research has had just one known human funder in the past decade: a super rich Chicagoan, Barre Seid, whose identity was kept secret from the public until now.

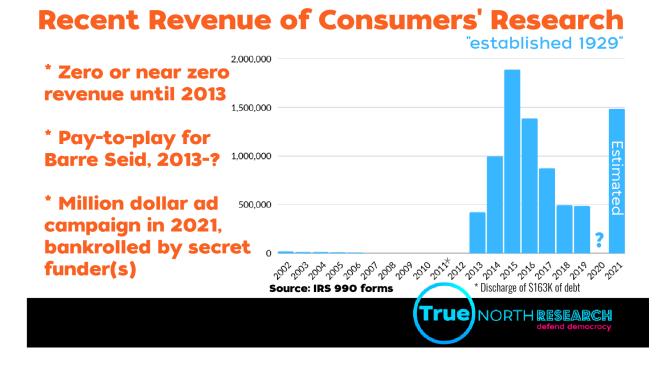
Want to know more about Consumers' Research? We've got the receipts.

My constitutional law professor used to write on his exams that we should answer the question asked and then draw a line and tell him everything else we know, if we must. And we must. So here's the deep dive into Consumers' Research. It is a surprising ride.

A. The Revenue, Reach, and History of "Consumers' Research"

REVENUE. Consumers' Research touts that it was "established" in 1929 and became a non-profit in 1939, but the group posted literally zero revenue for years until being reconstituted as a front for secret money used to try to influence judicial decisions of the Supreme Court. (See more on its funders further down below.)

Here is a chart of its revenue for the past twenty years based on its annual filings with the IRS, called "990" forms.



REACH. The effort that became Consumers' Research was incorporated in 1929 by Stuart Chase and Frederick J. Schlink to test consumer products. It had 50,000 subscribers by 1933, according to archives. That is more members than it has today, in 2021. In 1935, its workers organized a union that split with Schlink and became Consumers Union and then Consumer Reports -- which today counts more than six million subscribers.

Consumer Reports has more than one million Facebook "likes." Consumers' Research has barely 3,400, as of July 7, 2021. Consumers' Research did not even register a URL until 2010, which has only been active since 2013, after it received a surge in secret funds. Its product testing program ceased in 1982-83 when Schlink gave Consumers' Research over to M. Stanton Evans, a radio talk show host, op-ed columnist, and long-time rightwinger.

WHO DOES CONSUMERS' RESEARCH **REALLY REPRESENT?**







Age? "established 1929"

1934

Facebook 3,381 likes

1,008,344 likes

Funders Barre Seid + Secret \$\$\$ 6 million members



HISTORY. Under Schlink, Consumers' Research published product testing reports and consumer "Bulletins." The logo used by Consumers' Research today reflects that long ago history of testing, though the current version of the group does none of that scientific work.

Schlink also proved to be a controversial figure, a crusading anti-communist who "refused to recognize the rights of workers to unionize," according to Professor Inger Stole. He called Consumers Union/Consumer Reports, a "communist" group. His successor, Evans, shared that worldview. Evans later wrote a book and started a project claiming the discredited Joe McCarthy (R-WI), who orchestrated Red Scare tactics in the Senate, was right all along.

Archives show Evans was featured at tobacco industry anti-regulation events and used Consumers' Research to attack the science about the health dangers of second-hand smoke. He promoted the work of industry-funded scientist, Gary Huber, as detailed by PR Watch, as the industry fought legal protections for non-smokers. Under Evans, Consumers' Research magazine asserted it received no funding from industry, but he sought and received direct funding from the tobacco industry for his Education and Research Institute (ERI). Consumers' Research's tax documents show it was financially "affiliated" with ERI.

ERI's funding housed the National Journalism Center (NJC), which the tobacco industry said helped secure 15 years of media coverage and "numerous pieces consistent with our point of view." Ann Coulter, Michael Fumento, and Greg Gutfield are famous alumni of NJC, which was transferred to the rightwing Young America Foundation (YAF) in 2002.

Consumers Research built up tens of thousands of subscribers over the decades, but it faded. By 1994, under Evans, its subscription list had shrunk to little more than 14,000. That is many times more human beings who were supporting it than apparently provide financial support for the operation using this name now. The group's magazine also ceased publication, and by 2002 Consumers' Research had less than \$25K in annual revenue. That dwindled to literally zero by 2007. In 2011, ERI forgave about \$163K loaned to Consumers' Research. It did not have any actual revenue from 2007-2013.

B.Consumers' Research, Reborn with Secret Funds via Barre Seid

In 2013, Consumers' Research moved from a unit in a DC townhouse owned by Evans to a mansion in Northwest DC. Suddenly, between 2013 and 2014, the group received more than \$1.4 million. Five hundred thousand of that came from the Lynde and Harry Bradley Foundation, a fund built from the industrial fortune of the long dead Bradley brothers.

It was staked with at least \$250,000 that came from a secretive multi-millionaire donor. That new detail comes from a trove of Bradley Foundation files that were likely hacked by Russia in 2016 and posted on the web, and then authenticated by the Milwaukee Journal Sentinel in 2017.

True North Research reviewed that trove and found a 2013 memo written by a Bradley executive, Mike Hartmann, noting that its grants totalling \$250,000 that year would "match a \$250,000 contribution from the anonymous donor in Chicago."

That trove also contains documentation of "matching" grants, which indicate that the anonymous donor Bradley was matching in 2013 was "Seid." The only Seid referred to in numerous Bradley documents -- such as executive travel to meet with major donors and to "coordinate" funding -- is Barre Seid, a super wealthy Chicago industrialist whose net worth is not publicly known. Seid did not respond to a request for a comment about his funding of Consumers' Research.

[The composite image highlights part of Bradley's tally of matching grants. For the complete copy, see the PDFs for this story.]



WHO IS BARRE SEID? The secretive Seid

(who is the son of Russian immigrants; his name is pronounced "Barry Said") made his fortune running a private company that makes power strips and surge protector products that are in millions of homes and businesses.

Over the years Seid's name has come up as a major donor for <u>controversial</u> politicians like <u>Steven Baer</u>, a failed Illinois gubernatorial candidate and <u>zealot</u> who wants to end legal abortion in the U.S. Seid has been funding the right wing for decades; he was <u>born in 1932</u>.

Seid's family foundation has disclosed that it is a major funder of the <u>Heartland Institute</u>, a pay-to-play group notorious for trying to equate people who recognize climate change with <u>the Unabomber</u>. In addition, computer scientist John Mashey's <u>analysis</u> of Heartland's biggest funder, dubbed "Anonymous Donor" in leaked documents, indicates it was Seid who

secretly gave the group more than \$13 million from 2007-2011 to attack "global warming" science and Obama's efforts to expand access to health care, according to DeSmog.

The Bradley trove also stated Seid had used DonorsTrust, which *Mother Jones* has called a "dark money ATM," to cloak some donations. This was noted in Hartmann's 2013 proposal summary about a Florida group called the Foundation for Government Accountability:

FGA's sources of support have included the Adolph Coors, Arthur N. Rupe, Atlas Economic Research, Beach, Dodge Jones, Ed Uihlein Family, John William Pope, Randolph, and Roe Foundations, the Searle Freedom Trust, Barre Seid (anonymously) through Donors Trust, and the Bradley-supported State Policy Network (SPN).

Indeed, in 2013, Consumers' Research received a single grant in the amount of \$250K from Donors Capital Fund, the dark money partner of DonorsTrust. That could well be Seid.

Notably, Salon reported in 2010 that the Clarion Fund inadvertently disclosed that a "Barry Seid" gave it "excess contributions" of more than \$16 million, the year it spent almost that amount distributing an anti-Muslim film called Obsession, which "was widely criticized for its cartoonish portrayal of Muslims as modern-day Nazis." Clarion released millions of those DVDs in the months before the Barack Obama v. John McCain presidential election in 2008.

Clarion later claimed its tax form release was in error. Tax filings show that DonorsTrust, the dark money conduit noted above, transferred more than \$16 million to Clarion. Seid's spokesperson said he did not give money "to" Clarion, which is technically true. It appears that DonorsTrust operated as designed, to provide secrecy as well as <u>deniability</u>. (Seid also used DonorsTrust to funnel millions to Shimer College in an apparent bid to capture it.)

In sum, the trove True North Research reviewed indicates that Seid rebooted Consumers' Research with at least \$250,000, but the total Seid has given to the group is unknown.

Seid is the only known human funder of the group since 2013. The funder, or funders, of its new million-dollar ad campaign against Coca Cola, American Airlines, and Nike are secret.



Meet BARRE SEID

the Only Known Human to Fund the Reconstituted "Consumers' Research"

a.k.a. "Anonymous"

- \$\ \text{He's a Chicago industrialist who has used pass-throughs and secret arrangements to cloak donations to controversial causes.}
- \$ He secretly gave Consumers' Research at least \$250K to underwrite Supreme Court amicus briefs that aided the agenda of Republican State Attorneys General.



C. Secret Funds to Consumers' Research Fueled Amicus Briefs + PR

What did the new funding for Consumers' Research that started in 2013 help underwrite?

As the Bradley trove shows, its 2013 funding to match Seid's anonymous \$250K funding to Consumers' Research was provided to support litigation by Republican Attorneys General. Its focus was on <u>climate issues</u>, to be pursued along the lines of the AGs' attacks on the Affordable Care Act and Dodd-Frank reforms following Wall Street's meltdown in 2008.

RE SCOTT PRUITT. According to the trove, funding for Consumers' Research would help launch a "Center for Energy Innovation and Independence" (CEII). Specifically, Bradley wanted to aid then-Oklahoma Attorney General Scott Pruitt and other GOP AGs with "amicus curiae," or friend-of-the-court briefs, and support multi-state litigation. It also mentioned Pruitt's efforts to discover if environmental groups were advising EPA on fines. He later became Trump's EPA administrator and was embroiled in numerous controversies.

In the documents, Bradley's Hartmann noted that -- in addition to aiding Pruitt -- the CEII project would be advised by "C. Boyden Gray, David Rivkin, and George Mason University School of Law professor Todd Zywicki" -- all of whom have close ties to oil billionaire Charles Koch's network. Gray is a former White House Counsel, an heir to the RJ Reynolds tobacco fortune, and is linked to front groups that have sought to block regulations.

SEID AND KOCH. Gray's name also headlines a special center at GMU, whose law school received two major, secret gifts after Supreme Court Justice Antonin Scalia died in 2016: \$10 million, which turned out to be from the Koch fortune, and \$20 million that has been linked by UnKoch My Campus to ... Seid. Seid has also funded other non-profits closely tied to Charles Koch, including the Cato Institute and the Competitive Enterprise Institute.

The secret gifts to the Scalia law school apparently anointed Leonard Leo -- the man who helped pick the Supreme Court candidates Donald Trump chose from -- with special powers at the law school. Leo was Executive Vice President of the Federalist Society until after his dark money network, and <u>increase in personal assets</u>, was <u>exposed by Robert O'Harrow and Shawn Boberg</u> in a blockbuster investigation by the *Washington Post* in 2019. Last year, Leo and Greg Mueller of Creative Response Concepts (CRC) launched a for-profit group called "CRC Advisors" as a vehicle to steer secretive donors to select nonprofits.

The \$500K from Bradley to Consumers' Research was described as aid for launching CEII, which Pruitt helped get <u>incorporated in Oklahoma in 2013</u>, the year <u>CEII filed an amicus</u> <u>brief against carbon regulations</u>. <u>It has disclosed no significant income from 2013-2017</u>.

THE AMICUS BRIEFS. Starting in 2013, however, Consumers' Research suddenly began appearing as a "friend of the court" in appellate cases filed with Republican AGs. Senator Sheldon Whitehouse (D-RI) has spearheaded efforts to shine a light on dark money amici.

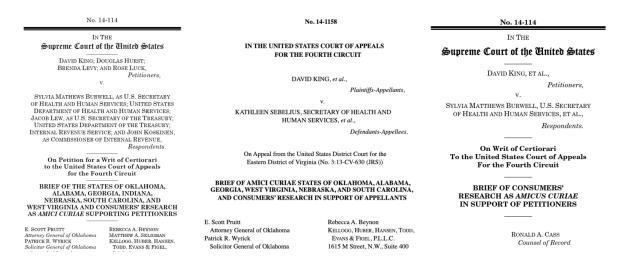
The amicus briefs of Consumers' Research attacked the insurance exchanges under the Affordable Care Act (ACA), which provides health care access to millions of Americans and protects tens of millions who with pre-existing conditions from being denied coverage.

Some of the \$1.4 million the group received in 2013-2014 was spent on briefs to the U.S. Court of Appeals for the Fourth Circuit and the U.S. Supreme Court on behalf of Consumers' Research and Pruitt, plus six other Republican men elected to serve as

Attorneys General (Oklahoma, Alabama, Georgia, West Virginia, Nebraska, and South Carolina/Scott Pruitt, Luther Strange, Sam Orens, Patrick Morrisey, Jon Bruning, and Alan Wilson, along with other state officials). These AGs were part of the Republican Attorneys General Association (RAGA), a group that Documented noted was embroiled in the Jan. 6 events. It is known for soliciting money from regulated industries in order to funnel cash toward helping the electoral campaigns of GOP candidates for state Attorney General.

Those ACA briefs were filed by Pruitt and the law firm of Kellogg, Huber, Hansen, Todd, Evans & Figel, which received \$200K from Consumers' Research in 2014. (*King v. Sebelius* was renamed *King v. Burwell* when the case was argued before the Supreme Court.)

Consumers' Research also submitted a solo amicus brief in that case, which was written by Ronald Cass. In all, Consumers' Research spent more \$335K in 2014 using tax-free money to fund private law firms to fight the Obama administration. Consumers' Research and the GOP AGs lost their case attacking the ACA's health insurance exchanges, which was spearheaded by the <u>Competitive Enterprise Institute</u> with the Bradley Foundation's support.



OTHER LITIGATION. In 2015, the Obama administration's EPA proposed the Clean Power Plan to mitigate the climate changes underway through limits on carbon emissions from power plants. Patrick Morissey, the Attorney General of West Virginia, <u>sued the EPA</u>, and Pruitt and most other GOP AGs joined, except Nevada. Subsequently, in 2016, <u>Consumers' Research joined with the Attorney General of Nevada, Paul Laxalt, to oppose the measure</u>.

In 2015, Consumers' Research also disclosed that it paid the law firm of Wiley, Rein and Fielding more than \$400K. That was apparently for a brief with the Rutherford Institute in *Matal v. Tam*, a case challenging the federal authority to deny trademarks that disparage people. Consumer's Research's successful First Amendment challenge to the Lanham Act took the same side in the case as the football franchise that was then called the Washington Redskins. The underwriter of that litigation, if any, was not disclosed. In 2016, Consumers' Research spent \$189K on legal fees, although the firms were not listed. With the arrival of Trump, the spigot for amicus briefs attacking the administration appeared to mostly dry up.

BIG PR, TOO. From 2013-2019, Consumers' Research spent nearly one million dollars (\$960K) on PR. Most of that spending -- more than \$600K -- was on CRC, the PR group with close ties to Leonard Leo. (\$110K in 2014, \$300K in 2015, \$200K in 2016, \$133K in 2017; \$120K in 2018; and \$110K in 2019). It is not yet public how much Consumers' Research spent in 2020 or what it will spend in 2021, with its latest surge in secret funding.

D. Who Is In Charge of Consumers' Research Now?

WILL HILD. In 2019, William Hild III became the Executive Director of Consumers' Research. (From 2013-2017, <u>Joe Colangelo</u> helmed the reanimated group; <u>Kyle Burgess</u> led it from mid-2017 to mid-2019 as it dealt with lower revenue and a transaction with Colangelo.)

Hild previously worked as a Deputy Director for the Federalist Society, where dark money maestro Leonard Leo worked as Executive Vice President. Hild directed the Federalist Society's regulatory transparency project and its Article I Initiative, which describes itself as focused on restoring Congress' traditional power. What that means in reality is that Hild helped advance the vision of Leo and Steven Calabresi -- and their funders -- to limit the power of Congress to delegate rulemaking to federal agencies, among other things.

As the *Washington Post* reported in 2019, Leo told funders at the Council on National Policy that because of the people Leo helped get Trump to appoint to lifelong judicial positions:

"We stand at the threshold of an exciting moment in our republic: the revival of our structural Constitution by the U.S. Supreme Court, a revival in those very important principles of limited constitutional government -- separation of powers, federalism, enumerated powers, limits on judicial power, sovereignty -- and this is really I think, in recent memory, a newfound embrace of limited constitutional government in our country. I don't think this has really happened since probably before the New Deal, which means no one in this room has probably experienced the kind of transformation that I think we are beginning to see."

As True North has <u>noted</u>: "the decades before the New Deal, known as the 'Lochner Era,' were marked by extreme judicial activism where courts struck down protections people clamored for to regulate the business activities of industrialists whose wealth and agenda had dominated U.S. law. 'Limited constitutional government' is a variation on the 'limited government' mantra used by major <u>Koch-funded groups</u>, like Americans for Prosperity, the Cato Institute, and the American Legislative Exchange Council." Duke University history Professor Nancy MacLean uses the phrase "democracy in chains" to describe this dogma.

Before working for the Federalist Society, Hild helped co-found the group "Cause of Action" (COA), previously known as the "Freedom through Justice Foundation." He also directed its communications. *National Review* described COA as a group of attorneys "funded by the Koch brothers' sprawling network of donors." The Los Angeles Times quoted a critic asserting COA deliberately "sought to camouflage the actual force" behind its litigation. (A full description of COA's Koch ties, by Media Matters for America, is available here.)

Before that, Hild worked at the Bradley-created and Koch-funded <u>Philanthropy Roundtable</u>. The Roundtable brings together major rightwing funders; and it has <u>defended dark money</u>. There, Hild was the Director of External Affairs for the <u>Culture of Freedom Initiative</u> (COFI), which focused on funding to "strengthen" marriage and faith. Hild was the chief operating officer when COFI launched as an independent nonprofit group. Recently, well after Hild left, COFI <u>reportedly</u> worked with <u>Cambridge Analytica</u> to use "data on 248 mill Americans sourced from Axiom, FB, Twitter & church partners ... to filter & microtarget FB ads."

Consumers' Research's other senior staffer is Beau Brunson, who previously worked for Rep. <u>David Schweikert</u> (R-AZ), who is known for trying to <u>cut Social Security and Medicare</u>.

E. Consumers' Research Takes Positions Unpopular with Consumers

In the past eight years, Consumers' Research has taken numerous positions that seem at odds with the views of most consumers and the needs of millions of Americans.

To be fair, some of its web content and its limited reboot of its eponymous magazine provide snippets of uncontroversial information about consuming, mixed in with pieces by rightwing groups, like Koch-funded Cato. It also had a brief focus on Bitcoin and blockchain regulation -- for example, conferring on tax issues with Erin Hawley, who is now a Senior Fellow with the <u>Independent Women's Forum</u>; her spouse is the caviling senator Josh Hawley (R-MO).

Other parts of its agenda seem to take a position at odds with most groups that represent consumers, such as its 2015 effort with Rep. Sean Duffy (R-WI) to attack the Consumer Financial Protection Bureau. That agency was created to advance reforms in the aftermath of the global financial crisis caused by greed and the partial deregulation of U.S. banks.

In 2020, Consumers' Research weighed in on a legal policy issue as an amicus again. This time, its brief was against Google in a case involving its fair use of Java software script to allow consumers to easily access materials on their cell phones. Google won that case.

As noted above, after the group was re-animated in 2013, it attacked access to health care. It opposed limits on high interest rates on car-title loans and payday loans. It opposed pension plan consideration of socially responsible investing, and found a receptive audience in then-Judge Brett Kavanaugh for its brief contesting certain limits on junk mail by fax.

In that sense, the new Consumers' Research is like the old one that peddled "the trouble with airbags," hawked the dangers of "fuel economy," minimized harms from second-hand smoke, promoted the attacks of climate change/global warming denier Fred Singer, and ridiculed efforts to limit some significant cancer-causing substances. Thus, it is a little like "meet the new boss, same as the old boss" from The Who's "Won't Get Fooled Again."

Notably, the new version of Consumers' Research has had funding from some major corporations, as listed in the material from its 2016 conference on bitcoin (pictured below).







Consumers' Research has no limitation on taking money from corporations or CEOs -- or their foundations or conduits -- for work with, or for attacks on, select companies or CEOs.

True North Research's position is that the public should have the right to know who funds major ad campaigns seeking to influence consumers, particularly around elections and election issues, such as the right of Americans to vote. In our view, Consumers' Research is a "dark money group," as noted by CNBC, and its track record is one that warrants skepticism about its claims and wariness about whose secret bidding it may be doing.]