

CORPORATE MONEY IN SCHOOL BOARD ELECTION

OUT-OF-TOWN BILLIONAIRES

**ALICE
WALTON,
WALMART**

**DORIS
FISHER,
THE GAP**

**MICHAEL
BLOOMBERG,
FINANCE**

BILLIONAIRES WITH TIES TO TRUMP/DEVOS

**ALICE
WALTON,
WALMART**

**RICHARD
RIORDAN,
FINANCE**

**JEFFREY
YASS,
HEDGE FUND
MANAGER**

BILLIONAIRES WHO OPPOSED SCHOOL FUNDING MEASURE - PROP 30

**DORIS
FISHER,
THE GAP**

**BILL
BLOOMFIELD,
REAL
ESTATE**

**ELI BROAD,
DEVELOPER/
INVESTOR**

**These are representative examples, not a complete list
of the donors in each category*

OUT-OF-TOWN BILLIONAIRES & TRUMP BACKERS ATTEMPT TO HIJACK LOCAL SCHOOL BOARD ELECTION

The California Charter School Association (CCSA), directly and through its network of entities, has been the biggest spender in the 2017 election for Los Angeles Unified School District (LAUSD) school board members to represent Districts 4 and 6, having spent over \$4 million to-date. Nearly all of CCSA's political campaign funding comes from millionaires and billionaires. Out-of-town billionaires make up the bulk of this funding.

Between July 2016 - December 2016, out-of-town billionaires like Doris Fisher, Co-Founder of The Gap, Alice Walton, heiress to the WalMart fortune, and Michael Bloomberg, New York financier and former Mayor, all made big political contributions to the California Charter School Association Advocates (CCSAA) Independent Expenditure Committee.

NAME	SOURCE OF WEALTH	WHERE THEY LIVE	NET WORTH	POLITICAL DONATION TO CCSAA BETWEEN July - Dec 2016
Doris Fisher	Co-Founder of The Gap	San Francisco	\$2.6 Billion	\$1,250,000
Alice Walton	Heiress to WalMart fortune	Bentonville, Arkansas	\$36.4 Billion	\$404,000
Michael Bloomberg	Financial services industry	New York City	\$47.5 Billion	\$700,000

The combined net worth of these three out-of-town billionaires is \$125.5 BILLION. Doris Fisher lives in San Francisco, Alice Walton lives in Bentonville, Arkansas and Michael Bloomberg lives in New York City.

Additionally, numerous contributors to the CCSAA political fund are Trump supporters, a position that puts them out-of-sync with the majority of Los Angeles voters.

Alice Walton and the WalMart family, for example, donated to the Super PAC that worked to elect Trump, donated to Mike Pence, Jeff Sessions, and to the Alliance for School Choice, an organization that Trump's Education Secretary Betsy DeVos helped to lead. Richard Riordan, who gave \$1 million

to CCSAA to then launch an independent expenditure committee working to elect Melvoin and Gonez, is a Trump supporter and donor.¹ Many others CCSAA donors are as well.

CCSA has poured money into these school board races directly through its Independent Expenditure Committee,² and has also acting as a pass through for three other independent expenditure committees that are involved in the race.

- CCSAA sponsors and funds³ the deceptively named **Parent Teacher Alliance (PTA)**, also a big electoral spender.
- The PTA, CCSAA helps fund⁴ the **Students for Education Reform (SFER) Action Network**, which *also* spent money on this election.
- **LA Students for Change Opposing Steve Zimmer for School Board 2017** is funded by a \$1,000,000 donation⁵ from former LA Mayor Richard Riordan that was received through CCSAA

According to available filings,⁶ CCSAA and the groups it funds have provided almost all the independent electoral spending on behalf of Nick Melvoin and Kelly Gonez in the hotly contested District 4 and 6 races.

- **District 4:** of the reported independent expenditures on behalf of Melvoin -- \$2,415,345 in the primary and \$768,316 in the general, or \$3,183,661 in total -- almost all were filed by CCSAA with Eli Broad and Speak UP - Supporting Nick Melvoin for School Board 2017 contributing the rest.
- **District 6:** all reported independent expenditures on behalf of Gonez -- \$739,821 in the primary and \$588,564 in the general, or \$1,328,385 in total -- were filed by the CCSAA and PTA.

CCSAA has acted as a conduit for millions in campaign contributions flowing into the Los Angeles school board race, and while we know the identities of donors through 2016, *the people of Los Angeles won't know the identities of the more recent donors until well after the election.*

HIDDEN MONEY DONORS OPPOSING PUBLIC EDUCATION FUNDING STRIKE AGAIN

Since the Supreme Court ruled on Citizens United we've seen an explosion in hidden money (so-called "dark money") pouring into political races fueled by corporate self-interest, a desire for the super wealthy to lower their taxes and/or to privatize the functions of government. These races have typically been big races for the control of the House, Senate, Governor's mansion or the presidency. In Los Angeles, we're now watching a flood of billionaire dollars into two district school board races.

While California political races and propositions have been the target of hidden money in the past, then Attorney General Kamala Harris set the precedent in 2012 by unmasking the billionaire assault on school funding that was coordinated by the Koch network. That subsequent court case and unmasking revealed the names of dozens of political donors who secretly moved money to oppose a millionaire's tax – Proposition 30 – to fund public education. This list of donors against Prop 30 included the Fisher family, Bill and Margaret Bloomfield, Sheldon Adelson and Eli Broad.

Distressingly, if you're a Los Angeles resident in School Board District 4 or 6, at least some of the individuals who were involved in funneling dark money to fight school funding in 2012 are now funneling millions of dollars into slick attack ads targeting Steve Zimmer and Imelda Padilla for school board. And because of the mid-year timing of the election and California's disclosure laws, there's no way to have the full picture of who are the funders behind these independent expenditure campaigns.

What we do know, from available reporting on contributions to independent expenditure committees and contributions made directly to the campaigns of Nick Melvoin and Kelly Gonez, is that the network of super wealthy donors from outside of Los Angeles who have been pouring money into these two school board races includes many donors with ties to Betsy DeVos and Donald Trump.

UNMASKING THE CORPORATE BILLIONAIRES BEHIND THE SCHOOL BOARD RACE

The campaign contributors that provided most of the funding for CCSAA in the second half of 2016 were out-of-town billionaires.

In addition, many CCSAA donors share other traits. A number of them are backers of Trump and DeVos, a political leaning that is out-of-sync with the majority of Los Angeles voters. In addition, many CCSAA donors secretly funneled millions through the Koch network in 2012 to oppose millionaire's tax, Prop 30, to education funding in California – another position out-of-sync with local voters. Some of these donors are profiled below as well.

SOME OF CCSAA'S OUT-OF-TOWN BILLIONAIRE DONORS

The Fisher Family

- **Big Donor:** In 2015 and 2016, Doris Fisher gave \$4.1 million⁷ to CCSAA and \$383,000⁸ to EdVoice.

- **Billionaire:** The Fishers are the founders of the Gap, which also spawned BabyGap, Old Navy, and the Banana Republic. She is worth \$2.6 billion, according to Forbes.⁹ In 2013 the Christian Science Monitor labeled her¹⁰ the 8th richest “self-made” woman in the world.

- **Outsider:** Doris Fisher lives in San Francisco

- **Conservative Donor:** Over the past two decades, Fisher and Gap Inc PAC have donated thousands of dollars to politicians like Bill Frist,¹¹ Rudy Giuliani,¹²

Tommy Thompson,¹³ Tom Delay,¹⁴ George W. Bush,¹⁵ Mitt Romney,¹⁶ John McCain,¹⁷ Eric Cantor,¹⁸ Kevin McCarthy,¹⁹ and Carly Fiorina,²⁰ as well as a PAC²¹ that have given to Marco Rubio²² and Tea Partiers Ted Cruz²³ and Joe Wilson.²⁴ Fisher's corporation, the Gap, has been prominently tied to child labor²⁵ practices and sweatshops²⁶ in third world countries.

- **Secret Koch Funds to Oppose School Funding For California:** The Fisher family funneled more than \$10 million to oppose Proposition 30 through the Koch network in 2012.

Michael Bloomberg

- **Big Donor:** In 2015 and 2016, Michael Bloomberg gave \$1,050,000²⁷ to CCSAA

- **Billionaire:** Bloomberg's net worth is estimated at 47.5 billion as of March 2017, ranking him as the 8th richest person in the United States and the 10th richest person in the world. He made his money in the financial services industry.

- **Outsider:** Michael Bloomberg lives in New York City

The Walton Family

- **Big Donors:** In 2015 and 2016, Alice Walton, Jim Walton, and Carrie Walton Penner gave a combined \$2,229,000²⁸ to CCSAA and a combined \$3,948,000 to EdVoice.

- **Billionaire Corporate Heirs:** The Walton family, heirs to the fortune of WalMart founder Sam Walton, is the richest family in the US, worth \$130

billion,²⁹ according to Forbes.

- **Outsiders:** The family is based in Bentonville, Arkansas and Carrie Walton Penner lives in the Bay Area.³⁰

- **DeVos Ties:** Until her appointment as Secretary of Education, DeVos chaired³¹ the pro-charter American Federation for Children (AFC). In an interview, DeVos claimed³² that the AFC is “the umbrella organization that is affiliated with the Alliance for School Choice.” Inside Philanthropy³³ reports that the Alliance for School Choice “has been heavily supported by Walton Foundation over the years, with grants totaling over \$20 million.” Indeed, Walmart Family Foundation 990 filings³⁴ reveal millions of dollars in donations to the Alliance for School Choice. They also show that Betsy DeVos and Carrie Walton Penner both served as³⁵ Alliance for School Choice board members³⁶ together for multiple years. Senior education leadership supported were cheerleaders for DeVos after³⁷ Donald Trump nominated her to the Department of Education.

- **Conservative Donors and Trump Ties:** The Waltons have donated, personally and through their PAC,³⁸ to conservative politicians like Trent Lott,³⁹ Mitt Romney,⁴⁰ and Mitch McConnell,⁴¹ and to Tea Partiers like Michelle Bachmann,⁴² Ted Cruz, and Timothy Huelskamp.⁴³ They also gave to Trump allies like Mike Pence⁴⁴ and Jeff Sessions⁴⁵ (who they donated to as recently as 2016), and they have donated big to PACs like 21st Century Majority Fund⁴⁶ that gave thousands to Donald Trump.⁴⁷

OTHER MAJOR CCSAA DONORS OUT-OF-SYNC WITH LOCAL VOTERS

Richard Riordan

- **Big Donor:** In December 2016, Riordan gave a whopping \$1,000,000⁴⁸ to “LA Students for Change, Opposing Steve Zimmer for School Board 2017”, with CCSAA acting as the intermediary.
- **Trump Supporter:** Former Los Angeles mayor (1993-2001) and private equity firm head Richard Riordan is a backer of supporter of conservative politicians and causes, including⁴⁹ Donald Trump.

John and Laura Arnold

- **Big Donors:** In March 2016, the Arnolds donated \$1,000,000⁵⁰ to CCSAA. In August 2016, they donated \$250,000⁵¹ to EdVoice.
- **Hedge Fund Billionaire:** John D. Arnold is a retired hedge fund manager.⁵² Forbes estimates he’s worth \$2.9 billion.⁵³
- **Outsider:** He and his wife Laura live in Houston, Texas.⁵⁴

Barbara Grimm-Marshall

- **Big Donor:** Grimm-Marshall gave \$500,000⁵⁵ to CCSAA in mid-May 2015. She has been celebrated by CCSA⁵⁶ as a charter advocate.
- **Trump Donor:** She gave⁵⁷ a total⁵⁸ of⁵⁹ \$83,100⁶⁰ to Donald Trump’s electoral run. Grimm-Marshall has also given to other GOP politicians, such

and Mitt Romney,⁶¹ Carly Fiorina,⁶² and Kevin McCarthy.⁶³

Bill Bloomfield

- **Big Donor:** In 2015 and 2016, Bloomfield gave \$3,156,000⁶⁴ to EdVoice. He lives in Manhattan Beach, California.
- **Right-Wing Funder:** Bloomfield is chairman⁶⁵ of Baron Real Estate and a longtime backer of conservative politicians. He fundraised for John McCain's presidential run and has⁶⁶ given⁶⁷ \$20,000⁶⁸ to John Boehner. Bloomfield has also donated more than \$30,000⁶⁹ to the National Republican Congressional Committee, which has given to⁷⁰ Mike Pence, Steve King, Bobby Jindal, Paul Ryan, Devin Nunes, and others.
- **Koch Network:** Documents obtained from the attorney general Kamala Harris indicate that Bloomfield used the Koch network to secretly funnel money to efforts to undermine education funding.

Frank T. Baxter

- **Big Donor:** From December 2015 to June 2016, Baxter gave CCSAA \$100,000.⁷¹ Since April 2015 he has given \$53,000⁷² to EdVoice.
- **Right-wing Funder:** According to the FEC, Baxter has donated to dozens and dozens of conservative politicians across the US, including \$2,700⁷³ to Wisconsin Governor Scott Walker and thousands⁷⁴ to Congressman Paul Ryan. He even once donated to Iowa Congressman Steve King, a Tea Party politician

who has a long history⁷⁵ of making racist, bigoted statements. Baxter has also given to Mitch McConnell,⁷⁶ Eric Cantor,⁷⁷ Devin Nunes,⁷⁸ and Lindsay Graham.⁷⁹

Cynthia Stone

- Koch Prop 30 Funder: Cynthia Stone funneled \$10,000⁸⁰ to the campaign to oppose proposition 30 funding in 2012 according to record released by then Attorney General Kamala Harris.
- Trump Ties: Cynthia Stone donated \$33,400 in 2016 to the RNC⁸¹

James Blew

- DeVos Ties: Jim Blew was an adviser on funding to the Walton Family Foundation⁸² and directed campaigns for Betsy DeVos's Alliance for School Choice.⁸³

Eli Broad

- Records obtained by former Attorney General Kamala Harris indicate that Eli Broad funneled \$1 million secretly to oppose proposition 30⁸⁴ through the Koch network.

Jeffrey Yass and Susquehanna Group

- **Donation:** Recent reports indicate that Jeff Yass has given the maximum allowed contribution to Nick Melvoin.
- **Out of State:** The Susquahanna group is a hedge fund located in the

Philadelphia suburbs. Over the years they've funneled tens of millions⁸⁵ of dollars to races⁸⁶ to support their preferred candidates across the country.

- **Trump / DeVos Ties:** Jeffrey Yass, Joel Greenberg and Arthur Dantchik of the Susquehanna group started StudentsFirst PA,⁸⁷ the Pennsylvania partner organization⁸⁸ of Betsy DeVos's American Federation of Children

**RELEASED BY
CONCERNED PARENTS & COMMUNITY
OF LAUSD SCHOOL DISTRICT 4**

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