

# THE ARIZONA WE BOUGHT

The Power Structure of  
Arizona's  
Right-Wing  
Political Machine



## DISCLAIMER

This presentation is not complete or comprehensive. Political assumptions are made to present a political narrative of the existing power structure governing major Arizona policy decisions.

Names, organizations, PACs, and coalitions are listed to provide perspective.

## OBJECTIVES

- a call to action to understand Arizona's political landscape
- initiate a comprehensive power mapping conversation
- learn how our opponents use talent, treasure and time
- a call to action to forge a smarter, efficient, effective progressive infrastructure

# What are the goals of our opponents?

- **Corporate Greed**

- Reduce or End Regulation (Environment, Worker Protections)
- Shelter Corporate Accountability
- Unfair Tax Policy (burdens the middle class and benefits the rich)

- **Conflicts of Interest**

- Privatization of Schools and Education Services
- Gaming AZ's Medicaid Program and social programs
  - Big Pharmaceutical Companies and Drug Rehabilitation Programs
- Privatization of Government Services (Private Prisons, Re-Entry Programs)

- **Divide and Conquer, Drain and Attack**

- Anti-Working Families and Anti-Union
- Anti-Immigrant
- Anti-Choice
- Anti-Equality/LGBTQ

# The familiar right-wing power structure

Individuals, Corporations, and PACs give \$\$\$ to:

- Republican National Committee (NRSC, NRCC, RGA, RAGA)
- Arizona Republican Party
- Arizonans for Strong Leadership (Governor's PAC)
- Senate and House Leadership PACs
- Arizona Chamber of Commerce
- Americans for Prosperity –AZ Chapter
- Greater Phoenix Leadership
- American Federation for Children
- Arizona Automobile Dealers Association
- Arizona Free Enterprise Club
- Arizona Rock Products Association
- Arizona Charter Schools Association
- Arizona Mining Association
- Arizona Tax Research Association
- Realtors Association
- Homebuilders Association of Central Arizona
- Western Growers Association

# The familiar right-wing power structure



**NATIONAL RIGHT TO WORK  
LEGAL DEFENSE FOUNDATION, INC.**  
*Defending America's workers from the abuses of compulsory  
unionism since 1968*

# Arizona "Ground Zero"



## Gov. Doug Ducey heading to Koch brothers' network summit in Palm Springs

The winter retreat near Palm Springs will focus on a prisoner re-entry initiative, a priority for the libertarian-leaning Kochs.

AZCENTRAL.COM



**Brahm Resnik**

2 hrs · 🌐



NEW Arizona K-12 is "Ground Zero" for Koch Bros. donor dollars in 2018. Longtime donor Gov. Doug Ducey running point. So it's Koch & Ducey vs Save Our Schools Arizona & supporters in anticipated referendum on school voucher expansion in November.



Analysis | The Daily 202: Koch network laying groundwork to fundamentally transform America's education system

WASHINGTONPOST.COM | BY JAMES HOHMANN

# Arizona "Ground Zero"

## Ad blitz touting Arizona's K-12 education system hits airwaves – see who is funding it

Yvonne Wingett Sanchez, The Republic | azcentral.com Published 11:32 a.m. MT Jan. 22, 2018 | Updated 2:54 p.m. MT Jan. 22, 2018

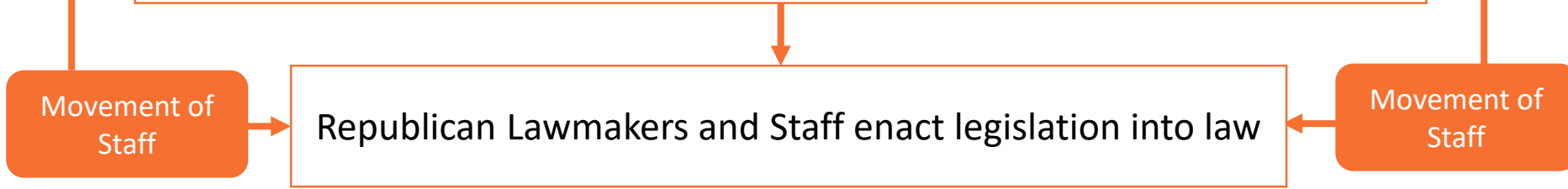
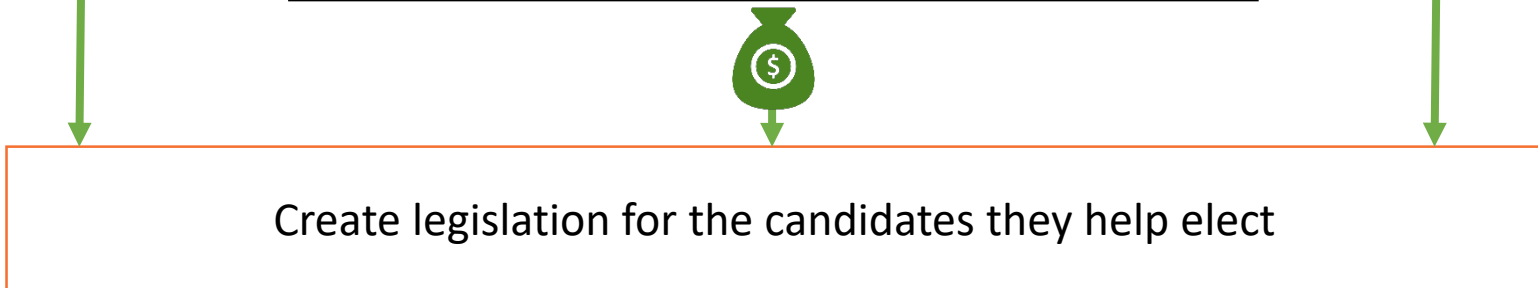
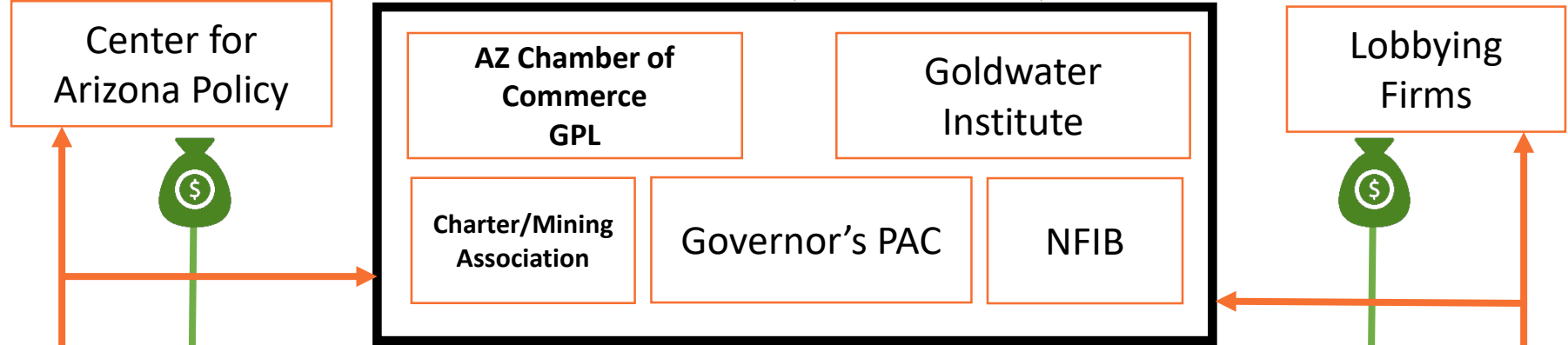
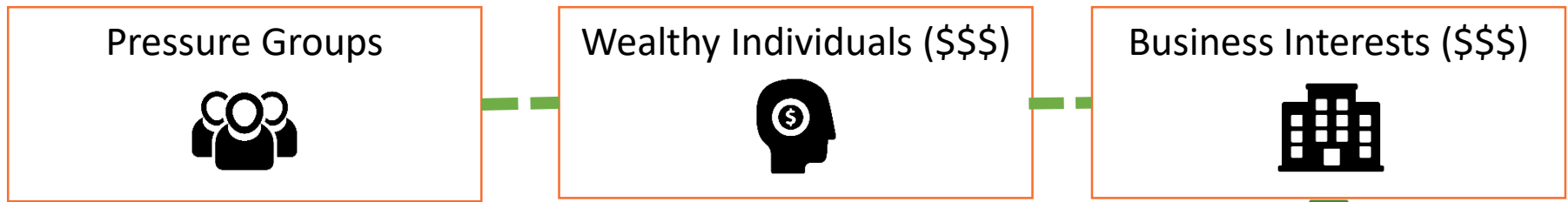


Here's the full list of donors to the Arizona Education Project:

- **Arizona Chamber of Commerce & Industry**
- **Pinnacle West Capital Corp, the parent company of Arizona Public Service**
- **Tucson Hispanic Chamber of Commerce**
- **Douglas Hispanic Chamber of Commerce**
- **Sierra Vista Hispanic Chamber of Commerce**
- **Ambos Nogales Hispanic Chamber of Commerce**
- **Arizona Lodging & Tourism Association**
- **Services Group of America**



Beyond dark money.  
The hidden right-wing political structure.



# Who are the business interests?



APOLLO  
EDUCATION GROUP

PINNACLE WEST  
CAPITAL CORPORATION



*Bashas'*

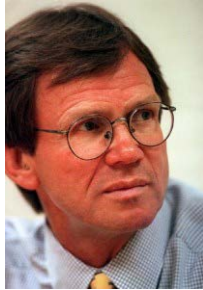
THE ELLMAN COMPANIES

GreatHearts  
CLASSICAL EDUCATION. REVOLUTIONARY SCHOOLS.

# Who are the wealthy individuals?



Sheldon Adelson



Jim Click



Ken and Randy  
Kendrick



Craig and Barbara  
Barrett



Edward J. Robson



Jerry Sims



Paavo Ensio



Steve Ellman



James Moffett



Eric Crown

Who are the pressure groups?

# Center for Arizona Policy

- 2015 Income: \$1.911 million
- 2015 Expenses: \$1.974 million
- CAP describes themselves as a "nonprofit research and education organization committed to promoting and defending the foundational values of life, marriage and family and religious liberty."

CAP had 156 laws passed in Arizona since 1996!

- CAP laws have curtailed a woman's right to choose, prevented same sex marriage, and halted sex education efforts.



# Center for AZ Policy Revolving Door



**Cathi Herrod**

President of CAP

Former Policy Director

Salary and Benefits: \$198,000



**Peter Gentala**

Former Center for Arizona Policy attorney

Former general counsel for the Arizona

House Republican Caucus

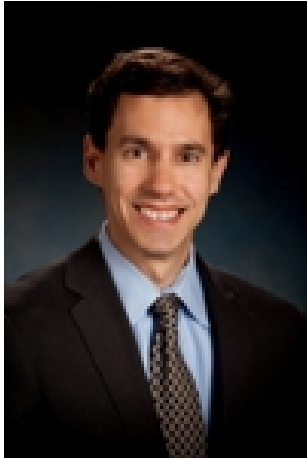
# Arizona Chamber of Commerce

- FY 2016 Income: \$3.722 million
- FY 2016 Expenses: \$3.534 million
  
- Blanket support for the Republican Governor, Republican AG, Republican Corporation Commissioners.
- More tax cuts for the rich and corporations.
- Funded by corporate sponsors





# AZ Chamber Revolving Door

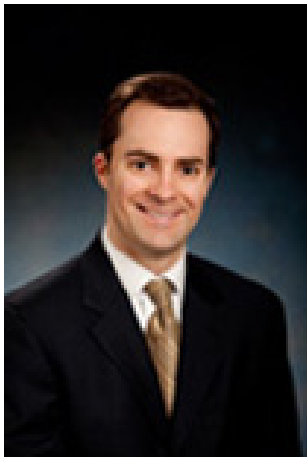


## **Glenn Hamer**

Executive Director of AZ Chamber

Former Executive Director of the Arizona Republican Party

Salary and Benefits: \$326,000



## **Garrick Taylor**

VP of Communications at AZ Chamber

Former spokesperson of the Arizona Republican Party

Salary and Benefits: \$139,000

# Goldwater Institute

- 2015 Income: \$4.428 million
- 2015 Expenditures: \$5.616 million
- “Nonpartisan educational” group whose research is used by Republican lawmakers to push anti-revenue and privatization agenda
- Files lawsuits to disrupt Progressive goals
- Influences news and editorial coverage of economic issues



# Goldwater's support of vouchers

## NATIONAL REVIEW

### **Arizona Considers the Nation's First Universal School-Choice Program**

“The Goldwater Institute, a Phoenix-based think tank, has been on the front lines of Arizona’s school-choice movement for the last decade. In 2006, the group introduced the concept of education savings accounts, and this idea was first enacted across the state in 2011 in a program for children with special needs. The Empowerment Scholarship Account program has used this savings-account model and expanded it every year since to include more students, including those in failing schools or adopted from foster care, as well as children of military members and children who live on Native American reservations.”

# Goldwater Institute Revolving Door



**Senator Jeff Flake**

Former executive director



**Former Congressman John Shadegg**

Former Senior Advisor immediately after retiring from Congress in 2010



**AZ Attorney General Mark Brnovich**

Former Director of Constitutional  
Government



**AZ Supreme Court Justice Clint Bolick**

Former Vice President of Litigation  
2015 Salary and Benefits : \$315,000

# Goldwater Institute Revolving Door



## **Victor Riches\***

Current CEO

Board of Directors to the Arizona Commerce Authority

- Appointed by the Governor

Former Governor Deputy Chief of Staff

Former Chief of Staff for the State House and State Senate

\*Former CEO-Salary and Benefits: \$348,000

**Let's not forget this from the Phoenix New Times:**

## **Victor Riches, GOP Arizona House Speaker Andy Tobin's Top Aide, had Cocaine in Car During DUI Bust Last Year**

BY RAY STERN

TUESDAY, JUNE 21, 2011 AT 5:49 PM.

# Republican Lobbying Firms



SCOTTSDALE ★ SINCE 1996 ★ ARIZONA

**PUBLIC & ONLINE RELATIONS**



COMPASS ROSE PUBLIC AFFAIRS



# Campaign Firm Revolving Door

Discessio, LLC and High Noon Campaign Products, LLC (a vendor of campaign products, including direct mail, television and radio production, and more)



**Constantin Querard**

Clients include: Former Sen. President Russell Pearce, State Sen. Sylvia Allen, State Senator Steve Montenegro, State Senator Kimberly Yee, Rep. Don Shooter, , State Sen. Gail Griffin, State Rep. Brenda Barton, State Rep. Chester Crandell, State Rep. David Smith, State Rep. Michelle Ugenti, State Rep. Cecil Ash, State Rep. Peggy Judd, State Rep. David Stevens, Former Speaker Rep. David Gowan, Former Speaker of the House and current Governor Chief of Staff Kirk Adams, Glendale Mayor Jerry Weiers

# Lobbying Firms Revolving Door



## **Sean Noble**

Partner at Axiom, now Compass Rose Public Affairs  
Former Chief of Staff Rep. John Shadegg  
Managed over \$300 million in IE spending in 2012/2014  
Ran Governor's Ducey 2014 IE groups  
Political Consultant for Pinnacle West and AZAG Brnovich



## **Nathan Sproul**

Partner of Lincoln Strategy Group  
Former Executive Director of the AZGOP  
LNS was paid \$1.2 million by the RNC and Donald J Trump  
For President, Inc., paid another \$600,000 for GOTV in 2016.



# People at the Epicenter



## **Tom Jenney- Americans for Prosperity**

Senior Legislative Director for AFP-AZ Chapter

Key individual for the school voucher effort

Led fight against the ACA and pressure group for Repeal

Led effort for 2010 Prop 106, the Arizona Health Care Freedom Act

Led effort for 2010 Prop 113, the Save Our Secret Ballot Act

## **The Twist Family**



### **Steve Twist**

VP and Legal Counsel for  
Services Group of America



### **JP Twist**

Ducey Policy Advisor  
Campaign Manager

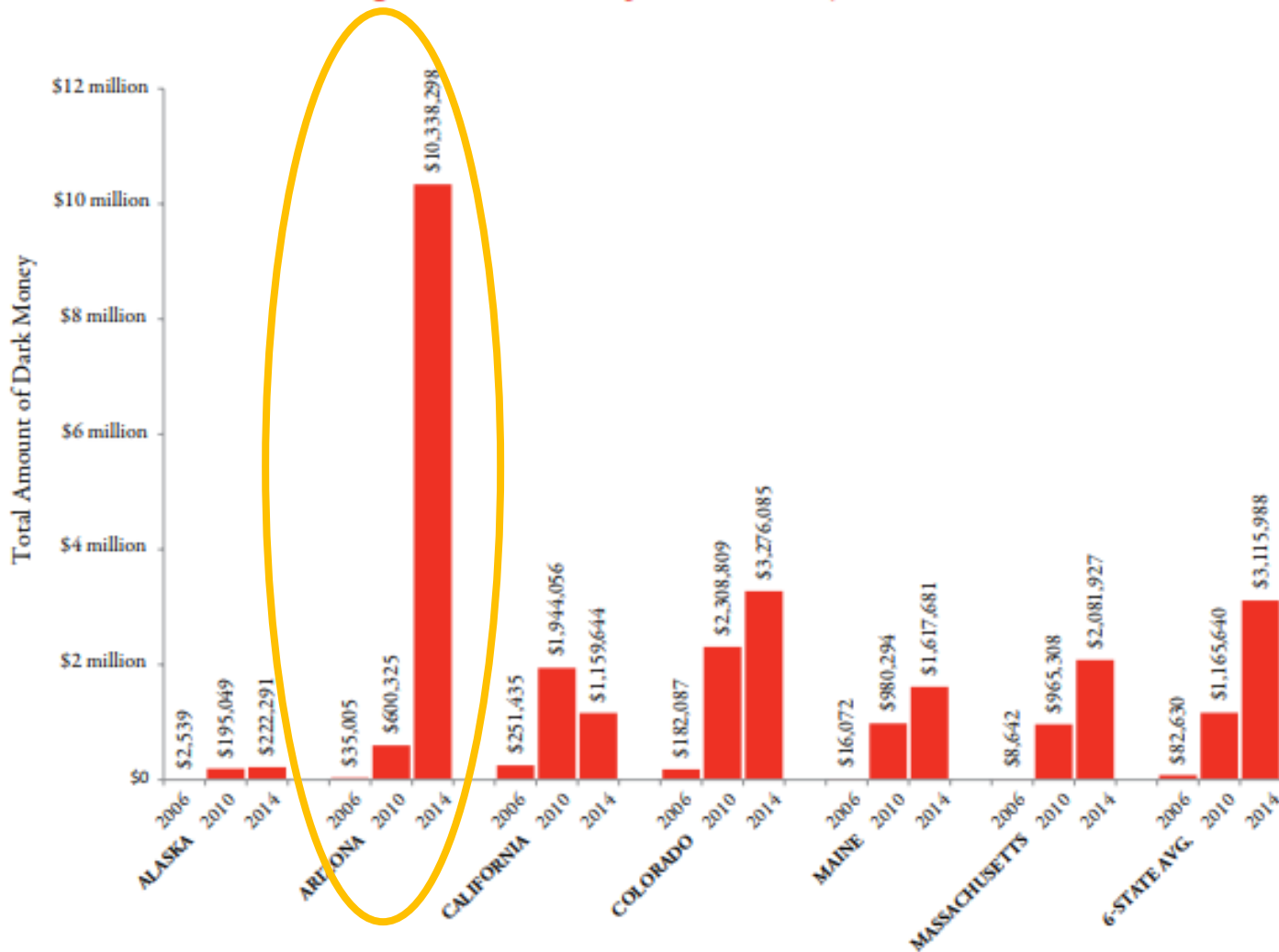


### **Erik Twist**

Chief Innovation Officer  
Great Hearts

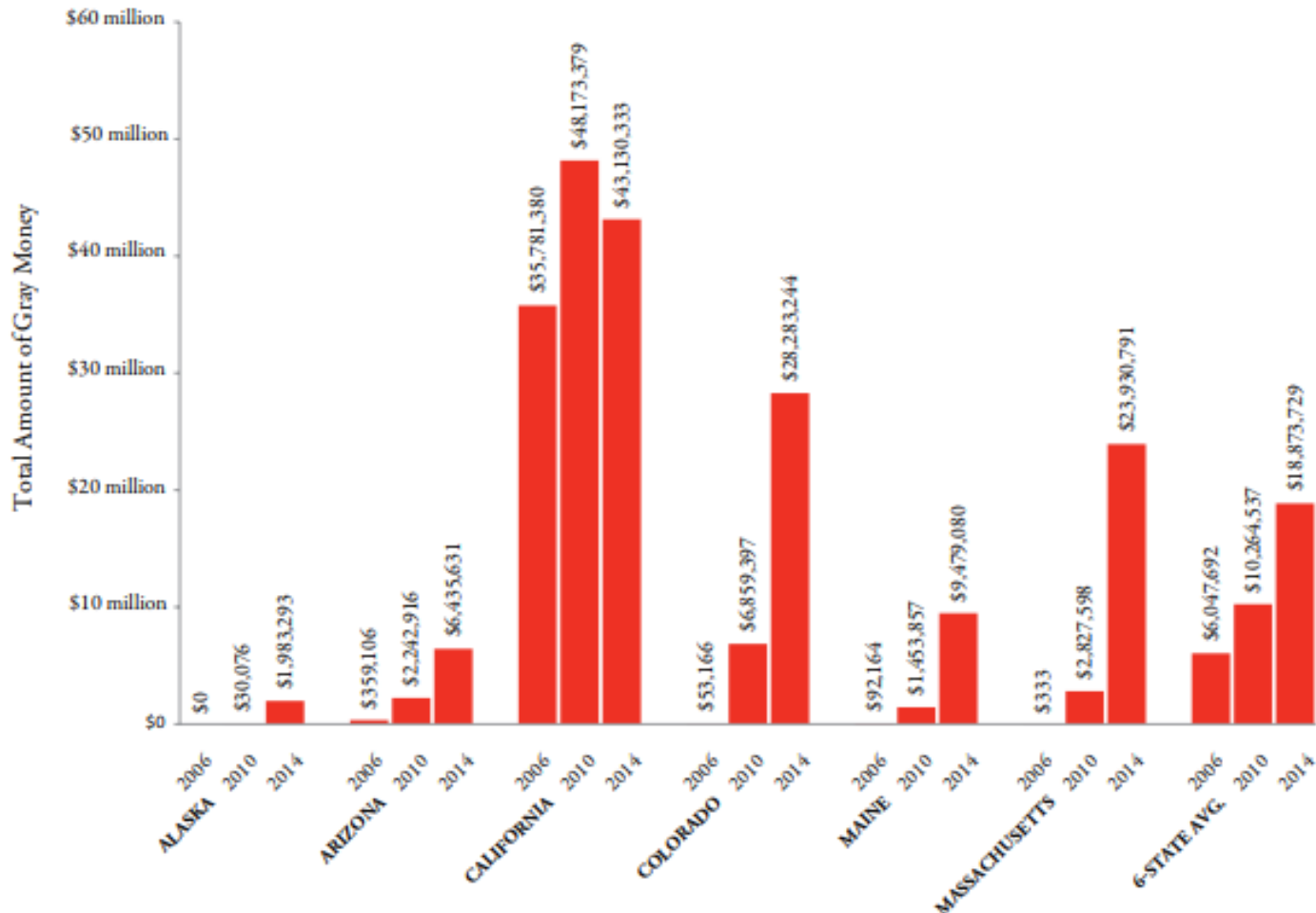
# Arizona at the Epicenter

Changes in Dark Money in Six States, 2006-2014



# Arizona at the Epicenter

Changes in Gray Money in Six States, 2006-2014



**WHY DO WE PERSIST**

**HOW DO WE RESIST**

# WE CONSPIRE

Latin "conspirare" which means "to agree, unite, plot," and "com" which means "together" + "spirare" meaning "to breathe" "to breathe together"

# WE COLLABORATE

Latin prefix com-, meaning "with, together, or jointly," teamed up with laborare ("to labor") to form Late Latin collaborare "to labor together"

**UNDERSTANDING A  
NEW PROGRESSIVE  
COALITION**

# Partisan Goals



MARICOPA COUNTY  
DEMOCRATIC PARTY

Arizona Democratic  
Legislative Campaign Committee



COCONINO COUNTY  
DEMOCRATS



Democratic  
Municipal Officials

# Electoral Goals



AFL-CIO Arizona  
AFSCME 2960  
AFSCME 2384  
AFSCME 3282  
AFSCME 449  
Arizona Advocacy Network  
Arizona Building Trades Council  
Arizona List  
Arizona Students Association  
Central Arizonans for A Sustainable Economy  
Communication Workers of America

Center for Neighborhood Leadership  
Equality Arizona  
Friends of Arizona School Boards Association  
La Machine  
LUCHA  
Mi Familia Vota Arizona  
National Education Association  
Progress Now Arizona  
Promise Arizona  
Protecting Arizona's Families Coalition  
Sierra Club Grand Canyon Chapter



# Civic Engagement Goals



# Policy Goals



# Policy Goals



<https://www.azeconcenter.org/>

## The Fair Share Campaign

Creating an Arizona Tax Code that Works for Everyone

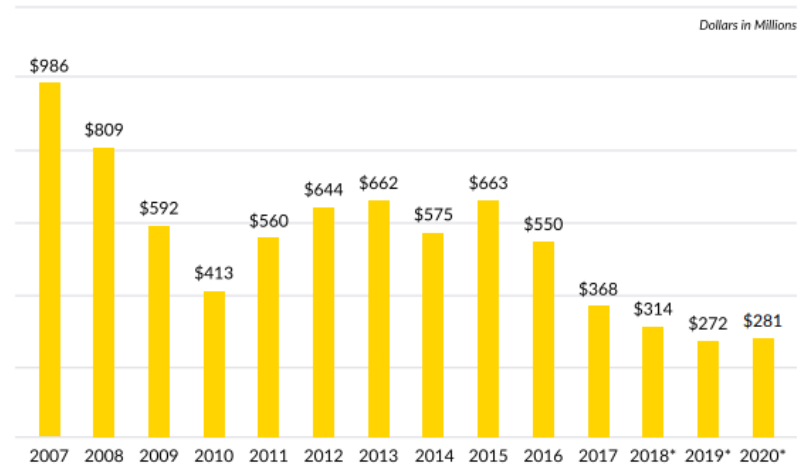


Arizona Taxpayers Earning the Least Spend a Larger Portion of Their Income on Taxes Than Higher Income Earners (State and Local Taxes Paid Per \$100 of Income)



Source: Institute on Taxation and Economic Policy, Who Pays?, January 2015

Corporate Income Tax Revenue is Declining  
2018 Collections Are Lowest Since 1993



\*Projections

Source: Joint Legislative Budget Committee staff, Historical General Fund Revenue Collections and Revenue and Budget Update, November 2017

# Changing Political Environment



**SAVE OUR SCHOOLS**  
Strong Schools, Strong State

**DEMOCRACY  
FOR AMERICA**



**SHARE & CONSPIRE**

**Luis.Heredia@gmail.com**