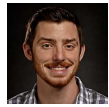


https://lanasteronline.com/news/politics/problem-solvers-caucus-parent-group-was-behind-k-in-super/article_0d8cfbfe-70d9-11e8-8936-d7d0c62fc95e.html

Problem Solvers Caucus parent group was behind \$277K in super-PAC spending for U.S. Rep. Lloyd Smucker and \$3 million for others



SAM JANESCH | Staff Writer Jun 17, 2018



Editorial Board meeting with US Rep Lloyd Smucker. Friday, May 11, 2018

DAN MARSCHKA | Staff Photographer

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Four months into his new job on Capitol Hill — as Donald Trump's nascent administration and the Republican-controlled Congress faced intense public pressure on several fronts — U.S. Rep. Lloyd Smucker joined a coalition dedicated to bipartisan solutions.

The debate over an Affordable Care Act overhaul was at its peak. Immigration, taxes and infrastructure were distant goals.

The **Problem Solvers Caucus**, Smucker said, would be an opportunity to “focus on navigating — not obstructing — our path forward.”



POLITICS

How Jess King spurred a Silicon Valley-led fundraising blitz that netted \$200K for her and \$1.7 million for other candidates

SAM JANESCH | Staff Writer  8 min to read

With equal numbers of Republicans and Democrats, its members would pursue compromise where gridlock often reigns.

Fast forward a year later and Smucker's decision to join the group appears to have paid off — but not just by way of showcasing a string of policy compromises.

Through a veiled network of super-PACs spending millions in so-called “dark money,” the people behind the Problem Solvers have quietly supported Smucker's re-election campaign and those of other candidates considered to be more centrist than their opponents, according to a review of campaign finance records and other media reports.

The five political action committees appear from afar to be acting independently. In videos and mailed ads, which are often negative and controversial, they don't show their association with the Problem Solvers' parent group, No Labels.

But a closer look at campaign finance records reveals their shared treasurers, banks, campaign addresses and wealthy donors. Collectively, they've raised \$9 million and spent \$2.9 million since March 2017 — including \$277,000 in ads criticizing Smucker's opponent in the primary last month.

Unveiling that outside-spending effort, in addition to the \$1 million Smucker received directly from political action committees and other donors since he took office, paints a more complete picture of the money fueling the first-term congressman's re-election

effort.

“Understanding who's behind political messaging is a powerful tool for voters,” said Joanna Zdanys, a lawyer specializing in money in politics at the New York-based Brennan Center for Justice. “It helps them to evaluate the information that they receive far more critically than when they just see or hear a message but don't know who is responsible for it.”



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The mysterious PAC

Smucker, formerly a two-term state senator and drywall business owner, is seeking his second term in what is now the 11th Congressional District, which covers all of Lancaster County and southern York County.

It's considered a safe Republican seat, and Democrat Jess King will be on the ballot against him in November.

Smucker, though, faced the first real challenge to his young congressional career this spring when Manheim-area businessman Chet Beiler ran against him in the Republican primary.

Beiler **spent \$345,000 of his own money** on mailers and yard signs, television and digital advertisements in a compressed three-week campaign before the May 15 vote.

Smucker fired back, putting out at least \$203,000 in television ads, according to Federal Communications Commission reports.

The money he was using came from donations he received directly from individuals, corporations and political organizations since January 2017. His war chest was buoyed by \$351,000 from individual donors, like regular Lancaster County donor S. Dale High, the former High companies chair, as well as \$614,000 in PAC money from the likes of Exelon and General Electric.

But Smucker had also kept spending campaign money since he took office, and while an upcoming July campaign finance deadline will reveal more details, current reports show he likely spent close to all of what he had once Beiler started campaigning.

So when a mysterious political action committee called Citizens for a Strong America started a mail and digital ad campaign attacking Beiler, it may have been welcome backup.

“Cheatin’ Chet Beiler is a shady operator,” **one of the mailers blasted.**

“Cheatin’ Chet doesn’t play by the rules,” another read.

Others claimed he had been investigated by the FBI and dodged his taxes.

“When you win a seat for Congress and if you do it in this way,” Beiler responded during a **candidate debate**, “in my view that would be a pyrrhic victory where it’s empty, it’s void, it’s not worth it.”

Smucker denied knowing of the mailers or who was behind them, and his campaign spokesman said this week he would not comment further when asked for an interview by LNP.

Neither the website for Citizens for a Strong America or its registration with the Federal Elections Commission revealed who was behind it.

Its donors, according to the FEC reports, didn’t have connections to the district. They were mostly large, six-figure spenders like Jerry Reinsdorf, the owner of the Chicago Bulls and White Sox who gave \$200,000; and billionaire investor Nelson Peltz, who gave the largest donation of \$400,000.

CHEATIN' CHET BEILER IS A SHADY OPERATOR

Cheatin' Chet says his "real world executive experience" has prepared him to serve us in Washington. w/xyz, soaaa.

Well guess what Chet: in the real world people pay their taxes!

Official tax records prove **Cheatin' Chet's companies have been subject to liens on almost \$100,000 in unpaid taxes!** [news.public records, accessed 3/30/15]

Look at these liens!

Whether **he's dodging his taxes or ducking an investigation by the FBI**, Cheatin' Chet thinks he's above the law. He's not!

Chet cheats on his taxes. He'll cheat on us in Washington!

CHEATIN' CHET BEILER. UNFIT FOR OFFICE.

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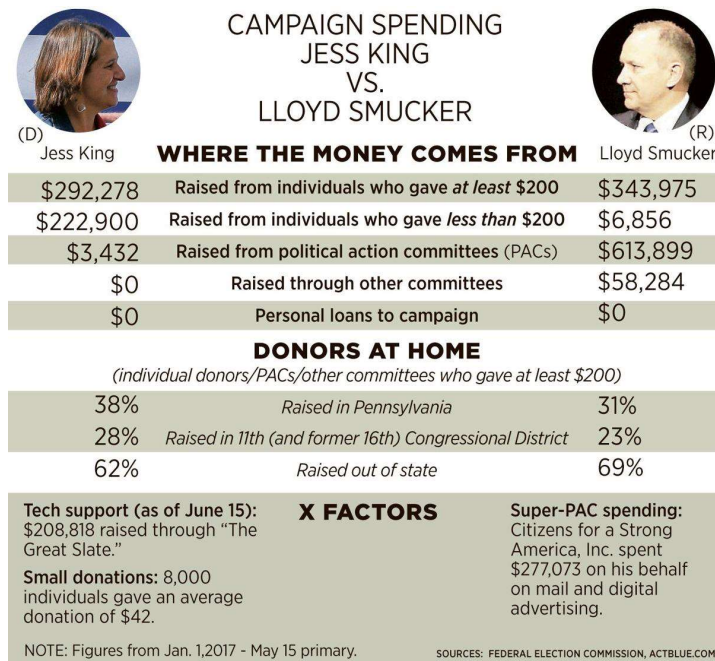
As an independent expenditure political action committee — also known as a super-PAC — the Citizens group was legally permitted to spend an unlimited amount of money to benefit candidates but not work with them directly.

It was the kind of outside group spending, sometimes described as “dark money,” that has often popped up in campaigns since the 2010 Citizens' United decision in the Supreme Court, which allowed unlimited political spending by nonprofits and for-profit organizations.

“Candidates from both major political parties benefit from substantial outside spending,” Zdanys said. “Groups that support them take out ads and spread messages that are not always accountable and cannot be assessed meaningfully.”

So far in the 2017-18 election cycle, super-PACs have raised \$423 million and spent \$103 million on candidates, according to the Center for Responsive Politics, a D.C.-based nonpartisan nonprofit that tracks campaign spending.

In 2016, Smucker himself benefited from about \$1 million in such money — including a last-minute \$150,000 spending spree from the National Rifle Association — to beat Beiler in their first Republican primary matchup.



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No Labels

Multiple signs point to No Labels running Citizens for a Strong America and four other obscure PACs — United for Progress Inc.; United Together; Govern or Go Home; and Forward, Not Back.

Ruth Rochelle Stoner, who is registered as the treasurer of the Citizens PAC and Govern or Go Home, is active with the No Labels chapter in Minnesota, according to the group's Facebook page and a video posted by No Labels on YouTube. The three other PACs share the same treasurer, Bruce Goren.

All five have an overlapping list of 46 donors, which includes Andy Bursky, a private equity firm chairman who sits on No Labels' board, and Michael Sonnenfeldt, an investment firm CEO who co-founded No Labels.

According to FEC reports, all five PACs were launched within a few days of each other in late March and early April last year. They reported using, at least initially, the same Capital One Bank in Maryland.

And they all used similar post office box addresses in Charlotte, North Carolina, when they registered with the FEC.

That's the same city where Margaret White, a senior strategist for No Labels and its top paid employee in 2016 according to tax forms, moved to in March 2017, according to Politico. White did not return a request for comment from LNP.

The Chicago Sun Times was the first to report the connection between five PACs and No Labels, which did not return repeated calls and emails from that newspaper or LNP.

The registered nonprofit is not, on its face, a campaign-oriented organization.

Formed in late 2010 during the right-wing Tea Party movement, its goal is to have a bipartisan group of lawmakers "pushing back on the extremes on both sides that are tearing the nation apart."

It doesn't ask members to abandon their party affiliations, but rather work more forcefully with those across the aisle. The Problem Solvers Caucus was created in 2017 with that goal in mind, and it now has 48 members, evenly divided between the parties, according to its website.

No Labels' latest effort, called "The Speaker Project," was launched earlier this month. In the wake of Speaker Paul Ryan's announced retirement and the uncertainty over which party will control the House after the midterm elections, it aims to change procedural rules to decentralize power and give the minority party more of a voice.

Structurally, No Labels is a 501(c)4 nonprofit social welfare organization that raised \$4 million in 2016 and had \$2.6 million in net assets at the end of that year, according to its latest available tax filings.

The highest paid employee was Margaret Kimbrell, now Margaret White, who received nearly \$148,000 in compensation in 2016.

A second, similar nonprofit called No Labels Foundation — this one a 501(c)3 — also exists and raised \$1.2 million, with about \$1 million left in assets in 2016, according to tax filings. The nonprofits have the same principal officer, Nancy Jacobson, and the same address in Washington, D.C.

According to the latest tax filings, the No Labels Foundation changed its name to The New Center, which has a website similar to No Labels that criticizes “the far left and the far right.” Its leaders are Bill Kristol and William A. Galston, according to its website.



POLITICS

6 questions heading into the Lloyd Smucker-Jess King race for the 11th Congressional District

SAM JANESCH | Staff Writer

Dark money PAC tentacles

The five PACs have pulled in a combined \$8,993,052 from donors and spent just under a third of that since they launched — each of them focusing on different races to benefit both Republicans and Democrats, according to their FEC reports.

In each case, the money has been targeted to support the more centrist, perhaps compromising candidates and oppose the more extreme, partisan options.

— In Pennsylvania's Lehigh Valley-based 7th district Democratic primary, the United Together PAC spent \$382,685 to support John Morganelli, a conservative Democrat, and oppose the more progressive Susan Wild and Greg Edwards.

— In New Mexico's 1st district, the Forward, Not Back PAC spent \$291,804 in the Democratic primary to support former federal prosecutor Damon Martinez and oppose two others with more progressive support: Debra Haaland and Antoinette Sedillo Lopez.

The No Labels PACs have also backed their Problem Solvers, like Smucker and Democratic U.S. Rep. Dan Lipinski in Illinois.

But in the wild west of massive campaign spending, even six-figure ad-buys haven't been enough in some cases.

Morganelli lost in Pennsylvania, and Martinez lost in that New Mexico race that saw \$2 million in total outside spending.

In Texas' 21st district, the same PAC that backed Smucker also spent \$128,129 to support former CIA agent William Negley in the GOP primary. But the more conservative Club for Growth PAC fought harder — spending more than \$800,000 to support its own candidate and attack Negley for supposedly backing an independent campaign against Donald Trump in 2016, according to the Texas Tribune.

The candidate that Citizens for a Strong America opposed and the Club for Growth supported — former Ted Cruz chief of staff Chip Roy — went on to win the crowded Republican primary.

Conservative credentials

When Smucker [joined the Problem Solvers](#), he repeatedly stressed he wasn't sacrificing his conservative values by aligning himself with a group in which Republicans would actively work with Democrats to find solutions.

“I represent a conservative district and I have my own conservative values, and I think the best way to implement those values is to find ways to work with people you may not agree with on every issue,” Smucker told LNP at the time.

Yet, at the first chance anyone had to challenge him, someone did so by claiming Smucker was not conservative enough.

Beiler ran to the right of Smucker, such as calling out one of his votes on the federal budget that maintained funding for Planned Parenthood, which Republicans have routinely tried to de-fund because of its abortion services.

Smucker insisted his record was conservative, and said his votes matched Trump's priorities 96 percent of the time.

Once the Citizens PAC stepped in, it created a dynamic where Smucker was arguing his conservative bonafides while an outside group supporting centrist candidates was working on his behalf.

G. Terry Madonna, a longtime Lancaster County and Pennsylvania politics observer, said it looked like No Problems and the Problem Solvers were protecting one of its members.

“Maybe they’re just being cautious and he’s one of theirs,” said Madonna, director of the Center for Politics and Public Affairs at Franklin & Marshall College. “They’ve made a commitment to their own people.”

Smucker’s campaign spokesman Mike Barley responded with a brief statement when LNP requested an interview with the congressman.

“As he has previously stated, Congressman Smucker and his campaign are prohibited by law from coordination with an outside PAC — he followed the law. Therefore he has no further comment on the matter.”

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Jess King is the only Pennsylvania candidate for Congress drawing a salary from her campaign

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