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# SMOKE SCREEN: THE BUCKEYE INSTITUTE

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## Executive Summary

The story of the Buckeye Institute can be told through its deep ties to controversial right-wing groups such as the Atlas Economic Research Foundation, the State Policy Network, and the American Legislative Exchange Council, in addition to its close relationship with the nation's biggest peddlers of addictive nicotine (Big Tobacco).

- The State Policy Network (SPN) is a controversial group of right-wing “think tanks” that the Buckeye Institute belongs to. SPN has played a key role in facilitating the relationship between the Buckeye Institute and CEO funders, like the Koch brothers.
- The American Legislative Exchange Council (ALEC) is a shadowy organization where corporate lobbyists and state lawmakers vote as equals on “model bills” behind closed doors. In addition to sharing many of the same corporation-first policies, many Buckeye Institute staff members previously worked at ALEC-related organizations and have attended ALEC meetings.
- Big Tobacco has given the Buckeye Institute at least \$60,000 in direct funding over the years, support that has continued through at least 2012. The Buckeye Institute has repaid the favor by repeatedly championing pro-tobacco positions in the media and courtroom on a surprising range of subjects.
- The Buckeye Institute has frequently deployed “experts” who have received tobacco money, and promoted their findings on a variety of issues, including those related to smoking.
- The Buckeye Institute has faced a storm of criticism during its history on other issues, including how its funding influenced its “journalism,” allegations of plagiarism, and its relationship with the controversial Koch brothers, two of the richest men in the world.
- The Atlas Economic Research Foundation is a “think tank” incubator that has spent over \$20 million creating “free market think tanks” like the Buckeye Institute. Its former president was named “founder trustee” of the Buckeye Institute.

## Re-Introducing the Buckeye Institute

Is the Buckeye Institute an independent, nonpartisan research institute that doesn't take positions on legislation? Or is it a cog in a national right-wing corporate lobbying machine with deep ties to the GOP and ALEC that pushes for controversial legislation like SB5 and so-called Right to Work?

The untold story of the Buckeye Institute starts with its founding in 1984 and the unacknowledged role played by the Atlas Economic Research Foundation. Atlas was founded in 1981 by Antony Fisher (a virulent anti-communist who opposed government service for the aged and the ill in England after WWI) to provide start-up capital to a string of US-based groups to advance his extreme free market ideas in America, like the Buckeye Institute.

According to Atlas' one-time president, John Blundell, its mission is to "to litter the world with free-market think-tanks."<sup>1</sup> It has done this by giving away over \$20 million in grants, a number it purportedly aims to "increase ten-fold in the next decade."<sup>2</sup> (Some of this work has been done with help from the Koch brothers from whom Atlas received \$135,000 in 2007 and 2008 alone.<sup>3</sup>)

The full extent of Atlas's involvement with the Buckeye Institute's creation is unknown. The Buckeye Institute is featured on Atlas's website under their partner list and Blundell was given a position as the Buckeye Institute's "founder trustee."<sup>4</sup> <sup>5</sup> The relationship was further cemented when Sam Staley, who was involved in the Buckeye Institute's founding and would go on to be its president, was given a \$20,000 award from Atlas.<sup>6</sup> The Buckeye Institute's site however acknowledges neither Atlas nor Blundell.

The Buckeye Institute was one of the first state-based groups founded after Atlas. According to an in-depth review by the National Education Association in 1998, it was created "in 1984 as the Buckeye Center, [and] the name was changed in 1995 to the Buckeye Institute, when it assumed the corporate identity of the Urban Policy Research Institute." According to that research, for a number of years, the "Buckeye Institute for Public Policy Solutions" was led by two men closely associated with Atlas, both Blundell (who later when on to the Institute for Economic Affairs) and Alex Chafuen, in addition to a rep from Procter & Gamble.

Another tie between the Buckeye Institute and Atlas is their shared membership in the State Policy Network (SPN), which helps steer funding to Buckeye and other similar special interest

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<sup>1</sup> *Review - Institute of Public Affairs*, p. 1, vol. 60, no. 3

<sup>2</sup> <http://thinktank-watch.blogspot.com/2007/12/atlas-economic-research-foundation.html>

<sup>3</sup> <http://www.greenpeace.org/usa/en/campaigns/global-warming-and-energy/polluterwatch/koch-industries/atlas-economic-research-founda/>

<sup>4</sup> <http://www.atlasnetwork.org/northamerica.html>

<sup>5</sup> <http://archive.freedomandprosperity.org/Glance/glance.shtml>

<sup>6</sup> [www.fsu.edu/cvdb/SSTALEY.rtf](http://www.fsu.edu/cvdb/SSTALEY.rtf)

groups across the country.<sup>7</sup> [SPN](#) is a network of special interest groups located in states across the country that describe themselves as “think tanks,” and which push a common national agenda on many issues regardless of the traditions of a particular state; that agenda often advances the bottom-line of corporations and advance the very special interests of the CEOs that back SPN and its affiliates. The Center for Media and Democracy has reviewed the tax filings of each state group that is part of SPN, in addition to the Heartland Foundation, and has determined that more than \$80 million a year flows to SPN and its members, much of it from corporations and right-wing billionaires, such as the Koch brothers.<sup>8</sup>

## Similarities to ALEC

In 2012, ProgressOhio co-authored a report that offered an in-depth look at ALEC, the American Legislative Exchange Council, and its role in Ohio politics:<sup>9</sup>

*The American Legislative Exchange Council, or ALEC, serves as a voice for corporate special interests in state legislatures across the country. Corporate executives, lawyers, or lobbyists who are ALEC members vote behind closed doors with ALEC legislators to approve “model” legislation designed to promote corporate interests. Then, ALEC legislators push for those ALEC bills to become law without any disclosure of the role corporations played in writing or pre-voting on the bills.*

That report builds on the detailed research of the Center for Media and Democracy, which launched ALECexposed.org in 2011, documenting the legislators, corporations, and legislation that are part of the ALEC agenda, after a whistleblower provided it with all of the ALEC model bills that had been secretly voted on by corporate lobbyists and state legislators, from Ohio and other states. CMD followed-up the Progress Ohio report with a thorough investigation of the role of ALEC legislators and the staff of legislative leaders in soliciting gifts from ALEC corporations to fund ALEC’s convention in Cincinnati in 2011. <http://www.prwatch.org/news/2012/05/11498/quid-pro-status-quo-alec-state-sanctioned-corruption-ohio>

Perhaps shockingly, the state legislative employee who coordinated events and dinners for the corporate lobbyists who are part of ALEC with Ohio legislators and other lawmakers was awarded “Volunteer of the Year” by ALEC, although there is no indication that the state was compensated for all the time spent “volunteering” for ALEC during work hours, as noted by CMD. This year, in 2012, another state employee of the same ALEC legislative leader, John Adams, was also awarded ALEC volunteer of the year. To date, no state ethics body has been willing to investigate the use of taxpayer dollars paid to staff to advance the private interests of ALEC.

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<sup>7</sup> <http://www.greenpeace.org/usa/en/campaigns/global-warming-and-energy/polluterwatch/koch-industries/atlas-economic-research-founda/>

<sup>8</sup> <http://www.prwatch.org/news/2013/04/11909/reporters%E2%80%99-guide-%E2%80%9Cstate-policy-network%E2%80%9D-right-wing-think-tanks-spinning-disinform>

<sup>9</sup> <http://site.pfaw.org/pdf/ALEC-in-Ohio.pdf>

Nationally, ALEC is perhaps most infamous for its role in promoting the Stand Your Ground laws that became notorious after the Trayvon Martin shooting and after CMD connected the dots between the Florida law initially cited to prevent the arrest of George Zimmerman with ALEC and its campaign to get that bill introduced in dozens of states.<sup>10</sup> After the 2008 election, ALEC also pushed for restrictions making it harder for Americans to vote, which ALEC legislators pushed in Ohio and other states to affect the 2010 and 2012 elections.

As ALECs's profile rose, so did its controversy – at least 50 corporations and six non-profits have shed their ties with the group.<sup>11</sup>

### **Ways the Buckeye Institute Promotes ALEC Reports and Bills**

The Buckeye Institute often promotes ALEC, its policies, and its reports on its website<sup>12</sup>:

- In May 2013, the Buckeye Institute [promoted the release](http://www.prwatch.org/news/2012/11/11877/alecs-economic-policies-do-more-harm-good-new-report-shows) of ALEC's "Rich States, Poor States" report on its website. That report has been the subject of devastating criticism for its methodology and the distorted way it tallies state's economic health.  
<http://www.prwatch.org/news/2012/11/11877/alecs-economic-policies-do-more-harm-good-new-report-shows>
- The Buckeye Institute cited four ALEC model bills as "promising policy approaches" in its November 2010 report [Smart on Crime](#).
- The Buckeye Institute cited ALEC's 2011 edition of "Rich States, Poor States" in its May 2012 Policy Brief "[Big Government Spending Not Requisite for Economic Growth](#)." Such claims have been subject to numerous criticisms.  
<http://www.prwatch.org/news/2013/05/12092/business-climate-rankings-bogus-says-new-report>
- Buckeye Institute policy analyst Greg Lawson spoke favorably about ALEC's influence in Ohio, specifically in the Kasich administration. Lawson is quoted as saying: "Quite frankly, Ohio only started making the changes ALEC recommended in recent years...It's a little premature to be making some of these judgments until the policies are fully implemented. We're only now beginning to see the impact."<sup>13</sup>

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<sup>10</sup> [http://www.huffingtonpost.com/2012/04/17/alec-retreats-stand-your-ground-laws-voter-id\\_n\\_1431531.html](http://www.huffingtonpost.com/2012/04/17/alec-retreats-stand-your-ground-laws-voter-id_n_1431531.html)

<sup>11</sup> [http://sourcewatch.org/index.php?title=Corporations that Have Cut Ties to ALEC](http://sourcewatch.org/index.php?title=Corporations_that_Have_Cut_Ties_to_ALEC)

<sup>12</sup> <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf> p.15

<sup>13</sup> <http://www.highbeam.com/doc/1P2-33951987.html>

## Staff, Board Have a History of Working for ALEC Members

Several of the Buckeye Institute's staff and board members, including President Robert Alt and Chairman Gregory Lashutka, have worked, or are currently working for, corporate and nonprofit members of ALEC:

Buckeye Staff/Board Member	Position at the Buckeye Institute	Former/Current Employer/Affiliated Organization that is a Member of ALEC
Robert Alt	President	The Heritage Foundation
Andrew M. Grossman	Visiting Fellow	The Heritage Foundation
Gregory S. Lashutka	Chairman	Nationwide Insurance
Daniel S. Peters	Vice Chair	Procter & Gamble (dropped its ALEC membership in April 2012)
Bradley Smith	Secretary-Treasurer	Center for Competitive Politics

## Sharing ALEC's Funders

Most of the [Buckeye Institute's known donors](#) have also [funded ALEC](#), including two of the Koch brothers' foundations, the Koch-funded Donors Capital Fund, the Bradley Foundation, the Coors family's Castle Rock Foundation, and the Roe Foundation. The following are the common known donors of both the Buckeye Institute and ALEC:

- The Lynde and Harry Bradley Foundation
- Donors Capital Fund
- Castle Rock Foundation
- Charles G. Koch Charitable Foundation
- Claude R. Lambe Charitable Foundation
- Jaquelin Hume Foundation
- JM Foundation
- Searle Freedom Trust
- The Randolph Foundation
- The Roe Foundation

## Sharing ALEC's Right-Wing Agenda

The Buckeye Institute and ALEC share the same right-wing agenda when it comes to issues such as attacking workers' rights, deforming the public pension system, privatizing public education, and opposing healthcare reform:

Issue	The Buckeye Institute	American Legislative Exchange Council (ALEC)
<b>Attacking Workers' Rights</b>	<p><b>Pushing so-called 'Right to Work':</b> The Buckeye Institute's March 2012 report by Ohio University professor and American Enterprise Institute scholar Richard Vedder, <a href="#">Ohio Right-to-Work: How the Economic Freedom of Workers Enhances Prosperity</a>, promoted so-called 'right to work' laws and was later <a href="#">criticized by Policy Matters Ohio</a> for distorting the truth about the economic impact of so-called right-to-work legislation.</p> <p><b>Attacking Collective Bargaining Rights:</b> In addition, the Buckeye Institute worked with another prominent right-to-work supporter, David Koch's <a href="#">Americans for Prosperity</a>, on the 2011 anti-collective bargaining Issue 2 campaign by <a href="#">teaming up with AFP</a> to "educate" voters on the "benefits" of SB 5.</p>	<p>ALEC's "<a href="#">Right to Work Act</a>" is an attack on working families across the state as this bill takes away workers' ability to negotiate fair contracts.</p> <p>ALEC's "<a href="#">Employee Rights Reform Act</a>" limits revenue streams for public employee unions and imposes new reporting burdens on union activities.</p> <p>ALEC's "<a href="#">Paycheck Protection Act</a>" is an attack on workers and attempts to make it difficult for unions to raise funds.</p>
<b>Promoting Pension Deform</b>	<p>In <a href="#">several of its pension studies</a>, the Buckeye Institute calls for shifting public workers out of a defined-benefit pension system and into a risky defined-contribution system.</p>	<p>ALEC's "<a href="#">Public Employees' Portable Retirement Option (PRO) Act</a>" is a move towards eliminating defined benefit pension plans for public employees, which protects retirees.</p>
<b>Promoting ALEC's Crime Agenda</b>	<p>In the Buckeye Institute's November 2010 report <a href="#">Smart on Crime</a>, the think tank specifically states it supports four ALEC 'model' bills: "Recidivism Reduction Act," "Swift and Certain Sanctions Act," "Community Corrections Performance Measurement Act," and "Community Corrections</p>	<p>Although ALEC claimed to abandon its crime task force in the wake of the controversy over its "Stand Your Ground/Castle Doctrine" legislation, ALEC has pushed bills on crime policy that help feed tax dollars to its corporate bankrollers like the American Bail Coalition (ABC).</p>



Issue	The Buckeye Institute	American Legislative Exchange Council (ALEC)
	Performance Incentive Act.”	<p>ALEC’s <a href="#">“Recidivism Reduction Act”</a> and <a href="#">“Community Corrections Performance Measurement Act”</a> subjects community-based corrections programs to new levels of reporting requirements. These bills could be directed at eliminating community-based corrections programs, which would benefit ABC, an ALEC member, by increasing opportunities for the private sector to get paid to monitor people who are under criminal supervision but not in prison.</p> <p>ALEC’s <a href="#">“Swift and Certain Sanctions Act”</a> and <a href="#">“Community Corrections Performance Incentive Act”</a> changes the administrative process of probation and parole. Bills like these benefited long-time ALEC members Corrections Corporation of America and Geo Group, which have since left ALEC; some of ALEC’s crime bills directly benefit continuing ALEC member ABC.</p>
Limiting Public Spending and Taxes	The Buckeye Institute supports limiting government spending to both personal income and inflation, along with requiring supermajorities for tax increases in its report, <a href="#">“Should Ohio Limit Government Spending and Taxes?”</a>	ALEC’s <a href="#">“Tax and Expenditure Limitation Act”</a> would amend the state constitution to set revenue and spending limits, by capping total expenditures by inflating the current year’s expenditures to account only for population growth and inflation.

Issue	The Buckeye Institute	American Legislative Exchange Council (ALEC)
<b>Privatizing Public Education</b>	<p>The Buckeye Institute has released <a href="#">numerous reports</a> and published posts on its website supporting the expansion of school vouchers.</p>	<p>Education privatization is also a key component in ALEC's extreme agenda. ALEC's school voucher "models" include the <a href="#">Education Enterprise Zone Act</a> and <a href="#">The Parent Choice Scholarship Program Act</a>. ALEC's charter school models include the <a href="#">Charter Schools Act</a> and the <a href="#">Next Generation Charter Schools Act</a>. ALEC has also touted the late Milton Friedman as a leader in this area for his opposition to any public education. ALEC bills in this area advance the agenda set forth by David Koch in his earlier run for the Vice Presidency, and the long-term agenda of Michigan's DeVos family.</p>
<b>Opposing Healthcare Reform and Medicaid Expansion</b>	<p>The Buckeye Institute is a vocal opponent of the Affordable Care Act and expanding Medicaid in Ohio, which would provide over <a href="#">450,000 Ohioans</a> access to healthcare. Since the passage of the Affordable Care Act, the Buckeye Institute has released <a href="#">several reports and 'studies'</a> opposing the law and Medicaid expansion. In March 2013, Buckeye Institute president Robert Alt <a href="#">gave a testimony</a> before the Ohio House Finance Committee's Health and Human Services Subcommittee against Medicaid expansion.</p>	<p>ALEC has issued several "model" bills against the 2010 Affordable Care Act, including the <a href="#">Freedom of Choice in Health Care Act</a> and the <a href="#">Resolution Opposing Employer-Paid Health Care Mandates</a>. ALEC's <a href="#">Guide to Repeal Obamacare</a> is a guide for state legislators to repeal the Affordable Care Act, and urges them to reject Medicaid expansion and federal grants for Medicaid. David Koch's Americans for Prosperity has echoed parts of this agenda as well.</p>
<b>Opposing the Auto Recovery</b>	<p>In an <a href="#">October 2012 policy brief</a>, the Buckeye Institute called the auto recovery and loan by the federal government a "failure," despite the fact that the <a href="#">Center for Automotive Research</a> found that Ohio would have lost more than 160,000 auto jobs in 2009 had the government not acted.</p>	<p>In its <a href="#">4<sup>th</sup> edition of 'Rich States, Poor States,'</a> ALEC stated its disapproval of and opposition to the auto loans to GM and Chrysler provided by the federal government, calling it "possibly unconstitutional."</p>

## Buckeye's Ties to the Koch Brothers and So-Called Right to Work

The Buckeye Institute has received significant funding from the Koch-fueled Donors Capital Fund, although that fund obscures the true source of its grants. In 2008 and 2009, grants from Donors Capital made up 57 percent of Buckeye's total grants received in those two years, and 19 percent in 2010. The Koch brothers have also given to the Buckeye Institute directly through their foundations, the Charles G. Koch Charitable Foundation and the Claude R. Lambe Charitable Foundation. The Buckeye Institute has proposed policy measures that would change the tax code to favor those with the most wealth, opposed clean energy in Ohio, and called for less regulation over corporations, all which would directly benefit the Koch brothers and Koch Industries in Ohio.<sup>14</sup> Among other connections, in 2010, Daniel Peters, a trustee at the Buckeye Institute, attended a Koch Industries meeting designed to "Address Threats to American Free Enterprise and Prosperity."

Here is a list of some of the Buckeye Foundation's other major foundational donors, many of which are allied with the Kochs:

<b>Funder</b>	<b>Amount</b>	<b>Year</b>
Castle Rock Foundation	\$34,600.00	1995-2010
Charles G. Koch Charitable Foundation	\$28,281.00	2007-2009
Chase Foundation of Virginia	\$61,100.00	2001-2011
Claude R. Lambe Charitable Foundation	\$10,000.00	2005
Donors Capital Fund	\$1,090,205.00	2005-2010
Jaquelin Hume Foundation	\$285,280.00	1999-2009
JM Foundation	\$80,000.00	1999-2010
Neal and Jane Freeman Foundation	\$500.00	2004
Searle Freedom Trust	\$121,500.00	2009
State Policy Network	\$55,000.00	2003-2011
The Lynde and Harry Bradley Foundation	\$1,500.00	1994

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<sup>14</sup> [American Bridge Conservative Transparency](#)

The Randolph Foundation	\$25,000.00	2007-2009
The Roe Foundation	\$315,000.00	1998-2011
Thomas B. Fordham Foundation	\$18,500.00	1999
William H. Donner Foundation	\$30,000.00	1998

([American Bridge Conservative Transparency](#))

## Questions about Right to Work Report

One of the key pieces of the Buckeye Institute's current agenda is dismantling unions through so-called "right to work" laws. Records from the 2012 Northwest Ohio Conservative Conference even show the Buckeye Institute helped lead two panel discussions on "workplace freedom."<sup>15</sup>

In May 2012, The Buckeye Institute [released a report](#) advocating for making Ohio a so-called "right to work" state, and the report was primarily written by tobacco-backed economist Richard Vedder.<sup>16</sup>

Policy Matters has refuted Vedder's claim that right-to-work states outperform non-right-to-work states specifically in the manufacturing sector and criticizes the claim that passing right-to-work legislation in Ohio would increase a four-person family income by over \$12,000 a year in Ohio, calling it an "outrageous" claim that has been disproven by current right-to-work states. Finally, Policy Matters points out that Vedder's claims on employment growth and growth in per capita income in right-to-work states are misleading and in some cases factually wrong.<sup>17</sup>

## Revealed: Ties Between Buckeye and Big Tobacco

***The group's activities should be aligned with specific strategies which Philip Morris Companies has with regard to priority issues identified by Government Affairs.*** – From Philip Morris' 1998 internal guide for funding outside public policy groups.<sup>18</sup>

***Excise Taxes.*** – First item on Philip Morris' Issue Priorities list on the following page.<sup>19</sup>

***We can't know for certain whether increased cigarette taxes in Michigan would contribute to more terrorism. But, as the ads say, we may rightfully wonder if they would***

<sup>15</sup> [http://nwohioconservativeconference.com/DOWNLOAD/Schedule\\_TIME\\_Assignment.pdf](http://nwohioconservativeconference.com/DOWNLOAD/Schedule_TIME_Assignment.pdf)

<sup>16</sup> <http://www.buckeyeinstitute.org/uploads/files/BUCKEYE-ohio-right-to-work-rev2012-3.pdf>

<sup>17</sup> <http://www.policymattersohio.org/scrtw>

<sup>18</sup> <http://legacy.library.ucsf.edu/tid/avj37c00/pdf> p. 14

<sup>19</sup> <http://legacy.library.ucsf.edu/tid/avj37c00/pdf> p. 16

*"just kinda help."* – James Damask, former Research Director at **Philip Morris-funded Buckeye Institute**.<sup>20</sup>

Government lawsuits against Big Tobacco have resulted in the unveiling of millions of previously secret papers.<sup>21</sup> These records provide an unvarnished insight into how the industry behind the nation's leading killer operates.<sup>22</sup>

There is one name that appears over a hundred times in these secret tobacco documents that may surprise even close observers of Ohio politics: The Buckeye Institute.<sup>23</sup> These previously secret documents indicate that the Buckeye Institute received at least \$60,000 in funding from Philip Morris and others. The Buckeye Institute was considered an "allied" organization, a resource to be used in building coalitions and advancing their corporate interests.

A review of its media appearances, studies, and online journalism show that the Buckeye Institute has gone to bat for Big Tobacco's top priorities a startling number of times. Perhaps it is for this reason that tobacco funding continued to the Buckeye Institute continued from the mid-1990s up until at least 2012.<sup>24</sup>

## Big Tobacco's Support for Buckeye

In 1998, Philip Morris [published a manual](#) that established criteria for public policy organizations looking to receive corporate support (i.e., funding). The top "Primary Criteria" are "[t]he group's activities should be aligned with specific strategies which Philip Morris Companies has with regard to [priority issues](#) identified by Government Affairs." Among the other criteria items are that the organization must have "reach" with federal and state audiences, be "respected by policy makers," and have the "ability to mobilize/activate constituencies."

The Buckeye Institute seems to have fit Philip Morris's criteria, as the "think tank" received tens of thousands of dollars from the tobacco industry in the 1990s and 2000s. The exact amount the Buckeye Institute received is unclear based on the records available, but it appears they received \$60,000 or more from both Philip Morris and the Tobacco Institute between 1995 and 2001:

- **1995:** The Buckeye Institute [received \\$10,000 from Philip Morris](#) for "policy."

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<sup>20</sup> <http://www.mackinac.org/4461>

<sup>21</sup> [http://legacy.library.ucsf.edu/about/about\\_collections.jsp](http://legacy.library.ucsf.edu/about/about_collections.jsp)

<sup>22</sup> <http://www.cdc.gov/chronicdisease/resources/publications/aag/osh.htm>

<sup>23</sup>

<http://legacy.library.ucsf.edu/action/search/basic?fd=0&q=%22buckeye+institute%22&df=er&c=at&c=ba&c=bw&c=tc&c=ca&c=ct&c=da&c=ga&c=lm&c=ll&c=mg&c=mm&c=pm&c=py&c=rj&c=re&c=ti&c=ub&c=us>

<sup>24</sup> <http://www.altria.com/Responsibility/Investing-In-Communities/Documents/Grant%20Recipients.pdf>

- **1996:** Philip Morris's [1996 budget](#) shows the corporation gave two grants to The Buckeye Institute in 1996, totaling \$5,000.
- **1997:** Records show that The Buckeye Institute received \$[10,000](#) from "board allocated and administrative contributions" from Philip Morris. Philip Morris also reported [donating filing cabinets](#) to The Buckeye Institute in 1997.
- Also included in [Philip Morris's 1997 Ohio Contributions](#) list is a \$1,000 contribution to then-Congressman **John Kasich**. Kasich, who as governor has pushed many of the same policies as the Buckeye Institute, appears to be one of only two members of the Ohio Congressional delegation that received funding from Philip Morris in 1997. In 2011, [Kasich proposed a budget](#) that would completely defund the enforcement mechanism of Ohio's statewide smoking ban.
- **1998:** The Tobacco Institute's [1998 proposed budget](#) included a \$1,000 grant to the Buckeye Institute. Philip Morris's [1998 Public Policy Contributions](#) document shows Buckeye receiving a \$10,000 grant from the corporation in 1998.
- **1999:** The Tobacco Institute's [1999 proposed budget](#) included a \$1,000 grant to the Buckeye Institute. Philip Morris's [1999 Public Policy Contributions](#) document shows Philip Morris proposed a \$5,000 grant to Buckeye in 1999, although another budget produced later shows Buckeye received [\\$15,000 from Philip Morris](#) in 1999.
- **2000:** The Buckeye Institute [requested \\$5,000](#) from Philip Morris in 2000, although it appears the Buckeye Institute received [\\$15,000 from Philip Morris](#) in this year based on another primary document.
- **2001:** Philip Morris proposed a [\\$5,000 grant](#) to the Buckeye Institute in 2001.

### **The Buckeye Institute Recently Received Funding from Big Tobacco**

Buckeye is listed on Altria's (formerly Philip Morris) [2009](#) and [2012](#) lists of organizations receiving contributions from the corporation. Related organizations such as the State Policy Network and the American Legislative Exchange Council are also on the 2012 list. Altria does not list the amount of funding.

In addition to Big Tobacco's direct funding of the Buckeye Institute, it appears Buckeye has also financially benefitted from its close connections to a Big Tobacco's lobbyist. One of [Altria's current registered lobbyists](#) in Ohio is Thomas P. Pappas of the Columbus-based public policy firm [Thomas P. Pappas & Associates](#). A 2007 [internal document](#) from the firm shows that Pappas's firm held a fundraiser for the Buckeye Institute at the Capital Club in October 2007.

## Buckeye's Backing of Big Tobacco

The Buckeye Institute has compiled a record of supporting the issues important to its Big Tobacco funders and Philip Morris has admitted that it supports The Buckeye Institute based on those policies. In its [1998 agenda](#), Philip Morris documented its support of The Buckeye Institute, citing the think tank's "insight" on taxes, while in [2001 Philip Morris listed](#) Buckeye as an "allied organization" in "FDA Outreach." The Buckeye Institute has a long history of [supporting lower corporate taxes](#), which would directly benefit large tobacco corporations, including in a [2002 report](#) written by right-wing economist and [tobacco-funded](#) academic Richard Vedder. This is not to mention Buckeye's advocacy against increasing tobacco taxes in Ohio.

### Buckeye Institute President Authored Report against Increasing Ohio's Tobacco Taxes

In 2002, then-Buckeye Institute President David Owsiany wrote a journal article in *Columbus Business First* arguing against a legislative proposal before the Ohio General Assembly to increase the state's cigarette tax by 50-cents in order to meet a \$750 million budget shortfall. In the article, Owsiany uses "data" from ALEC and argues that by increasing Ohio's tobacco taxes, Ohio smokers will go to neighboring states with lower tobacco taxes to buy tobacco products. Today, [Owsiany](#) remains a Senior Fellow at the Buckeye Institute, while also serving as the Executive Director of the Ohio Dental Association and on the board of directors at the 1851 Center.<sup>25</sup>

### Work with Right-Wing Economist with Close Ties to the Tobacco Industry



Richard Vedder speaks to The Buckeye Institute regarding the new report he authored for the think tank on so-called "Right to Work" in May 2012.

PHOTO SOURCE:  
[OhioCapitalBlog YouTube](#)

[Richard Vedder](#), a conservative economics professor at Ohio University, is known for having close ties and working with numerous right-wing organizations including ALEC, the Mackinac Center, the National Taxpayers Union, and the American Enterprise Institute. In addition, Vedder has also worked for Ohio's Buckeye Institute. Vedder has authored numerous reports for The Buckeye Institute, including reports on Ohio's higher education budget,<sup>26</sup> making Ohio a so-called "right to work" state,<sup>27</sup> and the impact of Ohio's tax policy.<sup>28</sup>

Vedder also has close ties to the tobacco industry, most notably as a member of [Tobacco Institute's Economists' network](#), a group of academics that the tobacco industry recruited who worked behind the scenes to advocate against proposed tax increases on cigarettes and public smoking bans. Vedder subsequently [authored reports](#) for the Tobacco Institute on excise taxes and smoking bans.

<sup>25</sup> <http://www.bizjournals.com/columbus/stories/2002/05/06/editorial3.html?page=2>

<sup>26</sup> [http://www.buckeyeinstitute.org/uploads/files/Ohio's%20Higher%20Education%20Budget-%20a%20Commendable%20if%20Modest%20Action%20Plan%20\(Final\).pdf](http://www.buckeyeinstitute.org/uploads/files/Ohio's%20Higher%20Education%20Budget-%20a%20Commendable%20if%20Modest%20Action%20Plan%20(Final).pdf)

<sup>27</sup> <http://www.buckeyeinstitute.org/uploads/files/BUCKEYE-ohio-right-to-work-rev2012-3.pdf>

<sup>28</sup> [http://heartland.org/sites/all/modules/custom/heartland\\_migration/files/pdfs/10614.pdf](http://heartland.org/sites/all/modules/custom/heartland_migration/files/pdfs/10614.pdf)

Vedder's name appears nearly 700 times in the tobacco archives.<sup>29</sup>

### **Speaking Out Against Healthcare Fees for Smokers**

In a 2005 *Cincinnati Enquirer* article, then-Buckeye Institute President David Hansen spoke out against companies charging additional healthcare insurance fees for employees who smoked.<sup>30</sup>

### **Advocacy Against Raising Tobacco Taxes in OH, FL, and MD**

In 2008, Buckeye Institute policy analyst Marc Kilmer, who also works for Florida's James Madison Institute and the Maryland Public Policy Institute (both SPN think tanks like Buckeye), wrote an article that appeared in the *Sun Sentinel* and *Tallahassee Democrat* against raising Florida's tobacco taxes in order to boost revenue and solve state budgetary issues. Kilmer would later write an article in the *Hillsboro Times-Gazette* advocating against raising Ohio's tobacco taxes, making many of the same arguments he made in Florida when the state was considering a similar proposal just months beforehand.<sup>31 32</sup>

- Kilmer again argued against raising tobacco taxes in Buckeye's reports [\*Should the Poor Pay for Health Insurance for the Middle Class?\*](#) and [\*Funding Health Care with Tobacco Tax Won't Work\*](#) (unknown dates).
- In August 2007, the James Madison Institute released a Kilmer-authored report, [\*Bad Idea: Tobacco Tax to Fund Health Care\*](#).
- Kilmer has also wrote against Maryland's cigarette taxes for the Maryland Public Policy Institute in [\*O'Malley's cigar tax is a smokescreen\*](#) (February 2012) and [\*The folly of Maryland's sin taxes\*](#) (December 2011)

### **Second-Hand Smoke Litigation**

In 2008, the Buckeye Institute founded the 1851 Center for Constitutional Law to handle its litigation efforts.<sup>33</sup> Before [\*parting ways in 2010\*](#), the groups were involved in court cases challenging Ohio's public smoking ban, which was [\*approved by voters by a wide margin in 2006\*](#). They provided legal representation to two bars – the Pour House in Toledo and Zeno's in Columbus – in cases involving the fines assessed by the Ohio Department of Health for

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<http://legacy.library.ucsf.edu/action/search/basic?fd=0&q=richard+vedder&df=er&c=at&c=ba&c=bw&c=tc&c=ca&c=ct&c=da&c=ga&c=lm&c=ll&c=mg&c=mm&c=pm&c=py&c=rj&c=re&c=ti&c=ub&c=us>

<sup>30</sup> *The Cincinnati Enquirer*, "Light up and you may pay a little extra," November 21, 2005

<sup>31</sup> [http://articles.sun-sentinel.com/2008-12-28/news/0812240063\\_1\\_cigarette-taxes-smokers-state-s-budget](http://articles.sun-sentinel.com/2008-12-28/news/0812240063_1_cigarette-taxes-smokers-state-s-budget)

<sup>32</sup> <http://timesgazette.com/main.asp?SectionID=1&SubSectionID=1&ArticleID=150603&TM=32239.1>

<sup>33</sup> [https://www.facebook.com/permalink.php?story\\_fbid=10151810287524803&id=199915364802](https://www.facebook.com/permalink.php?story_fbid=10151810287524803&id=199915364802)



violations of the statewide public smoking ban.<sup>34</sup> Their lawyer stated, "The smoking ban represents one of the greatest universal deprivations of property rights in Ohio's history."<sup>35</sup>

The suits relied in part on an expert witness who has claimed smoking bans don't reduce heart attack rates. The expert's previous work had been funded by Philip Morris.<sup>36</sup> In 2009, the year litigation began on Ohio's smoking ban, the Buckeye Institute received an undisclosed amount of funding from Altria, the parent company of Philip Morris.<sup>37</sup>

The Supreme Court eventually upheld the smoking ban in a 7-0 decision.<sup>38</sup>

## Other Ties to Tobacco

Not only has the Buckeye Institute received generous donations from Big Tobacco, so have its close allies SPN, Atlas and ALEC.

### SPN Invites Big Tobacco to Member Conference

[The Nation](#) journalist [Lee Fang](#) covered SPN's reliance on funding from the tobacco industry throughout the 1990s, and SPN's work in assisting the tobacco industry "in packaging its resistance to tobacco taxes and health regulations as part of a 'freedom agenda' for conservatives."

The boldest move that has so far been made public occurred at SPN's national meeting in October 2001. SPN invited Philip Morris External Affairs Director Joshua Slavitt to [give a speech](#) at the Boulder, Colorado, meeting, where representatives of the Buckeye Institute presumably attended. In the speech, Slavitt told SPN that the best way to "positively impact your relationship with prospectively and current corporate contributors" was to "understand their priorities" and to make "contribution requests to suit the needs of your supporters."

### Atlas Receives Over Half Million in Single Year

Atlas's ties to Big Tobacco are numerous and telling. Its name appears over 2,600 times in publicly available tobacco industry document archives. According to the Center for Media and Democracy's Sourcewatch, "In 1995 alone Philip Morris contributed \$475,000 to Atlas according to an internal budget document.... In 1997, despite a tight budget, PM staff recommended Atlas receive \$150,000 because of the organization's ability, through its events and public advocacy work, to 'positively impact the regulatory environment....' The think tanks

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<sup>34</sup> [Appeals court weighs group's smoking-ban lawsuit while state sues 2 bars for violations](#)

<sup>35</sup> [http://www.dispatch.com/content/stories/local/2009/09/19/smoking\\_suit.ART\\_ART\\_09-19-09\\_B1\\_27F4EH3.html](http://www.dispatch.com/content/stories/local/2009/09/19/smoking_suit.ART_ART_09-19-09_B1_27F4EH3.html)

<sup>36</sup> [Do Smoking Bans Reduce Heart Attacks?](#)

<sup>37</sup> <http://www.ansrmn.org/fckfiles/Tab1-FINAL.pdf>

<sup>38</sup> [Justices uphold state smoking ban](#)

fostered by Atlas, PM staff wrote approvingly, results in ‘an improved operating environment for all PM businesses.’”<sup>39</sup>

One letter from the archives in particular sums up the intertwined relationships. Sam Staley and Richard Vedder, who are closely identified with the Buckeye Institute, serve on the Board of Scholars for The Virginia Institute, alongside James T. Bennett.<sup>40</sup> Bennett wrote R. J. Reynolds in 1995, to ask for funding to complete a book called [CancerScam](#), which attacks the American Cancer Society and the National Cancer Institute and suggests that “the anti-tobacco campaign is a smokescreen for raising taxes”.<sup>41</sup> <sup>42</sup> He also describes his plans to get “more media exposure” to “advance the cause.” He requested the \$100,000 payment for this work be delivered through Atlas.

Vedder and Staley have their own questionable history on tobacco issues. Staley authored Drug Policy and the Decline of American Cities, which raises legitimate points regarding the nation’s drug policy. However, Staley cites the presence of a market for lower potency tobacco products as proof that “addictive behavior is not as automatic nor as prevalent as the press or many politicians claim.”<sup>43</sup>

### **ALEC Receives Tobacco Funding and Pushes Industry Bills**

ALEC has benefited mightily from the tobacco industry. According to research from Americans for Nonsmokers’ Rights, “in some years the money ALEC received just from tobacco ‘sponsorships’ overshadowed all other sponsor contributions combined.” Altria Group (Philip Morris’ current corporate parent) sits on ALEC’s national private sector board and was a primary sponsor of their 2011 Annual Conference.<sup>44</sup> At ALEC’s 2013 conference in Chicago, tobacco company Reynolds American paid \$100,000 to claim the top sponsorship spot.<sup>45</sup>

In addition to its primary work of pushing for lower corporate taxes and oversight, ALEC has ratified a number of industry-specific positions such as one opposing plain tobacco packaging and several praising smokeless tobacco.<sup>46</sup> <sup>47</sup> <sup>48</sup>

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<sup>39</sup> [http://www.sourcewatch.org/index.php?title=Atlas Economic Research Foundation](http://www.sourcewatch.org/index.php?title=Atlas_Economic_Research_Foundation)

<sup>40</sup> <http://www.virginia institute.org/scholars.php>

<sup>41</sup> <http://legacy.library.ucsf.edu/tid/ist03a00/pdf>

<sup>42</sup> <http://www.amazon.com/CancerScam-Diversion-Federal-Cancer-Politics/dp/1560003340>

<sup>43</sup> <http://www.independent.org/publications/tir/article.asp?a=394>

<sup>44</sup> [http://www.sourcewatch.org/index.php/Philip Morris](http://www.sourcewatch.org/index.php/Philip_Morris)

<sup>45</sup> <http://www.prwatch.org/news/2013/08/12212/alecexposed-list-corporations-and-special-interests-underwrote-alecs-40th-anniver>

<sup>46</sup> <http://www.alec.org/model-legislation/resolution-on-taxation-of-smokeless-tobacco-products-versus-cigarettes/>

<sup>47</sup> <http://www.alec.org/alec-opposes-australian-implementation-of-“tobacco-plain-packaging-bill”/>

<sup>48</sup> <http://www.alec.org/model-legislation/resolution-urging-the-european-union-to-remove-its-ban-on-the-sale-of-smokeless-tobacco/>

## Legacy of Controversy

Although the tobacco revelations are new, the Buckeye Institute's work, and funding, has been publicly questioned throughout its history.

### **Buckeye Denied Press Credentials Over Funding Questions**

The Buckeye Institute was at one time the [Franklin Center for Government & Public Integrity's](#) affiliate in Ohio. The Franklin Center supports right-wing groups describing themselves as reporting groups (although some are basically Republican bloggers re-branded as "press") that focus on the state legislature across the country. Many of Franklin's affiliates have been accused of [faulty reporting and manufacturing news coverage](#) to benefit its conservative interests. The Center for Media and Democracy was one of the first to document the problems with Franklin. <http://www.prwatch.org/news/2011/10/10971/franklin-center-right-wing-funds-state-news-source>

In 2010, for example, the Buckeye Institute, at the time a Franklin Center affiliate, was [denied credentials](#) in the Ohio Legislative Correspondents Association. Association President Jim Siegel said, "They were denied because they were more of a conservative think tank than a professional news-gathering organization...there were some questions about where their funding came from."

### **Buckeye Banned for Plagiarism**

The press had taken aim at the integrity of their work before. In October 2003, the *Columbus Dispatch* ["banned" the Buckeye Institute](#) and announced that it would no longer publish op-eds bearing the Institute or its scholars' names after it was discovered that Buckeye Director Joshua Hall plagiarized part of a recently published opinion piece.

In that case, a *Dispatch* reader discovered that Hall had copied five passages from an op-ed written by Geoffrey F. Segal of the Reason Public Policy Institute (which is also funded by the Koch family fortune and includes Koch reps on its board) published in *The Baltimore Sun* several months earlier. When confronted, Hall repeatedly denied any wrongdoing.

*The Dispatch* persisted and in a meeting with the paper, Buckeye Institute President Samuel R. Staley admitted that both Segal and Hall's works were plagiarized. In fact, the research and text in question had originally been prepared by a public-relations firm in Alexandria, Virginia, which had forwarded the information to interested parties as part of a communications strategy.

### **Does Buckeye Advocate for Specific Bills?**

This is not the only time the Buckeye Institute has quickly changed its story about the very nature of its work. In February 2011, [ProgressOhio](#) reported that former Buckeye Institute

President Matt Mayer lied about his organization's lobbying and advocacy activity in a tweet to the Ohio blog *Plunderbund*. Via a February 11<sup>th</sup> tweet, Mayer told *Plunderbund* that, "Of course we weigh in on ideas (repeal), especially ones we propose-we don't advocate for specific bills ('vote for x') or pols."

That very same day, Mayer [published a blog post on The Buckeye Institute's website](#) in which he both cited inaccurate information and urged readers to contact their legislators in support of SB 5. In regard to the bill, which sought to scale back collective bargaining rights, Mayer wrote, "We need to be calling, faxing, and emailing every Ohio Senator, every day, until this vote is passed. They need to be told with total certainty that this vote is a choice between the citizens of this state and the public sector employee unions. Get the numbers and emails out to your membership and tell them to make that choice clear."

### **Criticism over DeRolph**

The Buckeye Institute was also accused of basing one of its reports around a factual misunderstanding of one of the most important court decisions in recent Ohio history.<sup>49</sup> In December 2000, the Ohio Coalition for Equity & Adequacy of School Funding issued a press release stating that it believed that a Buckeye Institute study titled, "Who Really Pays for Ohio Public Schools?" missed the mark both "factually and philosophically."

The coalition took issue with the Buckeye Institute's interpretation of the *DeRolph* decision—one of several Ohio Supreme Court decisions that said that the state's method of funding school districts was unconstitutional—and said that the Institute seemed to misunderstand the decision's meaning in their report.

### **Medicaid Expansion and Smoking**

A current Buckeye priority is stopping bipartisan attempts to expand Ohio's Medicaid coverage under the Affordable Care Act. According to the Center for Disease Control, 8.6 million people in the United States are currently suffering from severe illnesses due to smoking.<sup>50</sup> Given the effort the Buckeye Institute has put into making sure cigarette taxes are low, smoking is allowed indoors in public and anti-smoking funds are diverted, perhaps it should think twice before opposing basic safety and health care laws to protect Ohioans.

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<sup>49</sup> *PR Newswire*, "Coalition Respond's to Buckeye Institute Study: Who Really Pays for Ohio Public Schools," December 14, 2000

<sup>50</sup> <http://www.cdc.gov/chronicdisease/resources/publications/aag/osh.htm>

## Conclusion

"I've learned from experience that as soon as I'm identified as a representative of the Tobacco Institute, I lose all credibility. They just sneer us away... so I try to work behind the scenes whenever I can." – Ron Saldana, former Tobacco Institute spokesman.<sup>51</sup>

The Buckeye Institute has been quietly advancing the interests of national organizations and controversial groups like ALEC. They even strung quietly together a decade-plus stint as one of the foremost proponents of Big Tobacco interests in Ohio, without raising public attention. They were rewarded by groups such as the Tobacco Institute, who behind the scenes courted them and their so-called “experts,” particularly Richard Vedder.

This information raises serious questions about the nature of their role in Ohio’s public debate. Can they be trusted to take intellectually honest positions on questions facing the state today, such as so-called right to work, or will their ties to corporate donors and groups like ALEC prevent them from fairly addressing the problems facing our state?

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<sup>51</sup> [http://articles.latimes.com/1986-08-24/magazine/tm-17652\\_1\\_tobacco-institute/10](http://articles.latimes.com/1986-08-24/magazine/tm-17652_1_tobacco-institute/10)