

2012 Campaign

Exclusive: Inside Karl Rove's Billionaire Fundraiser

By Sheelah Kolhatkar on August 31, 2012

On the final morning of the Republican National Convention, Karl Rove took the stage at the Tampa Club to provide an exclusive breakfast briefing to about 70 of the Republican Party's highest-earning and most powerful donors. During the more than hour-long session, Rove explained to an audience dotted with hedge fund billionaires and investors—including John Paulson and Wilbur Ross—how his super PAC, American Crossroads, will persuade undecided voters in crucial swing states to vote against Barack Obama. He also detailed plans for Senate and House races, and joked, "We should sink Todd Akin. If he's found mysteriously murdered, don't look for my whereabouts!"

Then Rove pleaded with his audience for more money—much more.

This rare look at the mechanics of super-PAC fundraising and electoral strategy was likely not intended for reporters. I was invited as the guest of a financier who is a significant Republican donor. The financier knew that I was a journalist. At no point was I presented with, nor did I agree to, restrictions regarding the information I heard. Upon my arrival at the breakfast, I was not asked if I was a journalist. I gave my name, identified the person who had invited me, was handed a wristband, and ushered into the dining room. American Crossroads disputes this version of events, but a spokesman did not immediately return calls to elaborate.

The morning began with an address about the urgency of defeating Obama by Florida's Republican Senator Marco Rubio. Crossroads Chief Executive Officer Steven Law followed and introduced some of the super PAC's staff, referring to general counsel Tom Josefiak as "the guy who keeps us from ever having to wear orange jumpsuits."

Then came the main event: Rove, joined by former Mississippi Governor Haley Barbour, laid out his strategy for winning the White House. "The people we've got to win in this election, by and large, voted for Barack Obama," Rove said, in a soothing, professorial tone, explaining why the campaign hadn't launched more pointed attacks on the president's character.

Rove explained that Crossroads had conducted extensive focus groups and shared polling and focus group data with "all the major groups that are playing" in the election. "As many of you know, one of the most important things about Crossroads is: We don't try and do this alone. We have partners," he said. "The Kochs—you name it."

What had emerged from that data is an "acute understanding of the nature of those undecided, persuadable" voters. "If you say he's a socialist, they'll go to defend him. If you call him a 'far out left-winger,' they'll say, 'no, no, he's not.'" The proper strategy, Rove declared, was criticizing Obama without really criticizing him—by reminding voters of what the president said that he was going to do and comparing it to what he's actually done. "If you keep it focused on the facts and adopt a respectful tone, then they're gonna agree with you."

In Rove's estimation, things are going well. "Barack Obama unleashed hell on our candidate on May 15," he said. "Between May 15 and July 31st, he spent \$111 million on ads out of his campaign war chest,

and there was about another \$17, \$18 million spent by outside groups. The day that this started, the Gallup poll was 45-45. On the 31st of July, it was 46-46.”

“We spent—outside groups spent \$110 million and Romney spent \$42 million,” Rove continued. “So the bad guys [Democrats] spent \$130 million and the good guys [Republicans] spent \$152 million, and our money didn’t go as far as theirs because we couldn’t buy at the lowest unit rate. Really, it was sort of roughly equivalent, and we fought it to a draw.” And that, Rove pointed out, was after a brutal Republican primary. “We have to keep in mind whose vote we’re trying to get—it ain’t the delegate from Alaska. It’s not the alternate from Alabama. It’s some undecided voter in the battleground state who likes the president.”

Rove spoke almost exclusively about defeating Barack Obama and retaking control of the White House. There was sparse praise for Mitt Romney—either as a candidate or as a future leader and policy maker.

One of the few Romney mentions was by Haley Barbour, who jumped in to explain how Democrats hoped to define the nominee: “You know, ‘Romney is a vulture capitalist who doesn’t care about the likes of you. He doesn’t even know people like you—he’ll lay you off, cancel your insurance, shit jobs. He’s a plutocrat. Married to a known equestrian!’”

The room erupted in laughter.

Barbour predicted that the Democrats were going to “get nastier, more negative, more vicious, more personal. We’re going to have to put on our big-boy britches and respond with what the American people want to hear: What are we going to do to solve the problems in this country.”

Rove’s analysis of the Senate races was technical and masterly. The Republicans need four seats to gain a majority, and Rove said he feels “really good” about Nebraska and is optimistic about North Dakota, even though Democrats have a strong candidate in former state Attorney General Heidi Heitkamp. “We’re deeply engaged” there, Rove said. In Wisconsin, former Governor Tommy Thompson “has an excellent shot to win—he has a quirky, cross-party appeal.” Virginia is going to be tight and will likely mirror the way the state votes in the presidential race. Of those, Rove declared, “we can win three.”

In Connecticut, Rove noted that Linda McMahon, the former head of World Wrestling Entertainment, whom he had once written off, was running a “really smart campaign.” And the state, he noted, had moved more to the right. “Those affluent, socially liberal, economically conservative people in Fairfield County and the New York suburbs have finally figured out that their pocketbooks matter more than abortion.”

There are six Republican incumbents Rove identified as in jeopardy, but the biggest risk to Republican hopes of retaking the Senate is Todd Akin in Missouri, following his comments about “legitimate rape.” Rove urged every attendee to apply pressure on Akin to convince him to leave the race. “We have five people who are interested” in replacing Akin, Rove said. “We don’t care who the nominee is, other than get Akin out.”

Just to get the “juices flowing” of the billionaires in the room, Rove shared a little anecdote. Someone he described as a “benefactor” had recently contacted him, offering to donate \$10 million to be deployed in Florida—\$5 million for Republican Congressman Connie Mack’s Senate race against incumbent Democrat Bill Nelson and \$5 million for the presidential race. But the donor placed two conditions on

the money. One, his donation had to be matched by other donors. And two, former Florida Governor Jeb Bush had to start making phone calls on their behalf. Rove paused for effect and announced: "Jeb's making phone calls for us!" The crowd erupted.

American Crossroads's total budget, Rove said, was \$300 million, with \$200 million of it for the presidential race, \$70 million for the Senate, and \$32 million for the House.

After screening a collection of television ads aimed at such Senate battleground states as Massachusetts, the fundraising began in earnest. CEO Law said that because of the "tremendous generosity" of many of the people in the room, American Crossroads is two-thirds of the way toward reaching its \$300 million goal. But it still needs much more. With advertising rates going up and the necessity of "dealing with the gender-gap issue," they could easily spend more than \$300 million.

Barbour made the final pitch. "You all give so unbelievably generously. But you know what, I don't have any compunction about looking you in the eye and asking for more," he said. He compared the importance of a donation to American Crossroads in this cycle to donations made to "the charity hospital" or a "big not-for-profit cancer research program that you give to."

"This is a high-stakes election," he continued. "The consequences are greater than any election, and I know everybody in here wants their children and grandchildren to inherit the same country we did. I honestly believe those are the stakes."