



# From local roots, Bradley Foundation builds conservative empire

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Less than a week after being elected governor, Scott Walker and his wife met privately with one of the most powerful philanthropic forces behind America's conservative movement.

It wasn't the Koch brothers - the bogeymen for the American left.

On Nov. 8, 2010, the Walkers broke bread at the upscale Bacchus restaurant in the Cudahy Tower with the board and senior staff of the Milwaukee-based Lynde and Harry Bradley Foundation.

With more than \$600 million in assets, the Bradley Foundation provides a cornerstone for the conservative movement in Wisconsin and across America. It has been the financial backer behind public policy experiments that started in the state and spread across the nation - including welfare reform, public vouchers for private schools and, this year, cutbacks in public employee benefits and collective bargaining.

Yet outside conservative circles, the foundation has kept a low profile. It receives a fraction of the attention given the billionaire brothers David and Charles Koch and the Scaife family.

But the Bradley Foundation is in a different league: From 2001 to 2009, it doled out nearly as much money as the seven Koch and Scaife foundations combined.

Michael W. Grebe, president and chief executive of the foundation, said there's nothing secretive about his organization. Rather, Grebe likened the Bradley Foundation to the 1960s Green Bay Packers, who ruled the football world with a fearsome ground game and a deceptively simple running play, the sweep.

"We're going to run off tackle, right over there, and we're telling you we're going to run there and we're going to knock you on your butt and carry the ball down the field," Grebe said during an interview inside the foundation's headquarters near downtown. "There are no surprises."

Acting like a venture capital firm for ideas, the Bradley Foundation funds thinkers, doers and organizations tethered to conservative ideals of "limited, competent government," free markets and a "vigorous national defense," faithfully executing the will of the late manufacturing titans and brothers Lynde and Harry Bradley.

And make no mistake: Bradley Foundation-funded ideas, as well as political leaders who turn those ideas into action, have helped drive America's conservative revolution over the past quarter-century.

All told, the Bradley Foundation dispersed more than \$350 million in grants from 2001 to 2010 to

hundreds of institutions, ranging from arts organizations and school choice groups in Wisconsin to prominent national policy organizations, a Journal Sentinel review shows.

"I think there is some level of understanding of the breadth of organizations and causes they're involved in," said Assembly Minority Leader Peter Barca (D-Kenosha). "But I doubt many people would have any idea that they spent \$350 million over the last 10 years."

Aaron Dorfman, the executive director of the National Committee for Responsive Philanthropy, said the Bradley Foundation supplies "the intellectual justification for conservative causes."

"They have been particularly skillful at funding the think tanks and university programs that provide this intellectual foundation for their policy positions."

The list of major recipients reads like an all-star roster of conservative think tanks: millions of dollars directed to well-known groups such as the Hudson Institute, the Heritage Foundation, the American Enterprise Institute, the Hoover Institution on War, Revolution and Peace, and the Federalist Society - all trying to put their stamp on three branches of government.

Millions more have gone to just about every major conservative publication, including such magazines as Reason, Crisis, First Things, National Affairs and FrontPage Magazine. An additional \$1.5 million was poured into Inside the Vatican, the small but influential monthly Catholic news magazine.

Bradley helped found and continues to fund the conservative publishing empire Encounter Books.

From its headquarters near the shores of Lake Michigan, Bradley has underwritten the groups that define and defend bedrock economic and foreign policy issues within the conservative movement. Bradley dollars flow to groups pumping out public policy papers in favor of privatizing Social Security, promoting right-to-work legislation, deregulating campaign finance laws and strengthening American defense.

Groups and foundations tied to many of the country's leading neoconservatives, such as William Kristol, have received Bradley dollars.

Grants also go each year to lesser-known conservative advocacy groups such as the American Tort Reform Foundation and the Foundation for a Great Marriage.

New media outlets have become increasingly frequent beneficiaries of Bradley largess, as the once-staid institution tries to stay relevant in a world where ideas are not just read in books but go viral via the Internet. The foundation is now supporting <u>three conservative online outlets</u> in Madison, has begun donating to Hollywood film companies and started the <u>Bradley Prizes</u>, which often reward right-wing pundits and opinion leaders.

The efforts help amplify the group's message.

One of the Bradley-supported websites, the John K. MacIver Institute for Public Policy, <u>posted an</u> <u>editorial</u> last year demanding that Wisconsin repeal collective bargaining for public employees. (Bradley gave \$360,000 to MacIver in its first three years of operation, making Bradley one of MacIver's primary funding sources.) The MacIver editorial appeared two weeks before Walker <u>broached the same</u> <u>inflammatory subject</u> before the Milwaukee Press Club, after his election but before taking office.

The MacIver Institute and the Americans for Prosperity Foundation (which received \$600,000 from Bradley from 2004 to 2010) have spent more than \$1 million in recent weeks airing TV ads in support of Walker's budget proposals.

Another Bradley-supported venture created a website, Teachers Union Exposed, which included <u>sharp</u> <u>criticism</u> of Wisconsin teachers unions while Walker was proposing restrictions on public employee unions. Walker's anti-union proposals triggered massive protests in Madison and a wave of recall elections, including one targeted at him.

"In many respects, being stewards has caused us to continue funding what some of us refer to as the conservative intellectual infrastructure in this country through think tanks, academics, publications," Grebe said. "We continue to do that. I don't think as a matter of philosophical orientation, (the foundation) has changed much in that area. We still look for conservatives who are developing ideas in public policy."

# **Faces of power**

The Bradley Foundation also has a massive impact on local art and culture in Milwaukee, giving millions of dollars to prized assets such as the orchestra and art museum.

From 2001 to 2010, 38% of Bradley's grants were provided to institutions in Wisconsin. The remainder was distributed nationally.

Bradley power can be seen in unique ways.

Republican Mitch Daniels, completing his second term as Indiana's governor, formerly served as a foundation board member.

But Democrats also have tapped the Bradley Foundation for expertise. When Milwaukee Mayor Tom Barrett was searching for a police chief, he accepted the foundation's offer to underwrite the search that produced the winning candidate, Edward Flynn.

"We're part of the right-wing movement," Grebe said. "I don't think it's conspiratorial. At least, what we do is not conspiratorial. We're out there. People know what we're doing. We don't hide it."

Grebe is also upfront about his leadership position with Walker's campaign. The 71-year-old chaired Walker's campaign and led the transition, including interviewing finalists for some cabinet posts. He is again serving as chairman of Walker's campaign during the recall effort.

Last week, Grebe sent out a fundraising letter asking supporters to help the first-term Republican governor combat "the Democrats and Big Government Union Bosses" as they spend millions to "spread lies about Governor Walker's record of positive change."

"I'm very careful here," Grebe said. "I don't use foundation resources for any of my outside activities. I have a separate email address that I use for politics. I do my political and civic work on my own time."

State Rep. Kelda Helen Roys (D-Madison) said she was troubled by the concentration of conservative power wielded by Grebe and the foundation, especially in Wisconsin.

"I think it's emblematic of the very cozy relationship between the Walker administration and very

powerful corporate interests and ultra-conservative groups whose issues Walker has championed and pushed, in some cases, over the loud objections of Wisconsin families," Roys said.

The Bradley Foundation plays on a national stage.

Earlier this year, inside the Kennedy Center in Washington, D.C., a proud band of intellectual movers and shakers gathered for the annual Bradley Prizes.

Famed columnist George F. Will was emcee, working a crowd that included big shots from the country's major conservative think tanks and major players such as anti-tax crusader Grover Norquist and U.S. Sen. Pat Toomey (R-Pa.), past president of the powerful Club for Growth.

Grebe presided over it all.

For most of the evening, Grebe, a lawyer by both profession and temperament, tried to stay out of the spotlight. It was a difficult maneuver for a man poised to hand out awards worth \$250,000 each to four winners, including former Florida Gov. Jeb Bush.

During a brief speech extolling the values embodied by the Bradley Foundation and the award winners, Grebe reminded the audience that "an individual, a single person can change the world."

So, too, can a single organization.

#### **Allen-Bradley roots**

The foundation's history is rooted in old Milwaukee.

The Bradley brothers, high school dropouts, helped found an industrial colossus, the Allen-Bradley Co. They built a fortune manufacturing electrical controls. Lynde Bradley died in 1942. Harry Bradley, a fierce anti-communist and a supporter of the right-wing John Birch Society, died in 1965.

The Lynde Bradley Foundation, later called the Allen-Bradley Foundation, was set up in 1942. The foundation supported local causes, including schools, hospitals and the Boys Club. Eventually, its assets reached nearly \$14 million.

In 1985, all changed with sale of the Allen-Bradley Co. to Rockwell International for \$1.65 billion. A portion of the proceeds boosted the foundation's assets to a stunning \$290 million.

With the cash came a new name, the Lynde and Harry Bradley Foundation, and a broadened mission - to promote conservative ideas and values on a national stage.

Tough-talking Michael Joyce came from Cleveland to run the operation. A Democrat-turned-fierceconservative, Joyce earned his philanthropic stripes running the free-market John M. Olin Foundation. He boldly predicted the Bradley Foundation would become a significant force in shaping public policy.

"If not, it will be our own fault," Joyce said during a 1985 interview with The Milwaukee Journal. "We have the resources."

Joyce served as the foundation leader for more than 15 years until his retirement in 2001. Joyce was an intellectual brawler to the end of his life. He died in 2006 after battling liver illness.

"He enjoyed intellectual debate," said his widow, Mary Jo Joyce. "Where there was something of value at stake, then there was a reason to engage."

Under Joyce, the Bradley Foundation poured some \$20 million into the battle to bring the private school voucher program to Milwaukee, turning the city into a laboratory for the program for lower-income schoolchildren. The money paid for think-tank studies and student scholarships.

Bradley cash also bankrolled the state's court fight leading to the 1998 state Supreme Court decision that allowed the program to expand and include religious schools.

The foundation also financed studies that laid the intellectual groundwork for Gov. Tommy Thompson's welfare overhaul, in which thousands of people were removed from the welfare rolls and moved into employment or job training. Wisconsin efforts became the blueprint for national welfare changes under President Bill Clinton.

# Next chapter

If Joyce wrote the first chapter of the Bradley Foundation, it was Grebe who penned the next.

Grebe took over as president and CEO in 2002. He brought a different style to the job, acting as a calm litigator who methodically built on Joyce's successes and kept the foundation at the center of conservative thought and action.

He quietly commands a room, marching in briskly, getting down to business. He has a ruddy face, blue eyes and thinning white hair.

"Mike Grebe is very well-organized, very systematic and very disciplined," said Terry Considine, chief executive of the Colorado-based real estate investment trust AIMCO and chairman of the Bradley Foundation board.

"He's a guy who plays to win," said Brother Bob Smith, a board member and president of Messmer Catholic Schools.

Grebe was a tough, athletic kid who grew up in downstate Illinois, played quarterback on his high school football team, and attended West Point from 1958 to 1962. By late 1964, Grebe was in Vietnam, serving as an adviser to a Vietnamese infantry battalion operating in the Mekong Delta. It was there that he cast his first ballot for president, voting absentee for conservative Republican Barry Goldwater.

Grebe was reluctant to discuss his wartime experience, gently turning aside questions about how he earned two Bronze Star medals.

"I was frustrated," he said of America's involvement in Vietnam. "At the time, I continued to believe that it was the right thing for our country to do, but I didn't think we were doing it the right way. We were limiting ourselves."

From war, he took up law, getting a degree at the University of Michigan and later moving with his young family to Milwaukee. He landed a job at the prestigious law firm Foley & Lardner, where he rose through the ranks during a decades-long career, eventually becoming chairman and CEO.

Grebe became a player in Republican politics. He was a state co-chairman of Ronald Reagan's

presidential campaign in 1984, then flirted with a run for governor in 1986. Later he served as general counsel to the Republican National Committee.

After his wife Peggy suffered a series of strokes, Grebe withdrew from party politics. (She died in 2003, and Grebe remarried two years later.)

In 2002, he made the transition from being the state's most powerful private attorney to leading one of the nation's top philanthropic organizations. According to the latest federal filing, Grebe's salary at the foundation was \$543,891. He said the figure has not changed.

His passion is policy.

"I've always said the principal aim of good politics is good government," he said.

## **Tracing donations**

The foundation's interests can be traced through its cash disbursements, made available annually through federal tax filings.

During the past decade, the Bradley Foundation was a major source of funding for the Milwaukee Art Museum (\$8.4 million), the Milwaukee Symphony Orchestra (\$6 million) and the Milwaukee Public Museum (\$5.1 million). The group has also doled out smaller grants to local homeless shelters, rehab centers and a midnight basketball program in the central city.

By far, the single largest recipient during the period was the Charter School Growth Fund, which received \$16.5 million and a \$5 million revolving line of credit. Grebe is a board member of the Colorado-based organization, which provides money to high-achieving charter schools and some start-up funds for new charter schools.

The second largest recipient, with \$12.8 million, was the Milwaukee-based Partners Advancing Values in Education, or PAVE, which provides scholarships to low-income children and invests in urban schools - a sign that the foundation remains focused on its brand of competition-based education reform.

The foundation also put \$3.6 million into the Wisconsin Policy Research Institute, the free-market think tank it helped found in the 1980s and that has flourished as an incubator of conservative ideas. Talk radio host Charles Sykes is editor of WPRI's magazine, Wisconsin Interest, which carries articles written by other Wisconsin conservatives.

"In some way or another, most (local) conservatives, I guess, would have a connection to us," Grebe said.

The foundation doesn't spend much money on such conservative social issues as abortion. Grebe said that's because the Bradley brothers weren't, strictly speaking, social conservatives. They were more interested in education, economics and foreign policy.

With so much money and so many interests, the foundation has its share of critics.

Earlier this year, the liberal Center for American Progress <u>issued a report</u> accusing the foundation of being an "Islamophobia network donor" for helping underwrite groups that spread "misinformation about Muslim-Americans."

Among the Bradley grantees named in the report: the Middle East Forum, a conservative think tank founded by scholar Daniel Pipes; the neoconservative think tank Center for Security Policy; and the David Horowitz Freedom Center, creator of the Jihad Watch website.

The report cites numerous examples of alleged anti-Islamic rhetoric, such as a statement by Frank Gaffney of the Center for Security Policy suggesting that it is "now public knowledge that nearly every major Muslim organization in the United States is actually controlled by the MB (Muslim Brotherhood) or a derivative organization."

Bradley gave \$840,000 to Gaffney's group between 2001 and 2010.

Grebe countered by saying the Bradley Foundation has provided significant financial support directly to moderate Muslim groups and to organizations that "were looking to find moderate voices courageous enough to challenge radical Islam."

"We are broadly tolerant," said Considine, the board president. "And we are delighted to engage fairminded Muslim opinion that accepts our values and can work with us."

The Center for American Progress "report is just like a slander sheet - that's all it is," said Horowitz, whose foundations have received nearly \$4 million from the Bradley Foundation since 2001.

The Bradley Foundation has also given at least \$4 million to a trio of nonprofits created by high-profile corporate publicist Rick Berman, who has been <u>dubbed</u> "Dr. Evil" by his critics for his advocacy on behalf of the tobacco and alcoholic beverage industries.

"I'm surprised about it," said Melanie Sloan, head of Citizens for Responsibility and Ethics in Washington, which runs "Berman Exposed," a <u>website</u> devoted to identifying the corporations funding the former Washington lobbyist's various groups. "In truth, I thought mostly they were supported by industry because, as you know about Berman, all of his groups are industry-specific."

Bradley's financial filings show that since 2006, it has given \$1.8 million to the Center for Union Facts, one of the groups created by Berman. According to the group's website, "The Center for Union Facts has gathered a wealth of information about the size, scope, political activities, and criminal activity of the labor movement in the United States of America." The group operates a website critical, in particular, of teachers unions.

Even though Sloan said the group does little more than "union bashing," Grebe dismissed the charge that his group is antagonistic toward organized labor.

Explaining the foundation's interest in labor issues, Grebe said, "To some extent it's an offshoot of the work we do on education reform."

"There is still a place for it - just not as prominent as it used to be," he said about unionized work forces. As for Berman's groups, Grebe said: "If it was political, we wouldn't support it."

## Wider exposure

Under Grebe, the Bradley Foundation has moved into some new directions. Grebe said he and the board have sought to gain wider exposure for the ideas generated by foundation-funded initiatives.

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He declined to be specific. But records show the foundation has begun putting money into politically driven social media outlets and at least three movie companies - Manifold Productions, Moving Picture Institute and the American Film Renaissance Institute.

The Moving Picture Institute - whose <u>founder</u> has been <u>described</u> as being on a "campaign to make Hollywood safe for non-leftists" - sponsored and distributes "The Cartel," a <u>recent documentary</u> that makes the case for cutting funds to public schools and expanding school choice. Another institutesponsored documentary, "An Inconvenient Tax," <u>sets out to show</u> how Congress abuses the tax code by using it for political purposes.

Grebe said he and his staff are "looking for more ways to affect the popular culture with these ideas so that we're not appealing just to the elites, but we're also attempting to appeal to a broader population."

Grebe instituted the Bradley Prizes to try to reach a wider audience.

To Grebe, success for the prizes might mean that they're covered by People magazine or The Washington Post.

Yet the prizes appear to remain an exclusive province for the conservative intellectual elite.

Harvey Mansfield, 79, a professor of government who first arrived at Harvard University in 1949, received a 2011 prize.

"It has given me a boost, a shot in the arm, a kind of tonic at an advanced age," Mansfield said in an interview.

Will, the Pulitzer Prize-winning syndicated columnist for newspapers and Newsweek, and Paul Gigot, another Pulitzer winner and editorial page editor for The Wall Street Journal, each won a \$250,000 prize in the past, and Will continues to receive \$43,500 a year as a Bradley board member.

Both said they saw no reason to disclose these financial ties to readers when writing columns or editorials that support the Wisconsin governor, whose campaign committee is headed by Grebe.

"Of course not, or I would have done so," Will said. "Because I have no connection to Scott Walker. I have a connection to an organization, one member of which is connected to Scott Walker."

Gigot said in an email: "The implication is that anyone who has received a Bradley Prize can never write about a cause or politician that Mike Grebe happens to support. This is ridiculous."

Experts in journalistic ethics, on the other hand, said readers should know that a writer has received money from an ideologically oriented foundation such as Bradley when the writers are supporting related causes.

"It would be journalistically wise and ethically sound for Gigot to disclose this connection, though I don't think he needs to do so in every case where he writes about Walker or Wisconsin government," said Bob Steele, director of the Prindle Institute for Ethics and a journalism professor at DePauw University.

"Transparency is important, so their readers can judge for themselves whether there is a conflict of interest," said Leonard Downie Jr., the former executive editor for The Washington Post who now

teaches journalism at Arizona State University. "Gigot and Will each should have made clear to their readers at least once their receipt of the prize (and Will's payment for being on the Bradley Foundation board) and the nature of the Bradley Foundation."

Having spent decades in the often rough-and-tumble world of politics, Grebe is accustomed to dealing with and overcoming criticism.

That's because, Grebe said, the foundation is focused on the long term.

"We tend to have a thick skin here," he said.

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