

Connerly Cashes In

The anti-preferences activist gets rich off of affirmative action.

By Michael Brendan Dougherty

THIS WAS SUPPOSED to be a banner year for Ward Connerly, the former University of California regent and the Right's most visible anti-affirmative-action activist. His 2000 biography, *Creating Equal: My Fight Against Racial Preferences*, was re-released in February. His latest book, *Lessons From My Uncle James*, was set to hit shelves this summer. More significantly, he was to be the driving force behind a series of ballot initiatives that would have forbidden state governments from "grant[ing] preferential treatment to any group or individual on the basis of race, sex, color, ethnicity or national origin in areas of public contracting, public education, or public employment." He marketed this effort as Super Tuesday for Equal Rights.

George Will gave his imprimatur to Connerly and his mission in a *Washington Post* column: "Will the superstitions surrounding race ever fade away? Not before governance is cleansed of the sort of race-based policies opposed by Connerly, who intimately knows the increasing absurdity of racial classifications and the folly of government preferences based on them."

But Connerly's plans are unraveling. His biography is absent from most stores and barely registered in conservative book clubs. His second book is mysteriously delayed. His ballot ambitions were scaled back, first from 10 states to five. Then legal challenges and organized opposition winnowed the tally down to just two.

This is unfortunate because anti-affirmative-action ballot measures usually pass when put to a vote. Connerly would

know. He and the nonprofit organizations he founded helped three such measures pass—in California in 1996, Washington in 1998, and Michigan in 2006.

But don't spend too much sympathy on Ward Connerly. The Right's point man on affirmative action doesn't need political successes to be a success. While his plans sputter and his former achievements are overturned, Connerly is still being handsomely rewarded. Once he received favored status from the conservative movement, his future was guaranteed. As an activist, Connerly has made millions opposing affirmative action. As a businessman and consultant, he has also made hundreds of thousands in large part because of it.

Between 1999 and 2005, Connerly's nonprofits, the American Civil Rights Institute and the American Civil Rights Coalition, didn't challenge a single affirmative-action law. Yet donations climbed to almost \$2 million per year. The share that Connerly paid to himself, or to his private for-profit consulting firm, Connerly and Associates, also dramatically increased. In 1998, 22 percent of his nonprofits' revenue was paid to Connerly in salary or to his firm. By 2001, Connerly's salary and the fees charged by Connerly and Associates ate up 49 percent of the nonprofits' combined revenue. Most of the money paid to the firm was listed on tax forms as "speaking fees." In 2006, when Connerly took up a concrete goal in political activism—ending Michigan's affirmative-action policies—the cut of nonprofit revenue paid to him and his firm rose to 66 percent of total receipts, nearly \$1.6 million.

Connerly's nonprofits employ him for 30 hours a week and two others full time. The nonprofits then hire him from Connerly and Associates to make speeches. In 2003, ACRI and ACRC paid him \$314,079 while he managed two people. By comparison, that year the National Action Network, which receives about \$1 million in public funds, only paid Al Sharpton about \$4,000. The Claremont Institute, a neoconservative think tank in California, paid its top executive \$132,000, and its staff is 9 times the size of Connerly's. The Heritage Foundation paid its president \$292,000 to manage a staff of over 180. The primary financial responsibility that Ward Connerly had at his nonprofits that year was paying his firm over \$400,000 for Ward Connerly the consultant, Ward Connerly the speaker, Ward Connerly the political maven—and occasionally a security detail to guard him.

Is this illegal? The IRS makes clear in its statute that nonprofit organizations cannot be used to enrich one individual or company, but few of these cases are prosecuted. In 2006, during the heat of Connerly's Michigan push, Congressmen John Conyers and Charles Rangel asked the IRS to look into his dealings. An IRS spokesman said that he could not comment on a case under investigation. Connerly defended himself by saying that he avoids any trickery on his IRS forms and dutifully pays taxes on all the money he receives.

Not long after the *Sacramento Bee* and the House members began inquiring about his compensation, Connerly changed procedures at his nonprofits.

They now have a board that reviews his salary. He says, "It's based on a formula that is devised by our auditors and accountants—a base salary of \$300,000 and then compensation for speeches and things." Connerly no longer has his private company invoice his nonprofits: "I pay Connerly and Associates for those services out of funds I receive for ACRI, so they [Connerly and Associates] in fact became a sub-contractor to me." If this explanation seems convoluted, that's fine by Connerly.

Whose money is he using? It's difficult to say. During Connerly's push for Proposition 54, which would have banned California from collecting racial data on its employees or students, ACRC was sued by political opponents for breaking campaign-finance laws. The settlement revealed that Connerly's donors included a handful of deep-pocketed conservatives, including grocery magnate John Uhlmann and media mogul Rupert Murdoch.

Connerly was an odd candidate to become a favorite son of the conservative movement. Born in the ethnic melting pot of Louisiana at the start of World War II, he describes his ancestry as one-quarter black mixed with Irish, French, and Choctaw. His father left the family when Connerly was two, and his mother died when he was four. He was young enough to have experienced Jim Crow laws. After graduating with honors in political science from Sacramento State College, Connerly embarked on a low-level career in California politics, working in the Department of Housing and Urban Development and serving on various assembly committees. It was during this time that he befriended Pete Wilson, a legislator who later became governor.

In 1973, using the experience and connections he gained in California state politics, Connerly opened Connerly and Associates with his wife Ilene. His work

Iraqi Prime Minister Nouri al-Maliki recently learned he was being spied upon by Washington, thanks Bob Woodward's latest book *The War Within*. One intelligence source reportedly related, "We know everything he says." If the Iraqis are now tearing holes in their walls to find the microphones, they might be disappointed. The latest surveillance technologies are variations on systems pioneered by the Russians in the 1980s and used with some success against the U.S. Embassy in Moscow. They use a transmitter that saturates a target space with subsonic noise. The noise is then picked up by a receiver on the other side of the target and the "holes" in the sound pattern are reconstructed to recreate the conversations taking place in the room. The technology can be defeated using secure rooms or "bubbles," but it is to be presumed that most Iraqi government meetings do not incorporate any special security measures.



Could the October Surprise happen again? There is considerable buzz among former intelligence officers that an overseas crisis is being engineered or allowed to explode. The spinning of the Georgia incident to create a faux conflict with Russia is a harbinger of things to come. As one officer puts it, how else might one plausibly explain so many otherwise manageable international situations being allowed to turn confrontational so close to the election? The deliberately provocative build-up of naval forces in the Persian Gulf and Black Sea; reports in the European media that an attack on Iran is imminent; the visit of Dick Cheney to Georgia and Ukraine; massive aid to rearm Tbilisi; and the launching of the first U.S. ground forces attacks inside Pakistan—all of this could have been deferred until after the election. The potential for a serious international crisis during the next 60 days has increased dramatically. And John McCain is clearly reading the tea leaves, not hesitating to stir the pot with increasingly harsh rhetoric targeting Russia. There is growing belief among intelligence officers that an incident will either be manufactured or allowed to occur to strengthen the electoral prospects of the Republicans' "national security" candidate. Few believe that the ethically challenged Bush administration would hesitate to engineer its own Gulf of Tonkin to guarantee a GOP victory.

The original October Surprise started with a rogue operation by the CIA chiefs of station in Madrid, Paris, and Rome, all classmates in the Operations Directorate who had come up together in Africa and the Middle East. In the summer of 1980, they arranged a series of secret meetings between Reagan's campaign manager, Bill Casey, and Iranian representatives that led to an Iranian agreement not to release the American hostages they were holding, guaranteeing electoral defeat for the hapless Jimmy Carter. But no one believes that a 2008 surprise would again involve the CIA, which has been purged and brought to heel to such an extent that any independent action is unimaginable. Look instead to the still well-entrenched neocons operating out of the office of Vice President Cheney. Their hopes for the future ride on a McCain victory.

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