

The National Federation of *Independent* Business?

The National Federation of Independent Business (NFIB) bills itself as “The Voice of Small Business,” and carefully cultivates an image as a coalition of mom-and-pop small businesses, even including the word “Independent” in its name. However the NFIB is not independent at all. In fact, the evidence shows the lobby group has deep and longstanding ties to right-wing political movements and has been a partner in pushing a conservative ideology and agenda that is often at odds with the needs of small businesses.

Founded in 1944, NFIB began as a vigorous proponent of broad Federal action on antitrust issues and big business concentration - items which have completely disappeared from NFIB’s present agenda.ⁱ In fact, one of NFIB’s partners is American Crossroads, a corporate funded Super PAC with close ties to right-wing operative Karl Rove.ⁱⁱ He is addressing NFIB’s 2012 Small Business Summit on May 14 in Washington, DC.ⁱⁱⁱ

The connection is worth millions to both: In 2010, American Crossroads gave \$3.7 million to NFIB – a contribution which a December 2011 opinion piece in the *Wall Street Journal* described as part of a “trial run” at what Crossroads called “funding the right,” adding that Crossroads CEO Steven Law considered the initiative “money well spent.”^{iv} Donations for 2011 and 2012 are not yet public. And in 2010, the NFIB reported paying more than \$3 million for “advertising services” to Crossroads Media LLC,^v a Virginia-based firm that does media placement for American Crossroads and shares office space with a number of other Super PACs.^{vi}

But Rove is not the NFIB’s sole connection to the ideological right.

Staff

NFIB President Dan Danner

NFIB president and CEO Donald A. “Dan” Danner was never a small businessman. Instead, he started out as a lobbyist for the steel industry. Before joining NFIB, Danner served as deputy director in the White House Office of Public Liaison during the first Reagan term. That office coordinated the Reagan administration’s ties with the New Right and Christian evangelical political movements that had grown up during the late 1970s.

Dan Danner went on to become George Mason University’s executive vice president for university advancement where he was caught up in a controversy over funneling federal grant money to right wing operative Paul Weyrich’s Free Congress Research and Education Foundation.^{vii}

As top lobbyist at NFIB, Danner attended meetings with Republican leaders at least twice a month for 12 years, according to the *Washington Post*,^{viii} and was called “the go-to guy for the House Republican leadership” by a congressional staffer in 2005.^{ix}

Chief Lobbyist Susan Eckerly

Over the past two decades NFIB has become a recognized “farm team” for Republican staffers who went to work on K Street.^x

DEMOCRACY STRATEGIES



NFIB's in-house lobbying operation is headed by Senior Vice President for Public Policy Susan Eckerly, who came to NFIB in 1996 from Citizens for a Sound Economy, co-founded by oil billionaire David Koch in 1984 and since merged into the Koch-backed organizations FreedomWorks and Americans for Prosperity.

Before that Eckerly served in the Labor Department in the George H.W. Bush administration and had been deputy director of economic policy studies at the Heritage Foundation.^{xi} While at Heritage, Eckerly endorsed the call to repeal the Community Reinvestment Act, the Civil Rights Act and the Americans with Disabilities Act.^{xii} Eckerly also opposed minimum wage legislation in 1994 and again in 1999.

Communications Director Jean Card

NFIB's National Media Office, based in Washington, DC, is headed by vice president of media and communications Jean Card. Card is a onetime Task Force Director of the American Legislative Exchange Council (ALEC) (September 1994–June 1996), which she left to work for NFIB for five years, a position she returned to in 2010^{xiii}

NFIB's Lobbying and PAC

NFIB's spent nearly \$9.5 million on lobbying in 2010 and 2011, when it engaged in heavy activity over healthcare reform battles in Congress.^{xiv} The group recently retained Mark Warren, former chief counsel of the Senate Republican Policy Committee, as a lobbyist.^{xv}

According to the Center for Responsive Politics, NFIB's PAC raised \$20,157,250 from 1998-2012 to support candidates in state and federal elections.^{xvi} In 2010 nearly 94% of NFIB's PAC contributions went to Republicans.^{xvii} This election cycle, the figure is closer to 98%.

NFIB Legal Foundation

The NFIB is the principal private litigant suing in the Supreme Court to overturn the Affordable Healthcare Act. President Dan Danner told *The Wall Street Journal* that the healthcare litigation cost NFIB \$2.9 million in 2010 alone, with about \$1.6 million coming from "'contributed services,' referring to an agreement with an outside law firm to handle the case."^{xviii}

The NFIB Small Business Legal Center's budget has grown from \$300,000 in 2000 to over \$2.2 million in 2010. As a tax-exempt 501c(3), NFIB SBLC is not required to disclose the source of its funding, and has refused to disclose from where it received the additional funding for the healthcare litigation.

From 2003-2004, NFIB's Small Business Legal Center received \$88,000 in funding from the Koch-controlled Claude R. Lambe Foundation.^{xix} NFIB SBLC also received \$100,000 from the Lynde and Harry Bradley Foundation, the leading foundation funder of the right wing think tank infrastructure, in the run-up to the fall 2010 congressional elections and just as its healthcare litigation was ramping up.^{xx}

Questions are being raised about the NFIB carrying out this activity under the umbrella of a charitable non-profit organization whose supporters can take tax write-offs for their contributions to the group.

Questions have also arisen about the propriety of NFIB paying the lion's share for litigation involving 26 states. "My concern is if it's a lawsuit on behalf of the people of Florida, then I would believe it should be the people of Florida footing the bill," state Rep. Mark Pafford, D-West Palm Beach, told the *Palm Beach Post*.

State Operations

NFIB has an extensive network of operations at the state level that extends to all 50 states and combines lobbying, communications, member services, political action, grassroots and policy networking components. These operations include endorsements for governors, positions on state referenda, and involvement in judicial campaigns.^{xxi}

NFIB state officials served on the transition teams for both New Jersey Gov. Chris Christie and Virginia Gov. Robert McDonnell. The Christie election effort benefited from NFIB's "successful grassroots effort, coupled with a strong earned media campaign driven by Senior Media Manager Jason Brewer," according to NFIB.^{xxii}

State groups also have close ties with various partisan and right-wing organizations. The state director in Massachusetts, for example, William B. Vernon, was one of the American Legislative Exchange Council's 2011 "Private Sector Members of the Year."^{xxiii} Vernon served as chair of the Massachusetts Republican Party before coming to NFIB.

Vernon has also worked with the Pioneer Institute,^{xxiv} Massachusetts' conservative think tank. The Pioneer Institute is a member of the State Policy Network, an umbrella network of right wing think tanks.^{xxv}

ⁱ See Harder's statements in Louis Stark, "[Grange Head Cool to Prince Inquiry](#)," *New York Times*, August 14, 1947.

ⁱⁱ American Crossroads, led by its president Steven Law (who was general counsel of the U.S. Chamber of Commerce before leaving to head Crossroads), is playing a central leadership role in coordinating right wing groups as they plan to deploy money and resources for the November 2012 elections. See Kenneth P. Vogel, "[Karl Rove's Fight Club](#)," Politico, March 27, 2012.

ⁱⁱⁱ "[The 2012 Small Business Summit Is Vital](#)," NFIB website, accessed March 12, 2012.

^{iv} Fred Barnes, "The GOP's Answer to Union Money," *Wall Street Journal*, December 28, 2011.

^v [NFIB Inc., IRS Form 990, 2010](#), p. 8.

^{vi} See chart in "[66 Canal Center Plaza, Suite 555](#)," *New York Times*, February 25, 2012; also Mike McIntyre and Michael Luo, "[Fine Line Between 'Super PACs' and Campaigns](#)," *New York Times*, February 25, 2012.

^{vii} Peter Baker, "GMU Defends Journal against 'Pork' Label: Conservative Group Gets Most of U.S. Grant," *Washington Post*, March 6, 1993. Weyrich co-founded the American Legislative Exchange Council (ALEC) and the Heritage Foundation in 1973.

^{viii} Jeffrey H. Birnbaum, "[Democrats' Victory Is Felt On K Street](#)," *Washington Post*, November 23, 2006.

^{ix} "Lobby League #37: Small Business," *The Hill*, May 25, 2005.

^x Anna Palmer, "New Leadership at NFIB Makes a Return to Roots," *Roll Call*, November 30, 2009.

^{xi} While at the Heritage Foundation, Eckerly said "it was because of ADA [the Americans with Disabilities Act] that today we're mobilized to fight against unfunded federal mandates." Joyce Price, "As Disability-Law Deadlines Loom, So Do Huge Costs Jurisdictions Struggle To Fund Changes Needed To Obey ADA," *The Washington Times* October 15, 1993.

^{xii} Cindy Skrzycki, "Federal Regulations May Be In For A Bumpy Ride," *The San Francisco Chronicle*, December 5, 1994.

^{xiii} "[Jean Card](#)," *NFIB Inside Out*, accessed March 11, 2012.

^{xiv} Center for Responsive Politics, National Federation of Independent Business lobbying profiles for [2010](#) and [2011](#).

^{xv} Congressional Lobbying Registration, Mark Warren, January 26, 2012.

^{xvi} Center for Responsive Politics PAC reports, [National Federation of Independent Business](#), total of summary reports of receipts, 1998-2012.

^{xvii} Center for Responsive Politics, "[National Federation of Independent Business: Contributions to Federal Candidates, 2010](#)." NFIB's PAC contributed \$46,000 to Democrats and \$720,744 to Republicans that year.

DEMOCRACY STRATEGIES

^{xviii} Sarah E. Needleman and Angus Loten, “[A Small-Business Lobby’s Million-Dollar Legal Assault](#),” *Wall Street Journal*, March 27, 2012.

^{xix} Claude R. Lambe Foundation, IRS Form 990s for [2003](#) and [2004](#).

^{xx} Lynde and Harry Bradley Foundation, [IRS Form 990, 2010](#), pp. 73-74.

^{xxi} NFIB, “[Steve Woods: Senior Vice President, State Operations](#),” accessed March 20, 2012.

^{xxii} “[NFIB Plays Key Role in Gubernatorial Races](#),” *NFIB Inside Out*, accessed March 12, 2012.

^{xxiii} Center for Media and Democracy, “[ALEC Award Winners](#).”

^{xxiv} E.g., William Vernon assisted the Pioneer Institute in preparation of its handbook “[Navigating through Regulations & Licensing Requirements](#),” p. 4.

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