

### ALLIANCE for CONSUMERS

# CONSUMER PROTECTION REPORT

# Shady Trial Lawyer Pipeline Update: The Shady Trial Lawyer PACs Revisited

A Look Into The Deepening Ties Between The Primary Trial Lawyer-Affiliated Federal Political Action Committees And Left-Wing Groups. One of the biggest consumer protection problems we face is the growing trend of trial lawyers and public officials diverting money from victims and everyday consumers.

A stark example of this problem is the Shady Trial Lawyer Pipeline—politicians handing out lucrative public contracts to trial lawyers who give millions of dollars to liberal political campaigns. This is often done under the guise of consumer protection. But, while the Shady Trial Lawyer Pipeline helps politicians funnel public money toward left-wing politics, it leaves everyday consumers and taxpayers with a horrible deal.

Alliance For Consumers launched a series of Shady Trial Lawyer Pipeline Updates in 2022, starting with a look at federal political giving by eight law firms—referred to as the Shady Eight—as well as the money that was put to work from 2017 through the beginning of 2022 by the web of federal political action committees (PACs) that are affiliated with trial lawyers and bolstered by the Shady Trial Lawyer Pipeline.

This Alliance For Consumers Consumer Protection Report builds off the initial report on this web of PACs, collectively referred to as the Shady Trial Lawyer PACs, with a focus on money put to work during 2022 in connection with the midterm elections.

# SHADY TRIAL LAWYER PACS

AAJ PAC
Justice 2018 PAC
Justice 2020 PAC
Justice 2022 PAC
Justice 2024 PAC
Truth And Justice
Fund Company

The centerpiece of this web is AAJ PAC, which is affiliated with the American Association for Justice, the trade group formerly known as the Association of Trial Lawyers of America. The rest of the web consists of Truth And Justice Fund Company and

a series of Justice PACs that are set up for each two-year election cycle (Justice 2018, Justice 2020, Justice 2022, etc.). Each is closely tied to plaintiff-side trial firms and powered by money flowing out of firms that have contracts with States or local governments. This includes significant sums of money out of the Shady Eight firms that are covered in other Alliance For Consumers Consumer Protection Reports.

### **\$24 MILLION**

# In Total Support For Democratic Candidates And Allied Committees

Altogether, the Shady Trial Lawyer PACs put 99% of their money to work for Democrats from 2017 through the beginning of 2023. Of their disclosed independent expenditures in federal races, 100% were in support of Democratic candidates. And combined they put over \$24 million to work supporting Democratic candidates and committees since the beginning of 2017, with \$6.5 million of that coming just during 2022.

## \$6.5 MILLION

In Total Support For Democratic Candidates And Allied Committees In 2022 Alone

Independent
Expenditures Benefitting
Democratic Candidates
For Federal Office:

100%

The specifics of where this \$24 million went demonstrates the reach of the Shady Trial Lawyer Pipeline and its importance to national Democratic causes and Capitol Hill. Combined, the Shady Trial Lawyer PACs put at least \$16 million toward races for the U.S. House and Senate. This represents 2/3 of the total money the Shady Trial Lawyer PACs put to work since the start of 2017. This includes more than \$9 million toward supporting Democratic candidates for U.S. Senate in addition to money spent on independent expenditures and money sent to outside committees like the Democratic Senatorial Campaign Committee and Senate Majority PAC that focus on electing Democrats to the U.S. Senate, as well as more than \$7 million going to support Democratic candidates for the U.S. House and outside committees targeting those races.

TOP RECIPIENTS OF SHADY TRIAL LAWYER PAC ASSISTANCE IN 2022

Cheri Beasley
America Votes
Senate Majority PAC
House Majority PAC
Emily's List

While the Shady Trial Lawyer PACs support a long list of individual candidates, their support primarily flows to a handful of groups and candidates sitting at key fulcrums or focused on certain progressive ideologies. Indeed, the top five beneficiaries of assistance during 2022 accounted for over \$3 million in total support, almost 50% of the money deployed by the Shady Trial Lawyer PACs during the year. And just eight outside groups accounted for almost \$2.5 million during 2022, amounting to over 1/3 of the money deployed by the Shady Trial Lawyer PACs during the year to all candidates and committees.

OUTSIDE GROUPS RECEIVING SIX FIGURES IN 2022

America Votes
Senate Majority PAC
House Majority PAC
Emily's List
American Bridge
National Democratic
Redistricting Committee
Priority USA Action
For Our Future

#### SHADY TRIAL LAWYER PAC WEB PAC-BY-PAC

AAJ PAC - AAJ PAC is affiliated with the American Association for Justice (formerly known as the Association of Trial Lawyers of America). AAJ PAC touts itself as being bipartisan, but 98% of the disbursements to candidates and committees that AAJ PAC disclosed from 2017 through the beginning of 2023 benefited Democrats and their allies. AAJ PAC put over \$18.5 million to work in support of candidates and committees during this time period, with over \$18 million of that going to liberal efforts; this includes over \$2.5 million to Senate Majority PAC (affiliated with Senator Majority Leader Schumer), at least \$1.2 million to America Votes, at least \$750,000 to Priorities USA Action, and over \$500,000 to the National Democratic Redistricting Committee, American Bridge 21st Century, and Emily's List.

TRUTH AND JUSTICE FUND COMPANY – Truth

And Justice Fund Company is an independent expenditure vehicle that has received over \$800,000 from AAJ PAC, including \$450,000 in 2022 alone, and put over \$1 million in independent expenditures into opposing the 2022 election of U.S. Senator Ted Budd in North Carolina after putting seven-figures of independent expenditure support behind Cal Cunningham's 2020 campaign for U.S. Senate in North Carolina against Senator Thom Tillis and nearly \$500,000 behind Steve Bullock's 2020 campaign for U.S. Senate in Montana against Senator Steve Daines.

**JUSTICE 2018, 2020, 2022, AND 2024** – These iterative Justice PACs have put over \$3 million toward Democratic candidates for United States Senate since the start of 2017.

### **OUTSIDE GROUPS RECEIVING \$100,000 IN 2022**

Beyond the money these PACs put to work directly in support of specific Democratic candidates, and the millions they put into Senate Majority PAC and House Majority PAC (leadership-affiliated outside groups that specifically support Democrats running in U.S. House and Senate races), the Shady Trial Lawyer PACs sent substantial money to outside organizations that serve as progressive political hubs, with six groups in particular garnering substantial support during 2022.

**AMERICA VOTES** – The Shady Trial Lawyer PACs sent almost \$750,000 in 2022 to America Votes. a 501(c)(4) organization that bills itself as the "the coordination hub of the progressive community." America Votes was founded in 2004 by a cadre of operatives that included Emily's List founder Ellen Malcolm. It received the biggest single outlay from the Arabella Advisors-linked 1630 Fund in 2020, and partners with various progressive partners on a national level, including the Brady Campaign to Prevent Gun Violence, the Center for Secure and Modern Elections, Emily's List, Equality Federation, the Human Rights Campaign, NARAL Pro-Choice America, and Planned Parenthood Action Fund. Since the beginning of 2017, the Shady Trial Lawyer PACs have sent America Votes at least \$1.2 million.

EMILY'S LIST – The Shady Trial Lawyer PACs sent almost \$300,000 in 2022 to Emily's List, a political action committee that has as its tagline: "We elect Democratic pro-choice women to office." Emily's List touts its involvement as more than just fundraising, explaining its mission as: "We recruit, train, and support Democratic pro-choice women running for office up and down the ballot." And Emily's List has announced a campaign "to improve Kamala Harris' public standing," by "spending 'tens of millions of dollars' to defend and prop up the vice president during the 2024 election." Since the beginning of 2017, the Shady Trial Lawyer PACs have sent Emily's List over \$650,000.

AMERICAN BRIDGE 21ST CENTURY – The Shady Trial Lawyer PACs sent at least \$125,000 in 2022 to American Bridge 21st Century, a 501(c)(4) organization that bills itself as "the largest research, tracking, and rapid response operation in the Democratic Party," and "also runs large-scale paid

media programs. The group <u>was founded by liberal activist David Brock</u>. Since the beginning of 2017, the Shady Trial Lawyer PACs have sent American Bridge 21st Century over \$500,000.

THE NATIONAL DEMOCRATIC REDISTRICTING **COMMITTEE** – The Shady Trial Lawyer PACs sent at least \$100,000 in 2022 to The National Democratic Redistricting Committee that is chaired by President Obama's Attorney General. Eric Holder, and serves as a "centralized hub for executing comprehensive redistricting strategy," that includes "shifting the balance of power away from total Republican control of redistricting, raising awareness of redistricting ... and filing lawsuits ...." The formation of the National Democratic Redistricting Committee arose after coordination with progressive groups like Emily's List and Planned Parenthood, and fundraising efforts that were spearheaded by House Speaker Nancy Pelosi and other leading D.C. Democratic leaders. Since the beginning of 2017, the Shady Trial Lawyer PACs have sent NDRC over \$500,000.

PRIORITIES USA ACTION – The Shady Trial Lawyer PACs sent at least \$100,000 in 2022 to Priorities USA Action, a 501(c)(4) organization that is a digital-first operation "built to engage, persuade, and mobilize millions of voters online" with a clear ideological goal: "to reelect President Biden in 2024 and win Democratic victories in every corner of our country." The group came into its modern incarnation in 2016 with the intent of serving as "a permanent center of opposition" and with the support of groups like Planned Parenthood Action Fund and the Human Rights Campaign.

Since the beginning of 2017, the Shady Trial Lawyer PACs have sent Priorities USA Action over \$500,000.

FOR OUR FUTURE – The Shady Trial Lawyer PACs sent at least \$100,000 in 2022 to For Our Future, a political action committee that is "committed to serving progressive values," seeks to "create permanent and lasting change," and runs "the largest, permanent progressive field program across key states," with a focus on "climate justice, and racial and social justice."

#### THREAT TO CONSUMERS AND TAXPAYERS

This partisan political giving is supported by money from lucrative public contracts signed by politicians and public officials, money that really belongs in the pockets of taxpayers and consumers.

Consumers and taxpayers lose out from the Shady Trial Lawyer Pipeline in many ways, but one particularly dire aspect is how the public contracts that are the gateway to the Shady Trial Lawyer Pipeline are so often missing basic protections (including basic ethics protections) that should be in all outside-counsel contracts. The contracts can at times be only a few pages long, sometimes look like they were written by the trial lawyers themselves, and have glaring weaknesses, such as:

 The contracts often have no expiration date or clear language tying the engagement to a particular defendant or case;

- The contracts rarely include appropriate conflicts protection, even though trial lawyers often represent multiple governments that may have very different interests in the same case;
- The contracts usually fail to require that the trial lawyers provide the best pricing terms that lawyers are offering to any other governmental client on the same matter; and
- The contracts almost never ensure that contingency fees for the trial lawyers will not be taken out of money set aside for restitution to victims.

These types of weak, under-protective, giveaway contracts make some sense if the goal is to fund left-wing campaigns—as the political activities of the Shady Trial Lawyer PACs demonstrate—but they make no sense if your goal is to help consumers and protect taxpayers.

Alliance For Consumers is focused on putting more money in the pockets of everyday consumers and ensuring that consumers and the rule of law are not left behind by trial lawyers and public officials. Raising concern about the Shady Trial Lawyer Pipeline is central to the mission of Alliance For Consumers because the Shady Trial Lawyer Pipeline undercuts this mission.

The web of Shady Trial Lawyer PACs is a stark example—although far from the only one—of how the Shady Trial Lawyer Pipeline works, with

politicians feeding sweetheart contracts to trial lawyers who have multiple avenues through which to funnel 98% or more of their political donations to liberals and pump millions of dollars into left-leaning candidates, committees, and allied organizations.

Good governance and honest stewardship call for better. The consumer should never be on the losing side of a left-wing political money game like what is on display in the Shady Trial Lawyer Pipeline.

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DONATIONS AND EXPENDITURES 2017-2023							
PAC	DERMS + ALLIES	DIRECT SENATE (D)	DIRECT HOUSE (D)	SENATE + SMP	HOUSE + HMP	PERCENTAGE	OVERALL TOTAL
AAJ PAC	\$18,384,741	\$757,000	\$6,111,500	\$3,512,741	\$7,011,500	98%	\$18,734,741
Justice PACs	\$3,182,403	\$3,174,725	-	\$3,174,725	-	100%	\$3,182,403
Truth and Justice	\$2,608,689	\$2,608,689	-	\$2,608,689	-	100%	\$2,608,689
TOTAL	\$24,175,833	\$6,540,414	\$6,111,500	\$9,305,155	\$7,011,500	99%	\$24,525,833

DONATIONS AND EXPENDITURES 2022+2023						
PAC	DEM + ALLIES	PERCENTAGE	OVERALL TOTAL			
AAJ PAC	\$4,797,500	98%	\$4,904,000			
Justice PACs	\$804,364	100%	\$804,364			
Truth and Justice	\$1,015,478	100%	\$1,015,478			
TOTAL	\$6,617,342	98%	\$6,723,842			

DONATIONS 2017-2023						
AMERICA VOTES	PRIORITIES USA	EMILY'S LIST	AMERICAN BRIDGE	NDRC	FOR OUR FUTURE	
\$1,200,000	\$750,000	\$670,000	\$525,000	\$525,000	\$100,000	

DONATIONS 2022						
AMERICA VOTES	PRIORITIES USA	EMILY'S LIST	AMERICAN BRIDGE	NDRC	FOR OUR FUTURE	
\$725,000.00	\$100,000	\$285,000	\$125,000	\$100,000	\$100,000	

