



2014 Rhode Island: Anti-Pension Texas Billionaire a Major Player in Rhode Island Governor's Race

In 2014, Rhode Island State Treasurer Gina Raimondo (D) ran for governor and won in what *The New York Times* called "[a difficult victory](#)" against Cranston Mayor Allen Fung (R) and Moderate Party candidate, Robert Healy. Once again, that victory was secured, in part, by the billionaires who so generously give to campaigns in order to realize their vision of public school "reform".

Gina Raimondo was part of their crowd. A venture capitalist, she got her start with the New York office of Williamson, Massachusetts-based [Village Ventures](#) and co-founded [Point Judith Capital](#) in Rhode Island.

Raimondo's husband, Andy Moffit, is the "[Director of Industry Learning](#) and co-founder of the Global Education Practice" at Massachusetts-based McKinsey and Company. Moffit's work focuses on "large-scale reform and key strategic efforts" in "large urban districts, state education departments, national foundations and nonprofits, and private companies."

Andy Moffit began his career in education reform with [Teach for America](#), spending the obligatory two years in an elementary school in Houston, Texas. Moffit was also [college roommates at Yale law school](#) with education reform advocate, New Jersey Senator Cory Booker. In addition, Raimondo and Booker were Rhodes Scholars together at Oxford.

Moffit's wife, Gina Raimondo, first took office in Rhode Island in 2010 when she was elected State Treasurer. A recent

[National Institute of Money in State Politics study](#) found that the contributions to Raimondo's 2010 campaign from the securities and investment industry "far surpassed all other candidates in the state, as well as most political party committees." The same report notes that the vast majority of Raimondo's securities and investment industry donors were from out-of-state.

Their contributions were handsomely rewarded when in 2011 Raimondo was largely [credited with shepherding pension reform](#) through the Democratic majority legislature. Local reports from the time noted that Raimondo had become the "darling of anti-pension warriors from coast to coast."

And those "anti-pension warriors" poured money into a 501(c)(4) called Engage Rhode Island to support the cause. The group was not required to reveal their donors, and Raimondo "[supported the secrecy](#)" until the Wall Street Journal revealed that they had raised over \$1 million dollars and spent \$740,000 lobbying for the pension changes. The report also revealed that John Arnold had "provided between one-tenth and half the money" raised.

Pension reform may have won Raimondo newfound fame, but not all of it has been positive. In 2013 [Rolling Stone's Matt Taibbi wrote a scathing expose](#) titled, *Looting the Pension Funds: All across America, Wall Street is grabbing money meant for public workers*. In the piece Taibbi wrote: "*Raimondo's strategy for saving money involved handing*

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more than \$1 billion – 14 percent of the state fund – to hedge funds, including a trio of well-known New York-based funds: Dan Loeb’s Third Point Capital was given \$66 million, Ken Garschina’s Mason Capital got \$64 million and \$70 million went to Paul Singer’s Elliott Management.”

Raimondo’s pension reforms were significantly less lucrative for public workers. As of 2016, the pension has lost an estimated \$1.4 billion due to “underperformance.” Raimondo’s “slash[ing] worker benefits” and “exponentially increase[ing] fees paid by the state pension to Wall Street money managers” also received a blistering review in April 2016 in Forbes.

As Raimondo contemplated a run for governor, the financial industry continued to support her. In this race education

reform heavyweights such as [Michael Bloomberg](#) and [Rahm Emanuel](#) entered the fray, holding fundraisers for her campaign in New York and Chicago. Notable Raimondo out-of-state donors included [John Arnold](#) and [Laura Arnold](#); New Jersey junior senator and friend of the family, [Cory Booker](#); [Michael Bloomberg and his daughter, Emma](#); former New York City chancellor [Joel Klein](#); [Carrie Walton Penner](#); Purdue Pharma heir and 50CAN board member, [Jonathan Sackler](#); [Stacy Schusterman](#); Steve Jobs’ widow and Emerson Collective founder, [Laurene Powell Jobs](#); former Los Angeles mayor and charter advocate [Richard Riordan](#); Facebook COO [Sheryl Sandberg](#) (who was involved in the infamous \$100 million Facebook donation to Newark Public Schools that made Cory Booker a national figure); and former New York Regents billionaire chancellor, [Merryl Tisch](#).

Table 1: Out-of-State Direct Contributions to Raimondo

CONTRIBUTOR	DATE	AMOUNT
John Arnold	05/18/2012	\$1,000.00
	01/16/2013	\$1,000.00
	01/10/2014	\$1,000.00
	04/15/2015	\$1,000.00
	04/15/2015	\$1,000.00
Laura Arnold	05/18/2012	\$1,000.00
	01/16/2013	\$1,000.00
	04/15/2015	\$1,000.00
Cory Booker	09/28/2010	\$500.00
	03/08/2012	\$1,000.00
	03/07/2013	\$1,000.00
Michael Bloomberg	09/17/2014	\$1,000.00

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Table 1 continued: Out-of-State Direct Contributions to Raimondo

CONTRIBUTOR	DATE	AMOUNT
Emma Bloomberg	08/02/2012	\$1,000.00
	06/12/2013	\$1,000.00
	03/11/2014	\$1,000.00
Joel Klein	06/03/2012	\$1,000.00
	02/24/2013	\$1,000.00
	03/14/2014	\$1,000.00
Carrie Walton Penner	04/08/2013	\$1,000.00
	01/31/2014	\$1,000.00
Jonathan Sackler	12/31/2009	\$1,000.00
	09/14/2011	\$1,000.00
	07/01/2012	\$1,000.00
	03/20/2013	\$1,000.00
	06/22/2014	\$1,000.00
	12/08/2015	\$1,000.00
Stacy Schusterman	06/06/2013	\$1,000.00
	01/08/2014	\$1,000.00
	12/02/2015	\$1,000.00
Laurene Powell Jobs	09/18/2013	\$1,000.00
	03/31/2014	\$1,000.00
Richard Riordan	05/16/2013	\$1,000.00
	03/06/2014	\$1,000.00
Sheryl Sandberg	05/15/2013	\$1,000.00
	03/24/2014	\$1,000.00
Merryl Tisch	06/18/2013	\$1,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

Just prior to the 2014 election many of the same out of state donors that contributed to Raimondo's campaign also contributed \$11,000 (\$1,000 individual contribution and \$10,000 "Party Building" contribution) to the Rhode Island Democratic State Committee. Contributions in this

amount were received from [John and Laura Arnold](#), [Stacy Schusterman](#), [Michael Bloomberg](#), and [Laurene Powell Jobs](#). [Emma Bloomberg](#) contributed \$2,600, and [Jonathan Sackler](#) and [Joel Klein](#) contributed \$1,000 each.

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Table 2: Out-of-State Contributions to Rhode Island Democratic State Committee Contributions

CONTRIBUTOR	DATE	AMOUNT
John Arnold	10/14/2014	\$1,000.00
	10/14/2014	\$10,000.00
Laura Arnold	10/14/2014	\$1,000.00
	10/14/2014	\$10,000.00
Michael Bloomberg	09/19/2014	\$1,000.00
	09/19/2014	\$10,000.00
Emma Bloomberg	11/03/2014	\$1,000.00
	11/03/2014	\$1,600.00
Laurene Powell Jobs	09/28/2014	\$1,000.00
	09/28/2014	\$10,000.00
Jonathan Sackler	10/30/2014	\$1,000.00
Joel Klein	10/16/2014	\$1,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

Ultimately [Raimondo](#) outspent her Republican rival 3:1, spending over \$5.4 million dollars to beat Allan Fung by a 4 point margin.

from familiar names, including John and Laura Arnold (\$200,000); Eli Broad (\$15,000), and Stacy Schusterman (50,000). The PAC's money was primarily spent on attack ads against Allan Fung.

Additional funds flowed into the election through the [American LeadHERship PAC](#), which received funding

Table 3: Out-of-State Contributions to American LeadHERship PAC

CONTRIBUTOR	DATE	AMOUNT
John and Laura Arnold	08/07/13	\$100,000.00
	10/14/14	\$100,000.00
Stacy Schusterman	10/15/14	\$50,000.00
Eli Broad	09/08/14	\$15,000.00

Source: State of Rhode Island and Providence Plantations Campaign Finance Electronic Reporting @Tracking System (ERTC)

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Table 4: Top Five Out-of-State Contributions to Gina Raimondo and PACs and Committees that supported her

CONTRIBUTOR	TOTAL AMOUNT
John and Laura Arnold	\$230,000.00
Stacy Schusterman	\$53,000.00
Michael and Emma Bloomberg	\$32,000.00
Eli Broad	\$15,000.00
Laurene Powell Jobs	\$13,000.00

During a campaign debate, Moderate Party candidate [Robert J. Healy, Jr.](#) questioned [Raimondo](#) as to what influence her husband, Andy Moffit, would have on her education policy. "She tries to portray her husband, Andrew Moffit as a school teacher," Healy said. "But he is involved in the movement to privatize the public schools. It's more than pro-charter. He works for a company for the purposes of making money off [public schools]."

Big donors seemed fairly certain that Raimondo would be a friend to privatizers. [A spokesman for Michael Bloomberg](#) said that Bloomberg supported Raimondo over former Governor Chafee in part because of his disappointment with Chafee's "resistance to charter schools."

And Raimondo has not disappointed in this regard. In 2015 the [Rhode Island legislature contemplated a series of bills](#) to slow charter growth in the state. One, a "local control bill" would have required the approval of local councils to open or expand charters. Another bill would have ensured that new charters would not cause damage to the "finances

and/or the academic performance" of the sending districts. Governor Raimondo vowed to veto them.

As Marie Aberger, spokesperson for the Governor, [said](#):

"Charter schools play an important role in our efforts to improve education through innovation. They also play a key role in making a quality education accessible to all Rhode Islanders. As we are working together to strengthen Rhode Island's economy and spark a comeback, the governor believes we need to stay focused on expanding education opportunities and building skills for all students."

Ultimately, Raimondo gave the green light to a compromise bill that ["allows existing charters to expand but makes it harder for new charter networks to open,"](#) stating, "We have been stuck too long in a conflict between charters versus district schools. It's my hope that by signing this bill, we can put that conflict to bed and encourage more collaboration." Under the compromise bill, proposed expansions can be every bit as devastating to districts as new charter growth.

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For example, the charter management organization that runs two Achievement First charter schools in Providence [proposed an expansion](#) that would grow the network from 720 students to 3,112 in the next 10 years.

Achievement First was granted permission to expand [despite community outcry](#) and [opposition from lawmakers](#). In an [article for the Progressive Magazine](#) titled *How The Corporate Education Reform Industry Buys Elections*, Jonathan Pelto writes:

"Raimondo's success in raising funds from the charter school industry includes at least \$50,000 from the members of the board of directors of Achievement First, Inc., the large charter chain that recently opened a school in Rhode Island, adding to their existing schools in Connecticut and New York.

Jonathan Sackler, an investment manager and heir to the Purdue Pharma fortune, is not only a founding member of

Achievement First, Inc. but a founder of a national charter school advocacy group called 50CAN. One of 50CAN's related entities, 50CAN Action Fund, dumped \$90,000 to run TV commercials to help Raimondo's running mate win his primary race."

With continued support from out-of-state big money pension and education reform donors, Raimondo declared her candidacy for the 2018 Rhode Island gubernatorial race. [The \\$1.82 million she has already raised](#) is a significant deterrent to any potential Democratic challengers in the primary. Her list of contributors already contains familiar names such as John and Laura Arnold, Emma Bloomberg, and Stacy Schusterman. Backed by billionaires, she has an edge in the race. ■