

**Democracy**

## How a Secretive Billionaire Handed His Fortune to the Architect of the Right-Wing Takeover of the Courts

In the largest known political advocacy donation in U.S. history, industrialist Barre Seid funded a new group run by Federalist Society co-chair Leonard Leo, who guided Trump's Supreme Court picks and helped end federal abortion rights.



Leonard Leo outside the U.S. Supreme Court during the 2017 confirmation hearing for Justice Neil Gorsuch. Mark Peterson/Redux

**by Andrew Perez, The Lever, and Andy Kroll and Justin Elliott, ProPublica**

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An elderly, ultra-secretive Chicago businessman has given the largest known donation to a political advocacy group in U.S. history — worth \$1.6 billion — and the recipient is one of the prime architects of conservatives' efforts to reshape the American judicial system, including the Supreme Court.

Through a series of opaque transactions over the past two years, Barre Seid, a 90-year-old manufacturing magnate, gave the massive sum to a

nonprofit run by Leonard Leo, who co-chairs the conservative legal group the Federalist Society.

The donation was first reported by The New York Times on Monday. The Lever and ProPublica confirmed the information from documents received independently by the news organizations.

Our reporting sheds additional light on how the two men, one a judicial kingmaker and the other a mysterious but prolific donor to conservative causes, came together to create a political war chest that will likely supercharge efforts to further shift American politics to the right.

As President Donald Trump's adviser on judicial nominations, Leo helped build the Supreme Court's conservative supermajority, which recently eliminated Constitutional protections for abortion rights and has made a series of sweeping pro-business decisions. Leo, a conservative Catholic, has both helped select judges to nominate to the Supreme Court and directed multimillion dollar media campaigns to confirm them.

Leo derives immense political power through his ability to raise huge sums of money and distribute those funds throughout the conservative movement to influence elections, judicial appointments and policy battles. Yet the biggest funders of Leo's operation have long been a mystery.

Seid, who led the surge protector and data-center equipment maker Tripp Lite for more than half a century, has been almost unknown outside a small circle of political and cultural recipients. The gift immediately vaults him into the ranks of major funders like the Koch brothers and George Soros.

In practical terms, there are few limitations on how Leo's new group, the Marble Freedom Trust, can spend the enormous donation. The structure of the donation allowed Seid to avoid as much as \$400 million in taxes. Thus, he maximized the amount of money at Leo's disposal.

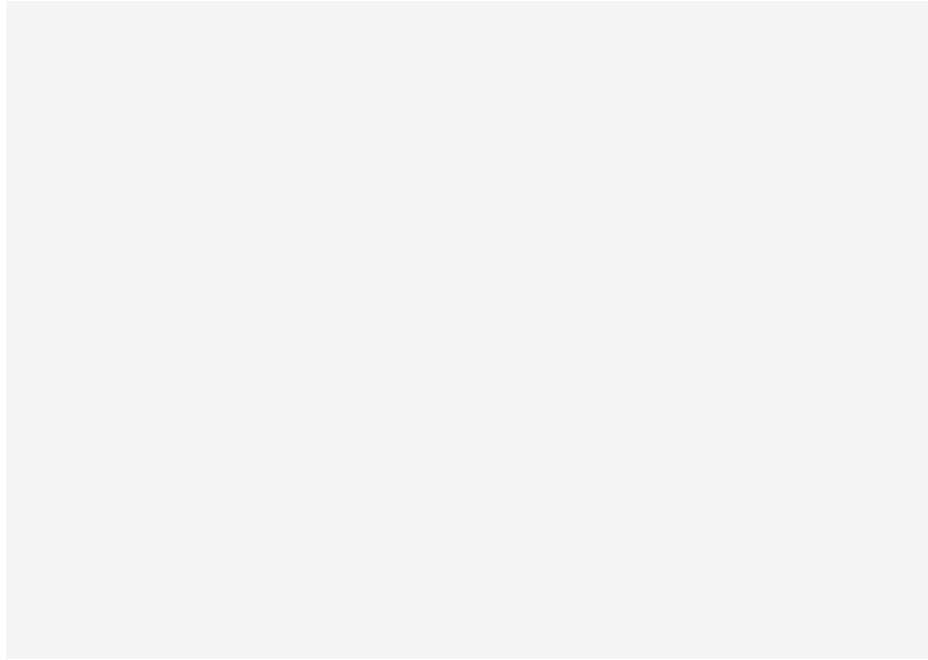
Now, Leo, 56, is positioned to finance his already sprawling network with one of the largest pools of political capital in American history. Seid has left his legacy to Leo.

"To my knowledge, it is entirely without precedent for a political operative to be given control of such an astonishing amount of money," said Brendan Fischer, a campaign finance lawyer at the nonpartisan watchdog group Documented. "Leonard Leo is already incredibly powerful, and now he is going to have over a billion dollars at his disposal to continue upending our country's institutions."

In a statement to the Times, Leo said it was "high time for the conservative movement to be among the ranks of George Soros, Hansjörg Wyss, Arabella Advisors and other left-wing philanthropists, going toe-to-toe in the fight to defend our constitution and its ideals." Leo and representatives for Seid did not immediately respond to requests for comment.

The Marble Freedom Trust is a so-called dark money group that is not required to publicly disclose its donors. It has wide latitude to spend directly on elections as well as on ideological projects such as funding

issue-advocacy groups, think tanks, universities, religious institutions and organizing efforts.



In an unusual maneuver, Leonard Leo was added as an officer to Barre Seid's company. Seid left the company's board, and his name was crossed out in state corporate disclosure filings. Illinois Office of the Secretary of State

The creators of the Marble Freedom Trust shrouded their project in secrecy for more than two years.

The group's name does not appear in any public database of business, tax or securities records. The Marble Freedom Trust is organized for legal purposes as a trust, rather than as a corporation. That means it did not have to publicly disclose basic details like its name, directors and address.

The trust was formed in Utah. Its address is a house in North Salt Lake owned by Tyler Green, a lawyer who clerked for Supreme Court Justice Clarence Thomas. Green is listed in the trust's tax return as an administrative trustee. The donation does not appear to violate any laws.

Seid's \$1.6 billion donation is a landmark in the era of deregulated political spending ushered in by the Supreme Court's 2010 Citizens United decision. That case, along with subsequent changes and weak federal oversight, empowered a tiny group of the super rich in both parties to fund groups that can spend unlimited sums to support candidates and political causes. In the last decade, donations in the millions and sometimes tens of millions of dollars have become common.

Individuals could give unlimited amounts of money to nonprofit groups prior to Citizens United, but the decision allowed those nonprofits to more directly influence elections. A handful of billionaires such as the Koch family and Soros have spent billions to achieve epochal political influence by bankrolling networks of nonprofits.

Even in this money-drenched world, Seid's \$1.6 billion gift exceeds all publicly known one-time donations to a politically oriented group.

## The Silent Donor

One day in November 2015, the employees of Tripp Lite, a manufacturer of power strips and other electrical equipment, gathered for a celebration at the company's headquarters on the South Side of Chicago. Cupcakes frosted in blue and white spelled out the numbers "56." An easel held up a sign hailing Tripp Lite's longtime leader: "Congratulations Barre!"

A small, balding man with a white goatee and a ruddy complexion took the microphone. Barre Seid was known as someone who preferred to keep a low profile, but on the 56th anniversary of his leadership of Tripp Lite, he couldn't resist the chance to address his employees. Later, as he bit into a cupcake, Seid posed for a company photographer, who later uploaded the photo to the company's Facebook page.

Even this semipublic glimpse of Seid was rare.

For several decades, a select group of political activists, academics and fundraisers was ushered to Tripp Lite headquarters to pitch Seid at his office. Despite his status as one of the country's most prolific funders of conservative causes, and despite his decades as the president and sole owner of one of the country's most successful electronics makers, Seid has spent most of his 90 years painstakingly guarding his privacy.

There are no art galleries, opera companies, or theaters or university buildings emblazoned with his name in his hometown of Chicago. There's even some confusion over how to pronounce his last name. (People who've dealt with him say it's "side.")

The Lever and ProPublica pieced together the details of his life and his motivations for his extensive donations through interviews, court records and other documents obtained through public-records requests.

One of the only photos of Seid that The Lever and ProPublica could find shows him as a 14-year-old walking in a small group across a college campus. Born in 1932 to Russian Jewish immigrants, Seid grew up on the South Side of Chicago, the oldest of two brothers, according to Census records. A precocious child, he was chosen for a special bachelor's degree program at the University of Chicago, not far from his childhood home.

Seid attended the University of Chicago in the early years of the "Chicago school," a group of professors and researchers who would reimagine the field of economics, assailing massive government interventions in the economy and emphasizing the importance of human liberty and free markets. After college, Seid served two years in the Army and eventually returned home to Chicago, according to testimony given decades later in a court case. He took a job as an assistant to an investor and businessman named Graham Trippe, whose company made headlights and would produce the rotating warning lights used by police cars, tow trucks and other emergency response vehicles.

By the mid-1960s, Seid had taken over as Trippe Manufacturing's president. In the decades to come, the company, now called Tripp Lite, became a pick-and-shovel business of the digital gold rush. The company sells the power strips that supply electricity to computers and the server racks, cooling equipment and network switches that make data centers

run. Business surged with the shift to cloud computing and the proliferation of vast data centers.

That boom vaulted him from the ranks of merely rich to the superrich. Seid was making around \$30 million per year by the mid-1990s, tax records obtained by ProPublica show. His annual income, the vast majority of which came from Tripp Lite's profits, took off in the mid-2000s and steadily rose, hitting around \$157 million in 2018. Tripp Lite, which was 100% owned by Seid, contributed \$136 million to his total income that year.

Even as Seid built a billion-plus dollar business, he drew scant public attention; Forbes never put him on its list of the wealthiest Americans, and business and political press rarely mentioned him.

Yet he was becoming a major donor. He gave at least \$775 million in charitable donations between 1996 and 2018, a period in which he reported \$1.7 billion in income, according to his tax records. Seid parceled out a small portion of those donations to Chicago-area universities, religious organizations, medical research and dozens of civic-focused groups.

While Seid has never spoken to the press about his ideology, evidence of his worldview has emerged here and there. His family foundation has supported the University of Chicago's Becker Friedman Institute for Economics, named after two of the Chicago school's intellectual leaders, Gary Becker and Milton Friedman. He has also donated to the Heartland Institute, a Chicago-based nonprofit that has a history of using inflammatory rhetoric and misleading tactics to undermine climate science.

Seid appeared to be the donor (listed as "Barry Seid") who gave \$17 million to fund the distribution during the 2008 presidential campaign of millions of copies of a DVD of the film "Obsession: Radical Islam's War With the West." The DVDs, which were sent specifically to households in presidential election battleground states, were criticized as virulently anti-Muslim.

Seid's personality can be glimpsed in exchanges with George Mason University officials from the late 2000s to mid-2010s that came out in response to a public-records request by the activist group UnKoch My Campus. In the emails, Seid comes across as an intellectually probing figure, asking the dean of the law school to respond to news stories about the value of a law-school degree or the workings of higher education's accreditation system. Seid drily addressed several administrators for the university, whose law school and economics department are known for their alignment with conservative, free-market principles, as "Fellow Members of the Vast Right Wing Conspiracy."

Seid appears to have continually sought new vehicles for dispensing his money and maintaining as much anonymity as possible. The GMU emails also show a redacted donor — who activists believed to be Seid based on other unredacted materials — routing donations to the school through DonorsTrust or the Donors Capital Fund, two donor-advised funds that provide an additional level of anonymity.

While the roots of Seid and Leo's professional relationship aren't clear, the two worked together at a small foundation Seid formed in 2009 called the Chicago Freedom Trust, a charity that gave out small grants to nonpolitical groups. Leo later joined the foundation's board.

The GMU emails provide an inkling of the relationship between the two men. In early 2016, Seid emailed the dean of GMU's law school and the head of a prominent American Jewish organization to urge them to work together. The dean, Henry Butler, forwarded Seid's message to Leo seeking to better understand Seid's intentions.

"Do you have any insight?" Butler wrote.

"I do not, but will find out," Leo replied.

## The Money

Billionaires tend to craft intricate estate plans to pass the family business to the next generation, fortified from taxation and protective of their vision. The apparently childless Seid didn't have that option, but starting in April 2020, he set in motion a plan to make sure his fortune would go toward his favored causes.

That month, the Marble Freedom Trust was created, and Seid subsequently transferred his 100% ownership stake in Tripp Lite to the trust, according to the documents reviewed by The Lever and ProPublica.

In February 2021, Tripp Lite filed its annual reports with the state of Illinois as it had done for decades. But this time, Seid's typewritten name had been crossed out as an officer of the company. Added as an officer, written in by hand, was Leonard Leo.

A Tripp Lite subsidiary in Nova Scotia, Canada, similarly removed Seid as a director and added Leo as a director in March 2021, according to disclosure filings.

Then, later that same month, Eaton Corporation, a large publicly traded company, acquired Tripp Lite for \$1.65 billion.

The transactions appear to have been carefully sequenced to reap massive tax savings. Selling a company that has grown in value after decades of ownership is treated the same way for tax purposes as a person selling a share of stock. If the property has grown in value, capital gains taxes are due when it is sold.

But Seid transferred Tripp Lite to the Marble Freedom Trust, a nonprofit that is exempt from income tax, before the electronics company was sold. As a result, lawyers say, Seid avoided up to \$400 million in state and federal income tax, preserving those funds for Leo's operation.

"If the person who had owned the stock had sold the stock himself, he would've been taxed on the appreciation in the stock," said Ellen Aprill, a tax law professor at Loyola Marymount University. "Whereas if you give it to the 501(c)(4), there's no charitable deduction for giving the money, but you avoid the tax on all of that appreciation."

Political advocacy nonprofits like the Marble Freedom Trust are formally called 501(c)(4) social welfare organizations, after the section of the tax code. Informally, they are known as dark-money groups because donors can remain secret, in contrast to the public disclosures required of gifts to political campaigns or super PACs. While they can spend money directly advocating for or against candidates in political campaigns, such spending cannot be their primary purpose.

In giving to such a dark money group, Seid also avoided another federal levy, the gift tax, thanks to a change signed into law by President Barack Obama in 2015.

There's a reason why giving money specifically to a trust might have been attractive for an older and ideological donor such as Seid. The founding documents that lay out how the trust will spend money can be harder to change than the governing documents of a corporation, according to Lloyd Hitoshi Mayer, a professor at Notre Dame Law School.

Mayer added that while corporations usually have at least three directors, trusts can have just a single trustee in charge of the organization's activities.

Leo is the trustee and chairman of the Marble Freedom Trust. In other words, Leo is now in charge of the massive sum of money.

## The Rainmaker

For decades, Leo had served as a top executive at the Federalist Society, helping lead the influential Washington-based conservative lawyers group that serves as a launching pad for careers on the right.

But in early 2020, Leo made an announcement that suggested he was taking his successful model for reshaping the courts to remake American politics at every level: local, state and federal. In an interview with Axios, Leo said he was stepping away from his day-to-day role with the Federalist Society to take a more active role steering a network of conservative dark money groups.

The plan was to expand the network's scope to "funnel tens of millions of dollars into conservative fights around the country," according to Axios. What Leo did not mention in the interview was the imminent creation of the Marble Freedom Trust, his biggest-ever war chest.

Leo's long career as both a legal activist and a prodigious fundraiser for conservative causes shows a steady march toward becoming a central figure in the Republican Party's successful strategy to fill as many judicial vacancies as possible with young, conservative judges skeptical of the federal government's power. He served as an adviser to Trump's 2016 campaign, helping the candidate take a step no other major presidential candidate had ever taken: releasing a list of names he would draw on to nominate to the Supreme Court.

Coming at a moment when conservatives were wary of Trump's past leanings, the move bolstered his support among social conservatives. Leo

stayed on as a judicial adviser during Trump's four years in office. During that time, Leo helped the president appoint and confirm more than 200 nominees to the federal bench, most famously Supreme Court Justices Neil Gorsuch, Brett Kavanaugh and Amy Coney Barrett.

Leo's efforts to reshape the country's judicial system began long before Trump's political ascent. In 1991, he joined the Federalist Society, which was then in its early years and only beginning to build a pipeline for conservative jurists.

In the view of Leo and his allies, the U.S. legal system had drifted dangerously far from its roots, establishing privileged classes and doctrines that were not enumerated in the Constitution and would be unrecognizable to the Founders. Those same courts had also empowered a class of unelected bureaucrats dubbed the "administrative state" to impose needless regulations and to endow the federal government with too much power. Like his close friend Justice Antonin Scalia, Leo argued for an originalist view of the Constitution — namely, that the country's founding document should be interpreted strictly based on how its 18th century authors understood its words at the time.

In 2005, Leo and his allies formed a dark money network to rally support for George W. Bush's Supreme Court nominees, John Roberts and Samuel Alito. But if Leo wanted to turn back the tide of what he saw as unchecked judicial activism, he needed to build something bigger, more lasting.

Leo set out to create a network of interlocking groups that could each play a part in returning the country to what he saw as its roots, whether by training future generations of Scalias, funding scholarship that made the case for originalism or bankrolling efforts to install conservative judges on the bench.

Between 2005 and mid-2021, Leo and his associates raised at least \$460 million (not including the Marble Freedom Trust's funds).

According to tax records, Leo's network has funneled those hundreds of millions into ad campaigns and right-leaning groups. The Judicial Crisis Network — which is now called the Concord Fund and is headed by a former clerk to Justice Clarence Thomas and Leo associate named Carrie Severino — has spent tens of millions airing ads during Supreme Court confirmation fights.

The group's fundraising took off in 2016, when it led a campaign to block Obama Supreme Court nominee Merrick Garland's confirmation. That year, Leo's network received a \$28 million infusion from a single anonymous donor. Leo and his network long refused to say who is paying for their advocacy campaigns.

Leo's network has worked closely with Senate Republicans and has showered them with cash as well, recently donating \$9 million to a dark money group affiliated with Senate Minority Leader Mitch McConnell, R-Ky.

While Leo is best known for his influence on the Supreme Court, he and his network have also worked to shift the balance of power throughout the



judiciary — in federal district and appellate courts, and state supreme courts, too.

At the state level, the network funds groups supporting conservative gubernatorial and legislative candidates. Leo's nonprofits and their subsidiaries have recently pushed states to tighten voting laws, opposed the teaching of critical race theory in schools and financed organizations pressing states to remove millions of Americans from the Medicaid rolls.

But now, with Seid's largesse, Leo has nearly four times the amount he raised over 16 years at his disposal and ambitions to match.

"I have a very simple rule, which is, I'm engaged in the battle of ideas, and I care very deeply about our Constitution and the role of courts in our society," Leo told [The Washington Post](#) in 2019 when asked about his donors. "And I don't waste my time on stories that involve money and politics because what I care about is ideas."

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