



REUTERS/TIM SHAFFER

CONSERVATIVE DONORS LET CHRISTINE O'DONNELL SINK

She may not be a witch, but the Delaware Senate candidate is scaring off big-time conservative donors. Even the Tea Party Express, the national organization that helped her win in the primary, is dialing back its financial support for her stumbling campaign

SPECIAL REPORT

BY MARK HOSENBALL
WILMINGTON, DELAWARE, OCT 21

Christine O'Donnell, the outspoken GOP candidate for Senate in Delaware, has a money problem.

Her shocking victory in the Delaware Republican primary was a breakthrough for

the conservative Tea Party movement that has up-ended U.S. politics. But while her grassroots fund-raising has been more than respectable, O'Donnell's tense relations with mainstream Republicans and her floundering campaign have led bigtime donors to shun her, albeit quietly.

Their reluctance to open their checkbooks

underlines the GOP's recent tightrope act: the Tea Party's emergence as a major force has energized the conservative base and bolstered Republican prospects in the Nov. 2 election. But the two camps often don't see eye to eye -- on policy as well as on politicians.

Pro-Republican groups and activists insist their decision reflects financial triage

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THEY COULD NOT INVEST IN COLORADO,
WHERE THE POLLS ARE WITHIN THE MARGIN OF ERROR.”*

rather than any antagonism toward the Tea Party or O'Donnell, who trails Democratic opponent Chris Coons by 10 to 15 percentage points in polls. In fact, establishment Republicans and powerful conservative groups that are officially “independent” are providing significant support to other Senate candidates identified with the Tea Party movement -- including Pat Toomey, whose campaign in neighboring Pennsylvania presents a striking contrast to O'Donnell's.

Jonathan Collegio, communications director for American Crossroads and American Crossroads GPS, two independent campaign organizations which GOP political guru Karl Rove helped to found, confirmed that his group presently is not putting money into the Delaware Senate race, even though Crossroads GPS last week broadcast spots attacking the Democratic candidate for Senate in next-door Pennsylvania.

“Were American Crossroads to invest there (in Delaware), they could not invest in Colorado, where the polls are within the margin of error,” Collegio told Reuters. He said that if O'Donnell's poll numbers improve markedly in the last days of the campaign, it is possible Crossroads could reassess its position. “But at the moment, spending money there would mean not spending money in races which are legitimately competitive,” he said.

The business world appears to share that sentiment. An official of the U.S. Chamber of Commerce, the national pro-business group that is investing heavily in political advertising during the current mid-term campaign, said the Chamber has not sponsored independent advertising in support of O'Donnell and was not planning to do so.

Republicans insist that their problem is not with O'Donnell but rather her lack of competitiveness in the race, even though that may in part reflect her funding issues.

Rick Wilson, a political consultant who is launching a last minute independent fundraising and advertising campaign pitched at Tea Party voters, says that from the point of view of both the Republican Party and Tea Party movement, putting their money into races where a Tea Party candidate's numbers are more favorable than O'Donnell's is simply a better bet.

Wilson says that the independent

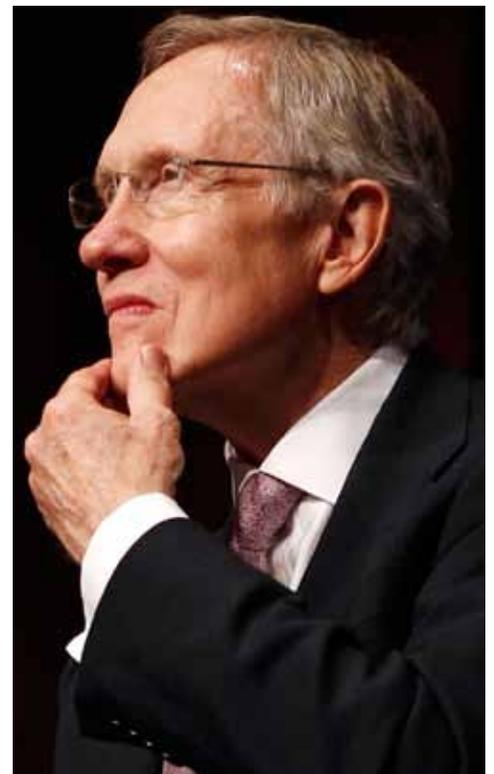


DEBATE: Republican candidate Christine O'Donnell answers a question as Democratic candidate Chris Coons (rear L) listens during a televised Delaware Senate debate at the University of Delaware in Newark, Delaware, October 13, 2010. **REUTERS/ROB CARR/POOL**

groups he is involved with have no plans to sponsor ads in support of O'Donnell. Instead, his groups' money -- and heavy support from other Tea Party groups as well as organizations like American Crossroads -- is flowing to support other GOP Senate candidates, most notably Sharron Angle, who is mounting a strong challenge to the re-election bid of Nevada's Harry Reid, the Democratic leader in the Senate.

“Harry Reid's scalp is the biggest scalp out there,” Wilson said. “Decapitating the Senate majority leader is a bargain if you can do it.” Wilson, who produced controversial last minute ads during the 2008 presidential campaign attacking Barack Obama for his ties to the radical Chicago preacher Reverend Jeremiah Wright, says his group's late-campaign attack ads this year will appear both in Senate and House races which might be within GOP reach. He says his ads will urge voters to reject the “Obama/Reid/Pelosi agenda” and bring the government “under control again.”

Even the Tea Party Express, the Sacramento-based national organization that launched a well-financed, late-stage advertising campaign which helped



TOP SCALP: Senate Majority Leader Harry Reid listens to U.S. President Barack Obama speak at a fundraiser for his campaign in Las Vegas, Nevada July 8, 2010. **REUTERS/KEVIN LAMARQUE**



TEA DRINKERS: A supporter of Delaware Republican senatorial candidate Christine O'Donnell holds a sign as he campaigns along route 13 in Dover, Delaware, September 14, 2010 (Left). Delaware Republican senatorial candidate Christine O'Donnell celebrates her win in the Republican primary at her campaign victory event in Dover, Delaware, September 14, 2010. (Right). REUTERS/TIM SHAFFER

O'Donnell win her primary race, has dialed back its financial support for her.

Documents filed with the Federal Election Commission show that between O'Donnell's Sept. 14 primary victory and mid-October, the Tea Party Express paid for around \$11,000 in e-mail blasts and radio ads supporting her. By comparison, records show the group spent more than \$64,000 in support of Angle during that period. (Tea Party Express representatives did not respond to messages requesting comment.)

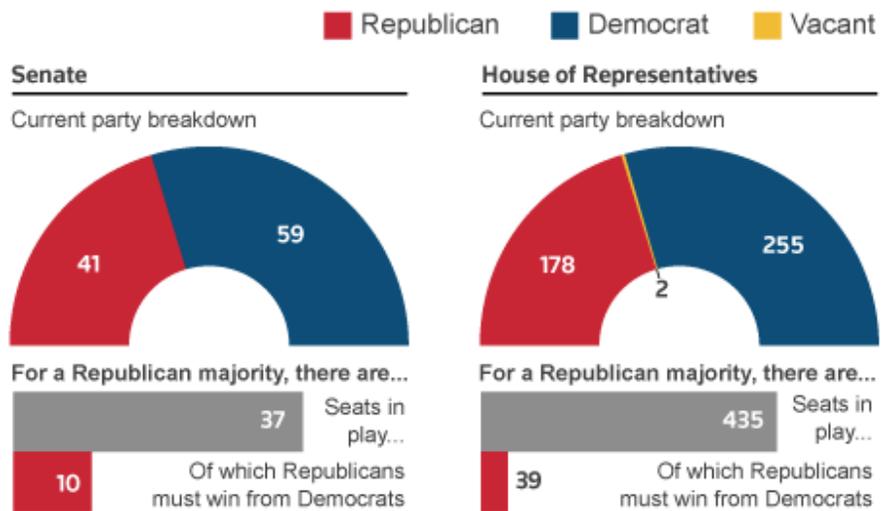
Two weeks before polling day, the only independent group which appears to have been willing to invest a relatively large sum in support of O'Donnell's campaign is a conservative fundraising organization headed by Senator Jim DeMint, the South Carolina Republican who is trying to position himself as a potential leader of a Tea Party Caucus in a sharply reshuffled Senate.

WHERE ARE THE BIGWIGS?

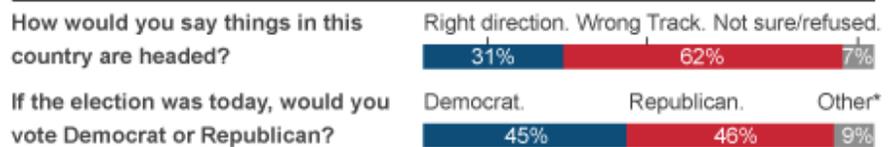
THE FINANCIAL SNUB FLIES in the face of public expressions of support.

Before the Sept. 14 primary, the national and state Republican parties strongly backed Mike Castle, a former Delaware Governor and a long-time congressman, against O'Donnell. After she beat Castle by a margin of 53-47 percent, Texas Senator John Cornyn,

U.S. mid-term elections



What the polls say (Reuters/Ipsos poll, August 23)



*Includes other political parties, those who don't intend to vote and those who are unsure
Source: Thomson Reuters, Reuters/Ipsos



Reuters graphic/Stephen Culp



ALL SMILES: Pennsylvania Republican senatorial candidate Pat Toomey (L) shakes hands with Democratic senatorial candidate Congressman Joe Sestak before their debate at the National Constitution Center in Philadelphia, Pennsylvania, October 20, 2010. **REUTERS/TIM SHAFFER**

“THE DEMOCRATIC SENATORIAL COMMITTEE IS RUNNING ADS AGAINST ME. THE DEMOCRATIC PARTY IS RUNNING ADS AGAINST ME... THE REPUBLICAN PARTY ON THE STATE LEVEL, OR ON THE NATIONAL LEVEL, NEITHER HAVE COME IN TO HELP ME CLOSE THE GAP IN THE POLLS.”

head of the National Republican Senatorial Committee, the establishment GOP group whose assignment is to support Republican Senate candidates, announced that his group would “strongly stand by all our Republican nominees, including Christine O’Donnell in Delaware.” He also announced that his group would be sending O’Donnell’s campaign a contribution for \$42,000, the maximum donation a committee like the NRSC is allowed to make to a local campaign.

But subsequent national GOP support for O’Donnell appears to have been thin to nonexistent, despite attempts by O’Donnell to persuade Cornyn and other Washington Republican bigwigs to open their checkbooks.

O’Donnell has acknowledged the strained relations between her campaign and the GOP establishment. “To some extent I am still fighting my party,” she said during an Oct. 13 debate at the University of Delaware.

In response to a question from Reuters following the debate between O’Donnell and Democrat Chris Coons, O’Donnell spokesman

Dave Yonkman did say that O’Donnell recently had been engaged in discussions with Cornyn to seek greater national party support. But in a post-debate interview with the Fox News website, O’Donnell conceded that her campaign’s estrangement from the Republican Party establishment remains deep.

“The Democratic senatorial committee is running ads against me. The Democratic Party is running ads against me...The Republican Party on the state level, or on the national level, neither have come in to help me close the gap in the polls,” she said.

O’Donnell and her spokespeople did not respond to requests for comment on the tensions between her campaign and Republican regulars. Brian Walsh, a spokesman for the NRSC, said that a top staffer from his group had visited the O’Donnell campaign within the last couple of weeks, and that NRSC staffers talk to the O’Donnell campaign almost daily.



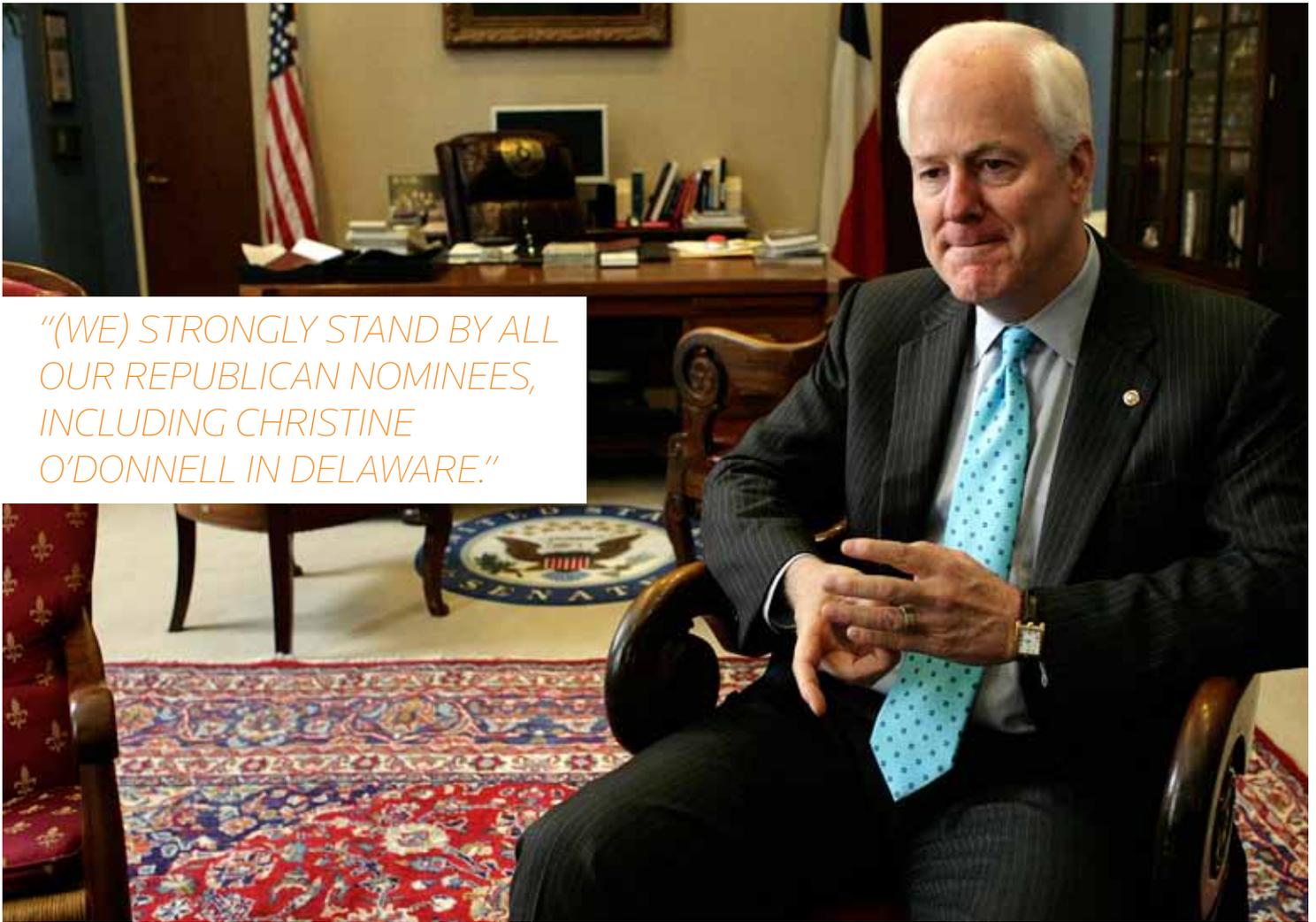
TEA PARTY CAUCUS: U.S. senator Jim DeMint photographed in October 2, 2009. **REUTERS/HENRY ROMERO**

But Walsh acknowledged that the NRSC has not been sponsoring its own independent ads in support of O’Donnell, echoing the concerns of independent campaign representatives who said that money invested in O’Donnell would not be available for use in other, tighter campaigns. He said the NRSC was working on “seven races within the margin of error.” Walsh said that having collected official campaign contributions totalling around twice those of Coons, O’Donnell has “more than enough money to go up on TV with ads.”

DELAWARE PATRIOTS

ON THE GROUND IN DELAWARE, the mainstays of O’Donnell’s campaign appear to be local activists associated with the Tea Party movement, although some of her most avid supporters reject the Tea Party label.

In the final weeks of the campaign, a group called the 9-12 Delaware Patriots turned out 65 O’Donnell supporters for a three hour Sunday afternoon “sidewalk rally”



"(WE) STRONGLY STAND BY ALL OUR REPUBLICAN NOMINEES, INCLUDING CHRISTINE O'DONNELL IN DELAWARE."

HOT AND COLD: U.S. Senator John Cornyn (R-TX) pauses during an interview for Reuters at his office on Capitol Hill in Washington June 10, 2009. **REUTERS/YURI GRIPAS**

in front of the Pier 1 home store at Dover Mall. They also produced a noisy crowd to support O'Donnell -- and challenge a rival demonstration by gay students -- the night she debated her Democratic opponent on the University of Delaware campus.

But leaders of the 9-12 Patriots, who say their members constituted about 90 percent of pro-O'Donnell demonstrators on the University campus, also claim to be so alienated from party politics that they shun Tea Party groups as well as the Republican and Democratic parties.

"I can't speak too much for the Republican Party because I'm not a Republican," said Russ Murphy, founder of the 9-12 Patriots. Still, he acknowledged that the enthusiasm he feels for O'Donnell is not shared by the local official Republican infrastructure. "That's their problem. They're going to have to get over it," he said

Seth Wimer, executive director of the Delaware Republican Party, insisted that

BLOG

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while "a lot of folks in the party supported Castle in the primary, everybody's on board with Christine." But the Delaware GOP's permanent infrastructure antagonized grass roots activists late in the primary campaign by publicizing information about O'Donnell's tangled financial and legal affairs, and even filing an election law complaint against her primary campaign.

PHILADELPHIA FREEDOM

IF THE DELAWARE SENATE RACE is a case study in antagonism between what remains of moderate Republicanism and Tea Party populism, neighboring Pennsylvania offers a

sharp contrast. By most accounts Pat Toomey, the Republican candidate for Senate in Pennsylvania, is as conservative as Christine O'Donnell. A former derivatives trader and congressman, Toomey lost a Senate primary election in 2004 to Arlen Specter, a veteran Philadelphia politician who was so moderate he switched parties and became a Democrat.

Toomey once headed the Club for Growth, a group advocating right-wing economic policies. Dick Armey, the former House Republican leader who helped to create the Tea Party insurgency, told a political meeting in Philadelphia on Oct. 12 that, in his mind, the birth of the Tea Party can be traced back to the moment in 2004 when then President George W. Bush endorsed Specter for re-election over Toomey.

If Chester County -- one of several counties near Philadelphia comprising the suburban agglomeration known as the Main Line -- is any guide, not only has the local Republican Party infrastructure lined up

behind a Senate candidate who is a Tea Party favorite, but local Tea Party groups have also embraced Republicans in the area.

At the elegant town house in downtown West Chester which serves as his headquarters, Rob Brooks, executive director of the Chester County Republican Committee, says that he and the Toomey campaign, which rents space in the townhouse from the county GOP for their county headquarters, have been "working very closely with our Tea Party groups."

Activists from Tea Party factions like the Coalition for Advancing Freedom and the Valley Forge Patriots have been "very helpful with our grassroots," Brooks said. He added that the local Tea Party had become so integrated with local Republicans that some of them had taken up responsibilities as GOP precinct captains. "It's much different than what you're seeing in Delaware."

Susan Fisher, an activist in the Valley Forge Patriots, one of the leading Chester County Tea Party groups, confirmed the accuracy of the Republican official's assessment. "A lot of our members have signed up to be GOP committee people," she said.

TEA PARTY EXPRESS ZIPS PAST

IN DELAWARE, ANY SUCH reconciliation appears to be a long way off. And the Delaware Republican Party establishment bears some direct responsibility for its alienation from O'Donnell's Senate campaign and the Tea Party groups that boosted her to victory.

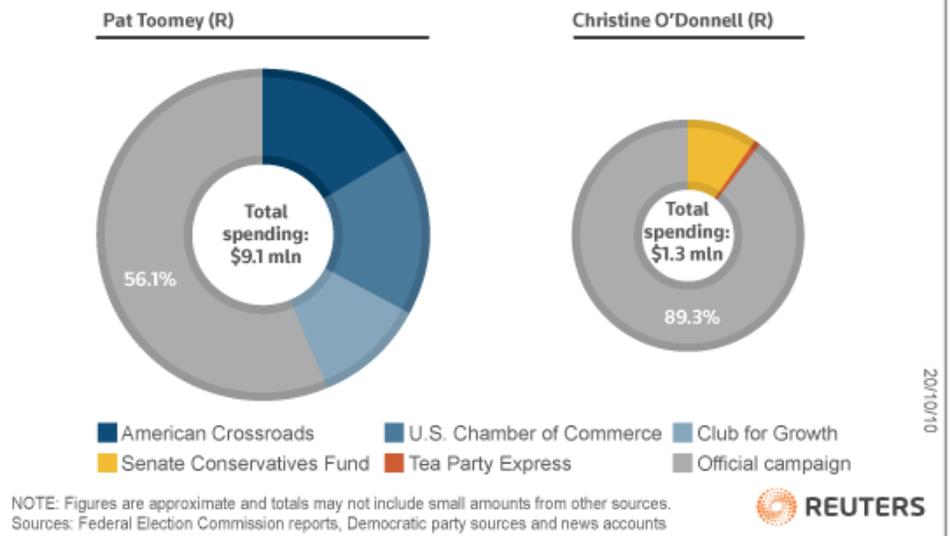
For a start, in its efforts to support Castle in his primary contest with O'Donnell, the State GOP played hardball. It publicized embarrassing legal issues in O'Donnell's background, including information about her financial problems and a messy lawsuit she filed against a former employer. Then, shortly before primary day, the Delaware Republican headquarters also filed an official complaint with Federal election regulators alleging illegal contacts between O'Donnell and the Tea Party Express.

In early September, a week before the primary, the Sacramento-based group convened a rally at a Delaware hotel to announce an eleventh-hour \$250,000 advertising campaign promoting O'Donnell's candidacy. O'Donnell herself appeared at the event, telling supporters, "This is the year where we're putting party principles over party power, and this is the year where that is a winning strategy."

Two days after the Tea Party Express rally -- and only hours after O'Donnell's Senate

Toomey and O'Donnell: campaign spending

Christine O'Donnell depends heavily on her own official campaign in the Delaware Senate race while Pennsylvania candidate Toomey has also benefited from other funding sources.



bid was publicly endorsed by Tea Party queen and former Alaska Governor Sarah Palin -- the Delaware Republican party announced that it was filing a complaint with the Federal Election Commission accusing O'Donnell's campaign of "knowingly accepting illegal contributions" from the Tea Party Express.

The substance of the complaint: under

**"THIS IS THE YEAR
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Federal election rules, "independent" campaign finance groups like the Tea Party Express are supposed to operate at arm's length from specific candidates and to avoid coordinating their advertising efforts with individual candidates' campaigns.

But according to the State GOP, O'Donnell "knowingly accepted excessive contributions from the Tea Party Express that were directly solicited on behalf of the O'Donnell campaign." Tom Ross, then and now the Delaware State Republican chairman, urged O'Donnell "to immediately

call upon her third party supporters to cease and desist this illegal behavior," adding that "Donors deserve to know whether they made an illegal donation so they can demand a refund and get their money back."

Cleta Mitchell, a veteran Republican election law expert who is helping out the O'Donnell campaign, confirmed that it is Federal Election Commission practice that once a complaint like the one against O'Donnell is filed, it cannot be withdrawn. This means that, technically, the Delaware GOP is actively accusing O'Donnell of illegal campaign finance practices.

Mitchell insists, however, that the Delaware GOP FEC complaint is "silly ... groundless ... should never have been filed in first place and particularly by a party in a primary." She says that the complaint "ultimately will be dismissed." (A spokeswoman for the FEC confirmed the agency had received the Delaware GOP complaint and said it is still open. State GOP officials did not respond to requests for comment).

Two weeks before Nov. 2, the Tea Party Express launched another nationwide bus tour, according to its website. This road show is scheduled to visit battleground states where Tea Party favorites are at the front line, including Nevada and Kentucky. Stops in Pennsylvania and Delaware are scheduled for Oct. 31, the Sunday before Election Day.



VOTER FRIENDLY: Delaware Republican senatorial candidate Christine O'Donnell (C) hugs a supporter after a candidates forum at the Bowers Beach fire hall in Bowers Beach, Delaware, October 20, 2010. **REUTERS/TIM SHAFFER**

But since her primary victory the group's advertising dollars have only trickled in O'Donnell's direction.

ATTACK ADS

MEANWHILE, IN PHILADELPHIA -- an important Pennsylvania advertising market and the principal TV market covering Delaware -- the airwaves are crowded with independent election ads promoting GOP and Tea Party favorite Toomey over his Democratic rival.

Ads sponsored by Toomey's official campaign committee are aggressive. A sampling of prime-time ads attributed to his campaign during three days of viewing included a spot criticizing Democratic candidate Joe Sestak for his support for financial bailouts and for his ethics, ending with the baseball cliché: "Say it ain't so, Joe."

But an equally aggressive recent anti-Sestak TV spot was sponsored by American Crossroads GPS, the pro GOP group whose policy of keeping donors' identities secret has sparked public moaning from prominent Democrats. The GPS suggests that by supporting the Obama Administration's health care bill, Sestak had been involved in "killing jobs" and "gutting Medicare." (To be fair, Democratic spots attacking Toomey are also aggressive, branding him "Job Killer Pat Toomey" for his support of free market policies and suggesting that Toomey "ought to run for Senate in China.")

According to information made available

by a Democratic Party source, since July, the Crossroads GPS group has spent about \$3.2 million on advertising related to the Toomey/Sestak race; the U.S. Chamber of Commerce has spent about \$1.5 million; the Club for Growth, the organization Toomey once led, has spent about \$974,000; and two pro-Israel groups have spent a total of about \$90,000. Toomey's official fundraising committee has spent about \$5.1 million on advertising since July, according to the Democratic figures.

The contrast with the advertising aimed at influencing Delaware voters' attitudes towards O'Donnell and Coons seems striking. Recent disclosures by O'Donnell's campaign show that since her primary victory in

"I AM NOT A WITCH."

September, her official campaign has taken in nearly \$3.8 million from donors around the country. The campaign said in a filing with the Federal Election Commission that after spending \$1.2 million, she still had \$2.6 million left to spend during the campaign's final weeks. Her official fundraising totals significantly surpassed those of her Democratic opponent, Coons, who reported collecting \$1.3 million over the same period.

But Democratic operatives monitoring the Delaware media market say that they have seen very little pro-O'Donnell or anti-Coons advertising from any source other than O'Donnell's official campaign. Even Republican operatives sympathetic to



WITCHING HOUR: A supporter of Delaware Republican senatorial candidate Christine O'Donnell wears a witch costume before the candidates debate in Newark, Delaware, October 13, 2010. **REUTERS/TIM SHAFFER**

O'Donnell question whether her most widely broadcast official advertising spots -- like the one in which she declared "I am not a witch" -- will help or damage her cause.

One Democratic source said that the only independent advertisement backing O'Donnell which had caught the attention of her opponents was a spot Democrats believe was sponsored by a group fronted by DeMint, the ultra-conservative South Carolina Senator who is raising funds for a wide range of Senate candidates associated with the Tea

Party.

Reports filed with the Federal Election Commission by DeMint's group, the Senate Conservatives Fund, show that in the weeks following her primary victory, the group disbursed more than \$133,000 in "independent expenditures" in support of O'Donnell. This sum is modest compared to the figures which Democrats say are being spent on the Toomey race in Pennsylvania by groups like the U.S. Chamber and Crossroads GPS.

Tea Party activists on the ground in Delaware still believe they can turn out enough voters, particularly people angered by what they see as Obama Administration overreaching on health care and financial bailouts, to defeat Coons, an opponent who O'Donnell harshly criticized as a "bearded Marxist." (Coons says this is a grossly unfair mischaracterization of something he wrote in college.)

Many GOP operatives also believe that Delaware is still what one called a "winnable seat" even with O'Donnell's history of missteps and a lack of funds.



MIXED CROWD: Supporters of Pennsylvania Republican senatorial candidate Pat Toomey and Democratic Senatorial candidate Congressman Joe Sestak hold signs on the street before a debate at the National Constitution Center in Philadelphia, Pennsylvania, October 20, 2010. **REUTERS/TIM SHAFFER**

Rick Wilson, the conservative political consultant, suggested the President and Vice President wouldn't be spending their time in the state if they weren't worried that O'Donnell still was within striking distance of

possible victory.

"Why are Obama and Biden going to Delaware?" he mused.

(Editing by Jim Impoco and Claudia Parsons)

VALUES: Christine O'Donnell, Delaware Republican U.S. Senate nominee, speaks to the Family Research Council's Values Voters Summit in Washington, September 17, 2010. **REUTERS/JONATHAN ERNST**



COVER PHOTO: Delaware Republican senatorial candidate Christine O'Donnell (C) smiles as she speaks to supporters after a candidates forum at the Bowers Beach fire hall in Bowers Beach, Delaware, October 20, 2010. **REUTERS/TIM SHAFFER**

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