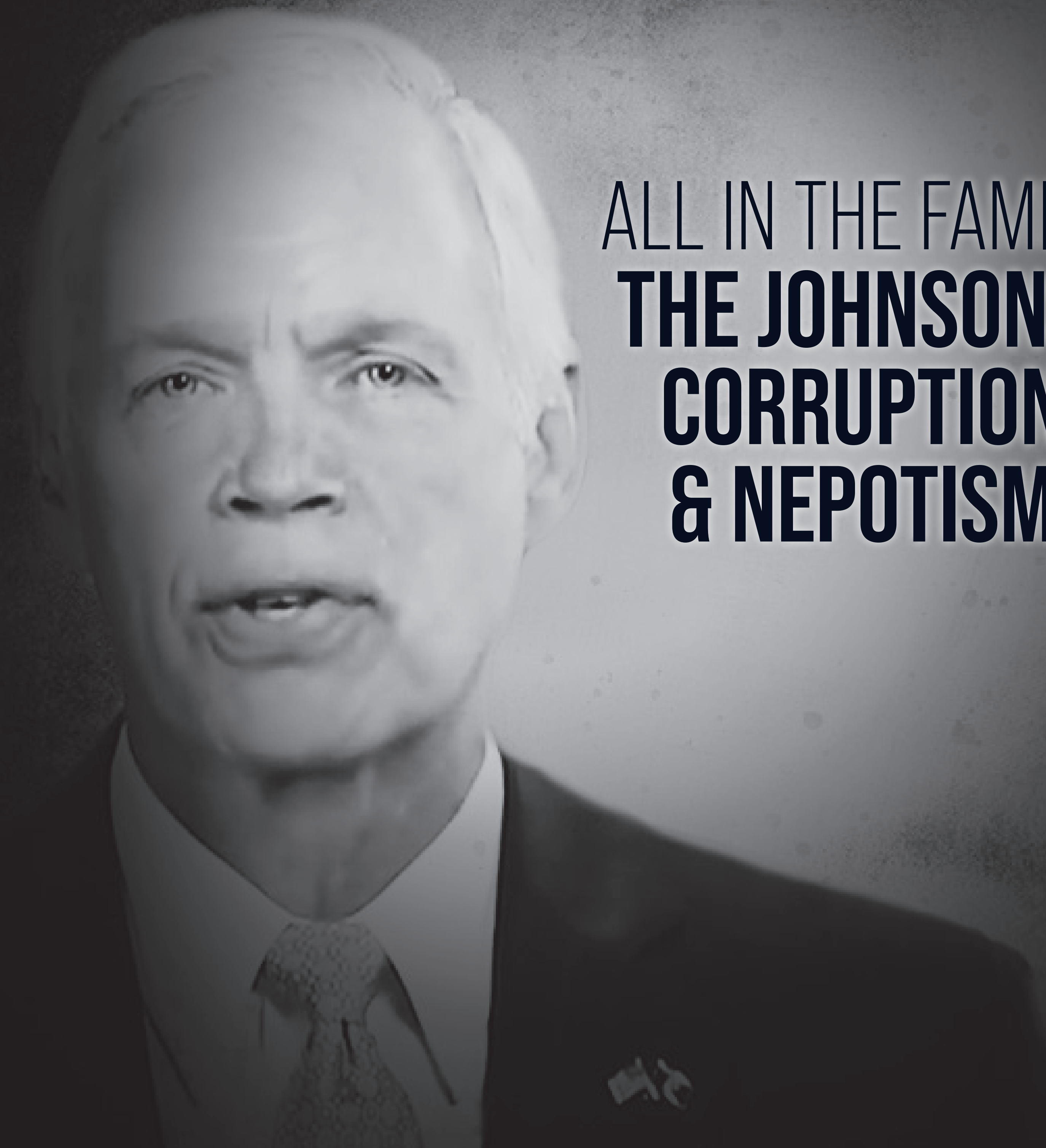
CONGRESSIONAL INTEGRITY PROJECT



ALL IN THE FAMILY: THE JOHNSONS, CORRUPTION & NEPOTISM

A SPECIAL REPORT FROM THE CONGRESSIONAL INTEGRITY PROJECT

RON JOHNSON

Johnson's massive fortune is the direct result of nepotism and self-dealing in both the private sector and the U.S. Senate.

Johnson is one of the richest members of the Senate, with a net worth of tens of millions. He became rich not through entrepreneurship, as he frequently suggests, but by marrying the daughter of a billionaire, Howard Curler. In 1979, after marrying Jane Curler, Johnson began running a plastics company called Pacur with his brother-in-law, Pat Curler. Howard Curler was their only customer.

Based on the ranges provided in Johnson's personal financial disclosures, his wealth has likely doubled since running for the Senate in 2010. During his initial campaign, Johnson promised to place his assets in a blind trust to ensure that he would legislate in the public interest instead of padding his own bottom line. That did not happen. Instead, he increased the value of his assets through official actions such as leveraging his position in the Senate to lower taxes for pass-through businesses like Pacur in the 2017 tax bill. Johnson had made as much as $24.2 million from pass-through entities between 2009 and 2018.

Shortly after that legislation passed, which increased Pacur's value, Johnson began seeking a buyer for his stake in the company. Johnson finally sold his stock in Pacur on March 2, 2020 – right before states locked down and markets began to sink due to Covid-19, but after he received a closed-door briefing on the virus's danger. Profits from the sale of his company may have been as high as $25 million, significantly more than the $1 million to $5 million Johnson estimated his stake in the company was worth in 2017, before he used his position to make the company more profitable..

Johnson's adult children benefited from their father's name to skirt the rules, securing questionable "historic" designations for their investment property and up to $2.1 million in state and federal credits.

In 2017, Johnson's three children – Jenna Golem, Carey Sharpe, and Ben Johnson – joined together to purchase the former Eagles Club building in their hometown of Oshkosh, Wisconsin for $350,000. The company they set up to complete the sale, 405 Washington Ave. LLC, was 100 percent owned by a trust set up by their parents. Using funds from that trust, the siblings purchased the property from Art Dumke, a local real estate developer who had also contributed $7,731.25 to their father's campaigns and hosted a fundraiser for him in 2015.

The siblings then applied for and won historic designation from the Wisconsin Historical Society. They also successfully persuaded the National Park Service to add the building, which they turned into an event space called "The Howard," to the National Register Of Historic Places. That sought-after designation made them eligible for millions in tax credits. According to National Park Service data, their application was received on August 8, 2017 and approved on September 18th, 2017 – just over a month.

Soon after, the siblings received $944,703 in tax credits via the Wisconsin Economic Development Corporation (WEDC), according to state agency documents. However, in seeking the tax credits, the siblings bypassed the State Historic Preservation Office – the usual arbiter of these requests – and submitted their application directly to WEDC. That should have automatically disqualified the application, according to WEDC policy.

In addition, screenshots from The Howard's Facebook page clearly show that construction was being done in July 2017, before the application to add the property to the Wisconsin Register of Historic Places was completed. That should have made the project ineligible for tax credits, according to WEDC policy. In its "mandatory guidelines," the WEDC clearly states that to be eligible "no physical work of construction could have been done before a recommendation [from the preservation office]."

Instead, the preservation office decided to ignore their own policy based on favoritism for Johnson's children, according to emails obtained by the Congressional Integrity Project.

One official from the preservation office sent an email to his colleague at WEDC referring to the applicant as "Senator Ron Johnson's daughter," adding: "I do not want to make this difficult for them because of a technicality." If the Johnson children had applied through the proper channel, it might have jeopardized their profits. That is because the tax credits were approved right before then-Gov. Scott Walker was set to lower the tax credits available for projects like The Howard to $500,000 – almost half a million less than the siblings received.

From: MARK T BUECHEL
To: Jon Bartz
Subject: RE: Fraternal Order of the Eagles/405 Washington Ave LLC WEDC Application
Date: Monday, November 6, 2017 4:31:32 PM
Attachments: Fraternal Order of Eagles - 405 Washington Avenue - Oshkosh.pdf

I do not want to make this difficult for them because of a technicality, we should have some level of customer service if we can help them out. In situations where they have the project submitted and approved and just forgot the WEDC application the easiest solution is to merge the documents we need to move it forward. So I have attached the part one and two copies that would normally accompany the submission to you.

The part one was approved for the project by NPS on 9/18/2017 and the part two was conditionally approved by NPS on 10/05/2017.

The point I was making earlier was more to make sure we curb things like this from happening as deadlines loom for project submissions because I anticipate someone will try to speed things up by sending directly to you and bypassing SHPO and we do not want you spending time executing contracts for projects that have not been reviewed and approved. In this instance you can add these to the submission and process it, the project is in good standing and well underway, I do not see any significant issues. Also, an FYI, in case you do not recognize the owner, Carey Sharpe, is Senator Ron Johnson's daughter.

Mark T Buechel, AIA
Senior Preservation Architect
State Historic Preservation Office

Wisconsin Historical Society
816 State Street, Madison, Wi. 53706
608-264-6491 (O)
mark.buechel@wisconsinhistory.org

Email from the Wisconsin Historical Society to the Wisconsin Economic Development Corporation requesting special treatment for Ron Johnson's daughter, Carey Sharpe.

In 2021, The Howard is scheduled to receive millions more from the WEDC, where key figures enjoy close political ties with Johnson. In fact, the "historical preservation" tax credits were personally approved by WEDC's CEO, Mark Hogan, who contributed $2,600 to Johnson's first campaign for Senate, according to FEC filings. In 2016, Sen. Johnson and Hogan appeared together at an Independent Business Association of Wisconsin event. The president of the WEDC board of directors, Lisa Mauer, had also contributed $3,850 to Ron Johnson for Senate.

Upon issuing the tax credits, Hogan personally signed an email to Carey Sharpe congratulating her on "the economic opportunities [The Howard] will bring to the state." According to the WEDC's own data, the project is projected to create exactly zero jobs over the coming year.

Dear Carey Sharpe,

Congratulations and thank you! We are pleased to inform you that WEDC has approved your award. Our team is grateful to have worked with you on this project, and we want to personally thank you for choosing Wisconsin. We are excited about your upcoming project and the economic opportunities it brings to the state.

Attached please find the final, executable contract documents and supplemental information. Your award approval is contingent on the contract being fully executed by Wednesday, February 7, 2018 and there being no changes to the statute or program guidelines that govern the program prior to that date. Please return the signed contract by this date and WEDC will counter-sign. If this date presents an issue for you, please let us know and we will push it back to the following week.

If you have questions regarding your contract or disbursement, reporting and other requirements, please contact your Regional Economic Development Director, Jon Bartz at 608.210.6846 or jon.bartz@wedc.org, or respond to this email.

Again, thank you for choosing Wisconsin!

Mark R. Hogan
Secretary and CEO

Tricia Braun
Deputy Secretary
and COO

Email from WEDC CEO and Johnson booster Mark Hogan to Carey Sharpe personally congratulating her on the awarded tax credits.

IN WITNESS WHEREOF, WEDC and the Recipient have executed and delivered this Agreement effective the date set forth next to WEDC's signature below.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

By: Mark R. Hogan — 2/13/18
Mark R. Hogan
Secretary & CEO
Date

405 WASHINGTON AVE, LLC

By: Carey Sharpe — 2-6-18
Carey Sharpe
Managing Member
Date

Notices to the Recipient hereunder shall be effective upon mailing by first class mail, postage prepaid, and addressed to the following person and address or such other person and address as the Recipient may designate in writing:

405 Washington Ave, LLC
5736 I Ah May Tah Rd
Oshkosh, WI 54901
Attn: Carey Sharpe

Notices to WEDC hereunder shall be effective upon mailing by first class mail, postage prepaid, and addressed as follows:

Wisconsin Economic Development Corporation
Division of Credit & Risk
P.O. Box 1687
Madison, WI 53701
Attn: Historic Preservation Tax Credit
Contract # HTC FY18-24049

Signed agreement between Mark Hogan and Carey Sharpe.

Click HERE to review the WEDC documents obtained by CIP that served as the basis for this report.

Barry Johnson made tens of thousands from his brother's campaigns for U.S. Senate.

During his re-election campaign in 2016, Ron Johnson's campaign committee paid $27,503.96 to a company called Dynamic Drinkware that was run by his brother, Barry Johnson, according to filings with the Federal Election Commission. Filings vaguely list the money as going toward "Material For State Convention" and "Paraphernalia: Campaign Materials." It is unclear whether Johnson's political supporters knew their donations were heading into his brother's pockets.

RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE LLC	WI	COLLATERAL: TUMBLERS	08/20/2018	$1,437.38
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	CAMPAIGN PROMOTIONAL ITEMS: CUPS	12/22/2016	$890.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	COLLATERAL: CUPS	04/28/2016	$1,856.50
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	CAMPAIGN PROMOTIONAL ITEMS	12/04/2015	$16,995.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	CAMPAIGN SUPPLIES	01/09/2015	$701.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	PARAPHERNALIA: CAMPAIGN MATERIALS	09/26/2012	$1,578.08
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	MATERIAL FOR STATE CONVENTION	06/13/2012	$1,152.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	RJ CUPS FOR ELECTION NIGHT	11/02/2010	$590.00
RON JOHNSON FOR SENATE INC	PACUR	WI	PARAPHERNALIA: COLLATERAL DESIGN WORK	08/23/2010	$300.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	PARAPHERNALIA: CAMPAIGN COLLATERAL	08/23/2010	$704.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	CAMPAIGN CARDS	07/16/2010	$800.00
RON JOHNSON FOR SENATE INC	PACUR	WI	COMPUTER SET-UP TIME	07/09/2010	$1,600.00
RON JOHNSON FOR SENATE INC	DYNAMIC DRINKWARE, LLC	WI	POLLING: LENTICULAR CARDS	06/30/2010	$800.00

Federal Election Commission data showing campaign contributions to Barry Johnson's company, as well as Pacur, a plastics company then owned in part by Sen. Johnson.

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The Congressional Integrity Project is a 501 (c)(4) that exposes the truth about members of Congress who put their own interests ahead of their constituents, covering for corruption while launching baseless investigations to distract the public.

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