

# **Big Oil's \$60 Million Campaign of Deception**

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Ad Paid for by Campaign for a Safe and Healthy California, sponsored by nonprofit environmental and health organizations. Ad Committee's Top Funders:

Advocacy Action Fund, Inc

Wendy Schmidt

Federated Indians of Graton Rancheria

Funding Details at [www.fppc.ca.gov](http://www.fppc.ca.gov)

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## **A \$60M Fight to Keep Drilling Near Homes**

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Since the health and safety law we know as SB1137 was passed in 2022, oil companies and their allies have spent \$60 million or more on their fight to block the law that makes neighborhood drilling within a 3,200-foot setback from schools, homes and hospitals safer and prohibits new wells from being drilled.

This is a broadly defined amount comprising several types of spending, and it is important to note that the final total depends upon how narrowly one defines an expenditure that serves the fight against setback legislation.

For example, we identified \$22 million in lobbying spending by oil industry filers who explicitly name SB1137 or reference “setback” rules or permitting issues in their disclosures — and another \$16 million spent by filers whose disclosures make more implicit references to the law (“gas prices” or “energy independence,” for example).

Oil industry front groups have also spent millions (over \$14 million so far) on ads that lay out the arguments of the veto referendum campaign without ever identifying the law, or naming the ballot measure to roll it back. That’s not coincidental: they’re exploiting a loophole in state and federal law that allows vague advertising like this to conceal the corporations who are paying for it.

### **HIDING BIG OIL FUNDING BEHIND SOFT MONEY ADS**

In 2023, Consumer Watchdog’s Jamie Court explained the idea is to “la[y] the groundwork for an argument that they are going to use once the referendum...can be targeted.”

For the interests behind the ads, there’s an advantage to being vague, said Jamie Court, president at Consumer Watchdog. Under state and federal laws, any political ad that calls out a specific policy is required to list funders of the ad....

“They are doing what we call issue advocacy, which is laying the groundwork for an argument that they are going to use once the referendum has a [ballot] number and can be targeted,” Court said in an email. “This is soft money, does not have to be reported, so it can be hidden, and there does not have to be disclosure about the true source of the money on the ad.”

*(E&E News by Politico, [December 6, 2023](#))*

Here’s a table briefly summarizing what adds up to that \$60 million; each subcategory is explored more thoroughly in the pages that follow.

Type of expenditure	Amount
Lobbying spending by oil industry filers (and their allies) whose disclosures openly named the law or its specific focus	\$21,847,821.62
Lobbying spending by oil industry filers (and their allies) whose disclosures referenced the law more implicitly	\$15,916,217.13
<b>Adjustment to avoid double counting<sup>1</sup>:</b> LESS cash oil companies funneled to dark money front groups and reported as lobbying	(\$12,004,345.41)
<b>sub-total, LOBBYING</b>	<b>\$25,759,693.34</b>
Payments to influence reported by dark money groups that were coded [A] for advertising:	\$12,520,981.13
Media spending and reservations made by oil industry front groups, unreported <sup>2</sup>	\$2,084,588.00
<b>sub-total, DARK MONEY PAYMENTS TO INFLUENCE</b>	<b>\$14,605,569.13</b>
Loans from oil industry to “Stop the Energy Shutdown,” ballot measure campaign committee	\$14,358,264.00
Monetary contributions to “Stop the Energy Shutdown,” ballot measure campaign committee	\$5,772,074.00
<b>sub-total, CAMPAIGN COMMITTEE RECEIPTS<sup>1</sup></b>	<b>\$20,130,338.00</b>
<b>TOTAL</b>	<b>\$60,495,600.47</b>

<sup>1</sup>Oil companies and trade associations report some of the money they’ve transferred to front groups in their lobbying disclosures. When the front groups then spend that money, they may also report the spending in their own disclosures. We pull data from both sets of filings, so to avoid double counting we’ve subtracted any amounts sent to dark money groups from the overall lobbying spending total.

<sup>2</sup>This represents ad spending and reservations that either occurred after the March 31, 2024 filing deadline, or were made by an entity (Chevron Advocacy Network) that does not file campaign disclosures.

# **Lobbying & Influence: Millions to Kill the Law**

After being adjusted to exclude some \$12 million that oil companies and their trade groups funneled to dark money front groups (which is explored and counted in the “Dark Money” section of this document), the oil industry and its allies have spent \$26 million (\$25,759,693.34) on lobbying to defeat the commonsense health and safety regulations of SB1137.

Lobbying spending	Amount
Reported by oil industry filers / their allies in disclosures naming the law or related keywords	\$21,847,821.62
Reported by oil industry filers / their allies in disclosures that reference the law more implicitly	\$15,916,217.13
<b>Adjustment to avoid double counting<sup>1</sup>:</b>	
LESS cash oil companies funneled to dark money front groups and reported as lobbying	(\$12,004,345.41)
<b>sub-total, LOBBYING</b>	<b>\$25,759,693.34</b>

<sup>1</sup>Oil companies and trade associations report some of the money they’ve transferred to front groups in a special section of their lobbying disclosures. When the front groups then spend that money, they may also report it in their own disclosures. We pull data from both sets of filings, so to avoid double counting these sums we’ve subtracted any amounts sent to dark money groups from the overall lobbying spending total

## **Millions Spent by Oil Companies Admitting It Was to Stop the Law**

The entities in the following table filed lobbying disclosures in which they explicitly stated they’d lobbied on the issue of SB1137, which includes either naming the bill itself, or naming as their issue of concern keywords specific to SB1137, such as “setbacks,” “permitting,” or “upstream oil production.”

Such disclosures do not usually indicate whether the filer lobbied for or against the legislation in question, so we’ve limited the field to oil & gas companies and their trade groups *or* to any filers who submitted official arguments opposing SB1137 to the state legislature.

Since the third quarter of 2022, filers in this first category have reported spending \$22 million (\$21,847,821.62) lobbying against health and safety setbacks:

Entity	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	TOTAL
<a href="#">Aera Energy LLC<sup>1</sup></a>	\$103,671.85	\$93,938.57	\$627,892.43	n/a	n/a	\$133,349.10	n/a	<b>\$958,851.95</b>
Berry Corporation	\$49,000.00	n/a	n/a	n/a	n/a	n/a	n/a	<b>\$49,000.00</b>
California Business Roundtable	\$97,250.00	n/a	n/a	n/a	n/a	n/a	n/a	<b>\$97,250.00</b>
California Farm Bureau Federation	\$140,971.32	n/a	n/a	n/a	n/a	n/a	n/a	<b>\$140,971.32</b>
California Independent Petroleum Association	\$121,118.11	n/a	n/a	n/a	\$146,089.57	\$129,407.00	\$117,763.95	<b>\$514,378.63</b>

Entity	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	TOTAL
California Resources Corp.	\$141,907.51	n/a	n/a	n/a	n/a	n/a	n/a	\$141,907.51
Chevron U.S.A., Inc. and Affiliates	\$794,961.22	\$782,341.57	n/a	n/a	n/a	\$1,201,819.08 <sup>3</sup>	\$3,071,947.32 <sup>4</sup>	\$5,851,069.19
County of Kern	\$18,450.00	\$18,450.00	n/a	n/a	n/a	n/a	n/a	\$36,900.00
Kinder Morgan, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	\$7,500.00	\$7,500.00
Marathon Petroleum Corporation and Its Subsidiaries	\$160,076.81	n/a	n/a	n/a	n/a	n/a	n/a	\$160,076.81
Orange County Business Council	\$15,000.00	n/a	n/a	n/a	n/a	n/a	n/a	\$15,000.00
PBF Energy Western Region LLC	\$66,000.00	n/a	n/a	n/a	n/a	n/a	n/a	\$66,000.00
Phillips 66	\$238,567.00	n/a	n/a	n/a	n/a	n/a	n/a	\$238,567.00
Plains All American Pipeline	\$15,000.00	\$15,000.00	n/a	n/a	n/a	n/a	n/a	\$30,000.00
State Building & Construction Trades Council of California	\$126,139.78	n/a	n/a	n/a	n/a	n/a	n/a	\$126,139.78
Valero Services, Inc.	\$110,150.00	n/a	n/a	n/a	n/a	n/a	n/a	\$110,150.00
Western States Petroleum Association <sup>2</sup>	\$2,164,966.81	\$1,734,594.53	\$2,380,275.88	\$1,561,555.07	\$1,381,995.63	\$1,611,603.95	\$2,469,067.56	\$13,304,059.43
<b>TOTAL</b>	<b>\$4,363,230.41</b>	<b>\$2,644,324.67</b>	<b>\$3,008,168.31</b>	<b>\$1,561,555.07</b>	<b>\$1,528,085.20</b>	<b>\$3,076,179.13</b>	<b>\$5,666,278.83</b>	<b>\$21,847,821.62</b>

<sup>1</sup>Aera Energy LLC's totals for 1Q23 and 4Q23 include \$403,810 and \$22,941.18, respectively, that Aera Energy reported contributing to "Californians for Energy Independence" as payments to influence (Attachment Form 640).

<sup>2</sup>Western States Petroleum Association's 1Q23 & 2Q23 lobbying disclosures report lobbying against "SB1137." Since it is of course remotely possible that another state Senate bill numbered 1137 was introduced in the current session, we'd note that we checked and found no new bills numbered "1137" introduced during the time frame in question.

<sup>3</sup>Chevron's total for 4Q23 includes \$53,529.41 that it reported giving "Californians for Energy Independence" (CEI) and \$289,806.18 that it reported giving Western States Petroleum Association (WSPA) as payments to influence; both coded [O] for "all other." (Attachment Form 640). In total for 2023, Chevron reported giving CEI \$5.9M (\$5,862,939.41) and WSPA nearly \$400k (\$383,547.16) as payments to influence.

<sup>4</sup>Chevron reported making a \$1,228,934.25 contribution to oil industry dark money group "Californians for Energy Independence" in its 1Q24 disclosure; the sum is included in the figure shown here. (Attachment Form 640, Chevron USA, Inc. and Its Affiliates' FPPC Form 635 January 1 – March 31, 2024, filed [April 30, 2024](#))

## ...And Millions More from Filers Hiding Behind Vague Wording

The following organizations filed disclosures reporting they'd lobbied on vaguely defined issues that tacitly referenced the provisions of SB1137. For example: PBF Energy Western Region LLC reported it lobbied on "refinery supply issues" during the first quarter of 2023. This is shorthand for one of the oil industry's main arguments against setbacks: that by limiting new well development in the state, SB1137 will force California refineries to buy more supply from overseas.

Since the third quarter of 2022, filers in this second category reported spending \$16 million more (\$15,916,217.13) to lobby against common sense regulation of the oil and gas industry:

Entity	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	TOTAL
Aera Energy, LLC	n/a	n/a	n/a	n/a	\$788,192.00 <sup>1</sup>	\$249,342.71 <sup>6</sup>	n/a	\$1,037,534.71
American Pistachio Growers	\$18,184.91	n/a	n/a	n/a	n/a	n/a	n/a	\$18,184.91
BP America, Inc.	n/a	\$91,552.46	n/a	n/a	n/a	n/a	n/a	\$91,552.46
California Business Roundtable	n/a	\$106,937.50	\$2,183,840.02 <sup>2</sup>	n/a	\$577,250.20 <sup>3</sup>	n/a	n/a	\$684,187.70
California Independent Petroleum Association	n/a	\$220,355.65	\$131,490.35	n/a	n/a	n/a	n/a	\$351,846.00
Chevron U.S.A., Inc. and Affiliates	n/a	n/a	\$4,913,685.69 <sup>4</sup>	n/a	\$3,866,296.30 <sup>5</sup>	n/a	n/a	\$8,779,981.99
Exxon Mobil Corporation	\$49,724.23	n/a	\$54,886.18	n/a	n/a	n/a	\$102,423.24	\$207,033.65
Marathon Petroleum Corporation and Its Subsidiaries	n/a	\$128,086.68	\$243,256.32	\$194,258.32	\$121,539.03	n/a	\$140,726.26	\$827,866.61
National Federation of Independent Business	n/a	n/a	n/a	n/a	n/a	n/a	\$18,900.00	\$18,900.00
Nisei Farmers League	\$4,162.16	n/a	n/a	n/a	n/a	n/a	n/a	\$4,162.16
PBF Energy Western Region LLC	n/a	\$88,000.00	\$65,332.54	\$72,226.43	\$33,000.00	n/a	n/a	\$258,558.97
Shell Oil Products / Shell Oil Company & Affiliated Entities	\$30,500.00	\$40,072.37	n/a	n/a	n/a	n/a	n/a	\$70,572.37
Western States Petroleum Association	n/a	n/a	n/a	n/a	\$1,381,995.63	n/a	n/a	\$1,381,995.63
<b>TOTAL</b>	<b>\$102,571.30</b>	<b>\$675,004.66</b>	<b>\$7,592,491.10</b>	<b>\$266,484.75</b>	<b>\$6,768,273.17</b>	<b>\$0.00</b>	<b>\$511,392.21</b>	<b>\$15,916,217.13</b>

<sup>1</sup>Aera Energy, LLC reported making a \$686,880.00 contribution to oil industry front group "Californians for Energy Independence" in its Q3 2023 disclosure; the sum is included in the figure shown here.

(Attachment Form 640, Aera Energy, LLC's FPPC Form 635, Amendment #1, July 1–September 30, filed [December 14, 2023](#))

<sup>2</sup>The California Business Roundtable reported making a \$2,100,000 contribution to oil industry front group "Californians for Affordable and Reliable Energy" in its Q1 2023 disclosure; the sum is included in the figure shown here. (Attachment Form 640, California Business Roundtable's FPPC Form 635 January 1–March 31, 2023, filed [May 15, 2023](#))

<sup>3</sup>The California Business Roundtable reported paying \$336,000.00 for "advertising" to "Unearth Campaigns," the digital campaign and ballot initiative consultancy that produced the oil industry's dark money-funded ad blitz, in its Q3 2023 disclosure; the sum is included in the figure shown here. (Attachment Form 640, California Business Roundtable's FPPC Form 635 July 1–September 30, 2023, filed [October 30, 2023](#))

<sup>4</sup>Chevron reported making a \$3,634,290 contribution to oil industry dark money group "Californians for Energy Independence" in its Q1 2023 disclosure; the sum is included in the figure shown here. (Attachment Form 640, Chevron USA Inc.'s FPPC Form 635 January 1–March 31, 2023, filed [May 1, 2023](#))

<sup>5</sup>Chevron reported making a \$2,175,120.00 contribution to oil industry dark money group "Californians for Energy Independence" in its Q3 2023 disclosure; the sum is included in the figure shown here. (Attachment Form 640, Chevron USA Inc.'s FPPC Form 635 July 1–September, 2023, filed [October 31, 2023](#))

<sup>6</sup>Aera Energy, LLC reported making a \$151,890.75 contribution to oil industry front group "Californians for Energy Independence" in its Q1 2024 disclosure; the sum is included in the figure shown here. (Attachment Form 640, Aera Energy, LLC's FPPC Form 635 January 1 – March 31, 2024, filed [April 30, 2024](#))

## SOME WAYS TO SAY SB1137, WITHOUT ACTUALLY SAYING IT

Here are some of the descriptions this second category of filers used to explain its lobbying:

Entity	Quarter	Lobbying Activities Potentially Related to SB1137
BP America, Inc.	2022 Q4	"Gas and Power Issues"
California Business Roundtable	2022 Q4	"Energy Reliability"
California Independent Petroleum Association	2022 Q4	"Oil Production In California...Crude Oil Production Regulations; Health and Safety Rulemaking Process"
	2023 Q1	"Crude Oil Production Regulations; Health and Safety Rulemaking Process"
	2023 Q3	"Crude Oil Production Regulations; Health and Safety Rulemaking Process"
	2023 Q3	"Upstream Ad Hoc...Gas Prices"
Exxon Mobil Corporation	2022 Q3	"Oil And Gas Policy Issues"
	2024 Q1	"Oil & Gas Policy"
Marathon Petroleum Corporation and Its Subsidiaries	2022 Q4	"Fuels Policy and Projects"
	2023 Q1	"Fuels Policy and Projects"
	2023 Q2	"Fuels Policy and Projects"
	2023 Q3	"Fuels Policy and Projects"
	2024 Q1	"Fuels Policy and Projects"
PBF Energy Western Region LLC	2022 Q4	"Refinery Supply Issues"
	2023 Q1	"Refinery Supply Issues"
	2023 Q2	"Refinery Issues"
	2023 Q3	"Refinery Issues"

## WHY WERE THESE ENTITIES INCLUDED IN OUR ANALYSIS?

Here are brief rationales for the inclusion of entities found in this analysis:

Entity	Reason for inclusion
American Pistachio Growers	On record with the legislature as opposed to SB1137. <sup>1</sup>
Aera Energy LLC	Oil company. Member of Kern Citizens for Energy <sup>2</sup> , which opposed SB1137. <sup>3</sup>
Berry Corporation	Oil & gas industry.
BP America, Inc.	Oil & gas industry.
California Business Roundtable	As recently as 2020, Chevron acknowledged it was a member of the California Business Roundtable. <sup>4</sup> CEO Robert Lapsley is affiliated with oil industry front group Californians for Affordable and Reliable Energy. <sup>5</sup> Accepted \$327,000 during the first quarter of 2023. <sup>6</sup>
California Farm Bureau Federation	Farm Bureau's regional affiliates opposed SB1137.
California Independent Petroleum Association	Oil industry trade group. On record with the legislature as opposed to SB1137.
California Resources Corp.	Oil & gas industry. Member of Kern Citizens for Energy.
Chevron U.S.A., Inc. and Affiliates	Oil & gas industry. Member of Kern Citizens for Energy.
County of Kern	On record with the legislature as opposed to SB1137.
Exxon Mobil Corporation	Oil & gas industry.
Marathon Petroleum Corporation and Its Subsidiaries	Oil & gas industry.
Nisei Farmers League	On record with the legislature as opposed to SB1137.
Orange County Business Council	On record with the legislature as opposed to SB1137.
PBF Energy Western Region LLC	Oil & gas industry.

Entity	Reason for inclusion
Phillips 66	Oil & gas industry.
Plains All American Pipeline	Oil & gas industry.
Shell Oil Products / Shell Oil Company & Affiliated Entities	Oil & gas industry.
State Building & Construction Trades Council of California	Represents oil workers. <sup>7</sup> Previously partnered with Western States Petroleum Association on pro-oil dark money efforts. <sup>8</sup>
Valero Services, Inc.	Oil & gas industry.
Western States Petroleum Association	Oil industry trade group. On record with the legislature as opposed to SB1137.

<sup>1</sup>California State Legislature SB1137 Assembly Floor Analysis, 2021-22 legislative session, [August 30, 2022](#)

<sup>2</sup><https://www.kerncitizensforenergy.com/members-list/energy-companies/>

<sup>3</sup>California State Legislature SB1137 Assembly Floor Analyses, 2021-22 legislative session, [August 30, 2022](#)

<sup>4</sup><https://www.chevron.com/-/media/chevron/sustainability/documents/chevron-climate-lobbying-report.pdf#page=8>

<sup>5</sup>*San Francisco Chronicle*, [June 19, 2023](#)

<sup>6</sup>Chevron USA Inc.'s FPPC Form 635, January 1–March 31, 2023; filed [May 1, 2023](#);

<sup>7</sup>*Politico*, [June 28, 2021](#)

<sup>8</sup>DeSmog.com, [April 27, 2022](#)



# Dodgy Finances: Oil Loans Put Law on Ballot

“Stop the Energy Shutdown,” the official ballot measure campaign committee, reported receiving \$5,769,875 in contributions and \$14,358,264 more as loans from oil companies and special interests in 2022, for a total of \$20,128,139:

NAME OF FILER		Column A	Column B
STOP THE ENERGY SHUTDOWN, A COALITION OF SMALL BUSINESS OWNERS, CONCERNED TAXPAYERS, LOCAL ENERGY PRODUCERS AND INDEPENDENT PETROLEUM ASSOCIATION		TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES)	CALENDAR YEAR TOTAL TO DATE
<b>Contributions Received</b>			
1. Monetary Contributions .....	Schedule A, Line 3	\$5,769,875.00	\$5,769,875.00
2. Loans Received .....	Schedule B, Line 7	\$14,358,264.00	\$14,358,264.00
3. SUBTOTAL CASH CONTRIBUTIONS .....	Add Lines 1 + 2	\$20,128,139.00	\$20,128,139.00
4. Nonmonetary Contributions .....	Schedule C, Line 3	\$0.00	\$0.00
5. TOTAL CONTRIBUTIONS RECEIVED .....	Add Lines 3 + 4	\$20,128,139.00	\$20,128,139.00

(FPPC Form 460, Stop the Energy Shutdown, Jan-Dec 2022; filed [January 31, 2023](#))

The committee spent nearly everything it had — [\\$20,071,793.08](#) — on qualifying the veto referendum in 2022 and has raised and spent almost nothing since, outside of payments it’s made to Fleischman Consulting Group and to Steven Lucas’ firm, Nielsen Merksamer.

## ...Including Over \$14M It Took in as Dodgy Loans

Over \$14 million (\$14,358,264) of the money the ballot measure committee reported receiving in 2022 was loaned, not given, by 14 different oil companies. Here are those amounts:

Contributor	City	State	Date	Amount Loaned	Subtotal, by Contributor (loans only*)
Carbon California Operating Company, LLC <i>(Responsible Officer: Patrick McDonald)</i>	Santa Paula	CA	11/3/22	\$200,000.00	<b>\$200,000.00</b>
Cooper & Brain Inc*	Wilmington	CA	10/14/22	\$24,481.00	<b>\$24,481.00</b>
Crimson Resource Management Corp	Denver	CO	11/17/22	\$287,000.00	
Crimson Resource Management Corp	Denver	CO	10/24/22	\$300,000.00	
Crimson Resource Management Corp	Denver	CO	10/14/22	\$345,000.00	
Crimson Resource Management Corp	Denver	CO	10/14/22	\$655,000.00	<b>\$1,587,000.00</b>
E & B Natural Resources Management Corp	Bakersfield	CA	11/10/22	\$500,000.00	
E & B Natural Resources Management Corp	Bakersfield	CA	10/27/22	\$650,000.00	
E & B Natural Resources Management Corp	Bakersfield	CA	10/20/22	\$600,000.00	
E & B Natural Resources Management Corp	Bakersfield	CA	10/14/22	\$1,200,000.00	<b>\$2,950,000.00</b>
Hellman Properties LLC <i>(Responsible Officer: Devon Shay)</i>	Seal Beach	CA	10/31/22	\$100,000.00	<b>\$100,000.00</b>
Holmes Western Oil Corporation	Taft	CA	11/17/22	\$150,000.00	
Holmes Western Oil Corporation	Taft	CA	11/9/22	\$400,000.00	

Contributor	City	State	Date	Amount Loaned	Subtotal, by Contributor (loans only*)
Holmes Western Oil Corporation	Taft	CA	10/14/22	\$450,000.00	\$1,000,000.00
James C. Hall, Including Drilling & Production Co.*	Torrance	CA	10/28/22	\$21,734.00	\$21,734.00
Macpherson Oil Company LLC (Responsible Officer: Rubin Kim)	Santa Monica	CA	11/17/22	\$286,000.00	
Macpherson Oil Company LLC (Responsible Officer: Rubin Kim)	Santa Monica	CA	10/14/22	\$995,000.00	\$1,281,000.00
Naftex Operating Company	Bakersfield	CA	11/7/22	\$25,000.00	
Naftex Operating Company	Bakersfield	CA	10/14/22	\$25,000.00	
Naftex Operating Company	Bakersfield	CA	10/14/22	\$50,000.00	\$100,000.00
San Joaquin Facilities Management, Inc.	Bakersfield	CA	11/17/22	\$250,000.00	
San Joaquin Facilities Management, Inc.	Bakersfield	CA	10/14/22	\$250,000.00	\$500,000.00
Sentinel Peak Resources California LLC* (Responsible Officer: Sean Brake)	Engelwood	CO	11/17/22	\$500,000.00	
Sentinel Peak Resources California LLC* (Responsible Officer: Sean Brake)	Engelwood	CO	10/14/22	\$995,000.00	\$1,495,000.00
Signal Hill Petroleum, Inc.	Signal Hill	CA	11/17/22	\$500,000.00	
Signal Hill Petroleum, Inc.	Signal Hill	CA	11/10/22	\$1,500,000.00	
Signal Hill Petroleum, Inc.	Signal Hill	CA	10/14/22	\$302,183.00	
Signal Hill Petroleum, Inc.	Signal Hill	CA	10/14/22	\$897,817.00	\$3,200,000.00
The Termo Company*	Long Beach	CA	10/14/22	\$99,049.00	\$99,049.00
Vaquero Energy Inc	Bakersfield	CA	11/17/22	\$300,000.00	
Vaquero Energy Inc	Bakersfield	CA	11/10/22	\$500,000.00	
Vaquero Energy Inc	Bakersfield	CA	10/14/22	\$197,450.00	
Vaquero Energy Inc	Bakersfield	CA	10/14/22	\$802,550.00	\$1,800,000.00
<b>TOTAL</b>				<b>\$14,358,264.00</b>	

\*The following contributors also gave monetary (i.e. non-loan) contributions, which amounts were not included in the subtotals shown here: **Cooper & Brain** (\$24,000); **James C. Hall / Drilling & Production Co.** (\$33,601); **Sentinel Peak Resources California LLC** (\$3,005,000); **The Termo Company** (\$100,000).

These loans can also be found in the committee's [campaign finance disclosure](#) that covers 2022.

### **ZERO INTEREST AND ZERO PAYMENTS IN OVER A YEAR**

In over a year, Stop the Energy Shutdown has not reported making a single payment against any of these loans, nor has it reported paying a dime of interest.

### **Such Loans Can Be Used to Hide Who's Really Paying...**

It is not uncommon for candidates to loan themselves money during a campaign, often in hopes that once fundraising gets going they will be able to repay the loan from campaign contributions. But the oil companies' arrangement is more unusual, and [as Sen. Lena Gonzalez has pointed out](#), it could easily be abused to avoid public disclosure and hide the real funders of the effort from the public until it's too late. Campaign committees can and do stay active well past the date of the

election, creating an opportunity for even wealthier (and even more controversial) oil corporations like Chevron or ExxonMobil to swoop in after the fact and donate the full amount needed to pay back these "loans," making the multinationals the real backers of this veto referendum.

### **...Or to Dodge Paying State and Federal Taxes**

On the other hand, if there is no multinational waiting and ready to pay off these loans when the eyes of public, press, and consumer watchdogs have moved on, the companies will have no other option but to give up on ever collecting. This opens another loophole: a path for each oil company to write off its "failed loans" to the campaign as a bad business investment, which it may then take as a tax deduction.

#### **BIG OIL ALREADY AVOIDS TAXES, PAYS AN EFFECTIVE RATE OF 2%**

The oil and gas industry is already failing to pay its fair share of both state and federal taxes, as it exploits various tax loopholes and pays as little as 2% of its revenue in (federal) taxes. From the Institute on Taxation and Economic Policy (ITEP):

The industries enjoying the lowest five-year effective tax rates were utilities (negative 0.1 percent); oil, gas, and pipelines (2.0 percent); motor vehicles (3.2 percent); and telecommunications (7.7 percent)....

The effective tax rates reported by companies over the five years between 2018 and 2022 vary widely by industry, from negative 0.1 percent to 25.7 percent....

Figure 6.

#### **Effective Corporate Tax Rates for 342 Corporations by Industry, 2018-2022 (Five-Year Totals)**

Industry	Profit (in millions)	Tax (in millions)	Rate
Utilities, gas and electric	\$175,495	-\$200	-0.1%
<b>Oil, gas &amp; pipelines</b>	\$39,333	\$787	2.0%
Motor vehicles and parts	\$41,059	\$1,313	3.2%
Telecommunications	\$351,618	\$27,023	7.7%

(<https://itep.org/corporate-tax-avoidance-trump-tax-law/>)

#### **OR EVEN LESS – CHEVRON PAID 1.8% IN 2021**

Chevron, of course, notoriously pays even less; a [Center for American Progress exposé](#) in 2021 reported the global giant had paid federal taxes at an effective rate of just 1.8%.

#### **AND ENJOYING A SWEETHEART DEAL ON CA PROPERTY TAXES**

Although it is not particular to Chevron, or even to the fossil fuel industry, Chevron's avoidance of California property taxes (thanks to Prop. 13 and its advantages for corporations) is still pretty eye-popping: the oil giant reportedly avoids \$100 million or more it

would otherwise owe the state each year for the land under its oil operations.

According to a policy brief published in 2018 by the Make It Fair coalition, oil giant Chevron saves \$100 million or more annually on its property taxes because its statewide properties, which include gas stations, oil fields and refineries, go unassessed or underassessed. The coalition's brief was based on analysis by the University of Southern California's Program for Environmental and Regional Equity (PERE).

(*American Prospect*, July 29, 2020, at permalink <https://perma.cc/FHP4-842A>.)

## **Even Dodgier: Dark Money is Paying for Ads**

Front groups are an ongoing pillar of the fossil fuel industry's playbook in California: shell nonprofits organized and funded by oil companies, they masquerade as "broad coalitions" of concerned citizens and business representatives but are functionally opaque entities with a single mission: furthering the oil and gas industry's agenda in the state.

Usually organized as 501(c)(4) nonprofits ("social welfare organizations"), such groups are referred to as "dark money" because they're able to spend money on certain types of campaigns without revealing their donors. Under California law, these types of groups are legally permitted to spend funds on "issue advocacy" campaigns without revealing their donors.

Because these "issue advocacy" campaigns don't explicitly advocate for or against ballot measures or referenda, millions of dollars can be spent to subtly influence voters without disclosing the true funders behind the messaging campaign.

Since early 2023, three such dark money groups — [Californians Against Higher Taxes](#), [Californians for Affordable and Reliable Energy](#) (CARE) and [Californians for Energy Independence](#) (CEI) — have been running an ad campaign that promotes anti-SB1137 talking points (higher gas prices, losing good jobs, dependence on foreign oil).

All three are linked to veto referendum sponsor California Independent Petroleum Association (CIPA), oil lobbying trade group Western States Petroleum Association (WSPA), business association CBRT, and to Chevron itself, who incidentally also provided the lion's share of the funding for their ad blitz.

So, there's really no question at this point that the three "innocuous-sounding" organizations [[Californians Against Higher Taxes](#), [Californians for Affordable and Reliable Energy](#) and [Californians for Energy Independence](#)] are really fronting for Big Oil, or more specifically Western States, Chevron and the business roundtable. (*Capitol Weekly*, [July 11, 2023](#))

### **Over \$14 Million in Dark Money to Produce and Run Ads**

Together, the front groups discussed in this document have spent more than \$14 million (\$14,605,569.13) to produce and run ads across TV, digital platforms, and mail — money they received in turn from Chevron and assorted oil & gas industry advocacy groups. (Data to

support this assertion is drawn from three different sources: “Lobbyist Employer” quarterly reports, filed by e.g. Chevron, WSPA, CBRT and similar, “Payments to Influence” (Form 645), which entities not registered as lobbyists use to report advocacy spending, and TV spending data for months that have yet to be disclosed in quarterly filings.)

For example, here are three of the ads they are spending on in 2024:

- **Californians for Affordable and Reliable Energy**
  - [Regular Job](#)
  - [Make Matters Worse](#)
- **Californians for Energy Independence**
  - [Increasing Prices](#) (this began airing last year)

And here are links to social media ad campaigns the groups launched in 2023:

- **Californians for Energy Independence**, Meta ad campaign in [February, March, April, August, September, October 2023](#)
- **Californians Against Higher Taxes**, Meta (Facebook & Instagram) ad campaign in [February 2023](#).
- **Californians for Affordable and Reliable Energy**, Meta ad campaign in [February & March 2023](#).

The table below shows the \$14 million in expenditures we’ve flagged as related to the ad campaign; more detail is available on these groups and their funding in the sections that follow.

Dark Money Group	Payee	Spent	Time period
Californians for Energy Independence (CEI)	Cable, Satellite & Broadcast TV <sup>1</sup>	\$796,638	2Q 2024 <sup>1</sup>
Californians for Affordable and Reliable Energy (CARE)	Cable, Satellite & Broadcast TV <sup>1</sup>	\$1,273,416	2Q 2024 <sup>1</sup>
Chevron Advocacy Network	Cable, Satellite & Broadcast TV <sup>1</sup>	\$14,534.00	August 2023 – June 2024 <sup>1</sup>
Californians for Energy Independence (CEI)	Winner & Mandabach <sup>2</sup>	\$8,314,795.59	2023, 1Q 2024
Californians for Affordable and Reliable Energy (CARE)	Applied Paradigms <sup>3</sup>	\$3,151,662.00	2023, 1Q 2024
Californians for Affordable and Reliable Energy (CARE)	Unearth Campaigns, LLC <sup>4</sup>	\$262,950.00	2023, 1Q 2024
Californians Against Higher Taxes	Unearth Campaigns, LLC <sup>5</sup>	\$530,950.00	2023, 1Q 2024
Californians Against Higher Taxes	Media & Associates <sup>6</sup>	\$260,623.54	2023, 1Q 2024
<b>TOTAL spending attributed to ad blitz</b>		<b>\$14,605,569.13</b>	

<sup>1</sup>Media spending reports, April - June, 2024. Future dates represent reservations made by CEI for May and June 2024.

<sup>2</sup> Californians for Energy Independence’s [1Q 2023](#), [3Q 2023](#), [4Q 2023](#) and [1Q 2024](#) filings all code the money paid to Winner & Mandabach as [A], for advertising. They’ve done it before: Winner & Mandabach was reportedly paid by this same front group for statewide TV & digital ads in [2019](#).

<sup>3</sup>Applied Paradigms is a firm headed by oil lobbyist Richie Ross’ son Joaquin, and the filings reporting this \$3.2M expenditure spell out that the payments were for ‘advertisements.’

<sup>4</sup>These payments to Uneath Campaigns were coded on [the disclosure](#) as [A], for advertising.

<sup>5</sup>Californians Against Higher Taxes' [1Q and 3Q filings](#) coded payments to Uneath as [A], for advertising.

<sup>6</sup>Californians Against Higher Taxes' [1Q and 3Q filings](#) double-coded payments to Media & Associates, as both [C] (consultants) and [P] public affairs, including grassroots campaigns. [P] would seem to cover advertising like the ones in question here, so we have counted this amount.

**NOTE: For more on this coding, see [Instructions for Form 640](#):** "Before the payee name include a code (including the brackets before and after) to describe the primary purpose of the payment: (1) [S] for salary of employees other than lobbyists who are engaged for 10% or more of their time in one month in activities related to lobbying; (2) [E] for expenses incurred by a lobbyist and paid directly by the filer, or expenses incurred by the filer for goods or services used by a lobbyist; (3) [L] for legislative related-services performed by a lobbying firm under Regulation 18614(b)(2); (4) [C] for consultants and government relations; (5) [P] for public affairs, including coalition building and grassroots campaigns; (6) [A] for advertising; (7) [R] for research including feasibility studies, analysis, polling and public opinion research; (8) [V] for lobbying events including event planning, rentals, equipment, and transportation for members or the public; and (9) [O] for all other payments not covered by one of the specific categories. (See Cal. Code Regs., tit. 2, section 18616.)"

## Californians for Energy Independence

Californians for Energy Independence (CEI), by far the biggest spender of the dark money front groups, is organized as a 501(c)(4) nonprofit (tax filings [HERE](#)). It currently files reports with the CA Secretary of State as a "payments to influence" entity (one that files reports during any given calendar quarter in which \$5,000 or more is spent to "influence legislative or administrative action," e.g. lobby); ID# [1368757](#).

Here is one of the most recent examples of the ads that CEI is funding: [Increasing Prices](#) (this began airing in 2023); it's also posting the video to social media, e.g. [X fka Twitter](#) (February 28, @LocalCAEnergy).

### **FOUNDED, OPERATED BY KEY PLAYERS IN THE VETO REFERENDUM**

CEI cannot be considered truly separate from the oil industry's efforts to overturn SB1137 in 2024. It's a front group operated by two of the main figures behind the veto referendum: "Stop the Energy Shutdown" treasurer Steven Lucas and referendum sponsor CIPA's CEO Rock Zierman.

Lucas and Zierman, who founded CEI in 2014, are listed on its [most recent tax filing](#) as the dark money group's CFO and Secretary, respectively:

efile Public Visual Render ObjectID: 202331019349301228 - Submission: 2023-04-11 TIN: 46-5063010

Form **990** Return of Organization Exempt From Income Tax

OMB No. 1545-0047  
**2022**  
Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
Do not enter social security numbers on this form as it may be made public.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

**A** For the 2022 calendar year, or tax year beginning 01-01-2022, and ending 12-31-2022

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization  
 Californians for Energy Independence

**D** Employer identification number  
 46-5063010

**E** Telephone number  
 (415) 389-6800

**G** Gross receipts \$ 11,791,038

**F** Name and address of principal officer:  
 Catherine Reheis-Boyd  
 2350 Kerner Blvd 250  
 San Rafael, CA 94901

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
 If "No," attach a list. See instructions.  
**H(c)** Group exemption number ▶

**I** Tax-exempt status:  501(c)(3)  501(c) ( 4 ) ◀ (insert no.)  4947(a)(1) or

**J** Website: ▶ [www.energyindependenceca.com](http://www.energyindependenceca.com)

**K** Form of organization:  Corporation  Trust  Association  Other ▶

**L** Year of formation: 2014 **M** State of legal domicile: CA

[...]  
 Form 990 (2021) Page 7

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**  
 Check if Schedule O contains a response or note to any line in this Part VII . . . . .

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

[...]

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Catherine Reheis-Boyd Pres & Director	1.00 0.00	X		X				0	0	0
(2) Rock Zierman Director	1.00 0.00	X						0	0	0
(3) Steven S Lucas Secretary/CFO	1.00 0.00			X				0	0	0

(Form 990, Californians for Energy Independence, 2022)

**AND HEADED BY THE PRESIDENT OF OIL LOBBYING GROUP WSPA**  
 That same tax filing (see image directly above) also reveals that Catherine Reheis-Boyd, the [President/CEO of the Western States Petroleum Association](#) (WSPA), is also the President, Director, and principal officer of CEI.

**ITS MISSION: FIGHT ANY REGULATION OF OIL INDUSTRY IN CA**  
 CIPA's 2020 Annual Report, which has an entire page dedicated to CEI's doings, says that the dark money front group's purpose is to serve as "a backstop to Governor Gavin Newsom and the California Legislature's aggressive efforts to phase out production in California."

Californians for Energy Independence (CEI) serves as a backstop to Governor Gavin Newsom and the California Legislature's aggressive



efforts to phase out production in California as well as in production regions throughout the state.

CEI operates on a statewide level while engaging outreach teams in Los Angeles, Ventura, and Fresno. Close communication and coordination between regional and statewide teams facilitates the flow of information regarding the migration of harmful industry policies that influence statewide policies, such as setbacks, water protection, permitting and climate (Green New Deal).

(CIPA Annual Report, 2020)

Among other things, CEI maintains [a website filled with pro-oil-industry propaganda](#) that denounces California officials' attempts to limit fossil fuel drilling.

**PAID STEVEN LUCAS' LAW FIRM OVER \$1M IN 2022**

CEI's tax forms also reveal the organization paid Nielsen Merksamer, where Steven Lucas is a partner, \$1,012,329 for "Legal Services" in 2022. Tax filings disclose details on these payments because Lucas, as CEI's CFO, is an "interested person."

Form 990 (2022)

Page 8

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

[...]

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Nielsen Merksamer  2350 Kerner Blvd Ste 250 San Rafael, CA 94901	Legal Services	1,012,329

(Schedule L, Form 990, Californians for Energy Independence, [2022](#))

**"PROUD PARTNERS" WITH WSPA, CIPA**

Nor does the Californians for Energy Independence website make any attempt to hide its "proud partners:" veto referendum sponsor CIPA and oil industry lobbying group WSPA are the only two listed.

## PROUD PARTNERS



### Western States Petroleum Association

Western States Petroleum Association (WSPA) is a non-profit trade association that represents companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the five western states of Arizona, California, Nevada, Oregon, and Washington.

[Learn More](#)



### California Independent Petroleum Association

The California Independent Petroleum Association (CIPA) is a non-profit, non-partisan trade association representing approximately 500 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California.

(<https://www.energyindependenceca.com/concerned-mineral-owners-ca/>)

### REPORTED NEARLY \$12M IN REVENUE ON LATEST TAX FORM

The entity's most recent tax form, for fiscal year ending [December 31, 2022](#), reported gross receipts of \$11.8 million, as "contributions, gifts, grants" from unnamed sources.

### MEMBERSHIP AVOIDS MENTIONING ITS BIG OIL BACKERS

CEI says it's a "coalition" working to protect "domestic energy production" and oppose "reliance on foreign oil." But it's slow to identify the large, out-of-state and multinational members footing the bill for its message. Depending on the audience, CEI's materials leave the details of its membership vague, as in this tombstone slug from its website's main splash page...

Californians for Energy Independence is a coalition that supports state and local policies that allow for continued domestic energy production and opposes those policies - such as oil taxes and energy bans - that would hinder production and increase reliance on foreign oil.

(<https://www.energyindependenceca.com/>)

...or more tailored, e.g. on its "Concerned Mineral Owners of California" sub-page, where CEI specifies its members are "local oil and gas producers and community partners:"

A broad coalition of local oil and gas producers and community partners who work together to support safe, affordable and reliable local oil and natural gas production

(Californians for Energy Independence website, "Mineral Owners" sub-section;

<https://www.energyindependenceca.com/concerned-mineral-owners-ca/>)

Its messaging is centered on:

- The alleged importance of **“local oil and gas production”**
- The alleged threat new regulation represents to **“50,000” oil & gas jobs**
- The alleged threat regulation represents to some **“\$1.5 billion in state and local tax revenues”** that oil and gas production allegedly generates in California

In a nutshell, [from CEI’s website](#): “Restricting the ability for California to continue producing the energy it needs would increase foreign oil imports, result in higher gas prices at the pump and risk serious energy supply shortages.”

#### **PAST CAMPAIGN ACTIVITY**

“Californians for Energy Independence” hasn’t appeared in the name of any campaign finance committee (as opposed to a “payments to influence” entity) yet for the 2023-24 cycle, but it has formed ballot measure committees in the past. There was [“Californians for Energy Independence - Yes on 10”](#) (in 2008, a boondoggle pushed by billionaire oilman T. Boone Pickens, who hoped to line his pockets pushing CNG-fueled cars); [“No on Measure A - Major Funding by Californians for Energy Independence,”](#) (in 2015, an unsuccessful attempt to ban new oil & gas wells and fracking in La Habra Heights, where Matrix Oil wanted to drill an 18 acre parcel owned by SoCal Gas); [“No on Measure Z,”](#) (in 2016, a citizen ballot initiative banning fracking, new oil wells and wastewater injection in Monterey County; this committee began the cycle as “Californians for Energy Independence but was renamed “No on Measure Z;” see [Historical Names for This Committee](#), Filer No. 1365619); and [“No on Measure G,”](#) (in 2018, a proposed ban on fracking and new oil wells in unincorporated San Luis Obispo County; this committee began the cycle as “Californians for Energy Independence” but was renamed “No on Measure G;” see [Historical Names for This Committee](#), Filer No. 1365619)

#### **ALSO LINKED TO CALIFORNIA CHAMBER OF COMMERCE, CBRT**

CEI’s third founder was Allen Zaremborg, the late president and CEO of the California Chamber of Commerce (Initial Registration, CA Attorney General Registry of Charitable Trusts, filed [April 21, 2014](#)).

The Independent Oil Producers’ Agency was an original coalition member in CEI as well.

## Californians for Affordable and Reliable Energy

Here are two examples of recent ads funded by Californians for Affordable and Reliable Energy (CARE)

- o [Regular Job](#)
- o [Make Matters Worse](#)

### **501(C)(4) ORGANIZED IN 2013 BY STEVEN LUCAS**

Like Californians for Energy Independence, [Californians for Affordable and Reliable Energy](#), or “CARE,” calls itself a broad-based coalition but is in fact a dark money 501(c)(4) (EIN 82-1426350) organized in [August 2013](#) by current veto referendum committee treasurer Steven Lucas.

### **FOUNDED AND FUNDED BY WSPA, CHEVRON, CBRT, OTHERS**

It was reported at the time of its founding that CARE members included the “Western States Petroleum Association, the California Manufacturers & Technology Association and the California Chamber of Commerce.” (SFGate, [August 19, 2013](#)); its current members include WSPA, CIOMA, and the California Business Roundtable (CBRT, of which Chevron and Valero are members).

Just as he does for Californians for Energy Independence, veto referendum committee treasurer Steven Lucas still serves as CARE’s CFO (Form 990, [2022](#)); its president, Rob Lapsley, also heads the California Business Roundtable, and Chevron / CBRT lobbyist Richie Ross [is also CARE's lobbyist](#).

The *San Francisco Chronicle* described CARE in 2023 as “heavily funded by oil refineries and the Western States Petroleum Association, an industry trade group.”

One attorney from the North Bay, who has a long history of working with oil companies and trade associations, was central in organizing all three groups.

Steven Lucas, a San Rafael attorney who specializes in political law, is listed as the CFO and secretary for two of the groups, Californians for Affordable and Reliable Energy and Californians for Energy Independence....

Lucas did not respond to emails and voicemails requesting comment. The groups he operated were heavily funded by oil refineries and the Western States Petroleum Association, an industry trade group.

(<https://www.sfchronicle.com/politics/article/newsom-oil-regulation-california-18156243.php>, June 19, 2023)

### **PART OF A DISINFORMATION CAMPAIGN THAT FOUGHT AB 32 (2014)**

It was one of several front groups organized by the oil industry in 2014 “to spread an extensive disinformation campaign about the next phase

of California's groundbreaking Global Warming Solutions Act (AB 32)," as [NRDC explained](#) at the time.

At least eight front groups are being propped up by the oil industry...[including] Californians for Affordable and Reliable Energy (CARE)-- members include WSPA, CIOMA, and the California Business Roundtable (of which Chevron is a member) (NRDC, [November 6, 2014](#))

CARE (Californians for Affordable and Reliable Energy), of which WSPA is a member, has helped to organize forums highlighting research it co-funded that attacks AB 32.<sup>32</sup> KP Public Affairs, a lobbying firm whose largest client is WSPA, is under contract with CARE to provide services that include email communications.<sup>33,34</sup> WSPA also runs a consumer-facing website that features what it terms the "Hidden Gas Tax Californians Know Nothing About," along with the same misleading gas price statistics cited by Fed Up at the Pump and the California Drivers Alliance.<sup>35</sup> In addition, WSPA is a member of Californians Against Higher Taxes and Californians for Energy Independence, also purporting to speak for independent consumers. (NRDC Issue Brief, "Unmasked: The Oil Industry Campaign to Undermine California's Clean Energy Future," [November 2014](#))

## **Californians Against Higher Taxes**

Yet another front group organized by Steven Lucas, "Californians Against Higher Taxes" is the last member of the dark-money triad (plus Chevron's AstroTurf group) that's funding the oil industry's issue-advocacy ad blitz.

Lucas and his law firm organized this 501(c)4, and his long-term collaborator Allan Zaremborg, (the late) co-founder of Californians for Energy Independence, sat on its board. Californians Against Higher Taxes is now led by Jennifer Barrera, CEO of the Chamber of Commerce, and political attorney Thomas Hiltachk; Cathy Reheis-Boyd is a Director and its Assistant CFO (Form 990, [2022](#); filed by Californians Against Higher Taxes)

## **Together, Funded Ad Blitz; Mostly with Chevron's Money**

Together, these three groups (plus an AstroTurf front formed by Chevron's PR firm; see later in this document) spent over \$14 million on an ad blitz that's broadcasting key messages of the pro-veto-referendum campaign. For example, the dark money ads warn that any restrictions on oil production in California will send gas prices soaring and eradicate important oil-related jobs in the state. That's almost precisely the same message WSPA used in a 2021 press release about setbacks:

“The oil and gas industry is not opposed to setbacks and in fact, has supported many local setbacks that are based on science, data and rigorous health assessments. But this approach by the state will eliminate tax revenues and community benefits, raise costs for everyone and put thousands of people out of work.

(WSPA statement, released [October 4, 2021](#))

**CALIFORNIANS FOR ENERGY INDEPENDENCE: OVER \$9M ON ADS**

Californians for Energy Independence (CEI), funded entirely by Chevron and Aera Energy, is the biggest spender of the three dark money groups and has spent over \$9 million on the 2023-24 ad blitz. CEI reported spending a total of \$8.4M in its quarterly filings, but in our overall accounting we counted only the money paid to Winner & Mandabach, which was coded as advertising expenditures.

Californians for Energy Independence’s Payments to Influence <sup>1</sup>		
Quarter	Total payments to influence reported	Amount Paid to Winner & Mandabach, for Ad Blitz
2024 Q1	\$1,380,825.00	\$1,377,825.00
2023 Q4	\$76,470.59	\$76,470.59
2023 Q3	\$2,862,000.00	\$2,860,500.00
2023 Q2	n/a	n/a
2023 Q1	\$4,038,100.00	\$4,000,000.00
<b>TOTAL, 2023 + 1Q 2024</b>	<b>\$8,357,395.59</b>	<b>\$8,314,795.59<sup>2</sup></b>

<sup>1</sup>Lobbying Activity: Financial Activity/Filing History, [Californians for Energy Independence](#)

<sup>2</sup>Of the \$8.4M CEI reported spending on influencing California policy in 2023 and 1Q 2024, all but \$42,600 went to Winner & Mandabach.

CEI has spent at least \$796,638 more on advertising since quarterly filings were released, buying airtime for April, May and June 2024.

Quarter	CEI Spent on TV and Digital
2024 Q2 (partial)	\$796,638

Broadcast, Cable and Digital spending, including reservations made for June 2024

When this spending + planned spending is added to the disclosures listed above, **CEI’s total spending on the ad blitz tops \$9 million** (\$9,111,433.59).

**...AND GOT IT MOSTLY FROM CHEVRON**

It’s quite clear who gave CEI the money it spent on ads: it got \$7 million straight from Chevron, as the giant oil multinational reported in its [required lobbying disclosures](#).

Each quarter, Chevron (and other lobbying entities) discloses on its Form 640 any money it pays for lobbying, and any money it pays out to other organizations that would not have been paid but for attempts to influence legislative or administrative action (i.e. lobbying).

Californians for Energy Independence (CEI) was by far the largest single recipient of Chevron’s money listed in these filings. Here is a table that details Chevron’s reported total payments to influence in each quarter of 2023, side-by-side with columns breaking out subtotals for what it paid to CEI, to WSPA, and to the California Business Roundtable (CBRT).

Quarter	TOTAL, Chevron lobbying payments	(of total, amount paid) to CEI	(of total, amount paid) to WSPA	(of total, amount paid) to CBRT
2024 Q1	\$3,071,947.32	\$1,228,934.25	\$0.00	\$500,000.00
2023 Q4	\$1,201,819.08	\$53,529.41	\$289,806.18	\$0.00
2023 Q3	\$3,866,296.30	\$2,175,120.00	\$71,192.89	\$0.00
2023 Q2	\$1,204,139.89	\$0.00	\$0.00	\$540,031.50
2023 Q1	\$4,924,088.01	\$3,634,290.00	\$22,548.09	\$327,000.00
<b>TOTAL</b>	<b>\$14,268,290.60</b>	<b>\$7,091,873.66</b>	<b>\$383,547.16</b>	<b>\$1,367,031.50</b>

Here’s the FPPC instructions that govern this section of the disclosure:

Itemize payments of \$250 or more made by state and local government agencies, or payments of \$2,500 or more made by all other lobbyist employers and \$5,000 filers, during the calendar quarter for goods or services used by a lobbyist or used to support a lobbyist in connection with his or her activities (but not made directly to the lobbyist). Also include payments that would not have been incurred but for the employer’s lobbying activities. Do not include overhead expenses.

(FPPC Form 640, Section 4)

**ALL THE REST CAME FROM AERA ENERGY**

All the rest of the money CEI’s disclosures say it spent through 1Q 2024 came from Aera Energy, a major backer of the veto referendum. Aera has [reported giving CEI](#), as payments to influence, a total of \$1.3 million (\$1,265,521.93, as \$1,113,631.18 in 2023 and \$151,890.75 in the first quarter of 2024).

Chevron and Aera’s payments to CEI together add up to \$8,357,395.59: *exactly* the same amount CEI reported spending in 2023 and the first quarter of 2024.

Total CEI reported spending on payments to influence (2023 + 1Q 2024)	Total CEI received from Chevron (2023 + 1Q 2024)	Total CEI received from Aera Energy (2023 + 1Q 2024)	Total CEI received from Chevron + Aera, combined
<b>\$8,357,395.59</b>	\$7,091,873.66	\$1,265,521.93	<b>\$8,357,395.59</b>

**CALIFORNIANS FOR AFFORDABLE & RELIABLE ENERGY SPENT \$4.7M**

The second dark money group, Californians for Affordable & Reliable Energy (CARE), filed quarterly disclosures that report spending \$3.4M as “payments to influence” from 2023 through 1Q 2024, all coded “A” for advertising:

Californians for Affordable and Reliable Energy's Payments to Influence	
Quarter	Amount
2024 Q1	did not file disclosure for Q1
2023 Q4	did not file disclosure for Q4
2023 Q3	did not file disclosure for Q3
2023 Q2	did not file disclosure for Q2
2023 Q1	\$3,414,612.00
<b>TOTAL</b>	<b>\$3,414,612.00</b>

Lobbying Activity: Financial Activity/Filing History, [Californians for Affordable and Reliable Energy](#). \$3.2 million of this went to Applied Paradigms, a firm run by oil lobbyist Richie Ross' son Joaquin, for what a note appended to the filing explains were "PAYMENTS PERTAIN TO GENERAL GASOLINE COST EDUCATION ADVERTISMENTS [sic]." The rest (\$262,950) went to Uearth Campaigns, LLC, a vendor that dark money group "Californians for Higher Taxes" also paid for Advertising in 2023.

CARE spent \$1.3 million more to buy airtime in April, May and June 2024:

Quarter	CEI Spent on TV and Digital
2024 Q2 (partial)	\$1,273,416

Broadcast, Cable and Digital spending, including reservations made for June 2024

Together, CARE's total spent on the dark money ad blitz is at least \$4.7M (\$4,688,028).

**CHEVRON-FUNDED CBRT GAVE \$2.1 MILLION**

At least \$2.1 million of the money CARE spent came from the California Business Roundtable (CBRT) in 2023.

PERIOD COVERED: 10/01/2023--12/31/2023

NAME OF FILER: CALIFORNIA BUSINESS ROUNDTABLE

[O] - CALIFORNIANS FOR AFFORDABLE AND RELIABLE ENERGY (CARE) SAN RAFAEL CA 94901	\$ 0.00	\$ 2100000.00
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(California Business Roundtable's FPPC Form 635, filed [January 31, 2024](#))

Chevron, a member of CBRT, gave CBRT \$867,032 in 2023 and another \$500,000 in the first quarter of 2024.

PERIOD COVERED: 10/01/2023--12/31/2023

NAME OF FILER: CHEVRON U.S.A INC. AND AFFILIATES

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1 Biennial Legislative Session
[O] - CALIFORNIA BUSINESS ROUNDTABLE SACRAMENTO CA 95814	0.00	867031.50

(Chevron USA Inc.'s FPPC Form 635, filed [January 31, 2024](#))



PERIOD COVERED: 01/01/2024--03/31/2024

NAME OF FILER: CHEVRON U.S.A. INC. AND AFFILIATES

Name & Address of Payee	Amount This Quarter	Cumulative Amount Since January 1 Biennial Legislative Session
(O) - CALIFORNIA BUSINESS ROUNDTABLE  SACRAMENTO CA 95814	500000.00	500000.00

(Chevron USA Inc.'s FPPC Form 635, filed [April 30, 2024](#))

**WSPA GAVE CARE \$235,950 MORE**

WSPA paid CARE \$235,950 in 2023 (WSPA Form 640, [4Q 2023](#))

CARE filed [tax forms for 2022](#) that reported just \$40,000 in revenue from contributions, so the source of the additional funds it spent on advertising remains unclear – added together, CBRT’s \$2.1M and WSPA’s \$236k don’t account for all of the money it paid Applied Paradigms.

CBRT \$2,100,000

WSPA \$235,950

**TOTAL**

**\$2,335,950** amount CARE reported receiving from from oil industry sources in 2023

**\$3,151,662** amount CARE reported paying Applied Paradigms for advertising in 2023

**CALIFORNIANS AGAINST HIGHER TAXES SPENT \$822K**

Californians Against Higher Taxes reported making \$821,573.54 in payments to influence in the first two quarters of 2023 (the entity did not file for 3<sup>rd</sup> or 4<sup>th</sup> quarter):

Californians Against Higher Taxes' Payments to Influence	
Quarter	Amount
2024 Q1	did not file disclosure for Q1
2023 Q4	did not file disclosure for Q4
2023 Q3	did not file disclosure for Q3
2023 Q2	\$161,026.04
2023 Q1	\$660,547.50
<b>TOTAL</b>	<b>\$821,573.54</b>

(Source: Lobbying Activity: Financial Activity/Filing History, [Californians Against Higher Taxes](#))

\$791,574 of that went to two vendors, both for advertising:

Unearth Campaigns, LLC \$530,950.00 ([1st & 2Q 2023 only; no 3Q filing](#))  
Media & Associates \$260,623.54 ([1st & 2Q 2023 only; no 3Q filing](#))

### **ALL OF WHICH CAME FROM OIL TRADE GROUP WSPA**

The Western States Petroleum Association gave Californians Against Higher Taxes a total of \$975,000 in 2023, more than enough to cover the spending the group reported. (WSPA Form 640, [4Q 2023](#))

### **UNNAMED DONORS, UNDISCLOSED MEMBERS GAVE \$402K IN 2022**

Californians Against Higher Taxes said on its [tax returns](#) that it received \$30,000 in membership dues and \$372,000 as contributions from unnamed donors, all in 2022. It also reported having paid Unearth Campaigns \$285,500 in 2022 for "Advertising."

## **Front Groups Deny Referendum Agenda, But Watchdogs Scoff**

Of course, all these groups deny any connection to SB1137 or the ballot fight in November. But the messaging in question, about "limiting" oil production, and "importing" oil from other states, is also being used to argue against SB1137, and in favor of the ballot measure that seeks to roll it back....

[O]il and gas companies — or "Big Oil," as the governor calls them — argue that the limits [imposed by SB1137] are not based in science and will only force California to import oil from other states with weaker health and environmental regulations.

"That has a lot of ramifications," said Rock Zierman, CEO of the California Independent Petroleum Association, which is among a coalition of industry groups that together spent roughly \$20 million to put the issue on the ballot. "Employment ramifications, tax ramifications.

(KQED, [February 14, 2023](#))

...and experienced watchdogs have waved off the oil front groups' denials as so much obfuscation, pointing out that the blitz is "laying the groundwork for an argument that [oil companies] are going to use once the referendum has a [ballot] number and can be targeted."

For the interests behind the ads, there's an advantage to being vague, said Jamie Court, president at Consumer Watchdog. Under state and federal laws, any political ad that calls out a specific policy is required to list funders of the ad.

The timing of the ads, with the 2024 election approaching, is raising eyebrows among activists and academics.

"It can create this sort of framing, at the outset, that the problems with high energy prices in California" come from government policies and not industry said Elkind at UC Berkeley's Center for Law, Energy & the Environment.

Going forward, he added, the groups or allies can follow up with ads asking voters to overturn the drilling law on next year's ballot "or take other electoral actions."

Court took a similar view.

“They are doing what we call issue advocacy, which is laying the groundwork for an argument that they are going to use once the referendum has a [ballot] number and can be targeted,” Court said in an email. “This is soft money, does not have to be reported, so it can be hidden, and there does not have to be disclosure about the true source of the money on the ad.”

(*Politico*, ClimateWire, [December 6, 2023](#))

For examples of some of the ads in question, here are three of the ads they are spending on in 2024:

- **Californians for Affordable and Reliable Energy**
  - [Regular Job](#)
  - [Make Matters Worse](#)
- **Californians for Energy Independence**
  - [Increasing Prices](#) (this first began airing in 2023, but continued into 2024)

And here are links to social media ad campaigns the groups launched in 2023:

- **Californians for Energy Independence**, Meta (Facebook & Instagram) ad campaign in [February, March, April, August, September, October 2023](#)
- **Californians Against Higher Taxes**, Meta (Facebook & Instagram) ad campaign in [February 2023](#).
- **Californians for Affordable and Reliable Energy**, Meta (Facebook & Instagram) ad campaign in [February & March 2023](#).

#### **A FAMILIAR PLAYBOOK**

These three (and a handful of others besides) have carried out similar ad campaigns in 2014; 2018 ([against AB 1745](#), saying California legislators “[want to make gas cars illegal](#)”); and 2019 (various).

## PR & AstroTurf: Chevron's Buying Ads Too

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In addition to the money spent by dark money 501(c)(4)s discussed above, California TV stations have reported receiving at least \$14,534 more from "Chevron Advocacy Network," (CAN) an entity that claims to be "[a community of 40,000 Chevron employees, retirees, marketers, retailers, family and friends.](#)"

Entity	August 2023 – June 2024
Chevron Advocacy Network	\$14,534

(Source: internal competitive spending report, May 16, 2024)

### **CAN'S SOCIAL MEDIA IS RUN BY CHEVRON'S PR FIRM**

Chevron Advocacy Network has not registered with state campaign finance regulators — not as a campaign committee, a lobbying firm or lobbyist employer, or a source of \$5,000+ payments to influence, and as a result most of the details of its operations are hidden from view. What is clear is that it's being operated not by a loose affiliation of Chevron's "family and friends," but rather by a PR firm on Chevron's payroll: Democracy Data & Communications (DDC), a Washington, D.C.-based PR firm with a reputation for creating "AstroTurf citizen groups."

Democracy, Data & Communications, known as DDC Advocacy, is one of the most widely contracted firms within our analysis of trade association contracts....

American Petroleum Institute (API) started contracting DDC in 2011, and has paid them a total of \$43.3 million through 2017....

DDC is widely known for creating front groups for their clients, that do not always disclose the funder.

(Climate Investigations Center entry for "[Democracy, Data & Communications Advocacy](#)")

DDC, also known as [DDC Public Affairs](#) and/or DDC Advocacy, identifies itself in the [transparency section of Chevron Advocacy Network's Facebook page](#) as the entity that's responsible for its content.

### **AND CHEVRON IS PAYING DDC TO HELP IT INFLUENCE CA POLICY**

In the California-required lobbying disclosure it filed in 1Q 2024, Chevron disclosed having paid DDC Public Affairs \$8,785.02 for costs coded [C], for consultants and government relations.

### **DDC HAS HISTORY OF USING ASTROTURF TO SHILL FOR BIG OIL**

In 2022, DDC was called to account by federal legislators for the misleading campaigns it ran for the oil and gas industry, which included the creation of fake front groups:

U.S. lawmakers are stepping up scrutiny of the oil and gas industry in three separate hearings related to investigations into “misleading” climate change advertising campaigns.

In a report released by the House Democratic Natural Resources Committee's Oversight and Investigations panel, investigators said public relations firms “go far beyond the usual marketing techniques to get results for the fossil fuel industry”

Tactics identified in the report include creating so-called “astroturf citizen groups” to hide the involvement of big oil and gas companies, creating fake news websites, and funneling payments to PR firms through nonprofits to hide the source of the payments.

Lawmakers on the committee asked five PR firms - FTI Consulting, Story Partners, **DDC Advocacy**, Blue Advertising and Singer Associates - for documents and information about their work with fossil fuel clients.

(CE Noticias Financieras English, September 22, 2022)

The House Natural Resources committee teamed up with the House Oversight and Investigations Subcommittee to investigate DDC and several other firms’ fossil fuel PR campaigns:

Natural Resources Committee Chair Raúl M. Grijalva (D-Ariz.) and Oversight and Investigations Subcommittee Chair Katie Porter (D-Calif.) sent [letters](#) to five public relations (PR) firms—FTI Consulting, Story Partners, DDC Advocacy, Blue Advertising, and Singer Associates—that conduct PR campaigns on behalf of fossil fuel industry clients. The lawmakers also sent a [letter](#) to the American Petroleum Institute, a major oil and gas industry trade group that plays a major, active role in climate disinformation.

In their letters, the lawmakers request all documents and information related to any of the firms’ PR work, marketing, or influence campaigns for oil, gas, and coal companies and trade groups. As has been [well-documented](#), the fossil fuel industry and its trade groups have worked extensively with PR firms for decades to wage a highly-funded, well-orchestrated misinformation campaign to deny and downplay the role of fossil fuels in climate change. Experts often compare their campaign tactics to those used by the tobacco industry.

(House Natural Resources Committee, “Chair Grijalva, Rep. Porter Request Oil and Gas Public Relations Campaign Materials,” June 13, 2022; as archived on [December 9, 2022](#))

Here is a portion of the June 12, 2022 letter the House Natural Resources Committee sent to DDC, asking the PR firm to turn over records of the work it carried out to help fossil fuel companies “downplay the threat of climate change and the central role fossil fuels have played in causing it:”

RAÚL M. GRIJALVA OF ARIZONA  
CHAIRMAN

DAVID WATKINS  
STAFF DIRECTOR

BRUCE WESTERMAN OF ARKANSAS  
RANKING REPUBLICAN

YVONNE MCCOLEEN  
REPUBLICAN STAFF DIRECTOR

**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

June 12, 2022

Mr. B.R. McConnon, III  
Chairman and Chief Executive Officer  
DDC Advocacy  
805 15th Street, NW, Suite 300  
Washington, DC 20005

Dear Mr. McConnon:

We write to request information and documents related to DDC's work on behalf of fossil fuel industry clients on the subject of climate change.

The Committee on Natural Resources (Committee) has jurisdiction over management of federal fossil fuel resources with the potential to drive climate change, and conservation of lands, waters, and species harmed by climate change.<sup>1</sup> Public perception of climate science influences implementation of current federal policy and informs development of potential legislation within the Committee's authority.

For decades, fossil fuel companies and associations have engaged in public relations campaigns to downplay the threat of climate change and the central role fossil fuels have played in causing it.<sup>2</sup> These influence campaigns were intended to prevent the country from taking critical steps to address the climate crisis.<sup>3</sup> Fossil fuel companies and trade groups have partnered with PR firms to use a variety of questionable tactics to undermine legislative and regulatory environmental initiatives.<sup>4</sup> For example, as a senior ExxonMobil lobbyist (since fired) explicitly admitted, industry will gladly work with "shadow groups" to

(House Natural Resources Committee-provided link to letters for download; as archived on [August 26, 2022](#))

These hearings were related to an overall investigation into fossil fuel industry disinformation campaigns that was [launched in September 2021](#).

### **ITS 2024 CAMPAIGN PUSHES CA DRIVERS TO CAN VIA QR CODE**

A Reddit user from Northern California described Chevron gas stations "absolutely full" of signs pushing customers to follow a QR code that promises to tell them "why gas prices are so high." The QR code, according to the Reddit post, directs the curious to the Chevron Advocacy Network website:

Filling up in the East Bay today and the Chevron station was absolutely full of signs asking customers to snap a photo of an HTML glyph and "find out" why gas prices are so high. I forgot to take a picture of the actual sign, but here's a screenshot of where it leads: "the Chevron Advocacy Network."

(If you choose to call, apparently the site will connect you to the proper legislator AND will generate a list of talking points.)

(Reddit, u/Markhachman, [April 29, 2024](#))

...these signs have also been reported by the *Sacramento Bee*, although it didn't specify that the code links out to CAN:



[...]

Chevron has positioned eye-catching, hot-pink signs at their gas pumps that read: "Filling up your tank is a lot cheaper in other states."...

The sign includes a QR code that provides helpful links to state lawmakers, in case customers want to call or write them. It also includes "talking points" like this: "I ask you to act now to protect my access to affordable gas by prioritizing fair and equitable regulations for all Californians, not just those who can afford new vehicles." (*Sacramento Bee*, [April 18, 2024](#))

### **DDC USED FAKE CITIZENS GROUP TO PROMOTE DRILLING IN PA**

On behalf of the American Petroleum Institute, its long-time client, DDC used its "Energy Citizens" AstroTurf brand to pack an EPA hearing with individuals willing to testify in favor of fracking. From an internal DDC case study, obtained by DeSmog Blog:

DDC has actively partnered with the American Petroleum Institute (API) for years, designing, executing, and managing all facets of their key national advocacy program....DDC was tasked with creating an on-the-ground campaign focused on raising the profile of Energy Citizens in support of natural gas production from the "Marcellus Shale" formation in Pennsylvania....

In the state of Pennsylvania, the campaign...[r]ecruited more than 2,300 qualified individuals [and]... Assisted Energy Citizens to testify at 10 public hearings including EPA Public Hearing on Natural Gas and the Bipartisan Public Forum on the Marcellus Shale.

(source: DDC Public Affairs, "Case Studies: American Petroleum Institute," via [DeSmog Blog](#))

### **DDC IS PART OF OMNICOM GROUP, MULTINATIONAL CORPORATION**

DDC Advocacy was acquired by Omnicom's DAS Group in 2014; the huge PR conglomerate [includes](#) firms like Access, Cone, Daggerwing, DDC, FleishmanHillard, g+ Europe, GMMB, Ketchum, maslansky & partners, Mercury, MMC, Porter Novelli, Portland, Rabin Martin, RxMosaic, OSK and VOX. From the 2014 press release:



The DAS Group of Companies (DAS), a division of Omnicom Group Inc. (NYSE: OMC), today announced the acquisition of DDC Advocacy, a Washington, D.C.-based firm that conducts advocacy campaigns for major corporations, trade associations, business coalitions and nonprofit organizations. DDC Advocacy, a major player in technology-based, fully integrated public affairs and grassroots communications, will offer its services across Omnicom's companies....

**About DDC Advocacy**

DDC Advocacy (DDCA), the leader in issue advocacy since 1996, is a full-service public affairs and issue advocacy firm that executes custom-designed engagement programs and campaigns for government, non-profit, association and corporate clients. It leverages a host of extensive capabilities, leading technology tools and strategic expertise to achieve winning results for clients that impact policy and shape public debate. Among its comprehensive suite of services and products, DDCA offers advocacy strategy, global and local in-district campaigns, digital engagement targeting, outreach tools, grassroots technology, PAC compliance, public relations, social media and government services. Visit us at [www.DDCAdvocacy.com](http://www.DDCAdvocacy.com)

**About The DAS Group of Companies**

The DAS Group of Companies, a division of Omnicom Group Inc. (NYSE: OMC) ([www.omnicomgroup.com](http://www.omnicomgroup.com)), is a global group of marketing services companies. DAS includes over 200 companies in the following marketing disciplines: specialty, PR, healthcare, CRM, events, promotional marketing, branding and research. Operating through a combination of networks and regional organizations, DAS serves international, regional, national and local clients through more than 700 offices in 71 countries.

**About Omnicom**

Omnicom Group Inc. ([www.omnicomgroup.com](http://www.omnicomgroup.com)) is a leading global marketing and corporate communications company. Omnicom's branded networks and numerous specialty firms provide advertising, strategic media planning and buying, digital and interactive marketing, direct and promotional marketing, public relations and other specialty communications services to over 5,000 clients in more than 100 countries. For the latest news follow us on Twitter <https://twitter.com/Omnicom>.

(Omnicom press release, [December 8, 2014](#))



# **Deceiving Voters: Continuing History of Lies**

## **Campaign to Overturn the Law Lied to Get it On the Ballot**

The signature gatherers hired by Stop the Energy Shutdown lied shamelessly to voters up and down the state, misrepresenting what the measure would do and lying about who they were working for. In one city, neighbors caught the paid circulators on video as they falsely told local voters the referendum would “lower gas prices.”

“At a press conference on Monday, Assemblymember Bryan and his team shared videos of signature gatherers either misrepresenting the purpose of their referendum petitions or lying about their employers. In one video, a signature gatherer encourages a voter to sign a petition “to lower gas prices.” In reality, it sought to eliminate oil drilling restrictions. Bryan said the images have been submitted to the Attorney General.

(LAist, March 20, 2023;

<https://laist.com/news/politics/ca-non-profits-want-regulations-for-petition-collection-of-signatures-referendum-reform>)

### **PAYING PEOPLE TO LIE TO VOTERS = BUYING THE LAW THEY WANT**

As neighborhood activist Kobi Naseck observed, “Big Oil is paying people to lie to the general public. They’re effectively buying the policy they want.”

The Secretary of State has fielded multiple complaints from voters who say petition circulators paid by CIPA misrepresented the aims of the referendum.

Reports of petition circulators’ misleading voters about what the referendum would do have been surfacing across the state, said Kobi Naseck, coordinator for VISIÓN (Voices in Solidarity Against Oil in Neighborhoods), a coalition of public health and environmental justice groups working to protect communities from backyard drilling.

“The behavior that we’re seeing from these signature gatherers undermines our democracy,” Naseck said. “Big Oil is paying people to lie to the general public. They’re effectively buying the policy they want.”

Petitioners have also been telling voters that the measure would lower gas prices, Naseck said. “Why would Big Oil spend millions on something that hurts their bottom line to help you?”

(<https://insideclimatenews.org/news/30112022/california-voters-petition-oil-gas-wells-homes/>)

## **Deception so Egregious, It Inspired Legislation**

The deception practiced by Big Oil’s signature-gatherers was so outrageous that in 2023 Assemblymember Isaac Bryan introduced

[legislation](#) designed to make it more difficult for petition circulators to deceive voters in the future.

Assemblymember Isaac Bryan (D-Los Angeles) has introduced a bill that could make it harder for campaigns to mislead voters when circulating petitions to qualify a statewide referendum.

The bill is backed by labor unions, environmentalists and good government groups who allege corporations are abusing California's initiative process to undermine gains for working people.

Proponents point to the fate of measures like Assembly Bill 257, which created a new council with the ability to set labor and pay standards for fast food workers, as well as Senate Bill 1137, which requires oil and gas wells to be at least 3,200 feet from sensitive places like homes and schools.

After those bills were approved, oil and fast food industry lobbyists hired signature gatherers across California and got enough to put the laws up for a vote again in November 2024. In the meantime, neither law will go into effect.

(LAist, March 20, 2023;

<https://laist.com/news/politics/ca-non-profits-want-regulations-for-petition-collection-of-signatures-referendum-reform>)

## Californians Have Seen This Misinformation Playbook Before

CIPA's campaign to overturn SB1137 is rehashing the same false claims it used to defeat two previous buffer-zone bills, arguing that the measures will:

- **Cost billions** (CIPA, "AB 345 Would Cost Billions," [July 15, 2020](#))
- **Destroy jobs** (CIPA press release re: SB 467, [February 17, 2021](#))
- Prompt oil companies to **bulldoze the Amazon** in search of oil (X fka Twitter; @CIPAEnergy, "Save the Sloths," [August 27, 2022](#))

For one example of its current uses, as was covered more fully earlier in this document the oil industry's dark money ad blitz falsely warned Californians in 2023 that gas prices would go up if government regulation of oil drilling was allowed to continue.

According to a [fact check from The Sacramento Bee](#), ads that are funded by major oil lobbying groups Western States Petroleum Association (WSPA) and California Independent Petroleum Association (CIPA) are misleading Californians about gas prices....

This comes on the heels of news that Big Oil [spent \\$34 million](#) last year on lobbying in California, with most of those resources directed at fighting to continue to drill in neighborhoods near schools and homes.

(press release, Office of Governor Gavin Newsom, [February 10, 2023](#))

## Measure's Sponsor Explains How They Lie to Legislators

Theo Pahos, of Kester Pahos, is one of the top lobbyists for the ballot measure's sponsor, CIPA. In an on-the-record interview published by *Capital & Main* in June 2023, Pahos cheerfully admitted to "misadvertising" legislation, by drafting a green-sounding but fatally flawed bill with plans to gut and amend it later when "the environmentalists" weren't watching.

"We don't want the environmentalists to see what we're really up to." That is what Theo Pahos, a managing partner for a firm whose clients include Calpine Corp. and the California Independent Petroleum Association, told *Capital & Main* in an unusually frank phone interview.

Pahos was talking about plans by lobbyists to change a bill meant to regulate the industry's handling of carbon dioxide, a potent greenhouse gas, in a way that would mislead lawmakers and environmentalists.

"To be blunt," he added, "we are misadvertising what the bill does, what our intention is."

SB 438 purports to clarify the state's rules governing carbon dioxide (CO<sub>2</sub>) capture and storage, which prohibit companies from injecting fluid-gaseous CO<sub>2</sub> into the ground in order to produce more oil. The bill says companies will not be penalized for inadvertently pulling up oil while burying CO<sub>2</sub>.

But this is a red herring, Pahos said. He said he and other lobbyists intend to push for changing the bill later in the legislative session, so that it instead speeds up approvals for CO<sub>2</sub> pipelines by handing greater authority to state regulators who are under pressure to meet emissions reductions goals within the decade.

(*Capital & Main*, [June 21, 2023](#))

The planned rewrite would have allowed the construction of carbon pipelines in California before federal safety rules are implemented.

In an interview, Theo Pahos, a lobbyist whose firm's clients include gas power plant company Calpine and the California Independent Petroleum Association, told *Capital & Main* that he and unnamed others came up with an idea to deceive lawmakers and environmentalists through Caballero's bill.

He described how carbon capture advocates hatched a plan to push Caballero to alter the legislation before it was considered by the State Assembly's Natural Resources Committee. The lobbyists' real intention, Pahos explained, was to use the bill as a placeholder and later replace its language with a proposal to rescind a moratorium on intrastate pipelines. The moratorium is currently in place until a federal agency finalizes safety rules.

(*Capital & Main*, [July 5, 2023](#))

SB438 was pulled about two weeks after the interview with Pahos was published.

A California state senate bill meant to clarify rules for carbon capture and storage was pulled from further consideration last week — in the wake of a Capital & Main report that the legislation was part of a possible ruse by the fossil fuel industry to roll back pipeline safety rules, according to an oil and gas lobbyist who described the scheme. SB 438, carried by Sen. Anna Caballero (D-Merced), purports to shield companies from penalties if they produce oil while injecting carbon into the ground — which would run afoul of California’s law on carbon capture.

A lobbyist had said that the bill would later be altered to allow the construction of carbon pipelines in California before federal safety rules are implemented.

(*Capital & Main*, [July 5, 2023](#))

## Other Deceptions

### **STATE OF CA SUES BIG OIL, SAYS FRONT GROUPS HID MISDEEDS**

The Attorney General of California has sued Big Oil for, among other things, “using front groups to...concea[l] their unlawful conduct from the public and the State.

“Moreover, by concealing the very fact of their campaign of deception, including by using front groups to obscure their own involvement in the deception, Defendants concealed their unlawful conduct from the public and the State, thereby preventing the State from discovering the facts underlying the claims alleged herein.”

<https://www.gov.ca.gov/wp-content/uploads/2023/09/FINAL-9-15-COMPLAINT.pdf>

### **LA TIMES SAYS CIPA AS ‘SMALL TRADE ASSOCIATION’ IS “ABSURD”**

In 2021, CIPA CEO Rock Zierman tried to tell *Los Angeles Times* columnist Michael Hiltzik CIPA was just a “small trade association with four employees.”

“How can a small trade association with four employees ‘intimidate’ the city of Los Angeles which has an army of full time lawyers and billions of dollars in resources?” Zierman asked me by email.

(Columnist Michael Hiltzik, *Los Angeles Times*, [September 16, 2021](#))

Hiltzik wrote, entirely accurately, “Of course, that’s absurd.”

Of course, that’s absurd. CIPA’s membership has included Exxon Mobil and Chevron, two of the most powerful corporations in the world.

(Columnist Michael Hiltzik, *Los Angeles Times*, [September 16, 2021](#))

He pointed out further that CIPA members had revenues that topped \$100 billion a year, and that in less than three years the “small trade association” spent \$2.6 million just on paying its lawyers.

Over the last four quarters, Exxon Mobil’s revenues have come to \$178.6 billion and Chevron’s to \$116 billion....

As for the city’s “army” of full-time lawyers, from 2017 through mid-2019, CIPA paid out more than \$2.6 million in legal fees to at least four elite law firms, including the Los Angeles-based firms Manatt Phelps & Phillips and Gibson, Dunn & Crutcher. That’s according to the organization’s [latest public tax filings](#).

So let’s hear no more about how penurious and teeny-tiny CIPA is. It engaged in litigation over city drilling not for itself and its four employees but on behalf of one of the best-financed and most powerful industries in California.

(Columnist Michael Hiltzik, *Los Angeles Times*, [September 16, 2021](#))

## **Appendix: Global Oil Giants Meddling in CA**

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This appendix highlights selected examples of the ways some of the world's largest oil multinationals have waded into the industry's recent push to shut down California's drilling regulations, including the financial or other associations they have with the dark money groups we've discussed in this report.

### **Chevron**

- **Half of all the dark money spent on 2023-24 ad blitz came from Chevron** (\$7M of the \$14M spent was money Chevron funneled through dark money group "Californians for Energy Independence" as [payments to influence](#)).
- Contributed \$327,000 to the \$2.1M in financing that California Business Roundtable (CBRT) gave dark money group "Californians for Affordable and Reliable Energy" (CARE) in the first quarter of 2023.
- Put a [lobbyist](#) for dark money group CARE on its payroll in 2022, and has continued to pay him to lobby on issues related to "energy production" [in 2023 and 2024](#).
- Spent \$1.5M in 2022 [lobbying](#) legislators against SB 1137 (the setback law that was then moving through the legislature).
- Financing dark money front group "Chevron Advocacy Network," an AstroTurf group buying ads in California that says it's a "coalition" but is operated by DC-based PR firm DDC Advocacy.
- Financed dark money group "Californians for Clean Affordable Safe Energy" in 2005, in an effort to persuade Californians to allow LNG terminals to be built offshore.
- Together with Aera Energy, spent \$8M to overturn Ventura County regulations in 2022 that required drillers to maintain fully up-to-date permits (2022 referendum campaign, Ventura County).
- Financed oil industry PAC "Coalition to Restore California's Middle Class" in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.
- Member<sup>1</sup> of California Independent Petroleum Association, which is sponsoring the veto referendum, and of WSPA, which spends on lobbying and is helping fund the dark money groups in charge of the ongoing issue advocacy ad blitz.
- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)." The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Operates two refineries in California (El Segundo, Richmond)

- Has installed [at least five board members](#) at California’s public universities, which watchdogs like Alicia Colomer (Fossil Free Research) have said is part of the oil and gas industry’s effort to affect regulation in California: “The reports and research that comes out of prestigious universities actually goes on to influence lawmakers and policymakers and then goes on to create real harm in our communities.” (quoted by *The Guardian*, [October 4, 2023](#))

<sup>1</sup> Chevron was listed as a CIPA member in 2016 court filings that forced the oil industry group to disclose its membership. (Exhibit A, Second Crossclaim against Plaintiffs/Petitioners, *California Independent Petroleum Association v. Youth for Environmental Justice et al*, United States District Court, Central District of California, Case No. 2:16cv7381, filed October 3, 2016; available at [https://www.biologicaldiversity.org/programs/climate\\_law\\_institute/pdfs/CIPA-Membership-list-16-10-03.pdf](https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/CIPA-Membership-list-16-10-03.pdf))

## Valero

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Spent \$110,150 in 2022 [lobbying](#) legislators against SB 1137 (the setback law that was then moving through the legislature).
- Donated [\\$10,000](#) to CIPA’s PAC in 2022
- Member of and donor to CBRT, a funder of the dark money group CARE.
- Consistently ranks in the “Toxic 100” index of the biggest corporate air polluters in the U.S.; in 2023, Valero Refining-California agreed to pay \$1.2 million to resolve EPA charges that it had [repeatedly violated the Clean Air Act](#).
- Operates three refineries in California (Benicia, Wilmington, Wilmington Asphalt),
- Financed oil industry PAC “Coalition to Restore California’s Middle Class” in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.

## ExxonMobil

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum’s primary ballot measure committee “[Stop the Energy Shutdown](#).” The powerful firm they

all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).

- Member<sup>2</sup> of California Independent Petroleum Association, which is sponsoring the veto referendum.
- Until 2023, joint owner of Aera Energy, which entity joined with Chevron to spend \$8M in 2022 on overturning Ventura County oil drilling permitting regulations.

<sup>2</sup> ExxonMobil was listed as a CIPA member in 2016 court filings that forced the oil industry group to disclose its membership. (Exhibit A, Second Crossclaim against Plaintiffs/Petitioners, *California Independent Petroleum Association v. Youth for Environmental Justice et al*, United States District Court, Central District of California, Case No. 2:16cv7381, filed October 3, 2016; available at [https://www.biologicaldiversity.org/programs/climate\\_law\\_institute/pdfs/CIPA-Membership-list-16-10-03.pdf](https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/CIPA-Membership-list-16-10-03.pdf))

## **BP**

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)." The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).
- Internal documents show BP America's chairman and president was briefed on the company's obstructionist strategy with regulators thusly: "We wait for the rules to come out, we don't like what we see, and then try to resist and block." (See documents [released](#) on December 9, 2022 by the U.S. House Committee on Oversight and Reform; [p. 7 of 235](#))

## **Phillips 66**

- Shares [legal counsel](#) with the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)," dark money group CARE, and oil trade group WSPA.
- [Shares a lobbyist](#) with CIPA, the sponsor of the 2024 veto referendum.
- Spent \$238,567 in 2022 [lobbying](#) against SB 1137.
- Operates a refinery in California (Los Angeles)
- Financed oil industry PAC "Coalition to Restore California's Middle Class" in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.



## **Tesoro**

- Shares [legal counsel](#) with dark money group CARE, oil trade group WSPA, and the veto referendum's primary ballot measure committee "[Stop the Energy Shutdown](#)." The powerful firm they all employ, Nielsen Merksamer, is also [the lobbyist for multiple local governments in CA](#) (both counties and cities).

## **Marathon Petroleum**

- [Shares a lobbyist with CIPA](#), the sponsor of the 2024 veto referendum.
- Member of WSPA
- Financed oil industry PAC "Coalition to Restore California's Middle Class" in 2022, as part of a [multimillion dollar effort](#) to elect oil-friendly politicians.