

# WisGOP: Fact Check: Tammy Baldwin misleads voters in first ads

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[Madison, WI] — One of Tammy Baldwin's first ads ahead of the November election is facing scrutiny from Washington Post fact checkers. Without a positive record to run on, Baldwin is faced with no choice other than to blatantly mislead our state's voters on the back of a small Wisconsin town.

Read the full analysis from TheWashington Post here or find excerpts below.

Did a hedge fund 'bankrupt' a Wisconsin town?  
The Washington Post  
Glenn Kessler  
April 10, 2018

"Hedge fund" has become an all-purpose phrase in politics for capitalism run amok, destroying the lives of ordinary citizens. In this reelection campaign ad, Baldwin highlights her support for a proposed law — the "Brokaw Act" — which seeks to restrain activist investors by the use of measures including shortening the window for disclosure of the purchase of a substantial chunk of stock.

The proposed legislation and the ad revolve around a tale of woe of Brokaw, a former village in the Wausau area of Wisconsin. (It was absorbed by a neighboring village after the loss of its main customer for water.) But the story is not as simple as Baldwin suggests, according to public records and interviews. The Fact Checker obviously takes no position on the merits of the bill or whether activist investors are a harm to the economy.

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Now let's look back at Baldwin's claim: "A hedge fund in New York takes control of a great Wisconsin business, shuts down a factory and 450 people lose their jobs."

But Starboard did not have control of the company, let alone even a board seat. The company would gain board seats long after the Brokaw mill was shut down. When the Brokaw decision was made, Starboard did not have a voice in the boardroom — a point made at the time by Wausau Paper. Indeed, the company even said it had been thinking of dumping the paper business before Starboard started buying shares.

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The loss of hundreds of factory jobs is obviously a tragedy.

But contrary to statements the senator makes to the camera, Starboard did not control the company at the time and was not part of the executive decision-making to close the factory. We can find no Starboard statements calling for the closure of the factory — and company statements at the time said it had no role. One former executive claims the hedge fund's activities undermined the value of the assets, leading to the closure of the plant, but other company executives disagree.

Baldwin too quickly looks for a corporate villain when economic and competitive pressures almost certainly played a more important role. We were tempted to award Four Pinocchios, but Starboard, as a minority investor, was certainly advocating for major changes at the time. Baldwin earns Three Pinocchios.

Read the full story [here](#).