

# CHARACTER ASSASSINS AND RETRIBUTION SERVICES AGENCY: FUSION GPS

Investigations

## ‘Journalism for rent’: Inside the secretive firm behind the Trump dossier

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By [Jack Gillum](#) and [Shawn Boburg](#) December 11 at 12:50 PM

Fusion GPS founder explains why he started the research firm

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Fusion GPS bills itself as a corporate research firm, but in many ways it operates with the secrecy of a spy agency. No sign marks its headquarters above a coffee shop in Northwest Washington. Its [website](#) consists of two sentences and an email address. Its client list is closely held.

The small firm has been under intense public scrutiny for producing the 35-page document known as the Trump dossier. Senior executives summoned to testify before Congress in October invoked their Fifth

Amendment right against self-incrimination, and the firm is resisting a congressional subpoena for bank records that would reveal who has paid for its services.

But hundreds of internal company documents obtained by The Washington Post reveal how Fusion, a firm led by former journalists, has used investigative reporting techniques and media connections to advance the interests of an eclectic range of clients on Wall Street, in Silicon Valley and in the nation's capital. The firm has played an unseen role in stories that dominated headlines in recent years.

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In the years before it produced the dossier, records show, Fusion worked to blunt aggressive reporting on the medical-device company Theranos, which was later found to have problems with its novel blood-testing technology. It was also hired to ward off scrutiny of the nutritional supplement company Herbalife, which ultimately paid \$200 million to distributors to settle claims by regulators.

In another case, the firm sought to expose what it called "slimy dealings" by a competitor of a San Francisco museum proposed by filmmaker and "Star Wars" director George Lucas. And it dug up information about domestic disputes involving a former mayor of Beverly Hills, Calif., as part of an investigation into a proposed real estate development that the mayor supported.

Fusion's other past research targets, documents show, included tech giants Google and Amazon; 2012 presidential candidates Mitt Romney and Barack Obama; and Republican Sens. Ted Cruz of Texas and Bob Corker of Tennessee. (Amazon chief executive Jeffrey P. Bezos owns The Washington Post.)

Fusion assigned code names to the projects — many of them after cities in Texas and Maine — and avoided identifying its clients in internal documents, making it difficult to determine who was paying for the research. The firm also minimized its public footprints by paying outside contractors to collect public records from courthouses, police stations and federal agencies.

The Post's review provides a glimpse at the tactics that have fueled Fusion's rise in the growing and secretive industry of opposition research and corporate intelligence. The review represents the most comprehensive look at the firm's work at a time when it is being examined by those who seek to gauge the veracity of the dossier, and it reveals methods that have drawn criticism from the targets of the company's research, including President Trump.

Fusion's work on the dossier went beyond ordinary opposition research, the kind that might explore a candidate's past legislative history or embarrassing gaffes — known in the industry as “votes and quotes.” Instead, it paid a former British spy to compile intelligence from unnamed Russian sources.

Only a handful of internal documents obtained by The Post relate to the examination of Trump during the 2016 election, a project that was code-named “Bangor” and was financed in part by Hillary Clinton's campaign.

Fusion declined to comment on specific cases or identify clients, but said in a statement that it is “proud of our methodology and the rigor of our research, amply demonstrated by the records cited by The Washington Post. They show what we've always stated: Our secret sauce is diligent and exhaustive analysis of public information.”

It continued: “The reason we are so effective is that we unearth facts that stand up to scrutiny — presumably why we are still talking about our work detailing the connections between the Trump campaign and Russia more than a year later.”

### **Exposing ‘slimy dealings’**

Fusion founder Glenn Simpson, an accomplished former investigative reporter with expertise digging into financial crimes and corruption in Russia and elsewhere, left the Wall Street Journal in 2009 to start a research firm with Susan Schmidt, a two-time Pulitzer Prize winner from The Post. Without Schmidt, Simpson created Fusion GPS the following year, teaming up with former Wall Street Journal editor Peter Fritsch and a former Treasury official.

“I call it journalism for rent,” Simpson, 53, said in August of last year at the Double Exposure Investigative Film Festival and Symposium in the District, where he described Fusion’s work on a panel titled, “Investigations With an Agenda.”

Fusion has about 10 employees, he said. It has worked on a broad array of cases, including matters related to marijuana dispensaries, health-care workers, a state insurance official and even a Florida homeowner’s association, internal documents show.

Fusion has also quietly advocated causes and pet projects dear to wealthy and famous clients.

In April 2014, Lucas wanted to build a cultural arts museum on federal land at the foot of the Golden Gate Bridge in San Francisco, a site known as the Presidio. The museum was one of three proposals under consideration by a federal agency called the Presidio Trust.

A Fusion client — who is not identified in the documents obtained by The Post — suspected the agency was trying to block the Lucas museum, records show.

“We want to understand where this resistance is coming from and why,” Fritsch wrote in an email to his Fusion colleagues. Fritsch added that the “client would like to expose the slimy dealings” of a nonprofit competing with Lucas for the right to build on the land. The investigation was code named “Tyler.”

Ron Conway, one of Silicon Valley’s most prolific start-up investors and an outspoken supporter of the Lucas museum, was copied on subsequent emails about the cost of the research. “I don’t have any comment,” Conway said by phone when asked if he had hired Fusion.

Over the next nine months, a contractor hired by Fusion blanketed the Presidio Trust and another federal agency with dozens of requests for a range of documents related to board members and a consultant who were judging the proposals — expense reports, ethics forms, employment contracts and other records.

In February 2015, with Fusion still waiting for the documents, Conway sent an email to Fritsch with a link to a story in the San Francisco Chronicle. It was about a petition, signed by celebrities such as Hall of Fame quarterback Joe Montana and hip-hop artist MC Hammer, calling on the Presidio Trust to release some of the same records Fusion had requested.

“WE ARE OFF AND RUNNING !!” Conway wrote. Fritsch forwarded the email to other Fusion executives and said, “GLORIOUS!!!”

It’s not clear whether the effort had the desired effect. The Presidio Trust ultimately rejected all three

proposals. A spokeswoman for Lucas told The Post in a statement that Lucas was “unaware of any research undertaken by Fusion GPS.” A Presidio Trust spokesman did not respond to messages from The Post seeking comment.

Fusion has at times used hardball tactics, the documents show.

Last year, Fusion’s sleuths targeted a controversial proposal for a \$1.2 billion hotel and condo project in Beverly Hills, in the heart of one of the nation’s wealthiest areas, records show. The investigation was code named “Gray.”

Fusion’s client is not identified in the records reviewed by The Post, but the documents show that Fusion investigated the activities of the Chinese developer behind the project, Wanda Group, there and in other U.S. cities.

As part of its research, Fusion took aim at a vocal supporter of the Beverly Hills project, then-mayor John Mirisch, records show. Fusion sought police reports from the city related to domestic disputes involving the mayor and his ex-wife that had occurred between 2008 and 2010, records show.



Former Beverly Hills mayor John Mirisch at City Hall in August 2016. (Ricardo DeAratanha/Los Angeles Times)

When city police balked at releasing some of the police reports, a Fusion contractor sued the city. Neither the public-records requests nor the legal complaint mentions Fusion. The suit was

filed by former journalist Russell Carollo, who is

described in court records as a public records consultant.

Fusion executive Jason Felch, a former investigative reporter with the Los Angeles Times, emailed Carollo on July 21, 2016, with a statement he could give reporters inquiring about the lawsuit. The statement suggested that the mayor might be supporting the Wanda Group project because he owed a favor to a retired police chief who worked for a firm that was lobbying the city on behalf of the hotel, records show. The statement also argued that the public had a right to see the records involving the mayor.

Two weeks later, Carollo was quoted in the local newspaper, the Beverly Hills Courier, under a story headlined: "Pulitzer Prize-winning Journalist Petitions Court For Public Information On Mayor's Domestic Disputes With Ex-Wife."

In an interview, Mirisch said he had no idea that Fusion was behind the renewed scrutiny of the years-old domestic disputes. "It was dirty politics and misinformation," said Mirisch, now a city council member.

Carollo said in an interview that he worked for Fusion and was asked by the firm to file the lawsuit. In a statement, Fusion wrote: "Our policy prohibits any employees or contractors from misrepresenting themselves as journalists or anything else."

A spokesman for the Beverly Hills hotel project, which remains in planning stages, declined to comment. The retired police chief, Dave Snowden, said in an interview, "Hearing this, that the mayor owed me a favor, is absurd on its face."

### **Behind-the-scenes player**

Fusion insists that the firm does not engage in public relations work or advertise its media connections to prospective clients. But Fusion executives have interceded with former colleagues in media when their clients came under scrutiny, records and interviews show.

In mid-2015, Fusion was conducting research on two competitors of Theranos, a Silicon Valley start-up that had created buzz in the health-technology industry. Around the same time, the Wall Street Journal was pursuing its own Theranos reporting, which ultimately raised doubts about the accuracy of the company's revolutionary lab-testing technology. Fusion, working on behalf of Theranos, tried to influence the Journal's early reporting, according to records and interviews.

Fusion called the case "Ferris."

A few weeks after Journal reporter John Carreyrou approached Theranos about his investigation into the company, Fritsch contacted him to create a back channel, according to documents and a person familiar with the Journal's reporting who was not authorized to speak publicly.

Fritsch advised the reporter that his approach with Theranos up to that point had been too blunt and aggressive, and he encouraged him to soften it, the person said. Fritsch also accompanied a Theranos delegation that went to the Journal's newsroom in June 2015 to discuss the story with Carreyrou and his editor. The delegation, made up mostly of lawyers, was headed by prominent attorney David Boies.

Over the ensuing years, Theranos — once valued at \$9 billion — faced regulatory actions, including in 2016 losing its certificate to operate a blood-testing lab in

California and its eligibility to receive Medicare and Medicaid payments. The company reached a settlement in April with the Centers for Medicare and Medicaid Services, agreeing not to operate a lab for two years in exchange for the restoration of its certificate.

“The Wall Street Journal published its award-winning series on Theranos despite legal threats and strenuous objections from the company and its representatives,” a spokeswoman for the paper said in a statement.

A representative of Boies’s law firm, Boies Schiller and Flexner, referred comment to Theranos. A Theranos representative declined to comment.

Fusion was also a behind-the-scenes player in a Wall Street battle between billionaire investor William Ackman and the supplement company Herbalife, records show.

Ackman had a huge financial stake in Herbalife’s fate. He had taken a short position in the company — meaning if the company failed, his investment would pay off big. Ackman held news conferences calling for regulatory and criminal investigations into Herbalife, alleging that the company’s network of distributors was effectively a pyramid scheme.

Herbalife had Fusion working on its side in a project that carried the code name “Rice,” documents show. Fusion launched investigations into Ackman and his hedge fund, Pershing Square Capital Management, according to emails and internal documents.

Herbalife’s attorney and outside publicist are copied on some emails that discussed strategy for uncovering public records that would expose whether Ackman was paying nonprofit groups to criticize Herbalife. Fusion’s contractors were looking for information that would spark government investigations into Ackman,

documents show.

In June 2014, Richard Hynes, a contractor for Fusion, noted that the U.S. Securities and Exchange Commission and the New York Attorney General's Office had previously conducted investigations that touched on Ackman, emails show.

"Nothing seems to have come from them," he wrote. "I wonder what the SEC and NY AG DIDN'T have to make their cases. What else could we provide them this time to effect a different outcome," he asked. Simpson soon instructed a Fusion contractor to request the SEC's case file on closed investigations into Ackman or his firm, Pershing Square, documents show.

It was Herbalife that fell under investigation. In 2016, it agreed to a \$200 million settlement with the Federal Trade Commission over allegations that it deceived buyers and sellers of its products. Herbalife did not respond to a request for comment, and Hynes did not respond to messages.

### **A 'no-stones-untuned' approach**

As Fusion has been thrust into the spotlight because of the Trump dossier, it has been forced to reveal details of its operations in court proceedings.

Over objections from Democrats, the Republican leader of the House Intelligence Committee, Rep. Devin Nunes (Calif.), subpoenaed Fusion's bank records to try to identify the then-mystery client who paid for the dossier. In October, Fusion executives invoked their constitutional right not to answer questions from the committee.

Simpson had previously sat for a 10-hour closed-door interview with members of the Senate Judiciary



Fusion founder Glenn Simpson, left, arrives for an appearance before a closed House Intelligence Committee hearing in Washington on Nov. 14. (Associated Press)

Committee, which is also looking into allegations of foreign influence in the 2016 U.S. presidential election. He has also testified before the House committee behind closed doors.

For its investigation into Trump, Fusion was [initially hired](#) in the fall of 2015 by the conservative Washington Free Beacon website. The publication is backed by billionaire GOP donor Paul Singer, who was then supporting Sen. Marco Rubio (Fla.) in the GOP primary.

The Post revealed in October that Fusion was paid, via a law firm, by the Clinton campaign and the Democratic National Committee for its work on the dossier.

After Trump won the primary, Fusion approached [Marc Elias](#), a partner at the law firm Perkins Coie who represented the Democratic Party during the 2016 election. Perkins Coie decided the party needed to go deeper than traditional, issue-oriented opposition research groups — a “no-stones-untuned approach,” according to a person familiar with the arrangement who was not authorized to speak publicly.

A spokeswoman for Perkins Coie said Trump “was unvetted by the political process — a businessman with significant real estate holdings both in the United States and around the globe, a history of litigation, financial problems and bankruptcies, and of a decidedly litigious nature,” adding that “the challenge of reviewing public-record information alone on his candidacy necessitated additional research.”

Simpson and Fritsch had worked on stories involving money laundering and Russian government officials while based in Brussels for the Journal. They knew how to pull documents around the world — a skill that had earned them work from top law firms.

“I’ve known Glenn for a long time,” said John W. Moscow, a former prosecutor and now a lawyer with the firm BakerHostetler, which hired Fusion to assist in defending the Russian company Prevezon in a civil money-laundering case. “When we need information from various parts of the world, he can go get it. We hire him on a per-case basis because he’s good.”

Earlier this year, Prevezon settled the suit, brought by the Justice Department, for \$5.9 million without admitting guilt.

For its work on the dossier, Fusion hired Christopher Steele, a former British intelligence officer who had worked extensively in Russia. In a statement, Fusion said Perkins Coie paid it \$1.02 million for work in 2016, and it said Fusion paid Steele’s firm, Orbis Business Intelligence, \$168,000.

[\[Clinton campaign, DNC paid for research that led to Russia dossier\]](#)

The dossier alleged that the Russian government had collected compromising information on Trump and that the Kremlin was trying to assist his campaign. Officials have said that the FBI has confirmed some of the information in the dossier but the most sensational details have not been verified and may never be.

As the dossier circulated among Washington journalists late last year, senior U.S. officials viewed the matter as serious enough to brief then-President-elect Donald Trump on its existence. And when BuzzFeed published the document online in early January, the dossier —

particularly its more salacious claims — gripped the nation.

In recent weeks, Trump and congressional Republicans have seized on the Clinton campaign's role in the dossier to try to discredit suggestions that his campaign colluded with Russia.

At the August conference last year, Simpson said his firm upholds strict standards developed in his years as a journalist.

"You can't just say what you know. You have to say how you know it. And you have to be able to prove it," he said. "That imposes a sort of discipline to the investigative process that people in other fields don't really absorb."

He was candid about the money involved. Explaining why he left journalism, he joked: "We don't use the word 'sold out.' We use the word 'cashed in.'"

*Matt Zapposky and Ellen Nakashima contributed to this report.*

49 Comments

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