CAPITAL RESEARCH CENTER

Foundation Watch

Tom Steyer, the New Paladin of the Left

A hedge fund billionaire bets heavily on politics

By Neil Maghami

***Summary**: Thomas Steyer's avowed desire to devote his wealth to philanthropic ends appears, at first blush, commendable. Unfortunately, he has so far dedicated his $1.6 billion fortune to advancing far-left causes through donations to nonprofit groups and politicians, and by coordinating with like-minded donors like former New York Mayor Michael Bloomberg. This year Steyer plans to pour $100 million or more into political races to push America to the left.*

Left-wing philanthropist Tom Steyer

He's telegenic, he's outspoken, he founded a successful hedge fund, and he dines on organic beef raised on his own ranch, whose amenities include solar-powered electric fences. His name is Thomas Steyer, and if the Left had an award for "Most Promising Billionaire," Steyer would be a shoo-in. The love is mutual: Steyer is putting up millions of dollars in order to throw his weight around in elections across the country this November, with a number of Republicans in his crosshairs.

Steyer is deadly serious about using his vast wealth to smite his political foes and aid his allies. In February, the *New York Times* reported that Steyer plans to spend up to $100 million during the 2014 election cycle, which will be funneled through his NextGen PAC to "pressure federal and state officials to enact climate change measures through a hard-edge campaign of attack ads against governors and lawmakers." (He will put up $50 million in the hopes of finding $50 million in matching funds from like-minded donors).

In April, Steyer upped the ante when he mused publicly that $100 million "would be very low, honestly," compared to what he would "be willing to spend, to make this [climate change] what I believe it is, the most important issue in the minds of Americans." Steyer's net worth is estimated at $1.6 billion. In May, he shared his target list with the *Times:* races in Iowa, New Hampshire, Colorado, Michigan, Pennsylvania, Florida, and Maine. As we go to press, *Politico* reports that so far Steyer "appears to be struggling" in his efforts to raise money from other donors, but the $11-plus million of his own money that he's spent in this year's electoral cycle "puts him atop the Center for Responsive

August 2014

CONTENTS

Politics list of individual contributors to federal candidates, parties, political action committees and other groups that are required to disclose their donors."

In anticipation of Steyer's all-out political war against his perceived enemies, this issue of *Foundation Watch* will survey his activities to date as a donor, both in terms of his personal foundation and his giving to political causes.

Background

Thomas Fehr Steyer was born in 1957 on Manhattan's posh Upper East Side. His father was a lawyer and partner at Sullivan & Cromwell; his mother, a public school teacher. Steyer, however, was educated at Manhattan's tony Buckley School before heading to Phillips Exeter prep school, where he was class president. Then Steyer was on to Yale for an undergraduate degree and Stanford for an MBA. His rise in business was helped by the time he spent at Goldman Sachs, where he was a protégé of Robert Rubin (President Clinton's future Treasury Secretary) from 1983-85.

Steyer's current wealth reflects his success as the founder of Farallon Capital Management LLC, a hedge fund created in 1986 and based in San Francisco. In 2012, Steyer sold his stake in Farallon. He has pledged to donate half his personal wealth to charity, as a participant in the Warren Buffett/Bill Gates initiative to encourage more philanthropy among billionaires.

Steyer signaled his interest in politics years before formally leaving Farallon. He set a single-night fundraising record for the Obama campaign in 2008 with a San Francisco event that raised $7.8 million for the future president. In 2010, he gave $5 million to the "No on 23" campaign in California, which he co-chaired (along with former U.S. Secretary of State George Schultz). "No on 23" was a successful effort to defeat Proposition 23, also known as the California Jobs Initiative. Its passage would have suspended the state's draconian Global Warming Solutions Act of 2006, seen by many as inhibiting job creation in the state.

Prop 23 went down to defeat, and the victory whetted Steyer's appetite for more political activity—including through a super PAC called NextGen. In 2013, Steyer purchased advertisements attacking U.S. Rep. Stephen Lynch, who was contesting the Democratic nomination to run for the Massachusetts Senate seat vacated by John Kerry. Lynch's support for the Keystone pipeline—a project that Steyer vocally opposes—angered the billionaire. One Lynch advisor dismissed Steyer's Keystone litmus test, complaining that "you need to be with every radical group 100 percent of the time or they will unleash millions of dollars against you."

(For CRC's analysis of the Keystone pipeline fight, see: "American Greens Vs. Canadian Oil Producers," March 2011 *Green Watch*; and "Obama's Keystone Decision: How Green Groups Got Their Way," March 2012 *Green Watch*.)

Although Lynch's opponent, Ed Markey, was ostensibly the beneficiary of Steyer's attacks on Lynch, Markey felt compelled to publicly disavow Steyer's out-of-state intervention. All told, Steyer's NextGen PAC spent about $560,000 opposing Lynch: $189,000 to support Markey and $492,000 opposing Gabriel Gomez, the Republican who lost to Markey in the general election, according to the Sunlight Foundation.

Steyer next swooped into Virginia's 2013 gubernatorial race, where he spent $8 million "from his personal fortune to make an example of Republican Ken Cuccinelli for his arch-conservative views on the environment." Steyer's expenditures against Cuccinelli included the following, as tracked by *Politico*:

* "$3.1 million in TV advertising;
* "$1.2 million in digital ads;
* "12 different pieces of campaign mail, a field program that hit 62,000 households on get-out-the-vote weekend;
* "and a Cuccinelli impersonator who showed up at public events carrying a briefcase of mock cash to attack the Republican's ethics."

(CRC has published an in-depth analysis of Steyer's role in the defeat of Cuccinelli and the victory of his Democratic rival, Terry McAuliffe. See "McAuliffe vs. Cuccinelli: Virginia Race a Bellwether?," *Green Watch*, January 2014.)

Closer to his home base in California, Steyer has also involved himself in Washington state

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politics. His NextGen PAC spent more than $500,000 targeting Republican candidate Jan Angel in a 2013 special state senate election, but not even Steyer's largesse could put the intended beneficiary, Democrat Nathan Schlicher, over the top.

Steyer's interest in Washington state continues, and he has found a political soulmate in Jay Inslee, the current Democratic governor. If Steyer can help Inslee, a former congressman, build up a Democratic majority in the Washington statehouse this year, then the governor will have the votes he needs to enact California-style environmental regulations. So we can expect Steyer to soon redouble his efforts in Washington state elections.

Steyer's wealth is what allows him to intervene in political races and to enthusiastically fund nonprofits that match his views. His wealth has also generated some headaches for him. On June 9, the *Washington Post* published a story that began by recounting how, in 2012, Steyer claimed " he was halting his 'ecologically unsound' investments.

And yet, the *Post* continued:

> a review of his ties to the $20 billion hedge fund [Farallon] he led for two decades shows that he is only now becoming fully divested from energy firms linked to climate change. Responding to questions last week from *The Washington Post*, a Steyer spokeswoman said that his holdings will be free of all fossil-fuel firms by the end of [June].

It turns out Steyer had earlier divested himself only of holdings in "tar sands and coal," and was just now getting around to divesting himself "out of fossil fuels altogether." As the *Post* pointed out, he had endured a similar public relations drubbing last year when it emerged that, as a vociferous opponent of the Keystone pipeline, Steyer also happened to have investments in Kinder Morgan, a company that builds oil pipelines and stood to gain if the Obama administration completely blocked the Keystone plan. Steyer resolved his embarrassment by promising to unload his investments in Kinder Morgan.

Steyer has also been criticized for Farallon's use of off-shore tax havens to help clients sidestep taxes. For example, the *Washington Times* (July 16, 2014) describes how "in 2000, Mr. Steyer's hedge fund established Farallon Capital Offshore Investors Inc. (FCOI) in the British Virgin Islands. One of the aims of the fund was to attract investment from deep-pocketed institutions such as university endowments and pension plans." These groups are tax-exempt but must still pay tax on Unrelated Business Taxable Income or UBTI if they profit off funds that use debt financing, aka "leverage."

An October 2000 memo from Steyer to investors explains that Farallon had previously avoided leveraged investments so as "not to earn income which would be taxable to our tax-exempt investors" as UBTI, but "we would now like to give [tax-exempt investors] the benefits of leverage, without generating UBTI. This can be accomplished indirectly through an investment [by Farallon] of cash and/or a portion of its assets into FCOI, a British Virgin Islands corporation." This memo was made public by Yale students angered that part of the school's endowment was invested with Farallon.

Tomkat Charitable Trust

Steyer's primary personal philanthropic vehicle is his TomKat Charitable Trust, located in San Francisco. (The "Kat" refers to his wife, Kathryn Taylor.) In 2008, the trust reported just over $153 million in net assets. In 2009, the value of its net assets exceeded $186 million; and in 2010, the value exceeded $203 million. In 2012, the trust had fallen back to $156 million in net assets, per its IRS disclosures.

Highlights of its 2012 grants include:

* $250,000 to environmentalist activist group 350.org in "general support" (350.org was co-founded by Bill McKibben, another loud opponent of the Keystone pipeline)

* $250,000 to the Aspen Global Change Institute (based in Basalt, Colo.) in support for its Energy Policy Project; this tax-exempt group organizes workshops for scientists and produces a variety of publications as part of its mission to further "the scientific understanding of Earth systems and global environmental change"

* $392,000 for the Center for Ecoliteracy (based in Berkeley, Calif.; more on the Center appears below)

* $2.5 million for the Clean Economy Network Educational Fund in "general support" (CENEF is the 501 (c)(3) arm of the Advanced Energy Economy, "a national association of business leaders who are making the global energy system more secure, clean, and affordable.")

* $200,000 in "program priorities" funding for the Energy Foundation; EF is "a partnership of philanthropic investors promoting clean energy technology [with the goal of building] a new energy future by advancing energy efficiency and renewable energy."

In addition to Steyer's TomKat Trust, Energy Foundation supporters include: Bloomberg Philanthropies, ClimateWorks Foundation, Children's Investment Fund Foundation, David and Lucile Packard Foundation, Grantham Foundation, and the William and Flora Hewlett Foundation.

TomKat has provided large grants over the years to the Center for American Progress, including $350,000 in 2009 and $1 million in 2010. (See "Center for American Progress: The Democrats' Public Relations Firm," February 2011, *Organization Trends*.) Steyer serves as a member of CAP's board, along with former Senator Tom Daschle (D-S.D.) and former Clinton Secretary of State Madeleine Albright.

The above-mentioned Center for Ecoliteracy has also received generous grants over the years. In 2011, donations to the Center by TomKat exceeded $430,000. The trust gave about the same amount of funds to the Center in 2010. The Center "advances ecological education in K–12 schools. We recognize that students need to experience and understand how nature sustains life and how to live accordingly," its website explains.

As part of encouraging young people to embrace the green cause, it has published teaching guides on environmental issues, including how teachers can use students' school lunches to teach them about "sustainable" agriculture. The Center's view of ecoliteracy, predictably, includes advising teachers how to instruct children to distrust "climate deniers" (that is, those who dissent from claims of imminent global warming) and embrace the tenets of environmentalism, such as the "precautionary principle."

The Center also wants students to abandon "our society's dominant mindset (which considers humans to be separate from and superior to the rest of life on Earth)" and embrace a "view that recognizes humans as being members of the web of life"—that is, just another species. The strategic political implications of indoctrinating youth over time into such views as a way to prepare them to become dutiful voters and activists advancing the green agenda is clear.

Steyer is co-founder (with his brother, James) of another tax-exempt group, the Center for the Next Generation, also based in San Francisco. Next Generation reported net assets of $3.6 million in 2012, up from $832,000 in 2011. It focuses on two issues: "The risk of dangerous climate change, and the threat of diminished prospects for children and families." It claims to use "non-partisan research, policy development, and strategic communications" to "identify strategies that help deploy clean, advanced energy technologies" and help to "ensure a level playing field from which today's kids can build a brighter future."

Next Generation's agenda is simple: through its stream of research, op-eds, publications, and so on, Next Generation touts California state environmental initiatives as worthy of adoption across the country—and vigorously pushes back on any criticism to the contrary. In June 2013, Next Generation joined forces with Hillary Rodham Clinton and the Bill, Hillary & Chelsea Clinton Foundation to start up "a new, national initiative to improve the health and well-being of children ages zero to five" called "Too Small to Fail." In 2012, the Center disclosed expenditures of $233,000 on unspecified "public relations" through 463 Communication, a Washington, D.C. communications firm.

"Risky Business"

In October 2013, through his Next Generation 501(c)(3), Steyer joined forces with former New York City Mayor Michael Bloomberg and former Goldman Sachs chairman Hank Paulson to launch the "Risky Business Initiative." The initiative is supported by Bloomberg Philanthropies, the Office of Hank Paulson, and Next Generation, as well as the Skoll Global Threats Fund (founded by eBay magnate Jeff Skoll). Risky Business is facilitating research (through Next Generation full-time staff and third parties) to measure the economic risk that climate change poses to the United States.

(For more on Bloomberg's philanthropy, see the September 2012 *Foundation Watch*. For more on Paulson's philanthropy, see "In Goldman Sachs We Trust: How The Left's Favorite Bank Influences Public Policy," October 2008 *Foundation Watch*.)

According to its website, Risky Business has two core components:

> An independent risk assessment will combine existing data on the current and potential impacts of climate change with original research that will quantify potential future costs. The results, to be released in the summer of 2014, will reveal the likely financial risk the United States faces from unmitigated climate change; and
>
> An engagement effort will target the economic sectors most at risk from a changing climate, and begin the process of helping leaders from across these sectors prepare a measured response to the risks they face. The engagement will be led by a risk committee composed of top national and regional leaders from across the American economic and political spectrum.

Who sits on the initiative's "Risk Committee?" The members include Henry Cisneros, who served as Bill Clinton's Secretary of Housing and Urban Development; Robert Rubin, the Assistant to the President for Economic Policy in the Clinton years; Donna

(continued on page 6)

Richard Mellon Scaife, 1932-2014

We mourn the loss of Richard Mellon Scaife, a patriot, philanthropist, and long-time supporter of the Capital Research Center. Mr. Scaife, as even the *New York Times* admits, "laid the foundations for America's modern conservative movement." Ed Feulner, who recently stepped down as head of the Heritage Foundation, recalls that "Dick was a man of ideas: the ideas of personal liberty and opportunity, and freedom for all."

Scaife's friend and fellow Pittsburgher Paul Kengor observes, "Dick became so interested in politics, and especially the Cold War, because of his father's work for the OSS confronting the communists during World War II." By 1963 he was supporting the American Enterprise Institute, and when Heritage was founded in the 1970s he quickly became its largest donor. In a newspaper column penned just a few weeks before his death, Scaife recounted his most recent talk with AEI foreign policy scholar John Bolton, and he continued to warn of the danger of appeasing America's enemies—"one of the gravest threats of all."

Scaife "will be long remembered for his leadership in the world of philanthropy," writes Michael W. Gleba, president of the Sarah Scaife Foundation. "He was involved in philanthropy," Gleba adds, "for essentially all of his life—first witnessing his parents' creation of the Sarah Scaife Foundation in 1941 and their participation in many philanthropic efforts in the 1940s and '50s." From the 1960s through the 1980s, he helped lead his mother's Scaife Family Charitable Trusts. In addition, continues Gleba, "he chaired his own foundations, the Allegheny Foundation (1953) and the Carthage Foundation (1964)." Beginning in 1973, he chaired the Sarah Scaife Foundation, and "all the while, he often gave directly to similar efforts from his personal wealth," which *Forbes* estimated at $1.5 billion.

Gleba summarizes some of the lessons Scaife gained from his life of giving:

> He learned it was far too easy for foundations to drift from the values that helped create the initial wealth that funded them—traditional American values such as innovation, capitalism, and competitive enterprise. Therefore it was imperative to recruit foundation trustees and staff who shared the same values. This led to his belief that foundation staffs and boards should be small and focused, and that too much bureaucracy was to be avoided at all costs.
>
> Likewise, he believed it was imperative to understand the people to whom you give money, to the point of having a personal relationship with them because, in effect, what you are doing is investing in that person and their expertise. Therefore, he believed that once you got to know the people you considered supporting, and had confidence in their abilities and interests, it was best to just support them and let them get on with their work with minimal interference.

Scaife gave to an especially wide variety of projects. He loved art and wrote this year that of all his giving and spending, "the most enduring pleasure and reward came from buying art." His patriotism grew out of his passionate love for his own home of Western Pennsylvania, where his family had lived for four generations.

Scaife founded the Allegheny Foundation to specialize in local giving, though his personal fortune also went toward it. He underwrote a second hometown newspaper, the *Pittsburgh Tribune-Review*, one of whose writers, Craig Smith, detailed some of his local philanthropy: "Scaife funded high-risk community renewal projects in Manchester, Wilkinsburg, Downtown, the Mexican War Streets, and Station Square." That last project, on Pittsburgh's south shore, received $5 million "to launch a project that was little more than a dream with no bank financing and no tenants. He would ultimately contribute more than $11 million to the complex." Scaife's generosity "touched youth groups in troubled Mon Valley towns and those left jobless by a crumbling economy. He gave more than $1 million to the City of McKeesport and various organizations there, including $440,000 for an addition to the Boys and Girls Club of Western Pennsylvania and $350,000 the city used to help reduce blight."

His friend Jim Rohr, former chairman of PNC Bank, summed him up well: "Dick was a fascinating man; he was a tough guy with a big heart, and a very bold thinker when it came to developing and improving Pittsburgh."

(continued from page 4)

Shalala, Clinton's Secretary of Health and Human Services; former Sen. Olympia Snowe (R-Maine), who voted against Clinton's impeachment. The committee members also include Gregory Page, former CEO of Cargill; George Shultz (an ally from the "No on 23" fight in California); and Al Sommer, Dean Emeritus, Bloomberg School of Public Health, Johns Hopkins University.

A January 2014 piece at the Center for American Progress's ThinkProgress blog provides more background on Steyer's motivations to participate in Risky Business. The article says Steyer cited the defeat of cap-and-trade legislation in Congress in 2009 as a factor. With the kind of "research" that Risky Business hopes to publish, legislators will vote differently next time, Steyer implies. "The big boys made this about jobs versus the environment, and the environment loses that argument every time," he explains. "We need to get rid of this idea that going the way we are, with the status quo, is a smart economic thing to do."

Steyer also says that, as he sought to set up Risky Business, he

"consulted with Lord Nicholas Stern, who [led] a ground-breaking 2006 assessment of climate change's economic risks for the U.K. government. The Stern report concluded that action now to reduce climate change would cost one percent of the economy, while climate change itself could cost anywhere from five to twenty percent if left unchecked. In fact, Stern later said that, in light of new research, the report's prediction of two to three degrees Celsius of global warming was too low, and four or five degrees is more likely. The climate change of the latter range would be 'devastating' according to the World Bank." (Stern's notoriously alarmist findings have been hyped by environmentalists to push their U.S. policy agenda for almost a decade. See the September 2007 *Organization Trends*.)

According to Georgetown University's Climate Center, Risky Business will use as a blueprint some environmental analysis that New York completed during Michael Bloomberg's tenure as mayor, known as the Special Initiative for Rebuilding and Resiliency ("SIRR"). As a final note on Steyer's foundation and 501(c)(3) related activity, observe that while Steyer's contributions to nonprofit groups are more low-key than his high-profile political contributions, one can see in Risky Business and Next Generation how his political and nonprofit donation programs could be more closely coordinated to support each other over time (much as, for example, George Soros has been able to do). For example, if Steyer is able to help a grateful political candidate or two across the finish line in November, he'll have loyal voices in Congress (or statehouses) to echo the "research" being produced by the nonprofits he backs.

Just as the Center for Ecoliteracy is helping indoctrinate students into being obedient followers of the green agenda, Risky Business may hope to accomplish the same for members of Congress, ensuring members of both chambers have the "correct" view of climate change. And if they still won't embrace Risky Business' direction, then Steyer can always bring down his NextGen political funding hammer on the hold-outs.

Falling Into Line

"Steyer's political engagement strategy appears to have shifted. Earlier, he spoke about electing candidates who favor taking action on global warming and defeating candidates who are against taking such action. But now it appears he's being pulled towards donating to help elect Democrats and defeat Republicans, in order to put the 'right' people into power," Myron Ebell, director of the Competitive Enterprise Institute's Center for Energy and Environment, said in an exclusive interview.

"You have to wonder how Steyer feels about being corralled and falling in line with this same pattern of other big donors who are part of the green Democratic establishment, given his statements and actions on environmental issues to date. Steyer has close ties with Bill McKibben, the anti-Keystone pipeline activist, who hasn't been afraid to ring the White House with protestors. McKibben is constantly trying to rally the public against the pipeline, saying the world will end if Keystone is built. Steyer himself seems to bring up Keystone whenever he meets the president, and even links the question of the president's legacy to the pipeline," said Ebell.

Steyer's other philanthropic activities, including those aimed at helping the disadvantaged, make for a somewhat jarring contrast with his green-oriented giving, from Ebell's perspective. "I wonder if it has occurred to Steyer that very poor people—both in the U.S. and abroad—won't be helped at all by what the greens have planned to 'fix' climate change. To improve the lot of poor people, one might want to try to relieve energy poverty. Instead, Steyer supports policies that will raise energy prices, which hits poor people much harder than wealthier people," Ebell said.

A person concerned about this issue might support actions that would increase the supply of available energy, such as building Keystone, to help moderate price increases, for example, rather than vociferously oppose it, as Steyer does. In this respect, Steyer's philanthropy and his political donation agenda do not quite align, given how the people assisted by the former will feel the sting of the heavy-handed program of new taxes and regulations that the latter supports.

The contradiction becomes wider when one recalls another venture initiated by Steyer and his wife, Kat Taylor: the One PacificCoast Bank, headquartered in Oakland, Calif. This institution, in operation since 2007, has been fashioned "in the image of the great socially responsible banks and credit unions of national and international fame" and is "mandated to produce meaningful social justice and environmental benefits at the same time that it is financially sustainable," according to its website. The website continues, "One PacificCoast offers a full line of traditional banking services, but with a distinct focus on the traditionally underserved: low-income communities, sustainable businesses and job creation … If we want to build our local community economies, then the underserved sectors must become the primary focus of our bank and other organizations committed to local living economies." The profits of the bank are distributed to a related foundation, which in turn reinvests them in the local community.

One PacificCoast's website also proclaims, "our bank also must create fair and transparent access to financial services to build financial literacy and economic prosperity for all. Those who live and work in local living economies need safe ways to conduct transactions and save money, as well as living wage jobs for reliable prosperity."

The thick rhetoric aside (some of it reminiscent of Center for Ecoliteracy publications), One PacificCoast has grown to include branches in three states (California, Washington, and Oregon) and now holds $230 million in deposits, according to the Federal Deposit Insurance Corporation. Steyer and Taylor so far appear very committed to the bank as a community-building initiative. Too bad their professed concern for "low-income communities" couldn't be more of a factor where Steyer's funding of the green political agenda is concerned.

Conclusion

In 2009, former Microsoft executive Nathan Myhrvold enraged the environmental movement when he suggested in a *Newsweek* interview that political and policy solutions alone would not be sufficient to deal with changes in the Earth's climate. Breakthrough technologies, Myhrvold said, would have to be researched, prototyped, and perfected. Myhrvold has an estimated net worth north of $650 million and is putting his money where his mouth is by investing in a variety of high frontier technologies.

He courted further controversy by saying that environmentalists seem to prefer social engineering solutions to climate change over technological ones. Myhrvold told *Newsweek*'s Fareed Zakaria: "A lot of environmentalists feel that if everyone believes there's a simple fix [to climate change], they'll demand that. And then they're never going to get rid of their SUVs and they're never going to tax carbon."

When it comes to high net worth individuals talking about policy issues, the Left prefers them less like Nathan Myhrvold and more like Thomas Steyer—a committed ally with a set of deep pockets who shares their goal of reshaping education, national and state politics, and other aspects of American life to advance their agenda.

Freelance writer Neil Maghami is a frequent contributor to Capital Research Center publications.

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Your contribution to advance our watchdog work is deeply appreciated.

Many thanks.

Terrence Scanlon
President

PhilanthropyNotes

The unaccomplished **Chelsea Clinton** earns an amazing $75,000 per speaking engagement, according to the Huffington Post. The former First Daughter's spokesman says she donates all her speaking fees to the **Bill, Hillary & Chelsea Clinton Foundation**. So far so good, right? Not exactly. Critics object that Chelsea's mother is now using the foundation as a *de facto* campaign organization in advance of her likely 2016 presidential run, so Chelsea's donations are akin to campaign contributions. Critics also say Hillary, who likewise claims she donates her huge speaking fees—averaging $200,000 per speech—to the foundation, is using the philanthropy as a holding ground for her potential presidential campaign staff, according to the *Daily Mail* (UK). So far Mrs. Clinton has refused to back up her claim she donates the fees with actual documentation, as requested by ABC News.

The **Alliance for Charitable Reform**, a group of nonprofits that defends philanthropic freedom, applauded the House of Representatives's passage of two provisions in July that the group has long championed. The first measure streamlines the private foundation excise tax into a flat 1 percent rate; the second gives donors until April 15 to make charitable donations that can be deducted in the previous year. The measures will now move to the Senate.

Buoyed by a rising stock market and big donations, community foundations' total assets shot up to a record $66 billion last year, from $58 billion in 2012, the *Chronicle of Philanthropy* reports. Donations to community foundations rose by $600 million to $7.5 billion, while grant making climbed by $400 million to $4.9 billion, according to the report released by **CF Insights** and the **Council on Foundations**. The data were gleaned from survey responses by 285 community funds that account for more than 90 percent of assets estimated to be held by community foundations. The **Silicon Valley Community Foundation** had the most assets of all philanthropies examined ($4.7 billion), followed by **Tulsa Community Foundation** ($3.9 billion), and **New York Community Trust** ($2.4 billion).

IRS Commissioner **John Koskinen**, under fire in Congress over the **Lois Lerner**-led IRS crackdown on conservative nonprofits, says the recently introduced three-page 1023-EZ form for small groups seeking nonprofit status will help the agency process a large backlog of charitable applications estimated at 66,000. The form can be used by groups seeking 501(c)(3) status instead of the standard 26-page form that requires a raft of supporting documentation. Liberals are horrified. **Tim Delaney**, president of the **Council of Nonprofits**, said the new form will make getting charity status too easy and could allow groups with no real charitable objectives to get past IRS gatekeepers. **Marcus Owens**, former head of the IRS nonprofits office, said the new form will cause "dark money"—political spending via 501(c)(4) social-welfare groups—to "begin to flow into the (c)(3) world."

Ford Foundation vice president **Marta L. Tellado**, who started her career working for so-called consumer advocate **Ralph Nader**, will become the head of the nonprofit media company Consumer Reports in the fall. Tellado currently runs the global communications office for Ford. At her new post she will succeed **James A. Guest**, who is retiring.

Goldman Sachs WATCH

A full panel of the U.S. Circuit Court of Appeals for the Second Circuit denied a former Goldman Sachs director's petition for a rehearing of his insider trading case. Convicted in 2012 of securities fraud and conspiring to share corporate secrets, 65 year old Rajat Gupta reported to a minimum security prison in Massachusetts in June, and there he will stay for the rest of his two-year prison term.

The earnings of Goldman Sachs Group climbed in the second quarter of this year, defying pessimistic predictions. The company's investment banking and investing and lending units helped boost second quarter earnings to $2.04 billion, up from $1.93 billion the year before.