

Planned Parenthood Federation of America Target of Government Investigations

By Fred Lucas

Summary: Planned Parenthood seems to thrive on the hostility it generates. It pursues its primary mission, abortion, under the protection of friendly politicians and nurtured by taxpayer dollars. Lately, however, the organization has come under renewed and intense government scrutiny. This time the authorities are focused not on the group's morality, but on its money.

Early last year liberal nonprofits worried that the federal government might shut down if newly-triumphant House Republicans deadlocked Congress by demanding \$60 billion in spending cuts. The Planned Parenthood Federation of America was particularly upset that so many Republicans in Congress were drawing a bull's-eye around it. The organization's president, Cecile Richards, went on CNN to explain that her group's federal funding was threatened by the Republicans. "Millions of women are going to lose access, not to abortion services, to basic family planning, you know, mammograms," Richards said.

As anyone who has paid attention to the news knows, Planned Parenthood doesn't perform mammograms. But Richards had a point when she said the debate over Planned Parenthood funding shouldn't be about abortions. What she should have said is that the debate shouldn't be *only* about abortion.

In spring 2011, as Capitol Hill raged over passing another stopgap spending bill, Senate Democrats and the Obama White House



Cecile Richards of the Planned Parenthood Federation of America addresses 2008 DNC convention.

drawed a line in the sand. They agreed to give House Republicans \$40 billion in reductions as long as the appropriation for Planned Parenthood was not touched. Senate Majority Leader Harry Reid of Nevada said Planned Parenthood funding was the "one issue" on which he would not budge.

So now we know. Government funding is the life blood of Planned Parenthood. Its revenue stream is sacrosanct.

In fiscal 2010, the most recent year for which IRS data is available, Planned Parenthood Federation of America (PPFA) got \$487.4

million from federal and state governments, up from \$363.2 million the previous year. This means taxpayer funding made up about one-third of the organization's \$1 billion budget.

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With this much money under the control of one nonprofit, members of Congress, state legislators, law enforcement authorities, and some members of the media are beginning to scrutinize Planned Parenthood operations more carefully. They are disturbed by the findings they're collecting.

* They found violations of the law ranging from neglect to fraud. In 2003 a Planned Parenthood chapter in Arizona was found to have civil liability for failing to report a case of sexual abuse; in 2005 Minnesota fined Planned Parenthood \$50,000 for ignoring the state's parental notification law; and in 2009 the Alabama Department of Public Health said the Birmingham Planned Parenthood clinic failed to properly comply with the state's parental notification law in cases involving 9 out of 9 minors.

* State government audits in California, New York, Texas and Washington State have uncovered evidence of massive fraud in Planned Parenthood's submission of false or ineligible claims for Medicaid payment.

* A recent hidden camera investigation found

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certain Planned Parenthood clinics shockingly tolerant of sex trafficking. And phone calls that have been recorded disclose that some clinics are happy to accept donations earmarked for race-based abortions.

* The dustup this year between Planned Parenthood and Susan G. Komen for the Cure illustrates how Planned Parenthood responds to unhelpful developments and outside criticism. Planned Parenthood went on the attack against anyone who questioned why it should expect grant payments from an independent charity that collects donations motivated to end breast cancer. The skeptics were drowned out by a blizzard of outrage directed against Komen, which dared to change its mind about its own funding priorities.

Is there any other organization so heavily dependent on taxpayer dollars that is so protected from public criticism?

It's understandable that abortion opponents denounce Planned Parenthood because it is the nation's largest abortion provider. But anyone who supports financial and legal accountability by government grant recipients—whether pro-life or pro-choice—has good reason to demand closer scrutiny of Planned Parenthood.

Susan G. Komen vs. Planned Parenthood

The battle that pitted the nation's leading anti-breast cancer charity against America's top abortion franchise was over a question of money. At issue was whether the abortion franchise is entitled to money given by donors to the anti-cancer group for its own purposes.

Guess who won the public relations battle?

News reports would have you believe the villain is Susan G. Komen for the Cure, founded in 1982 with a mission to raise awareness about breast cancer, and the victim is Planned Parenthood.

Here are the facts. Contrary to Cecile Richards's assertion, Planned Parenthood does not perform mammograms. It makes referrals. Because of that, and because of Komen policy that it will not fund entities under government investigation, Komen decided that it would not make grants to Planned Parenthood this year. In 2011 Komen had given \$680,000 to 19 Planned Parenthood clinics, a pittance of the abortion behemoth's \$1 billion annual budget. (*Wall Street Journal*, Feb. 4, 2012)

Komen knew that Planned Parenthood was under investigation by Congress as well as by state attorneys general and local prosecutors in Arizona, Indiana, Alabama, Kansas and Texas for a number of allegations, including that its clinics and chapters failed to report child sex abuse, misused Medicaid funds, and failed to comply with parental-notification laws.

The Komen decision created a national stir. For a time, the controversy seemed to help both organizations. Planned Parenthood received \$2 million in private donations, notably \$250,000 from New York Mayor Michael Bloomberg, more than compensating it for the \$680,000 it did not get from Komen. And Komen reportedly raised \$1 million from donors who appreciated its attitude toward Planned Parenthood.

But no action that displeases Planned Parenthood ends happily.

Almost immediately, more than two dozen Democratic senators directed their outrage at Komen. Sen. Barbara Boxer of California declared that Komen's funding decision reminded her of "the McCarthy era."

Planned Parenthood went on to launch a media campaign against Komen, urging Komen's corporate donors to cut off funding, and attacking individual Komen board members. Komen's effort to stay out of the culture wars did not succeed: it caved in to

the relentless political pressure. “We will continue to fund existing grants, including those of Planned Parenthood, and preserve their eligibility to apply for future grants,” Komen founder Nancy Brinker said.

How Planned Parenthood Counsels Clients

For all the federal money Planned Parenthood gets and the controversies it generates, it’s amazing that there has been so little congressional oversight of the group—until last year. What made the difference? Online video investigations conducted by citizen journalists.

In recent years Live Action, a California-based youth-led pro-life organization conducted an undercover video investigation of Planned Parenthood clinics. What it revealed is enough to startle even the most jaded member of Congress.

Live Action produced videos that uncovered extraordinarily brazen examples of Planned Parenthood clinics covering up child sex trafficking. In Falls Church, Virginia, a Live Action activist with a hidden camera tells a clinic official, “We have some girls who do not necessarily have documentation” and he asks whether they can obtain STD testing, birth control and an abortion. He is told that the clinic requires no documentation on immigration status. A photo I.D. is needed only for an abortion. He asks whether the girls can quickly get “back to work” after an abortion. The clinic worker advises against immediate sexual intercourse but shrugs, “To each their own.”

Another video shows a Planned Parenthood manager in Perth Amboy, New Jersey, coaching a man and woman who are posing as sex traffickers in what to expect when they bring prostitutes to the clinic. The pair tells the manager that in particular they want to know how to get abortions for non-English speaking 14 year-old illegal immigrant girls under their supervision—and the manager

tells them. (The videos may be viewed at <http://liveaction.org/traffick>.)

The Live Action videos are going viral. “Momentum for defunding the abortion industry comes from the grassroots,” says Charmaine Yoest, president of Americans United for Life. “More than 70 percent of taxpayers, whether pro-life or pro-abortion, agree that they don’t want their tax monies subsidizing the abortion industry.”

After the videos were released the group Americans United for Life issued “The Case for Investigating Planned Parenthood” in July 2011. The report accuses PPFA of illegally using taxpayer funds to perform abortions, overbilling the government, ignoring parental notification laws and laws requiring the reporting of child abuse.

The AUL report further asserts that Planned Parenthood misused the abortion drug RU-486 and gave women misinformation about emergency contraception drugs such as Ella. It also states that some clinics have shown a “willingness to provide misleading information regarding fetal development and about abortion’s inherent health risk.”

A House panel began its investigation last September, seeking to find out if PPFA clinics are violating the 1976 Hyde Amendment that bars federal money from being used for abortion. Planned Parenthood insists that federal money is segregated and is used for other purposes. Rep. Cliff Stearns, a Florida Republican who is chairman of the House Energy and Commerce Subcommittee on Oversight and Investigations that is conducting the investigation, replies that money is fungible: money that comes into one pocket compensates for money that is removed from another pocket

The House oversight subcommittee asked Planned Parenthood to produce internal audits from 1998 to 2010 showing how much federal money the group received and how it

was spent, including whether the government had to be reimbursed for improper billing to Medicaid.

The congressional panel also wanted to obtain state audits of the group going back 20 years. It wanted policy statements certifying that there was no illegal commingling of federal dollars in programs that fund abortions. And it sought testimony explaining the group’s procedures for reporting “criminal conduct,” including statutory rape, sexual abuse, and suspected sex trafficking.

Meanwhile state and local authorities are acting independently to hold the organization accountable.

For example, Planned Parenthood of Central and Northern Arizona was found negligent and civilly liable for failing to report the sexual abuse of a young girl who was raped by her adult foster brother. Planned Parenthood Minnesota/North Dakota/South Dakota was fined \$50,000 for ignoring Minnesota’s parental-notification law. (National Review Online, April 26, 2011)

Law enforcement authorities cited Planned Parenthood clinics in Ohio, Alabama, and Vermont for failing to report sexual abuse of young girls.

These legal actions to hold Planned Parenthood clinics accountable are not Republican dirty tricks. Planned Parenthood clinics in the bluest of liberal blue states as well as conservative red states and purple states in between have been cited for wrongdoing.

A 2004 audit by the California Health and Human Services Agency found that Planned Parenthood of San Diego and Riverside Counties did not comply with billing requirements from February 2003 through May 2004. It found that the state made \$5.2 million in excess payments to Planned Parenthood.

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In 2009 and 2010 Planned Parenthood clinics in the state of New York were the subject of seven audits. Those audits determined:

- * Planned Parenthood of New York City/Margaret Sanger Center received at least \$1.2 million in Medicaid overpayments
- * PPNYC took in \$207,809 in Medicaid overpayments.
- * Planned Parenthood Hudson Peconic, Inc. took in \$12,173 in overpayments. Another audit found the same branch received an additional \$112,490 in overpayments.
- * PP of Nassau County, Inc. received \$12,031 in overpayments.
- * PP of South Central New York, Inc. received \$11,539 in Medicaid overpayments. (Summary of State Audits of Planned Parenthood Affiliate Providers Showing Waste, Abuse and Potential Fraud; prepared by the Alliance Defense Fund, February 6, 2012.)

In 2008, the Inspector General at the U.S. Department of Health and Human Services discovered that New Jersey improperly received \$597,496 in Medicaid money and Planned Parenthood clinics received a large portion of that amount.

A Washington state Department of Social and Health Services audit, conducted from 2007 to 2009, found numerous instances of overbilling by Planned Parenthood clinics totaling \$629,142.

Among the red states that audited Planned Parenthood, the Texas Department of State Health Services found several instances of unpaid subcontractors. Subcontractors identified billings totaling \$529,707 that Planned Parenthood did not pay.

The Origins and Outcome of Planned Parenthood

Planned Parenthood's origins are steeped in race-consciousness. Its founder was

Margaret Sanger (1879-1966), a member of the Socialist Party and the American Eugenics Society, a movement and ideology dedicated to improving the human gene pool by encouraging better breeding practices. In her 1922 book *The Pivot of Civilization* Sanger wrote, "More children from the fit, less from the unfit – that is the chief issue of birth control."

Despite Sanger's ideas, Planned Parenthood honors her work.

In 1926 Sanger delivered an address to the Ku Klux Klan in Silver Lake, N.J., and in 1923 Sanger founded the American Birth Control League, which was renamed Planned Parenthood in 1944. In 1939, Sanger began what she called the "Negro Project." The project's report read "The mass of ignorant Negroes still breed carelessly and disastrously, so that the increase in Negroes, even more than the increase in whites, is from that portion of the population least intelligent and fit and least able to rear children properly." Sanger wanted to prevent the conception of the "unfit."

With this history it is perhaps not surprising that some Planned Parenthood fundraisers agreed to accept donations earmarked for aborting minority babies. This was not the policy of the organization but it was the response received by two pro-life students who wanted to test Planned Parenthood attitudes in Ohio and Idaho. In 2007 UCLA student Lila Rose, founder of the pro-life publication *The Advocate*, and her friend, first year law student James O'Keefe, posed as donors who opposed affirmative action in minority hiring. They secretly taped their phone conversations with Planned Parenthood staff members, in which they offered to make donations to help reduce the minority population. The responses they obtained showed fundraisers complacently agreeing to whatever they said. In 2011 Rose and O'Keefe organized the filming of the Live Action hidden video investigations.

No matter what Planned Parenthood's motives are, the chilling data on abortions reported by the Centers for Disease Control and Prevention seems to embody Margaret Sanger's writings 90 years ago. The latest analysis published in February 2011 showed that there were 827,609 abortions in 2007 and black women accounted for 36.5 percent of them, or 302,077 abortions. African-Americans are only 12.6 percent of the U.S. population. U.S. Census data shows Hispanics are 16.2 percent of the U.S. population, but they accounted for 21.2 percent of all abortions. About 80 percent of Planned Parenthood clinics are located in minority neighborhoods.

Many Things to Many People—Or Just One Thing?

Planned Parenthood does not like to define itself by abortion. The "Who Are We?" section on its website doesn't even contain the A-word but says, "Planned Parenthood is many things to many people."

"We are a trusted health care provider, an informed educator, a passionate advocate, and a global partner helping similar organizations around the world," it continues. "Planned Parenthood delivers vital reproductive health care, sex education, and information to millions of women, men, and young people worldwide. For more than 90 years, Planned Parenthood has promoted a commonsense approach to women's health and well-being, based on respect for each individual's right to make informed, independent decisions about health, sex, and family planning."

Yet there is no denying that Planned Parenthood clinics performed 329,455 abortions from July 1, 2009 to June 30, 2010, according to the group's most recent annual report released in January. That's a slight dip after a steady increase in abortions since 2006, in which the organization was responsible for 289,750 abortions. In 2007 it performed 305,310 abortions and 331,796 in 2009.

This pattern disturbs Congressman Stearns. “In 1997, the group received \$160 million from taxpayers and performed 160,000 abortions,” Stearns wrote on BigGovernment.com. “Last year, it received some \$360 million and performed over 324,000 abortions. As taxpayer funding increased, so did the number of these life-ending procedures.”

With about 850 clinics across the country, Planned Parenthood is responsible for a quarter of all abortions in America. And 97.6 percent of Planned Parenthood patients who report themselves pregnant have abortions. The average cost of an abortion is \$451, according to the Guttmacher Institute, which is Planned Parenthood’s research arm. Abortion is Planned Parenthood’s biggest revenue source, generating \$150 million in 2009, or about 37 percent of Planned Parenthood’s health-care center income.

In reviewing a 10-year period, it appears that Planned Parenthood has grown less and less interested in anything other than abortion. In 1999, Planned Parenthood made 2,999 adoption referrals. In 2009, the number of adoption referrals plummeted to 997 and dropped to 841 in 2010. Planned Parenthood had 18,878 clients for parental care in 1999 but only 7,021 in 2009.

In an interview with CNS News, former Planned Parenthood staffers Abbey Johnson and Catherine Anthony Adair reported that PPFA discourages adoption while pushing its clinics to maximize their revenue through abortion quotas. (Paul Wilson; “Planned Parenthood Tried to Cash in on Mrs. Tebow’s Choice to Pass on Abortion:” CNSNews.com; January 20, 2012)

The Mother’s Milk of Politics

If much of Planned Parenthood’s money comes from taxpayers, its power comes from politics. Cecile Richards, Planned Parenthood’s national president, earns more than \$900,000 per year and has a long history in liberal politics. A longtime organizer for

labor and political groups, Richards has been the deputy chief of staff to former House Speaker Nancy Pelosi, president of Pro-Choice Vote, the largest 527 group focused on abortion during the 2000 election cycle, and a former board member for NARAL Pro-Choice America. Richards is the daughter of former Texas governor Ann Richards.

These days Planned Parenthood’s legislative agenda is often defensive. It is fighting federal and state level proposals to require parental notification, and proposals banning partial birth abortions and sex-selective abortions. The organization fought a proposal in the Illinois legislature making the reporting of sex abuse mandatory, and it has opposed legislation in Missouri, Virginia and other states requiring abortion clinics to meet the same health and safety standards as other ambulatory surgery centers. Planned Parenthood claimed meeting such basic health standards would be cost prohibitive—so much for putting women’s health first.

But the group retains plenty of political and financial clout. Since the 2000 election cycle, Planned Parenthood and its affiliates contributed more than \$6.8 million in direct contributions to federal office-seekers and in independent expenditures that benefit federal candidates. In the 2010 congressional elections, Planned Parenthood and affiliates spent nearly \$1.6 million.

Government authorities are investigating the misuse of taxpayer dollars, but the Planned Parenthood Federation of America has no shortage of private donors. Since 1999 they have included the Susan Thompson Buffett Foundation (\$53,927,593); David and Lucile Packard Foundation (\$20,121,875); Ford Foundation (\$2,214,500); the Bill and Melinda Gates Foundation (\$6,929,305); the William & Flora Hewlett Foundation (\$14,187,960); and George Soros’s Open Society Institute (\$2,570,000).

If government authorities continue to pursue

their investigations, they may well want to inquire whether Planned Parenthood has made any unlawful use of these foundation funds. Is that too much ask?

Fred Lucas is White House correspondent for Cybercast News Service (CNSNews.com).

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Terrence Scanlon
President

Briefly Noted

Occupy Wall Street in New York City says it could run out of money soon, Reuters reports. The inchoate movement of Marxists, anarchists and the befuddled unemployed said it had \$44,828 in operating funds on hand apart from a separate \$90,000 fund designated to bail out protesters during Occupy's upcoming "American Spring" protests. Since Occupy got underway in September it has taken in upwards of \$730,000 in donations. Its fiscal sponsor is the Tucson, Arizona-based **Alliance for Global Justice**. A spokeswoman for the **ACORN-** and labor-dominated movement said OWS has "a lot planned for the spring and we fully expect the money will start flowing in again."

Much of the money expected to flow into Occupy's coffers will come from a new entity, **Resource Movement Group** (RMG), which is financially supported by wealthy liberals such as **Ben Cohen** and **Jerry Greenfield** of **Ben & Jerry's** ice cream, along with **Danny Goldberg**, ex-manager of the rock band **Nirvana**. RMG is hoping to raise \$1.8 million which would be distributed as \$25,000 grants to protesters. OWS says RMG is "a fund source that believes Occupy is ready to transition from being a series of spontaneous actions to a more strategic national movement."

Shakedown artist **Jesse Jackson** launched a particularly virulent attack on conservatives recently. Jackson said, "America is a liberal idea ... It's hard to be an American conservative because that's a contradiction in terms. Now if you take away freedom of speech, freedom of press, freedom of protest, and lock people out based upon their race, their language and their religion, that's conservative and fascist. America is a liberal idea." Jackson's profitable hate group, the **Rainbow/PUSH Coalition**, solicits donations whenever its nonsensical leader is in the news.

Vermont Secretary of State **James Condos**, a Democrat, says he may investigate videographer **James O'Keefe** for his most recent exposé of voter fraud in the state. Vermont election officials handed out ballots to an O'Keefe compatriot. Although some of the ballots were intended for dead people no officials demanded identification from the man. Ironically, although O'Keefe was trying to demonstrate the shortcomings of Vermont's electoral system, Condos is pressing to have him charged with voter fraud. Condos supports same-day registration voting, which journalist **John Fund** says provides a "major incentive to commit fraud."

Jamie Radtke, a former president of the **Richmond Tea Party**, says the **Internal Revenue Service** is going out of its way to make life difficult for her group. Radtke, now a Republican U.S. Senate candidate from Virginia, told the *Daily Caller* that the Richmond Tea Party has been waiting for tax-exempt charitable status since December 2009. "After waiting two and a half years for approval the IRS recently communicated a new set of overly-burdensome and invasive demands for information that exceed the scope of the IRS code." The IRS wants answers to "12 additional questions in 53 separate parts" and demanded the group produce a list of all its donors and volunteers. Radtke has asked House Oversight and Government Reform Committee chairman **Darrell Issa** (R-Calif.) to look into how tea party groups are being treated by the IRS.