

Taking Down the Tea Party Ten

A Leftist Super PAC Smears Conservatives To Safeguard “Progressive Change”

By Matthew Vadum and Charles Dickenson

Summary: Using its for-profit business to generate left-wing political donations, Credo/Working Assets has launched a new campaign aimed at unelecting 11 (not 10) Tea Party members of Congress. Even as the group protested super PACs, it formed a super PAC of its own to accomplish this goal.

Out-of-control government spending, a crushing national debt, oppressive anti-business regulations, a stagnant economy, the very existence of the country—none of these things are important to Credo Super PAC. The far-left political action committee is focused instead on defeating prominent Congressmen associated with the Tea Party, the grassroots movement that sprang up in opposition to Washington’s socialist juggernaut.

Community organizer Becky Bond, president of Credo Super PAC, described the committee’s mission:

For over 25 years Credo has been involved in progressive politics. We’ve been fighting former House Speaker Newt Gingrich since the mid ’90s, and we’ve been pushing for progressive change. And let me just tell you, in our history we have never seen extremism in the Congress like we’ve seen since the Tea



Tea Party star Michele Bachmann is the only woman targeted by Credo Super PAC.

Party wave in 2010 that was funded on just buckets of super PAC money from the Koch brothers and from people like Karl Rove. And we’ve seen a lot of history, and we know this is bad. And as good people of conscience, we’ve decided that we need to strike back, and it’s time to fight back, and we need to take down some of these Tea Party Republicans who are destroying our democracy.

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CONTENTS

Taking Down the Tea Party Ten
Page 1

Philanthropy Notes
Page 8

FoundationWatch

The fact that the super PAC retained a corrupt Marxist in Chicago as a consultant says a lot about the organization. The committee paid \$50,417 to Strategic Consulting Group, the firm of convicted swindler and tax cheat Robert Creamer. An admitted fan of radical godfather Saul Alinsky, Creamer has reportedly visited the Obama White House nearly 60 times since he was let out of the hoosegow. In prison he wrote a book widely hailed by leftists that later served as a blueprint for Obamacare. Creamer, who is married to far-left Congresswoman Jan Schakowsky (D-Ill.), also used to be a lobbyist for George Soros's Open Society Institute.

At the beginning of this year Credo Super PAC added the initial eight Tea Party lawmakers (all Republicans) to its list. They were Allen West (Fla.), Steve King (Iowa), Dan Lungren (Calif.), Mike Fitzpatrick (Penn.), Joe Walsh (Ill.), Frank Guinta (N.H.), Sean Duffy (Wisc.), and Chip Cravaack (Minn.).

In August Credo added another three Repub-

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licans—Mike Coffman (Colo.), Jim Renacci (Ohio), and Michele Bachmann (Minn.)—bringing the total to 11, not 10. Presumably Bachmann, a high-profile former presidential candidate, made the cut so Credo could use her star power to bring in donations from angry left-wingers. Bachmann “has said more hateful and downright crazy things than just about anyone else in Congress,” said Bond. In selecting her, Credo jettisoned an earlier pledge not to target any female congressional candidate in the upcoming election.

But back in June Credo was very reluctant to add Bachmann to the list. The PAC declined at that time to gun for the conservative champion and Tea Party leader, out of deference to the Left's phony narrative that the GOP was waging a “war on women.”

“There's no shortage of Tea Party women, but if you look at this picture, one of our main themes, and most of our volunteers, frankly, are women,” Credo Mobile president Michael Kieschnick said during a June 18 panel discussion at the Campaign for America's Future's Take Back the American Dream conference in Washington, D.C. “We want to be able to go after independent women [voters] in a year where the [GOP-controlled] House has been ferociously anti-women. That's why we're doing it.”

Evidently something changed, perhaps in the PAC's fundraising.

Announcing Credo's assault on Bachmann, Bond cited the three-term lawmaker's “weak primary showing,” as well as Credo supporters' “overwhelming demand” for Bachmann's head. In fact Bachmann won her August primary election with more than 80 percent of the vote in a three-way race. She is also the only one of the 11 targeted lawmakers whose name does not appear on the RealClearPolitics list of House seats that

are most likely to switch parties. In addition, Bachmann's campaign and her leadership PAC have together raised an impressive \$17 million this election cycle, according to the Center for Responsive Politics.

As Credo tells it, members of what the committee still calls the “Tea Party Ten” threaten the existence of the republic:

“It's astonishing that every one of these actual, elected representatives to the United States Congress have voted to redefine rape, to gut the Clean Air Act, to reject the science of climate change, to let women die, and to abolish Medicare. But that's just the beginning of the racist, sexist, anti-science, hypocritical, and downright crazy things that have been said and done by some of the most odious members of the most extreme Congress in history.”

Sounds like scary stuff, doesn't it? But that statement misrepresents the current Congress. Republicans only control the House; Democrats, the Senate. Almost all major Republican legislation passed by the House has been gathering dust in the Senate. The current Congress is merely a rhetorical straw man that the leftists of Credo Super PAC use to advance their radical agenda.

In fact it was the previous Congress, the Democratic Party-controlled 111th, that was among the most radical in the nation's history. That leftist-dominated body passed Obamacare over the protests of the American people and by using devious parliamentary tricks. It also passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which unleashes yet more bureaucratic red tape on America's struggling financial institutions, especially the smaller ones. That Senate confirmed liberal Justices Sonia

Sotomayor and Elena Kagan to the U.S. Supreme Court.

Origins

The well-funded Credo Super PAC was created by Credo Mobile, the wireless reseller that donates part of its profits to left-wing groups such as the George Soros-funded Media Matters for America, ACORN-affiliated Project Vote, Color of Change, Oxfam, Friends of the Earth, Greenpeace, Amnesty International, Planned Parenthood, and the Sierra Club Foundation.

Credo is actually a brand name, as opposed to a legal entity. The for-profit telecommunications company behind it is Working Assets Funding Service Inc. Working Assets resells long-distance and mobile telephone service under the Credo brand names and then donates 1 percent of customers' charges to liberal and radical groups. When customers use its credit card, the Working Assets Platinum Plus credit card, the company gives 10 cents for each transaction to left-wing causes.

Working Assets, based in San Francisco, was founded in 1985 by Laura Scher, Michael Kieschnick, and Peter Barnes as a spin-off of the Working Assets money market fund, a so-called socially responsible vehicle for investment. Scher is a lecturer at Stanford University, teaching "Social Innovation and Entrepreneurship" at the undergraduate level, according to her biography on the Huffington Post website. Kieschnick received a doctorate in Public Policy from Harvard University and is a member of the board of the League of Conservation Voters. Barnes is a journalist who started out at the *Lowell Sun* in Massachusetts and later worked for *Newsweek* and the *New Republic*.

October 2012



Credo's Becky Bond hard at work targeting Tea Party lawmakers.

Since its founding, Working Assets has made its political stances very clear to the public and Washington. In 1994, Working Assets offered a free, prepaid calling card to the first 10,000 members who called Congress and protested then-Speaker Newt Gingrich's Contract with America, the reform agenda of the newly elected Republican majority in Congress.

According to Credo's website, Credo donations for leftist nonprofit groups averaged over \$2 million a year during the period 2007 to 2011, including \$326,000 to the American Civil Liberties Union, \$158,000 to the Sierra Club Foundation, \$62,000 to the progressive activist training academy New Organizing Institute, \$76,000 to Citizens for Responsibility and Ethics in Washington, \$204,000 to Media Matters for America, and \$52,000 to the now-defunct radical pressure group Association of Community Organizations for Reform Now (ACORN).

Credo Mobile boasts it has given upwards of \$70 million to left-wing groups since 1985. Credo Super PAC has raked in more than \$2 million so far.

Following the Supreme Court's landmark 2010 decision in *Citizens United v. Federal Election Commission*, which held that unions and corporations have the right to spend unlimited amounts of money for or against candidates seeking political office, Credo Mobile led the critics bewailing the decision for supposedly opening floodgates that would allow "unlimited amounts of corporate money to flow in to our political system." And yet Credo itself is a so-called "super PAC," that is, an independent political action committee not bound by contribution limits.

So although Credo opposes the *Citizens United* decision that allows independent political action committees to accept unlimited union and corporate funding, the cognitively dissonant company went ahead and created the Credo Super PAC anyway. One reporter quipped that it's a "super PAC-hating super PAC." Credo felt it shouldn't "unilaterally disarm," rationalized Bond. "If we decided to sit this out and be purists on this thing, it wouldn't change a thing other than help the other side."

“This allows us to directly advocate for defeat of these [Tea Party] candidates, instead of talking about defeat of issues. This is something we could not have done” before the *Citizens United* decision, she said. Bond claims that only MoveOn has a larger list of left-wing voters’ email addresses than Credo.

In addition to serving as president of Credo Super PAC, Bond works as the political director for Credo Mobile. She also serves on the board of the New Organizing Institute (NOI), a Saul Alinsky-inspired left-wing community-organizing boot camp. NOI created something called the Candidate Project to recruit candidates for city councils, school boards, state legislatures, and local commissions. These are “the battlefields where life-changing issues are constantly being tested and decided under our noses,” according to NOI. “There are more than half a million local elected offices outside of the Washington gridlock—that’s more than 500,000 ways to influence whether government serves the 99 percent or just the 1 percent.”

As Bond puts it, echoing Saul Alinsky, the father of modern community organizing, Credo relishes starting fights. She told the Take Back the American Dream conference in Washington, “We pick out a villain, we go after them hard. We harness people’s passions. We don’t ask them to go out and be polite. We don’t ask them to work for compromises. We ask them to fight for the things that they really believe and say what they really mean.”

Michael Kieschnick, co-founder of Credo Mobile and a member of Democracy Alliance, a liberal grant-making clearinghouse led by George Soros, serves as senior advisor to the Credo Super PAC. (For more information on the Democracy Alliance, see *Foundation Watch*, December 2008.)

Serving as national campaign manager for the super PAC is Matthew “Mudcat” Arnold, a veteran of progressive campaigns for various candidates at the state and federal levels. Arnold has previously worked with left-wing nonprofits such as MoveOn and the Sierra Club. Credo uses ActBlue, an Internet-based funding aggregator that bills itself as “the online clearinghouse for Democratic action.” According to the Daily Caller news website, Arnold told supporters on September 8 that Credo realized “policy did not move voters.” Smearing conservatives is more effective, he said.

“When we said that [Iowa Republican Congressman] Steve King ... is pro-life and believes in cutting Social Security and voted for the Ryan budget, no one cared,” said Arnold. “When we said Steve King’s a racist, Steve King believes that immigrants ought to be put in electric fences, people moved.”

“When you talk about the substance of a man’s character, people respond,” Arnold added. “Believe it or not, that is not something politicians knew.”

Funding

Bond contrasts Credo Super PAC with other well funded super PACs:

“Where Karl Rove and the Koch brothers can use shady money from a few hidden donors to fund a barrage of TV attack ads, this super PAC will empower local voters and our list of 2.5 million activists to build a grassroots campaign that is as hard-hitting as it is progressive. Using innovative tactics, technology and good, old-fashioned organizing, we’re going to kick some Tea Party congressmen out of office.”

Bond boasts that most donations to Credo are \$20. As of August 6, Credo Super PAC had

received \$2,070,953 in donations, according to the Center for Responsive Politics.

Hollywood actresses and longtime Democratic donors Stockard Channing and Patricia Richardson (from TV’s “Home Improvement”) have given \$750 and \$1,000, respectively, to the committee so far this year. Media moguls Win McCormack of Oregon and Olivia Farrell of Arkansas Business Publishing Group gave \$125,000 and \$250, respectively. Heiress Patricia Bauman, a member of George Soros’s Democracy Alliance and head of the Bauman Foundation in Washington, D.C., has given \$13,000 to Credo Super PAC so far this year. Her husband, John Landrum Bryant, also gave \$13,000.

Kieschnick, another Democracy Alliance member, has given \$53,000 to the political committee. Donations have also come from additional Democracy Alliance members, including Tides Foundation founder Drummond Pike (\$500), Megan Hull (\$5,000), and New Community Fund president Charles Rodgers (\$10,000).

Past Political Ventures

Credo leaders have a history of crossing the line with the law: In 2011, six Credo members, including Becky Bond and Kieschnick, were arrested in front of the White House while demanding President Obama reject the building of the trans-Canadian Keystone Pipeline XL to Nebraska, even though the pipeline would create thousands of jobs for U.S. citizens.

In 2010, Credo Action led a campaign called “Hell No to Proposition 23,” which urged Californians to vote against a ballot question that would have suspended the state Global Warming Solutions Act, a greenhouse emission-reduction law signed in 2006 by then-Gov. Arnold Schwarzenegger. Credo

launched a boycott of all Valero oil products because the company was a major contributor to the Yes to Proposition 23 campaign.

One of Credo Mobile's previous projects enjoyed success for a few years then folded. In 2006, Kieschnick, Bond, and former MoveOn operative James Rucker founded the Secretary of State (SoS) Project. Rucker also co-founded the nonprofit Color of Change, a radical Afro-centrist group that organizes boycotts of conservative groups like the American Legislative Exchange Council (ALEC) and smears conservatives and anyone who opposes President Obama's agenda.

The Secretary of State Project's signature achievement was helping to elect community organizer Mark Ritchie. Ritchie is the radical, ACORN-loving Minnesota secretary of state who in 2008 orchestrated Al Franken's take-over-by-recount of incumbent Republican Norm Coleman's U.S. Senate seat. Before that, Ritchie was president of the Minneapolis-based Institute for Agriculture and Trade Policy.

Soros and progressives all across the fruited plain believe with religious fervor that right-leaning secretaries of state helped the GOP supposedly steal the presidential elections in Florida in 2000 (Katherine Harris) and in Ohio in 2004 (Ken Blackwell). So the SoS Project endorsed secretary of state candidates who believe that voter fraud is a myth; that voter suppression is widely and solely used by Republicans; that it's a waste of time to remove obviously fraudulent names from voter rolls; and that legal requirements that voters show photo identification somehow discriminate against racial minorities.

Until two years ago the SoS Project was doing well. Before the 2010 cycle it took credit for electing 11 of the 18 left-wingers



Credo's mudslinger: Matthew "Mudcat" Arnold.

it endorsed since it began funding candidates in 2006. Then in 2010 disaster struck for Democrats at both the national and state levels. Five out of the SoS Project's seven official candidates went down to defeat. Only Ritchie and another progressive incumbent, California's Debra Bowen, stayed afloat in the Republican electoral tsunami that year. The Secretary of State Project lost its luster, and its funding dried up.

Rumors of the death of the Secretary of State Project had circulated since last year. Kieschnick finally confirmed the group's demise at this past summer's "Take Back the American Dream" conference in Washington, D.C. The results of the 2010 election were "terrible so we've switched our efforts to this," he said in a reference to the Take Down the Tea Party Ten project.

The Tea Party Ten (actually, Eleven)

The "Take Down the Tea Party Ten" campaign claims to have set up offices and hired paid staff in each of the targeted 11 congressional districts:

Michele Bachmann (Minn.-6)

Bachmann is the "Queen of Crazy," accord-

ing to Credo's website. The PAC is attacking Bachmann because, among other things, she believes the U.S. Constitution limits the powers of the federal government, is an outspoken Christian, opposes same-sex marriage, believes man-made global warming is a myth, and wants to reform Medicare and Medicaid.

Steve King (Iowa-5)

As the founding member of the Tea Party Caucus, King is high on Credo's hit list. First elected to Congress in 2002, King has received national attention for vowing to sue President Obama for his recent executive order suspending deportation of young immigrants (which critics decry as a form of immigration amnesty).

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Terrence Scanlon
President

FoundationWatch

Mike Fitzpatrick (Penn.-8)

Credo accuses this lawmaker of skipping his oath-taking ceremony to attend a fundraising party at the neighboring Capitol Visitors' Center and then illegally voting without being sworn in. Fitzpatrick is currently serving his second non-consecutive term in the House. Credo has organized a group of senior citizens within the district called "Seniors Against Fitzpatrick" and is criticizing Fitzpatrick for supporting Republican Paul Ryan's budget plan, "A Roadmap for America's Future."

Joe Walsh (Ill.-8)

Credo calls freshman Walsh a racist for saying the Democratic Party wants Hispanics and African-Americans to be dependent upon government. "Credo volunteers are out there saying this guy is too racist to be in Congress and that's a really strong statement to be made and that's what's motivating the volunteers to get out there and defeat this guy," Bond told the Take Back the American Dream conference. "We have an office near Schaumburg, Illinois, and have four paid organizers, and we have hundreds of volunteers coming out to work against Joe Walsh every day."

Frank Guinta (N.H.-1)

One of 14 congressmen labeled as "2011's Most Corrupt" by the George Soros-funded Citizens for Responsibility and Ethics in Washington, Guinta has been under the Left's microscope since taking office. Despite these accusations of corruption, the U.S. House Committee on Standards of Official Conduct concluded Guinta was in "substantial compliance" with federal ethics laws.

Guinta has been called "Radically Corrupt and Extremely Anti-woman" by Credo because he advocates overturning *Roe v. Wade* and enacting a ban on abortion without

exceptions. Guinta is the former mayor of New Hampshire's largest city, Manchester, and supports dissolving the departments of Education and Energy. Guinta is also under fire by Credo because he has said that President Obama is trying "to take socialism and the European style of government and bring it to our country."

Sean Duffy (Wisc.-7)

Once a reality-TV star on MTV's "Real World: Boston" and a competitive lumberjack, Duffy has become a rising star in Congress. He has a strong conservative voting record and receives support within his own state from fellow Republicans and Wisconsin Gov. Scott Walker. A freshman lawmaker, Duffy came under fire shortly after taking office in 2011 for making a statement that he is "struggling" to pay his bills, when his Congressional salary is \$174,000. And yet Congressman Duffy is not by any means a big spender. He is the father of six children and one of 20 congressmen who sleep in their offices on Capitol Hill.

Chip Cravaack (Minn.-8)

Credo is going after Chip Cravaack because he wants the federal government to balance its budget and thinks man-made global warming is a hoax. Cravaack's opposition to taxpayer funding of abortion provider Planned Parenthood infuriates Bond. "This is a guy who's voted against women," she said.

Allen West (Fla.-22)

West is "a national rising star in the Tea Party," Bond explained. The famously outspoken retired Army lieutenant colonel with the special talent for getting under Democrats' skin "is going to start to define" what the Republican Party stands for, warned Bond. The danger, as Bond sees it, is that if West's brand of politics catches on nation-

wide, American politics may shift rightward. "He's a freshman," Bond reminded her audience at the Take Back the American Dream conference. "If we don't take him down now, he's raising millions of dollars, and he's going to set what the new normal is for the Republican Party."

Dan Lungren (Calif.-3)

Labeled by Credo as "California's Rick Santorum," Lungren first served in the U.S House of Representatives from 1979-1989, and then as California Attorney General from 1991-1999, where he was credited with decreasing state crime by 30 percent. Lungren was re-elected to the House of Representatives in 2005 and has led successful campaigns since. He recently wrote a bill that seeks to narrow the limits of the Americans with Disabilities Act, which currently leaves businesses liable for lawsuits based on a generic letter from litigators stating very generally that the physical facility is not ADA-compliant, without having to detail the reasoning behind the suit. This bill is popular with businesses in California, where 42 percent of all ADA lawsuits originate. Credo has accused the incumbent lawmaker of being anti-woman for opposing President Obama's health care law because of its social policy agenda that requires free abortion-inducing drugs, sterilization, and contraception.

Mike Coffman (Colo.-6)

Coffman is a target because he's "a paranoid birther," in Bond's words. He (accurately) called Social Security a "Ponzi scheme" and endorsed Colorado's fetal personhood initiative in 2010.

Jim Renacci (Ohio-16)

Renacci is on Credo's radar screen because he's "the poster boy for Tea Party economics," according to Bond. "He's championed

tax cuts for corporations and multimillionaires like himself while increasing the tax burden on the rest of us,” according to Credo. “He’s just as bad for women as he is for business—he voted to defund Planned Parenthood, redefine rape, and block access to birth control.”

Taking Action

Following the launch of the newest Credo campaign, Bond announced donation expectations of around \$3 million, a daunting task when “average donations” range around \$20.

Credo campaigns have already begun in nearly every district involving protests, “vigils,” and handing targeted congressmen requests for their resignation. In Wisconsin, the Credo Super PAC committee “Women against Duffy” held a candlelight vigil in front of Rep. Duffy’s district office to protest his vote for a Republican version of the Violence Against Women Act.

In New Hampshire, Credo Super PAC kicked off their “Frank Corruption Tour” by protesting outside Guinta’s own office. Credo has hired three full-time organizers and set up an office in Manchester to mobilize activists.

In May, over 20 people protested against Representative King at a rally sponsored by the conservative group Americans for Prosperity, criticizing King’s “bigotry and anti-woman” views. Other Credo allies in attendance included Iowa Citizens for Community improvement (which is part of a larger Saul Alinsky-inspired organizing group called National People’s Action), Progress Iowa, the South Central Iowa Federation of Labor and United Steelworkers Local 310. Credo offices have been opened both in Ames and in Mason City.

After Credo opened its Ames office, Congressman King’s office released a statement responding to the super PAC:

“Iowans won’t be fooled by this liberal, San Francisco, California-based group that acts like they share our values,” King said, adding that Credo simply wants to “advance their out-of-touch agenda. In Iowa, our families balance the checkbook and we don’t spend money we don’t have. In Iowa, we believe that government should serve and support the citizens, not issue mandates. Congressman King shares the values of Iowans. He is hardworking, honest and true to his word. He continues to work to repeal burdensome government regulations like ObamaCare, balance our country’s budget and pass legislation that will encourage job creation—all things that are important to the 5th Congressional District.”

Similar protests have occurred at the office of Representative Chip Cravaack, all stemming from Credo Super PAC’s campaign.

In Pennsylvania, Fitzpatrick saw protests from more than 25 people who showed up at his Congressional district office, protesting against the Congressman for warning constituents at a campaign rally in April that President Obama may commit treason if re-elected in November (Fitzpatrick was referring to the president’s overheard comment that he would have more flexibility in addressing issues related to missile defense if re-elected).

Credo’s “Seniors Against West” committee recently crashed Rep. West’s town hall meeting in Boca Raton, Florida, where organizers handed him a pink slip saying that he should be defeated because he voted to let women die (a claim based on his approval of a bill that

would allow religious hospitals not to refer a woman seeking an abortion to hospitals that perform them) and because he supports traditional marriage.

Joining in the attacks on Congressman West is a super PAC called “Dump West,” unaffiliated with Credo and backed by none other than George Soros himself.

Will Credo Super PAC, the super PAC-hating super PAC, succeed in taking out any of the 11 Tea Party figures?

We’ll know soon enough.

Matthew Vadum is a senior editor at Capital Research Center.

Virginia native Charles Dickenson, who was a Henry Haller Intern at CRC this summer, is an undergraduate political science student at the University of Alabama in Tuscaloosa.

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PhilanthropyNotes

Giving by affluent donors with incomes of \$200,000 or more plummeted by \$31 billion during the 2007-9 recession, the *Chronicle of Philanthropy* reports. New information provided by the IRS also shows that Americans who earned \$100,000 or less per annum cut back to the tune of \$4 billion during the recession. Individuals at every income level wrote off \$158 billion in charitable donations in 2009 and \$172 billion the previous year. Donors aren't opening their wallets because they are nervous about the economy and uncertain whether Congress will hike tax rates or cap charitable deductions.

The **American Bankers Association** is creating a 501(c)(4) "social welfare organization" to funnel cash to political groups focusing on Senate races, according to reports. The association's chief operating officer, **Michael Hunter**, said he expects the fund will raise \$2 million this election cycle. The new nonprofit will collect contributions of up to \$10,000 from the association's 5,000 member banks and then donate a large chunk of that money to so-called super political action committees (super PACs).

Although major daily newspapers have recently secured large foundation grants for reporting projects, small, innovative journalism projects often have to beg for support, writes *New York Times* columnist **David Carr**. For example, the much praised and much publicized Homicide Watch—a reporting effort begun two years ago by Laura and Chris Amico, a husband and wife journalist team who created a database to track every murder case in their hometown of Washington, D.C.—has not been able to score foundation money. Meanwhile, the *Washington Post* and *Los Angeles Times* recently received \$500,000 and \$1 million respectively from the **Ford Foundation** to beef up their reporting. "Shouldn't financing meant for journalistic innovation go to the green shoots like Homicide Watch and not be used to fertilize giant dead-tree media?" Carr asks.

Paul Carttar, the first director of the federal government's new \$45 million Social Innovation Fund launched in April 2010, will quit in coming weeks, according to the **Corporation for National and Community Service**. Carttar is "considering a number of options" after leaving CNCS but does not yet have firm job plans, the *Chronicle of Philanthropy* reports. Carttar will be replaced by **Idara Nickelson**, CNCS's chief investment officer. The Social Innovation Fund is supposed to give grants to nonprofits to help them expand effective social programs.

Goldman Sachs WATCH

German lender DZ Bank AG is suing Goldman Sachs Group for fraud in connection with \$189 million in mortgage-backed securities, Bloomberg.com reports. DZ Bank claims in documents filed in New York State Supreme Court that Goldman materially misrepresented loans that were bundled into the securities. Two other lenders in Germany, IKB Deutsche Industriebank AG and Bayerische Landesbank, also filed suit against Goldman over losses on the same bonds.

Under its 10,000 Small Businesses program Goldman Sachs and the Goldman Sachs Foundation gave a little over \$337 million in 2011, according to the *Chronicle of Philanthropy*. The program is "delivered through partnerships between local community colleges, business schools, Community Development Financial Institutions, and leading nonprofit organizations," according to the company. The \$337 million figure represents 2.6 percent of the company's 2010 pretax profits. Goldman Sachs matches as much as \$20,000 in annual giving per employee. About \$19 million of the company's cash-giving consists of matched gifts made by its employees. Of the companies surveyed by the *Chronicle*, only Wal-Mart gave more in 2011. It donated 4.1 percent of its 2010 pretax profits in 2011.