



# CAPITAL RESEARCH

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How the name “hate crime” designation breeds even more hate

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Do you know how millions in refugee resettlement funds are being spent?







AMERICA UNDER SIEGE  
**ANTIFA**

*FREE SPEECH DIES UNDEFENDED*

The communist movement known as Antifa (short for Anti-Fascist Action) has sparked violence across the nation. In the wake of their battling white supremacist in Charlottesville, Antifa has begun to gain mainstream popularity. But unbeknownst to much of the public, the vast majority of Antifa violence isn't targeted at genuine fascists, but mainstream conservatives and civilians. With help from those who have encountered Antifa, Trevor Loudon guides us through the history and ideas behind the Antifa movement, starting with Leon Trotsky and going all the way through the events in Berkeley, CA and Charlottesville, VA.

**WATCH AT:**

[DangerousDocumentaries.com/film/America-Under-Siege-Antifa/](https://DangerousDocumentaries.com/film/America-Under-Siege-Antifa/)

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*Capital Research* is a monthly publication of the Capital Research Center (CRC), a nonpartisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

CRC is an independent, tax-exempt institution governed by an independent board of trustees. We rely on private financial support from the general public—individuals, foundations, and corporations—for our income. We accept no government funds and perform no contract work.

CRC was established in 1984 to promote a better understanding of charity and philanthropy. We support the principles of individual liberty, a free market economy, and limited constitutional government—the cornerstones of American society, which make possible wise and generous philanthropic giving.

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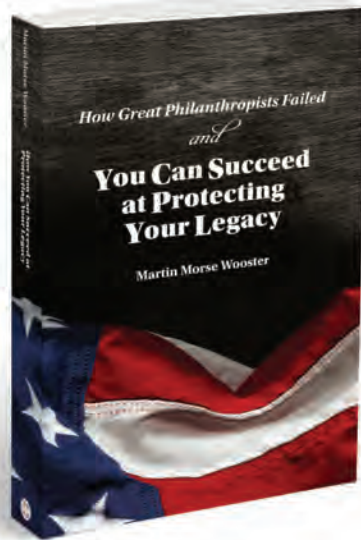
### Charitable Infidelity: When Donors Lose Control of Donor-Advised Funds

*By Hayden Ludwig*



# Is Your Legacy Safe?

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An instructive and cautionary tale for our time.

—W.J. Hume,  
*Jaquelin Hume Foundation*

This is a must read for anyone thinking about establishing a private foundation.

—Linda Childears,  
*President and CEO, The Daniels Fund*

## No, your legacy is not safe.

It is hard enough to give well when you're living. After you're gone, the odds of successful giving are stacked even higher against you. Entrepreneurial geniuses like Andrew Carnegie, John D.

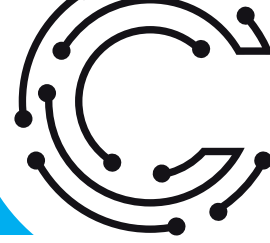
Rockefeller, and Henry Ford were rarely tricked out of their money in business deals. But when they gave their money away, they failed to have their intentions respected.

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AMERICA'S INVESTIGATIVE THINK TANK



## CRC'S RESEARCH INTO HISTORY OF RUSSIAN MEDDLING TAKES THE HOUSE FLOOR

By Christine Ravold

This summer, the nation watched as President Trump (following in the footsteps of President George. H. W. Bush) had his first face-to-face meeting with Russian President Vladimir Putin in Helsinki, Finland. The summit itself occurred behind closed doors with only interpreters present. But in the joint press conference held immediately after the meeting, reporters devoted several questions to the ongoing investigation into Russian interference in the 2016 presidential election.

The Russian dictator fielded point-blank questions about his personal preference for Donald Trump over Hillary Clinton, the extent of his government's involvement in the hacking of the Democratic National Committee's email server, and whether the Kremlin held compromising material on President Trump.

The former KGB operative vociferously denied allegations that Russia played any significant role in the 2016 election. President Trump followed up by saying he believed Putin, contrary to all information provided by U.S. intelligence officials, including President Trump's own appointees.

### Forgetful Outrage

The outcry was as fiery as it was widespread. Joining the chorus of incensed media pundits and Congressional Democrats were Republicans distancing themselves from the President. GOP luminaries issued their own statements on the matter, including House Speaker Paul Ryan, who said in a statement that "there is no question that Russia interfered in our election and continues attempts to undermine democracy here and around



(Barack Obama and Dmitry Medvedev) CRC (<https://goo.gl/z7WA7u>)

*CRC's video, to put it mildly, went viral. Over 100,000 people viewed the video on Facebook and another 33,000 watched it on YouTube.*

the world," and "there is no moral equivalence between the United States and Russia, which remains hostile to our most basic values and ideals. The United States must be focused on holding Russia accountable and putting an end to its vile attacks on democracy."

Trump ally Senator Orrin Hatch (R-UT) contradicted the president when he issued a statement saying, "Russia interfered in the 2016 election."

Mincing no words, the late Sen. John McCain (R-AZ) called the press conference a "tragic mistake" and "one of the most disgraceful performances by an American president in memory."

*Christine Ravold is the communications officer for the Capital Research Center.*

Regardless of President Trump's motives for appearing to side with the Kremlin, the public intellectuals and brain trust mouth pieces seem to have forgotten the prevalence of Russian and Soviet campaigns to undermine American democracy. Headlines claiming President Trump's actions were "unprecedented" bypass important lessons from recent history.

But CRC Vice President and Chief Investigative Officer Dr. Stephen J. Allen put the recent interactions between Russia and the United States in context, reminding Americans about the Cold War and the devious mechanizations of the former Soviet Union.

On June 23, in his weekly American Greatness column, Dr. Allen explained that Americans have had to contend with Russian espionage and election interference for at least 70 years. (You can read Dr. Allen's full essay, "Russia Meddled and Almost Nobody Cared, Until..." online at <http://bit.ly/RussiaMeddled>.) America's democratic process makes its elections particularly ripe targets for foreign agents to conduct subtle influence campaigns.

As Dr. Allen wrote, the Progressive Party, which had significant ties to the Soviet Union, nominated former Vice President Henry A. Wallace as a third-party candidate for president in the 1948 election. Always a bit of an outsider in the Democratic Party, Wallace advocated for reconciliation with the Soviet Union as well as for universal healthcare.

But that was only the beginning. The Russians took an interest in Adlai Stevenson who would be a more favorable president to the Soviets than General Dwight D. Eisenhower. Even though he lost, the Russians attempted to convince him to run again in 1960.

More obvious was the instance of Soviet Premier Nikita Khrushchev admitting that his government waited to release famed U-2 pilot Gary Powers until *after* the U.S. election, which made sitting Vice President Richard Nixon look weak, and potentially helped the election prospects of John F. Kennedy.

The underhanded strategies don't end there. But Dr. Allen's detailed historical research makes one thing clear: through elusive contrivances and some blatantly obvious ploys, the



Rep. Louie Gohmert.

Russians have "participated" in American elections for a long time. The only thing "unprecedented" about the 2016 elections is that the Democrats now seem to view this as a threat.

## CRC Research on the Hill

Contextualizing the most important stories affecting Americans and connecting the dots between political and cultural influencers is why the Capital Research Center exists. To further educate Americans about Dr. Allen's important research, CRC produced a short video to make 70 years of history easily shareable and understandable.

The video, to put it mildly, went viral. Over 100,000 people viewed the video on Facebook and another 33,000 watched it on YouTube.



*The only thing "unprecedented" about the 2016 elections is that the Democrats now seem to view this as a threat.*

But it wasn't just anyone paying attention to CRC's investigative research. Texas Representative Louie Gohmert was so struck by the salience of Dr. Allen's research that he entered it into the Congressional Record on July 16.

Congressman Gohmert read Dr. Allen's research word-for-word on the floor of the U.S. House of Representatives. However, he did add his own observation, alleging Russian support for the divisive "Occupy Wall Street" movement:



“Obviously in 2011–2012...the Russians were playing heavily in that election and we had [President Obama] who could have done something to stop the Russians from trying to throw the election to the Obama campaign by harming the Republicans and helping “Occupy Wall Street,” but the Obama administration did nothing of the sort.”

The *Tennessee Star* also published an op-ed that relied heavily on Dr. Allen’s research. In his commentary, George Rasley reminds readers that agents from the Federal Bureau of Investigation had their own feelings about the possibility of a Trump presidency.

The waters are muddled when it comes to the scope of Russia’s involvement in the 2016 election. Strange maneuvers and behaviors from multiple actors make the tangled web difficult to unravel, but one thing is certain: the story



*One thing is certain: the story is far from the simplistic narrative the mainstream media would like it to be.*

is far from the simplistic narrative the mainstream media would like it to be. As long as CRC is at work, you can count on us countering the Left’s media playbook with thoughtful and nuanced research that considers *all* the details, avenues, and possibilities behind political influencers and the infrastructure that supports them. ■

*Read previous articles from the Commentary series online at <https://capitalresearch.org/category/commentary/>.*

In the past year, Capital Research Center (CRC) focused on expanding our audience through social media. Our videos have been viewed more than **8.5 million** times on Facebook and YouTube. In just one year, we’ve more than **doubled** our Facebook followers and our engagement is up **340%**. Our Twitter followers have **doubled**, and we launched our Instagram account in July.

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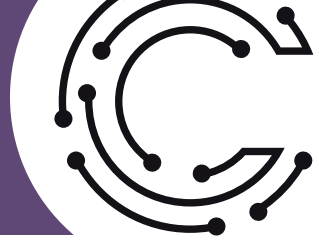


**INFLUENCE  
WATCH.ORG**

Launched by Capital Research Center in August 2017, InfluenceWatch will bring unprecedented transparency to the history, motives, and interconnections of all entities involved in the advocacy movement. Today, our growing website includes 5,000 pages and 400 full profiles, with more added each week.

Learn more at [InfluenceWatch.org](https://InfluenceWatch.org)





## WEAPONIZING “HATE”

By Renee Nal

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**Summary:** *There is a quiet movement of well-funded organizations and individuals working industriously to build a trove of “evidence” to promote a narrative that “hate crimes” and so-called “hate incidents” are on the rise in America. This movement has gained traction in America in the wake of President Trump’s election in November 2016 and in England after the “Brexit” vote in June 2016.*

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The Federal Bureau of Investigation (FBI) defines a hate crime as a “criminal offense against a person or property motivated in whole or in part by an offender’s bias against a race, religion, disability, sexual orientation, ethnicity, gender, or gender identity.” A hate crime, like any other crime, is against people or property, but with an “enhanced” penalty if the perpetrator’s bias was determined to play a role in the decision to commit the crime.

Conspicuously absent from these protected classes is “political affiliation.” If political affiliation *was* a protected class, individuals who commit crimes against others for wearing President Trump’s signature “Make America Great Again” hats, for example, would face enhanced penalties, as would many violent members of “Antifa”—an umbrella term encompassing self-proclaimed anarchists and communists who wreak havoc at rallies and on university campuses in the name of “antifascism.”

On its website,<sup>1</sup> the FBI confirms that the “highest priority of the FBI’s Civil Rights program” is dealing with hate crimes. Troublingly, the FBI claims to have “forged partnerships” with many far-left organizations including the discredited and heavily partisan Southern Poverty Law Center (SPLC). One example should suffice to illustrate the organization’s political leanings: the SPLC coined the phrase “The Trump Effect” to describe how President Trump’s election allegedly contributed to a rise



Credit: Michael Flesherman. License: <https://goo.gl/2Jf69z>.

*If political affiliation was a protected class, individuals who commit crimes against others for wearing President Trump’s signature “Make America Great Again” hats would face enhanced penalties.*

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in bullying in elementary schools, as well as a host of other social ills based on “a miniscule sampling and an unscientific method of collecting data.”<sup>2</sup>

CC —————  
*The Southern Poverty Law Center coined the phrase “The Trump Effect” to describe how President Trump’s election has allegedly contributed to a rise in a host of social ills.*

Other far-left organizations listed as partners in the FBI’s quest to tackle hate crimes are the American-Arab Anti-Discrimination Committee, the Anti-Defamation League (ADL), the Human Rights Campaign (HRC), the National Association for the Advancement of Colored People (NAACP), the National Center for Transgender Equity, the National LGBTQ Task Force, and the National Organization for Women (NOW).

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*Renee Nal is an investigative journalist and documentary film producer. She is currently writing at [Keywiki.org](http://Keywiki.org) and [TrevorLoudon.com](http://TrevorLoudon.com).*



Credit: Thomas Hawk. License: <https://goo.gl/9yTKre>

*The report, “A Crisis of Hate: A Report on Lesbian, Gay, Bisexual, Transgender and Queer Hate Violence Homicides in 2017,” leads readers to believe that the homicides were motivated by bias against LGBTQ groups. A cursory look at the source data indicates that most of the reported homicides took place not due to anti-LGBTQ bias but other tragic circumstances.*

By working with organizations such as the SPLC, the FBI brings into question its own neutrality. Further, numerous inconsistencies in application and repeated unfair political exploitation of “hate crime” laws also warrant examination.

## Origins of “Hate Crime” Legislation

*“Ronald Reagan set the tone and created the environment in which acts of racial violence thrived... Thus, the widespread physical attacks on blacks and other minorities went unchecked.”* —Former long-term chairman of the Department of Sociology at Hunter College, Dr. Alphonso Pinkney, in his book *Lest We Forget: White Hate Crimes* (1994).

In 1981, the Anti-Defamation League (ADL) “drafted a model hate-crime statute which recognized racial, religious and ethnic biases.”<sup>3</sup> A Wisconsin statute based on the ADL template was challenged all the way up to the Supreme Court in *Wisconsin v. Mitchell* in 1993. In the case, several black American men and teens attacked a young white man after they watched the film *Mississippi Burning*, which was

based on the 1964 Ku Klux Klan murders of three young activists who were registering black Americans to vote in Mississippi. The Supreme Court held that “enhanced penalties” did not violate the defendant’s Constitutional rights, further cementing the continued acceptance of the “hate crime” designation in America.<sup>4</sup>

In the 1990s, the concept of “hate crime” gained prominence in the American psyche, promoted in large part by advocacy organizations such as the ADL, the National Gay and Lesbian Task Force (now known as the National LGBTQ Task Force), and the SPLC. The SPLC’s “Klan-watch Project” (later renamed the “Intelligence Project”), in particular, drew significant attention. Like today, partisan activists often charged that hate crime was at “epidemic” levels without evidence.<sup>5</sup> Eventually, most states enacted hate crime legislation.

## President Trump and Hate Crimes

In November 2016, the SPLC declared<sup>6</sup> that their organization “collected 437 reports of hateful intimidation and



harassment” in the week following President Trump’s election. The only explanation of the report’s methodology was that data was “collected through news reports, social media, and direct submissions via SPLC’s #ReportHate page” and was “largely anecdotal,” clearly leaving the door open for fraudulent submissions. While the SPLC did not provide source data, they did describe examples of “hateful intimidation and harassment.” One example was reported to the SPLC from Texas by a “Latina” woman who said:

I was walking my baby at my neighborhood park and a truck drove by with a male driving and a female passenger. The female yelled “white power” at us as they drove by and then sped away.

No further details about the incident were given, so it is unclear whether the event would rise to the level of a crime and whether it was representative of the other occurrences reported.

But it’s important to pay attention to the language the SPLC used; the new designation of “hate incident” is quite convenient, as anyone can enter a “hate incident” into a database. “Hate incidents” carry a much lower burden of proof than true hate crimes, which are logged by law enforcement. This rhetorical strategy allows the Left to expand its trove of “evidence.” It would be virtually impossible for a researcher to determine whether those “hate incidents” occurred or to replicate such data.

A follow-up report<sup>7</sup> from the SPLC was ominously titled: “Incidents of Hateful Harassment Since Election Day Now Number 701.” Like the previous report, the SPLC explains that “many [incidents] included in the count remain anecdotal.” However, it promised to provide “deeper analysis and more documentation of these incidents” at a later date. As it stands, it is still impossible to review the source data. Despite this “largely anecdotal” methodology, the SPLC reports have been cited by the *New York Times*,<sup>8</sup> CNN,<sup>9</sup> and many other mainstream media outlets.

Ultimately, the SPLC teamed up with ProPublica,<sup>10</sup> which is one of many activist organizations collecting data on hate crimes. Despite its lack of scientific data, the SPLC assured readers that the group is “committed to maintaining a full scope and accurate survey of hate incidents across the United States [and] will continue to collect and capture reports and publish on a monthly basis at Hatewatch...” which is the SPLC’s “blog that monitors and exposes the activities of the American radical right.”<sup>11</sup>

According to ProPublica, there is a need to document “lower-level incidents of harassment and intimidation, such as online or real-life bullying.” Therefore, ProPublica “mar-



*Claims that “civil rights protections and policies [are] being rolled back and discrimination [is] being instituted into law,” are not substantiated by the evidence provided in the NCAVP report.*

shaled a national coalition of news organizations intent on reporting the nature and scope of hate crimes and bias incidents in the United States.” Its “civil rights” partners include the Human Rights Campaign (HRC), the SPLC, the ADL, the Matthew Shepard Foundation, and the Council on American–Islamic Relations (CAIR).

This past year, the SPLC has doubled down on their unproven claims about hate on the rise in America and President Trump’s role in that hatred. An email address gathering tool<sup>12</sup> on the SPLC website says it very clearly:

President Trump’s campaign and presidency have energized the white supremacist movement in unprecedented ways. We saw it in the support he received from the likes of David Duke during his campaign. We saw it in the surge in hate crimes committed in his name after his election. And we saw it in the deadly gathering of white supremacists in Charlottesville.

At this point, it’s not enough for Trump simply to condemn bigotry. He must take responsibility for the surge in white supremacy and hate that he has unleashed...

The ADL has published a similar report<sup>13</sup> strongly implying that an alleged uptick in anti-Semitic incidents was related to President Trump’s election. ADL head Jonathan Greenblatt reported to the *LA Times*,<sup>14</sup> in April 2017, that “increases [in anti-Semitic incidents] were due to the presidential election and a rise in activity among white supremacists.”

But these established, albeit partisan, organizations are far from the only ones gathering “hate” data. Organizations such as the National Coalition of Anti-Violence Programs (NCAVP), which focuses on “LGBTQ communities,” publishes reports on LGBTQ homicides based on data gathered from partner organizations across America. A report<sup>15</sup> published in January 2018, lists “lesbian, gay, bisexual, transgender and queer” homicides, but does not prove that those homicides are related to their sexual identity. There are



Credit: Michael Flehman. License: <https://goo.gl/9uUGXD>.

*The groups seeking to promote the “Hate Crime is on the Rise and it is Trump’s Fault” narrative are gaining ground.*

several reasons why this report is problematic, and why the reporting on the report is inaccurate and wholly misleading.

The title of their report, “A Crisis of Hate: A Report on Lesbian, Gay, Bisexual, Transgender and Queer Hate Violence Homicides in 2017,” leads readers to believe that the homicides were motivated by bias against LGBTQ groups. A cursory look at the source data indicates that most of the reported homicides took place not due to anti-LGBTQ bias, but due to other tragic circumstances.

Yet the report uses misleading language throughout. For example, the introduction of the report claims:

We are releasing this report during a time when our communities are witnessing the few civil rights protections and policies being rolled back and discrimination being instituted into law; when media organizations and organizations working with survivors are receiving an unprecedented number of stories of hate fueled attacks. While much of this violence is not new, but rather amplified, this past year has sparked a national conversation about the escalation of hate violence against so many marginalized communities. NCAVP hopes that sharing this information now will encourage people to reject anti-LGBTQ bias whenever it occurs, and to resist any hateful rhetoric or policies put forward by this administration or by legislators.

Making unsourced claims that “civil rights protections and policies [are] being rolled back and discrimination [is] being instituted into law,” and adding that there is an “escalation of hate violence against so many marginalized communities” is irresponsible and simply not substantiated by the evidence provided in the NCAVP report. The report correctly names 52 individuals who were killed in 2017, but it refers to the murders as “hate violence related homicides of LGBTQ people,” which again leads the reader to believe that the murderers were motivated by anti-LGBTQ bias. In fact, Chad Felix Greene of The Federalist reviewed the cases individually and found that out of 52 highlighted cases, only four could be reasonably attributed to a bias motivation based on available facts of the crimes.

NCAVP Executive Director Beverly Tillery practically blamed President Trump for the homicides cited in the report during an interview with the Huffington Post:<sup>16</sup> “Trump won the election by saying it was time to take back America for people feeling pushed out by LGBTQ people, immigrants, and people of color,” she said. The headline of the article: “Report Shows Massive Increase in Anti-LGBTQ Violence Since Trump Took Office: It’s incredibly scary to be LGBTQ in Trump’s America,” is another clear indicator that the NCAVP’s “research” can be used as a political weapon.

## Communities Against Hate

The groups seeking to promote the “Hate Crime is on the Rise and it is Trump’s Fault” narrative are gaining ground. One of the main funders of the movement is the Open Society Foundations, whose “Communities Against Hate” project is described as “an initiative of 11 prominent national organizations working together to address the disturbing spike in hate incidents across the United States.”<sup>17</sup> The Communities Against Hate initiative funds 48 local organizations which are collecting data and working with “marginalized groups” to promote this narrative. Notably, the SPLC is a “strategic advisor” of this initiative.

The Communities Against Hate initiative “is led by the Leadership Conference Education Fund, and the Lawyers’ Committee for Civil Rights Under Law,” and partner organizations include the far-left organizations, “Center for Community Change; Color of Change; Genders & Sexualities Alliance Network (GSA Network); Hollaback!; Muslim Advocates; National Council of La Raza; National Network



for Arab American Communities (NNAAC); New York City Anti-Violence Project; and the Transgender Law Center.”

A March 2017 Communities Against Hate press release furthers the “hate incidents” narrative:

For the first time to aggregate data on hate incidents, organizations representing a diverse set of affected communities—including the Black, Latinx, LGBTQ, Muslim, Arab communities, as well as women—have come together as Communities Against Hate. This initiative will pull together traditionally disparate reporting of hate incidents and provide support for victims and communities. The pairing of services and documentation is unprecedented and especially critical in the current social climate.

The “particularly unsavory left-wing pressure group”<sup>18</sup> Color of Change is one of Communities Against Hate’s so-called “partner organizations.” Color of Change was founded by former MoveOn.org executive James Rucker, and Secretary of State Project co-founder Van Jones, the former “Green Jobs Czar” who was fired from the Obama White House after being exposed as a 9/11 truther and founder of the radical group STORM, a “Marxist-Leninist group whose hero was Chinese Communist dictator Mao Tse Tung.”<sup>19</sup>

Arisha Michelle Hatch, managing director of Color of Change, was quoted in the Communities Against Hate’s press release, claiming that “hate incidents” are “normalized by Trump’s administration.”

Anti-black hate incidents and crimes continue to play a daily role in the lives of black people in ways that threaten our safety and security. These hate incidents, often unreported or ignored by law enforcement agencies and major media—and now normalized by Trump’s administration—can surface in many forms: a racial slur spray painted on a community center wall; persistent, unchecked online harassment from an anonymous white nationalist troll; or during a violent, xenophobic encounter on a subway. Color of Change is proud to be a member of the Communities Against Hate initiative’s timely effort to push back against the normalization of this kind of deep-seated bigotry.

Some of the grant recipients include the New York and Dallas Fort Worth branches of the Council on American-Islamic Relations (CAIR), both of which are launching hate crime reporting initiatives geared toward Muslim-Americans; and the Transgender Law Center, a national organization

and partner of Communities Against Hate that aims to assist “transgender and gender nonconforming individuals” in reporting “hate violence.”

Lesser known local organizations such as the Montana Human Rights Network, the Nebraska Appleseed Center for Law in the Public Interest, North Dakota’s High Plains Fair Housing Center, Progress Now New Mexico Education Fund, New York’s Flanbwayan (specific to Haitian immigrants in New York City), and YouthBuild USA, which focuses on training teachers in Boston tracking “hate incidents,” are all busily developing tracking and reporting systems for hate crimes.



*Arisha Michelle Hatch, managing director of Color of Change, was quoted claiming that “hate incidents” are “normalized by Trump’s administration.”*

The SPLC is described as a “strategic advisor” to the initiative. SPLC President Richard Cohen was quoted as saying:

It’s critical that communities everywhere come together to respond to the increase in bigotry we’re seeing as those with hate in their hearts now seem to feel that they have a license to act on their worst instincts... The launch of Communities Against Hate is an important step in that direction.

One can currently go into the Communities Against Hate website and sift through what they refer to as “stories.”<sup>20</sup> At the time of this writing, 4,254 “hate incidents” were logged in the database. Users can search by state, type of bias, and type of incident. Some examples include an alleged incident in February, in Georgia:

During conversation with co-workers about Lunar New Year, a co-worker insisted that it’s Chinese New Year even when told that the holiday is celebrated by Vietnamese, Tibetan, Korean people, and more.

In Arkansas, in June:

A fight between four men occurred at a local tattoo parlor. Two of the men claim the fight broke out due to the tattoo parlor owner’s sexual orientation.



Credit: Fibonacc Blue. License: <https://goo.gl/trugV6U>.

*For the first time to aggregate data on hate incidents, organizations representing a diverse set of affected communities—including the Black, Latinx, LGBTQ, Muslim, Arab communities, as well as women—have come together as Communities Against Hate.*

The biases one can review include “Anti-Black/African-American,” “Anti-Latino/Hispanic,” “Anti-South Asian,” “Anti-Asian,” “Anti-Arab/Middle Eastern,” “Anti-Native American,” “Anti-Lesbian, Gay, or Bisexual,” “Anti-Transgender, Gender-Nonconforming, Non-Binary, Gender Queer,” “Anti-Woman” and others, but importantly it leaves out “Anti-White/European.”

## A Word on England

On June 23, 2016, Britain voted to leave the European Union in a referendum vote largely referred to as “Brexit.” The vote was shocking to many on the left side of the political spectrum, who fought to remain in the E.U. In fact, the battle continues in Britain, where Brexit still has not happened and many “remainers” are fighting for a second vote to remain in the European Union.

The assertions that Brexit led to a rise in hate crimes against Muslims are strikingly similar to claims made by American activist organizations after the election of President Trump.

In an article in the *Independent* titled “Brexit Vote Sees Highest Spike in Religious and Racial Hate Crimes Ever Recorded,” author May Bulman writes:<sup>21</sup>

[F]aith groups and organizations representing foreign nationalities...noticed a ‘significant’ rise in race and faith-based hate crimes to the extent that they had become a U.K.-wide phenomenon, and urged

the Government to take ‘urgent’ action to review their approach to such crimes.

Iman Atta of the group “Tell Mama,” which operates as a platform for people to report Islamophobia said:

We cannot also deny the fact that anti-Muslim sentiment has been amplified heavily through far-right anti-Muslim networks, and these need to be shut down and challenged and social media companies have far more to do in this area.

The assertion that hate crime is on the rise is thinly sourced, and while many claim that hate crime is on the rise due to Brexit, there is no hard evidence of any such thing. This lack of proof does not stop the mainstream media from parroting the claim, unfortunately, and like in America, many of the incidents enthusiastically reported to be hate crimes initially are not.<sup>22</sup>

## Hoaxes

While crimes committed with hateful intentions are hurtful and no doubt occur, it is important to note that it is very easy to manufacture a “hate crime.” Many hate crimes remain unsolved (presenting an obvious issue when it comes to proving the “hateful” intent of the crime), or are found to be “hoaxes.”<sup>23, 24, 25</sup> Hoaxes are particularly prevalent on college campuses, but are certainly not limited to a university setting.

Hate crime hoaxes often manifest in racist graffiti scrawled in public places such as mosques. The racist “hoax” graffiti can also be found on people’s homes, particularly on garage doors in what hate crime expert and Capital Research Center’s Influence Watch contributor Dr. Tina Trent refers to as the “Garage Door Effect.” Hate crime hoaxes can be “racist” letters the “victim” receives on their car or on a receipt returned to a waiter or waitress. Examples of hate crime hoaxes are endless. Despite their abundance, “hate crimes” on university campuses and elsewhere oftentimes receive national coverage in the establishment media before the hoax is uncovered. When the “hate crime” is revealed to be a hoax, the story fades from view. The hoaxer often receives a slap on the wrist or even sympathy. Do hate crime hoaxes do less damage than “hate crimes?” Why is the hoaxer not subject to the same punishment?

Additionally, when a “hate crime” goes unsolved, can one ethically ascribe a motive to that crime? How does one know what the motive is when one does not have a perpetrator? Is this not a part of America’s constitutionally-mandated system of due process?



Many instances of racist graffiti, for example, are counted in the FBI statistics on Hate Crimes even though the crime remains unsolved and the motive is unknown.

## Conclusion

Activist organizations attempt to convince Americans that President Trump has empowered white supremacists to attack people of color in America, leading to a rise in hate crimes. The evidence presented by these organizations is wholly inadequate, yet it continues to be cited by the mainstream media.

The methodology used to collect hate crime data is not rigorous or well-defined. One gets the sense that because the standards for documenting “hate crime” are virtually unattainable, “hate incidents” requiring little-to-no scrutiny can be easily substituted.

But anecdotal evidence is not sufficient. Many “anecdotal stories” are presented anonymously, without a perpetrator, a police report, or even a clear victim. Data compiled in this way may provide interesting click bait or fluff pieces for major news organizations, but it cannot be the basis for public policy. Americans ought to demand that the establishment media insist on solid source material before citing partisan sources such as the SPLC or the ADL, rather than regurgitating unsourced propaganda.

*Hate crime hoaxes often manifest in racist graffiti scrawled in public places such as mosques.*

Further study should be conducted to track “hate crimes” and follow through to ascertain *reliable* data free from partisan bias. Such research would be valuable to everyone, but it needs to be based in fact—not curated to further an agenda.

“Free speech,” “due process,” and the idea that “all men are created equal” are integral parts of the founding of America. If the American justice system is to continue in the tradition of “blind justice,” then the designation of “hate crime” must fall away, lest we invite the judicial system to abandon the equal application of the law in favor of identity politics. ■

*Read previous articles from the Organization Trends series online at [CapitalResearch.org/category/organization-trends/](https://CapitalResearch.org/category/organization-trends/).*

## Endnotes

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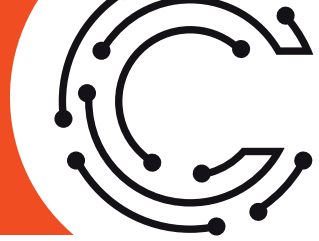


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## IS THE U.S. REFUGEE RESETTLEMENT SYSTEM BROKEN?

*How a costly program enriches nonprofits, escapes oversight, and compromises national security*

By James Simpson

**Summary:** In the first of this two-part in-depth investigation into the United States' Refugee Resettlement program, economist James Simpson exposes the vast network of foundations, non-profits, government entities, and political organizations, that have a vested interest in the continued growth of the resettlement of refugees in America. Because they receive billions of dollars in federal grant money, publicly-financed, tax-exempt organizations have significant incentives to support political candidates and parties that will keep these programs alive. Beyond the cultural and economic strain resettlement can place on communities, the sheer size of government subsidies that support this endeavor demand full transparency and accountability.

The refugee resettlement program is popular with many policymakers. It enjoys bipartisan support in Congress and state houses because it supplies low-wage, low skill labor that many big businesses crave, while enabling supporters to embrace “diversity” and thus avoid the Left’s favorite attacks and mischaracterizations: “bigot,” “racist,” “xenophobe,” “Islamophobe,” etc. This faux-moralizing on the Left stifles a necessary conversation our nation sorely needs. Meanwhile, the Left’s true motive is to import ever more people from third-world nations that are likely to become reliable Democrat voters once they achieve citizenship.

Under the Trump presidency, the United States’ refugee resettlement has been temporarily reduced, but by no means curtailed. A change in administration could resuscitate it overnight. There are many objectionable aspects of this program, not the least of which is finding resources to fund this enormous undertaking. The difficulty associated with assessing the true costs of the programs key to resettling refugees presents another obstacle to policymakers at every level of government.

### Program History

The current domestic refugee resettlement program, formally called the U.S. Refugee Admissions Program (USRAP), was created with passage of now-deceased Senator Ted Kennedy’s Refugee Act of 1980.



Credit: Phil Roder. License: <https://goo.gl/4KgN2k>

*A massive network of foundations, non-profits, government entities, and political organizations have a vested interest in seeing the refugee resettlement program continue to grow, despite its deleterious effects on American society.*

The bill’s impetus was aided by the massive diaspora of the seagoing Vietnamese “Boat People” happening at the time, however, outlines of a global refugee resettlement agenda were initially framed at the 1976 U.N. Conference on Human Settlements held in Vancouver, Canada—and thus called the Vancouver Plan of Action.<sup>1</sup> While refugee resettlement is perceived as a program to rescue people oppressed in one way or another by their governments (and the refugee definition expresses that sentiment), the U.N. had a larger agenda in mind.

Being entirely socialist in intention and design, the U.N. envisioned redistributing not only wealth, but also populations, across the globe. As stated in the document, “Human settlement policies can be powerful tools for the more equitable distribution of income and opportunities.”<sup>2</sup>

*James Simpson is an investigative journalist, businessman and former economist and budget examiner for the White House Office of Management and Budget (OMB). His latest book is The Red Green Axis: Refugees, Immigration and the Agenda to Erase America.*

The Plan of Action's recommendations included:

#### A.1 National Settlement Policy:

- *All countries should establish as a matter of urgency a national policy on human settlements, embodying the distribution of population, and related economic and social activities, over the national territory.*

#### A.2 Human Settlements and Development:

- *A national policy for human settlements and the environment should be an integral part of any national economic and social development policy.*

#### A.4 More Equitable Distribution:

- *Human settlements policies should aim to improve the condition of human settlements particularly by promoting a more equitable distribution of the benefits of development among regions; and by making such benefits and public services equally accessible to all groups.<sup>3</sup>*

The settlement provisions paid lip service to the notion of national sovereignty and property rights, for example, saying in Settlement policies and Strategies Preamble point 3, “The ideologies of States are reflected in their human settlement policies. These being powerful instruments for change, they must not be used to dispossess people from their homes and their land, or to entrench privilege and exploitation.”

However, point 1 in the preamble to the land section<sup>4</sup> makes clear the U.N. body's utter contempt for property rights. Points 1 and 2 emphasize that land *must* be controlled by government, (emphases added):

1. *Land, because of its unique nature and the crucial role it plays in human settlements, cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the market. Private land ownership is also a principal instrument of accumulation and concentration of wealth and therefore contributes to social injustice; if unchecked, it may become a major obstacle in the planning and implementation of development schemes. Social justice, urban renewal and development, the provision of decent dwellings, and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole.*
2. *Instead, the pattern of land use should be determined by the long-term interests of the community, especially since decisions on location of activities and therefore of specific land uses have a long-lasting effect on the pattern and structure of human settlements. Land is also a primary*

*element of the natural and man-made environment and a crucial link in an often-delicate balance. Public control of land use is therefore indispensable to its protection as an asset and the achievement of the long-term objectives of human settlement policies and strategies.*

The U.N. justified these measures based on expectations about population growth, various environmental policies, and of course, as stated in point 1 above, “social justice.” These three concerns later morphed into the three “pillars” of the U.N. Agenda 21's Sustainability concept: environment, economy, and social equity. It is merely socialism repackaged, but it explains why the U.N. has now invented yet another oppressed class in need of resettlement: climate refugees.<sup>5</sup> Ironically, while population control remains at the forefront of U.N. policies, the U.N. simultaneously chastises the West for reducing population growth rates to near zero. Because our populations are aging and not being replaced with enough new births, the U.N. now advocates an *increase* in Western populations with what it calls “Replacement Migration.”<sup>6</sup>

Senator Kennedy's bill was almost certainly inspired at least in part by this agenda. A decade earlier Kennedy—also the architect of the 1965 Immigration and Nationalities Act, which was urged on Congress by leaders of the California Communist Party<sup>7</sup>—echoed what would become the U.N.'s rationale, saying, “All nations are under obligation to eliminate ignorance, poverty, inequality and injustice.”<sup>8</sup> The bill passed the U.S. Senate with a unanimous vote.<sup>9</sup>

## What Is the Refugee Resettlement Program?

The refugee resettlement program is administered primarily by three agencies, although more government agencies are involved in supporting refugees once they arrive in the U.S.: the State Department, the Department of Homeland Security, and the Department of Health and Human Services.

The State Department's Reception and Placement Program is managed by the Bureau of Population, Refugees, and Migration (PRM), which oversees nine public and private Resettlement Support Centers (RSC) across the globe. These centers select refugees—usually from a list of those within refugee camps supplied by the U.N. High Commissioner for Refugees (UNHCR). PRM then assigns selected refugees to nine other private contractors called Voluntary Agencies (VOLAGS), who meet weekly to decide where the refugees will be resettled in the United States. The International Office of Migration (IOM), a U.N. agency, coordinates with the RSCs and the VOLAGs to bring refugees to the



U.S.<sup>10</sup> The VOLAGs are provided State Department seed grants of \$2,125 per-head to resettle refugees.<sup>11</sup> VOLAGs are allowed to pocket about 45 percent of this, and use the rest to pay initial resettlement costs.

Both the Department of Homeland Security's U.S. Citizenship and Immigration Service (USCIS), and Customs and Border Protection (CBP) vet refugees. Under President Obama, the vetting process was excessively lax, despite the existential threat of terrorism.<sup>12</sup> But under President Trump's "extreme vetting," the refugee flow has been reduced substantially, as more individuals are removed from the pool of possible immigrants.

The Department of Health and Human Service's Office of Refugee Resettlement (ORR) provides most funding for state refugee resettlement programs over and above the seed money provided by the State Department's bureau of Population, Migration, and Refugees. The Office of Refugee Resettlement also offers numerous grants for refugee social services, business startups, and other funding ostensibly to help qualified refugee populations get established in the U.S.

## Who is Eligible for Resettlement?

According to the U.S. Citizenship and Immigration Service (USCIS), refugees are:

[P]eople who have been persecuted or fear they will be persecuted on account of race, religion, nationality, and/or membership in a particular social group or political opinion.<sup>13</sup>

This mirrors the U.N. definition established at the 1951 U.N. Convention Relating to the Status of Refugees and the 1967 Protocol Relating to the Status of Refugees. It is important to note here, however, that under these definitions, "individuals who have crossed an international border fleeing generalized violence are not considered refugees."<sup>14</sup> This includes large numbers of people who are regularly resettled anyway, for example some of the Syrians fleeing that country's conflict, and most—if not all Somalis.

Those who meet the definition include:

- refugees (those seeking protection in the United States who are not already in the country),
- asylum seekers or asylees (those who apply for asylum after coming to the U.S.),
- Cuban/Haitian Entrants,
- Special Immigrant Visas (SIV) and
- trafficking Victims.

The Unaccompanied Alien Children (UAC) program is also administered by the Office of Refugee Resettlement, although UACs do not meet the definition of "refugee." Table I below provides up-to-date estimates for each category.

Table I

Refugee Resettlement Program Numbers								
Fiscal Year	Refugee Ceiling	Refugees	SIV <sup>1</sup>	Cuban/Haitian <sup>2</sup>	Asylees <sup>3</sup>	Trafficking Victims	UAC <sup>4</sup>	Total
2008	80,000	60,192	666	20,235	23,026	310	7,211	111,640
2009	80,000	74,654	2,332	20,022	22,288	280	6,639	126,215
2010	80,000	73,311	2,108	21,496	19,755	549	8,302	125,521
2011	80,000	56,424	719	22,982	23,570	661	7,120	111,476
2012	76,000	58,236	3,312	21,000	28,010	469	14,271	125,298
2013	70,000	69,926	1,902	28,560	24,997	506	25,498	151,389
2014	70,000	69,987	10,240	31,871	23,296	749	57,496	193,639
2015	70,000	69,933	7,226	71,618	25,971	872	33,726	209,346
2016	85,000	84,994	12,269	87,111	25,149	797	59,171	269,491
*2017	50,000	53,716	19,321	<b>20,000</b>	<b>22,224</b>	<b>500</b>	42,497	<b>158,258</b>
*2018	45,000	<b>21,588</b>	<b>10,451</b>	<b>20,000</b>	<b>27,977</b>	<b>500</b>	<b>36,611</b>	<b>117,126</b>
Total	786,000	692,961	70,546	364,895	266,263	6,193	298,542	1,699,399

Sources: FY 2018 HHS Budget; Refugee and Entrant Assistance, p. 182; Refugee Processing Center ([www.wrapsnet.org](http://www.wrapsnet.org)) Admissions & Arrivals - 2018 refugees & SIVs projected to full-year as of 9/10.  
 2016 Office of Refugee Resettlement Annual Report to Congress  
 \* FY 2017/2018 estimates in bold - author estimates  
<sup>1</sup> Includes SIVs and family members; FY 2017/2018 SIVs only  
<sup>2</sup> 2010 Excludes 697 Haitian children served in Haitian Earthquake Repatriation efforts;  
<sup>3</sup> 2017-18 estimates based on approvals from EOIR and USCIS Quarterly Stakeholder reports as of 6/30  
<sup>4</sup> UAC FY 2017-2018 number=placements from ORR state totals; 2018 projected to full-year as of 6/30

A few particulars are worth mentioning. First, refugee numbers have declined dramatically. In 2018, they reached the lowest numbers since the program began.

Asylum cases have, if anything, increased, and while Unaccompanied Alien Children numbers are down somewhat this year, they still remain historically high. Overall, the whole program is just now reaching pre-Obama levels.

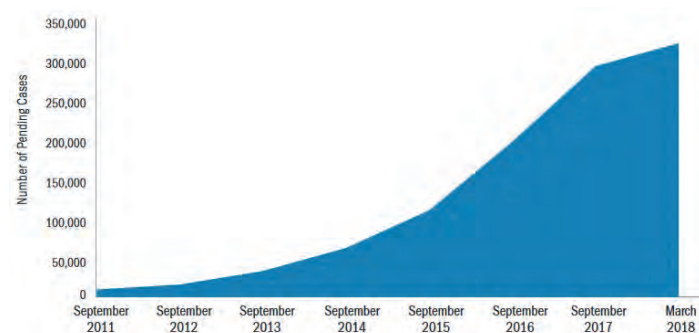
The Cuban/Haitian Entrant program (CHEP), was created by the Refugee Education Assistance Act of 1980 in response to the Mariel Boat Lift, when 125,000 Cubans and over 40,000 Haitians attempted to immigrate en masse by boat to the U.S.<sup>15</sup> It is a form of humanitarian parole, which allows entry of otherwise inadmissible aliens for humanitarian reasons. CHEP offers benefits to Cubans and Haitians on par with other refugee groups. As part of this, the so-called "wet foot-dry foot" policy provided expedited permanent residence status to Cubans who successfully reached American shores (dry-foot). If intercepted by U.S. authorities at sea, (wet-foot), they would be returned to Cuba.<sup>16</sup> CHEP is managed by Church World Service and the U.S. Conference of Catholic Bishops with funding provided by the Office of Refugee Resettlement and USCIS.<sup>17</sup>

Just a few days prior to leaving office in 2017, President Obama cancelled wet-foot-dry foot. This change was made

as part of President Obama's normalization of relations with Communist Cuba, and the numbers of people fleeing Cuba soared in 2015–2016 in anticipation. There are still Program-eligible Cubans and Haitians, but the numbers down substantially since the end of wet foot-dry foot. As there are no current published numbers for 2017-18, estimates provided are a rough guess. Ending this policy put Cuban and Haitian immigrants on a level playing field with all other refugee groups and ended the incentive for Cubans to risk their lives on a dangerous sea-crossing to America. With the exception of the Vietnamese Boat People (also fleeing a communist regime), few groups other than the Cubans have gone to such extraordinary lengths over so many years to escape an oppressive government.

Asylum is broken down into two categories: affirmative and defensive. Affirmative asylees are those who formally apply for asylum status at our nation's borders. Defensive asylees are people in deportation proceedings who request asylum status to avoid deportation. Affirmative asylum cases are decided by the U.S. Citizenship and Immigration Services; the U.S. Department of Justice's Executive Office for Immigration Review decides defensive asylum cases.

### The Rising Backlog of Affirmative Asylum Applications



Asylum applications have exploded in recent years, as shown in the above chart of affirmative case backlogs. As of March 31, 2018, the U.S. Citizenship and Immigration Services' affirmative asylum backlog was 318,624. The EOIR backlog, which includes defensive asylum and other types of deportation cases, was 732,730 as of June 30.<sup>18</sup>

The Special Immigrant Visa program (SIV) awards refugee status to Iraqis and Afghans who help the U.S. military as interpreters and translators during military operations in those countries. Many of these individuals legitimately face the threat of death if they remain in their own countries. In recent years, their numbers have also soared.

## Voluntary Agencies

The Voluntary Agencies or VOLAGs are private, tax-exempt organizations that resettle refugees for the U.S. government. There are nine VOLAGs, six of which are nominally religious, and these organizations often promote their resettlement activity as a biblical mission. However, VOLAGs are strictly prohibited by regulation from any form of proselytization to refugees. In reality, they are simply government contractors paid handsomely for their services. The VOLAGs are:

- Church World Service (CWS);
- Domestic and Foreign Missionary Society of the Protestant Episcopal Church (DFMS), also called Episcopal Migration Ministries;
- Ethiopian Community Development Council (ECDC);
- HIAS, Inc, (formerly Hebrew Immigrant Aid Society);
- International Rescue Committee (IRC);
- Lutheran Immigration and Refugee Service (LIRS);
- U.S. Conference of Catholic Bishops (USCCB);
- U.S. Committee for Refugees and Immigrants (USCRI);
- World Relief Corporation of the National Association of Evangelicals (WRC).

VOLAGs utilize a network of about 300 subsidiaries called "affiliates" who perform most of the actual resettlement work. This includes providing the following services to refugees for the first 30-90 days of their resettlement in the U.S.:<sup>19</sup>

- Decent, safe, sanitary, affordable housing in good repair
- Essential furnishings
- Food, food allowance
- Seasonal clothing
- Pocket money
- Assistance in applying for public benefits, social security cards, ESL, employment services, non-employment services, Medicaid, Selective Service
- Assistance with health screenings and medical care
- Assistance with registering children in school
- Transportation to job interviews and job training
- Home visits



The VOLAGs work the administrative end, distributing federal resettlement dollars and deciding where to relocate the refugees. It is also important to note that refugees get priority for housing. As a result, many Americans go homeless or are otherwise denied public housing for extended periods. In New Hampshire, for example, where refugee resettlement has stressed many communities to the breaking point, the wait time for public housing is eight years.<sup>20</sup>

The two main UAC resettlement contractors are the Baptist Child and Family Service (BCFS), and Southwest Key Programs (SW Key), but many others are involved in this lucrative business. More about that later.

VOLAG and UAC contractor leaders do very well by doing good. Table II below lists the CEO compensation of the VOLAGS and main UAC contractors, as available. This information is provided on the IRS Form 990 non-profit annual tax return most of them must file. It is important to note that, while substantial, these salaries would not normally be out of line for a corporate CEO. But these are tax-exempt entities that merely administer federal grants. They are little more than glorified clerks.

**Table II**

CEO Compensation		
<u>VOLAG</u>		<u>Latest 990</u>
CWS	Rev. John L. McCullough	\$345,366
ECDC	Tsehayé Teferra	\$357,605
HIAS	Mark Hetfield	\$343,630
IRC	David Miliband	\$671,749
LIRS	Linda Hartke	\$327,876
USCCB	Not publicized	NA
USCRI	Lavinia Limon	\$300,194
DFMS	Not publicized	NA
WRC	Stephan Bauman	\$132,740
<u>UAC Contractor</u>		
BCFS	Kevin Dinnin	\$502,614
SW Key	Juan Sanchez	\$786,822

## Federal Refugee Resettlement Grants

The nine VOLAGs, their many affiliates, and unaccompanied alien children contractors all receive funding from the federal government to resettle the various refugee categories. As mentioned earlier, unaccompanied alien children do not meet the definition of “refugee,” however their resettlement is managed through the Office of Refugee Resettlement and they are included when calculating the total cost of the overall program.

Most funding comes in the form of grants. Prime awards are grants directly from the federal government to the state or the contractor. Sub-awards are those given to contractors by other contractors or state governments that received the prime grant. They are left out to avoid double counting. Table III below enumerates prime grants to VOLAGs and unaccompanied alien children contractors for refugee resettlement and related programs. Some of the VOLAGs, for example the Ethiopian Community Development Council, focus almost entirely on refugee resettlement. Others, like the U.S. Conference of Catholic Bishops, International Rescue Committee, and World Relief Corporation of the National Association of Evangelicals, have a broader mission.

Of the latter, the U.S. Conference of Catholic Bishops is the largest. As Table III shows, in FY 2018 USCCB received \$47.7 million for resettlement purposes. However, USCCB participates in other federal grant programs and that year received a total of \$363.9 million from the federal government. And 2018 was a slow year. In FY 2017, USCCB received \$531.5 million. It administers programs as diverse as Global AIDS, Food For Peace Development Assistance, USAID Foreign Assistance, and even the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program, which provides volunteer technical assistance to farmers in developing countries.<sup>21</sup>

While it has received \$742.6 million since FY 2008 for refugee programs, USCCB received a total of \$4.1 billion from the federal government for all the various programs it administered during this period.<sup>22</sup> The International Rescue Committee, which has received \$846.6 million for refugee resettlement since 2008, received a total of \$1.5 billion from the feds over the same period.<sup>23</sup> World Relief Corporation of the National Association of Evangelicals received \$215.3 million for refugee resettlement and \$276.2 million for all purposes.<sup>24</sup> For all VOLAGs and unaccompanied alien children (UAC) contractors, the federal government has awarded \$8.5 billion in prime grants for the refugee/UAC programs since 2008.

Note that starting in 2014, UAC program grants exceeded those for refugee resettlement. This remains true to the present time. While the Trump administration has successfully reduced the flow of refugees, asylees, and other groups, UAC continue to flood the border. Border crossings did fall to historic lows for the first few months after president Trump took office. But, expectations that Congress would formally adopt the DREAM Act or some other amnesty policy, together with unconstitutional interference from federal courts, has prevented the administration from enforcing border laws. Illegal crossings quickly shot back up to near historic highs by the end of FY 2017 and remain high to the present time.<sup>25</sup>

Table III

VOLAG and UAC Contractor Grants																
(\$ Millions)																
	VOLAGS										VOLAG	UAC Contractors			UAC	Grand
	CWS	DFMS	ECDC	HIAS	IRC	LIRS	USCCB	USCRI	WRC	Total	BCFS	SW Key	Other	Total	Total	
2008	\$23.1	\$4.4	\$5.2	\$10.8	\$55.3	\$21.1	\$18.7	\$6.3	\$11.7	\$156.6	\$0.0	\$30.7	\$60.5	\$91.2	\$247.8	
2009	\$23.0	\$10.0	\$6.3	\$13.4	\$60.7	\$31.5	\$50.3	\$21.5	\$14.5	\$231.2	\$6.6	\$27.8	\$60.3	\$94.7	\$325.9	
2010	\$34.1	\$14.0	\$10.3	\$16.3	\$65.8	\$34.8	\$63.2	\$30.6	\$9.8	\$279.0	\$10.6	\$32.5	\$79.1	\$122.2	\$401.1	
2011	\$33.5	\$12.1	\$11.4	\$14.3	\$70.0	\$30.5	\$68.5	\$30.4	\$19.9	\$290.5	\$17.0	\$35.6	\$83.5	\$136.2	\$426.7	
2012	\$36.1	\$13.6	\$11.0	\$15.5	\$73.2	\$35.0	\$62.9	\$31.6	\$19.8	\$298.6	\$64.9	\$50.2	\$100.4	\$215.5	\$514.1	
2013	\$39.9	\$14.9	\$13.1	\$18.6	\$78.8	\$49.2	\$75.8	\$38.8	\$21.1	\$350.1	\$59.5	\$88.2	\$158.2	\$305.9	\$656.0	
2014	\$44.1	\$16.7	\$14.8	\$17.7	\$89.7	\$56.4	\$81.8	\$40.4	\$25.4	\$386.9	\$286.9	\$179.6	\$337.4	\$803.9	\$1,190.8	
2015	\$46.7	\$17.4	\$15.1	\$24.2	\$90.3	\$54.4	\$81.5	\$48.8	\$24.9	\$403.1	\$19.9	\$145.1	\$352.9	\$478.1	\$881.2	
2016	\$64.8	\$20.5	\$18.9	\$24.1	\$103.7	\$60.0	\$104.2	\$56.0	\$33.8	\$486.1	\$200.7	\$211.4	\$315.8	\$727.9	\$1,214.0	
2017	\$54.5	\$16.0	\$15.2	\$22.6	\$105.1	\$57.8	\$88.3	\$80.6	\$21.2	\$461.3	\$227.1	\$285.5	\$445.8	\$958.4	\$1,419.7	
2018	\$33.3	\$7.1	\$7.9	\$8.6	\$53.9	\$40.9	\$47.7	\$31.1	\$13.2	\$243.7	\$149.6	\$508.9	\$358.2	\$1,016.6	\$1,260.3	
Total	\$433.3	\$146.7	\$129.0	\$186.1	\$846.6	\$471.6	\$742.6	\$416.1	\$215.3	\$3,587.1	\$1,003.0	\$1,595.4	\$2,352.1	\$4,950.5	\$8,537.6	
Gov Grants Latest <sup>1</sup>	\$68.4	\$20.2	\$18.3	\$24.5	\$493.6	\$64.7	\$95.3	\$53.6	\$51.1	\$889.6	\$287.9	\$240.2	NA	\$528.1	\$1,417.7	
Annual Revenues	\$95.8	\$91.0	\$19.1	\$45.3	\$736.8	\$69.2	\$246.5	\$59.2	\$79.2	\$1,442.0	\$300.3	\$242.6	NA	\$542.9	\$1,984.9	
% Gov Funded	71.5%	22.2%	95.8%	54.1%	67.0%	93.5%	38.6%	90.5%	64.5%	61.7%	95.9%	99.0%	NA	97.3%	71.4%	
Net Assets	\$16.2	\$323.1	\$8.5	\$45.9	\$175.8	\$9.2	\$226.6	\$9.1	\$19.1	\$833.5	\$0.4	\$60.4	NA	\$60.8	\$894.3	
% Annual Revenues	16.9%	355.1%	44.7%	101.4%	23.9%	13.2%	91.9%	15.3%	24.1%	57.8%	0.1%	24.9%	NA	11.2%	45.1%	
Data source: USA Spending.gov																
<sup>1</sup> Revenues, grants and assets based on latest IRS 990 tax return or most recent annual report																

The funds received by the main UAC contractors dwarf the refugee resettlement income of any of the nine VOLAGs. Three of the VOLAGs, Lutheran Immigration and Refugee Service, U.S. Conference of Catholic Bishops, and U.S. Committee for Refugees and Immigrants, also resettle some UACs, but most UAC business is handled by Baptist Child and Family Service, Southwest Key, and those in the “other” column. This last column includes numerous organizations that receive anywhere from a few hundred thousand to millions of dollars per year in prime grants for UAC business.

Finally, note the rows at the bottom of Table III starting with “Gov Grants Latest.” The “% Govt. Funded” line shows each organization’s level of dependence on the government for its operation. It ranges from a low of 22 percent for DFMS to a high of 99 percent for Southwest Key, with an average of 71.4 percent. It must be said that DFMS is the corporate entity for the entire Episcopal Church in the U.S., whereas the other “religious” VOLAGs are organizations distinct and separate from their various churches, focusing wholly on government work, so the numbers aren’t strictly comparable.

All of these contractors are tax-exempt and classified as “nonprofits.” However, they are not unprofitable. The “Net Assets” and “% Annual Revenues” lines tell you how much they have accumulated over the years from their resettlement

operations. On average, the organizations listed have accumulated net assets worth 45.1 percent of annual revenues.

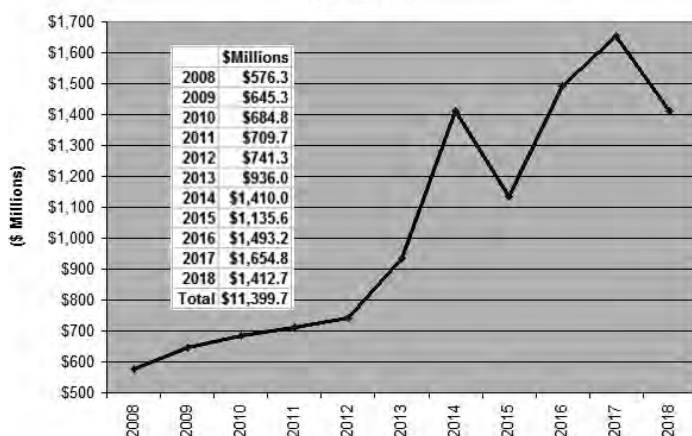
DFMS has amassed \$322 million in assets, which is over 355 percent of its annual revenues. Again, this is not strictly comparable to the others. If DFMS is removed from the equation, average net assets of the other contractors comprise 30.2 percent of annual revenues across the other VOLAGs. Excluding DFMS, HIAS, formerly Hebrew Immigrant Aid Society has the largest reserves, over 100 percent of annual revenues. Why does a “nonprofit” need to compile such huge assets? The Baptist Child and Family Service on the other hand, has 0.1 percent of its annual revenues saved as net assets.

## A Billion-Dollar Taxpayer Funded Advocacy Industry

The Office of Refugee Resettlement offers a multitude of grants for refugees and unaccompanied alien children to thousands of other NGOs in addition to the VOLAGs and their affiliates. It has created a billion-dollar taxpayer-funded advocacy industry that has experienced explosive growth. The chart below shows total ORR grants for refugees and UACs since 2008.



**HHS Refugee Resettlement/UAC Spending  
(2008-2018)**



The thousands of organizations are almost all open-borders-oriented for conspicuously self-serving reasons. Naturally, they lean Left. In Massachusetts alone, which brags that one of every six residents and one in five workers is foreign born, there are 130 organizations that comprise the Massachusetts Immigrant and Refugee Advocacy Coalition (MIRA).<sup>26</sup> Other states have similar networks based on the size of their refugee/UAC programs and the level of non-profit engagement in the state. Measuring refugee-related expenditures of these various other NGOs is beyond the scope of this article, but Table IV (below) offers a small sample of the many organizations that have taken advantage of ORR grants.

**Table IV**

Selected HHS Refugee Resettlement/UAC Grants (\$ Millions)										
	ACCESS	Catholic Charities	IRSA	Jannus	LSS	Opening Doors	RST	US Together	Welcoming America	YMCA
2008	\$0.8	\$8.4	\$12.3	\$0.8	\$9.6	\$0.3	\$0.0	\$0.1	\$0.0	\$0.0
2009	\$0.0	\$8.7	\$12.8	\$1.2	\$4.4	\$0.3	\$0.0	\$0.1	\$0.0	\$0.0
2010	\$0.3	\$8.7	\$12.5	\$2.7	\$5.5	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
2011	\$0.5	\$7.7	\$12.5	\$2.9	\$5.8	\$0.3	\$0.0	\$0.0	\$0.0	\$0.0
2012	\$0.7	\$7.1	\$0.1	\$2.5	\$4.9	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0
2013	\$0.7	\$8.3	\$0.2	\$2.5	\$7.7	\$0.3	\$0.0	\$0.0	\$0.2	\$0.0
2014	\$0.8	\$10.7	\$0.2	\$2.6	\$18.1	\$0.5	\$0.0	\$0.0	\$0.2	\$0.0
2015	\$1.0	\$10.3	\$0.1	\$2.5	\$21.4	\$0.7	\$0.0	\$0.2	\$0.3	\$0.0
2016	\$0.6	\$10.4	\$2.0	\$2.6	\$16.1	\$0.5	\$0.0	\$0.2	\$0.2	\$0.0
2017	\$0.2	\$12.4	\$32.2	\$2.8	\$25.5	\$0.4	\$9.0	\$0.4	\$0.2	\$15.7
2018	\$0.0	\$11.4	\$17.5	\$0.8	\$22.8	\$0.0	\$6.7	\$0.0	\$0.0	\$13.3
<b>Total</b>	<b>\$5.8</b>	<b>\$104.0</b>	<b>\$102.5</b>	<b>\$24.0</b>	<b>\$141.7</b>	<b>\$3.4</b>	<b>\$15.7</b>	<b>\$1.1</b>	<b>\$1.2</b>	<b>\$29.0</b>

Source: Department of Health and Human Services Tracking Accountability in Government Grants System (<https://tags.hhs.gov>)

Many organizations not normally associated with immigration issues have also jumped on board. Who could imagine, for example, that YMCA of Greater Houston could take in almost \$30 million for refugee resettlement over the last two

years? Dearborn, Michigan-based ACCESS (the Arab Community Center for Economic and Social Services) describes itself as “the largest Arab-American community nonprofit in the United States.”<sup>27</sup> According to its latest tax-exempt IRS filing, ACCESS took in \$26.7 million in Fiscal Year 2016, \$15.2 million of which was from government grants.<sup>28</sup> According to the chart, funding for refugee resettlement was only a small part of its government-funded activity.

Two refugee VOLAG affiliates, Lutheran Social Services (LSS) and Catholic Charities, receive millions in both prime and sub-grants for refugee resettlement. In many ways, they could be considered VOLAGs in their own right. They also act as prime contractors for the UAC program. UACs have added substantially to their bottom line, with UAC grants alone totaling \$245.7 million for the two organizations since 2008.

Additionally, much like its senior partner, the U.S. Conference of Catholic Bishops, the many Catholic Charities affiliates across the U.S. receive grants from many different federal programs, such as Head Start, Section 8 Housing, homeless veterans’ programs, and others, in addition to refugee and UAC resettlement. In FY 2018 alone, Catholic Charities programs in the U.S. collected a total of \$118 million in prime grants and another \$1.3 million in Veterans Administration contracts.<sup>29</sup> And even that isn’t the end of it. There is Catholic Community Services, Catholic Social Services, Inc., the Catholic Legal Immigration Network, and others, all of which receive resettlement and/or UAC grants. The Catholic Church does big business with the federal government and throws its weight around to protect its refugee resettlement franchise.

The Immigration and Refugee Service of America (IRSA) has received refugee resettlement grants totaling \$102.5 million since 2008, including \$17.5 million in 2018. But IRSA is a ghost. IRSA is not listed among 501(c)(3) charitable organizations and does not publish an annual report. Two online reviews of IRSA found in a Google search provide a Washington, D.C., address and phone number, but repeated calls—at all hours—get a busy signal. Two separate IRSA websites are referenced in these reviews, [www.refugee-susa.org](http://www.refugee-susa.org), and [www.irsa-uscr.org](http://www.irsa-uscr.org). Both are defunct placeholder blogs with no refer-

ence to IRSA and no current information of any sort. The State Department’s archives list IRSA as a VOLAG, ironically, as of April Fools Day, 2001.<sup>30</sup> However it is not one of the nine current VOLAGs.

Bloomberg's review describes IRSA as "a charitable organization that focuses on defense of human rights, builds communities, fosters education, promotes self-sufficiency, and forges partnerships through an array of programs."<sup>31</sup> The other review was written in 2008 by Melanie Nezer, currently Senior Vice President for Public Affairs at HIAS. Nezer was paid \$30,000 in 2013 for a 30-page HIAS pamphlet, the notorious *Resettlement at Risk*, which advocated partnering with media and the widely discredited Southern Poverty Law Center to investigate and vilify refugee resettlement opponents.<sup>32</sup> Your tax dollars at work.

Nezer was apparently employed by IRSA in 2008 and described it as "the oldest and largest non-sectarian network of organizations serving immigrants, refugees, and other foreign-born people worldwide."<sup>33</sup> Nezer listed a network of IRSA partner affiliates, most of which still exist. Lavinia Limon, the former director of U.S. Committee for Refugees and Immigrants (USCRI, one of the nine VOLAGs), is listed by Bloomberg as IRSA's current director, along with COO Eskinder Negash, who is now director of USCRI.<sup>34</sup> All in the family.

Officer compensation is not listed, but having received over \$100 million since 2008, IRSA is paying someone good money. For what? When she directed USCRI, Lavinia Limon collected a hefty six figure salary, \$300,114, in 2016.<sup>35</sup> There have been frequent requests to audit the refugee resettlement program, especially the contractors, something that has *never been done*. What is going on there? Is IRSA some kind of slush fund flying under the radar because no one pays attention to this politically coddled, convoluted, Byzantine network of programs?

Welcoming America, an organization created specifically to advance the "Welcoming" mantra for refugees and immigrants, has received \$1.2 million from the federal government since 2012. "Welcoming" is not an innocuous message. It employs a propaganda tactic to shame people into supporting Welcoming America's open borders agenda. As founder and CEO David Lubell says, the goal is to "... recognize the role *everyone must play* in furthering the integration of recent immigrants..."<sup>36</sup> (Emphasis added). Many politicians support the refugee program specifically so they can be considered "welcoming," because "unwelcoming" is code for "racist, bigot, xenophobe, etc."<sup>37</sup> As a result, politicians often jettison their responsibilities to their electorate to avoid negative publicity. Public officials have been lambasted as "bigots" simply for questioning the program's cost. An effort to recall a city commissioner in Fargo, North Dakota, for merely *posing* this question, is just one example.<sup>38</sup> The recall effort failed, but how do responsible government leaders function in such an environment?

The Trump administration zeroed out federal support for Welcoming America, leaving it to rely on its substantial support from private donations. Between 2011 and 2016, Welcoming America received almost \$10 million from open borders foundations like Open Society (\$450,000), Unbound Philanthropy (\$984,450), Kellogg (\$200,000), Kaplan, (\$595,000), the Einhorn Family Trust (\$1.5 million), Carnegie, (\$325,000) and others.<sup>39</sup> The Welcoming network includes over 90 cities and 114 organizations, including US Together, the Southern Poverty Law Center, numerous VOLAG affiliates, 10 YMCA branches and even some governmental entities, like the Atlanta Regional Commission and Redwood City 2020.<sup>40</sup>

Jannus, Opening Doors, Refugee Service of Texas (RST), and US Together are simply four more examples of small tax-exempt nonprofits that receive refugee program grants. US Together is an affiliate of HIAS. Opening Doors is a CWS affiliate. The Refugee Service of Texas works as an affiliate of Lutheran Immigration and Refugee Service, the Church World Service, and the Domestic and Foreign Missionary Society of the Protestant Episcopal Church. Jannus works independently.

Together these nonprofits siphon millions of dollars from the federal government, spreading the gospel of immigration as they line their own pockets and perpetuate an agenda that advantages the Left as it dismisses justifiable concerns from communities strained by the needs of these newcomers. The second part of this study, to be published next month, outlines the ways that refugees shift community demographics, pose potential threats to national security, and absorb state resources. Look for it in the Issue 9 of Capital Research Magazine. ■

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Read previous Special Reports from CRC online at [CapitalResearch.org/category/special-report/](http://CapitalResearch.org/category/special-report/).

## Endnotes

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# CLIMATE DOLLARS

HOW ONE FLAWED STUDY FOOLED THE MEDIA AND  
POISONED THE DEBATE ON CLIMATE CHANGE

In a widely cited 2014 study, sociologist Robert Brulle purportedly exposed a “climate change counter-movement” of center-right groups “distort[ing] the public’s understanding of climate change.” He calculated that from 2003 to 2010, these nonprofits recorded revenues averaging “just over \$900 million” annually—a number that led to media claims that, “Conservative groups spend \$1bn a year to fight action on climate change.”

A Capital Research Center study cuts Mr. Brulle’s calculations down to size: Not only is Brulle’s assessment off by 93 percent, the resources of environmentalist groups and government agencies overwhelmingly dwarf those of skeptics. To learn more about the climate debate, visit [www.ClimateDollars.org](http://www.ClimateDollars.org).



# DECEPTION & MISDIRECTION



## THE POLITICALLY INCORRECT GUIDE™ TO “21ST CENTURY SOCIALISM”

*AKA communism*

By Paul Kengor

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**Summary:** *Dr. Paul Kengor’s Politically Incorrect Guide to Communism, provides a compelling and coherent argument against communism and its supposedly less-violent preceding form of government, socialism. In this excerpt from his book, Dr. Kengor explains how “21st Century Socialism” operates just like 20th century communism. Read the full book, published by Regnery.*

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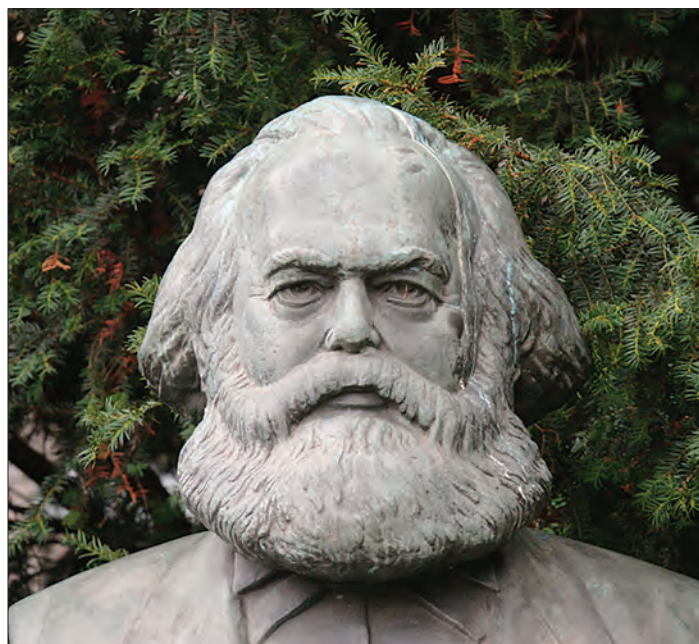
Communism has a bad reputation, and it’s well deserved. Wherever it has been tried around the world, from Lenin and Stalin through Mao, and Pol Pot to the Castros and the Kims, the communists have murdered huge numbers of people and driven economies into the ground, reducing the survivors to lives of grinding poverty and horrific political repression.

So communism is perpetually in need of re-branding. The Left is always coining some nifty new term for what is really the same old, same old—the execrable communist ideology that always leaves a stench in its wake. And a good number of liberal-left suckers are always duped, even as the results are always predictably the same.

### By Any Other Name

Take Latin American “liberation theology,” for example, which tugged on the heartstrings of leftist “social justice” Christians in the 1980s. Or consider how Daniel Ortega and the Sandinistas in Nicaragua were the darlings of the American Left in the 1980s—righteous revolutionaries resisting bad-boy Ronald Reagan and his unsavory anti-communist administration. American liberals who would never have said they were for “communism” or defended the Soviet Union were swept up in the romance of the revolution in Nicaragua.

And yet the aim was the same: to end “oppression.” The promise was the same: utopia for the masses. The program was the same: “land reform” (in other words, stealing property from its owners) and central planning of the economy by the new government. And as P.J. O’Rourke’s eye-witness testimony shows, the results were (inevitably) the same:



Credit: Montecruz Foto. License: <https://goo.gl/xX8jYg>

*In The Communist Manifesto, there is “very little” from Marx and his early followers about how the socialist dream would be realized. The “new society” did not seem to look much different to Marx than it had to the traditional Utopians.*

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It doesn’t matter what kind of awfulness happens in Latin America—and practically every kind of awfulness does—there are always chickens. No Peruvian mountain village is so poor that you can drive through it without running over a chicken... But there were no chickens in Managua.

And there was plenty of nothing else besides. In the vast market sheds, the government-allotted stalls with government-determined prices were empty. In the spaces between the sheds vendors had set up

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*Dr. Paul Kengor is the author of The Politically Incorrect Guide to Communism and numerous other volumes. He is a professor of political science at Grove City College in Pennsylvania.*

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illegally with scanty piles of bruised fruit and little heaps of rice and maize. Every now and then, the vendors said, officials from the Interior Ministry cleared them out... Yet there was plenty of money visible, fists-full of bank notes, which the dispirited crowd handled like so much toilet paper. I take that back. There's a shortage of toilet paper.

Then there's "progressive." Many communists hide behind that label. When researching my 2010 book, *Dupes: How America's Adversaries Have Manipulated Progressives for a Century*, the biggest challenge was sifting through the numerous self-described "progressive" individuals and organizations to figure out if they were genuine liberals or closet communists. Any researcher faces this obstacle. When Congress published its major investigation of communist front groups in 1961, titled, "Guide to Subversive Organizations and Publications," one of the most popular titles listed in the massive index was "Progressive." Communists have been calling themselves progressives since the 1930s, and they are still doing it today. It is not unusual (in fact, it is the norm) for the comrades at the website of Communist Party USA and in *People's World* to describe themselves and their ideas as "progressive" more often than as "communist" or "Marxist." That language is more palatable to the uninformed and easily misled. And take a look at the founders of the 2008 group Progressives for Obama. From Tom Hayden and Mark Rudd to Jane Fonda and the other fellow travelers, these "progressives" for Obama were really a who's who of '60s communists, cultural Marxists, SDSers, and Weather Underground revolutionaries, who as late as the 1970s, as we have seen, were calling themselves communists. And then there are left-wing scholars and professors (do we have any other kind these days?) who help the deception along by conflating communists and "progressives."

But the most popular and perennial euphemism for communism is "socialism."

So what's the difference? Not much.

## A Dime's Worth of Difference

Communists—revolutionaries whose true Marxist bona fides no one can doubt—have typically called themselves socialists. Vladimir Lenin, the godfather of Bolshevism, considered himself a democratic socialist before he called himself a communist. It wasn't until he had seized power

in Russia that Lenin changed his party's name from "Social Democratic" to "Communist."

Decades later, the Brezhnev-era Soviet Union championed "real socialism," a term that was ubiquitous in Soviet publications such as *Pravda*, *Izvestia*, and other propaganda organs in the 1970s and early 1980s.

In fact, pretty much all communists are socialists to some degree or in some form or at some point along their merry way—at least in their own opinion. But are all socialists communists? That brings us back to the question: what is the difference?

“*But the most popular and perennial euphemism for communism is “socialism.”*”

"Socialism" was the most looked-up word at Merriam-Webster.com in 2015. That reflected a growing interest in socialism with the shocking surge of lifetime socialist Bernie Sanders through the 2016 Democratic Party primary. But it also reflected an enduring confusion over what the word means—and generally over political taxonomy. Ask most students who have

poli sci 101 and they will recall the day the professor drew a line on the chalkboard delineating the spectrum of political beliefs from the far Left to the far Right. The far Left is reserved for communist totalitarians such as Stalin, Lenin, Mao, Pol Pot, and the Kims. The far right is always more problematic. In terms of economic freedom versus government coercion, the professor should put libertarians or anarchists at that end of the spectrum—given that they believe in the least government (or none at all). But few would categorize a libertarian or anarchist as "far right." That term is typically reserved for fascists, Nazis, and ultra-nationalists and racists.

But remember that both Hitler and Mussolini called themselves socialists, and Mussolini was a Marxist to boot. The Nazis absolutely favored centralized power.

Complicated? Yes, it is.

If you ask typical self-identified "socialists" in America or Western Europe today, they will vehemently object to any suggestion of similarity between their political beliefs and either Soviet or Nazi socialism. And in fact, they cannot be compared with those tyrants. To do so would be unfair and a major mistake. That said, socialists generally, in America and the wider West, do share with the Soviets the general goal of government ownership of the means of production in some form. The famous Clause IV of the 1918 British Labour Party platform, which was repudiated by Labour Party reformer and future prime minister Tony Blair, called





Credit: Thomas Alfthor Good. License: <https://goo.gl/1m1pEZ>.

An April 6, 2016, piece on “21st Century Socialism” was written by former ‘60s radical Carl Davidson, onetime national secretary for Students for a Democratic Society (SDS) during its peak.

for “the most equitable distribution” based on “the common ownership of the means of production, distribution, and exchange.”

“Socialism,” states Merriam-Webster, is “government ownership of the means of production.” At the time of this writing of this book, Wikipedia and other popular go-to sources say the same.

Let’s go back to the drawing board and to that spectrum we were sketching. To simplify the discussion and get to the heart of the matter, we will stick to the Left side of the chalkboard. As the typical American would understand it, the communist at the far Left would favor complete government ownership of the entire means of production, with little to no private ownership. Individuals would not own factories or farms. In some especially hideous cases, including Kim’s North Korea and Pol Pot’s regime in Cambodia and Mao’s Great Leap Forward and Castro’s Cuba and still others, they might not be permitted to own their own homes, garden plots, pots, woks, pans, and candy.

Under “socialism,” on the other hand—at least the modern version that most American and European socialists espouse—the government would have a large degree of ownership (or at least management so heavy-handed as to be virtually indistinguishable from ownership) of the means of production, and generally of certain forms of property throughout the society.

So not every avowed socialist is a communist. While socialists’ schemes for redistribution and central management of the economy are doomed to failure, we should afford them

the benefit of the doubt until they give us cause to believe that they’re the kind of “socialists” (like Lenin and Stalin) who are willing to pursue that unworkable utopian vision by means of violent revolution, wide-scale starvation, and horrific human rights violations. Unfortunately, there are plenty of “socialists” who do look to the worst communist villains for inspiration.

In 2016, for example, the New York City district branch of the International Socialist Organization pointed to Lenin as its guiding star: “We stand in the tradition of one of the pre-eminent political strategists in world history. Lenin contributed enormously to our understanding of how we can best organize ourselves to both build working class movements, and at the same time a socialist cadre capable of helping to lead in struggle. Many of these ideas helped shape the Bolshevik party, the only group in the history of the world to lead a successful revolution from below.”

To lead from *below*? Sounds like an accurate characterization.

## The Difficulties of Definition

As I write this book, *People’s World*, the flagship publication of the American Communist Party, is conducting a regular “*People’s World* series on socialism.” I will share just a sampling of what they have published on that topic.

An April 6, 2016, piece on “21st Century Socialism” was written by former ‘60s radical Carl Davidson, onetime national secretary for Students for a Democratic Society (SDS) during its peak. Davidson became a member of the Weathermen with Bill Ayers, Bernardine Dohrn, Mark Rudd, Michael Klonsky, and crew, and by 2008 was an organizer for the newest radical collective: Progressives for Obama.

In his *People’s World* piece, Davidson recalls that when he was a philosophy major in the ‘60s, a professor offered his class a challenging exercise: students were to successfully define a concept before using it in a paper or a debate. The professor gave as an example “a good Christian” and pushed the class to come up with a common “objective” definition. The class failed, and the professor’s point was made. This was a concept whose essence was “essentially contested,” notes Davidson—and “so it is with socialism” as well.

Davidson observes that when his “revolutionary group in the 1970s” (presumably the Weathermen) was writing a “new program for a new communist party,” Davidson, whom the group considered well-read, was assigned the task of ferreting out a “true definition of socialism.” After months, says Davidson, he finally gave up. He realized right away that even the “heroic figures” of “socialism” had said different

things at different times. So, he personally simply picked the one he liked the best, which was a Lenin line describing socialism as “Soviet power plus electrification.”

Davidson notes that by the late 1980s nearly every socialist recognized that there was a crisis in socialism, especially when the Soviet communist bloc collapsed (note that here Davidson used socialism and communism synonymously). Socialism, he says, was entering a new period of being “essentially contested...in a very big way for several decades to come,” with every old model breaking up and every old dogma and “tried-and-tested truth” up in the air.

Davidson points to a new kind of modern socialist: Hugo Chávez of Venezuela, whom Davidson flagged as one of the first to break out of the old kind of socialism in crisis, and who first popularized the term “21st century socialism.” Chavez, explains Davidson, stressed different things at different times, but his core idea was to bring “participatory democracy into socialism in dozens of new ways.” Davidson and other old stalwarts from the ‘60s New Left immediately grasped the “importance” of what Chávez was touting and “held out high hopes” for it. (More on Chávez later.)

Another contributor to the *People’s World* series, Geoffrey Jacques, in a piece titled, “What We Talk about When We Talk about Socialism,” also concedes that a “satisfactory answer” to the question “What is socialism?” is much harder than people think. The socialist movement, he explains, has always “toggled between the burden of Utopia and the urgency of the fight for justice.” And, too, definitions of Utopia and justice have varied among socialists—since the earliest days of the movement, when Marx and Engels wrenched the “socialist” label from the “ancient network of counterculture communities and coops they called ‘Utopian’ and then pinned the adjective ‘scientific’ to their own project.”

As Jacques notes, other than phrases like “to raise the proletariat to the position of ruling class, to win the battle of democracy” in *The Communist Manifesto*, there is “very little” from Marx and his early followers about how the socialist dream would be realized. The “new society,” avers Jacques, did not seem to look much different to Marx than it had to the traditional Utopians, with the only real distinction being the constant “squabbles” among socialists over the means to achieve the goal. He notes that for Marx and Engels, socialism would come when “all production has been concentrated in the hands of a vast association of the whole nation.” This would constitute “an association in which the



(Pictured: Bill Ayers, Bernardine Dohrn, Mark Rudd) When Davidson’s “revolutionary group in the 1970s” (presumably the Weathermen) was writing a “new program for a new communist party,” he was assigned the task of ferreting out a “true definition of socialism.”

free development of each is the condition for the free development of all.”

Good luck with that one, guys.

Also taking a stab at defining socialism in the *People’s World’s* series is Rick Nagin. In his April 20, 2016, piece, “What Does Socialism Mean? It means Working Class Power,” he observes.

In everyday political discussions, “socialism” is used to describe policies in capitalist countries such as those in Scandinavia, where the means of production remain primarily owned by private individuals, but, through heavy taxation on excessive wealth and income, important social benefits like health care, education, and quality government services are provided to people...

The essence of socialism is the replacement of the capitalist class and private corporate power by the working class and allied forces (family farmers, small businesspeople, self-employed professionals, etc.) as the dominant influence in society. When this coalition is the new ruling class, it can then begin to reorganize the economy. Such a reorganization would include social ownership of key industries such as finance, energy, and armaments...

Socialism would still be a class society. But it would be one in which working class and trade union values become dominant—values like solidarity, equality, democracy, and peace.



But Nagin's "socialism" shades over into something uglier and more familiar. According to him, "the establishment and maintenance of socialism" and the building of "a new socialist society" would directly involve "Communist Parties" and "coalitions of Communists and other progressive forces and parties." And private property will be the target. Nagin provides a historical perspective (notice how he conflates socialism with communism, just as Lenin did):

The first effort to do away with millennia of private property ownership and class power, in the Soviet Union, faced ferocious hostility in an international environment still dominated by private capital. Socialism's ability to flourish was, to say the least, greatly limited. The most serious challenge came with the rise of fascism and the Second World War unleashed by Nazi Germany and its anti-communist allies. Their goal was nothing less than the destruction of socialism in Russia and democracy everywhere else. Withstanding unprecedented devastation and loss of life, Soviet socialism overcame the Nazi onslaught, though, and an entire group of socialist-oriented states arose in Eastern Europe, North Korea, and China.

With the support of the socialist countries and peace forces in the capitalist world, Vietnam established a unified country with a socialist government defeating the U.S. in a war that took over three million lives. Similar support allowed socialism to arise and survive in Cuba—despite invasion, repeated attempts to assassinate government officials, and economic sabotage conducted by the United States.

Soviet socialism continued for decades under the conditions of the Cold War, but it was eventually destroyed because of both external pressure as well as internal corruption and mis-leadership.

Soviet socialism. Eastern European socialism. North Korean socialism. Chinese socialism. Vietnamese socialism. Cuban socialism. All failures of socialism, one might add. And all countries that we usually call communist (in fact, communist dictatorships) rather than socialist.

## The Latest Model

Where do "socialists" go from here? "At present," insists Nagin, the "class struggle in the United States" must combat "right-wing extremism," but it must also seek the "full socialization of the economy, universal abundance, and the emergence of a classless, modern, democratic, and green



*Note the usual leftist litany of grievances in the common definition of socialism—poverty, hunger, exploitation, economic oppression, sexism, racism, the destruction of natural resources.*

communist society." American socialists "must establish a system where the socially-produced wealth is socially distributed. This requires progressive taxation of capitalist wealth and socialization of privately-owned means of production." And all of this can fully happen, he says, only if "the working people take over the apparatus of government."

The latest example of this name game is the "21st century socialism" that Hugo Chávez imposed on Venezuela. The Wikipedia entry for "21st century socialism" (it is instructive that there is an entry) is fairly accurate:

**Socialism of the 21st Century** (Spanish: *Socialismo del siglo XXI*) is a political term used to describe the interpretation of socialist principles advocated first by Heinz Dieterich in 1996 and later by Latin American leaders like Hugo Chávez of Venezuela, Rafael Correa of Ecuador, Evo Morales of Bolivia, and Luiz Inácio Lula da Silva of Brazil. Socialism of the 21st century argues that both free-market industrial capitalism and twentieth-century socialism have failed to solve urgent problems of humanity, like poverty, hunger, exploitation, economic oppression, sexism, racism, the destruction of natural resources, and the absence of a truly participative democracy. Therefore, because of the local unique historical conditions, socialism of the 21st century is often contrasted with previous applications of socialism in other countries and aims for a more decentralized and participatory planning process. Socialism of the 21st century has democratic socialist elements, but primarily resembles Marxist revisionism.

Note the usual leftist litany of grievances—poverty, hunger, exploitation, economic oppression, sexism, racism, the destruction of natural resources—and the assumption that some enchanting left-wing genie can be summoned out of the collectivist bottle to zap them all with a magic wand. The "money line" (if communists will pardon that expression) in the Wikipedia definition is the final sentence: "Socialism of the 21st century has democratic socialist elements, but primarily resembles Marxist revisionism."

Bingo. It always does, and it always will, because there is never much difference between the hopes and dreams of the merry redistributionists who are kicking the ball around the leftist playing field today and those of the communists of the past. Whether they call it Marxism or democratic socialism, the goal is always the same—to miraculously solve every ill that human flesh is heir to with forced redistribution and collectivization.

Wikipedia continues, “Critics claim that democratic socialism in Latin America acts as a façade for authoritarianism. The charisma of figures like Hugo Chávez and mottoes like ‘Country, Socialism, or Death!’ have drawn comparisons to the Latin American dictators and *caudillos* of the past.”

## Communism Kills

The chief product of socialism is death.

It has killed millions of innocent people. But it has also killed a lot of communists—including Hugo Chávez. The Venezuelan dictator’s golden road to a new “21st century socialism” ended in his own death. He died on March 5, 2013, sixty years to the day after Joe Stalin died—prematurely, of cancer.

You have to give Chávez credit to his fidelity to the socialism cause. Chávez, in his late fifties and desperately ill, opted to go to Fidel’s Cuba for cancer treatment. It was a surefire death sentence. Only the most devoted communist would be so naïve as to risk going to Cuba for the fabulous free healthcare that liberals in America rave about but never, ever resort to when they are seriously sick. But Chávez was a true believer. He was weighed down with vast wealth that he had confiscated from his people, but he effectively chose acupuncture over the vastly superior healthcare widely available anywhere in the capitalist West.

The Venezuelan dictator clung to his secular god. Hugo Chávez was faithful to the end. He went to Havana. Did he really think he would be healed there? He should have learned from the fate of hundreds of millions over the last century: communism kills.

Chávez’s demise was marked by gushing praise from admiring “progressives” in America and throughout the world. The breathless encomiums by liberals, progressives, socialists, communists, democratic socialists, and assorted fellow travelers were appalling, but hardly surprising. And then Chávez’s disciples sought to enshrine his remains for veneration—literally.

Sadly, even this should not have come as a surprise. The far Left has never been shy about upholding its heroes as worthy of veneration and in some cases even worship—ironically, given that the subjects of veneration have been not just atheists but militant atheists. Vladimir Lenin’s remains are still on display in Red Square.

Upon his death in January 1924, Lenin’s body was embalmed and preserved in a tomb, actually a shrine at which the faithful could forever honor the Great One. Etched in the marble holding the Bolshevik godfather’s body is this inscription: “Lenin: The Savior of the World.” Following Lenin’s death, poems and songs were written in praise of the “eternal” Lenin who “is always with us.” The Soviet press reported that Yuri Gagarin, the first Soviet cosmonaut, visited Lenin’s mausoleum immediately before his flight so he could meditate over Lenin’s yellowing flesh and draw strength for his mission. Later, Gagarin returned to the sacred site to *report* to Lenin on his mission. “Lenin Corners,” modeled on the Icon Corners of the Russian Orthodox Church, were established throughout the USSR. These mini-shrines included icon-like paintings of Lenin along with his words and writings.

This seems odd for an atheist state angrily committed to a war on religion. But it is precisely what we have come to expect from communist regimes.

“Leninization” made the Soviet state’s spiritual life as pagan as it was atheistic. A “secular religion” was established, one that, as Lenin biographer Dmitri Volkogonov has noted, demanded “unquestioning obedience” from its disciples. So certain was the Party of Lenin’s infallibility that in 1925, one year after his death, the Politburo established a special laboratory to remove, dissect, and study Lenin’s inactive, smelly brain. The purpose, said Volkogonov, was to show the world that the great man’s ideas had been hatched from an almost supernatural mind.

Lenin came from a Russian Orthodox country. Hugo Chávez hailed from a Roman Catholic country. In both the Roman Catholic and Russian Orthodox traditions, prospective saints—people who lived genuinely and heroically holy lives—have been placed in special tombs for purposes of veneration and to see if their dead bodies are incorruptible. These churches have taught that the bodies of some saints are uncorrupted, divinely protected on earth even in death.

And so the rush to enshrine Hugo Chávez’s body should not have been surprising. He could become a sacred symbol of collectivism, wealth redistribution, and nationalization—a new little holy trinity, embodied in the sacrificial

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*The chief product of  
socialism is death.*





Credit: 4WardEver Campaign UK. License: <https://goo.gl/ZxKGSN>.

*Hugo Chávez professed to aim for a more Jesus-like communism: "I am a Marxist to the same degree as the followers of the ideas of Jesus Christ and the liberator of America, Simon Bolivar."*

flesh of Saint Hugo. The canonization process seemed to be quickly underway, with little Hugo on the fast track to secular sainthood.

But alas, within only a week of Chávez's death, it was determined that his corpse could not be preserved. The man's new-fangled socialism for a new century could not even produce toilet paper and deodorant. How would it pull off the proper preservation of a dead body?

Fittingly, Russian embalmers, with unique expertise after over ninety years propping up the constantly molting corpse of Vladimir Lenin, were consulted. They told Chávez's "21st century socialists" to toss in the flag. The body had putrefied.

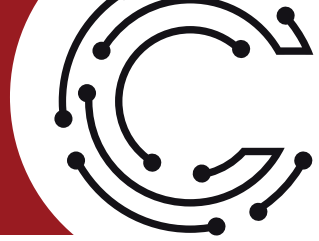
The rot was an enduring symbol of what Hugo Chávez left behind in Venezuela. Like the Venezuelan economy under his "21st century socialism," decomposition set in immediately. Today, his body, his nation, and his ideology share the same destiny of decay. ■

*Read previous articles from the Deception & Misdirection series online at [CapitalResearch.org/category/deception-and-misdirection/](http://CapitalResearch.org/category/deception-and-misdirection/).*



The war against terror begins at the Kremlin. With President Trump executing missile strikes in Syria and radical Islamic terrorism being as big a threat as it ever has been, we need to understand how these oppressive regimes and extremist ideologies got started and empowered. Working with Dangerous Documentaries, director Judd Saul and conservative commentator Trevor Loudon have compiled a team of researchers who have uncovered the history of the Soviet Union's meddling in Middle Eastern politics, creating a new enemy for the United States, and learned that Russia's continuing alliance with Islamists is forwarding a radical domestic threat in America today.

**WATCH AT: [bit.ly/Soviet-Islam](http://bit.ly/Soviet-Islam)**



## CHARITABLE INFIDELITY:

*When donors lose control of donor-advised funds*

By Hayden Ludwig

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**Summary:** *The American people are some of the most generous in the world. According to Giving USA, Americans gave an estimated \$390.05 billion to charities in 2016 alone. But even as charitable giving grows, philanthropy itself is changing, thanks in no small part to the rise of donor-advised funds. But what are these funds, and what opportunities—and dangers—do they present to conservative donors?*

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What's a philanthropist? The answer might depend on who you ask—and when. A century ago, the average American donor resembled John D. Rockefeller or Henry Ford: fabulously wealthy captains of industry whose fortunes built the grand philanthropic projects that bear their names today, such as Carnegie Hall in New York City. But today, philanthropists look much more like your grandparents, parents, or even the Millennials in your life.

Philanthropy is changing—not only *how* we give, but *when*. Donors aren't limited to creating their own private foundations (think the Ford or Gates Foundations) or simply giving directly to causes they support. A powerful but little-known philanthropic vehicle—the donor-advised fund, or DAF—is sweeping the charitable sector and bringing with it greater philanthropic opportunities for givers of more modest means. They're a multi-billion-dollar force to be reckoned with in an industry that's evolving as rapidly as it's growing—with enormous consequences that could shape modern philanthropy for decades. But as one conservative donor discovered, that change isn't always good.

### Changing How We Give

What are donor-advised funds? DAFs, are a kind of charitable savings account managed by a tax-exempt 501(c)(3) nonprofit. Like a donation to any tax-exempt nonprofit, donations to a DAF are tax-deductible. Unlike traditional nonprofits, though, which may accept donations for general use or for specific projects, DAF providers (or “sponsoring organizations”) keep track of individual donor accounts. Donors can invest unlimited funds in their accounts, which are then invested to grow *tax-free* until the donor specifies



Credit: Gage Skidmore. License: <https://goo.gl/NbbkCL>.

*The largest conservative donor-advised fund provider is DonorsTrust. Founded in 1999, its goal is protecting “the intent of libertarian and conservative donors,” according to DonorsTrust president Lawson Bader.*

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which organizations he wants to receive grants from that account. With account minimums as low as \$5,000, which offer immediate tax incentives, it's little wonder that millions of savvy donors are moving their money into these funds.

Alternatively, some givers choose to put their money into their own private foundation, an independent organization that gives them complete investment and grantmaking control. But there are key reasons why a donor might put their money into a donor-advised fund instead. For one, the start-up cost of establishing a private foundation can be substantial—Vanguard Charitable Endowment Program estimates the start-up cost of a new private foundation to exceed \$15,000, plus ongoing operating and legal costs. Creating that foundation and registering it with the IRS can take weeks or months. In contrast, opening an account with

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*Hayden Ludwig is a research analyst at CRC.*



a DAF provider is immediate, with no cost to donors beyond the investment management fees charged by the provider (usually 1 percent of the account total).

Private foundations also have lower tax deduction limits than DAFs. According to the National Philanthropist Trust (NPT), a major DAF provider, DAFs can reap a tax deduction of 60 percent for cash gifts versus the 30 percent private foundations are allowed to deduct. Private foundations are only allowed to deduct 20 percent of adjusted gross income for stock or real estate gifts versus 30 percent for DAFs. Foundations are also subject to annual excise taxes (usually 1–2 percent of annual net investment income), from which DAFs are exempted altogether.

With this knowledge, it's unsurprising that donor-advised funds are rapidly overtaking traditional grantmaking foundations as philanthropic heavyweights. According to NPT's 2017 report, DAFs now spend out one-third as much as private foundations each year, but are only one-tenth their size by total account assets (about \$85.2 billion in DAF assets versus \$865 billion in foundations)

Private foundations also face stricter spend-out requirements than DAFs. The IRS requires private foundations to “annually distribute income for charitable purposes,” which means foundations *must* spend at least 5 percent of their net assets each year. In contrast, donors using a DAF can make annual donations to their accounts, reap immediate tax benefits, let the money grow tax-free, and ultimately direct their DAF provider to make grants to nonprofits of their choosing—without dealing with cumbersome IRS requirements.

Unlike private foundations, which are often the domain of the ultra-wealthy, donor-advised funds are often more modest in size; the average size of a DAF account in FY 2016 was just under \$299,000. According to a 2017 Foundation Source report, 58 percent of private foundations sampled have asset sizes over \$1 million (however, the IRS reports that 66 percent of *all* U.S. foundations have asset sizes under \$1 million). And there are many more of them: 284,965 DAFs in FY 2016 versus 83,276 private foundations.

Since 2012, when NPT began its annual report, total contributions to DAFs have risen by nearly \$10 billion to \$23

**Figure 4: Total Number of Donor-Advised Funds**



**Figure 5: Annual Payout Rate, Total for All Donor-Advised Funds**



**Figure 6: Average Donor-Advised Fund Size (\$)**



billion. In fiscal year 2016, contributions rose by 7.6 percent to \$23.3 billion. That growth is setting new spending records every year, too. Grants made by DAFs have nearly doubled since 2012 to \$15.8 billion, while the aggregate DAF payout rate for that period has exceeded 20 percent. In comparison, King McGlaughon, president of Foundation Source (a foundation advisor), has noted that private foundations averaged a payout of just 11.6 percent between 2008 and 2011.

Despite their recent growth in popularity, DAFs have been around for decades. They first originated in 1931 with the New York Community Trust following the initial creation of

community foundations (grantmaking entities which serve geographically defined areas). DAFs were overhauled by the Internal Revenue Service in line with the 1969 Tax Reform Act, which established initial “distinctions between private foundations and public charities,” according to the Council on Foundations. The 1986 Tax Reform Act brought a new slew of nonprofit regulations, tightening reporting rules on taxable income.

The resulting upkeep in foundation management only encouraged the movement of money away from private foundations and into DAFs through the late 1980s and 1990s. As a result, new commercial DAF providers appeared—independent public charities created by major investment brokerage firms, including the Schwab Charitable Fund (Charles Schwab), Goldman Sachs Philanthropy Fund, Vanguard Charitable Endowment Program, and the largest, Fidelity Investments Charitable Gift Fund.

These four commercial DAF providers are some of the biggest charities in America. In July 2018, Schwab Charitable reported that grants from its DAF accounts between the first two quarters of the year were almost \$2 billion, a 20 percent increase over the \$1.6 billion donated the year before. Fidelity Charitable is even bigger: in 2017, the nonprofit made over one million donor-recommended grants totaling a staggering \$4.5 billion. At the same time, Fidelity Charitable opened 21,000 new DAF accounts for some 30,000 donors.

## Donor Intent and Anonymity

Considering the financial benefits, it's little wonder why so many are investing their philanthropic dollars in donor-advised funds—particularly seniors concerned with preserving their intent for their wealth. We have only to consider the ill-fated legacies of Henry Ford, Andrew Carnegie, and John D. Rockefeller—pious Christians and capitalists, whose collective wealth now funds virtually every social engineering scheme of the Left—to understand why defending donor intent matters. As the histories of the Ford Foundation, Carnegie Corporation of New York, and Rockefeller Foundation show, leaving your wealth to a private foundation is risky. CRC senior fellow Martin Morse Wooster details in *How Great Philanthropists Failed and How You Can Succeed at Protecting Your Legacy*, the people you leave to manage your wealth when you're gone may decide to fund causes that you'd never have supported yourself.

While there's no fool-proof way to preserve donor intent, DAFs generally allow account-holders to designate successors. Mission-driven DAF providers also provide an additional level of security for donors' legacies by barring donations to organizations that don't mesh with the religious or political views of the donor.

The Milwaukee-based Bradley Foundation, one of the largest right-of-center grantmakers in the country, offers its own DAF, the Bradley Impact Fund. The Bradley Foundation makes its goals for the fund clear: it is for donors “committed to American constitutional liberties and ideals,” and to that end, makes grants to “support a wide array of well-vetted organizations committed to advancing conservative values” as well as more traditional nonprofits (e.g., those which support the arts, education, and public health).

The Leadership Institute, a conservative nonprofit public policy and government school founded in 1979 by famed activist Morton Blackwell,

hosts its own donor-advised fund for donors to support “charitable organizations approved by the Institute.” There's also the Atlanta-based National Christian Foundation, which specializes in accepting non-cash assets—real estate, stocks, and non-voting business interests—from donors who want to support Christian causes.

But the largest conservative DAF provider, by far, is DonorsTrust. Founded in 1999 and headquartered in Alexandria, Virginia, its goal is protecting “the intent of libertarian and conservative donors,” according to an August 2017 interview with DonorsTrust president Lawson Bader. It's substantial, too; the organization's Form 990 filing for 2016 shows \$187.5 million in total assets, \$92.6 million in contributions, and \$68.6 million in expenditures. (In the spirit of disclosure, CRC has received gifts from donors through both the Bradley Impact Fund and DonorsTrust.)

Although it funds numerous nonpolitical nonprofits and causes, 80 percent of the grants DonorsTrust makes each year go to support public policy organizations. However, this comes with its disadvantages.

Liberal publications regularly attack DonorsTrust as the “dark-money ATM of the right” because of its steady funding to conservative and libertarian think tanks like the American Enterprise Institute, Cato Institute, Heritage Foundation, and smaller right-of-center groups—such as the investigative journalism group Project Veritas and the conservative magazine, the *Weekly Standard*.



*Despite their recent growth in popularity, donor-advised funds have been around for decades.*



SourceWatch, an agitation website run by the radicals at the Center for Media and Democracy, blasts DonorsTrust for “funding islamophobia in the United States.” Liberal Think-Progress has savaged the DAF provider for funding “some of the leading lights in the climate denial campaign.” Environmental extremists at Greenpeace have assailed DonorsTrust for accepting \$3.3 million from two foundations affiliated with Charles Koch between 2007 and 2011.

An operative of the left-wing attack PAC American Bridge 21st Century (founded by Clinton operative David Brock) even accused DonorsTrust of “obscur[ing] a lot of source money on the Right” during CRC’s live “Stump the Experts” episode of the InfluenceWatch Podcast at CPAC 2018, asking us if we know of “any mechanism by which the Left uses to disguise where its money is coming from.” (Listen to the InfluenceWatch Podcast for February 22nd at the 39:00 mark.)

CRC president Scott Walter was all too happy to answer the operative’s question: “Look up the Tides Foundation.”

The Tides Foundation is one of the better-known ideological DAF providers in the United States, and for good reason. Tides founder Drummond Pike pioneered the DAF provider structure when he co-created the organization in 1976. As we’ve seen, Tides wasn’t the first nonprofit to host donor-advised funds; but it was the first DAF provider created to help liberal philanthropists fund the left-wing agenda—and Pike had an ingenious way to do so.

CC —————  
*Liberal publications regularly attack DonorsTrust as the “dark-money ATM of the right.”*

Donor-advised funds provide a unique layer of donor anonymity. By acting as a “pass-through” entity, DAF providers like the Tides Foundation shield givers by masking the link between their donation and the donation recipient. At most, all an investigator can trace are donations to the Tides Foundation by a group or individual—say, the left-leaning California Endowment or Jonathan Soros—and follow grants from Tides to groups like the American Civil Liberties Union and the Center for Media and Democracy. Beyond tracking the flow of money, observers can’t connect those grants to any single donor.

It should be said that nonprofits don’t have to be donor-advised fund providers to be considered “pass-throughs,” and certainly not every donation to the Tides Foundation is

made to its DAFs. But considering the enormous benefits to donors, there are few reasons why ideologically-motivated philanthropists wouldn’t use donor-advised funds to maximize their impact while also maintaining privacy.

## Funding Charity or Civics?

The swift growth in the number of donor-advised funds and their assets has been met with mixed reception. Critics point out that donor-advised funds lack financial transparency more evident in traditional nonprofits—a feature supporters view as integral to preserving donor privacy (either for ideological or practical purposes). Others object to uneven requirements: unlike private foundations, DAFs don’t have a board of directors, conduct financial audits, or file Form 990 with the IRS. They aren’t subject to minimum federal payout requirements, either.

Nevertheless, DAFs have been hailed for promoting a kind of “poor man’s philanthropy,” since many DAF providers have a low cost of entry (Schwab Charitable’s minimum donation is only \$5,000), encouraging younger givers of more modest means to start a charitable nest egg and let the money grow for years before making their first gifts. Just as in other financial sectors, all those federal rules and requirements have raised the cost of private foundations out of the reach of most would-be philanthropists.

Observers on the Left seem most torn over donor-advised fund giving, particularly to public policy nonprofits. While some are quick to disparage DAF grants that support right-of-center causes, others like *The Atlantic* have criticized the use of DAFs by community foundations and their wealthy supporters for warehousing money that should be used to address local needs. In particular, they’ve pointed to the Silicon Valley Community Foundation (SVCF), which announced in February that it now has \$13.5 billion in assets (“more than the Ford Foundation”) while SVCF’s grants to Bay Area projects fell by 46 percent in 2017. Ironically, while SVCF has been riddled with recent sex scandals—leading CEO Emmett Carson, chief development officer Mari Ellen Loijens, and human resources vice president Daiva Natochy to resign in April—it’s a favorite foundation of at least 16 liberal billionaires, including Facebook founder Mark Zuckerberg and Starbucks chairman Howard Shultz. SVCF also funds left-wing organizations like Nature Conservancy, Food and Water Watch, the New Venture Fund, and Good Ventures (a grantmaking foundation).

In reality, it isn’t liberals who ought to be concerned about the flow of DAF money into public policy nonprofits—it’s conservatives.



Credit: Jakob Steinschaden. License: <https://goo.gl/XRV979>.

*Silicon Valley Community Foundation (SVCF), is a favorite foundation of at least 16 liberal billionaires, including Facebook founder Mark Zuckerberg.*

According to Schwab Charitable's 2017 Annual Giving Report, as grants tripled from \$504 million in FY 2011 to \$1.6 billion in FY 2017, donations to Planned Parenthood and the ACLU have increased rapidly and brought those organizations into Schwab Charitable's top five recipients list. Planned Parenthood and the ACLU, respectively, were the second and third most popular donation recipients among Millennials, and the second and fifth most popular among Baby Boomers. Most disturb-

ingly, Planned Parenthood jumped from third place to become the most-donated-to nonprofit among Generation X donors (born between 1965–1984).

The discredited Southern Poverty Law Center—which CRC senior fellow Matthew Vadum reported in April has amassed over \$477 million in assets—and Natural Resources Defense Council are “also among the charities that saw big increases,” according to Schwab Charitable president Kim Laughton. Donations through Schwab Charitable have also funded a host of left-wing organizations: the Natural Resources Defense Council (\$17.2 million since 2003), NAACP and NAACP Legal Defense and Education Fund (\$10.4 million since 2003), Energy Foundation (\$22.4 million since 2007), Anti-Defamation League and its state affiliates (\$8.4 million since 2003), and the New America Foundation (\$9.7 million since 2005).

Filings from Vanguard Charitable Endowment Program and Fidelity Investments Charitable Gift Fund report similar donations to left-wing groups such as the Tides Foundation, Human Rights Watch, gay marriage advocate Equality California, Center on Budget and Policy Priorities, and Environmental Defence.

To be fair, donations through these commercial DAF providers also go to support conservative and libertarian

groups like those mentioned earlier. But that's only right and proper: donors should be free to use their donor-advised fund money to support causes they like—be it on health, education, or public policy—without relying on an ideologically aligned DAF provider.

But they should also remember that the IRS treats donations to a DAF account as the *provider's* money, not the donor's. In the government's eyes, it's little different from a standard donation to a run-of-the-mill 501(c)(3) public charity. For most people, this isn't a problem; they give to a DAF, specify a recipient, and the provider makes the grant—hence the “advised” part of “donor-advised fund.” And that relationship generally works well, as most “advisors” find they have almost as much control over where their money goes as if it were housed in their own private foundation, but at a fraction of the cost.

But what happens when a supposedly neutral commercial DAF provider defies your “advice”—because the grantee is too conservative?

## Charitable (In)fidelity?

CRC received a tip about such a situation involving an anonymous donor and account-holder at Fidelity Charitable. The donor, a longtime supporter of the right-of-center investigative journalism group Project Veritas, was recently informed by his DAF account advisor that Fidelity Charitable would not fulfill his request to make a grant to the group. The donor was understandably puzzled. He'd made grants to Project Veritas before through Fidelity Charitable. What changed?



*But what happens when a supposedly neutral commercial donor-advised fund provider defies your “advice”—because the grantee is too conservative?*

Data from Foundation Search seems to confirm at least part of his claim. The website shows \$335,000 in 15 grants from Fidelity Charitable to Project Veritas between 2012 and 2015 (the identities of the original grantmakers, of course, cannot be obtained).

Thankfully, the tale has a (somewhat) happy ending. Account advisors at Fidelity Charitable ultimately made the grant to Project Veritas—perhaps after being reminded of the donor's not-insubstantial account balance with the pro-





Credit: Gage Skidmore. License: <https://goo.gl/Kz8Q4f>.

*It should be noted that Project Veritas is perhaps better characterized by its controversy than its conservatism. The group, founded and led by political activist James O’Keefe, has been at the center of a number of high-profile undercover investigations into left-wing organizations.*

vider. This isn’t the first time Fidelity’s warded off a donor’s grant request to a right-of-center organization, either. Fidelity Charitable advisors vetoed a grant to the free market Illinois Policy Institute (IPI), calling it “too political” despite making nearly \$1.3 million in 14 grants to IPI in the past (the grant was ultimately approved). But these anecdotes ought to worry conservative and libertarian DAF users, as they shed light on a booming, enormously wealthy organization that’s essentially run on the honor system.

It should be noted that Project Veritas is perhaps better characterized by its controversy than its conservatism. The group, founded and led by political activist James O’Keefe, has been at the center of a number of high-profile undercover investigations into left-wing organizations. It first came to prominence in 2009, when O’Keefe and Co. posed as a prostitute and her boyfriend to infiltrate the offices of the famously corrupt Association of Community Organizations for Reform Now (better known as ACORN), where they secretly recorded employees’ instructions on avoiding prosecution for child prostitution, tax evasion, and human smuggling. In October 2016, Project Veritas’s series “Rigging the Election” exposed illegal collusion between the Hillary Clinton presidential campaign, the Democratic National Committee (DNC), and the high-profile Democratic consultancy Democracy Partners.

More recently, the group got into hot water during the 2017 Alabama Senate special election when it attempted to expose bias at the *Washington Post* in part by feeding the paper a false story about then-Senate candidate Roy Moore. Undercover “informants” reported that Moore had impregnated a 15-year-old, who then aborted the child. (The assumption was that the left-leaning newspaper would publish the story without fact-checking it.) It was a blunder soon discovered by the *Post* and denounced by pretty much everyone watching—left- and right-leaning—and led some conservatives to demand donors stop funding Project Veritas.

Is it possible that Fidelity Charitable decided to heed that call?

While its handling of the botched *Washington Post* sting left much to be desired, Project Veritas has never hidden its political leanings or pretended to be non-ideological. In the last eight years since it was founded, the group has built its reputation on stirring up controversy, but that didn’t stop Fidelity Charitable from honoring account-holders’ wishes to make grants to it—until now, anyway.

Considering that Project Veritas essentially remains the same right-of-center organization that it was before the *Washington Post* fiasco, Fidelity Charitable’s reluctance to make a grant to the group suggests that the DAF provider is shifting away from ideological neutrality rather than simply shying away from political controversy. That’s reinforced by an April 2018 webinar in which Fidelity Charitable president Pam Norley admitted that the provider utilizes the far-left Southern Poverty Law Center’s (SPLC) discredited “Hate Map” in making donor-recommended grants. According to Norley, Fidelity Charitable informs donors if the SPLC considers their intended grant recipient a “hate group,” but will make the donation if pressed.

That Fidelity Charitable considers the SPLC a credible source ought to concern every donor. And while high-dollar account-holders may have the means to pressure a provider into honoring their wishes, where does that leave more modest philanthropists?

Fidelity Charitable’s unwelcome move towards inviting bias into its grantmaking process is discouraging, but it’s hardly unusual in philanthropy—an industry whose history might sadly be summarized as anti-capitalists commandeering the hard-earned fruits of capitalism. Given that commercial DAF providers effectively operate as corporate charitable arms, it’s fair to say that they’re uniquely influenced by the movement towards “corporate social responsibility,” or CSR.

As a tool for pushing companies left, it’s hard to overstate the effect CSR has had on American enterprise. As Calvin

Question	DonorsTrust	National Christian Foundation	Bradley Impact Fund
What is the minimum investment to create a new donor-advised fund account?	None to create an account, but \$10,000 minimum to make grants.	\$10,000	\$5,000
Do you accept other assets (e.g. stock, private companies, or real estate) as donations?	Yes.	Yes. NCF specializes in non-liquid asset donations.	Yes.
Do you offer multiple investment pools/options to choose from?	Yes.	Yes.	Yes.
What is the minimum or recommended min. donor-advised grant size you will make?	\$100	\$100	\$500 (recommended)
Is there an annual grant minimum required?	No.	No.	No.
Can I provide an intent statement for the types of organizations or causes I want to support?	Yes. DonorsTrust will make grants after donor's death consistent with the intent statement and/or their previous grants.	Yes. NCF's Liberty Fund is specially designed to continue making grants according to the original donor's intent.	Yes.
Can I specify a secondary advisor and account successor?	Yes.	Yes (multiple advisors).	Yes.
Can my account successor specify a successor for themselves?	No.	Yes.	Yes, if the original donor allows for it.
Can my account successor change the intent statement?	No.	Yes (account successor).	No.
Can I specify (or do you require) a paydown schedule or sunset date for my account?	Paydown schedule is mandatory.	No.	Yes (highly recommended).
What happens if I die without leaving an account successor?	DonorsTrust will continue your paydown schedule, according to your intent statement and grantmaking history.	Account management may be given to a family member or close relative to continue grant distribution. Successors may also divide and distribute the account into other NCF-managed funds.	BIF will pool account funds into a board-directed grants fund.
Are there any restrictions on which organizations you will make donor-advised grants to?	No organizations whose mission is inconsistent with DonorsTrust. For universities, only grants to specific programs are made, not general fund grants.	No organizations whose mission and values don't align with NCF's stated beliefs and values as a Christian charity provider.	No organizations whose mission is inconsistent with the mission of the Bradley Foundation. Grants to existing Bradley Foundation grantees encouraged.
Do you use the SPLC's Hate Map in determining who you will make grants to?	No.	No.	No.



Silicon Valley Comm. Foundation	New York Comm. Trust	Community Foundation of Broward	Fidelity Investments Charitable Gift Fund	Vanguard Charitable Endowment	Schwab Charitable Fund
\$1,000	\$5,000	\$25,000	\$5,000	\$25,000	\$5,000
Yes.	Yes.	Yes.	Yes.	Yes.	Yes.
Yes.	Yes.	Yes.	Yes.	Yes.	Yes.
\$200	\$250		\$50	\$500	\$50
No (5% recommended).	No.		No.	No.	No.
	Yes.		Yes.	No.	No.
Yes (multiple).	Yes (multiple).	Yes.	Yes.	Donors highly encouraged to name successors.	Yes.
No.	No.	No.		Yes.	Yes.
	No.			At the donor's discretion.	At the donor's discretion.
	NYCT makes final decision on funds (depends on contract agreements).		Account will terminate upon the death of the last remaining Account Holder.	Accounts without successors may be redirected into Vanguard-administered charity (Philanthropic Impact Fund).	Advisers will attempt to make future grants based on donor's history; otherwise funds default to Schwab Foundation.
	NYCT vets all grantees before making grants, and prohibits grants to "hate-based" organizations.			Vanguard follows IRS good standing, but not the nonprofit's mission.	Schwab avoids grants to nonprofits with board and leadership scandals.
	No, determinations are made in-house.		Yes (as of May 2018).	No.	No.

Coolidge liked to say, “the business of America is business.” No longer. Now paeans to “embrac[ing] principles of environmental responsibility in our everyday business practices” are the proper *fides* proclaimed by otherwise profit-driven firms like Fidelity Investments. JPMorgan Chase even went so far as to establish an Office of Social Responsibility to advance the notion of corporate citizenship.

Is CSR a strategy for firms to shrug off anti-capitalist activists with appropriate virtue-signaling? Probably. But when a company or nonprofit invites activists divorced from private enterprise to shape its activity—particularly where philanthropy is concerned—we shouldn’t be surprised when it begins to shy away from associating with conservative causes.

## “We Make the Rules, Pal.”

One might assume that donor-advised fund providers like Fidelity Charitable would be opposed to further IRS regulations, but you’d be surprised.

Recently, the rapid growth of donor-advised funds in America caught the attention of the IRS, which issued a few proposed guidelines for DAF providers in December 2017. If enacted, the new regulations would loosen restrictions on account-holders who collect certain “incidental benefits” (e.g., small items like keychains and coffee mugs with the organization’s branding) in exchange for DAF grants; tighten restrictions on using DAF grants to pay for donors’ access to charity-sponsored events; and, more interestingly, clamp down on the use of grants to DAFs by private foundations in order to fulfill their annual 5 percent payout requirements—a commonplace practice criticized by some as avoiding real philanthropy by essentially moving money around.

It’s a fair criticism. The New York-based 136 Fund, for instance, has distributed \$100 million since its inception in 2008—more than 95 percent of which has gone to a donor-advised fund. That’s perfectly legal behavior and arguably of little consequence when it involves a handful of foundations. But when we’re talking about \$747 million moving from foundations to DAF accounts, is it really philanthropic?

Regardless, the renewed interest in creating new DAF regulations is to Fidelity’s advantage, one longtime DAF administrator informed CRC. He says that it’s something of an open secret that Fidelity Charitable supports the creation of new regulations on donor-advised funds as a means of further cementing its place as the country’s largest DAF provider. The organization even purportedly shares information with the IRS about some of its account-holders—very general data used to create a vague profile of unnamed



Credit: Fidelity Charitable/YouTube screenshot. License: <https://goo.gl/tp287z>.

*Fidelity Charitable president Pam Norley admitted that the provider utilizes the far-left Southern Poverty Law Center’s (SPLC) discredited “Hate Map” in making donor-recommended grants.*

clients—in order to help the agency survey the philanthropic landscape when drawing up future regulations. (Fidelity Charitable did not respond to CRC’s questions about its position on the proposed IRS rules.)

It should be stressed that this is anecdotal; but if true, it would make sense. The usual assumption is that when industries lobby government, it’s to avoid regulation. Not so, argues the Cato Institute: tobacco firm Philip Morris has “aggressively supported heightened federal regulation of tobacco,” General Motors supported “stricter clean air rules” for its vehicles, and the now-defunct energy company Enron shared many of the same “strict global energy regulations supported by environmentalists.” Considering the massive body of regulation created each year by federal agencies—totaling some 89,000 rules between 1995 and 2016—it’s a prudent gamble for the biggest firms to try to shape regulation to “lock in” their interests, rather than allow agencies to make sweeping rules without the benefit of industry expertise.

That usually involves intensive lobbying efforts of the agency (in this case, the IRS) by affected companies in the short window open for “public comment” on proposed regulations. In the case of the above regulations, that window was just over three months ending in March 2018—great for industry lobbyists, but hardly sufficient time for the general public to express opinions. It echoes Gordon Gekko’s words in the 1987 movie *Wall Street*: “We make the rules, pal.”

In a lightly-regulated field like philanthropy, that’s not necessarily all bad. Some have suggested that the nonprofit sector has failed to follow its for-profit counterpart in proactively pushing voluntary accountability measures, at least at



the national level, leaving it up to federal agencies to dictate regulations. Certainly, there are practices which invite trouble that could be ironed out. What happens to “orphaned” DAF accounts when the giver dies without naming an heir? DAF providers are legally the owners of these accounts, but should there be ethics rules to ensure that grants from these accounts at least *somewhat* align with the donor’s original intent? If not, what’s to stop more DAF providers from following Fidelity’s example and ignoring the donor’s advice? If DAF providers fail to create their own industry standards addressing these issues, the IRS may very well step in and provide its own rules—like it or not.

## Strange Bedfellows

Perhaps the most obvious lesson conservatives can draw from the Fidelity Charitable story is beware of leaving your wealth to a commercial donor-advised fund provider which may not honor your original intent. Givers should approach any DAF provider with an eye for certain “best practices” intended to keep the spirit of your philanthropy alive when you’re gone—and prevent your money from funding causes you don’t support.

Conservatives might turn to DonorsTrust to safeguard that intent. The DAF provider is famous for directing over \$1 billion in donors’ funds since 1999 toward nonprofits that honor the principles of limited government, free enterprise, and personal responsibility. DonorsTrust takes donor intent seriously. New account-holders are asked to fill out an intent statement intended to guide their gifts toward groups they support, both while they’re living and after they’re gone. Givers are encouraged to name an account heir to oversee that spending after their death, but the heir cannot alter the intent statement and, critically, cannot name a successor to follow them.



*The usual assumption is that when industries lobby government, it’s to avoid regulation. Not so, argues the Cato Institute.*

That’s because DonorsTrust provides the ultimate safeguard against donor intent gone awry: requiring a spend-out date for each of its accounts. The provider wants givers to know that it can be trusted to continue your philanthropy as you intend it and to establish a fixed sunset date for your funds—one of the surest ways to protect your philanthropic vision.

As DonorsTrust puts it, “shut it down.” Plan to spend out your charitable capital within 25 years of your death.

That ethos has the added benefit of maximizing donors’ dollar-for-dollar impact now, instead of “warehousing” its funds for years. As a result, the organization regularly reports payout rates approaching 85 percent, far higher than DAF providers like Tides (50 percent), National Christian Foundation (35–40 percent), and National Philanthropic Trust (21.5 percent).

Left-wing philanthropists, of course, have their own slew of liberal DAF providers to choose from—mega-funders like the Tides Foundation and NEO Philanthropy to name a few—and that’s perhaps for the best. The more that donor-advised fund money continues to concentrate in commercial DAF providers like Fidelity Charitable, the more it obscures the line drawn between these ideologically “neutral” providers and their mission-driven counterparts. That kind of wealth provides a huge temptation for commercial DAFs to pick and choose which grant requests they will honor, with huge ramifications for even slightly controversial organizations and the donors who want to support them.

Tides founder Drummond Pike expressed a similar sentiment in an August 22 op-ed in the *Chronicle of Philanthropy*, noting that “these ‘commercial’ funds...are essentially an asset-accumulation strategy dressed up as charities.”

Anyone who thinks any of these institutions decided to start offering donor-advised funds purely from a desire to prompt more giving to nonprofits needs a lesson in altruism...

Greed should be relegated to its more familiar environs exclusively within the financial world. It has no place in philanthropy.

Pike has a point. Instead of putting their money into commercial DAF providers, givers might choose to invest their money with providers which share their values, like Tides and DonorsTrust. After all, liberal givers know not to leave their money with the latter, just as conservative givers understand not to fund the former.

That may make these groups strange bedfellows—more like fair-weather friends than bitter rivals. But it also does something much more important: it promotes good, old-fashioned philanthropy. ■

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*Read previous articles from the Foundation Watch series online at [CapitalResearch.org/category/foundation-watch/](http://CapitalResearch.org/category/foundation-watch/).*



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