

THE LEFT'S NEXT CULTURE WAR: Taking Over Corporations One Board Room at a Time

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**POLITICAL
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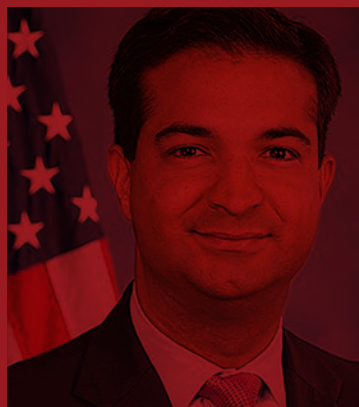
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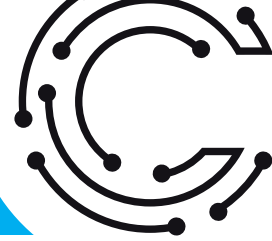
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CARBON TAXES WILL NEVER BE ENOUGH

By Hayden Ludwig

There's a pervasive myth among "eco-cons"—conservatives who accept the theory of global warming—that we can tax our way out of a climate crisis. The myth goes like this: the Earth is getting dangerously warm and humanity is to blame, so it falls to government to fix it.

What separates these "climate change conservatives" from liberal environmentalist activists is that the latter will do whatever it takes to halt climate change. Eco-cons will not.

There's a good reason why. Once you accept the theory of catastrophic man-made global warming you also accept the moral burden to avoid its coming environmental apocalypse—by any means necessary. Anything less is defeatist or suicidal.

The eco-con's weapon of choice, a tax on carbon dioxide and other greenhouse gas emissions, is a supposedly market-friendly "solution" to global warming that's neither market-friendly nor effective—not if the goal is control over the Earth's ever-changing climate.

And liberal environmentalist activists know this, which is why they have discarded such "moderate" policies in favor of radical, all-encompassing plans like the Green New Deal, which would force the U.S. transition to



Credit: Kristie Boyd. License: Public Domain.

But carbon taxes drawn up by conservatives are often presented as pro-free market, revenue-neutral, or even taxpayer-friendly. That's certainly true of the latest Republican carbon tax bill (the deceptively named MARKET CHOICE Act) proposed by Republican Rep. Brian Fitzpatrick (PA) and others.

100 percent renewable energy production in the next decade (never mind that less than 14 percent of America's energy comes from wind and solar).

Just listen to liberals like Bloomberg columnist Noah Smith, who wrote in September that a carbon tax is "a good thing" for global warming but is "not enough." Then there's David Wallace-Wells who argued in *New York Magazine* last year that a carbon tax can't "solve climate change."

The environmental activist group Friends of the Earth has called a carbon tax a "half-solution . . . lacking the vision of what real action on climate change looks like." And there's the Green New Deal itself, whose authors—in their haste to mandate electric airplanes, socialized medicine, and guaranteed federal jobs for everyone—did not even include a carbon tax.

The Week was most succinct: a "carbon tax needs the Green New Deal much more than the Green New Deal needs [a] carbon tax."

Like all climate schemes, a carbon tax would massively raise household energy prices by taxing emissions from oil, coal, and natural gas, commodities which power the U.S. economy. It would artificially hike gas prices at a time when America has become the largest producer and soon will be the biggest exporter of oil in the world.

Hayden Ludwig is an investigative researcher at Capital Research Center. His last report, Big Money in Dark Shadows: Arabella Advisors' Half-billion-dollar "Dark Money" Network, exposed four nonprofit organizations, all controlled by senior leaders at Arabella Advisors, a for-profit consultancy.



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The bill purports to “combat climate change through the elimination of the gas tax” and creation of a tax of \$35 per metric ton of carbon dioxide emissions, beginning in 2021 and rising thereafter. It also touts the supposedly widespread “bipartisan” appeal for a carbon tax.

If that sounds familiar, it's because liberal Republican Rep. Carlos Curbelo (FL) floated a version of the bill last year under the same name (Rooney and Fitzpatrick co-sponsored it, too.) Recall that Curbelo—who hunted for support for his carbon tax among Congressional Democrats—lost his reelection bid to Democrat Debbie Murcasel-Powell in the



Recall that Rep. Carlos Curbelo—who hunted for support for his carbon tax among Congressional Democrats—lost his reelection bid to Democrat Debbie Murcasel-Powell in the 2018 midterms, a candidate endorsed by the Sierra Club, which supports a carbon tax policy.

Credit: US House of Representatives. License: Public Domain.

2018 midterms, a candidate endorsed by the Sierra Club, which supports a carbon tax policy.

Conservatives should be wary of the praise the Fitzpatrick carbon tax has earned from environmental activist groups like the Environmental Defense Fund, Nature Conservancy, Climate Leadership Council, and the libertarian-turned-liberal Niskanen Center.

But they should also learn from the past failures of carbon tax advocates to win liberal support, particularly in the era of the totalitarian Green New Deal. Environmental activists have one overriding goal: the complete transformation of America to a “green” socialist state. Nothing less will do. ■

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ORGANIZATION TRENDS



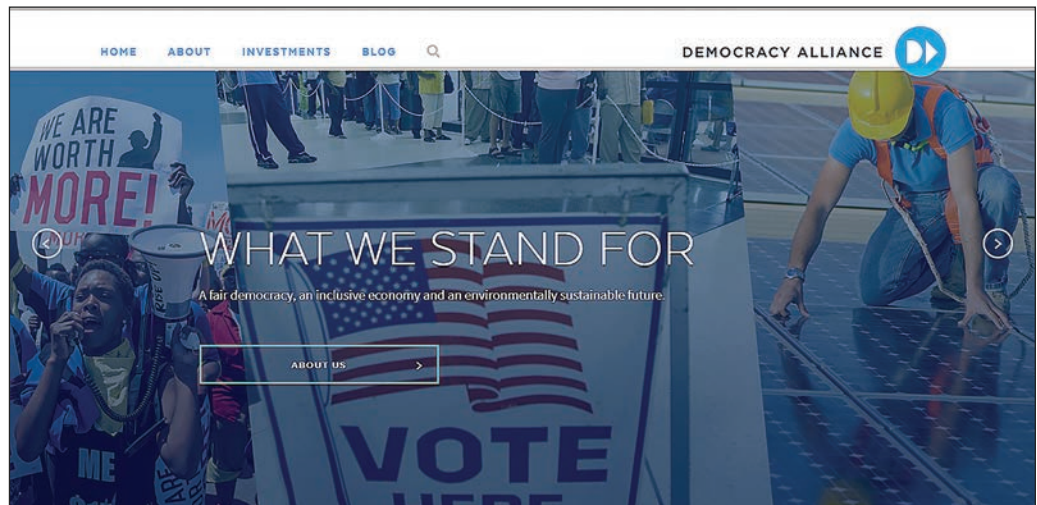
THE DEMOCRACY ALLIANCE: FUNNELING \$1.83 BILLION TO ERODE AMERICAN UNITY...AND IT ISN'T DONE YET!

By Neil Maghami

Summary: *The secretive network of donors known as the Democracy Alliance is believed to have pumped \$1.83 billion since 2015 into strengthening the American Left's infrastructure, hoping this funding will deliver left-progressive majorities to the polls. Many reporters like to pretend that the Alliance is purely focused on "civic engagement." But you don't have to study the Democracy Alliance for very long to know that the media isn't telling the whole story.*

In 2020, the Democracy Alliance (DA) will be working hard, once again, to swing American politics decisively and irreversibly to the Left. Over the last 15 years, following its founding by Democratic operative Rob Stein, George Soros, Peter Lewis (chairman of Progressive Insurance), Tim Gill (software developer turned leftwing advocate) and others, this secretive network of donors has marshalled enormous financial resources to shape a national constellation of radical activists and allied organizations. From this grouping of special interests, the DA's backers hope, a "New American Majority" liberal coalition will arise, and carry the left to permanent victories at the ballot box, right across the country.

The "New American Majority"—this is DA-speak for an amalgamation of abstract, demographically-based interest groups, knitted together by DA-funded intermediaries and led by influential figures identified and groomed by DA-linked organizations to serve as leaders, that the network hopes will carry the left from victory to victory at the state level as well as the Electoral College—thanks to DA-supported voter outreach efforts, including DA-backed social media campaigns.



Credit: DA Website. License: democracyalliance.org

In 2020, the Democracy Alliance (DA) will be working hard, once again, to swing American politics decisively and irreversibly to the Left. Secrecy is part of the DA's basic DNA. It has a website with lists of its affiliated partner organizations, and its current leader, Gara LaMarche, emerges occasionally, but that is about the extent of its transparency. It publishes no public annual report, holds no public annual meeting, and its periodic gatherings of donors and potential grantees are private.

As the Washington Free Beacon reported in April 2019, the DA's own internal tracking shows its affiliated donors "have infused \$1.83 billion into the left" since 2005. And they have "budgeted \$275 million to be injected into progressive infrastructure leading up to the 2020 elections," according to the *Beacon's* analysis of leaked DA documents.

It is important to stress that the DA does not promote donations to specific candidates for office; rather, its focus is on facilitating donations from supporters to those organizations dedicated to building a radical political/cultural infrastructure that can help the left seize power from what the DA's donors believe to be an ascendant American political right.

The DA is ambivalent about publicity. For example, it is shy about publicizing its participating donors and prefers

Neil Maghami is a freelance writer and regular contributor to CRC publications.

to obscure exactly how it coordinates between the far-left's philanthropic paymasters and its field marshals, battalion leaders, and foot soldiers. On the other hand, it has been happy to admit in public to a close association with the capital-r "Resistance" to President Trump. It even turned over a trove of internal documents to a team of academics at Harvard and Columbia for a recent study on patterns of political involvement among the very wealthy.

Capital Research Center has regularly covered the DA since its founding, and this article is intended as an update to CRC's previous pieces. (See, most recently, *The "Vast Left-wing Conspiracy,"* Foundation Watch, Oct 2014.) In addition, this piece will look at the DA from some new angles to highlight the group's fundamental focus on not merely winning elections, but transforming the United States. This will include examining more closely a series of public statements by Gara LaMarche, the man who currently leads the DA and will, by all indications, play a key role in whatever activities it has planned for 2020.

In taking this fresh approach, we will peel back the usual rationalizations provided for the DA and its media enablers—that it is simply a "progressive" group seeking to increase "civic engagement" among U.S. voters, and an effort by the organized radical left to "catch up" with elements on the political right. DA's radical agenda encompasses far more than that, as we will see.

"A Venture-Capital Organization for Progressive Institutions..."

As noted, secrecy is part of the DA's basic DNA. It has a website with lists of its affiliated partner organizations, and its current leader, Gara LaMarche, emerges occasionally to blog or speak in public, but that is about the extent of its transparency. It publishes no public annual report, holds no public annual meeting, and its periodic gatherings of donors and potential grantees are private.

Since CRC last looked closely at the DA, however, the network has allowed in some sunshine, allowing those on the outside to better understand its complex inner workings. (Periodic leaks of DA documents have helped as well, as we'll explore further in this article.)

In 2015, for example, the Philanthropy Roundtable published a book entitled *Agenda Setting: A Wise Giver's Guide to Influencing Public Policy*. The volume includes a brief but useful profile of Gara LaMarche, who became the Democracy Alliance's President in 2013. LaMarche will be familiar to many CRC readers, given his multi-decade involvement with

left-liberal philanthropy and non-profit groups. This includes long stints with both the Atlantic Philanthropies, the ACLU and of course George Soros's Open Society apparatus.

The on-the-record remarks from LaMarche included the paragraphs excerpted below. Note his remarks toward the end about internal tensions among DA supporters when it comes to pursuing electoral victories versus building long-term organizational infrastructure.

Democracy Alliance was organized around the idea that there were institutions on the progressive side of the spectrum that needed to be created or built up . . . To a great extent we were inspired by people on the right who had invested over a period of 30 or 40 years in key institutions that were policy focused. The Bradley Foundation or the Olin Foundation, for instance. We saw donors giving multiyear support to organizations like the Federalist Society and the Heritage Foundation. The Right really understood the need for infrastructure building.

On the progressive side we saw gaps in think tanks, media work, and leadership development. So, the Democracy Alliance looks for investments that can build policy and politics [sic] infrastructure. Our donors agree to be advised by us on key investments and give hundreds of thousands of dollars to causes and institutions that we identify. We are like a venture-capital organization for progressive institutions. And we also work with recipient groups on their business plans, funding needs, and metrics.

(**Note:** for an instructive example of this dynamic in action, please visit CRC's www.influencewatch.org and load the Democracy Alliance entry. At the end of that document, you will find a scan of a leaked DA progress report from 2016 that helps illustrate DA's leadership's interactions with the groups receiving support from DA-affiliate donors.)

In the war of ideas, LaMarche is somewhat skeptical of shortcuts.

One of the things those of us on the left admire about conservative policy philanthropy was that it took a long view. It was very ideas-focused, and it didn't expect change to happen tomorrow. It was understood that you lay the groundwork for change over a period of time with ideas first. In my view, that was the hallmark of philanthropy on the right. More recently, though, there has been a lot of focus on givers who are very, very focused on elections.

[. . .]

We have these tensions too among my donors at the Democracy Alliance. We all want to be politically active. But we also believe we need to invest in infrastructure and ideas over a period of time. So my job is to say it's a false dichotomy—that if you're interested in politics of course you need to be electorally engaged, but that electing the right people is only a predicate for change, and not sufficient. Politicians always disappoint and need to be held accountable or pushed. You're trying to build a movement that will hold someone accountable. The idea that you can short circuit movement-building and idea-building and just elect the right person and go home doesn't really work.

LaMarche, by the way, was publicly honing his arguments for left-liberal donors to focus more on infrastructure-building, rather than solely on political victories, well before he joined the Democracy Alliance. At a public lecture in 2013, he observed:

I've spent a lot of time in the last fifteen years moving the foundations I've led to invest in social movements, from immigration to LGBT to economic justice, and I've also exhorted the larger field to do more. For a while, there was a noticeable increase in foundation investments along those lines. But with a few significant exceptions—the relatively small amounts of money from progressive foundations like Field, Taconic and New World for civil rights in the 1950s and 60s, the Ford Foundation's early support for women's rights (Ms. Foundation founder Marie Wilson used to joke that the women's movement was one foundation—the Ford Foundation—away from welfare)—foundations have always been lagging indicators where social movements are concerned. As Incite! Women of Color Against Violence wrote in its 2007 examination of the “non-profit/industrial complex,” the revolution will not be funded.

And to the extent that in more recent years a few larger foundations have become stronger supporters of community organizing efforts, that's also had its price, since it's made those organizations increasingly as accountable to rich donors as to their own historically broad base. And while foundations talk about sustainability all the time—and the more liberal ones often treat their grantees like the right-wing would treat single mothers on welfare, imposing strict time limits and cutoffs—the fact is that most sustainability strategies are aimed at helping grantees move from dependency on one foundation to another. Very few foundations use their funding to help grantees build a more democratic base of support of the kind that has helped the



“Politicians always disappoint and need to be held accountable or pushed. The idea that you can short circuit movement-building and idea-building and just elect the right person and go home doesn't really work.” —Gara LaMarche

great organizations formed in the progressive era—the ACLU, the Sierra Club, the NAACP, Planned Parenthood—survive and thrive over many decades.

And even before that, in 2008, while he was leading the Atlantic Philanthropies, he predicted:

We can't continue to have two tracks of engagement in this country, one aimed at winning elections and passing laws and the other at helping our neighbors. The two must come together, and when they do, they will be multiplied a thousandfold.

I believe we are on the cusp of that exciting moment. And if those of us who have been in the vanguard of the movement to tap the potential of older adults and harness purpose can do that, together, in the words of New York Times columnist Nicholas Kristof, we “boomers” “may be remembered more for what we did in our sixties than what we did in the Sixties.”

But to do that we need to recapture some of the spirit of the 1960s, of the children of the greatest generation who held this nation to its founding promises and saved it with their marches and their courageous journeys south as surely as those who fought on the fields of Europe...

Impeachment and Beyond

In a September 26, 2019, blog post available via the DA's website, Gara LaMarche credited the announcement of impeachment proceedings by the House of Representatives against President Trump as the fruit of work undertaken by the DA and its network:

*We are now on a path to impeachment... **It's important to point out that the organizational and political infrastructure supported by the Democracy Alliance is what brought us to this place: the***

many progressive groups whose work gave us a Democratic House and made possible the restoration of vital checks and balances, and whose legal and Freedom-of-Information Act work meticulously documented the blatant corruption of this administration [emphasis added].

As a reminder of how long LaMarche has been on the scene, this September 26 blog recalls something he wrote more than 30 years ago. In a May 1988 letter to *Commentary Magazine*, LaMarche defended the smear campaign against would-be Supreme Court Justice Robert Bork, calling it “a grass-roots triumph of hard work and canny organizing, fought fairly and squarely on the issues.” LaMarche did so in his capacity as “Executive Director, Texas Civil Liberties Union.” The groups arrayed against Bork, LaMarche wrote, including “the ACLU, People for the American Way, the AFL-CIO, and various women’s and pro-choice groups” prevented his appointment by “moving quickly to define the terms on which debate and discussion of the Bork nomination took place,” including through a coordinated media campaign.

While CRC can’t point to documentation of LaMarche’s direct role in the more recent and less successful attempted character assassination by DA-linked groups and many others of Brett Kavanaugh following his nomination to the Supreme Court, the confirmation process for right-of-center candidates has been forever changed.

A Sweeping Vision

The size and scale of DA’s goals is hard to overstate. One can easily get bogged down in the specific details of the size of the financial resources it brings together; or how many states where the group is active; or just how many ways DA wants to slice and dice 300+ million Americans into different identity-based demographics.

As always, it’s most helpful to try to take a top-down view of the group. “To understand the Democracy Alliance and its goals, you need to begin with the right prism, or conceptual framework,” said Dr. John Fonte, Senior Fellow and Director of the Center for American Common Culture at the Hudson Institute in Washington, D.C.

“We could start with Gara LaMarche, to help understand the context. LaMarche was previously active with the Open Society funds and the Atlantic Philanthropies. He’s one example of the powerful elements in this country, spread across philanthropy, the universities, the media, the technology sector and the political scene, who are seeking what

amounts to a fundamental transformation of the United States from the historical model in place at its founding in 1776. I mean the ideals regarding liberty and justice embodied in the Declaration of Independence, or concepts like equality of citizenship, plus the institutions that make up our representative form of government—which together add up to what Aristotle would call the American ‘regime,’ or political system.”

“The Democracy Alliance is seeking not just political victory in 2020, but something that goes far beyond that. I would describe their objective to be bringing about a fundamental transformation in the American regime, in our political system, in the sense of our habits, customs and mores,” Fonte continued.

“This extends to a dramatic shift in the American conception of citizenship. They would replace the American ideal of equality of citizenship with a binary division of the population into oppressed groups (e.g., women, racial/ethnic/linguistic minorities, immigrant communities, LGBTQ and so on) and oppressor groups (the 1 percent, white males, etc.),” he added.

“The effect of this would be to reverse that traditional American motto of ‘E Pluribus Unum,’ or ‘from many, one’ to its opposite—‘from one, many.’ If you take

this emphasis on identity politics to its logical conclusion, the result will not be a more united America—rather, such a sharp focus on identity politics will lead eventually to the dissolving of a shared American national identity,” Fonte observed.

A further observation, provoked by Dr. Fonte’s line of argument—if you shift the American population’s orientation from being a united people linked by a common political heritage into a series of squabbling, artificial special interest groups, you’re not going to find it easy to put those parts back together again.



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“The Democracy Alliance is seeking not just political victory in 2020, but something that goes far beyond that. I would describe their objective to be bringing about a fundamental transformation in the American regime, in our political system, in the sense of our habits, customs and mores,” —Dr. John Fonte, Senior Fellow and Director of the Center for American Common Culture at the Hudson Institute in Washington, D.C.

This shift also cuts the historical continuity between the present-day American population and the past—specifically the founders of the United States, who imagined their descendants would be “citizens of a great republic,” to quote one of President Trump’s proclamations from earlier this year. Instead of upholding this noble heritage of “E Pluribus Unum,” the Democracy Alliance would apparently prefer to see the American people stage something closer to the political equivalent of the brawls that occur on the *Jerry Springer Show*.

What the DA Says in Public Versus Private

Dr. Fonte’s observations raise a question—what *is* the DA planning for the 2020 election cycle? (Beyond trumpeting impeachment.) In 2017, it published a “map” that documented a vast menu of about 70 activist groups that it had apparently recommended its supporters consider backing financially. The thread that united the 70 groups was that each was linked to the anti-Trump “Resistance.” The map, which was covered prominently in the *New York Times*, divided the prospective grantees into 15 different thematic groups:

Organizing; Litigation; Rapid Response; Corporate and Government Ethics; Advocacy; Electoralizing the Groundswell; Political Bundling; Pressuring Elected Officials; Protecting Direct Democracy; Backend Services; Innovation & Accelerators; Mass Mobilization; Storytelling; Volunteer Matching.

DA may be reticent about attracting too much publicity, but that does not mean it is apathetic to how it is covered in media. The release of this map (really more of a chart) and its coverage in the *Times* went a long way to reinforcing once again the standard media line about how the DA is primarily concerned with high-minded goals like “civic engagement.”

For the *Times* to present this map as some kind of revelation represents an effort to over-hype the story. It would have been real news if the *Times* had persuaded the DA to share the detailed “maps” of its activities that we know (thanks to a previous DA leak) that the group has produced regularly since 2014, as a way to update its partner donors. This would be a helpful way to trace changes to the overall DA approach. But the DA isn’t interested in putting all its cards on the table, so to speak.

The problem for the DA as it tries to fly below the radar is that, in 2019, there have been enough cumulative leaks of its insider documents that it is hard to take its public self-representation at face value.

In the course of reviewing these additional materials for insight, no one can doubt that “civic engagement” is just a small part of the DA network’s goals. Civic engagement, we might charitably say, is just a means to an end. In truth, the DA is intent on ensuring the left wins and holds political power at all levels of American government—for the long term.

Take for example, the brochure for DA’s 2018 Fall Conference, entitled “Taking Our Democracy Back.” It’s about 24 pages long. Let’s review how many times the concept of “power,” as in political power, comes up (emphasis added):

“Hear what inroads progressives made towards **building and winning power** in the states...” (pg 5)

“Winning elections are only the start. We have to deliver and **make the most of what power we take back** to set the agenda.” (pg 6)

“Building **Progressive Power** in Red States” (session title, pg 7)

“Exercising **Progressive Power** in Congress” (session title, pg 12)

“So how does progressive infrastructure, that’s been years in the making, work with congressional progressive leaders to **exercise this power**?” (pg 12)

“Who and how we **build independent power** in this political and ecologically vulnerable moment matters.” (pg 13)

“We’ll explore the trends we saw in 2018 that contributed to this surge and explore how we as a donor community can support efforts to grow more permanent, **stronger youth power** for 2020 and beyond.” (pg 13)

“Democracy requires institutions to **equalize political power**.” (pg 14)

“This work has immediate implications for turning out votes necessary to win at the polls, but also implications for communities build and **sustain lasting power**.” (pg 15)

Or we could look at a more recent “Investment Strategy and Recommendations” document, released in spring 2019: (emphasis added)

“...focus on a forward-leaning plan for (emphasis added): **progressive power building** and governance...” (pg 1)

“Over the past five years, the DA pursued a path of **building progressive political power** through the states...” (pg 1)

“...build the **progressive power needed** at this unique political moment.” (pg 1)

“...solving a common problem: the **concentration of power** in the hands of a few and the detrimental effects of this **power imbalance** on the vast majority of Americans.” (pg 2)

“...what unites the funding priorities and specific investment recommendations is a focus on **building independent political power—political power** that is grounded in the priorities of progressive, multi-racial, multi-class base; independent from dominant partisan, candidate and corporate control...” pg 2

“We must...restore and expand **structural power**.” Pg 4

While more investigative-oriented news sources like *Washington Free Beacon* have made use of these internal documents in reporting on the DA, unfortunately this is not true of the mainstream media. Indeed, the interest is so little that it is almost as if the DA document leaks are somehow being ruled out as unworthy of note—despite how much they add to our understanding of the DA network.

CC —————
LaMarche is a smart choice as the Democracy Alliance’s public face. Not only are his far-left credentials impeccable, but he also brings a disarming sense of humor to his work.

Gara LaMarche—the Man With the Plan

To expand upon Dr. Fonte’s earlier point, let’s look more closely at some other statements by Gara LaMarche. LaMarche is a smart choice as the DA’s public face. Not only are his far-left credentials impeccable, but he also brings a disarming sense of humor to his work. There are times when his public presence might call to mind a wise-cracking, street-smart uncle who, every four years, phones to gently remind you to vote Democrat. When sitting for an interview, LaMarche usually comes across more like the late Tom Bosley, the beloved American TV actor, than, say, grim Gus Hall, leader of Communist Party USA (CPUSA), or Leon Trotsky.

In 2013, for example, prior to becoming the DA’s President, he made the following tongue-in-cheek remark during a public lecture:

...[A]s I have gotten older, I find myself returning to the second faith in which I was raised—not the

Catholic Church, though it still guides much of my worldview forty-five years after my last communion and confession, but the American Civil Liberties Union, which I became involved with at eighteen, just as I was starting at Columbia University.

These flashes of humor aside, there can be no doubt that LaMarche’s views do indeed line up with the binary division of America that Dr. Fonte described. In the same 2013 lecture, LaMarche also said:

Though my race and gender, not to mention my nationality, has placed me at the pinnacle of the pyramid of privilege, despite a more modest class background (as, for instance, the first in my family to attend college), I have been drawn all my life to causes and movements of the discriminated-against, persecuted and marginalized.

In October 2017, while receiving a “Social Justice Award” from the Center for Popular Democracy, LaMarche said the following (which he later posted to Medium.com):

You’d have to go back a long way in this country to find a moment like the one we are living in, where big money and the right were as nakedly hungry to remove any restraints on their power.

The history of this country is a fight about power. First, to expand who has access to it. The words of the founding vision were grand, and inspire to this day, but they rang hollow while democratic power was limited to while [sic] male property owners. Social movements, ancestors to those that CPD stands with today, fought to expand that power to include African-Americans, women and others. When I worked in the American Civil Liberties Union in the 1970’s and 1980’s, we worked to claim the Constitution’s protection for young people, the disabled, and LGBT people. That work is never done.

Here’s an excerpt from a 2016 article by LaMarche that appeared on Huffington Post:

*My grandson will grow up in a country in which most people don’t look like him, in which people of color and women will be the overwhelming majority. If [sic] work hard to restore the momentum toward a just and inclusive society that filled my younger years with optimism and hope about the future, **this new majority will take its rightful place in the leadership of our key institutions, from boardrooms to capitols** [emphasis added]. There will be room for him, too, if we turn this country’s priorities around. But he will*

make his way without benefit of the rigged rules that men of my generation grew up with, where women and minorities were largely excluded from the game. When everyone is included, everyone benefits. That's why I'm channeling my anger into pushing for policies and the candidates who will back them, that make our democracy and our economy work for all people.

If you ever wanted to know what the “woke democracy” gleefully anticipated by some on the left will look like, here it is, in one paragraph.

In November 2016, the Ford Foundation posted a YouTube video of LaMarche talking about the rise of populist anger in America. His remarks included the following:

I'm an angry old white man. What am I angry about? I'm angry about different things. Inequality creates structures of power in which a relatively small number of people determine the future of great social questions. And we can't afford that.

I've enjoyed, by virtue of my gender and skin color, a degree of privilege in this society that has gotten me advantages that are ill-gained.

*I was born in 1954, which was the year of **Brown vs. Board of Education** which was the Supreme Court decision that finally began to undo **the legacy of racism that this country was built on** [emphasis added].*

Most women were not in the workplace, they didn't have control over their reproductive destiny. I was in high school when Stonewall happened, the great Civil Rights Acts of '64, '65, the Voting Rights Act, the Immigration Act of 1965 that ended racist immigration quotas, Medicare and the Great Society programs.

That's what makes me angry right now; people of my kind of age and gender and skin color who want to go back to a world before the changes that I'm talking about.

*The liberation of talent and energy that comes from the reduction of inequality and the reduction of bigotry that enables women and people of color and immigrants to compete on the same footing as **white men who have traditionally held power** [emphasis added], has liberated in every zone of life you want to look at whether it's finance, or the non-profit world, or politics, or higher education, or arts and culture, has liberated enormous amounts of energies that were bottled up before.*

In 2014, during a speech to fellow activists, LaMarche observed:

...[Y]ou also understand that no one constituency can bring about the change we need—immigrants, young people, women, LGBT people, white working-class men, and even some rich people like the ones I represented or try to organize all are needed, working together, in all their overlapping and intersectional glory. You also understand that among these constituencies [is also] labor, [and] the sweat, dollars and voices of women [sic] working men and women is a vital driver of progressive reform and economic justice...

This enthusiastic embrace of identity politics puts the DA on the side of those who, as Dr. Fonte observed in a 2016 op-ed, favor voter groups like those listed above putting their specific “ethnic, racial, and gender identities over [and above] a unifying national identity,” and to think of themselves as

members of a group first, rather than as “Americans first and foremost.”

It isn't only Dr. Fonte who questions this “New American Majority” strategy. Another is John Judis, the veteran journalist and political commentator, who previously co-authored a book in 2002 entitled *The Emerging Democratic Majority*. The book claimed that demographic trends in the growth of minority groups, etc. would inevitably give the Democrats an electoral upper hand over the GOP.

Judis has subsequently backed away from that thesis, citing how an identity-politics-driven approach ends up badly damaging the Democrats' “generalizable appeal on econom-



When sitting for an interview, LaMarche usually comes across more like the late Tom Bosley, the beloved American TV actor, than, say, grim Gus Hall, leader of Communist Party USA (CPUSA), or Leon Trotsky.

ics and national security,” for example, beyond that base of what other voters perceive as narrow “special interests.”

If the Left Wins in 2020...

Imagine the following scenario—it’s 2021, and after a hard-fought election, Elizabeth Warren has been inaugurated as the 46th President of the United States. Following her first 100 days in office, the President and her cabinet, reflecting further upon the conditions facing the country, decide publicly to back away from some radical Democratic Party platform commitments as unworkable.

The Democracy Alliance would spring into action as loyal foot-soldiers of the new Democratic presidential administration, and voice support for this sensible, temporary reordering of its priorities—right?

Possibly wrong—at least if LaMarche is still at the DA’s helm.

Let’s recall the following quote from a speech Gara LaMarche delivered in April 2013, while he was a visiting scholar at the University of California, Berkeley’s Haas Center for a Fair and Inclusive Society. Make note of what LaMarche has to say about political “tribalism”:

I have liked much about the progressive movement of which I have been a part, and hope to continue to play a role in shaping and leading it. But what I like least about my own side—and this is of course true of the other side as well—is its tribalism [emphasis added]. If all you need to know about what you think about an action or policy is who is for it and who is against it, so that the conduct of the war on terror—and yes, I realize there are some differences, not insignificant but not nearly enough—is enough to get you into the streets when George Bush is President and to quickly turn the page of the newspaper when it’s Barack Obama, something feels very wrong to me [emphasis added].

I prefer what Woodrow Wilson called the “growlers and the kickers.” I’m drawn to those who hold their friends and allies to account, even when it’s uncomfortable to do so, those who hew to a clear set of principles, of rules that do not depending on which team is at bat. These are not just about civil liberties, though they are

most often at risk; they’re also about the deployment of money in politics, the conduct of foreign policy, and how this society treats poor people. There is a progressive creed that knits together these things, and it often finds voice, for most of the last century, in the Democratic party, but it is not inherently a partisan one.

As LaMarche put it, perhaps a bit more crisply, in a speech to fellow activists back in 2014: “[Y]ou understand that, while elections are important, it’s what happens after elections...is critical. You understand the need not only to put allies into office but to hold them accountable once they’re there, [and that] democracy does not run on a two-year

cycle or a four-year cycle but a 24–7 cycle...”

So—when it comes to pushing the DA network to pressure elected officials, LaMarche implies, he will play no favorites. Party affiliation is less important to him than some vague, higher goal that he doesn’t quite fully describe. Perhaps it is fidelity

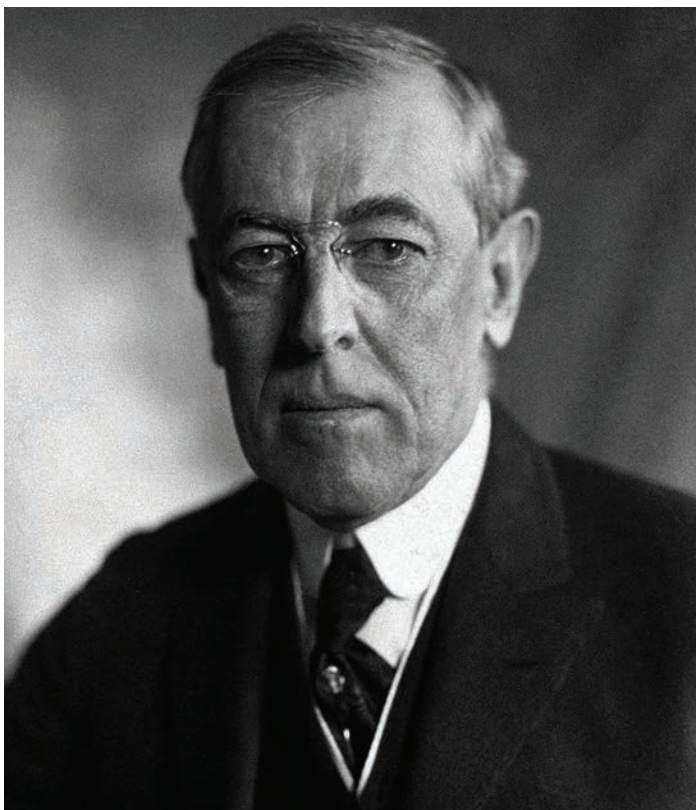
to the overall goals of the global progressive movement—or to the latest brainwave circulated by George Soros.

Democratic Party strategists may want to think about this. How reliable of an ally will the DA be in a political crunch?

The Strange Case of Woodrow Wilson

Before we move on, let’s look again at LaMarche’s quoting of Woodrow Wilson. He has used this line a few times publicly—including in February 2005, while he was still at Open Society and delivered a speech to a forum on immigration:

I want to close with one of my favorite quotes. When I ask people who they think said it, their guesses are always wildly off: “I believe that the weakness of the American character is that there are so few growlers and kickers among us. We have forgotten the very principle of our origin, if we have forgotten how to object, how to resist, how to pull down and build up, even to the extent of revolutionary practices, if it be necessary to readjust matters” [emphasis added]. Whose stirring words are these? Was it Frederick Douglass? Mother Jones? Eugene V. Debs? No, indeed, it was the man who put Debs in jail, Woodrow Wilson, President of the United States during a very dark time for civil liberties. We could treat this



Credit: Jonas Dujovnick. License: <https://bit.ly/34TzC0N>.

“Woodrow Wilson as we have all learned was a highly flawed president. He did good things, but he was also a racist. People are complicated. It was 100 years ago. I’m not here to defend Woodrow Wilson’s racism or his reinstitution of segregation [in the] federal government.” —Gara LaMarche

as just one more exhibit in the voluminous evidence that we have often been governed by hypocrites. I would prefer to see it, as Ellen Goodman recently wrote of President Bush’s sweeping inaugural paeans to freedom and human rights, also much criticized coming from a man who brought us the Patriot Act, Guantanamo, and Abu Ghraib, as a standard to judge him—and indeed ourselves—by.

Gara LaMarche has been cautious not to overstate his enthusiasm for Wilson. During a January 19, 2016 appearance on C-Span, one caller questioned LaMarche about whether Woodrow Wilson was a good example of how political “progressives” have done arguably more harm to America than good. LaMarche responded: “Woodrow Wilson as we have all learned was a highly flawed president. He did good things, but he was also a racist. People are complicated. It was 100 years ago. I’m not here to defend Woodrow

Wilson’s racism or his reinstitution of segregation [in the] federal government.”

CRC, after an exhaustive search, has determined that this “growlers and kickers” quote from Wilson originated from a speech Wilson delivered in 1899, long before he became President. Wilson was speaking in his capacity as a professor at Princeton, and his remarks were reprinted under the title “Spurious Versus Real Patriotism in Education,” in *The School Review* (Vol. 7, No. 10, Dec 1899).

In quoting Wilson, LaMarche appears to have taken one line from one paragraph of Wilson’s remarks and a line from another paragraph. The two paragraphs are reprinted below in their entirety. We beg readers’ indulgence, as there is a broader point to be made here about the DA, LaMarche, and the far left.

*We have seen a good many singular things happen recently. We have been told that it is unpatriotic to criticize public action. Well, if it is, then there is a deep disgrace resting upon the origins of this nation. This nation originated in the sharpest sort of criticism of public policy. We originated, to put it in the vernacular, in a kick, and if it be unpatriotic to kick, why, then, the grown man is unlike the child. **We have forgotten the very principle of our origin if we have forgotten how to object, how to resist, how to agitate, how to pull down and build up, even to the extent of revolutionary practices if it be necessary, to readjust matters** [emphasis added]. I have forgotten my history if that be not true history. When I see schoolrooms full of children, going through genuflections to the flag of the United States, I am willing to bend the knee if I be permitted to understand what history has written upon the folds of that flag. If you will teach the children what the flag stands for, I am willing that they should go on both knees to it. But they will get up with opinions of their own; they will not get up with the opinions which happen to be the opinions of those who are instructing them. They will get up critical. They will get up determined to have opinions of their own. They will know that this is a flag of liberty of opinion, as well as of political liberty in questions of organization.*

I am not saying this because I am as much disposed as some are to criticise recent events, but because I love, more deeply than I love anything else, the right of other men to hold opinions different from my own. If I had to live among men who always agreed with me I know what the consequences would be on my character and

*development, and I do not wish to live in any so placid and complaisant a community. I wish the rigorous airs of differences of opinion, and, if I am not able to fight it out for myself, I want some better champion on my side. A man's muscles are made, as I understand it, for use, for contention, for triumph, and I take it that his opinions are made for the same thing. We belong, therefore, to a contesting, a debating, an intellectual polity, where difference of opinion is, as it were, a sort of mandate of conscience, and where things prosper and are purified, because there are differences of opinion, and not because there is unity in opinion. That is the rigorous condition upon which we live. **I believe that the weakness of the American character is that there are so few growlers and kickers amongst us** [emphasis added].*

Viewed in context, Wilson seems to be defending the globally-unique American tradition, as enshrined through the First Amendment, of robust free speech, including on questions of national policy. When it comes to nurturing and protecting that tradition of free speech, in 2019, with the rise of “woke” culture, the leftward tilt of higher education, and the constant threat by “social justice warriors” to retaliate via social media against those who step out of line with conventional wisdom—the ideal of a free and open exchange of ideas and opinions described by Wilson seems far off indeed. Indeed, contemporary developments are straying uncomfortably close to that effort to enforce “unity in opinion” that Wilson warns of in the above excerpt.

The point here isn't to play some elaborate form of “Gotcha!” with Gara LaMarche—even if he does appear to have been a little too eager to infer some continuity between his own views and that of Wilson when it comes to “revolutionary practices.”

Rather, it's to point out how LaMarche's selective quoting of Wilson illustrates very vividly, in miniature, what he and his allies have in mind for the United States as a political community once they hold power, as per Dr. John Fonte's criticisms cited earlier.

That portion of American history, or civic culture, that appears to support their efforts at transformation—the far left will embrace that, and claim that it is not so much

transforming America as activating a certain long-dormant potential that even such figures as Woodrow Wilson recognized. The rest of American history and civic culture, given the inconvenience it creates for the far left—well, it's just so much historical residue that can be set aside in the name of progress.



The rest of American history and civic culture, given the inconvenience it creates for the far left—well, it's just so much historical residue that can be set aside in the name of progress.

Conclusion

During his remarks to a July 2019 conference on anti-Semitism, US Attorney General William Barr condemned how “under the banner of identity politics, some political factions are seeking to obtain power by

dividing Americans, and they undermine the values that draw us together, such as a shared commitment to our country's success.”

Barr then asked: “What is the competing vision?”

“I am reminded of something that happened two months after 9/11,” he continued:

An Americans Airline flight with 260 souls aboard took off from JFK, went wildly out of control over Jamaica Bay, and crashed into the small Belle Harbor neighborhood on Rockaway in Queens...A news report on the incident is always stuck in my mind. It involved a man-on-the-street interview of a life-long resident of Belle Harbor. With fires raging behind him, he was distraught, but unbowed, as he assured the reporter that Belle Harbor would surmount this latest tragedy.

He said, “This is a tight-knit neighborhood. We have a fabric. You got your Irish. You got your Italians. You got your Jews. So we are pretty homogeneous.”

The attendees laughed at this punch line, as Barr went on to wrap up his remarks:

Is there a better description of the Framers' aspiration of “E Pluribus Unum”?

We are a pluralistic Nation composed of very distinct groups, each bound together by ethnicity, race, or religion—each group proud of its identity and committed to its faith and traditions. Yet despite these differences, we can be bound together into a broader community. Not one that seeks to grind away our distinctive identity. Not one that seeks to overbear our religious

commitments, which must be paramount. But one that respects, indeed delights in, the freedom of each of us that give meaning to our lives—that help us understand our place and our purpose in this Creation.

This real sense of community cannot be politically mandated. It arises from the genuine affinity, affection, and solidarity that grows out of a shared patriotism and that spontaneous feeling of fellowship that arises from a shared sense of place, shared experience, and common local attachments.

Barr's words point to what ought to be the key to any serious critique of the Democracy Alliance —how it is tirelessly promoting the kind of identity politics that undermines that “sense of broader community,” “shared patriotism” and

“spontaneous feeling of fellowship” that should unite 330 million Americans as citizens. Given all the current vigilance against “foreign interference” attempting to divide Americans at election time—surely some of that vigilance might be mustered to look more closely at domestic actors seeking political gain through what amounts to the same kind of division.

To paraphrase a question from the Gospel of Mark—for shall it profit any political faction if it gains the White House and a super-majority in the US Senate, at the expense of the Republic's basic civic unity? ■

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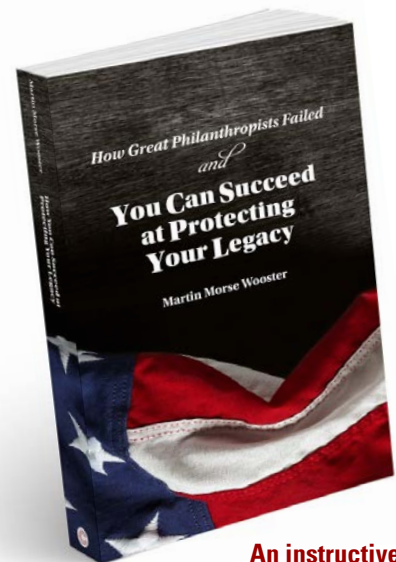
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DECEPTION & MISDIRECTION



DARK OCEANS: DREDGING THE WELLSPRING PHILANTHROPIC FUND

By Hayden Ludwig

Summary: *Some schemes are darker than others. The Wellspring Philanthropic Fund is a near-bottomless pit of “dark money”—anonymous spending to achieve political ends—fed by a handful of mysterious hedge fund billionaires. Using a sophisticated network of for-profits, shell corporations, and consultancies, Wellspring has poured out an incredible \$1.1 billion into nonprofits, most of which is hidden from prying eyes in donor-advised funds.*

From the Fountainhead

The origins of Wellspring Philanthropic Fund are shrouded. It isn't so much a foundation as the biggest cog in a well-funded, multi-armed machine whose grants are hidden in “pass-through” groups, and whose donors rarely bubble to the surface.

The story begins in an unlikely place: Princeton-Newport Partners, an early investment management firm in New Jersey that pioneered the first quantitative, computer-driven hedge fund in the world.

Hedge funds are private investment partnerships. In contrast to the high-risk-high-reward choices presented by other investment options, hedge funds are typically meant to generate a consistent return on investment regardless of what the market does—hence their name (“hedging” refers to reducing risk).

Princeton-Newport Partners was founded in 1969 by mathematics genius Edward “Ed” Thorp, best known for developing sophisticated card-counting gambling techniques using probability theory—a skill he put to use in the stock market. (Thorp even wrote a book on counting cards, *Beat the Dealer*, which mathematically proved that his techniques could overcome a casino’s house advantage in blackjack.)

It was probably while teaching at the University of California, Irvine, in the early 1970s that Thorp met the first of Wellspring’s three future founders, David Gelbaum, then a recent graduate with his Bachelor’s degree in mathematics.



Credit: Investors Archive. License: <https://bit.ly/200xIV4>.

Princeton-Newport Partners was founded in 1969 by mathematics genius Edward “Ed” Thorp, best known for developing sophisticated card-counting gambling techniques using probability theory—a skill he put to use in the stock market.

After graduating, Gelbaum joined Thorp’s new hedge fund along with two more future Wellspring founders: Andrew Shechtel and C. Frederick Taylor (often called simply “Frederick”). Little is known about Taylor’s early years; Shechtel, however, graduated from Johns Hopkins University with a degree in math and political economy at just 19 before attending Harvard Business School. He later worked on Wall Street and joined Thorp’s hedge fund in Princeton in the 1980s—not long before the company found itself under federal investigation.

Hedge funds are lightly regulated by the U.S. Securities and Exchange Commission (SEC) compared with traditional investment options. Fund managers aren’t even required to register or file public investment records with the SEC, depending on the size of the assets involved. But they’re still closely monitored for fraud.

Hayden Ludwig is an investigative researcher at Capital Research Center.



Hedge funds are lightly regulated by the U.S. Securities and Exchange Commission (SEC) compared with traditional investment options.

In 1989, Princeton-Newport Partners collapsed under a Racketeering Influenced and Corrupt Organizations Act (RICO) investigation that saw five of its officers heavily fined or imprisoned for more than 60 counts of tax fraud, mail fraud, and racketeering (extorting or coercing someone to pay for a service).

As the *Los Angeles Times* reported at the time, Princeton-Newport concocted “an illegal arrangement” with three other Wall Street firms “to engage in sham trades of stocks and bonds so that Princeton-Newport could claim illegal tax writeoffs” for phony losses. A later report adds that the charges were ultimately dropped.

It’s worth noting that Thorp was not among those indicted; he continues to run a hedge fund company in Newport Beach, California. None of Wellspring’s future founders—Taylor, Gelbaum, and Schechtel—were indicted under the RICO investigation, either.

Shortly after Princeton-Newport Partners was liquidated, however, the three founded a “secretive successor” in New Jersey in 1989: TGS Management, apparently an acronym pulled from their names. Little is known about TGS. Its website doesn’t even mention its founders’ names. But a handful of news reports note that the “quantitative finance” firm operates in “small, nondescript office buildings” in California and New Jersey—by some accounts, the very same office space that once housed Princeton-Newport Partners.

It’s also lucrative. TGS reportedly launched with some outside investment, but was so successful in its early years that it returned funds to most of its outside investors and became entirely private.

But in 2014, *Bloomberg Businessweek* traced hundreds of millions of dollars in donations to medical research to a pool of \$9.7 billion held in two trusts—both established on the same day in 2002 by TGS founders Taylor, Gelbaum, and Schechtel.

From 1999 to 2005, the three men reportedly used the law firm Lowenstein Sandler to establish over a dozen “anonymous private foundations funded and controlled by limited

liability companies”—all of which have links to Shechtel, Taylor, Gelbaum, or all three. This unique web enabled them to “disguise” their donations and “avoid almost all public scrutiny of their activities,” the website *Philanthropy News Digest* later wrote.

For reference, assets of \$13 billion made the TGS-linked pool the 4th-largest charity in America, bigger than the Ford, Gates, and Getty Foundations. *Bloomberg* labeled them the “\$13 Billion Mystery Angels” for using this unusual arrangement to anonymously funnel huge grants to philanthropic causes nationwide.

The story was picked up by the *Algemeiner*, a Jewish newspaper, which noted that some of these vehicles have “Hebrew or Israel-related names,” such as the LLC Shekel Funding. It then traced over \$100 million in grants from the funding web to Jewish groups. According to the *Algemeiner*, Gelbaum and Shechtel are Jewish (Taylor’s religion is unclear).

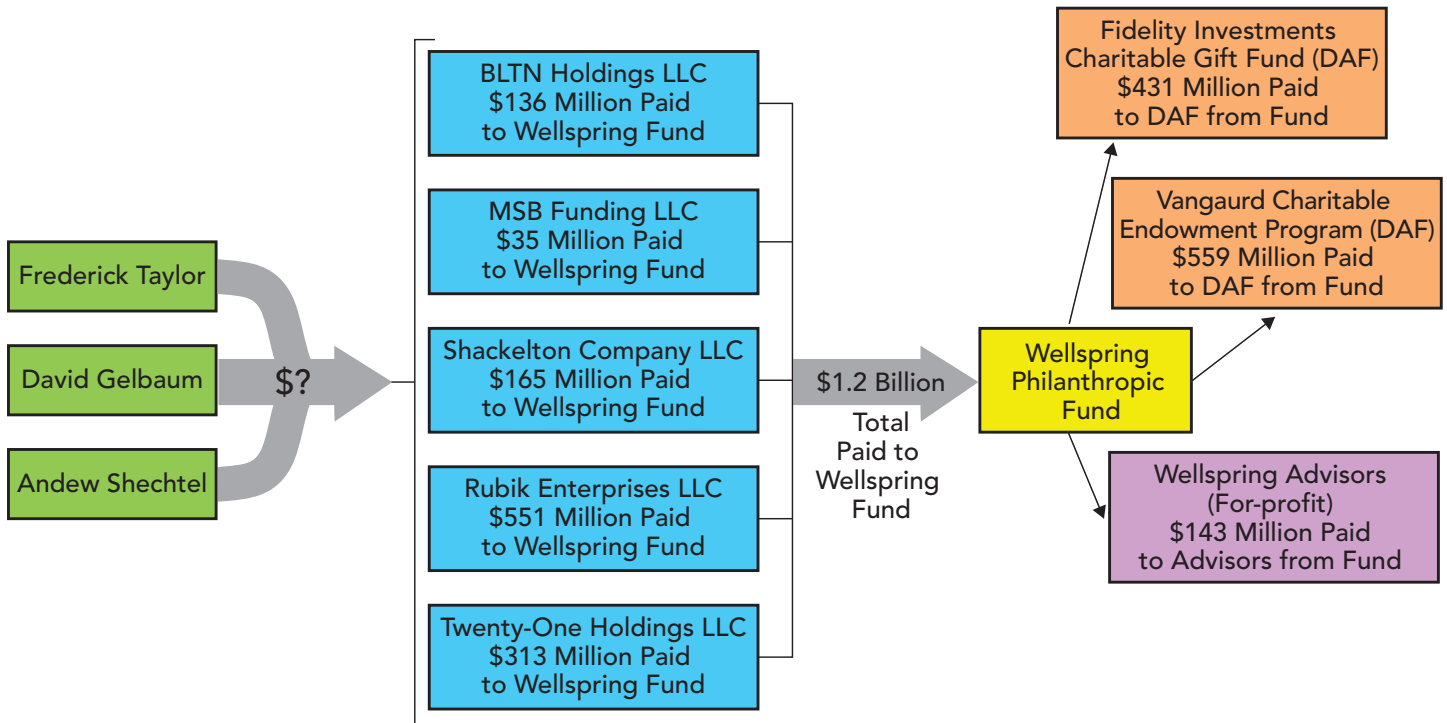
Nevertheless, much remains unknown about the three men. Federal Election Commission records indicate that Taylor is a reliable donor to Democratic Party candidates, giving \$55,000 to President Obama’s reelection campaign in 2012. Shechtel, on the other hand, is a frequent donor to Republicans, giving \$2,500 to the campaign of Texas Sen. Ted Cruz (R) in the 2018 midterm.



Credit: IAVA/Vids. License: <https://bit.ly/2NNWtlcJ>.

It was probably while teaching at the University of California, Irvine in the early 1970s that Thorp met the first of Wellspring’s three future founders, David Gelbaum. After graduating, Gelbaum joined Thorp’s new hedge fund along with two more future Wellspring founders: Andrew Shechtel and C. Frederick Taylor (not shown).

Wellspring Philanthropic Fund: Revenues and Grants (2001–2017)



Source: Return of Organization Exempt from Income Tax (Form 990). Wellspring Philanthropic Fund. 2001–2017. Schedule B. Schedule I.

Gelbaum was a major donor to the Sierra Club in the 1990s and early 2000s, gifting more than \$100 million to the environmental activist group, according to a 2004 article in the *Los Angeles Times*. Altogether he reportedly donated \$250 million to environmentalist causes, particularly to purchase huge tracts of land in the West which were then given over to the federal government (Gelbaum lives in California). For a time, he and his brother Daniel were also board members for the liberal group Wildlands Conservancy, alongside Sierra Club executive director Carl Pope.

Interestingly, Gelbaum may have played a role in the Sierra Club's shift toward mass immigration and open border policies in the late 1990s: "I did tell Carl Pope in 1994 or 1995 that if they ever came out anti-immigration," he told the *Times*, "they would never get a dollar from me."

Gelbaum reportedly ceased philanthropic giving in 2013 and retired from TGS Management around 2014. His lawyer told reporters that Gelbaum had suffered financially in the 2008 financial crisis and "lost more than he thought he could possibly lose."

Heart of "Dark Money"

The TGS-linked funding pool is concentrated in one tributary in particular: the Wellspring Philanthropic Fund, which paid out an impressive \$1.1 billion in grants between 2001 and 2017 (the latest available filing). But if you need more evidence that this multi-billion-dollar arrangement is byzantine by design, consider Wellspring's *original* name: Matan B'Seter, Hebrew for "anonymous gift." (It acquired its current name in 2016; notably, the word "wellspring" occurs three times in the Hebrew Bible and means "a source of continual supply.")

The foundation was formed in 1999 in Roseland, New Jersey, making it one of the older TGS-spawned groups. Its articles of incorporation detail three trustees registered at a single address: senior attorneys from Lowenstein Sandler, and the law firm's Roseland headquarters.

Unlike 501(c)(3) public charities and 501(c)(4) advocacy nonprofits, the IRS requires private foundations disclose their contributors. But you won't find Shechtel, Taylor, or Gelbaum listed in its annual filings. Since 2001, all of the

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Notably, the word "wellspring" occurs three times in the Hebrew Bible and means "a source of continual supply."

\$1.2 billion in contributions to Wellspring Philanthropic Fund have come from five privately held limited liability companies with obscure names like BLTN Holdings and MBS Funding.

Between 2001 and 2017, Wellspring's contributions grew from nearly \$2.1 million to \$254 million—an annual increase of 12,000 percent in 16 years.

Almost no information about these LLCs is publicly available. From 2001 to 2017, they consistently gave Wellspring large cash gifts. In 2011 BLTN Holdings donated a whopping \$32 million in New York Stock Exchange-listed equity securities and in 2017 gave it another \$9.4 million in Facebook and Netflix shares.

It's a reasonable assumption that these five companies are shell corporations created to mask the identities of Wellspring's *true* contributors—Shechtel, Taylor, and Gelbaum—since the companies were formed in Roseland around the same time as Wellspring itself. None appear to have any websites or employees. This also means it's impossible to determine how much each of the men gave to Wellspring.

Complicating things further, prior to 2017 Wellspring *only* made grants through donor-advised fund (DAF) providers—specifically two associated with major investment firms, Fidelity Investments Charitable Gift Fund and Vanguard Charitable Endowment Program. (Fidelity is the largest DAF provider in the country.)

A DAF is a kind of charitable savings account run by a 501(c)(3) nonprofit. Donors—individuals, for-profits, or other nonprofits—gift money to the provider, which manages the funds until directed by the donor to grant it to another 501(c)(3) nonprofit. It's a useful tool for many modest philanthropists to maximize their charity, with the added benefit of withholding their identity from public disclosure, since the money passes through a third party (the provider). Donor-advised funds have been criticized—particularly by those on the Left—as the “black boxes of philanthropy.”

If that's true, the Wellspring Philanthropic Fund is the ultimate “dark money” machine in America.

In the first 18 years of its existence, Wellspring *exclusively* used DAFs to funnel almost \$1.1 billion into the non-profit sphere—money which, because it was channeled via donor-advised funds, can never be traced from Wellspring to its ultimate destination.

But in 2017, the foundation began making grants to individual, non-DAF organizations—giving over \$28 million to explicitly political nonprofits, all of them left-wing.

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Donor-advised funds have been criticized—particularly by those on the Left—as the “black boxes of philanthropy.” If that's true, the Wellspring Philanthropic Fund is the ultimate “dark money” machine in America.

Notables include the New Venture Fund, flagship of the “pop-up” group empire run by the for-profit firm Arabella Advisors; the “dark money” pass-through group NEO Philanthropy; Planned Parenthood; the Tides Foundation and Tides Center, famous for incubating new radical activist groups; the Population Council, which pushes for global population control policies; Citizens for Responsibility and Ethics in Washington (CREW), an anti-Republican attack group; and MomsRising, a major gun control lobby.

Wellspring is also listed as a member of the Funders Committee for Civic Participation, an affinity group for some 90 wealthy and influential groups on the professional Left. The Committee—which is run by NEO Philanthropy, a Wellspring grant recipient—coordinates funding of voter registration and get-out-the-vote drives by other left-wing groups in the leadup to the 2020 Census. It also played a role in the Supreme Court lawsuit which nixed the Trump administration's planned citizenship question on the 2020 Census. The Committee's unique role as a *coordinator*, not a *funder*, makes it all but impossible to know how much Wellspring itself spent on such operations.

It's also impossible to say which groups benefited from Wellspring's wealth prior to 2017. Much of it could have gone to the kind of genuine charity—say, medical research—that Shechtel himself supports. Considering the overtly political groups it supported in 2017, though, a skeptic might not be convinced.

Curiously, Wellspring is identified as a “conduit foundation” in its IRS nonprofit filings for 2008, 2013, and 2014. That's an unusual designation given by the IRS to fiscal intermediaries—pass-through groups—and is only applied to foundations which pay out 100 percent of what they earn in contributions.

WELLSPRING PHILANTHROPIC FUND-REVENUE GROWTH

	Revenues	Prior Year Change
2017	\$253,505,642	17.0%
2016	\$216,332,067	12.1%
2015	\$193,040,139	95.9%
2014	\$98,524,149	10.8%
2013	\$88,945,627	22.0%
2012	\$72,786,294	-19.0%
2011	\$90,003,223	20.1%
2010	\$74,963,792	46929.0%
2009	\$159,398	-99.6%
2008	\$36,280,391	1392.0%
2007	\$2,430,169	-8.4%
2006	\$2,651,950	-92.7%
2005	\$36,312,706	614.0%
2004	\$5,082,303	457.0%
2003	\$912,377	-37.6%
2002	\$1,461,700	-29.6%
2001	\$2,077,964	
Total:	\$1,175,469,891	

Wellspring Advisors

But Wellspring Philanthropic Fund isn't even the final destination of much of the TGS-linked funds. Between 2001 and 2017, the foundation paid almost \$143 million in consulting fees to Wellspring Advisors, a limited liability corporation created to manage Wellspring Philanthropic Fund.

The New York-based company was created in 2001 and has been described as a "private philanthropic advisory firm" and a "consulting firm for anonymous donors." Its relationship with the foundation is described in one of Wellspring's IRS filings:

Wellspring Advisors provides operational, programmatic, administrative and grantmaking support to the foundation [Wellspring Philanthropic Fund]. Wellspring [Advisors] administers the foundation's grantmaking program and interfaces with the foundation's donor-advised fund grantees . . .

Wellspring staff members develop the foundation's grantmaking strategy and programs, research potential recipients of advised grants from the foundation's donor-advised fund accounts [and] monitor the usage of grants advised by the foundation through its donor-advised fund accounts and performance of such grantees.

In other words, Wellspring Philanthropic Fund is wholly run by Wellspring Advisors, the network's brain trust. The foundation's operations and huge grants to donor-advised funds—as well as the grants that the DAFs themselves ultimately make—are in the care of yet another private LLC.

The foundation itself muddies the waters, however, by noting that, "as of January 1, 2018, Wellspring Advisors has shifted to become Wellspring Philanthropic Fund." LinkedIn profiles of Wellspring Advisors' 70-odd employees strongly suggest that, at least externally, the two groups are treated synonymously—many titles overlap and the for-profit and foundation arms are often conflated. Wellspring Philanthropic Fund doesn't report paying staffers, either.

Wellspring's website lists John Taylor as president of the foundation and managing partner of Wellspring Advisors. Myles Taylor is the foundation's vice president. The two men are brothers, according to online reports, and Wellspring's website claims they founded the group. For whatever reason, Frederick Taylor—presumably a third sibling—isn't mentioned by Wellspring.

Not much is known about John Taylor, a professional litigator from 1986 to 2000. He was a board member for a number of left-wing nonprofits, including the Planned Parenthood Foundation, Human Rights Watch, and the Center for Lesbian and Gay Civil Rights (now Equality PA, a Pennsylvania-based gay advocacy group). Even less is known about Myles Taylor, who worked for two decades in commercial real estate in Washington, D.C. Myles Taylor runs Wellspring's D.C. office and is a former board member for the Audubon Society of the Mid-Atlantic and the Lincoln Group of D.C.

Dredging the Wellspring

Wellspring Philanthropic Fund is in a category entirely itself among the Left's major "dark money" funders. Most such groups are 501(c)(3) or 501(c)(4) nonprofits funded by *other* nonprofits and go to great lengths to cloak their funding and spending using "pass-through" vehicles, donor-advised funds, and fiscal sponsorship. They typically want viewers



Considering how “dark” the scheme is, one wonders why Shechtel, Gelbaum, and Taylor bothered with a private foundation at all. If the goal is perfect anonymity, it’s the weakest link.

to see that they’re effective with their money—just not the details of *how* it’s spent.

Wellspring, on the other hand, is a private foundation funded entirely by for-profit shell companies, themselves funded by a handful of wealthy elites keen on preserving anonymity. Wellspring then grants hundreds of millions of dollars to two major donor-advised fund providers—Fidelity and Vanguard—forever masking which nonprofits it ultimately benefits. And maintaining this flow of left-wing cash is Wellspring Advisors, the mysterious consultancy which staffs and manages the whole operation in exchange for millions of dollars in annual contractor fees.

Considering how “dark” the scheme is, one wonders why Shechtel, Gelbaum, and Taylor bothered with a private foundation at all. If the goal is perfect anonymity, it’s the weakest link: unlike its bevy of for-profit siblings, Wellspring has to publicly disclose its donors, spending, and other important financial data with the IRS every year. Why not use the shell companies to fund donor-advised funds directly?



Credit: Influence Watch. License: <https://bit.ly/2rughEp>.

Wellspring’s website lists John Taylor as president of the foundation and managing partner of Wellspring Advisors. A professional litigator from 1986 to 2000. He was a board member for a number of left-wing nonprofits, including the Planned Parenthood Foundation, Human Rights Watch, and the Center for Lesbian and Gay Civil Rights (now Equality PA, a Pennsylvania-based gay advocacy group).

Almost certainly, the Wellspring network benefits from the advantage of tax-deductibility for donating vast sums to a private foundation. Having a conduit like Wellspring in place also ensures that Wellspring Advisors—the system’s true “black box”—has a steady stream of contracting and management fees from the foundation. Instead of managing hundreds of millions of dollars in donor-advised funds themselves, Shechtel *et al* have access to a team of managers who can ensure Wellspring’s money is fed into DAFs and on to the groups of their choice—all but guaranteeing their anonymity.

Of course, that’s speculation. All an observer can really know is that Wellspring has a virtually limitless fountain of “dark money” to draw upon and no shortage of activists to fund. ■

Read previous articles from the Deceptions & Misdirection series online at CapitalResearch.org/category/deception-and-misdirection/.

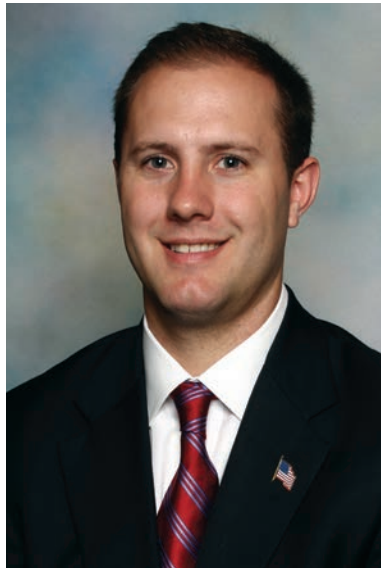


THE LEFT'S NEXT CULTURE WAR: TAKING OVER CORPORATIONS ONE BOARD ROOM AT A TIME

By David Hogberg

Summary: *The political left has had increasing success over the last decade compelling corporate America to actively support liberal positions on political, economic and social issues. Going under the saccharine heading “Corporate Social Responsibility,” this leftist campaign has succeeded in getting more of their own hired as CEOs, on the boards of directors, and in the C Suite. In recent years the campaign has persuaded many large companies to dissociate themselves from the National Rifle Association and to cheerlead for the LGBTQ agenda.*

Justin Danhof is director of the Free Enterprise Project at the National Center for Public Policy Research. He has waged a lonely battle against the creeping leftism in corporate America. He recently sat down with David Hogberg, a former senior research associate at the Capital Research Center, for an interview.



Justin Danhof is director of the Free Enterprise Project at the National Center for Public Policy Research.

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works to defund religious charities, conservative non-profits, pro-business trade associations, and conservative politicians. They often do so by labeling such organizations and individuals as “hate groups” of some kind and then pressuring companies not to fund hate. It’s a wildly effective effort and one conservatives need to pay close attention to.

Hogberg: How big is the effort by the left on corporate activism?

There are probably 70 to 80 groups on the left engaging in this, and it’s not just fringe activist groups. It’s state pension funds, actual asset managers—people who manage money for other people—and the unions. The unions like SEIU and the Teamsters are heavily involved. And then there are the true activist groups, like PETA. And they engage in a coordinated way.

David Hogberg: First, what is Corporate Social Responsibility?

Justin: Corporate Social Responsibility—more commonly known today as ESG (environment, social, and governance) is the blanket term for left-wing investing/advocating designed to move corporate America further to the left. These areas are defined and dominated by special interest left-wing “stakeholders.” The campaigns are coordinated from shareholder proposals, fake studies to prop up said proposals, media campaigns, social media campaigns, massive outreach to boards and managers, proxy advisory firms, and old-school protestors. Once a company capitulates to an ESG demand, they can expect even more requests as they’ve now revealed that they are amendable to such pressure.

In addition to pushing liberal policy on ESG issues, this platform is also used to limit conservative speech and funding. Under the governance banner, this activist network

Hogberg: Has shareholder activism gotten worse in the last 5–10 years?

Dramatically so. When we got into this a decade ago, whenever a shareholder proposal was filed, whether by us or by the dozens of groups on the left that are involved in this, the average vote for the proposal was in the low single digits. It was usually 2 to 3 percent. Investors were usually shooting these things down.

David Hogberg was previously a senior fellow for health care policy at the National Center for Public Policy Research and a senior research associate at the Capital Research Center. He earned a Ph.D. in political science from the University of Iowa and is the author of Medicare’s Victims: How the U.S. Government’s Largest Health Care Program Harms Patients and Impairs Physicians, available at Amazon.com.

But about five years ago, the proxy advisory services shifted. There are two primary proxy advisory services in the U.S., Institutional Shareholder Services (ISS) and Glass Lewis. They control 97 percent of the proxy advisory services market in the U.S. Five years ago, there was an ownership change at ISS and they decided to go with the “woke” crowd. So most of the shareholder proposals floated by the Left now gets the support of ISS. The *Wall Street Journal* reported that the average shareholder proposal now gets 24 percent of the vote, and anything in double digits gets the attention of everyone on the board of directors and in the C-Suite of a company.

Hogberg: What are proxy advisory services and what impact do they have on corporate activism?

Say you invest your money in a mutual fund at, say, Fidelity or T. Rowe Price. Mutual funds, of course, own stock in many companies. Now, when you invest in a mutual fund, you give away your right to vote on proxy statements to the mutual fund manager. What fund managers started doing a while back was, in effect, give away those rights to proxy advisory services. The reason is that fund managers would have to vote on thousands of proxy statements every year. Well, these proxy advisor services came in and said “We’ll do it for you. We’ll tell you how to vote on shareholder proposals.” So if you are the average investor with mutual funds, you are now two degrees separated from the vote.

The fund manager still has to sign off on the recommendation from the proxy advisory service, but unless they are going through and evaluating every recommendation, it is basically a rubber stamp. So what happened is that the Left took over the proxy advisory services, took over ISS and Glass Lewis. So now ISS and Glass Lewis support wholeheartedly almost everything that the liberal shareholder activists are pushing in corporate America. Again, to the point that seven or eight years ago all shareholder proposals got low support, in the single digits—both mine and the Left’s. Now the average proposal gets 24 percent of the vote—except my proposals. Mine still get low support. ISS and Glass Lewis never support my proposals. And it’s coordinated. Canadian pension funds own Glass Lewis. You think that they don’t work with other union pension funds? Of course, they do.

ISS and Glass Lewis have a lot of influence. Here’s an anecdote. Last year there was a shareholder proposal that was on the proxy statement of Amazon. And this was pushed by the SEIU and broad swath of liberal interest groups. It was on the diversity of a corporation’s board of directors. Of course, their version of diversity from the Left is bean-counting, affirmative action. It mandates that for



Credit: Mike MacKenzie. License: www.upsurus.com.

A shareholder proposal on the proxy statement of Amazon mandated that for every open board seat, you must interview a woman and an underrepresented minority. Amazon opposed that resolution. For six weeks after Amazon said no, the liberal media was hammering them, saying, “How dare Jeff Bezos oppose diversity! What is Amazon’s board thinking?”

every open board seat, you must interview a woman and an underrepresented minority.

The stated goal, to avoid groupthink on a corporate board, is perhaps noble. The means the Left is using to achieve the stated goal are ignoble. By saying that you must interview a woman you are saying that all women think alike based on their gender.

Amazon opposed that resolution. A left-leaning company with a left-leaning CEO said no. For six weeks after Amazon said no, the liberal media was hammering them, saying, “How dare Jeff Bezos oppose diversity! What is Amazon’s board thinking?” So I flew out to the Amazon shareholder meeting to publicly speak out against the proposal. Jesse Jackson was there to support it.

When I got to the meeting, the attorney at Amazon that I deal with on a pretty regular basis came up to me. He said, “I can bet I know why you are here today.” I replied, “Yes. I’m going to speak out against this ridiculous proposal. It’s racist and it’s sexist. And I think Amazon for once is doing the right thing by opposing it.” And he said, “Well, you should know that late last night the board adopted it. That’s our new policy.” I asked, “You’ve been pilloried in the press for six weeks. Why are you caving now?” And his answer was that ISS had not only recommended to their clients to vote for the proposal—and those recommendation are usually secret—but ISS also came out publicly in favor of the proposal. He said that once ISS came out publicly for the proposal, Amazon had to give in. So, one of the richest

companies in the world couldn't stand up to ISS. If that anecdote doesn't tell you ISS's power, then nothing does. That's how strong ISS is, and they know it.

Now at almost every shareholder meeting where there is a leftist resolution that the company has not yet adopted, the person speaking in favor of the proposal starts his or her remarks with, "ISS and Glass Lewis support this proposal so you should get behind it."

Hogberg: What other tools does the political Left use to pressure corporations?

One thing that is not well known is the "rating systems" that the Left employs against corporations. ISS, in fact, has an entire ESG rating system that it uses. Talk about a conflict of interest—they are rating these companies that they are then giving proposal advice on. There are dozens of these rating systems on the Left, that rate every ESG and CSR issue, and they are sometimes the tail that wags the dog in corporate America. One of the most influential is the Human Rights Campaign Corporate Equality Index. The Human Rights Campaign is a single-issue group on LGBTQ promotion. In my opinion they are fully anti-religion and anti-life. Its index is now about 17 years old. Each year the Human Rights Campaign sends out a questionnaire like most of these indexes do every year. And they are the tail

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that wags the dog as to why so much LGBTQ advertising is on the air, and why so much money is behind the LGBTQ movement. And let me explain how and why. They get these companies beholden to a perfect score on the index. When I go to shareholder meetings, one of the things that most CEOs brag about is their rating on the HRC index. It will be in their promo materials. The HRC, of course, knows this. So what the HRC does every single year is tweak the index, so it acts as both a carrot and a stick. A few years ago they tweaked it so that it said that a corporation must have an outward facing event—something like an advertise-

ment—every year that promotes the LGBTQ community. So this could be an advertisement. Last year they tweaked it so that you must have three outward facing events to keep your perfect score. That's why nearly 40 percent of advertisements during the last Super Bowl has LGBTQ in it. If you wonder why the ads aren't funny anymore, why they just promote the LGBTQ agenda, well, that's one check on the list. That's why during pride month, if you went to any corporate website, you saw the rainbow flag. That's check two. They need to come up with a check three, or they lose their perfect score.

What would give you the lowest score? Donating to a conservative group. If you donate to the Alliance Defending Freedom, or the Heritage Foundation, or the Family Research Council, forget it. HRC will kill you on their rating. You'll get the lowest score possible. The HRC also rates your corporate philanthropy. So guess what? Just search Google for "Human Rights Campaign" and "Corporate Sponsors." A bunch of these companies that are rated by HRC fund them to be rated by them because that is a checklist item.

HB2 in North Carolina plays really well into this story. So HB2 is the so-called "bathroom bill" that required men to use the men's bathroom and women to use the women's. This was of course a reaction to an ordinance in Charlotte, North Carolina, that HRC was largely responsible for pushing that enabled men and women to use whatever bathroom they wanted to. The Left made HB2 a hot-button issue, and pushed corporate America to get involved. A lot of woke companies protested the idea that men should use men's rooms and women should use women's rooms.

HB2 was driving the state crazy. They lost the NBA All-Star game, they lost nine NCAA championships, numerous performed cancelled concerts in the state. So a bunch of corporate leaders, the state GOP and the Democrat governor's office got together and came up with a compromise. They agreed to table HB2 and go back to how things were. Well, Bank of America had two executives in that meeting. The Human Rights Campaign went apoplectic. They wanted the Charlotte ordinance to be state law, that every bathroom is open to every person based on their subjective feeling that day of whatever gender they may or may not be.

So HRC went on a full media blitz against Bank of America for daring to simply have two executives in the meeting. They called them a bigoted bank, and then they went back and changed the Corporate Equality Index so that a company would be downgraded if it held an outward event that "harms" the LGBTQ community. Under this new criteria a company will have the biggest deduction on the Index pos-

sible, of 25 percentage points, if they violate it. HRC then took the unusual action of going back and re-rating Bank of America so that they would have the biggest deduction possible. So Bank of America, a far-left company run by a far-left CEO gets the biggest deduction possible from the Human Rights Campaign.

Now, HRC's action didn't surprise me—they are the extreme of the extreme. But Bank of America's response was surprising. BofA apologized, said that HRC was right, that their executives should never have been in that meeting, and here's \$325,000 as an apology, will you please accept? And HRC basically told them to take a flier. HRC said we don't accept your apology, we don't need your money. And every year HRC rates BofA down because BofA was in that meeting. That's how beholden corporate America feels to HRC.

HRC's Index is just one example of how influential these indexes are. And where are we on the political right? Why aren't we rating companies? The National Rifle Association is a great example. They have a rating system for legislators. Why don't they put one out on how corporations engage with 2nd Amendment issues? It seems like a no-brainer.

The right needs to get into the battle. If we engage in this the same way the Left does, we can have just as much impact as they do.

Hogberg: How has corporate activism impacted gun rights?

A large, coordinated campaign of activists have been trying to change the culture on gun issues without changing laws. They've been using corporate America to do that and recently they've been wildly successful. They do this by filing shareholder resolutions and attending shareholder meetings. They also run various media campaigns. One that comes to mind was following the school shootings in Parkland. Right after that shooting we saw “#BoycottNRA” on various social media platforms, so much so that it seemed that the Left had that in the hopper ready to go—that they were just waiting for the next school shooting. As a result of that pressure, at least 17 major corporations either took action against the NRA, such Delta Airlines which ended a special deal it had with the NRA and its members, or took action against guns, such as DICK'S Sporting Goods which actually removed guns from the shelves. When I confronted the CEO of DICK's Sporting Goods at a shareholder meeting and told

him that this would cause his company to lose money and offend a large portion of his customer base, he replied that he didn't care. He said that DICK'S was standing up for a social cause and that he didn't care if it harmed the bottom line.

Here's another example. This year Levi's has teamed up with former New York City Mayor Michael Bloomberg, giving his anti-gun group a six-figure donation. I confronted Levi's about this, showing them some polling data that this move might cause them serious financial harm. Again the reaction was, “We don't care, we're taking a social stance that we believe in.”

Bank of America has said that it will no longer lend money to certain gun manufacturers that make “assault-style rifles.” A *New York Times* financial columnist, Andrew Ross Sorkin, has been pressuring Walmart on gun issues for years. And just recently Walmart has decided to limit its gun and ammunition sales as well. So, if you can squeeze guns out of the retail space, if you can limit the ability of gun manufacturers to get funding from banks, then you can effectively change the 2nd Amendment without any legislation whatsoever.

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If you can get a company to be a watchdog for the government; then you, don't need legislation. The Left is trying to achieve through corporate America what they cannot achieve legislatively.

You don't need to change the law to change the culture. If you can squeeze guns out of retail stores through pressure campaigns; if you can get credit card processors to stop processing payments; if you can get a company to be a watchdog for the government; if you can get banks to stop lending to gun manufacturers so that they can't get funding to build their products, then you don't need legislation. The left is trying to achieve through corporate America what they cannot achieve legislatively.

Hogberg: How much of what corporations do on social and environmental issues is out of genuine commitment to the issue, and how much of it is virtue signaling?

First, let's define virtue signaling. Virtue signaling is saying something to attract the “woke” crowd but not actually taking any action. Maybe five to seven years ago what corporations did along these lines was more about virtue signaling, just trying to appeal to the Millennial crowd. Well, what Bank of America, Walmart, and DICK'S Sporting Goods did regarding guns goes way beyond virtue signaling, obviously. Where corporations are taking a stand and don't mind losing money—I'd say that is becoming more and more common.

There has been a shift where almost 100 percent of the time corporations are taking positions on these social issues that are liberal positions. I'd say that we've seen a substantial shift among companies taking tangible action that can hurt their bottom lines related to social issues in the last five years.



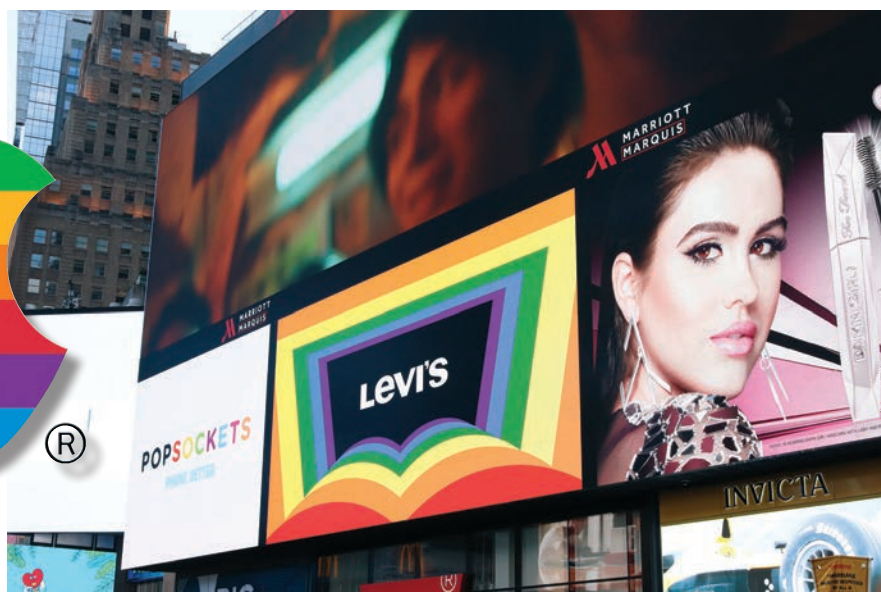
Hogberg: How about Apple's CEO Tim Cook?

I call someone like Tim Cook a Social Justice Warrior CEO—and there are others like him, such as Jack Dorsey at Twitter, Jeff Bezos at Amazon and others. The way Cook is running Apple is equal parts businessman and equal parts Social Justice Warrior. For example, Apple has given significant amounts of money to the Southern Poverty Law Center. When I confronted them on this, they were proud of it. Of course, the Southern Poverty Law Center has now come under fire for being a racist and sexist organization and for having millions of dollars offshore.

Now on environmental issues, I think Tom Cook and Apple are still doing some virtue signaling. They push recycling, for example, but so many of their products are not recyclable in any true sense of the word. So, on social issues, I think Cook is all in, but on environmental issues, it's what I like to call "greenwashing."

Hogberg: You have a history with Tim Cook, correct?

Yes. It was at an Apple shareholder meeting where I raised my hand and asked Apple to only engage in initiatives that had a reasonable return on investment or at least some potential to have a return on investment. There were clearly some environmental initiatives that Apple was engaging in that clearly were not benefiting investors. I pointed that out, and then asked Tim Cook if he would make a commitment to only engage in projects with at least potential for a return on investment. I'd asked this at other shareholder meetings, and other CEOs had agreed to it. Well, Tim Cook exploded at me and said that if I cared about return on investment then I should sell my Apple stock. He then went on a longer tangent about how Apple was here to save the world and that people like me were getting in the way. His response received national and international media coverage, and the



A few years ago the Human Rights Campaign tweaked its index so that a corporation must have an outward facing event—something like an advertisement—every year that promotes the LGBTQ community. Last year they tweaked it so that a company must have three outward facing events to keep your perfect score. That's why nearly 40 percent of advertisements during the last Super Bowl has LGBTQ in it.

last time I checked it is in 12 college and MBA textbooks as an example of how not to engage with the shareholders.

Hogberg: Back in August the Business Roundtable adopted a new mission statement declaring that all corporate stakeholders are equal. I'd like you to discuss the implications of that, but first, what is the Business Roundtable and second, what is a corporate stakeholder? Aren't they just the same as the stockholders?

The Business Roundtable is a membership association of the CEOs of the largest companies in the United States. They are similar to the Chamber of Commerce in that they are generally for less regulation and a pro-business environment in the U.S. They lobby, they push initiatives, they work with Congress and the Executive Branch and so on.

Until the Business Roundtable finalized its new mission statement a few weeks ago, "stakeholder" was a word that you would only see come out of the mouth of leftists engaged in corporate activism. They've been using the term "stakeholder" for over a decade to get their voices heard and their foot in the door. Every liberal organization involved in Corporate Social Responsibility has decided that they are stakeholder for the longest time.

Now, what is a "stakeholder"? A stakeholder is any entity that is affected by a company in any way. So, for example,

customers are often considered a stakeholder, and that might actually be an appropriate one. But the “environment” is also stakeholder. Protesters are stakeholders. In fact, anyone can claim to be a stakeholder.

Hogberg: So, let me interject here. Let’s say that I’m upset with Walmart for some reason. And let’s say, hypothetically, that I don’t own Walmart stock and I’ve never even shopped at a Walmart. But because I am upset at Walmart, I am now a stakeholder of Walmart?

Absolutely. Anybody who has a thought about a company can be a shareholder.

What makes the Business Roundtable statement important is that prior to that stakeholders was only ever a term used by liberal special interest groups. It signals a shift away from corporate legal responsibility to act in the best fiduciary interest of their investors, to company decision-making based on undefined stakeholders. For example, Nike can say it pulled the Betsy Ross Shoe, lost money for its investors, but it’s ok because they were looking out for certain stakeholders (i.e. the Colin Kaepernick crowd of cop-hating racists). Same with Bank of America pulling its gun lending business or canceling deals with private prisons. They may lose money, but they are looking out for the rabid anti-2nd Amendment folks and folks such as AOC who want to disband ICE. The examples are legion.

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An attorney told me that the problem is not just the activists, it’s the search firms. When they have an opening on the board, the search firms usually send them a dozen far-left activists as candidates before they get even one person who you might call a centrist.

Hogberg: You said that we’ve seen a lot more left-wing CEOs in the last five to ten years. Why?

An attorney that I deal with at a company whose name I can’t reveal told me that the problem is not just the activists, it’s the search firms. The search firms employed by companies to find members of boards of directors have been taken over by “woke” capitalists in the last decade or so. The attorney said that when they have an opening on the board, the search firms usually send them a dozen far-left activists as

candidates before they get even one person who you might call a centrist. Well, once a board of directors leans to the left, who do you think that they will be looking for when it comes time to hire a new CEO?

This the problem that we face on the right: There is no conservative leaning search firm that recommends candidates for boards of directors. The conservative movement is not engaged in that arena at all.

Hogberg: One thing that your free enterprise project is fighting back with is something you call the “Diversity Resolution.” What is that?

Starting last year and continuing into this year, I began filing what I call “True Board Diversity” resolutions. So when left-wing activists file resolutions demanding affirmative action on board selection, they claim that their stated goal is that corporations should avoid groupthink. That is, boards need a diverse group of members, including women and minorities, so that they are not walking in lockstep.

Well, I figured that if the true goal is to avoid groupthink, then maybe they should get people in the room who actually *think* differently. So I started putting forward resolutions that companies should consider *viewpoint* diversity when they are looking for new board members. What the resolution means is that if board members are in lockstep on social and political issues, then they need to consider hiring people with dissenting views. We aren’t going to get corporations out of politics anytime soon. Thus, if companies are going to get involved in these political and social campaigns, then they need to hear from conservative voices, not just liberal ones. It would be beneficial for companies to know what conservatives think before they jump into the fray on the liberal side of these issues.

Hogberg: Are there other reasons why companies should adopt your resolution?

Yes. When companies take action that liberals approve, they may be offending the more conservative parts of their customer bases, and they may not realize that. A conservative board member could warn them. And not just customers, but a good portion of a company’s investor base might be offended as well. Having more diverse points of view on corporate boards would be in the long-term interest of investors as well.

Second, it would help the companies in Silicon Valley and the Pacific Northwest that are perceived as liberal but constantly protest that label. If this is just a perception problem, as they often claim, then this resolution is a tool to help them overcome that perception problem. Interestingly



“Almost everything is political these days, and corporate America is the head of that snake....All I’m trying to do is balance out the amount of liberal politics that is already in corporate America.”
—Justin Danhof

enough, the more mainstream America have adopted this resolution. The Silicon Valley and Pacific Northwest companies are the only ones, thus far, that have fought it.

Hogberg: Amazon was particularly hostile to this resolution, correct?

When I presented it at Amazon’s shareholder meeting, I said that nominating people based solely on gender was sexist, that nominating them based solely on race was racist. What I mean by that is that if you nominate based solely on gender or race, then you are saying that all women think alike, that all blacks think alike, and so on.

Well, as I’m presenting the resolution, I’m getting booed, I’m getting heckled, I’m getting called a KKK member. After the meeting some guy rushed up to me and said he was worried that I’d be late to my next book burning. That reaction just shows that so many of these people rarely if ever hear an opposing viewpoint. It demonstrates all the more reason why the Free Enterprise Project’s diversity resolution is necessary.

Hogberg: Let me read a brief passage from a news article from CNNBusiness by Danielle Wiener-Bronner about the Diversity Resolution: “Generally, shareholder proposals tend to try to push companies to adopt more progressive policies. NCPPR’s motion is unusual because it comes from an explicitly conservative perspective, and because it wants to bring politics into the boardroom—something most corporations avoid.”

I had to do a double-take when I read that. Did you?

Well, CNN interviewed me and ran an article about the resolution that wasn’t a hit piece. So, we should consider that a win.

But otherwise, that quote is just laughable on its face. Almost everything is political these days, and corporate America is the head of that snake. And politics in corporate America is increasing. It’s certainly not waning in any sense of the word. It’s a wild assertion to suggest that I’m the

one injecting politics into this arena. All I’m trying to do is balance out the amount of liberal politics that is already in corporate America.

Hogberg: You have had some success with protecting employee speech, correct?

Sure. But first I should note that five companies—Walgreens, CVS, Pepsi, Gap, Walmart—have adopted the diversity resolution. So there is hope.

Regarding employee speech, we called it the Employee Conscience Protection Project. What spurred this was the ousting of Brendan Eich who was CEO of the internet company Mozilla. Activists in California had gone through the database of contributors to Proposition 8 that defined marriage as between a man and woman in California. It passed in California, by the way, with about 53 percent of the vote. The activists discovered, six years after the fact, that Eich had donated \$1,000 to support Proposition 8. Well, the left came with their pitchforks and their silver platter and demanded his head. When it was clear that the board was going to fire him, he resigned.

Well, we at the Free Enterprise Project did some research and found that other people had also lost their jobs because of private political activity. Well, we wondered how that could happen in America. Then I found an article by the legal scholar Eugene Volokh that noted that half of Americans live in a jurisdiction where there is no protection for employees whose employers take action against them for private political activity. So, we filed shareholder resolutions with a large number of companies asking them to add employee protection for political activity into their employment policies. To date, 13 companies that represent more than five million American workers have adopted that proposal.

Hogberg: How far behind is the political right on corporate activism, and why do you think the political right lags the political Left on corporate activism?

I’m about the only one on the right working on this, and working full-time I can file about 20 shareholder resolution a year. There are dozens of groups on the left doing this, and they file between 400–500 resolutions every year. Corporate rating indexes are also very influential, and those are all on the left. The political right is not even on the playing field when it comes to rating indexes.

Then there are “fast action responses” where the left responds almost immediately to some event and calls on action from corporate America. The #BoycottNRA campaign in the wake of the Parkland shooting was an example



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A large, coordinated campaign of activists have been trying to change the culture on gun issues without changing laws. They run various media campaigns. As a result of that pressure, at least 17 major corporations either took action against the NRA, such as Delta Airlines which ended a special deal it had with the NRA and its members, or took action against guns, such as DICK'S Sporting Goods which actually removed guns from the shelves.

of that. Another example happened in Georgia with a religious freedom bill. By all accounts the Republican Governor of Georgia, Nathan Deal, was going to sign that bill. Indeed, some version of that bill had become law in 30 other states. But the political left pushed corporate America into action very quickly. Movie companies said that they were going to stop making movies in Georgia if Governor Deal signed the bill. AMC said that it would stop making *The Walking Dead* in Georgia, and the NFL came down with a hammer, saying that Atlanta would no longer host any Super Bowls. And Deal vetoed the bill.

We don't do fast action responses on the right.

Editors' Note: Some faith-based firms have been developing investing indexes or screens. Inspire Investing maintains Inspire Impact Score, which the firm describes as "a faith-based ESG (environment, social, governance) security selection methodology that seeks to identify the most inspiring, biblically aligned companies in the world." Timothy Plan, a firm catering to investors committed to Biblically Responsible Investing, maintains a "Know Your Investments" chart to show the way they screen companies. The firm avoids

companies that are involved in or profit from practices that violate scripture. —Ed.

Hogberg: For conservatives and, really, for anyone who wants to get corporations out of politics, what can they do?

Get engaged. Become a stakeholder. Businesses have signaled that they are beholden to stakeholders. If you want to have an impact, to affect change at the corporate level, then you need to engage corporations in the same way the left does.

What you don't want to do is disengage. There is a big desire among conservatives to boycott a company when it is doing something they don't like. For example, conservatives called for a boycott of Nike because it hired Colin Kaepernick. The left does it the opposite way. When a company does something they don't like, they engage *more* with that company. So my advice to conservatives is don't divest, don't boycott because it will not have the desired effect. Engagement is the way to go. ■

Read previous Special Reports from CRC online at CapitalResearch.org/category/special-report/.

The background of the entire page is a dark, blue-toned photograph showing the silhouettes of several people in a meeting. Some are standing, some are sitting, and they appear to be in a discussion. The lighting is dramatic, with strong highlights and deep shadows.

BIG MONEY IN DARK SHADOWS

Arabella Advisors' Half-billion-dollar
"Dark Money" Network

Hayden R. Ludwig

According to media personalities and politicians, nameless, faceless donors wield outsized influence over the American political process due to the so-called "dark money" they use to fund think tanks and advocacy groups. But that's far from the whole story. "Dark money" exists on both sides of the aisle. In fact, the Left seems to have deeper and darker pockets of cash than anyone suspected.

Learn more about liberal "dark money" in CRC's original report.



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AMERICA'S INVESTIGATIVE THINK TANK

13

MILLION PEOPLE
and counting...



BIG LABOR'S TAX-FUNDED POLITICAL ACADEMIES

By Ken Braun

Summary: *For years, the labor movement has created and helped fund dozens of academic institutes called labor studies centers at many major universities. These centers—many of which operate out of publicly funded state schools—produce often biased research and promote policies to increase unionization rates.*

After the rough election they had in 2016, it was hardly surprising that 200 left wing activists were persuaded to come to deep-blue Massachusetts for two days in early March 2018 to plot political retribution. But what should be surprising, and more than a lot disturbing, is who sponsored and promoted the revenge training: the taxpayers of Massachusetts, by way of the leadership at the Labor Center at the University of Massachusetts-Amherst.

This was no isolated example of political training masked as a scholarly concern. Big Labor bosses have quietly weaponized American academia to do their political training for them. Many of the dozens of labor studies centers at universities across the nation engage in similar behavior.

The political edge on the March 2018 UMass-Amherst Labor Center event was sharp. Named “Labor in the Age of Trump: Fighting the Right Wing Agenda,” there were presentations with subject headings such as “Organizing the Fight-Back,” “Fighting Back in a Right-to-Work State,” and “Fighting and Defeating the Charter School Agenda.” Just in case the “fighting” words didn’t clearly mark it as a political strategy session, one of the UMass-Amherst web pages (this one for the supposedly scholarly institution’s “Resistance Studies Initiative”) advised prospective attendees they would be there to “map out how to respond.”

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After the rough election they had in 2016, it was hardly surprising that 200 left wing activists were persuaded to come to deep-blue Massachusetts for two days in early March 2018 to plot political retribution, paid for by the state’s taxpayers, by way of the leadership at the Labor Center at the University of Massachusetts-Amherst.

An otherwise preposterous counterfactual must be raised. Suppose Hillary Clinton had won the 2016 election. And then imagine that as a way to “map out how to respond,” some public university in Oklahoma rallied the “resistance” by hosting a two-day event titled “Taxpayers in the Age of Clinton: Fighting the Socialist Agenda,” with presentations on subjects such as “Breaking the Power of Public Employee Unions.”

Even granting the laughable assumption that a politically cohesive cabal of right-of-center instructors might exist within *any* department of *any* public university *anywhere* in the United States, it’s hard not to imagine the storm of outrage that a fiercely partisan, anti-Clinton event would trigger from the left and the mainstream media.

That outrage would be justified. Academia is supposed to provide research and teaching about labor unions, corporations, conservatives, liberals, Christians, Jews, Muslims, atheists and so forth.

But it’s *not* supposed to be officially putting the school’s thumb on the scale promoting or opposing *any* of those causes, particularly when it’s a public school.

One part of that legitimate academic mission occurs when universities invite clearly political persons or groups to speak on campus and provide their perspective. While

individual Americans obviously have the right to organize and peacefully demonstrate against those speakers, a public university and its academic subsidiaries are supposed to be a neutral host, providing the forum, but neither endorsing nor opposing the message. For example, Hillary Clinton has

Ken Braun is a senior investigative researcher at Capital Research Center.

repeatedly visited the University of Michigan for speaking events since the 2016 election.

But when former Trump White House press secretary Sean Spicer spoke at UMass-Amherst last November, the UMass-Amherst Labor Center behaved like a den of leftist union boss hackery far removed from an academic mission. They officially sanctioned a stridently political demonstration against the Spicer event:

Sean Spicer represents a white nationalist vision of America and the world that we reject. The UMass Labor Center offers an alternative vision of solidarity that sees the struggle for economic justice as inseparable from the fight for racial justice and gender equity. We will demonstrate our displeasure with Mr. Spicer tomorrow, but we do that every day.

The Labor Center will continue to educate and place a new generation of progressive union activists throughout the labor movement. That is what we do. And in the end building a mass movement is the only way to defeat those who seek to divide us in their thirst for power.

Whatever may be the standard of academic rigor at these programs, it competes fiercely with the goal of boosting the left-leaning power of Big Labor. A page on the United Auto Workers (UAW) website shows another example:

*You learn a lot about unions by being a member. But did you know you can take a deep dive into learning by attending university classes about unionism? Wayne State University's Labor School in Detroit offers certificates and advanced degrees in labor studies, and employment and labor relations—for union members and anyone who wants to make positive changes for working families. **No grades and no exams, either** [emphasis added].*

In 2005, a Michigan Chamber of Commerce executive declared the Wayne State University Labor Studies Center had “long been viewed as a wholly owned subsidiary of the UAW” and that it was “disappointing that an academic institution would allow itself to be so politically manipulated.” The business organization was filing a campaign finance complaint against Wayne State, alleging that a Labor Studies Center website

Public employee union bosses in Michigan and elsewhere are terrified by the notion of municipal governments and public schools saving taxpayer dollars through outsourcing.



Credit: United States Government. License: Public Domain.

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was engaging in politics by promoting an effort to place a statewide minimum wage hike proposal on the 2006 general election ballot.

By 2011, little had changed.

Up until then a Wayne State Labor Studies Center web page brazenly promoted the taxpayer funded university's role in producing a “comprehensive guide for activists organizing living wage campaigns.” Similarly, another paragraph on the same page described the “aggressive political action” in several big cities that had produced “progressive economic policies,” and pledged that the LSC would “help local leaders develop local strategies for building power.”

Public employee union bosses in Michigan and elsewhere are terrified by the notion of municipal governments and public schools saving taxpayer dollars through outsourcing. For that concern, another section on the Wayne State website provided a down-

loadable guide of “strategies for preventing privatization.” Declaring “Political action does not have to be a ‘dirty word,’” the same page offered the Labor Studies Center’s assistance to union bosses hoping to set up political education campaigns.

The “scholars” at Wayne State also included a page of links to other web-based research resources, such as the “Strategic Action Center” (which they promoted as “designed to assist progressive organizations with information gathering, strategy development, and tactical implementation” and “campaign needs”), and the “Dirt Diggers Digest” (what the Wayne State crew said was a “newsletter for corporate researchers working for labor unions, environmental groups, public interest organizations and other progressive entities”). And yet another page of helpful left-leaning resources linked to the Institute for Policy Studies (one of America’s oldest left-wing think tanks), the Michigan Prospect (a now-defunct left wing news source), and the now-infamous, defunct and thoroughly disgraced ACORN—which the Wayne State folks identified as “a key player in living wage organizing.”

These pages and their content disappeared from the university website in 2011, following a highly acrimonious Freedom of Information Act request I made seeking emails from the Wayne State Labor Studies Center and two similar programs at Michigan State University and the University of Michigan. I was seeking email correspondence relating to the then-on-going labor union demonstrations in Wisconsin against a right-to-work law, suspecting there was the sliver of a chance the internal discussions might reveal more concrete proof of misuse of taxpayer resources by the team at Wayne State.



Credit: JD Lasica. License: <https://bit.ly/2Gy0f5j>.

Rather than Wayne State’s long-established history of politicking on the public dime, it was my attempt to put a microscope on it that drew attention from the left-leaning Talking Points Memo political blog and MSNBC news talker Rachel Maddow.

But, rather than Wayne State’s long-established history of politicking on the public dime, it was my attempt to put a microscope on it that drew attention from the left-leaning Talking Points Memo political blog and MSNBC news talker Rachel Maddow. (I had included Ms. Maddow’s name in the FOIA request due to a suspicion that an email discussion of her might be paired with evidence of the misbehavior I was looking for—she had recently spent show time attacking labor reform measures taking place in Michigan.)

The FOIA effort didn’t produce the evidence I was looking for, but the controversy led the Wayne State University lawyers to tell the Labor Studies Center to yank down the political content. Under a headline reading “After Michigan FOIAs, Wayne State Takes Down Labor Studies Website,” Talking Points Memo declared I had taken a “victory lap.” A spokesperson for the school said the lawyers were looking to determine “whether or not there’s a violation of campaign finance laws given the content on the website.”

Eight years later, none of these materials have been put back on the university’s pages.

Of course, this was likely just a victory for secrecy. Even though the Wayne State Labor Studies Center, as seen in cyberspace, is no longer proudly promoting political assistance, the politics could still be happening offline. As noted above, the UMass-Amherst cousins are still brazenly participating in political behavior and boasting of it online.

Politicking aside, and assuming there is a valid reason for these programs, then who are they really for?

The Bureau of Labor Statistics showed 88.3 percent of all workers and 92.8 percent of us in the private sector worked at non-union jobs in 2018. Unions aren’t even needed in the small fraction of jobs where they do exist. As some of many examples, there are auto plants without the UAW and construction sites without the likes of the International Brotherhood of Electrical Workers and the Carpenters Union.

The American economy hummed along in 2018 with record low unemployment and strong GDP growth. Big Labor was overwhelmingly (and—arguably—totally) irrelevant to that prosperity. While denying or downplaying the political edges of labor studies programs, defenders will claim instead that they’re teaching union representatives skills such as how to negotiate collective bargaining contracts and navigate relations with employers. While that certainly occurs, it raises more important questions regarding why that task is done by public universities rather than the unions, and whether it needs to be done at all.



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In 2005, a Michigan Chamber of Commerce executive declared the Wayne State University Labor Studies Center had “long been viewed as a wholly owned subsidiary of the UAW” and that it was “disappointing that an academic institution would allow itself to be so politically manipulated.”

Why should almost 90 percent of us pay these schools to run programs none of us really need?

And for the 11.7 percent of us still forking over part of our paycheck to the union boss, does the strident left ideology of the labor studies centers really reflect what we want? In Michigan, CNN exit polls from the 2016 election showed 40 percent of voters living in a union household voted for Trump, with another 5 percent voting for Libertarian Gary Johnson. Nationwide, 42 percent of union household voters supported Trump.

Taking money from everyone, for training and politics arguably needed by no one, public university labor studies centers aren't even fairly representing a big chunk of the people they claim to be serving. That's why it's difficult to stifle the ironic laughter when reading the slogan adorning the website of the University of Wisconsin School for Workers: “Education for Workplace Democracy.”

Founded in 1925, and claiming to be the “original university-based labor education program,” the University of Wisconsin School for Workers also has a history of favoring left-leaning politics under cover of an academic purpose. It had planned to sponsor an “Art in Protest” festival for March 2012 and feature the “art” produced by the furious demonstrators who occupied the state capitol grounds during the 2011 right-to-work protests directed at Republican Gov. Scott Walker and state lawmakers.

Deeming this to be a public university promoting angry left-wing political propaganda, a Republican state lawmaker pressured the School for Workers into cancelling it. A cartoonist working on the event declared the cancellation to be a “direct attack on freedom of speech, on freedom of expression, on academic freedom, and on labor education.”

Of course, freedom of expression wasn't the issue as the festival could have been sponsored by Wisconsin's labor unions or any number of other private organizations. The cartoonist's assertion otherwise relies upon an unintentionally revealing assumption that the fires of left-wing union boss rage cannot survive without the oxygen provided by a taxpayer-supported labor studies center. There's probably something to that: CNN exit polls for 2016 reported 43 percent of Wisconsin voters living in a union household voted for Trump.

There have been efforts to put an end to labor studies programs.

As governor of California, Arnold Schwarzenegger repeatedly tried to de-fund the labor centers at the University of California-Los Angeles and the University of California-Berkeley. When he signed the 2008-09 state government budget, he did so with a line-item veto zeroing out their \$5.4 million appropriation. A protest ensued from hundreds of professors and staff throughout the University of California system, accusing the governor of “unwarranted political interference” in the schools. In response, UC system president Mark Yudof somehow found an extra \$4 million sloshing around in his \$3 billion budget and forked it over to the labor studies centers.



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What Yudof had saved, according to a statement from the free market Pacific Research Institute released two years earlier, was a program that was using taxpayer dollars to “harass California businesses, concoct bogus studies, conduct union activism, and engage in partisan politics.”

“What the Labor Institute called ‘research’ was merely anti-business propaganda,” said the PRI statement. “The



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financed university is training labor union zampolits to tip the election scales in their favor. The union bosses might have some reason to worry: even in this deepest of blue states the CNN exit poll for the 2016 election reported 31 percent of voters from union households voted for Trump—just a percentage point less than the non-union homes.

In any case, imagine the outraged accusations about the misusing of university dollars if a different department at Cal were training Tea Party activists (a lot of them also union members) how to beat the unions at the ballot box.

At the UCLA Labor Center, they have a “Global Solidarity Project.” Its web portal provides rhetoric purpose-built to confirm the

perception that California’s labor centers are strident left and anti-business: “Only through joining together around our common interests can we challenge corporate domination.”

Finally, the most stereotypical of radical left messaging appears in a UCLA Labor Center branded poster for a May Day 2018 event: “All Power to Workers...”

That sounds terribly Bolshevik, but it’s probably just the typical exaggeration.

The folks running labor studies centers always argue that theirs is a purely academic mission. When intellectuals have promised to take down the capitalists and give all power to workers, they have historically wound up keeping most of the power for themselves. ■

Read previous articles from the Labor Watch series online at CapitalResearch.org/category/labor-watch/.

Big Labor bosses have quietly weaponized American academia to do their political training for them. Many of the dozens of labor studies centers at universities across the nation engage in similar behavior.

Labor Institute also promoted a biased version of labor history to be taught in California public schools.”

A decade later, both California programs are still going and unreformed.

The Cal-Berkeley Center for Labor Research and Education website provides a page pointing activists to “Organizations Working on Minimum Wage and Living Wage.” Even more problematic, it is going to host a “Strategic Campaigns” workshop in December 2019. The page promoting that event promises to prepare members of school employee unions for work on “school board elections” and a “ballot initiative focused on restoring funding to public schools.”

There is no education nor research purpose involved in either of these *exclusively* political objectives. Instead, there is just a fear that too many California taxpayers might not vote in favor of what school unions want, so the taxpayer

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