

# CAPITAL RESEARCH

# **TOM STEYER THE CRUSADER**

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By Jake Klein

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

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Launched by Capital Research Center in August 2017, InfluenceWatch will bring unprecedented transparency to the history, motives, and interconnections of all entities involved in the advocacy movement. Today, our growing website includes over 5,700 pages and over 550 full profiles, with more added each week.

# SPECIAL REPORT



# **CRC LOOKS BACK AT 2018**

By Christine Ravold

# Happy New Year from the Capital Research Center!

2019 promises to be full of more research-oriented reporting on and investigations of those trying to influence policy debates. Before CRC digs into the biggest influencers, newest activist organizations, and best-funded movements shaping the new year's stories, we're taking a moment to reflect on all of 2018's successes. Here we've listed just a few of CRC's victories from last year. To keep up-to-date on our ongoing investigations, be sure to subscribe to our weekly email, Facebook, Twitter, Instagram, and YouTube updates.



# **January**

CRC's short animated video, "Communism will ALWAYS be violent" went viral in spectacular fashion. In less than a week, it garnered over 1.4 million views and 25,000 shares on social media. Today it has over 3.15 million views. This indictment of communism and its inherent violence amassed swift criticism from leftists online and from all corners. This video has now been translated into Bulgarian, Polish, Portuguese, Serbo-Croatian, Vietnamese, Lithuanian, Russian, Ukrainian, and Spanish. By reaching an international audience, CRC is helping to tell the truth about communism and those who support it.

# **February**

CRC's Michael Hartmann and Michael Watson wrote a report analyzing the way money flowed to political organizations and nonprofit entities before and after the Supreme

Court's landmark decision in *Citizens United v. FEC*. Hartmann and Watson determined that overall, giving of all kinds increased across the political spectrum to organizations of all kinds. CRC hosted an event at the National Press Club featuring William Schambra of the Hudson Institute, David Keating of the Institute for Free Speech, Abby Levine of Alliance for Justice, and Gara LaMarche of the Democracy Alliance for a cross-ideological discussion of the findings and their implications for advocacy philanthropy.

### March

In March, America learned that the data firm Cambridge Analytica, which provided digital consulting services to the Trump campaign, obtained thousands of individuals' Facebook profiles, violating Facebook's user agreements. However, CRC President Scott Walter pointed out in a Daily Caller op-ed that Facebook allowed the Obama campaign to do something similar and that the Democrats have their own data analytics firm, called Catalist.



Credit: Mobilus In Mobili. License: https://goo.gl/FZ6Ygi.

# April

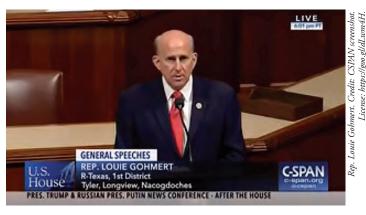
The disruptive, disorganized, and anonymous group of anarchists, leftists, and malcontents known as Antifa (a truncation of "anti-fascist") inspire fear and threaten political discourse. Many Americans are familiar with the group's handiwork, but the movement's origins aren't as well understood. In an in-depth investigation, CRC traced

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

Antifa to protests in Nazi Germany and exposed the group's distinctly fascistic tactics.

# May

The Southern Poverty Law Center earned its reputation by suing members of the Ku Klux Klan and promoting civil liberties. But today, the SPLC is more interested in demonizing those who fail to adhere to its left-wing talking points—namely conservatives. The SPLC's past reputation was enough to infiltrate Guidestar, the Department of Defense, Facebook, and Google, allowing it to chill speech and punish heterodox thinking. However, the Capital Research Center revealed that the "P" in SPLC should stand for "prosperity," not "poverty." In its most recent tax return, the SPLC reported its assets had grown to nearly half a billion dollars.



## June

As rumors and skepticism swirled around the Mueller Investigation, CRC's Dr. Stephen J. Allen researched Russia's 70-year effort to influence American elections. Far from being a new phenomenon, Dr. Allen's carefully detailed history shows that Russia has always made attempts to undermine America. It was only opposition to President Trump that had mainstream media outlets breathlessly reporting about Russia's operations. Later in the year, Representative Louie Gohmert (R-TX) read Dr. Allen's piece on the floor of the U.S. House of Representatives and had it entered into the Congressional Record.





# July

The Anthem Film Festival hosted a special screening of *No Safe Spaces*, a film produced by CRC's Dangerous Documentaries, at Freedom Fest in Las Vegas, Nevada. Another Dangerous Documentaries film, *America Under Siege: Antifa*, was nominated for best documentary. After the screening, Producer Joseph Klein, along with film's writer and host, Trevor Loudon, participated in a panel discussion about increasing violence against protected speech.

## **August**

Following the resignation of Supreme Court Justice Anthony Kennedy in late July, President Trump nominated Brett Kavanaugh to sit on the U.S. Supreme Court. Almost immediately, left-wing activists and politicians planned to protest Kavanaugh, including the brand-new activist organization, Demand Justice. CRC President Scott Walter wrote an op-ed in RealClearPolitics reminding readers that confirming a conservative Supreme Court Justice was a major factor in the 2016 election—something acknowledged by even the most biased media outlets. CRC's research on the Left's new judicial activists was so authoritative that a Google search for the organization's name brought up CRC's InfluenceWatch profile before the group's official page!



# HAYDEN LUDWIG I ANALYST, CAPITAL RESEARCH CENTER ANGLE INVESTIGATION: CARAVAN CO-CONSPIRATORS

# September

Left-wing ideologues searching for a way to obstruct Brett Kavanaugh's elevation to the Supreme Court rallied and protested. CRC was there to record the demonstrations which included plans to pack the Supreme Court.

The political rhetoric in September descended to a new level of divisiveness, including the publication of an anonymous op-ed in the *New York Times*, which professed to be written by a top-level official within the Trump administration criticizing the president. While the identity of the op-ed's author remains unknown, CRC found the piece alarming for a different reason: It is evidence that the regulatory state and executive branch officials are willing and able to subvert an elected president in order to pursue a separate agenda. The Daily Signal published Scott Walter's op-ed on the relationship between the so-called "Deep State" and the executive branch agencies.

# Center for American Progress Center for American Progress A M E R I C A MEDIAMATTERS FOR A M E R I C A

# **October**

PBS aired a trendy documentary called "Dark Money," which had liberal media outlets such as the *Los Angeles Times* writing rave reviews. What most of the film's critics overlooked, however, was the amount of left-leaning "dark money" that helped sponsor the film. CRC President Scott Walter highlighted this glaring double-standard in an opinion piece in the *Wall Street Journal*.

### **November**

A caravan of Central American migrants trekking from Honduras to the United States' border with Mexico drew attention from immigration activists calling for open borders and amnesty for illegal aliens. CRC's Hayden Ludwig investigated a small organization called Pueblo Sin Fronteras, a group with whom several caravan leaders appeared to be affiliated. His research unearthed an interconnected network of radical activists dedicated to compromising U.S. border security and harboring undocumented immigrants.

The Drudge Report and the Daily Caller cited Ludwig's research. Laura Ingraham and Bill O'Reilly invited Ludwig to discuss his research on their shows.

## **December**

Reports of a flurry of Freedom of Information Act Requests (FOIA) inundating several agencies and federal regulators spurred CRC to investigate some of the groups aping Judicial Watch—the right-of-center organization famous for sending FOIA requests to the government to increase transparency and accountability. It turns out this army of non-profit organizations employ former members of the Obama administration and the Hillary Clinton campaign. The *Wall Street Journal's* Kimberly Strassel wrote about our findings in her column, which also pointed out that these newly formed groups benefit from financial practices that obscure the identity of their funders and financial statements. These same practices, when employed by right-of-center groups are usually slandered as "dark money."

Be sure to check back with CRC regularly as we proceed to track and expose the influencers and movements shaping politics and the news cycles in 2019. ■

Read previous articles from the Special Reports series online at CapitalResearch.org/category/special-report/.



No Safe Spaces, a film starring Adam Carolla and Dennis Prager and a project of CRC's own Dangerous Documentaries, will expose the safe space culture that is undermining American universities. No Safe Spaces will expose the sad state of free speech, the unwillingness of students to be challenged by new ideas, and "the grievance culture" of "safe spaces" that are undermining the intellectual foundations of American higher education.

Carolla—a well-known stand-up comedian, podcaster, and radio personality—and Prager—a syndicated radio talk show host who has been on the air for more than four decades—will travel to college campuses across the country interviewing students, professors, and commentators from both sides of the political spectrum.

No Safe Spaces is set to release in Spring 2019. It is directed by Justin Folk and produced by Mark Joseph. Scott Walter and Jake Klein are executive producers.

NOSAFESPACES.COM

# COMMENTARY



# INSIDE A GOOGLE SUMMIT ON DIVERSITY AND INCLUSION

By Jake Klein

How could any reasonable person oppose diversity and inclusion in the workplace? Answer: Because "diversity and inclusion" in the work context is actually a euphemism for something else.

During an October 30 summit held by Google, attendees listened to a panel discussion titled, "Beyond Hype, How Diversity & Inclusion in the Workplace Maximizes Your Bottom Line." The panelists' comments amounted to a very irregular definition of "diversity and inclusion": A desire for equal outcomes among all identity groups, and disadvantaging individuals in overrepresented demographic categories.

Adam Berlew, head of Americas Marketing for Google Cloud, moderated the panel, which featured

guests Joanna Dees, VP of educational programs at Women in Cable Telecommunications; Maribel Perez Wadsworth, president of the USA Today Network; Tom Kazmierczak Jr. head of diversity and inclusion at T. Rowe Price Associates; and Lori Rosenkopf, vice dean and director of the University of Pennsylvania's Wharton School, undergraduate division.

All participants advocated for changing workplace policies to increase the representation of women, people of color, and LGBT communities in the corporate world. There's nothing wrong with increased representation of these groups. The problem is how identity group disparities are measured and which methods are used to correct them.

For example, Ms. Dees brought attention to the tired trope of the gender wage gap, saying, "On average, still, a woman only earns 80 cents for every dollar a man makes." Numerous economists and scholars have shown this oft-cited statistic is misleading, at best. But Ms. Dees went on to note that women make up 50 percent of the U.S. workforce, yet less



Inc. reported that when Google released its first diversity report, it "[set] off a domino effect that led dozens of other tech companies to follow suit." Google's influence extends to Washington as well by financing think tanks and spending more on lobbying in 2017 than any other corporation.

than 5 percent run Fortune 500 companies. She explained that, "If our goal is 50-50 [gender representation], we all have some serious work to do." But that intention is misplaced. Such disparities don't necessarily indicate prejudice at work, and in the absence of prejudice, forcing 50-50 representation would *require* prejudice against the majority group.

A number of the panelists also praised unconscious bias training for employees. As of 2015, 20 percent of companies provided such workshops. The notion of "unconscious bias" is based on implicit-association tests, which ask participants to look at pictures of members of various identity groups and then measure their response time in matching images with either pleasant or unpleasant words. Such tests have been subject to an abundance of criticism—most notably that the tests don't measure bias, but unrelated things

Jake Klein is the film and video producer at the Capital Research Center. This article was originally published in December 2018 on the online platform Quillette.

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Unconscious bias training is based on an unproven and cynical worldview: Deep down, everyone is at least a little bit bigoted.

such as the time it takes to switch tasks. It's also the case that many people with strong negative implicit-association test results *don't show any overt racism* in their actions.

Unconscious bias training is based on an unproven and cynical worldview: Deep down, everyone is at least a little bit bigoted. This perspective may serve to delude bigoted people into justifying their prejudices as "normal." Some research explicitly suggests unconscious bias training may actually *create* a norm for stereotyping and thus increase its prevalence.

Mr. Kazmierczak also referred to the T. Rowe Price Associates board of directors as having "over 40 percent diversity," as if an individual can be measured as diverse. In Mr. Kazmierczak's telling, a board made up entirely of black women would be 100 percent diverse. That's not the definition of diversity; the word means having "variety" or "difference" in relation to a larger group. In practice, labeling an individual as diverse "others" members of minority groups, which weakens the concept of a larger

unified humanity, and encourages individuals to silo themselves according to tribal notions of group membership.

The panelists claimed that to be competitive, businesses must hire and promote for a diversity of identities and ethnicities, but in fact, research shows the most valuable sort of diversity in hiring is diversity of thought. Intellectual diversity can sometimes correlate with diversity of identity group membership and end up increasing demographic variety as a side effect, but it doesn't need to.

Mr. Kazmierczak and others lauded "business resource groups," which are working groups segregated along identity lines. He noted that T. Rowe Price Associates has working groups for ethnic minorities, one for female employees, and an LGBTQ and allies group. Such groups can limit diversity of thought by actively encouraging members to think through the lens of their identity group, and then keeping the groups working separately. Not too long ago, this would have been recognized as *segregation*. Even if resource group membership occurred voluntarily, desegregation efforts would have broken up such a work style.

At the end of the panel, the first questioner, an Indian man (his demographic group only provided because Mr. Kazmierczak would have considered him "diverse") criticized the panel using many of the arguments cited above. All the panelists declined to respond to any of his criticisms on stage, and only Ms. Rosenkopf confessed that she agreed "diversity of thought" could be important, too.

Only a little over a year ago, Google became embroiled in a controversy over the firing of engineer James Damore, who wrote an internal memo titled "Google's Ideological Echo Chamber." The memo criticized Google's diversity policies on the grounds that various factors—not just discrimination—could lead to disparities in gender representation, and that discriminating against men would lead to worse outcomes. Several scientists who commented on the controversy agreed with Damore on key aspects of his argument.

And according to a Harvard-Harris poll of registered voters, 55 percent of those surveyed said Google was wrong to fire Damore, including 50 percent of Democrats. That same poll found 52 percent "oppose giving minorities preference"



(Left to right, Eric E. Schmidt, Sergey Brin and Larry Page of Google) Google was founded in 1998 by Larry Page and Sergey Brin while they were Ph.D. students at Stanford University in California.

in hiring to add diversity." In response to facing a class action lawsuit alleging discrimination against Asian men and conservative white men, Google has taken it to arbitration (indicating that the company may be eager to settle the action behind closed doors).

Sadly, it doesn't seem Google has learned much since Damore's firing. And given Google's influence throughout the corporate world, that is disturbing. The industry website *Inside HR* has said Google has "reinvented HR" and promoted the tech giant's practices, including its efforts to improve diversity. *NBC News, Inc.* and *Fortune* have all positively covered Google's diversity programs. *Fortune* noted that "as is often the case in tech, where Google goes, others attempt to follow." Inc. reported that when Google released its first diversity report, it "[set] off a domino effect that led dozens of other tech companies to follow suit." Google's influence extends to Washington as well by financing think tanks and spending more on lobbying in 2017 than any other corporation.

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Fortune noted that "as is often the case in tech, where Google goes, others attempt to follow."

With that kind of influence driving the wave of "diversity and inclusion" in corporate America, it won't be easy to reverse this ideological tide. But that uphill battle is the reason more people need to know about how the word "diversity" is misused to promote, rather than end, judging people based on their immutable characteristics.

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



Only a little over a year ago, Google became embroiled in a controversy over the firing of engineer James Damore, who wrote an internal memo titled "Google's Ideological Echo Chamber."

# ORGANIZATION TRENDS



# **AGNES IRWIN AND HER LEGACY**

Paying it too little heed, and paying a price

By Michael E. Hartmann

"In the summer of 1869," according to Agnes Repplier's 1934 Agnes Irwin: A Biography, "two principals of a girls' school in Philadelphia were drowned at Bar Harbor. This tragic happening gave Agnes Irwin the opening she sought."

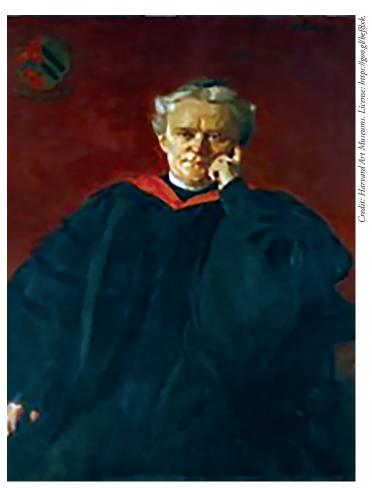
That Summer, Irwin became principal of the West Penn Square Seminary for Young Ladies after the tragic deaths of the two people who had been governing the school. She "took charge of the school on Penn Square, retaining the former teachers," according to Repplier. "Everyone said that a good start had been made, but no one dreamed of what would grow from that quiet and modest beginning."

The formidable Irwin "combined distinction of mind, staunchness of character, and that quality of poise which we are told the world has never loved, but which has preserved it from disintegration under the repeated onslaughts of unwarranted complacency and indiscriminate reform," according to Repplier, an essayist who attended the school for a time.

To honor how she boldly built the successful school and to perpetuate her legacy, it was later renamed The Agnes Irwin School (AIS). A great-great-granddaughter of Benjamin Franklin, Irwin would become dean of the all-women Radcliffe College in Cambridge, Mass., in 1894. She was "an advocate for the education of girls and young women—a radical concept in her time," as AIS's website proudly remarks.

In 1933, the secular AIS moved its campus west to Wynnewood, Penn., and in 1961, it moved farther west on the Main Line to an 18-acre location in Rosemont, Penn. It is among a cluster of similarly genteel private schools in the area, which also includes the all-girls Baldwin School, the all-boys Haverford School, and the co-ed Episcopal Academy and Shipley School.

AIS has pre-kindergarten through 12th-grade classes. It says it offers—and the parents of its students certainly think they buy—a rigorous college-preparatory, liberal-arts curriculum. Annual tuition exceeds \$20,000 at the pre-K level and steadily increases by grade to beyond \$35,000 at the high-



The formidable Agnes Irwin (picture in a painting by Cecilia Beaux) "combined distinction of mind, staunchness of character, and that quality of poise which we are told the world has never loved, but which has preserved it from disintegration under the repeated onslaughts of unwarranted complacency and indiscriminate reform." —Agnes Repplier

school level. As with almost all such nonprofit schools, of course, many parents also use their wealth to make substantial donations to it.

Michael E. Hartmann is a senior fellow and director of the Center for Strategic Giving at the Capital Research Center.

# **Everything Rooted in What's Best for Girls**

"Today, Miss Irwin's legacy serves as our inspiration," AIS tells these parents, and anybody who's interested, on its website. "In our Upper, Middle, and Lower schools, everything our students experience is rooted in what's best for girls: how they learn, how their brains develop, and what their social and emotional needs are."

"Just call us Agnes Irwin's superpower," the school inspirationally says in introducing its special Center for the Advancement of Girls. "Everything we do at The Agnes Irwin School is centered around what's best for girls, which is why we were intentional about creating" the center. "It's the force that infuses relevant girl-centered research into the Agnes Irwin educational experience and works to empower girls and young women in our community and beyond."

In the 1934 biography, Repplier includes what she calls "the clearest insight into" Irwin "and the value of the work she did" from LeBaron Russell Briggs, who was president of Radcliffe for 20 years. "From his point of view her greatest asset was her conservatism; but by this he did not mean her views anent the proper age for reading Fielding and Smollett, or the proper age for returning unchaperoned from Boston concerts," according to Repplier. "He meant that sagacity which restrains indiscreet partisanship, quiets fatal pugnacity, considers rights, and measures chances."

Specifically, as quoted by Repplier, Briggs wrote in 1927 of Irwin,

[S]he did one thing—pursued one policy—for which even the most radical of Radcliffe women should be grateful today: she was conservative. Conservative as Philadelphia whence she came, distrustful of untested innovations, maintaining that novelty is not excellent until it can read its title clear, no matter how long a time the reading may require.

On Friday, January 8, 2016, an Agnes Irwin School junior told her 11th-grade homeroom that she identified as a male. The Thursday before, without any notification to parents, the student body had received specific instructions on proper pronoun usage in addressing and referring to transgender colleagues—not a widely "tested innovation." An email to parents about the transgender boy's announcement went out to parents on Monday, January 11, from Head of School Dr. Wendy Hill.

Hill came to AIS in 2014 from Lafayette College, where she had been provost and dean of the faculty for seven



Dr. Wendy Hill, Head of School, came to AIS in 2014 from Lafayette College, where she had been provost and dean of the faculty for seven years. While her arrival might not have been the cause of AIS becoming subject to the cultural and ideological throes rattling the world of higher education, it sure seems to have portended it.

years. While her arrival might not have been the cause of AIS becoming subject to the cultural and ideological throes rattling the world of higher education, it sure seems to have portended it.

The proudly all-girls school did not have a policy on how to handle transgender boys at the time of the student's announcement—but, interestingly enough, it *did* already have a task force studying the matter. AIS may not have been caught so off guard by the development; the task force was presciently formed in October 2015. It was to have determined and announced a policy by Spring 2016.

In the wake of the January 2016 announcement, a formal petition critical of the school's actions, signed by more than 20 parents, including many alumnae, was submitted to the school's administration and board members. Fear of ostracism may have prevented more from signing.

"We care deeply about the tradition of rigorous academics that has been solidified here at Agnes Irwin over its 150-year

history and wish for that tradition and focus to continue," according to the parents' pointed, but respectfully written, petition. "We want Agnes Irwin to foster an atmosphere of critical thinking and a pursuit of knowledge so that our daughters can grow to be successful women who go on to excel in whatever avenue they choose following their time at Agnes Irwin."

The petition asked AIS

to take a stance on this issue. We believe in protecting the integrity of the school and its inclusive nature. We believe that we should not discriminate based on gender as well as sexual orientation. We believe these things, however, in the context of how the school was founded, which is [as] an all female school.

It requested more communication from AIS with parents—preferably before any incidents that might cause concern among so many of them. It specifically sought an open, school community-wide forum on February 2. The school declined.

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The parents' petition specifically sought an open, school community-wide forum on February 2. The Agnes Irwin School declined.

On February 16, 2016, in an emailed letter to all parents, Hill summarized the work of the task force and announced AIS's new policy on transgender boys at the girls' school. "The Board, my administration and I understand the keen interest of the community in the work of our Transgender Student Task Force," according to her letter. "For that reason, the Task Force accelerated its work to completion and forwarded a report and recommendation to the Board last week . . . .

"First and most important, The Agnes Irwin School is unwavering in its commitment to remaining an all-girls' school," she continued. "We will stay true to our Founder's vision, conceived almost 150 years ago, to provide a rigorous education to girls . . . .

"At the same time," Hill noted, "another core value of the school—validated through our recent community survey, constituency focus groups, and strategic planning workshop—is the warm and inclusive community, in which each individual is truly known and supported."

# **Unwavering Commitment, but Case-by-Case**

Then, after describing both the task force's and board's awareness "that opinions differ within our community" and the task force's six meetings and immersion "in research and literature about this topic," Hill told the parents:

As a result of this work, the Board has endorsed as a general guideline that with regard to any student who identifies as male while enrolled at the School, the School will work with the student and the family in a compassionate manner to foster a move, over time, to another more appropriate educational environment. The School will consider a continued enrollment of the student by applying a case-bycase analysis that examines factors such as how long the student has been at the School, the student's grade within the division, the ability of the School to support the student, and whether the student's gender identification has the support of the student's family. Within the case-by-case analysis, the end of the student's division will be considered with regard to the time period of continued enrollment. As with any student, the School will consider the individual student's well-being, that of the other students in the School, and The Agnes Irwin community as a whole.

Hill finished by saying that AIS would only consider admissions applications from girls and that the new policy would be announced to "Upper School students during grade-level meetings tomorrow morning." She also thanked "the many parents, alumnae, and other stakeholders who took the time to share their perspective."

In response to an emailed interview request for this article, Hill replied "Thank you for your inquiry, but at this time, we are unable to accommodate your interview request."

Many parental recipients of Hill's February 16, 2016, letter plausibly read it to mean, by its own terms, that the transgender boy would be compassionately counseled, albeit perhaps over a reasonable period of time, out of AIS—given, again in its own terms, AIS's "unwavering ... commitment to remaining an all-girls' school."

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"A very striking trait of my aunt's, and one which required intelligence as well as character, was her uncompromising truthfulness," Repplier's biography quotes Irwin's nephew as writing.

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#### Transgender Boys at All-Girls' Schools **Elsewhere**

According to a "position statement" on how to handle transgender students, the nonprofit National Council on Girls' Schools (NCGS) "encourages our schools to consider, at every point, the importance of working in a supportive way with students and families on a caseby-case basis during enrollment processes and as students identify as transgender within their school communities" (emphasis in original). Its many recommendations include ones to:

- "make decisions, policies, and procedures related to transgender students in alignment and consistent with their mission and diversity statements;" and, ...
- "consider whether a student who identified as female when enrolled who later identifies as a male can remain at the school, and if not, how the school will support and assist him in finding educational alternatives."

For an October 2017 paper, NCGS researched what girls' schools around the country are doing about transgender students and found that many face the same challenges AIS did in early 2016—generally including, among other things, "how do we stay true to our girl-centric mission if we include transgender students?" According to the paper, "Reportedly, highlevel administrators at three schools lost their jobs at least in part because they were perceived to be too progressive around transgender inclusivity."

According to a January 2017 report from the Williams Institute at the UCLA School of Law, an estimated 0.7 percent of youth between the ages of 13 and 17 identified as transgender.

AIS compromised on its unwavering commitment. The junior transgender boy, in fact, graduated after senior year in Spring 2017. The school apparently construed the Hill "unwavering-commitment" letter's compassionate, but very carefully written "case-by-case" and "over-time" language so loosely and broadly as to extend the case longer than a year.

The student did not leave. Between the student's public identification as a male in January 2016 and graduation from AIS in Spring 2017, he wore a different uniform, used a separate bathroom, and wore a tuxedo to prom.

Many other students did leave; they were pulled by their parents from AIS. From the beginnings of the 2015-16 to the 2016-17 academic years, the school's overall enrollment declined from 664 to 619, according to tallies from its directories. That's a lot of tuition gone. A resulting decline in the school's financial situation followed, of course, exacerbated by also-declining contributions above and beyond tuition.

From the beginnings of the 2015-16 to the 2016-17 academic years, overall enrollment at AIS declined from 664 to 619.

Many AIS parents saw the episode as an unfortunately symbolic culmination of a larger permissive atmosphere fostered by the school's faculty and administration. They were essentially seeing that which Irwin's biographer Repplier might've described as, well, its "disintegration under the repeated onslaughts of unwarranted complacency and indiscriminate reform," of "untested innovations" in which it placed too much trust.

"If there was one point on which [Irwin] was absolutely assured, it was that culture and refinement alone did not redeem this life from unworthiness," according to Repplier's biography. Irwin had a determined "insistence upon a moral tone." One pupil told Repplier, "Capacity did not exist for Miss Irwin unless it were backed by character."

"[S]he represented Victorian standards," Repplier reports a friend as believing of Irwin, and Repplier herself notes that "a background of religion occasionally colored her letters and her speech."

AIS Lower School. In January 2018, there was another dramatic, and traumatic, incident at AIS—again emblematic of things going quite awry with its purported preservation of Irwin's legacy there. A sixth-grader recited in class an apparently racially charged poem that she had written.

In January 2018, there was another dramatic, and traumatic, incident at AIS—again emblematic of things going quite awry with its purported preservation of Irwin's legacy there. A sixth-grader recited in class an apparently racially charged poem that she had written. Students who heard the poem told their parents about it and its tone. The actual content of the poem itself has never been shared with parents, neither before nor after its reading.

In a February 2, 2018, email to parents of sixth-grade students, Hill and Director of Middle Schools Cintra Horn reported that "[i]n the poem, the student urged her fellow African-Americans to advocate for their rights, even in the face of hardship, violence, and oppression." AIS says about 15 percent of its overall enrollment are students of color.

"The poem took on issues that are challenging, complicated, and sensitive even for adults," according to Hill and Horn, and "We understand some parents and students were worried that the strong language in the student's work raised issues of safety."

In one of many emails written in response to the one from Hill and Horn by the parent of a sixth-grader who heard the poem, the parent quoted some violence-threatening language reportedly used by the student, including "We are ready to kill. Death is permanent. Are you ready to die?"

The parent of a sixth-grader who heard the poem quoted some violencethreatening language reportedly used by the student: "We are ready to kill. Death is permanent. Are you ready to die?"

"Miss Irwin's distaste for tumultuous speech was part and parcel of her habitual self-restraint," Repplier's biography notes at one point, and "Miss Irwin's instinctive avoidance of excess was full of meaning to her pupils," it notes at another.

Hill's and Horn's February 2 email said that AIS asked the student to undergo an "independent assessment in order to ensure the safety of the student and our student body," even though "the student and her mother both felt this was not warranted." To those students and parents who apparently were concerned about what they considered the threatening nature of the poem and its violation of any standards of decency: not to worry. Hill and Horn wrote that

the assessor has concluded the student is perfectly healthy—just as the student and her mother assured us from the beginning—and has cleared the student to return to school. We feel confident after this assessment that the student's work was not a threat. but rather, part of a tradition of bold and confronting political speech that leading civil rights activists have used.

# **An Integral Part of a Rich Liberal-Arts Education at AIS**

The student was welcomed back. "We remain vigilant for the safety and security of our community," Hill and Horn continued, and AIS "provide[s] a physically and emotionally safe space that encourages differing and diverse expression and sharing and analyzing different and varied points of view," of course. "This is an integral part of the rich liberal arts education we foster for our students."

Hill and Horn conceded some shortcomings in how the school handled the situation, and offered some apologies for missing, though they didn't use the words, what Repplier might've described as "that quality of poise" possessed by

Irwin herself. The email said, "We recognize that we as a School did not address perfectly each step in this situation, and we need to grow, learn, and improve going forward."

The range of initial parental reactions to Hill's and Horn's email included confusion, discomfort, concern, and outrage. Some thought that the poemwriting student should be considered as having violated specific policies in the AIS handbook, according to which "harassment in any



Above: Agnes Repplier, Irwin's biographer, reading. Hill and Horn conceded some shortcomings in how the school handled the situation, and offered some apologies—for missing, though they didn't use the words, what Repplier might've described as "that quality of poise" possessed by Irwin herself.

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form including that based on ethnicity, race, religion, gender or sexual orientation will not be tolerated" and "Words that amount to hate speech cannot be used at AIS."

As with the transgender incident, many parents saw the poem episode and its aftermath as symbolic of a larger atmosphere—in this case, a racially charged one in which girls were made to feel as if they need to feel guilty about or apologize for being white—and thus privileged.

While the poem's author did not leave AIS, many others did. From the beginnings of the 2017-18 to the 2018-19 academic years, the school's enrollment further declined, from 606 to 588. This precipitous decline probably reflects an ability on the part of AIS families to afford *true* school choice, something unfortunately denied to so many others in America.

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From the beginnings of the 2017-18 to the 2018-19 academic years, the school's enrollment further declined, from 606 to 588.

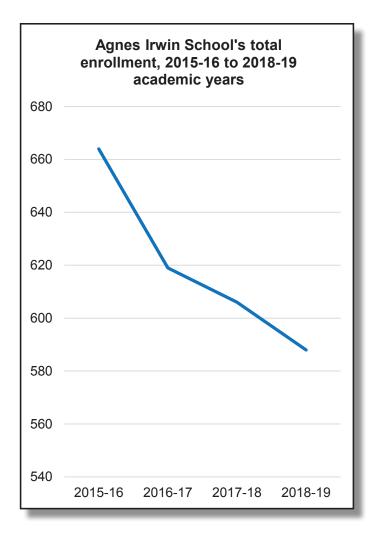
The AIS decline also means a lot more missing tuition, of course. Private institutions like Agnes Irwin rely on tuition for the majority of their operating budgets. With so much less money coming in, its overall finances thus declined again, too. And again, the situation has very likely been worsened by a decrease in contributions above and beyond the lost tuition.

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In October 1894, when Irwin was just settling into her new position at Radcliffe, she received a check for a total of \$5,000 to create an Agnes Irwin Scholarship fund at the college, according to Repplier's biography. Money in the fund was collected from 616 alumnae and students of Irwin's school in Philadelphia. They contributed to it as a sign of support for her, that for which she had done for them, and that for which she so stoutly stood.

Repplier includes a beautifully composed and moving expression of gratitude that Irwin sent to these donors, finishing with a quote from William Wordsworth:

I cannot tell you what I felt, or what I feel. For the twenty-five years that I have lived and worked among you, you have been the great interest of my life. I might have done more or better for you, I know. I have often wished this summer that I could try it again. But as I read over the long list of familiar names, I am sure that you all know that there is not one of you for whom



I would not gladly have done all that lay in my power; and that, if I have fallen short, it has been from negligence or ignorance, never from indifference. It is not possible that the years to come can ever bring me ties so strong as those to you have been. But you have made it easy for me to link the old life to the new in the way which of all others I should have chosen. What I could not do, you have done for me, and, in my name, for others. The thought sweetens the past and brightens the future; and long after I am gone, this generous gift of yours will "live and act and serve the future hour."

To Irwin, this would be a "future hour." Given that which has been and is occurring at AIS, one wonders whether Irwin might similarly express affinity with and gratitude to those now withdrawing support from the school that is her legacy.

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# GREEN WATCH



# **RUSSIA'S URANIUM GAMBIT**

By Ned Mamula

Summary: Most Americans don't know or understand the importance of the country's uranium producers, but the health of this industry is vital to ensuring national security because it—along with electric utilities—are responsible for producing as much as one fourth of the nation's power generation. Depressed uranium markets and careless "environmentally conscious" decisions at the federal level have created a situation that puts the country at a marked disadvantage. The Russian purchase of Uranium One didn't set off alarm bells in 2010, but it could have dire effects on the nation's energy supply, the economy, and national security by threatening America's uranium mining industry.

# **Uranium Independence**

Like iron and bronze millennia ago, uranium is a metal that changed the history of the world. It plays a vital role in maintaining America's national security, powering 20 percent of the U.S. Navy's fleet, and is at the heart of the most ferocious implements of war ever created.

Uranium will probably always be a critical material no matter how much of a supply the U.S. has because it is the only naturally-occurring fissile element on earth—it has no real satisfactory replacement for what it can do. The U.S. imports over 90 percent of its uranium needs from a dozen countries around the world. Worse, it is over-reliant on Russia and two of its former satellite countries, Kazakhstan and Uzbekistan, for more than 40 percent of those imports.

Closer to home, uranium also provides electricity for least 20 percent of American homes and businesses. However, American nuclear power has reached a tipping point—the once thriving U.S. uranium industry that was self-sufficient in the 1970s through 1980 has been in free-fall along with much of the rest of the mining industry over the past several decades.

Although the U.S. has abundant uranium resources and reserves, the demand is shrinking for several reasons. Older nuclear power plants are reaching end-of-life cycle and are



Like iron and bronze millennia ago, uranium is a metal that changed the history of the world. Uranium will probably always be a critical material because it is the only naturally-occurring fissile element on earth—it has no real satisfactory replacement for what it can do.

being decommissioned rather than upgraded and cheap foreign imported uranium is more cost efficient for those newer nuclear plants that will be producing electricity into the future. This is why reversing America's dependence on so-called cheap foreign uranium will be very difficult under current market conditions. Also, cheap plentiful natural gas is edging out uranium for power generation.

Sustained over-reliance on foreign uranium from potentially hostile countries, without a plan to reverse that dependency is absolutely counter to the nation's security. In addition, it flies in the face of basic understanding of geology, economics, trade policy, geopolitics, and technology surrounding

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the U.S.'s uranium abundance and use. Many of the same issues that plague the uranium industry resemble those which caused the nation's over-dependence on China for rare earths.

## What is Uranium?

Uranium is a silvery-white element found in the actinide series on the periodic table and is 20 percent denser than its atomic cousin: lead. Uranium ore occurs mainly in the minerals *uraninite*, *coffinite*, and a few others, which are found in various rock types in many areas of the earth's crust. Incredibly, uranium is actually more common than tin, about 40 times more common than silver, and 500 times more common than gold.<sup>1</sup>

Uranium is also found in most rocks and sediments, seawater, aquifers, and hot springs. Normally the amount of uranium in a given area is very small, but where certain geological conditions exist, uranium can be more concentrated and may be economically recovered.<sup>2</sup>

Like other minerals, uranium mining operations consist of four primary stages—exploration, mining, mineral processing, and mine reclamation. Several of these stages can take place simultaneously, depending on the characteristics of the operation. The mineral processing stage for uranium is the basis for the nuclear fuel cycle (Figure 1).<sup>3</sup>

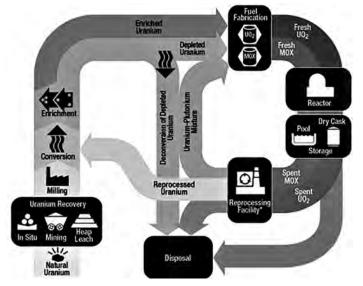


Figure 1

# Stages of the Nuclear Fuel Cycle

The nuclear fuel cycle is what happens to nuclear fuel from its creation to disposal. Uranium is processed in different chemical and physical forms to create nuclear fuel.

The nuclear fuel cycle typically includes the following stages:<sup>4</sup>

- Uranium recovery to *mine or extract in situ* uranium ore, and concentrate (or *mill*) the ore to produce a uranium ore concentrate, sometimes called U<sub>3</sub>O<sub>8</sub> or "yellowcake"
- *Conversion* of uranium ore concentrate into uranium hexafluoride (UF<sub>c</sub>)
- *Enrichment* to increase the concentration of uranium-235 (U<sup>235</sup>) in UF<sub>6</sub>
- Fuel fabrication to convert natural and enriched UF<sub>6</sub> into UO<sub>2</sub> or uranium metal alloys for use as fuel for nuclear reactors
- Use of the fuel in reactors (nuclear power, research, or naval propulsion)
- Interim *storage* of spent nuclear fuel
- *Reprocessing* (or *recycling*) high-level waste (currently not done in the U.S.)
- Final disposition (*disposal*) of used fuel or high-level waste (currently there is no permanently approved long-term nuclear waste storage facility operating in the U.S.)

# **How Much Uranium Does America Have?**

The western United States contains the major sources of uranium deposits (Figure 2) and its production, including Arizona, Colorado, Wyoming, Nebraska, New Mexico, Utah, and Texas. In the East, Virginia has large untapped high-grade resources of uranium located along its southern border in Pittsylvania County. Some Western state locations were made famous by their association with the discovery and mining of uranium over the past century.



Figure 2

For example, Arizona's uranium occurrences are known throughout the state in a variety of different geologic settings. By far the most uranium production has been from the Colorado Plateau known as the northern "Arizona Strip." Previous exploration there has resulted in the discovery of numerous "breccia pipe" ore bodies. These deposits are attractive exploration targets because they represent the highest grade deposits identified thus far in the U.S.<sup>5</sup>

A typical breccia pipe, shaped like a giant cylinder or funnel full of volcanic rocks, is about 300 feet in diameter and may extend 3,000 feet beneath the surface. Thousands of pipes occur at or near the surface, but only about one percent of them contain uranium ore. Since the 1980s, dozens of uranium-ore-bearing breccia pipes have been identified that have excellent potential for development as ore bodies. The total amount of mineable uranium discovered to date in northern Arizona is estimated to be in the range of 35 million pounds, but additional exploration will undoubtedly push that total much higher.<sup>6</sup>

Meanwhile, in Colorado, some of the U.S.'s largest and highest grade deposits occur within the Rocky Mountain, Colorado Plateau, and Great Plains provinces. In fact, on the Plateau in southwest Colorado, more than 1200 uranium mine shafts were driven from surface outcrop into sinuous uranium ore bodies in what is known as the Morrison Formation of dinosaur fossil fame. Following the uranium ore in the Morrison is difficult, and many mines were abandoned long ago. Modern exploration techniques suggest southwestern Colorado and the central Rocky Mountains remain good prospects for uranium production. Many abandoned Colorado uranium mines are being re-evaluated and production restarted.<sup>7</sup>

In northeast Colorado's Great Plains province, the uranium deposits do not outcrop at the surface, but are deeper underground, and are prime candidates for in-situ recovery. In situ recovery is a relatively simple process whereby a

mixture of groundwater and dissolved oxygen is pumped into a deeply buried mineralized sandstone, where it contacts, dissolves, and leaches the uranium ore. The mineralized solution is then pumped back to the surface where the uranium is removed.<sup>8</sup>

Farther north in Wyoming, uranium was first discovered in 1949, with production in the 1950s centered in the Gas Hills area and nearby Shirley Basin. Major discoveries in the late 1960s and 1970s also occurred in the Powder River Basin and in neighboring Nebraska.

Conventional mine production peaked in 1980, and decreased through the 1980s. Many in situ projects were placed on standby or shut down. However, at its peak, Wyoming uranium mining produced 12 million pounds annually, and roughly 210 million pounds of  $\rm U_3O_8$  since uranium was first discovered there.<sup>9</sup>

New Mexico's Grants Uranium Region has been the most prolific producer of uranium in the U.S. Since 1948, over 347 million pounds of U<sub>3</sub>O<sub>8</sub> have been produced from the region during the 40 years from 1950 through 1990. Since the 1960s, billions of dollars have been spent by U.S. government agencies (forerunners of the Department of Energy), and to a lesser extent the private sector, exploring for uranium in New Mexico, resulting in the discovery of classic uranium deposits in New Mexico's San Juan Basin.<sup>10</sup>

Surprisingly, Texas contains many shallow uranium deposits along the lower coastal plain in areas more commonly associated with oil and gas resources. In fact, the Texas Gulf Coast Uranium Region has been a surprise major producer of uranium in the United States. Texas production initially began in the early 1960s, resulting in over 76 million pounds of  $\rm U_3O_8$ . This represents one of the largest concentrations of uranium production in the U.S.<sup>11</sup>

Utah had the earliest uranium mining, beginning on a small scale in the 1870s and 1880s, with its ore shipped to France and Germany in 1884 for use in forming salts and oxides as colorants for ceramics and dyes, especially in the manufacture of glass and pottery, and also for use in photography and steel plating.

The eastern and southeastern regions near the basin margins of the Green and Colorado rivers contain deposits of uranium. There, Utah's famous uranium discoveries of the 1950s created another "bonanza" period in Utah mining, and within a five-year period, almost 600 producers on the Colorado Plateau were shipping uranium ore. The associated bonanza in penny uranium stock established Salt Lake City as "The Wall Street of Uranium." 12

Today, southeast Utah is home to the lone operating conventional uranium processing mill in the U.S. known as White Mesa—owned by Energy Fuels Company. The nearby Ticaboo uranium mill, owned by Uranium One—the company embroiled in the controversial buyout of U.S. uranium by Russian interests—is currently on standby. A significant number of past active Utah uranium mines are considering restarting operations depending on continued uranium price increases. In addition to the existing infrastructure, a number of companies are carrying out exploration programs for new resource areas in Utah. <sup>13</sup>

Geologically, the U.S. would appear to have the potential for enormous uranium resources. However, despite this apparent abundance and the long history of uranium development in the West, the U.S. is a relative lightweight regarding the amount of "known recoverable resources" of uranium compared to other countries.

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Geologically, the U.S. would appear to have the potential for enormous uranium resources. But with the Uranium One purchase, Russia uncovered the fragility of the American uranium industry.

Known recoverable resources are concentrations of minerals that have a reasonable prospect of economic extraction—specifically because the location, grade, quantity, and continuity of the resource is known based on geologic evidence. Like other minerals, a uranium prospect is not a resource until enough work has been done to demonstrate a good understanding of the mineral occurrence, and the quantity and quality show the potential to make it an economic success.

The World Nuclear Association in 2014 compiled a list of the top 13 countries with the most known recoverable resources of uranium as a percentage of the world total (Figure 3). Number one is Australia with 29 percent, followed by Kazakhstan (12 percent), Russia (9 percent), Canada (8 percent) as the top four countries. The U.S. is ninth at 4 percent of the world total with roughly 208,000 tons, behind Brazil at eighth (5 percent) and ahead of China at tenth (4 percent).<sup>14</sup>



(Uranium mine, Kakadu National Park, Australia) The World Nuclear Association in 2014 compiled a list of the top 13 countries with the most known recoverable resources of uranium as a percentage of the world total. Number one is Australia with 29 percent.

Australia	1,706,100	29%		
Kazakhstan	679,300	12%		
Russia	505,900	9%		
Canada	493,900	8%		
Niger	404,900	7%		
Namibia	382,800	6%		
South Africa	338,100	6%		
Brazil	276,100	5%		
USA	207,400	4%		
China	199,100	4%		
Mongolia	141,500	2%		
Ukraine	117,700	2%		
Uzbekistan	91,300	2%		
Other	358,800	4%		
World total	5,902,900			

Figure 3

The same World Nuclear Association survey for 2015 indicates that Australia, Kazakhstan, Canada, and Russia are again the top four countries (Figure 4). However, in one year the U.S. ranking has slipped from ninth to fourteenth at 1 percent of the world total of recoverable uranium—sandwiched between Botswana and Tanzania, each at 1 percent.<sup>15</sup>

Australia	1,664,100	29%		
Kazakhstan	745,300	13%		
Canada	509,800	9%		
Russian Fed	507,800	9%		
South Africa	322,400	6%		
Niger	291,500	5%		
Brazil	276,800	5%		
China	272,500	5%		
Namibia	267,000	5%		
Mongolia	141,500	2%		
Uzbekistan	131,100	2%		
Ukraine	115,800	2%		
Botswana	73,500	1%		
USA	62,900	1%		
Tanzania	58,100	1%		
Jordan	47,700	1%		
Other	232,400	4%		
World total	5,718,400			

As with other minerals, investment in geological exploration generally results in an increase of known resources. For example, worldwide exploration in 2005 and 2006 resulted in a 15 percent increase of the world's known uranium resources.

U.S. recoverable resources, on the other hand, have decreased roughly 145,000 tons or about 70 percent from 2014 to 2015 according to the survey data above—a very strong indication of decreased spending on exploration at a time when U.S. uranium mining and production needs to be stimulated to provide for private sector power generation and national defense and military readiness. <sup>16</sup>

Over the past decade, U.S. mining output has been erratic, but it was cut in half between 2007 and 2017 due to decreasing uranium demand because of increasing cheap foreign imports and rising natural gas production. This can be compared to other major producing countries whose mining output has been either flat or on the increase during the same period as shown in Figure 5.<sup>17</sup>

In summary, even though the U.S. is endowed with enormous uranium prospects, efforts at boosting exploration, mining, and production have all been trending steadily downward for almost the past 40 years. <sup>18</sup> It will take exploration dollars to turn U.S. uranium prospects into additional resources and reserves, and a national commitment to turn those reserves into production needed to grow the nuclear industry back to profitability.

Figure 4

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Kazakhstan	6637	8521	14,020	17,803	19,451	21,317	22,451	23,127	23,800	24,575	23,391
Canada	9476	9000	10,173	9783	9145	8999	9331	9134	13,325	14,039	13,116
Australia	8611	8430	7982	5900	5983	6991	6350	5001	5654	6315	5882
Niger	3153	3032	3243	4198	4351	4667	4518	4057	4116	3479	3449
Namibia	2879	4366	4626	4496	3258	4495	4323	3255	2993	3654	4224
Russia	3413	3521	3564	3562	2993	2872	3135	2990	3055	3004	2917
Uzbekistan (est)	2320	2338	2429	2400	2500	2400	2400	2400	2385	2404	2404
China (est)	712	769	750	827	885	1500	1500	1500	1616	1616	1885
USA	1654	1430	1453	1660	1537	1596	1792	1919	1256	1125	940
Ukraine (est)	846	800	840	850	890	960	922	926	1200	1005	550
South Africa	539	655	563	583	582	465	531	573	393	490	308
India (est)	270	271	290	400	400	385	385	385	385	385	421

Figure 5

# **Import Race to the Bottom**

The U.S. is beholden to Russia's government-backed mineral industry, and former Soviet satellites Kazakhstan and Uzbekistan, for over 40 percent of total U.S. uranium imports. That number is likely to go higher because of the fragility of the entire U.S. domestic nuclear cycle—from exploration, mining, conversion, enrichment, and disposal—due to environmental activism and an unwarranted fear of today's nuclear energy.

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The result is a situation where the U.S. uranium miners cannot supply the needs of civilian nuclear reactors as there is a steady growth in demand for electricity. As a result, our country has become wildly import over-reliant despite America's relatively vast geologic uranium endowment. According to the Energy Information Administration (EIA), the U.S.'s 99 civilian nuclear reactors are currently operating mostly on imported uranium, meaning that there is at least the potential for a partially compromised energy grid should relations with these uranium supplying countries deteriorate.

As of 2016, four major and eleven minor exporting countries provide almost all of the uranium to power U.S. nuclear reactors:<sup>19</sup>

Canada	25 percent	
Kazakhstan	24 percent	
Australia	20 percent	
Russia	14 percent	
Malawi, Namibia, Niger, and South Africa	10 percent	
Uzbekistan	4 percent	
Brazil, Bulgaria, China, Czech Republic, Germany, and Ukraine	2 percent	

## The Politics of Uranium Production

In addition to the fragility of U.S. uranium mining and processing, the federal government has a history of making the uranium import over-reliance situation worse. For example, over the past decade the Department of Energy (DOE) routinely exchanged excess stockpiled uranium—some from decommissioned nuclear weapons—as payment to contractors for cleanup services at a DOE contaminated site in Ohio. Officially known as "barter," this process apparently sidestepped the lack of congressional funding for various DOE site cleanups.<sup>20</sup>

Contractors ultimately sell the excess inventory, which undercuts the relatively small U.S. uranium mining market. Unfortunately, for the past seven years, the DOE has bartered away more uranium than was produced domestically. And in 2016 and 2017 a milestone of sorts was reached when the amount bartered to contractors was more than double the amount of U.S. uranium production in both years.<sup>21</sup>

If the DOE sold all of its uranium in the open marketplace, those funds would go to the U.S. Treasury, and not be transferred to the department in exchange for contract work. But, because bartering circumvents Congress's power of the purse, the Government Accountability Office (GAO) declared it illegal in 2006 and again in 2011.<sup>23</sup>

However, the DOE persisted!<sup>24</sup> Finally, Secretary of Energy Rick Perry on March 20, 2018, suspended the practice of bartering excess U.S. uranium to contractors as payment, and mandated that funding for cleanup of DOE facilities should be only be provided through congressional appropriations. Unfortunately, years' worth of damage to the market had already occurred.<sup>25</sup>

America in the 21st century runs on electricity, which is why this issue is rightfully discussed within the context of national security. As the nation approaches 100 percent reliance on foreign uranium, there is always the possibility for an embargo or partial restriction of exports to the U.S. by one or more countries. Such action may not be as dramatic as a rare earth-related or other critical mineral embargo, because the U.S. does have alternative forms of energy to supply power. But that reasoning seems to ring hollow in terms of the great value America places on its comprehensive approach to provide reliable and affordable energy to the nation. The U.S. previously declared "energy independence" and now the current administration policy is "energy dominance." Neither will come to pass if we abandon the American uranium industry.

Thus, a key question remains. Why does the U.S. rely on adversaries and unstable countries for uranium supplies,

especially when uranium is in relative abundance in our own land? Ostensibly, the U.S. could mine and produce many tens of millions of pounds a year, relying on friendly countries for the remainder.

Answer: Because uranium import over-reliance and uranium mining underperformance are locked together—each is caused by the other—and the cycle continues to spiral downward in a race to the bottom.

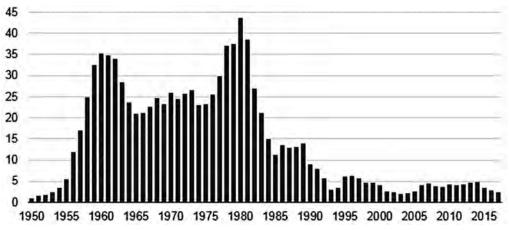


Figure 6

In addition to dwindling mining output, another problem that drives increasing imports is the United States' limited capability to process uranium *after* the metal has been mined. Production of uranium concentrate ( $U_3O_8$ ) in the U.S. now relies on *the only* conventional uranium mill in White Mesa, Utah, and six in-situ leach operations: four in Wyoming, one in Texas and one in Nebraska.

The White Mesa uranium processing mill in southeast Utah, owned by Energy Fuels, was idled during much of 2017 because of license renewal issues. During that time, all uranium mined in the U.S. needed to be sent to France and Canada for processing into yellowcake, and then *reimported* for conversion and enrichment and use in domestic nuclear



It is hard to imagine why the nation would have to send something as critical as part of its nuclear fuel cycle out of the country for processing, especially due to heightened security concerns of yellowcake falling into the "wrong" hands.

power plants. It is hard to imagine why the nation would have to send something as critical as part of its nuclear fuel cycle out of the country for processing, especially due to heightened security concerns of yellowcake falling into the "wrong" hands.

As of February 2018 the White Mesa facility is again operational. However, America's uranium processing capabilities are far too fragile still, and represent too much of a bottleneck to the country's power generating capability (Figure 6).<sup>26</sup>

From its 1980's peak of over 40 million pounds produced, U.S. production has persistently remained below 5 million pounds annually since 1997. U.S. uranium concentrate production totaled 2.44 million pounds in 2017, down 16 percent from 2016, and the lowest annual output of concentrate since 2004—15 years ago.<sup>27</sup>

In yet another blow to the U.S. nuclear fuel cycle, the nation's sole uranium conversion facility that converts  $\rm U_3O_8$  yellowcake into uranium hexafluoride gas for later enrichment, was shuttered in November 2017 and has been idled since. Honeywell, the company in charge of the Metropolis, Illinois, plant, one of the few such facilities in the world, suspended uranium hexafluoride (UF<sub>6</sub>) production pending an "improvement in business conditions." <sup>28</sup>

Honeywell made their decision to suspend production as the result of "significant challenges" faced by the nuclear industry. For example, they attribute decreased demand for UF<sub>6</sub>, especially from Japan and Germany, to the 2011 Fukushima nuclear incident in Japan. The company also sites current worldwide oversupply of UF<sub>6</sub>, an oversupplied uranium fuel cycle, and downward trend in uranium markets.<sup>29</sup>

Players such as Russia, Kazakhstan, and Uzbekistan, and some other uranium exporters are benefitting from the U.S.'s current uranium policy debacle by continuing to flood ("dumping") the U.S. with cheap uranium to gain

geopolitical leverage. Uranium "dumping" occurs because foreign uranium mining companies usually produce much more cheaply because they have huge advantages over American miners. For example, foreign mining companies are often subsidized by their governments, their environmental restrictions on mining are less stringent than the U.S., and the wages to their workers are significantly less than American miners. These factors combine to drive down American mining output.

In addition, American uranium production continues to decline under historically low uranium prices. During 2017

the price of uranium ore  $(U_3O_8)$  was between \$20 and \$25 per pound—lower than at any time since 2004.30

Consequently, two U.S. uranium operators, Energy Fuels and Ur-Energy, on January 16, 2018, again petitioned the Commerce Department under Section 232 of the Trade Expansion Act of 1962 (as amended) to investigate uranium import dumping in the U.S. by Russia and its surrogates Kazakhstan and Uzbekistan. Both companies are seeking relief from imports of uranium products that threaten U.S. national security.<sup>31</sup>

But it gets worse. While the U.S. does not import significant quantities of uranium from China at this time, the Chinese have significantly grown their state-owned nuclear enterprises and announced that they intend to penetrate the U.S. nuclear market with nuclear fuel that will compete directly with U.S. uranium miners.<sup>32</sup>

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(ARMZ Uranium Holding Co. logo) The purchase in 2010 of Uranium One, a Canadian uranium company operating in the U.S., by ARMZ, a holding company that is part of Rosatom (the Russian State Atomic Energy Corporation), was a coup for Russia in several ways.

In addition to the breadth of Uranium One worldwide operations, the "deal" enabled ARMZ/Rosatom to step directly into Uranium One's shoes and gain a valuable seat at the table through their existing membership in the Washington D.C.-based Nuclear Energy Institute (NEI) and the Uranium Producers of America (UPA), headquartered in Santa Fe, New Mexico.

As new NEI and UPA members representing Uranium One, representatives of ARMZ/Rosatom (read: Russian government) were suddenly privy to all U.S. nuclear industry strategic information, simply by attending meetings of the two trade

associations. Details about the U.S. nuclear power industry plans, uranium production, conversion, enrichment, DOE's stockpiled uranium, and the political backand-forth negotiation that is an inherent part of shaping legislation, all could now be learned openly by the Russians.

A uranium industry veteran of those forums described how the Russians listened intently to intimate nuclear industry discussions including production curves, prices, cost points, in-situ wellfield information, nuclear utility fuel demand predictions, and issues involving the conversion and enrichment industries. In other words, rather than continue a backdoor program of spying against America's nuclear industry, Russia simply entered the front door by legitimately purchasing a controlling interest (51.4 percent) in Uranium One.

Uranium One's new Russian partners received the added bonus of being able to walk the halls of Congress, the Department of Energy, Department of Commerce, and speak openly about the industry with administration officials,

## **Uranium Art-of-the-Deal**

The purchase in 2010 of Uranium One, a Canadian uranium company operating in the U.S., by ARMZ, a holding company that is part of Rosatom (the Russian State Atomic Energy Corporation), was a coup for Russia in several ways. First and foremost, the "deal" enabled the Russian government (note the word "State" in its name) to partner with a world-class uranium company that already had operations in Australia, Canada, South Africa, United States, and Kazakhstan.

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Rather than continue a backdoor program of spying against America's nuclear industry, Russia simply entered the front door by legitimately purchasing a controlling interest in Uranium One.

congressmen, senators, and staffs in the delegations of all seven uranium-producing states—Arizona, Colorado, Nebraska, New Mexico, Texas, Utah, Wyoming—and perhaps others. This, according to a well-placed American inside source.

Distracting from Russia's real buyout coup, however, are the hundreds of media reports as well as some "expert" testimonies following the buyout, insisting that "20 percent of America's uranium was given away" to the Russians, or that Russians absconded with 20 percent of all the uranium in the U.S.

These claims are absolutely wrong. The origin of the give-away probably started with one of the Russians associated with ARMZ. If so, they may have either: misspoken, were misquoted, been mistranslated, or spoken intentionally to mislead. But it was already too late. The media damage was done—supposedly Russia stole 20 percent of America's uranium!

U.S. uranium insiders know better. They believe the 20 percent number refers to that fraction of U.S. production that was already *licensed* by the Nuclear Regulatory Commission (NRC) for production by Uranium One in 2010, at the time of the buyout. In 2010, total production licensed by the NRC for companies (including Uranium One) operating in the entire U.S. was roughly about 6 million pounds. However, the actual 2010 U.S. production was a paltry 2.4 million pounds. Uranium One was licensed to produce about 1-1.2 million pounds annually, but actually produced far less.

Somewhere in these license and production figures is the actual 20 percent number, but it has nothing to do with American uranium resource figures which are orders of magnitude larger. This narrative, whether by design or not, was a perfect diversion away from the real facts and fears of what is happening due to the Uranium One "deal."

In retrospect, that buyout "deal," ultimately green-lighted by the federal government's Committee on Foreign Investment in the U.S. (CFIUS), dealt a severe blow to the U.S. domestic uranium mining and to the nuclear power industry because it further discouraged domestic uranium mining and led to processing facilities being idled. The role of CFIUS is an important part of the Uranium One decision, but much of that input is not made public.

However, the bottom line is this: rather than produce their uranium, the Russians may have cleverly chosen to restrict the already limited production on their newly-acquired Uranium One licenses in Wyoming in order to first create a shortfall. They then later could replace that U.S. shortfall with cheaper uranium imports from Kazakhstan at

# Advantage: Russia—What They Gained from Uranium One

The Russians in 2010 finally gained access to the U.S. uranium industry as insiders. Their diligence paid off because they:

- Belong to a small elite club of uranium producers in the nation's top nuclear trade organizations. By obtaining a seat at the table of NEI and the UPA, they are privy to the same confidential information that other members received.
- Freely interact with executive branch administration officials and Congressional representatives of uranium-producing states. There may also be privileged interaction occurring at the state level or elsewhere in government and in the corporate sector.
- Were able to restrict the production on U.S. uranium properties obtained in the "deal," increasing the need for more imports from Uranium One's Kazakhstan production.
- Are poised to take advantage of other Uranium One holdings in Canada, Australia, and South Africa.
- Are becoming to the uranium industry what the Chinese already are to the rare earth sector.

prices that undercut the U.S. Market—easy to do since the Kazakhs are not under the same regulations, restrictions, and rules that govern production in the U.S.

Therefore, it should appear to even the casual observer that the Uranium One buyout was a strategic success for ARMZ/Rosatom, even as a 51.4 percent owner. And it should come as no surprise that in January 2013, Rosatom purchased the remaining 48.6 percent of Uranium One for \$1.3 billion dollars. That's the big story, not the fiction of "the Russians acquiring 20 percent of U.S. uranium resources." That is also the "uranium art-of-the-deal."

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# **Russian Pay Day**

Russia's ability to restrict U.S. production from Uranium One licenses and boost imports from Kazakhstan and possibly elsewhere is news—or should be news. This explains why Russia wanted access to Uranium One's Kazakhstan uranium production assets all along. But, it may have future implications because Uranium One also has holdings in Canada, Australia, and South Africa.

Comparing countries' output, total U.S. uranium mine production in 2017 was roughly 940 tons yielding 1.2 million pounds of uranium concentrate—55 percent less than in 2016.<sup>33</sup> Total uranium mine production in Kazakhstan (entire Kazakh output including Uranium One) for the same period was roughly 23,600 tons and 57.2 million pounds of concentrate. The U.S.'s total *annual demand* for uranium power production is 50-55 million pounds; therefore, Kazakh production could cover 100 percent of that and then some.

Uranium One operations in Kazakhstan alone account for just over 50 percent of the 50-55 million-pound total (roughly 27 million pounds)—which is over 20 times current U.S. total production. Even more astounding, in 1995, little more than 20 years ago, uranium production in Kazakhstan was almost nothing! Today, it is by far the world's largest uranium producer!

As in the case of China and rare earths, Russia, with its Kazakh partner, is today well on its way to controlling the global and U.S. uranium markets.

What a pay day for Russia! They gained key intelligence simply by becoming a dues-paying nuclear trade association member, attending nuclear industry forums, and obtaining an intimate understanding of Kazakh production. With that intelligence, the Russians might have planned to drive global prices down with Kazakh production capacity, and eliminate the U.S. uranium production and downstream processing industries within a decade. That seems to be exactly what is happening, punctuated by the lone UF<sub>6</sub> conversion facility in Illinois going on standby in November 2017—another cascading casualty of the Russian uranium juggernaut.

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In December 2017, Kazakhstan announced a 20 percent cutback in production on the heels of a 10-month shutdown of Macarthur Lake, the world's largest conventional uranium mine in northern Saskatchewan, owned by Canada's largest producer, Cameco.<sup>34</sup> <sup>35</sup> These actions seem to be an effort to rebalance global production and demand, and global uranium prices initially responded with an increase.

These actions constitute a pay day for Russia because their downstream infrastructure is now in place, with positive results still unfolding from the Uranium One buyout. These events might remind some that Russian masters are known for their world-class chess playing abilities. In this case, Russia and Kazakhstan are in a power position on the world's uranium chessboard and the U.S. is, for the present, "in check."

# The Last Act?

What the Russians either learned or confirmed at NEI and UPA meetings is that the U.S. uranium miners and nuclear fuel processors were all on the ropes. They also learned that U.S. nuclear power utilities didn't care much about the viability of the domestic fuel cycle so long as they could continue to buy uranium at depressed prices, as opposed to buying at prices that could sustain domestic production. This attitude is identical to the mindset of supply chain managers of Silicon Valley technology companies regarding access to key rare earths, and the over-reliant import quandary our nation now faces as a result.

The Russians also are well aware that some U.S. uranium conversion is now shuttered and on standby. The White Mesa, Utah facility, a conventional mill, and the seven in situ processing mills are all still operating—a total of eight facilities. However, during the peak uranium production of the 1970s and early 1980s, the U.S. had 26 uranium processing mills operating at various times.

More than anything, Russia uncovered the fragility of the American uranium industry. Seemingly, all Russia now has to do is to convince the Kazakh government to flood the market with cheap subsidized production for a decade or less and voila!—the American uranium industry may no longer be in existence. With Kazakh production and Russian conversion and enrichment dominance globally, Russia would become the OPEC of uranium.

All of this is a great return on the Russian ARMZ/Rosatom purchase of Uranium One, along with the paltry payment of their nuclear trade organization dues. In the end, it is not far-fetched to imagine them approaching U.S. senators and

congressmen of other uranium producing states near their existing operations in Wyoming with the greeting: "Good afternoon, comrade. We have just become one of your state's new uranium producers. Can we talk?"

#### Checkmate! ■

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# ORGANIZATION TRENDS



# SECRETS OF THE PUBLIC INTEREST PYRAMID

Pulling back the curtain on the AstroTurf empire of Doug Phelps

By Hayden Ludwig and Michael Watson

Summary: Since the 1970s, leftwing activists—beginning with failed presidential candidate Ralph Nader—have struggled to build a lasting base of support for Democrats at the polls. But one of them, former activist Doug Phelps, took it further, establishing a permanent empire of professional, paid canvassers designed to secure money and votes for the radical Left's agenda. CRC's Hayden Ludwig and Michael Watson expose, for the first time, this vast empire of canvassers known as the Public Interest Network, and the mysterious puppet master atop the pyramid.

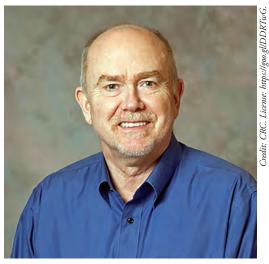
If you've ever been solicited on the street by clipboard-wielding activists asking you to donate to or support a group like the Southern Poverty Law Center, Greenpeace,

or the Human Rights Campaign, you've probably run into representatives of the Public Interest Network, or PIN.

But you won't see the PIN logo on these street canvassers' T-shirts. That's because they're contracted out to any number of left-wing organizations, giving the appearance that these groups are fueled by "grassroots" supporters eager to collect donations for a cause they cherish.

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"Grassroots activism" is often a publicity tactic employed by the Left. In reality, these "grassroots" are AstroTurf—a small group of paid political activists pretending to represent a large organic movement.



Doug Phelps is the man behind the curtain of the vast "Public Interest" constellation of groups. He is the president, top executive, or a board member of no less than 16 groups in the Network, most of which represent the bulk of funding and power within the structure.

This kind of professional activism is known as "Astroturfing." "Grassroots activism" is often a publicity tactic employed by the Left. In reality, these "grassroots" are AstroTurf—a small group of paid political activists pretending to represent a large organic movement. And while PIN is hardly the first organization on the Left to use professional Astroturf activists to inflate the size of its base, it's one of the biggest—and best—at it.

That's because PIN isn't a single organization; it's a vast collection of nonprofit and for-profit entities operating under the "Public Interest" brand. Together, these groups form a cohesive front for advancing the Left's political agenda. Some groups, like Environment America, lobby for leftwing environmental policies. Others, like the New Voters Project, help rally voters to the polls in support of Dem-

ocratic candidates. Still more, such as the U.S. Public Interest Research Group (US-PIRG), recruit new activists from college campuses and funnel millions of dollars in student fees to national lobbying efforts. And a few, like the ironically named Grassroots Campaigns Inc., provide a private army of underpaid and overworked canvassers for left-wing organizations to hire out for their own fundraising and activist efforts.

And at the center of it all is Doug Phelps, the enigmatic president of the Public Interest Network. Not much is known about Phelps's personal life. He's a former activist himself whose first job in the network was reportedly with MASSPIRG, the Massachusetts state affiliate of the U.S. Public Interest Research Group. He's also an active Democratic donor who grew up in Colorado, where he helped

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found the shadowy Colorado Democracy Alliance, the pioneering Rocky Mountain branch of the Democracy Alliance, the national club of Democratic Party megadonors and string-pullers (more on that later).

His lack of public profile aside, Doug Phelps is the man behind the Public Interest curtain. He is the president, top executive, or a board member of no less than 16 groups in the Network, most of which represent the bulk of funding and power within the structure. And where Phelps himself is not an officer or board member, one of his trusted lieutenants—all veteran Public Interest Network activists—serve in his stead.

It's a complex system with well over a hundred component groups dating back to the 1970s—which is why very few have attempted to map it out in its entirety, and none have succeeded so far. But before we can chart the Public Interest empire, we need to answer a question: where did it all come from?

# Living the PIRG Life

The oldest and perhaps best-known part of the Public Interest Network are the Public Interest Research Groups, or "PIRGs." The PIRGs grew out of the student activism of the 1960s and early 1970s around a group of left-wing "consumer activists" known as "Nader's Raiders" after their leader and intellectual progenitor, community organizer, and four-time presidential candidate Ralph Nader. Like the nowdefunct ACORN (the Association of Community Organizations for Reform Now), which was created around the same time in the early 1970s by activist Wade Rathke, the PIRGs followed Nader's vision of a radical "new populism." This new populism largely took the form of community organizing, the strategy

envisioned in the 1960s by veteran Chicago political activist Saul Alinsky and honed by icons of the New Left like Heather Booth, Harry C. Boyte, and Nader himself.

From the start, Nader intended the PIRGs to be centered on college campuses across the United States and Canada, beginning in Oregon and Minnesota. While they were always intended to be run by lawyers able to coerce government agencies into advancing left-wing policies concerning the environment, housing, and public utility prices, it was Nader's idea to fund the various PIRGs with student university fees. Because they were aided by mandatory fees enforced by sympathetic university administrators and approved by liberal-controlled student governments, many of the early state PIRGs became the best-funded student groups on their campuses.

As David Seidemann, an environmental science professor at Brooklyn College, wrote in 2016: "administrators at public universities across the country have granted [the PIRGs] unique campus privileges and funneled millions of dollars—in part, from mandatory student fees." As a result, the New York chapter of PIRG (NYPIRG) now "raises more money than all other campus student groups and surreptitiously diverts those funds to its statewide lobbying operations"—as much as \$1 million forcibly raised from the pockets of college students each year.



The PIRGs grew out of the student activism of the 1960s and early 1970s around a group of left-wing "consumer activists" known as "Nader's Raiders" after their leader and intellectual progenitor, community organizer, and four-time presidential candidate Ralph Nader.

In the case of the Oregon State PIRG (OSPIRG), National Review's Mark Hemingway wrote in 2008, those fees are voted on every two years during student government elections, "in which only 5 to 10 percent of [the University of Oregon's] 17,000 students typically vote. So OSPIRG needed only about 800 votes to get a big fat check." According to Hemingway, the student fees are then siphoned from the PIRG's 501(c) (3) clearinghouse to its 501(c)(4) lobbying arm through absurdly high consulting fees, rent on unused office space, and other supposed "services."

As journalist Kelley Griffin noted in *More Action for a Change*—a favorable history of the PIRGs forwarded in 1987 by Nader—the structure of each state PIRG didn't deviate far from the model of the early 1970s. Each PIRG is represented by a local board for each college campus, which

channels students and resources to the state leadership. From there, professional staff coordinates all lobbying and research studies across the state—usually consumer surveys followed by lobbying on specific industry legislation, such as defective-toy regulation.

MASSPIRG is one of the largest and oldest state PIRGs, created in 1972. It markets itself as "an independent voice

for consumers" and has lobbied for various environmentalist policies, including a plan to run the University of Massachusetts system with 100 percent renewable energy by 2050. It took credit in 2015 for the scheduled shutdown of the Pilgrim nuclear power plant, has called for a constitutional amendment to overturn the Supreme Court's *Citizens United* decision, and regularly performs voter registration and mobilization drives on college campuses intended to turn out young voters to support Democratic Party candidates.

Although Nader has since left the PIRGs to found other advocacy groups such as the anti-free market Public Citizen, they have grown in influence since he expressed his vision for them five decades go.

In 1978, President Jimmy Carter called on "faculty, university administrators, and all concerned students . . . to provide the support necessary to PIRGs so they may further expand their valuable work in solving some of the pressing political and social problems of our country." Disgraced New York state Attorney General Eric Schneiderman, who resigned in May 2018 after four women accused the liberal politician of sexual abuse, twice served as counsel to NYPIRG's mass transit advocacy project, the Straphangers Campaign. And in 2012, then-New York Attorney General Andrew Cuomo awarded NYPIRG a \$10 million state grant—more than twice its budget—to promote NYPIRG in the group's national advertisement campaign.

But by far NYPIRG's most powerful connection came from its most illustrious alumnus: former President Barack Obama. The Columbia University graduate worked full-time as a community organizer for NYPIRG from February through May 1985. Nearly 20 years later, then-Illinois Sen. Obama met Gene Karpinski, the longtime executive director of the U.S. Public Interest Research Group, at the 2004 Democratic Party Convention in Boston. "I used to be a PIRG guy," Obama told him. "You guys trained me well."

At the top of the network of the 24 or so state PIRGs is US-PIRG, the national entity, which was created in 1982 after its short-lived predecessor, the National PIRG Clearinghouse, was dissolved in 1979 after just two years in operation. The Washington, D.C.-based group is primarily an advocacy and lobbying organization for federal legislation. Since 1998, the group has spent just under \$8 million in lobbying, its primary occupation (between 1994 and 2016 US-PIRG contributed just \$94,000 to Democratic politicians). Of the roughly 350 bills US-PIRG has lobbied for since 2011, most are consistent with the professional Left's agenda. *The Hill*, for example, credited US-PIRG with being a "driving force" in the creation of the Consumer Financial Protection Bureau in 2012 as a result of the Dodd-Frank Act.

But in May 2016, US-PIRG did something a left-wing organization normally wouldn't. The group formally opposed a new rule by the Obama administration's Labor Department that would have greatly expanded the number of workers who must be paid time-and-a-half after working 40 hours in a week. This overtime rule was cheered by labor unions but criticized by US-PIRG, which argued with a straight face that the rule would raise its labor costs to the point that "we will be forced to hire fewer staff and limit the hours those staff can work—all while the well-funded special interests that we're up against will simply spend more." The conflict proved to be a case-in-point in which a left-wing group discovers the high cost of implementing union-backed labor policies when those policies are applied close to home. (The rule itself never went into force; after a court ruling blocked it, the Trump administration elected to stop defending it.)

Ironically, US-PIRG's use of underpaid, overworked canvassers has won it little love from the Left that it supports so effectively. The *Huffington Post* wrote in 2016 that the group's "strong opposition to the [Labor Department] rule suggests it may have many staffers who earn less than \$47,500 a year but regularly work more than 40 hours in a week." A writer in the left-wing *Daily Beast* went further, hammering US-PIRG as "the liberal sweatshop" for often paying its canvassers less than minimum wage.

(It's worth noting that US-PIRG is often confused for the Fund for the Public Interest, the main canvassing and fundraising arm of PIN infamous for hiring out canvassers to friendly organizations—more on that later. The bottom line is this: while US-PIRG is the federal lobbying arm of the Public Interest Network, its opposition to the Labor Department's overtime rule was largely for the benefit of the Fund.)

US-PIRG and its 501(c)(3) counterpart are primarily funded by grants from the Massachusetts state PIRG (MASSPIRG) and a bevy of liberal foundations including the Rockefeller Foundation, Carnegie Corporation of New York, Tides Foundation, and Ford Foundation. But the majority of its funding has historically come from "membership dues" from individual US-PIRG campus and state affiliates.

The influence of the state PIRGs shouldn't be underestimated. Unlike most national organizations with state affiliates (like Planned Parenthood), the biggest PIRGs rival—or even surpass—US-PIRG in assets. Consider the assets of state PIRGs in California (\$10 million), Oregon (\$7.8 million), Massachusetts (\$8 million), Washington (\$5.6 million), and New Jersey (\$5.6 million). US-PIRG's assets, in contrast, hover around \$7 million (all figures from 2015).

But the state PIRGs also serve another critical function: generating future leadership for the Public Interest Network.

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The influence of the state PIRGs shouldn't be underestimated. The biggest PIRGs rival—or even surpass—US-PIRG in assets.

In 1979, a young Doug Phelps became executive director of MASSPIRG, where he purportedly grew the organization's budget tenfold. Today, Phelps is board chairman of the wealthiest state PIRG (CALPIRG), a MASSPIRG board member, and board chairman of US-PIRG.

Other Phelps lieutenants once worked as PIRG organizers, and their roots go deep. Wendy Wendlandt, now a senior vice president of PIN (among numerous other titles), joined Washington State PIRG in 1984 as an organizer and later served as the group's executive director. Janet Domenitz, president of the 501(c)(3) US-PIRG Education Fund, served as MASSPIRG executive director in the early 1990s. And Susan Rakov, senior vice president of PIN, also worked as a MASSPIRG community organizer in the mid-1980s.

# "The People's Project"

While the PIRGs form the backbone of the Public Interest Network's lobbying efforts, much of its canvassing is directed by the lesser-known Fund for the Public Interest (or "the Fund.") The Boston-based Fund was created by five MASSPIRG activists in 1982 as the "Fund for Public Interest Research," but changed its name in July 2008. Its articles of incorporation, though, make it clear that the Fund was always intended to serve as a clearinghouse for the Public Interest organizations: "The purpose of this corporation is to provide funding, technical assistance, and other forms of support to organizations and individuals engaged in public interest research, education, and advocacy."

The Fund has been described as "the largest canvass operation in the United States," and for good reason: it controls the droves of "clipboard kids" canvassing for other groups in the Network and the money they generate.

It operates according to the so-called "Aspen Model," a series of nine principles said to have been created by Phelps during the first annual PIN gathering in 1985 in Aspen, Colorado. The Aspen Model "is treated a bit like gospel handed down from Doug Phelps," according to an anonymous blogger on the website Public Interest Primer. For the individual canvasser, the Model is based around measurable benchmarks:

registering new voters, raising funds, or getting signatures on petitions. Fall short and you're probably out of a job. PIN is tight with money, always looking to maximize return on every dollar it spends. One of PIN's mantras is "Always Be Recruiting"—almost certainly because new organizers are paid salaries as low as \$25,000 per year (\$12 per hour in a 40-hour work week) to work 60-plus hours each week.

Not surprisingly, working for the Fund is anything but glamorous. In her 2006 book *Activism, Inc.: How the Outsourcing of Grassroots Campaigns Is Strangling Progressive Politics in America*, sociologist and former canvasser Dana Fisher examined what she called "the People's Project," a pseudonym for a professional left-wing canvassing organization. While Fisher did not reveal the organization due to anonymity agreements, later sources revealed that the unnamed group was almost certainly the Fund for the Public Interest. The culture Fisher described at the Fund is designed to be "contagious":

The canvass office is designed and managed to maintain a sense of community. Office walls are covered with quotes by famous progressive activists, including Saul Alinsky and Ralph Nader . . . . the People's Project provides them as part of its office start-up package.

But "community" comes with a cost: harsh work conditions. Canvassers who fail to meet fundraising quotas could expect to be "asked to leave." And because the turnover at the Fund is enormous, it's "constantly recruiting, and just about everyone who comes in for an interview" gets a job. The cutthroat nature of the Aspen Model combined with low pay and the 60-plus hour work week results in understandably high attrition.

Even if a canvasser makes the cut, however, life at the Fund hardly improves. Full-time staff can expect to be relocated across the country—a practice called "geoflexibility"—in order to fill the needs of various regional offices. From the organization's perspective, that's a great thing . . . if not in keeping with its "grassroots" facade. Although geoflexibility "may make sense to an organization that is constantly responding to campaign needs and changes in its staff," Fisher writes, "from a political perspective the rationale is less convincing. How can the People's Project run effective *grassroots* campaigns that are coordinated by rootless workaholics?"

Fisher laments the fake grassroots activism promoted by the Fund for the Public Interest, but she misses a key point: those "rootless workaholics" aren't byproducts of the Fund—they're at its core.



Work with The Public Interest Network

The Public Interest Network isn't a single organization; it's a vast collection of nonprofit and for-profit entities operating under the "Public Interest" brand. Together, these groups form a cohesive front for advancing the Left's political agenda.

Unlike labor unions, which always have their own large pools of potential activists to draw on, most left-wing groups—such as Greenpeace, Sierra Club, and the Human Rights Campaign—rely on outsourcing from professional canvassing organizations like the Fund. That won't change so long as these canvassers continue to bring in as much of 25 percent of a group's annual revenues (in the case of Greenpeace) by signing up new supporters who make monthly donations.

It's little wonder, then, that the Fund for the Public Interest has succeeded in making itself a permanent part of the Left's political infrastructure. Through its legion of disposable canvassers, the Fund has become indispensable to numerous advocacy groups, and it's built an empire in the process.

# **Inside the Public Interest Pyramid**

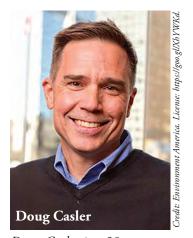
At the top of that empire is Doug Phelps, and to preserve his power he's built a complex network of machinery known as the Public Interest Network. For all intents and purposes, the Fund for the Public Interest *is* the Public Interest Network. The groups are often treated synonymously, which makes sense, considering that the Fund holds the purse strings.

PIN itself doesn't appear to be a real nonprofit, at least as far as tax filings go. PIN doesn't appear as a nonprofit or

for-profit entity in IRS or state business filings. Instead, it serves as a catch-all term dating back to 2001-2002 for the network of aligned organizations that fall under the "Public Interest" brand, including the PIRGs and the Fund.

To further muddy the waters, at the top of the Public Interest Network pyramid are two mysterious organizations: the 501(c)(4) National Association of Organizations in the Public Interest (NAOPI) and its 501(c)(3) counterpart, the National Center for the Public Interest (NCPI). They're both nonprofits and share the same Boston address, but neither group is registered with the IRS, so they aren't required to file annual tax filings with

the federal government and haven't since the mid-2000s. Virtually no money moves through either NAOPI or NCPI. And although they're both listed as part of the Public Interest Network, they rarely appear in Internet search results. Yet NAOPI and NCPI together control the highest levels of the Public Interest Network and the vast array of organizers, fundraisers, lobbying groups, think tanks, and PACs within it.





Doug Casler is a 28-year veteran who now serves as a vice president of PIN. Marjorie "Margie" Alt—a MASSPIRG veteran who worked alongside Phelps in the early 1980s—now serves as president, executive director, or on the board of five major groups within PIN.





Megan Fitzgerald is a vice president and budget director for PIN who also serves on the board of the Wisconsin and Georgia PIRGs. Wendy Wendlandt, now a senior vice president of PIN, joined Washington State PIRG in 1984 as an organizer and later served as the group's executive director.

Confused yet? That's kind of the point.

At first glance, almost nothing is clear about why these groups exist and what purpose they serve within PIN. But business filings with the Massachusetts Secretary of State's office for NAOPI and NCPI shed some light on how they control PIN from above, acting in tandem to form a kind of "brain" for the Network. Here's how it works.

# NATIONAL ASSOCIATION OF ORGANIZATIONS IN THE PUBLIC INTEREST (NAOPI)

NAOPI is the 501(c)(4) half of the Public Interest Network "brain" created in 1991. Presiding over NAOPI is Doug Phelps, the president of PIN. He's joined on the NAOPI board by Doug Casler, a 28-year veteran who now serves as a vice president of PIN, and Megan Fitzgerald, a vice president and budget director for PIN who also serves on the board of the Wisconsin and Georgia PIRGs. Marjorie "Margie" Alt, a MASSPIRG veteran who worked alongside Phelps in the early 1980s, served as NAOPI president from approximately 2002 to 2013. Alt now serves as president, executive director, or on the board of five major groups within the Public Interest Network—including the board of the Fund for the Public Interest and briefly as executive director of US-PIRG.

A complete change in NAOPI's board membership from 2013-2014 hints at a possible power struggle at the top of PIN's leadership structure, in which Phelps emerged the clear victor. In 2013, the NAOPI board consisted of Marjorie Alt, Jonathan Scarlett, Hyam Kramer, and Greg Herr, each of whom served on the board since at least 2002—but all were replaced by Phelps, Casler, and Fitzgerald the following year.

(Herr currently retains a lower-ranking position within PIN; Scarlett is the president of Grassroots Campaigns Inc., while Kramer is CFO of Telefund—two of PIN's for-profit canvassing firms we'll tackle below.)

But if NAOPI doesn't exist to move money around or to hire out canvassers, what use is it to Phelps?

An IRS document granting federal tax-exempt status written in 2006 and posted online anonymously in 2012 may provide the answer. The document was signed by the IRS's newly appointed Exempt Organizations Director, Lois Lerner, and was addressed to Environment America, a 501(c)(4) advocacy organization spun off from US-PIRG in 2006-2007 to focus on environmental issues. Alongside the tax-exemption, however, the document also included Environment America's bylaws.

The bylaws strongly suggest that Environment America was created to be wholly under the auspices of NAOPI. NAOPI was given enormous power to "expand, fill a vacancy, or remove [board] Directors of Environment America," with or without the approval of Environment America's *own* board members. It also prohibited Environment America from amending or repealing its bylaws without "the consent of NAOPI." Compounding this is the fact that Environment America's 2018 state filings list Marjorie Alt as its executive director and Doug Phelps as its president, while the group's website claims yet *another* Phelps lieutenant—George "Ed" Johnson, senior vice president of PIN—as its president.

The California Public Interest Research Group (CALPIRG) shares a nearly identical arrangement. Included with its 2003 Form 990 filing with the IRS were amendments to CALPIRG's bylaws:

The original Board [of CALPIRG] may be expanded, vacancies on the Board may be filled, and directors may be removed from office with or without cause by a majority vote of the directors then in office, subject to the approval and consent of the Executive Committee or Board of the National Association of Organizations in the Public Interest, Inc. The National Association of Organizations in the Public Interest, Inc. may, by a two-thirds vote of its Board of Directors, expand, fill a vacancy, or remove a director(s) of the corporation from office with or without any action on the part of the Board of [CALPIRG] [emphasis added].

Perhaps unsurprisingly, Doug Phelps is chairman of the CALPIRG board. In fact, as many as 34 other 501(c)(4) members of PIN list NAOPI as a "directing controlling entity" on their Form 990 filings. The 2006 tax-exemption

application for Environment America's Maryland affiliate confirms this, noting that "[m]ore than 40 groups belong to NAOPI." The most notable NAOPI subordinate, though, is the Network's clearinghouse arm, the Fund for the Public Interest. As noted above, the Fund acts like the Public Interest Network's control center, coordinating its canvassing operations. It also controls the bulk of money in PIN, with 2015 revenues of \$24 million and assets of nearly \$28 million—money it then dispenses as needed to help other PIN members (such as Connecticut's PIRG) advance their agendas.

Where there's money there's often power, so it isn't surprising that the Fund's board of directors is composed of individuals who form both the top tier of PIN's leadership and Doug Phelps's closest lieutenants: PIN senior vice president Susan Rakov, US-PIRG Education Fund president Janet Domenitz, former NAOPI president Marjorie Alt, Environment America president Ed Johnson, and Faye Park, president of US-PIRG and the Fund. At the top of the list, of course, is Doug Phelps himself, who bears the highly unusual title of "Top Management Official."

#### NATIONAL CENTER FOR THE PUBLIC INTEREST (NCPI)

Opposite NAOPI in the Public Interest Network "brain" is its 501(c)(3) sister organization created in 2000, the National Center for the Public Interest (NCPI). While NAOPI controls the 501(c)(4) side of PIN, NCPI controls its 501(c)(3) half.

Like NAOPI, NCPI isn't registered as a tax-exempt organization with the IRS, although it files annually with the Massachusetts Secretary of State's office. But unlike NAOPI, which was created nine years before NCPI by PIRG veterans who have since moved on, NCPI appears to have been organized from the start by Phelps's top lieutenants. The group's articles of incorporation reveal a board of familiar faces: Wendy Wendlandt, Janet Domenitz, and Marjorie Alt. (As of 2017, the NCPI board consists of Wendlandt, Domenitz, Susan Rakov, and US-PIRG senior director Ed Mierzwinski.)

While NAOPI and NCPI appear to be sister organizations at the top of the PIN pyramid, they don't share equal power within the Network. As many as 45 other 501(c)(3) non-profits list NCPI as a "direct controlling entity" in their Form 990 tax filings with the IRS. These groups are generally far smaller in asset size than their 501(c)(4) lobbying counterparts, however, and include the "research" and "education fund" arms of US-PIRG, Environment America, and their respective state affiliates.

NCPI also controls the Center for Public Interest Research, the 501(c)(3) counterpart to the significantly larger Fund for the Public Interest. The relationship between NCPI and the Center mirrors that of NAOPI and the Fund, with NCPI president Wendy Wendlandt also serving as president of the Center (its board also consists of various PIN vice presidents). But where the Fund primarily controls canvassing operations, the Center pulls in donations from major leftwing grantmaking foundations, including George Soros's Open Society Foundation, the Ford Foundation, the Tides Foundation, and the Rockefeller Family Fund.

The Center also controls a number of fiscally sponsored projects (groups that don't exist as standalone nonprofits): Frontier Group, the Public Interest Network's think tank; the Community Voters Project, a California-based voter registration and mobilization group; Accelerate Change, an organizing group for left-wing funders; and Snowriders International, a Colorado-based environmental group co-founded by Doug Phelps.

So what can NAOPI and NCPI tell us about the Public Interest Network? Consider what we know: both organizations are led by Doug Phelps and the most senior (and presumably most trusted) leadership of PIN, they are direct controlling entities of numerous smaller entities, their boards overlap significantly with the two most powerful organizations in the Network—the Fund for the Public Interest and the Center for Public Interest Research—and NAOPI and NCPI were founded years *after* the Fund and the Center.

These discoveries suggest that NAOPI and NCPI may be shell corporations created to consolidate Doug Phelps's control over the Public Interest Network. Phelps is able to assert complete dominance over the Network by placing himself and his top officers at the top of the most important organizations in PIN—many of which he himself "conceived and organized," according to his profile on Environment America's website.

# **Navigating the Left-Wing Labyrinth**

While the size of the Public Interest Network gives the impression of containing dozens of sprawling, organic advocacy organizations located in nearly every state, PIN is really controlled by offices in three key cities: Washington, D.C; Boston, Massachusetts; and Denver, Colorado.

The Washington, D.C., office on Pennsylvania Avenue primarily houses the 501(c)(3) and 501(c)(4) arms of Environment America, the super PAC Environment America Action

Fund, and the 501(c)(3) and 501(c)(4) arms of the U.S. Public Interest Research Group. It also serves as the federal affairs office for smaller PIN organizations, such as the Boston-based Fair Share, a group that advocates for higher corporate taxes and changes to campaign finance law.

PIN's Boston office is far larger in scope than the Washington office. It's actually the office of MASSPIRG, one of the oldest PIRGs in operation, but it also houses the powerful NAOPI, NCPI, Center for Public Interest Research, and Fund for the Public Interest. (It's worth noting that, while tax filings show these groups were incorporated and operate in Massachusetts, their staff and board of directors appear split between Boston and Denver, where many of PIN's top officers reside.) Besides these five, at least another 10 organizations are listed at the same address, such as Fair Share, the super PAC Fair Share Action, the environmental groups Toxics Action Center and National Environmental Law Center, the voter mobilization groups PIRG New Voters Project and Student Organizing Inc., PIN's in-house digital strategy group Public Interest GRFX, and the LGBT advocacy group Fund for Equality (a project of the Fund for the Public Interest).

The Denver office could be considered co-equal with PIN's Boston headquarters, since many of PIN's top brass are based there, including Phelps himself. For this reason, it's considered the headquarters of the Public Interest Network, and houses the Public Interest PAC and the PIN think tank Frontier Group. PIN also maintains three activist training centers in Denver: Impact, which trains activists in campaign management for US-PIRG, Environment America, and Fair Share; Green Corps, which was created in 1992 to train activists in environmental organizing; and Change Corps, the general community organizing and canvassing camp.

Life in these programs is laborious. Over the course of their 60 to 70-hour weeks, students study "the tactics used to win change on issues such as marriage equality, where a small number of activists raised awareness and organized grassroots support" in favor of redefining marriage. They're then systematically immersed in the agenda of the professional Left by speakers like former Planned Parenthood chief Cecile Richards; Obama Foundation CEO David Simas; Bill McKibben, founder of the major environmental advocacy group 350.org; and representatives from Van Jones's Color of Change, the League of Conservation Voters, and the Southern Elections Fund.

Like the Fund for the Public Interest, students who become full-time organizers for Green Corps can expect exhausting work weeks, long-distance relocation, and termination without warning if they fail to meet canvassing quotas. A 2003 letter from unnamed staffers addressed to the Green Corps

board of directors—which includes Wendy Wendlandt and Doug Phelps—asked the board to consider adopting "a written policy on employee termination that is shared with all employees," an "anonymous forum in which organizers can evaluate the organization and its staff without compromising [their] job security," and regular performance evaluations. "We feel confident that Green Corps will take the right steps to strengthen the organization," the staffers concluded. "[W]e want to be proud when we say we are Green Corps."

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Students who become full-time organizers for Green Corps can expect exhausting work weeks, long-distance relocation, and termination without warning.

Phelps didn't share their views. In his reply, the PIN president found their concerns over job security "hard to fathom":

I wish you had taken your concerns individually to [the staffers who run the group day-to-day] rather than signing onto a group letter and sending it to the board. There is an inevitable negative vibe created by doing the latter . . . I myself don't like people going behind my back or over my head in an organized fashion, and especially people I'm busting my butt to train and serve, and doubly especially if I'm paying them for the privilege!

# Fight Big Money in Politics... with Super PACs?

The three PACs associated with PIN are somewhat more enigmatic than their nonprofit counterparts. For one thing, none of them are listed as part of the Public Interest Network, even though they share office space at PIN's head-quarters in Denver, Boston, and Washington, D.C. The PACs hardly appear in the same Internet search results as the Network, too.

The Denver-based Public Interest PAC was created in 2015 and is headed by Faye Park, president of US-PIRG. With \$50,000 raised and spent in the 2018 election (as of writing), it's the smallest of the three PACs, and serves as one medium through which Environment America can give money to the Democratic Governors Association and the (now-defunct) anti-Republican attack PAC Correct the Record.

NCPI president Wendy Wendlandt is also treasurer for the super PAC Fair Share Action, which raised \$2.8 million in 2018 and spent \$2.1 million, almost entirely on the PIN canvassing operation Work for Progress.

In 2016, funding to the super PAC came almost exclusively from Environment America and Fair Share, with additional, smaller donations from the American Federation of Government Employees and the union group For Our Future. Besides Work for Progress, Fair Share Action's biggest donation was \$1 million to the Hillary Clinton super PAC Priorities USA Action. It also split another \$500,000 between two Democratic PACs created by Clinton operative David Brock, Correct the Record and American Bridge 21st Century. (The two groups were split off from each other in 2015 in order to allow the former to coordinate directly with the Clinton campaign by posting friendly content online at no cost to the campaign.)

Environment America Action Fund is located in Boston and is headed by Environment America president Ed Johnson. The super PAC is significantly larger than the other two groups, raising \$16.4 million in 2018 and spending \$13.1 million, mostly on Democratic Party PACs and consultants: the League of Conservation Voters (LCV), LCV Political Engagement Fund, House Majority PAC, consultant BerlinRosen, and Work for Progress.

In 2016, though, the super PAC's funding came almost entirely from Environment America and its state affiliates—money which then went overwhelmingly to the PAC Fair Share Action (\$2.5 million), League of Conservation Voters (\$2.5 million), and Work for Progress (\$857,000).

According to the left-leaning Center for Responsive Politics, these three PACs have spent approximately \$34 million on federal elections since 2012. But why all the mystery over connecting them to PIN?

The simplest answer is that it would hamstring the rest of the Network's war on so-called "dark money"—untraceable donations to 501(c)(4) nonprofits, which aren't required by the IRS to disclose their donors. Take this May 2018 article written by Joe Ready, a staffer for US-PIRG:

Disclosure may seem like a small thing . . . . But over the years, misguided jurisprudence has undermined that principle. Most notably the *Citizens United* decision declared corporations people, and unleashed a flood of corporate political spending.

Ready runs Democracy for the People, US-PIRG's "long-term [plan] to overturn Citizens United [v. FEC]," the 2010

Supreme Court decision prohibiting the government from restricting independent expenditures by nonprofits and other groups in federal elections. The project aims to enact a constitutional amendment "declaring that corporations are not people, money is not speech, and our elections are not for sale" to "the mega-donors and **Super PACs who are undermining our democracy** [emphasis added] and the principles upon which it stands."

Yet Fair Share Action and Environment America Action are funded almost solely by their respective 501(c)(4) counterparts, Fair Share and Environment America, and use that money to support major Democratic Party PACs and candidates—most notably Hillary Clinton—while at the same time claiming to oppose "big money flooding in from mega-donors and super PACs."

That hypocrisy hasn't stopped US-PIRG from claiming that "big-money politics has damaged our democracy." But what about the League of Conservation Voters (LCV), a major recipient of money from the PIN super PACs? As it turns out, LCV is headed by Gene Karpinski, whose last job was executive director for US-PIRG—a position he held for *21 years* before joining LCV in 2006. LCV senior vice president Tiernan Sittenfeld, too, is a former lobbyist for US-PIRG.

In fact, Environment America even bragged about its connections to the LCV after it gave \$10 million through its super PAC to the group in July: "Key leaders of LCV, including Gene Karpinski, Tiernan Sittenfeld, Pete Maysmith, and others, worked over the course of three decades for organizations in The Public Interest Network."

It's the height of hypocrisy for multi-million-dollar groups like the U.S. Public Interest Research Group and Environment America to shuffle funds from their super PACs to alumni and friends while arguing that "super PACs . . . should be illegal" with messages echoed word-for-word by dozens of US-PIRG's state affiliates, but perhaps that's par for the course in the Public Interest Network.

#### **AstroTurfing Pays**

While we've examined many of the nonprofits in the Public Interest Network, we turn to the groups which provide the rest of its professional activist services. While the Fund for the Public Interest delivers paid canvassing services to organizations within the Network, PIN has also spun off two campaign service firms to aid other left-wing groups: Grassroots Campaigns Inc. and Telefund.

The first of these is the ironically named Grassroots Campaigns Inc. (GCI). GCI specializes in fundraising, get-

out-the-vote (GOTV) operations in targeted races, voter registration, and phony "grassroots" activism like "creating thousands of citizen video appeals to send to Congress." While the Fund operates as the canvassing center for groups *inside* the Network, GCI serves groups *outside* of it—like the American Civil Liberties Union (ACLU), Democratic National Committee (DNC), and Planned Parenthood.

Dana Fisher noted in *Activism, Inc.* that GCI was spun-off from the Fund prior to the 2004 presidential election "to raise funds and organize political campaigns by running canvasses." According to Fisher, the DNC became the company's first client as the Democratic Party decided to completely outsource campaign canvassing operations. The result was an "explosion of outsourced canvassing as a tactic for many national progressive groups," bringing in as many as 700,000 new Democratic donors as a result of GCI's work.

GCI's reputation among liberals, however, leaves something to be desired. 420-odd anonymous reviews on the company's page on the website Glassdoor.com call GCI "dishonest," "high stress," "toxic," and an "unbelievably bad place to work." Some reviews warn would-be canvassers to "stay away," while one reviewer called working for GCI "the worst company ever" and the "worst decision of my life." Even the handful of positive Glassdoor reviews only credited GCI with being "exactly what they claim" to be: an intensive canvassing organization.

420-odd anonymous reviews on the Glassdor.com profile for Grassroots Campaign Inc. called GCI "dishonest," "high stress," "toxic," and an "unbelievably bad place to work."

Structurally, GCI is a creature of the Public Interest Network—something it doesn't advertise. Filings show that it was incorporated in Denver but has been headquartered in Boston since roughly 2017 (although at a different office from the other Boston-based groups in PIN). GCI isn't listed as a member of the Network on the PIN website, and GCI's staff page fails to mention two of its key directors: president Doug Phelps and PIN senior vice president Susan Rakov, who are listed as top officers in the company's annual reports with Massachusetts and Colorado.

To its credit, GCI states that vice president and co-founder Jonathan Scarlett also served for "10 years as the national canvass director for the Fund for the Public Interest." But it doesn't mention Scarlett's time as *president* of the Fund. Neither does GCI tell readers that another co-founder, Wes Jones, served for eight years as canvassing manager and recruitment director for the Fund.

The other PIN for-profit, Telefund, operates a national network of telemarketing call centers catering to clients like abortion defender NARAL Pro-Choice America, environmentalist Natural Resources Defense Council, agitation group People for the American Way, gun control lobbyist Giffords PAC, and the Democratic National Committee.

Telefund no longer publishes its staff and leadership page, but the website Wayback Machine has archived past pages. The group's chief financial officer (as of April 2018) is Hyam Kramer, a former NAOPI board member from 2002 to 2014 who also served as a director of the Fund from 1986 to 2004. While neither Wayback Machine nor Telefund disclose the firm's top leadership, its annual state reports reveal some familiar names on the company board: president Doug Phelps and PIN senior vice presidents Susan Rakov and Janet Domenitz. (They also show that Telefund has been delinquent in Colorado three times since 2013 for failing to file its annual reports, most recently in May.)

PIN even has its own investment wing: Green Century Capital Management, nominally located in Maine but actually organized and headquartered in Massachusetts. Unlike Telefund and GCI, Green Century is an overt part of the Public Interest Network, and plays a critical role in investing funds generated by the PIRGs and the Fund for the Public Interest.

Green Century's board of trustees consists of Doug Phelps, PIN senior vice president Wendy Wendlandt, former Fund finance director Kristina Curtis, and Green Century president Leslie Samuelrich, who served as president of the 501(c)(3) Center for Public Interest Research from 2001 to 2004.

According to filings with the Securities and Exchange Commission (SEC), Green Century was formed in November 2013 and "is owned by Paradigm Partners, a California general partnership, the partners of which are all not-for-profit advocacy organizations." Paradigm Partners is a holding company based in Denver, founded and controlled by Phelps. It serves as the mechanism for the top-level PIRGs (such as MASSPIRG and CALPIRG) and the Fund for the Public Interest to control the investments of Green Century, whose profits are then redirected back into the PIRGs and

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the Fund. This unusual for-profit and nonprofit relationship was cleared by the SEC on Green Century's registration statement, which reported:

This means that 100% of the net profits earned by Green Century Capital Management on the fees it receives for managing the Funds belong to these not-for-profit advocacy organizations.

These revenues will be used to support public interest campaigns, such as promoting energy conservation and the use of alternative energy, fighting for improved public transportation and public health protections, campaigning to reduce the use of toxic chemicals and to improve product and food safety, and advocating for ethics reform and corporate accountability.

It's a lucrative relationship. According to its Form 990 filings, between 2003 and 2014 MASSPIRG alone accrued a market value of nearly \$5.1 million in Paradigm Partners (funds which presumably were passed along to Green Century for investment). CALPIRG, another Paradigm Partners owner, also apparently rents office space to the firm.

While it isn't unheard of for nonprofits to own for-profit subsidiaries, the Paradigm Partners-Green Century relationship doesn't lend itself well to transparency. Similar relationships have been known to operate without legal issues, but since both companies are privately held, whatever conflict of interest policies they may possess are not publicly available.

Regardless, Paradigm Partners could perhaps be seen more as *Doug Phelps's* holding company than the Network's, since Phelps is president, chairman, or a board member of four of Paradigm's nine owner nonprofits: Fund for the Public Interest, MASS-PIRG, COPIRG (Colorado), and CALPIRG.

#### The Man Behind the Curtain

By now it's clear that Doug Phelps is at the center of the Public Interest Network's complex machinery. But how did he reach that position?

Almost nothing is known about Phelps' private life. He grew up in Colorado and attended Littleton High School. A November 2017 interview with Phelps in the *Denver Post* revealed him as the "clean-shaven, bespectacled face of a rebellion" against the Vietnam War during his college years who was arrested for publicly drinking beer on a dry campus.

While it's well-documented that he joined MASSPIRG as executive director in 1979, Phelps's rapid ascent through the ranks of the Public Interest groups is more of a mystery. Almost from the beginning, though, Phelps was involved in Democratic Party politics. In 1980, he rallied delegates to the 1980 Democratic National Convention in New York's Madison Square Garden on "a safe energy platform" (presumably anti-nuclear energy, following the release of the Jane Fonda nuclear disaster film *The China Syndrome* a year earlier).



In 1980, Doug Phelps rallied delegates to the 1980 Democratic National Convention in New York's Madison Square Garden on "a safe energy platform" (presumably anti-nuclear energy, following the release of the Jane Fonda nuclear disaster film The China Syndrome a year earlier).

Emails released by the website WikiLeaks following the March 2016 data breach of then-White House chief of staff John Podesta show Phelps's powerful connections within the Democratic Party. According to one email, Phelps attended the Obamas' Nordic State Dinner—an event honoring the leaders of Sweden, Denmark, Norway, Finland, and Iceland—at the White House in May 2016. In attendance with him was Fund for the Public Interest president Faye Park.

The Podesta emails further show Phelps sponsored a 2014 dinner hosted by the League of Conservation Voters, at which Hillary Clinton was headlining. He also co-hosted a Spring 2014 fundraiser for Environment California at a lavish restaurant in Culver City, California.

Unsurprisingly, Phelps is a regular donor to the Democratic Party, and has given some \$170,000 to Democratic committees and candidates since 2004. According to FEC records, he gave \$5,400 to Hillary Clinton's 2016 presidential campaign, \$8,150 to the Colorado Democratic Party in 2009-2010, \$18,000 to the Democratic White House Victory Fund in 2014, \$45,800 to committees aligned with Obama's 2012 reelection campaign, and \$106,200 to the Democratic National Committee between 2006 and 2014.

But Phelps's most impressive role is as one of the founding members of the Colorado Democracy Alliance (CODA). CODA was created in 2004 to operate alongside the Democracy Alliance, a national strategy organization that incorporates high-level influencers and donors in the Democratic Party—including consultant Rob Stein, billionaire George Soros, and television producer Norman Lear—in order to create permanent left-wing "infrastructure" and organize large donations to friendly groups.

The Denver-based Colorado Democracy Alliance was conceptualized by Albert C. Yates, a retired academic credited with connecting the so-called "Gang of Four" founders: Democratic mega-donors Tim Gill, Patricia Stryker, Rutt Bridges, and Jared Polis (now Colorado Governor). But a 2008 article in the *Denver Post* lists Phelps among its founders, a revelation it credits to then-CODA executive director Laurie Zeller, who revealed much of the group's "game plan" at the 2008 DNC in Denver. (Zeller is now publisher of the liberal news outlet *Colorado Independent*.) During

the convention, Phelps was also a speaker at a panel entitled "Democracy Alliance: Colorado as a Model—Donor Cooperation for Social Change" where he was introduced as the chairman of the Colorado Democracy Alliance. Phelps further revealed that he is an alumnus of Colorado State University, where Al Yates once served as president.

A confidential Democracy Alliance document recovered by the right-of-center Washington Free Beacon also indicates that Phelps is also a member of, or closely associated with, the national organization, as he was listed as a "conference friend" for new member Adam Abram.

Considering his connections, it isn't surprising that Phelps is also on the board of the left-wing activism group ProgressNow, a position he shares with a slew of top-tier liberals such as Rob McKay, Ted Trimpa, and Joe Zimlich—all members of the Democracy Alliance. Phelps was a major startup donor to Progress Florida in 2008, a group whose executive director, Mark Ferrulo, also ran Florida's PIRG and Environment America affiliates.

Phelps even has his own private grantmaking foundation, the Douglas H. Phelps Foundation (2015 assets worth \$1.3 million), which has made grants to the Center for American Progress, Ballot Initiative Strategy Center, Media Matters for America, and the Clinton Foundation.

So what does all of this mean for you?

For most conservatives and libertarians, familiarity with the Public Interest Network will probably breed contempt for an organization they likely wouldn't support anyway.

For college students and their parents, it's a glimpse into what causes your student fees may be supporting.

But liberals and progressives should think twice before taking up a clipboard canvasser on their fundraising request. They may wear the shirt of a cause you support, but your donations will support the wealthy moguls running the big money Public Interest empire they've built on the legion of sub-minimum wage canvassers. This isn't your grandparents' activism.

Read previous articles from the Organization Trends series online at CapitalResearch.org/category/organization-trends/.

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

#### **WATCH AT:**

Dangerous Documentaries.com/film/America-Under-Siege-Antifa/

# DECEPTION & MISDIRECTION



#### TOM STEYER THE CRUSADER

By Ken Braun

Summary: Since diving head-first into the political arena, financier-turned-political-mega-donor Tom Steyer has tried to curry support for his favorite causes—namely climate change—among Democrats. Many party leaders are happy to take his money, but are less happy when Steyer speaks for himself. Will Steyer's zeal for environmentalism find fertile ground in a younger and more progressive Democratic Party?

In early 2013, San Francisco billionaire Tom Steyer redirected his career and fortune to—literally in his mind—saving the world. For those whose agenda conflicted with his left-wing environmentalist crusade, he had a warning: "The goal here is not to win. The goal here is to destroy these people." "These people" refer to those whom Steyer believed to be on the wrong side of the climate change debate.



In early 2013, San Francisco billionaire Tom Steyer redirected his career and fortune to—literally in his mind—saving the world. For those whose agenda conflicted with his left-wing environmentalist crusade, he had a warning: "The goal here is not to win. The goal here is to destroy these people."

By the 2016 elections, this appetite for destruction had become ravenous. Along with his wife, Kathryn, the still little-known left-wing billionaire from the Left Coast gave more than \$91 million to ideologically partisan federal candidates and political committees, most notably his own super PAC: NextGen Climate Action. This made him the largest individual donor of disclosed funding (left-wing or right) of the 2016 election cycle. He put almost four times more into this category than both the vastly more famous (or to some, infamous) George Soros, or the equally high-profile Michael Bloomberg. Similarly, the \$75.5 million forked over by the Steyers topped the list for the 2014 midterms.

When he announced his urge to destroy in April 2013, Steyer was still invested in Farallon Capital Management, the hedge fund he founded and ran until resigning as senior partner in December 2012. Many successful investors build their fortunes with a healthy dose of fossil fuels in their portfolios, and Farallon was no different. In the last months of Steyer's leadership, Farallon's second-largest holding was

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a \$220 million stake in Nexen, a Canadian oil and gas firm. In early 2013, after he surrendered his leadership over the fund, but before he was personally divested from Farallon's energy position, the firm owned more than \$300 million in offshore and onshore drilling companies.

And because all modern fortunes are impossible without the fossil fuels that are critical to any significant economic activity, Steyer (like all of us) to some degree *indirectly* owes nearly every nickel in his personal piggy bank to the energy industry now animating his outrage.

"When someone shows you who they are, believe them," advises Oprah Winfrey in one of her favorite life lessons. As of December 2018, *Forbes* estimated Steyer's \$1.6 billion net worth placed him well within a list of the planet's 1500 richest people. So, heeding Oprah, what are we to believe about the guy who publicly preached energy industry abstinence while still profiting from the same sector—one that helped put him at the pinnacle of prosperity?

An answer becomes easier knowing Steyer's opinion of libertarian billionaire David Koch—another direct beneficiary of fossil fuel wealth, but a donor to many of the free market principles and causes Steyer seeks to destroy. In contrast to his own left-wing crusade, Steyer says Koch's aid to the other side of the political bet is "taking the most incredible risk that I've ever seen someone take, of going down in history as just an evil—just a famously evil—person!"

#### Evil?

Steyer's bold words and self-told details make the metaphors of religious zealotry flow easily. He says his decision to leave the investment world came after a summer 2012 mountain hike with left-wing environmental activist Bill McKibben. The conversion at the end of the chat was "my personal version of a 'Paul on the road to Damascus' moment," he told the *Washington Post* in 2014.

His conversion analogy works just as well in reverse: 'Post-Damascus Steyer'—more in keeping with *pre*-Damascus Saul, a zealous persecutor of Christians before he became Paul—demonstrates something short of Christ-like toleration for those who follow in his footsteps on the road to riches in the energy market.

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As Steyer explains in a July 2018 interview with *The Guardian*:

"These guys want a pass to make millions of dollars and put the world at risk. Do you have a problem with that? Yeah, I have a problem with that. Do you want to lie to my face and put everyone at risk, and then have a cocktail, really?" He stretches his arm and gives the middle finger. "Not with me."

Journalists from numerous publications (*Time, Politico, Vogue*) have reported his habit of drawing a Jerusalem Cross on the back of his hand. If you know him well, says *Vogue,* then you've seen him draw it before church every Sunday. According to a *Politico* characterization of how Steyer himself describes his cross scribbling, it's the "international sign of humility, and a reminder to tell the truth, even if they put you on a cross for it."



Journalists have reported on Steyer's habit of drawing a Jerusalem Cross on the back of his hand. According to a Politico characterization of how Steyer himself describes his cross scribbling, it's the "international sign of humility, and a reminder to tell the truth, even if they put you on a cross for it."

The Jerusalem Cross is a bit more than a symbol of self-professed humility and martyrs crucified for their courage. It was originally a commemoration of the Kingdom of Jerusalem, won by way of the Christian First Crusade's medieval military assault that captured Jerusalem from Muslim occupiers in 1099. From the guy who says he plans to destroy, not just defeat, his political rivals, this symbolic doodle leaves little to the imagination.

More than nine centuries later, Steyer is also leading a crusade of true believers to put an end to what he believes

is another malignant occupation—this one at 1600 Pennsylvania Avenue.

Referring to President Trump as if he's running the North Korean regime—as a "clear and present danger who's mentally unstable and armed with nuclear weapons"—the Steyer made a plea for impeachment and removal of President Trump in a 60-second video that began airing in October 2017. Need to Impeach, a political committee backed mostly by Steyer, reportedly spent at least \$50 million during the 2018 midterm election on an issue that both elevated his public profile and lit a controversial fire within the Democratic Party.

It also built a mighty voter contact list. By the end of 2018, Steyer's "impeach and remove" evangelism had already inspired almost 6.5 million disciples to endorse the "Need to Impeach" petition, and in the process provided his organization with highly valuable contact and demographic info. Starting with the names, emails, and zip codes provided by the signatories, Need to Impeach has data-mined, improved upon, and solicited from the list.

As of October 2018 (when the list was just a mere six million names) the organization was already claiming 95 percent of the signatories supported Democrats, with 85 percent registered to vote and 34 percent regular voters. Fundraising efforts had pulled in \$900,000 from just over 36,000 people, and more than 70,000 signatories had mailed out nearly 1.6 million *hand written* note cards to personal contacts they wished to influence.

The potential potency of its list led the *Atlantic* to christen Need to Impeach as an organization "with more reach than the [National Rifle Association]." During the failed crusade to defeat the confirmation of U.S. Supreme Court Justice Brett Kavanaugh, Steyer's team claims supporters were able to hit U.S. Senate offices with more than 52,000 personal emails and nearly 30,000 phone calls.

It was a list put to use during the 2018 midterm elections and will continue to be used afterward. With Democrats taking control of the U.S. House, Steyer and his impeachment crusaders are marching ahead.

"A majority vote in the house can impeach him and expose his lawless behavior for all to see," said Steyer in another, post-election video spot, featuring images of Democrats just elected to Congress. "They just need the will."

But Speaker Nancy Pelosi is one of many prominent Democrats not yet singing from the Steyer hymnal. In the months before November 2018, she and other powerful Democrats worried the impeachment obsession would drive away mod-

erate voters, and potentially cost their side a terrific opportunity to reclaim one or both houses of Congress. Later, upon learning Democrats would indeed take control of the U.S. House in 2019, she said again she could not support impeachment, despite the criticism she was taking for it from Steyer and his movement.

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Establishment Democrats have been worried about Steyer's hands-on involvement in the policy limelight since shortly after his arrival on the political scene. A May 2014 profile in the *Atlantic* opens with these sentences: "Democrats love Tom Steyer's money. They're split over Steyer's mouth."

The piece explains a fear then circulating through Democratic circles that the high-profile of the high-dollar donor would make it even easier for Republicans to portray the party as beholden to "Northern California" environmentalists who are "out of touch with working class America."

"Who nominated him to speak for anything?" says a former Clinton adviser quoted in the piece. "He's entitled to make contributions, but the idea that he would step into the spotlight is just ridiculous."

The "out of touch" concern was so spot-on that it blew up within the Democratic Party coalition in the spring of 2016, when the president of the Laborers' International Union of North America (LIUNA) accused the AFL-CIO of selling out to "a job-killing hedge fund manager with a bag of cash."

At issue was the For Our Future committee, a super PAC jointly funded by several left-wing labor unions, including the AFL-CIO, and Steyer's NextGen Climate Action, the largest single donor at \$5 million. Eight of the building trade unions that are members of the AFL-CIO had become enraged by Steyer's opposition to the Keystone XL pipeline, a potential source of high-paying jobs for unionized workers. The LIUNA president and heads of the other seven construction unions sent letters to the AFL-CIO, asking it to sever its connection with Steyer.

Allowing Steyer to purchase the "backing, prestige, and control of the AFL-CIO," said the LIUNA chief, was "completely out of touch with the needs and concerns of ordinary, blue-collar working Americans."

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The Democratic Party's internal concerns regarding Steyer aside, what has been his impact on the common enemy? Has he been meeting his goal of *destroying* his opponents?

His total spending on federal politics for just three election cycles (2014, 2016 and 2018) is so far at least \$280 million. Most of the federal money was sent to the committees he is personally managing, such as NextGen and Need to Impeach. There are also millions more he has spent on statelevel politics, such as ballot initiatives.

The 2014 and 2016 election cycles were so uniformly bad for Democrats that it's difficult to separate Steyer's contributions or failings from either the general trend, or the well-documented blunders made of others.

For example, he put significant resources into eight battle-ground states in 2016, and Clinton lost four of them. Sure, it's easy to point out head-scratchers like the candidate with a half-billion-dollar spending committee called "Hillary for America" forgetting Michigan is part of America. But then again, why was Steyer's group spending \$375,000 against Libertarian Party nominee Gary Johnson?

The 2014 midterm election, the first where Steyer and his cash were seriously engaged, was most notably a battle to control the U.S. Senate—a fight Democrats lost decisively. Steyer's NextGen Climate Action committee directly spent

more than \$19.5 million on four races, and nearly two-thirds of the spending (\$12.5 million) was on losing efforts. In Colorado the Republican won despite the \$7.4 million poured in by Steyer's committee, and in Iowa the \$5.1 million spent by NextGen couldn't prevent a comfortable GOP victory. New Hampshire was the only race of the four where NextGen's spending (\$3.1 million) could be construed as decisive, as a Democratic incumbent won by 3.3 percentage points.

The 2018 midterms were much better for Democrats, but still a mixed bag for Steyer, who put at least \$123 million into both federal and state campaigns.

He reportedly referred to the Florida gubernatorial race as the "single most important" contest in the nation, and put a \$10 million bet down in favor of the Democrat—who lost.

It's possible Arizona's Proposition 127 was really more important to Steyer, as NextGen put up \$22.4 million favoring a "yes" vote—95 percent of the total funding given by supporters. Prop 127 was a proposed constitutional amendment that would have required—within just the next dozen years—that half the state's electricity be generated from something other than coal, natural gas, or nuclear fuel. Fun fact: those three sources currently account for 80 percent of U.S. electricity generation. Perhaps realizing the unlikelihood of powering their massive air conditioners on

magical "Steyer Fuel," a thunderous 68.6 percent of Arizona voters said "no."

A comparatively small fraction of the Steyer crusade's money—\$4.1 million—was spent to directly influence races for Congress in 2018. NextGen spent one of every four of these dollars (\$1.1 million) on two U.S. Senate races—Nevada and Arizona—that resulted in narrow and critical wins on a night when Democrats lost seats in the upper chamber. NextGen also saw its favored candidates win in 59 percent of the U.S. House races where it made direct spending.

Unrelated to direct spending, Need to Impeach claims to have sent 683 phone calls from its supporters to the office of U.S. Sen. Joe Donnelly (D-Indiana) during the confirmation hearings for U.S. Supreme Court Justice



Like a wildly-successful televangelist, Tom Steyer, the man behind Need to Impeach has quite loudly made himself synonymous with the cause. If past trends are predictions of future results, the list will likely grow to well beyond 7 million names by the time the serious campaigning begins later this year.

Brett Kavanaugh. Donnelly subsequently voted against the Kavanaugh nomination and then—like two of the three other vulnerable incumbent Democratic U.S. Senators—lost his reelection bid in 2018. The only vulnerable Democrat voting to confirm Kavanaugh, U.S. Sen. Joe Manchin of West Virginia, won reelection.

But candidates weren't the big spend for Steyer in 2018. As noted above, there was the \$50 million put into Need to Impeach (plus a related effort to get his impeachment signatories out to vote), and then another \$33 million was sunk into NextGen Rising, a young voter mobilization drive that reportedly deployed 750 staffers and 15,000 volunteers.

Put that together and the the clear majority of Steyer's 2018 investment—more than \$80 million—was spent on voter turnout infrastructure that can be both used and improved upon for future races. Unlike a one-shot boost for candidates and outcomes for just one election cycle, most of what he did last year could be defined as "building for the future."

So, what's in the future?

Steyer has clearly been enjoying himself. "[T]his is so much more fun than running an investment firm," he told *Vogue* in November 2018.

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Money and politics have been known to cause many a man to gaze at a mirror and start believing that something other than the sun might occupy the center of our galaxy.

Independently of one another, both money and politics have been known to cause many a man to gaze at a mirror and start believing that something other than a sun might occupy the center of our galaxy. This October 2018 description of Steyer in the *Atlantic* gives readers an idea:

Bring up his name with Democratic officials and strategists, and the answer is a reliable variation of "Oh, God," or an eye roll. They complain that he's not interested in hearing what anyone else has to say, that it's all about him, that the money could have been better spent. They point to how many operatives have come and gone from top positions on his staff.

The movement Steyer has built so quickly and is still improving upon is what free market and free society activists should be most concerned about.

He has \$1.6 billion he plans to give away, says he's having the time of his life, and has convinced himself he's the savior of America and the planet. He is already spending at or above the level of a George Soros, but at age 61 is more than a quarter century younger and—having given up his day job—has nothing else to do.

In the 2018 mid-term elections, Steyer broke with his own tradition of sitting out primary races and funded Tallahassee Mayor Andrew Gillum in his bid to run for Governor of Florida. Steyer spent \$800,000 on Gillum, who ran on a platform far to the left of most Democrats, courting voters infatuated with Democratic Socialism a la Bernie Sanders.

Steyer's impulse to support the leftward fringe of the Democratic Party and penchant to speak out against the Democratic Party machine make him a singular influencer in left-wing politics. Don't look for this to stop any time soon. He's just getting warmed up.

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

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### **CLIMATE DOLLARS**

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

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

A Capital Research Center study cuts Mr. Brulle's calculations down to size: Not only is Brulle's assessment off by 93 percent, the resources of environmentalist groups and governmentagencies overwhelmingly dwarf those of skeptics.

To learn more about the climate debate, visit www.ClimateDollars.org.







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