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FEBRUARY 2020



A "DARK MONEY" ASSAULT ON U.S. ELECTIONS: How One Billionaire's Private Foundation Is Influencing Our Elections from Bermuda

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COMMENTARY

Margaret Sanger:
Hero to the Left with a
History of Ugly Views

By Hayden Ludwig

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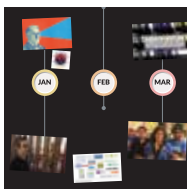
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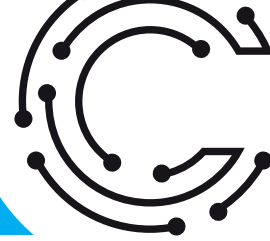


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MARGARET SANGER: HERO TO THE LEFT WITH A HISTORY OF UGLY VIEWS

By Hayden Ludwig

Margaret Sanger, the women's rights activist and founder of Planned Parenthood—the largest abortion provider in America—is a hero to the modern Left. And little wonder, given her outsized role in the founding and promotion of the modern abortion industry.

But what few people realize is that Planned Parenthood is actually more extreme than its founder, at least when it comes to abortion. In fact, Sanger, as remarkable as it seems, looks positively tame next to the modern agenda.

Which raises the question: why would Planned Parenthood, which has gone so far beyond Sanger in its promotion of abortion, eugenics, and population control, still hold her up as a leader of the movement? Isn't she a bit behind the times?

The movement can thank prominent Progressive leaders of the last decade for raising Sanger's profile. She's featured prominently in liberal speeches and interviews, like when Hillary Clinton told supporters in 2009 that she was "in awe of her." In 2014, Barack Obama became the first sitting president to address the abortion group's national conference, praising Sanger's legacy as its "core principle [that] has guided everything all of you do."



Margaret Sanger, the women's rights activist and founder of Planned Parenthood—the largest abortion provider in America—is a hero to the modern Left. But what few people realize is that Planned Parenthood is actually more extreme than its founder, at least when it comes to abortion.

Interestingly, Planned Parenthood, whose highest award still bears Sanger's name, has moved so far to the left that its hero probably couldn't even get a job selling T-shirts for the radical abortion giant today. If they were consistent, modern leftists would call Sanger a white supremacist or an extremist for her views on immigration, race—and yes, abortion.

Take, for example, Sanger's desire to see America's borders sealed to all "unfit" immigrants to protect what she considered a fragile gene pool.

That sounds a lot like the caricature of pro-Trump conservatives conjured up in left-wing fantasies.

Then there was her notorious speech before a branch of the New Jersey Ku Klux Klan, a well-documented event despite the *content* being nearly forgotten. In that speech, Sanger warned that America must "keep the doors of Immigration closed" to genetic undesirables.

Then there's Sanger's opinion of non-whites, which, if uttered now, would (rightly) cause a convulsion among Americans. She considered Australia's Aborigines compulsive rapists and "the lowest known species of the human family, just a step higher than the chimpanzee in brain development." Because he has "no great brain development," Sanger wrote, "police authority alone prevents [Aborigines] from obtaining sexual satisfaction on the streets."



Planned Parenthood has moved so far to the left that its hero probably couldn't even get a job selling T-shirts for the radical abortion giant today.

This commentary first appeared in the Daily Signal on January 24, 2020.

Hayden Ludwig is a research analyst at CRC.

But if Planned Parenthood was honest about its founder, Sanger's most unforgivable "sin" would be her skepticism of abortion itself.

One of Sanger's few criticisms of the Soviet Union when she visited the communist state in 1934 was its outright insistence on encouraging abortion over contraception.

"Four hundred thousand abortions a year indicate women do not want to have so many children," a perplexed Sanger told a Soviet doctor.

She thought that access to birth control was a "human right"—but was repulsed by abortion. "In my opinion it is a cruel method of dealing with the problem," Sanger wrote upon returning home, "because abortion, no matter how well done, is a terrific nervous strain and an exhausting physical hardship."

In fact, the founder of Planned Parenthood was deeply concerned about the "tremendous number of abortions" taking place in the Soviet Union, as historian Paul Kengor has documented. Legalization of abortion was one of the communist government's first acts following the 1917 Russian Revolution—nearly 60 years before *Roe v. Wade* accomplished the same thing in America. By 1920, the Soviet Union was providing abortions free of charge to its citizens.

Sanger wrote that the number of abortions in Moscow was 100,000 per year. By the 1970s, there were 7–8 million abortions annually in the USSR—"a rate unmatched in human history," Kengor points out. *Roe v. Wade* only managed 1.5 million in 1973, the year the Supreme Court legalized abortion.



If they were consistent, modern leftists would call Margaret Sanger a white supremacist or an extremist for her views on immigration, race—and yes, abortion.

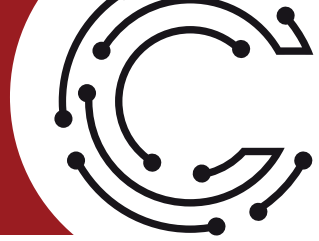
By these metrics, Planned Parenthood's position on abortion in 2020 is far closer to that of post-Revolutionary Soviet Union than their hero, Margaret Sanger.

If Progressives held Sanger to their own standards, they'd have to denounce

her antiquated views—so why do they continue to applaud her? Because the Left believes that Sanger's contributions to the pro-choice movement outweigh her racist views. So Planned Parenthood sticks with its despicable founder, refusing to disavow her altogether, to its shame.

If leftists were honest, they'd renounce Margaret Sanger—and then reflect on what it means that they've become even more radical than the eugenicist who started their anti-life movement. ■

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GEORGE SOROS: THE FACE BEHIND THE CARAVANS?

By Jon Rodeback

Summary: Three U.S.-based organizations—Pueblo Sin Fronteras, La Familia Latina Unida, and the Centro Sin Fronteras—appear to have played key roles in organizing and otherwise assisting the “caravans” of immigrants. Following the money trail appears to lead back to George Soros’s well-funded Open Society Foundations, which are trying to advance his Open Society ideas throughout the world. Much is unknown and uncertain about their involvement, but it deserves thorough investigation.

U.S. Customs and Border Patrol agents took Jakelin Amei Rosmery Caal Maquin, a seven-year-old Guatemalan girl, and her father, Nery Gilberto Caal Cuz, into custody in “a remote stretch of the New Mexico desert” around 10:00 pm on December 6, 2018. They were in a group of 163 illegal immigrants who surrendered to U.S. agents that night.

Seven hours later she and her father boarded a bus to the nearest Border Patrol station. She soon began vomiting and had stopped breathing by the end of the 90-minute drive. Emergency medical technicians revived her, and she was flown to a hospital in El Paso, Texas, where she died the following day. The *Washington Post* reported that she died of dehydration and exhaustion. An autopsy later determined that she died of a rapidly progressing infection that caused “multiple organ dysfunction and death.”

Her death was a tragedy—an avoidable tragedy.

Jakelin quickly became the face of the caravans as the media decried her death.

But who *should* have been the face of the caravans? How and why did Jakelin arrive in the New Mexico desert? It’s a long way from Guatemala to New Mexico. Who encouraged it? Who financed the travel? Who facilitated it?

The Organizers

Beyond the politicians and activists flocking to the television cameras to express outrage at the tragedy, blame the opposition, and deflect personal and legal responsibility for the



Credit: stephan-roehl. License: <https://bit.ly/39k7aY9>.

George Soros is not the Bond villain that some critics see—he is too intelligent and too complex a character to fit into such a limited role. Nor is he the evil capitalist counterrevolutionary that Vladimir Putin has caricatured, or necessarily a friend of Western liberal democracy.

broken U.S. immigration system, the names of three organizations kept popping up as the story developed: Pueblo Sin Fronteras, La Familia Latina Unida, and the Centro Sin Fronteras. (There are likely more that have successfully stayed under the radar.)

While representatives of Pueblo Sin Fronteras initially denied involvement in the caravan, Denis Omar Contreras and Rodrigo Abeja, two activists from Pueblo Sin Fronteras were embedded in the caravan and appear to have played key roles in organizing and leading it. NBC News reported

Jon Rodeback is Managing Editor and Director of Content at the Capital Research Center.

The author is grateful to Chris Hull, Hayden Ludwig, and the InfluenceWatch staff for their research that provided much of the foundation for this article.



Enter George Soros, the Hungarian-American billionaire with his own distinct view of how the world should operate.

in April 2018 that “volunteers from Pueblos Sin Fronteras and other groups accompany migrants in a caravan that travels in buses, on trains and on foot.”

Pueblo Sin Fronteras (People Without Borders) apparently started as a project of the now defunct 501(c)(4) La Familia Latina Unida. It has a history of organizing groups of migrants to travel from Latin America to the United States and Mexico. In 2018, it reportedly organized multiple caravans—including a “caravan” of more than 1,000 immigrants, which had at least 300 minors—to immigrate to the United States and Mexico, legally or illegally. In this effort, it worked closely with the CARA Family Detention Pro Bono Project.



Credit: Google Maps. License: <https://bit.ly/2Ox17Hf>.

The Centro Sin Fronteras (Center Without Borders), a 501(c)(3) activist group that advocates for illegal immigrants was founded in 1987 by Emma Lozano, a pastor at the Lincoln United Methodist Church.

Reportedly, much of CARA’s funding comes from individual donations funneled through Freedom for Immigrants, a 501(c)(3) organization that operates in California.

La Familia Latina Unida (The United Latin Family) was a Chicago-based advocacy group for illegal immigration formed in 2001. It was founded by Elvira Arellano, co-chair of Centro Sin Fronteras, but has apparently ceased operations.

The Centro Sin Fronteras (Center Without Borders), a 501(c)(3) activist group that advocates for illegal immigrants was founded in 1987 by Emma Lozano, a pastor at the Lincoln United Methodist Church.

All three organizations used the Lincoln United Methodist Church in Chicago as a base of operations.

The CARA Family Detention Pro Bono Project was created in response to the Obama administration’s 2014 decision to create detention facilities to house illegal immigrants and asylum seekers from Central America. It is a joint operation of the Catholic Legal Immigration Network, the American Immigration Council, the Refugee and Immigrant Center for Education and Legal Services, and the American Immigration Lawyers Association.

At least three of the four members of the CARA Family Detention Pro Bono Project receive “significant funding from (or otherwise have financial associations with) the Foundation to Promote Open Society,” a component of Open Society Foundations. The organizations have also been funded by several major left-of-center foundations, including the MacArthur Foundation, Ford Foundation, and Carnegie Corporation of New York.

The Soros Nexus

Enter George Soros, the Hungarian-American billionaire with his own distinct view of how the world should operate. Growing up in Nazi-occupied Hungary and behind the Iron Curtain, he developed a hatred for totalitarian governments, bureaucracy, and government control in general. Along the way to earning his billions he developed his open society philosophy—which is far too involved a discussion for here—and has donated most of his wealth (at least \$18 billion) to his Open Society Foundations (OSF) to advance his open society philosophy.

George Soros's Thinking

Over the years, George Soros developed a theory of reflexivity that has guided his investments and his philanthropy. While studying at the London School of Economics, he was greatly influenced by philosopher Karl Popper's idea of the "open society." The following quotes and paraphrases highlight some aspects of Soros's philosophy:

Soros's theory of reflexivity focuses on "the gap between perception and reality" and explains why markets can at times "tend toward excesses" rather than equilibrium.

"Each form of social organization was found wanting in something that could be found only in its opposite: totalitarian society lacked freedom; Open Society lacked stability."

Freedom and stability have an inverse relationship in politics: "Given our innate bias, a stable equilibrium between the two is just as unlikely to be attained as a stable equilibrium in a free market."

"Permanent and perfect solutions are beyond our reach."

"Temporary solutions are much better than none at all."

International capitalism "favors the haves over the have nots."

International capitalism will collapse because "in its present form [it] has proven itself inherently unstable because it lacks adequate regulation."

Chinese "state capitalism" economic model is a novel and perhaps even desirable approach to economics.

Soros argues, "the spread of market values into all areas of life is endangering our open and democratic society" and that "the main enemy of the open society," is no longer communism but rather capitalism.

Source: InfluenceWatch entries on George Soros and Open Society Foundations.

Soros is not the Bond villain that some critics see—he is too intelligent and too complex a character to fit into such a limited role. Nor is he the evil capitalist counterrevolutionary that Vladimir Putin has caricatured, nor is he necessarily a friend of Western liberal democracy.

Soros and his foundations have clearly been disruptive influences on political systems. Soros is generally credited with playing a significant role in the "color revolutions" of 2004–2005 that toppled governments in the former Soviet republics of Georgia, Kyrgyzstan, and Ukraine and threatened neighboring governments, not least the Putin regime in the Russian Federation. OSF activities have also incurred the wrath of the Hungarian government, which expelled them. More recently, the Open Society network has influenced elections throughout Europe, possibly by leveraging U.S. government funding.

Open borders (unrestricted immigration) is a key component of George Soros's open society philosophy and the Open Society network of nonprofit foundations.

In Europe, Soros and his foundations have effectively sought to erase national borders and identities and appear to have facilitated the European refugee crisis (2015–2017). He personally called on the European Union to deal with the crisis by opening its borders even more and going further into debt to finance the "Marshall Plan for Africa."

Interestingly, a leaked internal OSF document indicates that OSF's International Migration Initiative provided 40 grants totaling more than \$8 million to 22 organizations during 2014–2016. Almost half (\$3.7 million) went to organizations working on migrant and refugee issues in the "Asia/Middle East corridor" and the "Central America/Mexico corridor." (Note: This document and the leaked memorandum cited below were released through DC Leaks, which is accused of being a front for Russian military intelligence. Nevertheless, despite their dubious provenances, they appear genuine and reliable.)

Closer to his adopted home country, Soros's involvement in "opposing laws limiting legal and illegal immigration" began at least as early as 1996, when he provided \$50 million to create the Emma Lazarus Fund. The Lazarus Fund, later folded into his OSF network, funded directly and indirectly many other groups supporting illegal immigration into the U.S. and elsewhere ever since, according to Rachel Ehrenheld of the American Center for Democracy.

In recent years, OSF has given millions of dollars to other organizations that directly assisted the caravans with fundraising, legal assistance, and media support. These organiza-



Credit: CNN/screenshot. License: <https://bit.ly/2SblZyl>.

The 2018 caravans were the latest waves of an ongoing migration that nonprofits have been facilitating for at least 15 years.

tions included the American Constitution Society, Centro para la Acción Legal en Derechos Humanos (Center for Legal Action in Human Rights), Lawyers Committee for Civil Rights, Amnesty International, National Immigration Project of the National Lawyers Guild, Center for Constitutional Rights, Human Rights First, and Church World Service.

While the linkages between OSF and Pueblo Sin Fronteras, La Familia Latina Unida, and Centro Sin Fronteras are still nebulous, using illegal immigrants as pawns to overwhelm national borders and agitate for open borders is of a piece with Soros's initiatives to create a global open society.

Honduras and Guatemala

Open Society Foundations are extremely active in Latin America, having spent more than \$100 million in 2015–2017, with another \$36 million budgeted for 2018, to influence societies, politics, and economics in the region. OSF intervention in Latin America also coincided with the “pink tide,” a wave of new left-wing governments throughout much of Latin America.

Guatemala, in particular, seems to have attracted OSF's attention, likely because it elected a conservative populist president in 2016. In fact, OSF dispersed millions in grants to Guatemala-based organizations that support various aspects of the Soros philosophy, including open borders. Judicial Watch has identified at least 14 organizations active in Guatemala that received funding from both OSF and



In recent years, OSF has given millions of dollars to other organizations that directly assisted the caravans with fundraising, legal assistance, and media support.

And U.S.-based OSF components have money to burn thanks to Soros. A leaked memorandum to the Open Society U.S. Programs Board dated August 29, 2013, proposed a programmatic budget of \$100 million plus a reserve fund of \$25 million. It's good to be a billionaire's nonprofit.

the U.S. government. This raises the question of whether OSF was using these organizations to redirect U.S. funding toward Soros's objectives—which appears to have happened on a large scale in Europe, especially in Ukraine.

It is in this environment that the 2018 caravans assembled. The 2018 caravans were the latest waves of an ongoing migration that nonprofits have been facilitating for at least 15 years. In 2018, political unrest in Honduras after the rigged presidential election contributed to larger numbers of Hondurans deciding to migrate.

Despite claims that the caravans were spontaneous migrations, the involvement of U.S. and Latin American activist organizations suggests otherwise. Referencing a caravan that started in San Pedro Sula in northern Honduras, Guatemalan officials were more blunt, stating that it was an “elaborately planned” migration that had been infiltrated by a number of Special Interest Aliens from countries such as Bangladesh, Sri Lanka, and Angola; MS-13 gang members, and other criminals. Guatemalan President Jimmy Morales and other officials explicitly blamed “Leftist organizations” for the caravans. The extent to which the officials’ political interests colored their statements is unknown.

Indeed, media narratives of desperate migrants—including many women and children—spontaneously deciding to flee their homes appear naive. Granted, NBC News reported that members of one caravan in April 2018 were overwhelmingly Honduran and included 400 women and 300 minors.

Yet in October, Judicial Watch investigators came across “a rowdy group of about 600 men” marching north near Chiquimula, Guatemala, seeking jobs in the United States—not exactly poster children fleeing unrest at home.

More Questions

Again, the linkages from the caravans back to OSF and Soros are unproven, but there are credible grounds for suspicions, with the added concern that U.S. government funding was co-opted for OSF purposes. Especially during the Obama administration there was considerable overlap between OSF grants and U.S. government funding of Guatemalan organizations.

At the very least, Congress should audit government funding that went to organizations also funded by the Open Society Foundations to ensure that they were used as intended by the U.S. government.

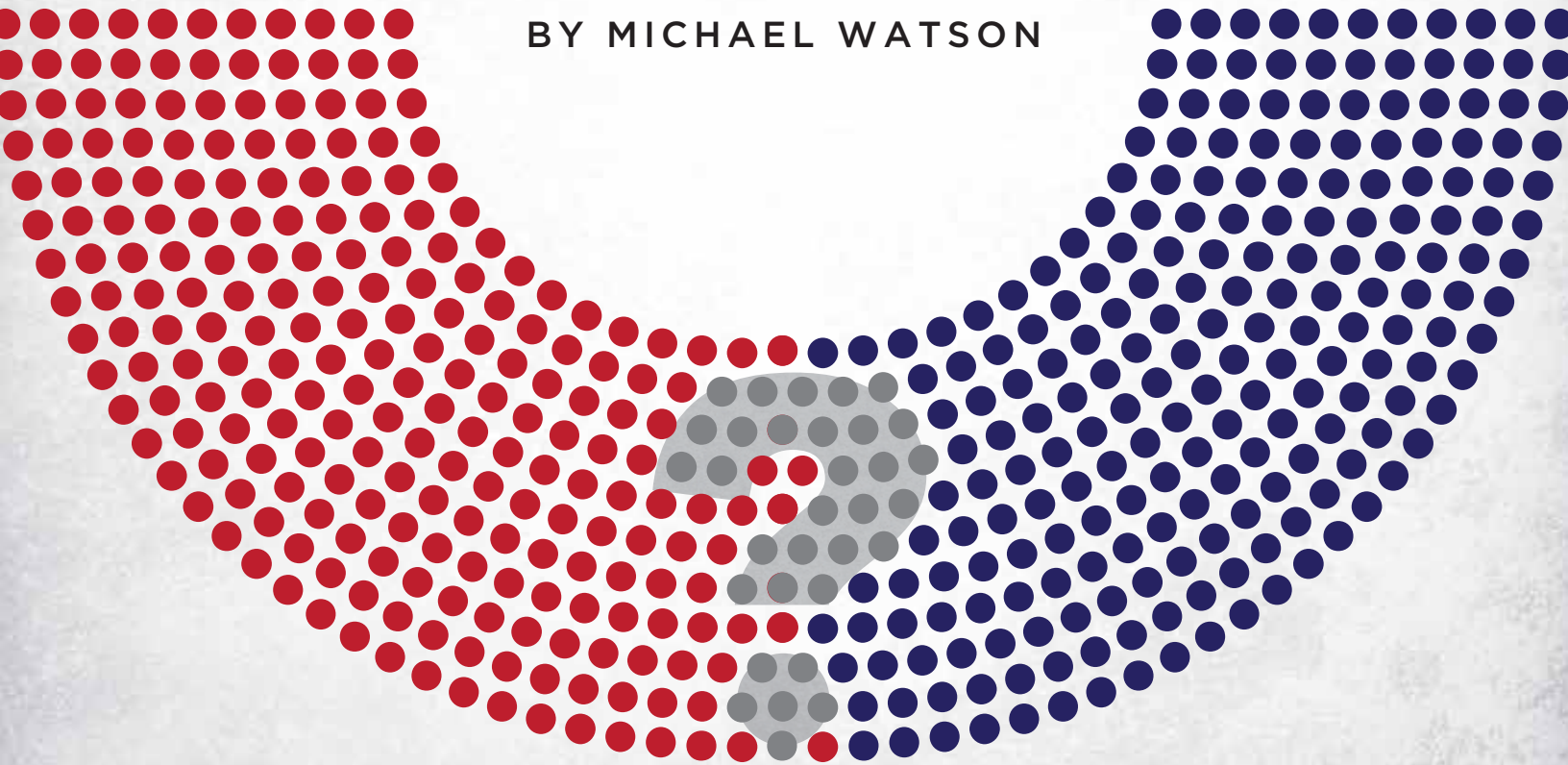
Similarly, the executive branch should investigate whether U.S.-based nonprofits conspired to break U.S. laws or the laws of any Latin American countries, prosecuting any serious violations. ■

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

THE MYTH OF NONPARTISAN DISTRICTS:

AN EXPERIMENT IN REDISTRICTING REFORM

BY MICHAEL WATSON



As House Democrats push for sweeping changes to U.S. elections, CRC shows that it's impossible to create nonpartisan districts.



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A “DARK MONEY” ASSAULT ON U.S. ELECTIONS

How One Billionaire’s Private Foundation Is Influencing Our Elections from Bermuda

By Parker Thayer

Summary: *Atlantic Philanthropies, a foreign entity based in Bermuda, has spent millions in “dark money” influencing American politics. Through funding Health Care for America Now, it is credited with almost single-handedly leading the campaign behind Congress’s passage of Obamacare. Atlantic’s latest venture is the Civic Participation Action Fund, with a five-year mission of using targeted voter registration to transform red states into bluish-purple toss-ups—leading to Democrats winning more seats in Congress and ultimately the presidency. The fund continues to fly under the radar of public attention while maintaining the appearance of nonpartisanship, and this deceptive behavior damages the American political discourse and indicates dubious intentions.*



Credit: atlantiaphil. License: <https://bit.ly/2RZl27K>

In 2008, Atlantic Philanthropies, the Bermuda-based foundation created by left-wing billionaire Charles “Chuck” Feeney, quietly moved America toward socialized medicine.

Meet Atlantic Philanthropies

In 2008, Atlantic Philanthropies, the Bermuda-based foundation created by left-wing billionaire Charles “Chuck” Feeney, quietly moved America toward socialized medicine. From 2008 to 2010, Atlantic provided \$27 million—over half of the organization’s funding—to Health Care for America Now (HCAN). HCAN was so effective with Atlantic’s money, that it’s been credited with almost single-handedly leading the campaign behind Congress’s passage of Obamacare. With just three years and \$27 million, Atlantic orchestrated one of the largest policy shifts in American history, bringing one-sixth of the American economy under the influence of Uncle Sam.



The Civic Participation Action Fund was designed as a five-year project, not a permanent organization, and it has accordingly been spending money like there is no tomorrow.

Years later, the election of President Donald Trump in 2016 brought a radical shift of its own, undoing much of Atlantic’s work. By repealing the individual mandate, which required all Americans to purchase health insurance or pay a tax penalty, the Trump Administration and Congress effectively gutted Obamacare.

But by then, Atlantic Philanthropies was already hatching a plan to push back against congressional Republicans and the Trump Administration: the Civic Participation Action Fund (CPAF), a 501(c)(4) organization founded in 2015. Over the years Atlantic has used its 501(c)(4) wing, the Atlantic Advocacy Fund, to provide a whopping \$50 million to establish CPAF.

Parker Thayer is currently a junior at Hillsdale College. He served as an intern at Capital Research Center in summer 2019.

Operating under a nonpartisan guise, CPAF is a voter-mobilization mega-funder dedicated to ensuring Democrats control and retain control of Congress by 2020. Although it purports to promote “racial equity, economic opportunity, and democratic participation among low-income people of color through advocacy and civic engagement,” CRC has uncovered documents demonstrating that behind this innocent sounding goal is a sophisticated plan to fund an army of left-wing activists determined to put Democrats in office.

Atlantic Unleashes an Ocean of Money

Federal laws bar private nonprofit foundations from engaging in anything resembling partisan activity, and that includes the Bermuda-based Atlantic Philanthropies. Atlantic can, however, further its political agenda by providing *unrestricted* funding to 501(c)(4) advocacy groups, which can lobby and engage in other political activities. On the other hand, any donations U.S.-based private foundations make to 501(c)(4)s *must be for demonstrably charitable purposes*. From its hideaway in Bermuda, Atlantic abuses this loophole extensively, using billions of tax-exempt dollars to support its left-wing political agenda.

But CPAF doesn’t plan on sticking around to do so for very long. On its sparse website, CPAF writes that it is a “limited life initiative” dedicated to funding civic engagement efforts that are “[likely] to culminate in some degree of success by 2020.” CPAF was designed as a five-year project, not a permanent organization, and it has accordingly been spending money like there is no tomorrow.

Between 2015 and 2017, CPAF gave over \$20 million in grants exclusively to left-wing activist groups, almost all of which are either 501(c)(4)s or political action committees (PACs) in nearly a dozen different states. The states are from coast to coast, including Nevada, Arizona, Colorado, New Mexico, Illinois, Georgia, North Carolina, and Florida.

CPAF-sponsored organizations include Mi Familia Vota, an open-borders group that submitted 6,000 voter registration forms that were rejected as ineligible or duplicates, according to Arizona officials. Another example is Every Citizen Counts, a left-wing voter engagement group created on behalf of Hillary Clinton’s presidential campaign, to which CPAF granted \$1.8 million in 2016. CPAF gave another \$1.5 million to Immigrant Voters Win, a left-wing PAC funded mainly by billionaires George Soros and Tom Steyer.

Although it casts a wide net, CPAF is also generous with its resources. Often, CPAF grants account for more than a third of an organization’s revenue. This allows CPAF to develop



Credit: atlanticphil. License: <https://bit.ly/2UryaMT>.

Stephen McConnell, the president of CPAF, worked as the director of U.S. Advocacy for Atlantic Philanthropies for several years and appears to be the driving force behind the CPAF program.

an allied network of organizations in dozens of states where it doesn’t have a physical footprint. In addition to its state-based networks, CPAF is also a key player in national left-wing organizing through its ties to Arabella Advisors and the Democracy Alliance.

Left-wing billionaires such as George Soros, Herb Sandler, Rob Reiner, and Norman Lear formed the Democracy Alliance in 2004 as a secret organizing committee for all things left-wing in the United States. CPAF’s IRS filings show that it makes an annual grant, likely membership dues, to the Democracy Alliance as well as dozens of grants to organizations that are part of the Democracy Alliance.

CPAF also gives to and receives funding from groups controlled by Arabella Advisors, the left-wing for-profit management group. As CRC’s investigative researcher Hayden Ludwig exposed last year, Arabella Advisors is one of the Left’s most secretive “dark money” organizations. Arabella manages over \$1 billion per year through the four nonprofit entities it controls: Sixteen Thirty Fund, New Venture Fund, Hopewell Fund, and Windward Fund. In 2016, CPAF earmarked \$280,000 to the Sixteen Thirty Fund for work to engage voters in Nevada.

CRC also obtained never-before-seen, unredacted copies of CPAF’s IRS filings, which show that Arabella-led organizations provided over \$1 million in funding to CPAF. In 2016, CPAF received \$1.1 million from the 501(c)(4) Sixteen Thirty Fund and \$367,000 from the 501(c)(3) New Venture Fund. Also on the list of 2016 contributions is \$1 million from the NEO Philanthropy Action Fund—a massive left-wing, dark money pass-through entity—and \$367,000 from

George Soros's Open Society Foundations. Although these contributions are small compared to those from Atlantic, they show that CPAF is collaborating with and influencing left-wing leadership at the highest levels.

CPAF's unredacted 2017 filings also reveal that CPAF receives support from liberal tech elites in Silicon Valley including \$50,000 from Paul Graham, co-founder of Y Combinator, a company that provided seed investing for Dropbox and Airbnb; \$50,000 from the Conway Family Trust, created by Ron Conway (a founding investor in Google and well-known left-winger); and \$10,000 from Michael Yang (a tech investor who helped found Yahoo). These contributions suggest that these three billionaires know their way around the innermost circles of left-wing organizing, potentially exposing them as secret members of the Democracy Alliance.

Clearly, CPAF is a large and sophisticated operation that has rapidly spread its influence to left-wing operations across the country, and it would take a team of highly skilled organizers to operate it. Luckily, Atlantic knew exactly the right people for the job, due to its long history of secret left-wing activism.

Meet the Team

To help put its vision into action, Atlantic Philanthropies recruited a team of highly skilled left-wing operatives, many of whom had worked with Atlantic Philanthropies before.

Stephen McConnell, President. Stephen McConnell, the president of CPAF, worked as the director of U.S. Advocacy for Atlantic Philanthropies for several years and appears to be the driving force behind the CPAF program.

A truly well-connected force in the world of left-wing policy and thought, McConnell has a Ph.D. in sociology and is a member of the boards of both Demos, a major left-wing think tank, and U.S. Justice Action Network, a left-wing policy research group. McConnell appeared in a short video announcing CPAF's launch that calls other funders to join Atlantic in funding voter-mobilization efforts. In 2015, McConnell also published an opinion in the *Chronicle of Philanthropy* urging other funders to partner in CPAF's work because "[they] should decry lack of progress more than [they] fear the spotlight of controversy."

Bill Roberts, Director. Bill Roberts, a director at CPAF, heads the Corridor Partners, a left-wing political consultancy firm. Roberts, like McConnell, is a former director of U.S. Advocacy for Atlantic, but also has extensive experience outside Atlantic. Although primarily a consultant, Roberts is on the board of

the League of Conservation Voters, where he spent many years as the board chairman. Atlantic likely invited Roberts back to be the brains of CPAF's operations because of his long history of work in left-wing voter mobilization.

Katharine Peck, Senior Vice President. Katharine Peck, the most important and recent addition to the team, appears to oversee the on-the-ground efforts of CPAF via her leadership positions at numerous nonprofits dedicated to expanding state-level activism. Peck is the president of State Voices, a multistate organizing group that runs "state civic engagement tables" that bring scattered left-wing activism groups together to develop and coordinate their efforts. In this way State Voices, a well-known member of Democracy Alliance, creates miniature versions of Democracy Alliance wherever it operates. CPAF provides grants largely to groups connected to these state civic engagement tables. Peck's inside knowledge of the State Voices network is likely what helped CPAF quickly identify groups that could carry out CPAF's work as if it were truly "grassroots." Peck is also on the board of several other voter engagement nonprofits, including the Voter Registration Project and the Advancement Project.

Peck joined CPAF's board in 2016 when the group's operations shifted into gear. In 2015, CPAF gave out just over \$1 million in grants, but after Peck joined the board, it handed out over \$12 million, perhaps guided by Peck's expert input. Peck's only previous work for a private foundation was as an advisor to the Gill Foundation, the private foundation of Tim Gill that focuses on LGBTQ activism. However, her starting salary of \$300,000 was the same as McConnell, who had worked with Atlantic for years.



CPAF director Phil Schiliro worked as director of congressional relations for the Obama administration. He has been credited with playing a substantial role in wrangling legislators together to support Obamacare.

Credit: Steve Rhodes. License: <https://bit.ly/2SmkXGz>.

Philip Schiliro, Director. CPAF director Phil Schiliro worked as director of congressional relations for the Obama administration and was considered an expert in legislative affairs and congressional relations. He has been credited with playing a substantial role in wrangling legislators together to support Obamacare. His deep personal relationships with nearly every Democrat in Congress and to Democratic National Committee (DNC) leadership likely help CPAF coordinate efforts with the DNC and Democratic candidates.

Whitney Tymas, Director. Whitney Tymas is a prominent lawyer who has worked extensively in criminal justice reform at the left-leaning Vera Institute for Justice. He currently is the treasurer for the Safety and Justice PAC and works for the Justice and Public Safety PAC. Both PACs receive millions in funding every year from George Soros. The Open Society Institute's \$367,000 donation to CPAF in 2016 suggests that Soros has partnered with Atlantic to fund CPAF's work, and Tymas was likely placed on the board to oversee operation on behalf of Soros, with whom CPAF has been claimed to be working.

David Sternlieb, Secretary. David Sternlieb, CPAF's secretary, oversees Atlantic's global programs during the final phase of grantmaking. On his orders, Atlantic plans to spend itself out of existence by 2020, and Sternlieb's job is to make it happen. His role on the CPAF board seems to be solely oversight, making sure that CPAF's work complies with Atlantic's mission.

Is There More to CPAF?

In many respects, CPAF is unique in the world of philanthropy, yet its level of funding suggests that something has suddenly made Atlantic very confident in CPAF's abilities and tactics. Such confidence in the middle of virtually uncharted waters almost certainly means that Atlantic knows something everyone else doesn't.

The Capital Research Center's investigative team discovered a handful of unassuming emails released by WikiLeaks that provide the final piece in the puzzle, allowing researchers to begin to understand the source of CPAF's unusual confidence. As it turns out, the story doesn't begin with CPAF or even with Atlantic Philanthropies. Rather, the story begins with a cryptic email from the president of *another* private foundation to John Podesta.



Credit: Center for American Progress. License: <https://bit.ly/2tA5xQW>.

As it turns out, the story doesn't begin with CPAF or even with Atlantic Philanthropies. Rather, the story begins with a cryptic email from the president of another private foundation to John Podesta.

In February 2015, Molly McUsic, president of the Wyss Foundation, emailed John Podesta who was then Hillary Clinton's presidential campaign director. The Wyss Foundation is the private foundation of Hansjörg Wyss, a left-wing Swiss billionaire who made his fortune as the president of a controversial medical technologies company called Synthes USA. Wyss's foundation largely focuses on environmental activism but also provides broad support for left-wing policy in the United States.

McUsic's message to Podesta was just three words long: "New c3 version." Underneath, McUsic attached an email that outlined a plan for a massive voter-registration program, designed specifically for nonprofit groups.

CC —————
Molly McUsic's message to Podesta was just three words long: "New c3 version."

Political consultant Bill Roberts sent the original email—the *same* Bill Roberts who is now on the CPAF board.

Roberts wrote to McUsic, "As we discussed, I am attaching a set of recommendations for large-scale, multi-year voter registration programs focused on historically underrepresented populations." This proves that Roberts had been shopping a voter-registration plan that sounds a lot like CPAF to other left-wing private foundations around the time of CPAF's launch.

Later, Roberts insisted that his program was "designed to meet this goal in a strictly nonpartisan manner, consistent with the mission of any private foundation." This clearly hints that it was designed specifically for 501(c)(3)s, not 501(c)(4)s such as CPAF, but Roberts also states that he

needed to make “notable changes from earlier versions” of the plan to make it acceptable for 501(c)(3) groups to use. Together, McUsic’s “new c3 version” message and Robert’s presence on the board of CPAF seem to indicate that Bill Roberts’ plan was the original inspiration for CPAF.

Unmasking CPAF’s Deceptively Partisan Origins

Along with his email to the Wyss Foundation, Bill Roberts attached both a Microsoft Word document and a PDF of the voter-registration plan, but in doing so Roberts made a mistake: He forgot to turn off the “Track Changes” function and accept all the changes. Track Changes records every edit to a document and which user made it so that a reader can see the differences between the original and edited versions. This means that we can see all the “notable changes” Roberts made to his plan before he sent it to the Wyss Foundation. And the tracked changes reveal an entire arsenal of tactics that left-wing nonprofits use to conceal partisan intentions behind walls of philanthropy and intentionally milquetoast words such as “civic engagement.”

To make his project compliant for 501(c)(3) nonprofits, Roberts consistently softened or removed partisan language throughout the document.

The first important change was in the introduction, where Roberts edited the plan to mask the program’s focus on a set of *desired political outcomes*, not just blanket civic participation among minorities. Note that in the quotations below deletions are shown in ~~red strikethrough~~; insertions are shown in green underline.

Although much more work is needed to flesh out a full plan, particularly on the important challenge of program implementation, the quantitative analysis is intriguing and the potential ~~political~~ voter participation outcomes are enormous.

This shows that Corridor Partners’ plan viewed voter participation as merely the means to a political end. This edit alone shows that the plan is nowhere near as altruistic as it pretends.

Further along, in a summary of the potential political outcomes, are more illuminating changes:

... if it were fully implemented at the scale suggested by our experts’ analysis, the program has the potential to impact policies affecting millions of citizens and ~~guide hundreds of billions of dollars~~

~~in government funding into environment, health, energy, and other initiatives.~~

Roberts struck any mention of funneling “hundreds of billions of dollars in government funding” toward furthering the left-wing agenda. While most nonprofits duck and dodge when accused of supporting the left-wing agenda, this edit paints CPAF into a corner.

After explaining his goals, Roberts tips his hand further, revealing that he intends to produce results for one specific political party. In its original format, the document included three example elections in which their program could have hypothetically made a difference:

Voter participation by people of color has improved somewhat in recent years, but their continued absence from the political process has almost certainly had a skewed impact on both elections and policy. ~~Here are three illustrative examples from recent elections:~~

All three example elections were races where Republicans won by a thin margin: the 2012 Senate races in Nevada and Arizona and the 2010 Florida governor’s race. Corridor’s report originally claimed that, if their program had been enacted, new voters at the polls could “potentially [alter] the outcome of the race.” Just like the rest of the partisan language in the report, Roberts removed it.

The edits underneath the high-minded language about promoting civic engagement show CPAF’s funders cared specifically about influencing elections and picking candidates. Roberts noted the possibility that his project could promote public policy changes—something that 501(c)(3) organizations *are* allowed to do—but only as an after-thought to give the program the appearance of nonpartisanship.

In a summary of the plan’s methodology, Roberts made the following change:

Academic research confirms that voter interest, particularly for low propensity voters, is closely tied to the ~~outcome~~ competitiveness of an election.

This again demonstrates that the purpose of the “registration surge” is to influence the outcome of elections, something that 501(c)(3) entities are expressly forbidden from doing.

Just as interesting as the things that Bill Roberts *did* change are the things that he *didn’t*.

Although he trimmed the partisan language of the original, the main body of his work remains entirely



The edits underneath the high-minded language about promoting civic engagement show CPAF's funders cared specifically about influencing elections and picking candidates.

unchanged, including the recommendations, costs, statistics, and sources.

The crux of Robert's plan appears at the end of the document: a detailed spending table organized by state and year, designed to produce the best results. It centers on eight key states: Arizona, Colorado, Florida, Georgia, Illinois, North Carolina, New Mexico, and Nevada—all CPAF target states.

Also in Table 1 is the final price tag and duration of the project. The minimum estimated cost of the whole project is just over \$100 million from 2015 to 2020—CPAF's stated lifespan. So far, CPAF has received roughly \$50 million in grants, precisely half of the project's total cost. CPAF's state grantmaking is also consistent with Table 1 in both 2016 and 2017. For example, some of the recommendations for 2016 include directing roughly 15 percent of funding to

Table 1. Bill Robert's Spending Table

Target Type	State	Costs						
		2015	2016	2017	2018	2019	2020	Total
States Where Vote Margin Can Be Closed Through Voter Registration Alone	Arizona	\$1,406,076	\$4,030,517	\$1,541,382	\$4,452,370	\$1,537,239	\$4,406,457	\$17,374,042
	Colorado	\$708,705	\$2,031,344	\$709,327	\$2,048,932	\$690,105	\$1,978,041	\$8,166,454
	Florida	\$2,042,469	\$5,845,677	\$2,293,843	\$6,625,895	\$0	\$0	\$16,807,884
	Georgia	\$1,474,680	\$4,208,870	\$1,623,019	\$4,688,182	\$1,767,502	\$5,044,091	\$18,806,345
	Illinois	\$1,724,698	\$4,936,744	\$1,802,187	\$5,205,718	\$1,804,043	\$5,163,448	\$20,636,839
	North Carolina	\$755,015	\$2,153,791	\$883,518	\$2,552,093	\$942,599	\$2,690,462	\$9,977,477
	New Mexico	\$594,253	\$1,702,462	\$587,198	\$1,696,155	\$579,114	\$1,658,887	\$6,818,069
	Nevada	\$500,156	\$1,431,402	\$518,530	\$1,497,804	\$556,908	\$1,594,964	\$6,099,764
	Total	\$9,206,052	\$26,340,807	\$9,959,006	\$28,767,148	\$7,877,510	\$22,536,350	\$104,686,873

Table 2. Estimated Net Votes Generated in 2020 Election, by State and by Race and Ethnicity

State	African American	Hispanic American	Asian American	Other Non-White	Total Non-White	Vote Margin
Arizona	18,750	133,584	26,981	19,321	198,635	153,657
Colorado	13,219	59,779	15,846	3,989	92,832	67,520
Connecticut	18,837	17,831	8,460	2,595	47,722	87,281
Florida	51,666	83,860	27,713	9,444	172,684	110,701
Georgia	144,931	31,969	29,057	12,531	218,487	216,431
Illinois	94,483	104,866	33,684	3,219	236,252	149,779
North Carolina	72,498	21,214	6,880	15,485	116,077	74,926
New Mexico	3,411	53,904	2,438	17,872	77,626	53,381
Nevada	11,570	40,580	7,419	10,529	70,099	51,246
Pennsylvania	75,129	49,086	12,918	20,036	157,168	270,071
South Carolina	64,000	4,753	3,043	5,321	77,116	151,305
Texas	140,208	644,360	53,016	24,220	861,804	946,241
Virginia	26,974	10,354	15,272	6,828	59,427	111,566

Arizona, 22 percent to Florida, 7 percent to North Carolina, and 5 percent to New Mexico. An analysis of the organizations CPAF made grants to during 2016 shows nearly identical percentages of its funding were directed toward each of these key states, and similar trends were observed in 2017 as well.

The projected numbers of votes generated by the program also remain untouched, methodically separated by race and totaled under “Total Non-White” votes. The 2018 projections estimate that the program would generate nearly 1 million new “non-white” votes; 293,000 from African Americans and 520,000 from Hispanic-Americans. The 2020 projections, shown in Table 2, anticipate more than doubling the 2018 numbers to an estimated 2.4 million new votes by 2020.

Was CPAF Successful?

Partisan schemes and \$50 million dark money operations certainly peak interest and ignite fury, but the most important thing to know is whether CPAF’s covert plan is proving successful after operating for over four years.

Although attributing the “blue wave” of 2018 entirely to Atlantic’s efforts would be foolish, the amount of money used and the projected number of votes gained suggest that CPAF played a substantial role. In 2018, Democrats regained the House, and *one-third* of the seats that Democrats flipped to gain control of the House were in CPAF’s target states. Most of the other seats were in red districts in deep-blue states such as California or New York. This was by no means the sole result of CPAF’s work and was caused by a multitude of political factors, but several of these districts had been long-standing Republican strongholds. By 2018, many of these districts had developed a purple hue, suggesting that CPAF had been highly effective at closing the narrow “vote margin” separating Democrats from victory.

The states where CPAF began operating in 2015 were all battleground states when the 2018 elections began, and several had some of the most contentious elections of the year, such as the hotly contested Arizona senate race. CPAF-backed groups spent large sums supporting Democratic candidate Kyrsten Sinema, who barely edged out her Republican opponent to become the first Democratic senator in Arizona since 1988. Arizona Wins, a 501(c)(4)

group, received \$600,000 from CPAF in 2017—half of its revenue—and spent tens of thousands supporting Sinema’s campaign and attacking Governor Doug Ducey.

CPAF also played a crucial role in Florida’s senate and governor’s races. Florida election records indicate that during 2018, CPAF and left-wing billionaire Donald Sussman simultaneously gave \$200,000 each to a PAC known as Florida for All. Just two days later, Florida for All gave \$400,000 to the Florida Democratic Legislative Campaign Committee (DLCC), which spent millions on TV ads and endorsements for Democratic candidates in Florida during 2018. Back in 2016, Florida for All ran a vitriolic smear campaign against Republican Governor Rick Scott and hosted “#ShadyRick” protests outside his campaign events.

During 2018, the Florida DLCC also supported Democratic campaigns for state offices with media buys and flocks of paid canvassers, gaining Democrats five seats in the Florida state house, unseating three Republican incumbents, and one seat in the state senate.

As part of its voter-registration work, CPAF also funded several successful left-wing ballot initiatives such as a Colorado ballot measure in 2016 that aimed to raise the minimum wage to \$12 an hour by 2020. The group behind the measure, Colorado Families for a Fair Wage, received \$700,000 from CPAF in 2016. The measure passed. Afterwards the Colorado Attorney General’s office

opened an official investigation into Colorado Families for a Fair Wage for fraud. In 2016, CPAF also funded an identical minimum wage law in Arizona with a \$350,000 donation to Arizonans for Fair Wages and Healthy Families.

In fact, each of the states where CPAF has been working experienced a localized blue wave. Between them, well over 60 seats in state legislatures across the country flipped blue, many held by long-standing Republican incumbents or independents. Meanwhile, Republicans made zero net gains in these states and often barely maintained control of their existing seats. Although CPAF shouldn’t get all of the credit, the Bill Roberts’ plan *was* designed to transform red states into bluish-purple toss-ups, and the unusually close results of the 2018 elections suggest that this happened.

Atlantic’s siege on American elections is nearing its end, and based on the numbers Bill Roberts projected for 2020, the final battle this year will not be pretty.

CC —————
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Phony Philanthropy

For years, Atlantic Philanthropies, a foreign entity, spent millions in dark money as part of a sophisticated effort to influence U.S. elections. But if you were to ask pundits or politicians on the Left about CPAF's dark money tactics, you would likely be met with confused stares. Perhaps, if you pointed them to CPAF's extremely vague website, they might find CPAF's claims that it does not fund "overtly partisan" projects and assume that this is the truth. CPAF continues to fly under the radar of public attention while maintaining the appearance of nonpartisanship, and this deceptive behavior damages the American political discourse and indicates dubious intentions.

Indeed, the documents authored and doctored by Bill Roberts confirm this reality, which neither CPAF nor the Left is willing to acknowledge. Despite CPAF's overwhelmingly partisan work, its website still claims that it does not fund "overtly partisan" efforts. And CPAF president Stephen McConnell even defended that claim in an article in *Bloomberg News*. McConnell's assertion is blatantly false. Now that the truth is clear, it is important to continue peeling back the "nonpartisan" disguises that permeate all levels of left-wing activism.

In fact, using tactics like CPAF's, the entire landscape of left-wing nonprofit groups championing "civic engagement" and "voter participation" secretly functions as extra-party political machines. But when conservative nonprofits engage in similar tactics the media suddenly declares an open season.

For example, The Libre Initiative, a right-leaning "civic engagement" group styled after its left-wing counterparts, advocates for conservative policies within the Hispanic community. For years Libre has helped register and mobilize scores of conservative Hispanic voters. By doing so Libre became the target of unceasing attacks from the Left. Source Watch, the left-leaning watchdog website, categorizes Libre as a "Latino front group" for Charles and David Koch. The *LA Times*, *Washington Post*, Huffington Post, Right-Wing Watch, and other outlets published scathing articles berating Libre for "[attempting] to make its public face one of community service and outreach." It would be very difficult to find a better description of CPAF, which operates on a much larger scale than Libre ever has. ■

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



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REVIEW

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Times

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NEWS
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WASHINGTON
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Hollywood
REPORTER

The
Washington
Times

Pittsburgh
Post-Gazette

DAILY CALLER

SPECTATOR | USA

The Epoch Times

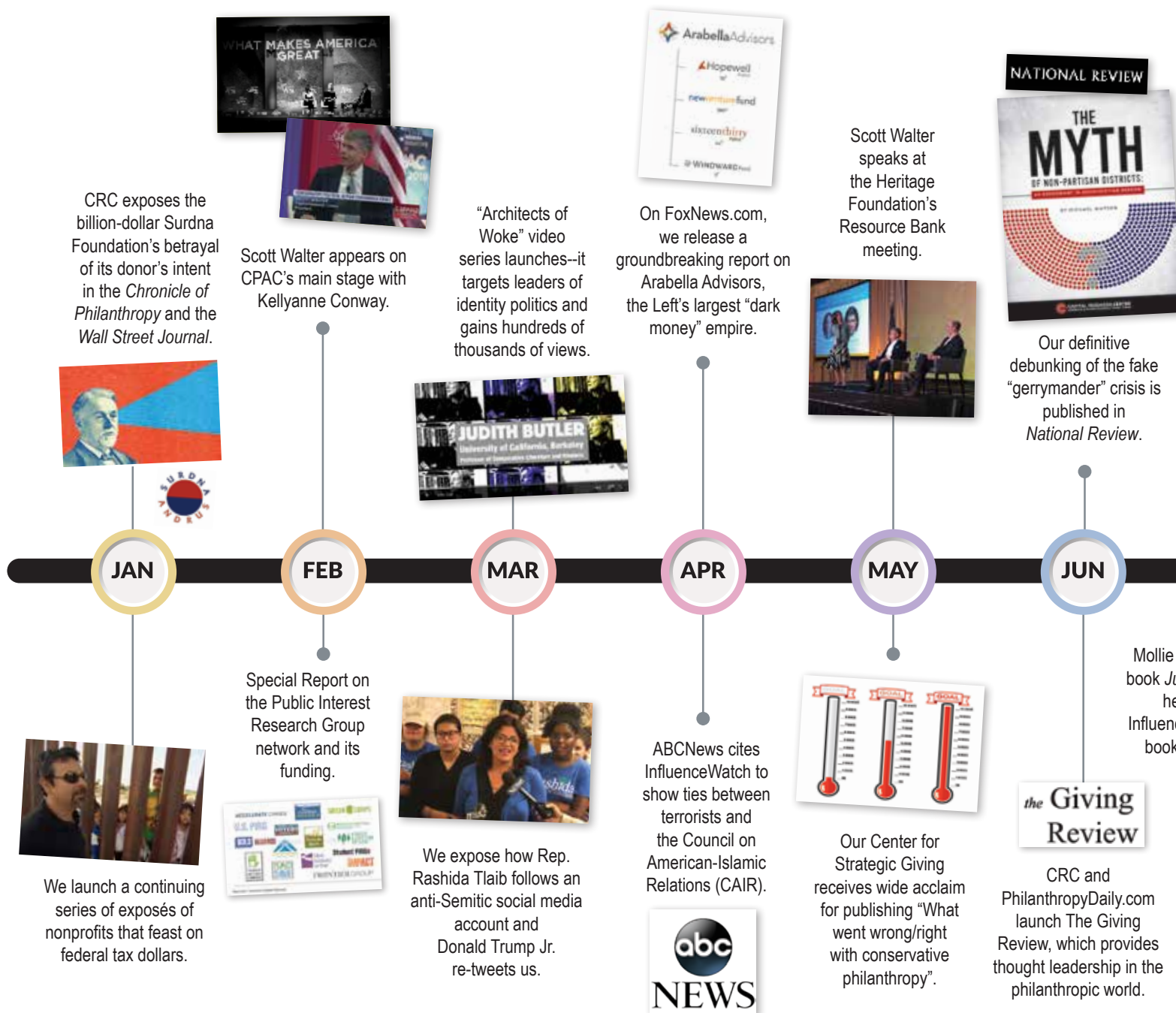
The Detroit News



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THANK YOU



AS OF DECEMBER 2019, CRC VIDEOS HAVE REACHED OVER 14.8 MILLION VIEWS ON FACEBOOK AND YOUTUBE!



"I Don't Know Anyone Who Voted for Trump"
209,723 TOTAL VIEWS



"How the Far-Left S..."
187,295 TOTAL VIEWS

FOR HELPING CRC ACHIEVE THESE MAJOR MILESTONES!



Tucker Carlson airs CRC's Kavanaugh protest video on his show.



No Safe Spaces wins award at FreedomFest, as CRC is featured on conference's main stage.

At its two-year anniversary, InfluenceWatch has shown up in the results of 25 million Google searches, appearing on page 1 in 12 million of them. The online encyclopedia has 6,500 pages.

Our site DarkMoneyATM.com exposes Arabella Advisors' \$600 million-a-year empire.



No Safe Spaces opens in Phoenix and breaks records. Next month come elaborate West and East Coast premieres in LA and DC.



The *Washington Post* runs CRC's letter to the editor exposing obscure money trails in Arabella's "dark money" empire.

Scott Walter is interviewed by the *Chronicle of Philanthropy*.

CRC's videos have been viewed over 14.8 million times.



Google censors another one of CRC's research videos.



The InfluenceWatch podcast celebrates its 100th episode.

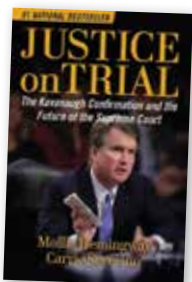


The *Wall Street Journal*'s Kim Strassel uses CRC and InfluenceWatch research on Arabella Advisors in her column on the "Left's Lucrative Nonprofits".

CRC's Michael Watson testifies to Pennsylvania legislature on the myth of "nonpartisan" redistricting.



Our Architects of Woke video targeting Chapo Trap House's radical podcast ignites controversy on Reddit.

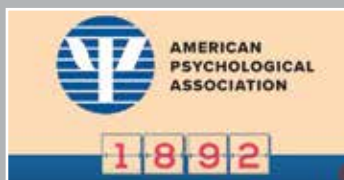


Hemingway and Carrie Severino's *Justice on Trial* about the Kavanaugh hearings features research from InfluenceWatch. It's the first of three major works to cite CRC research this year.

"Worldwide
Weeks Power"
TOTAL VIEWS



"Oppression Can't Be
Measured By Outcome"
173,957 TOTAL VIEWS



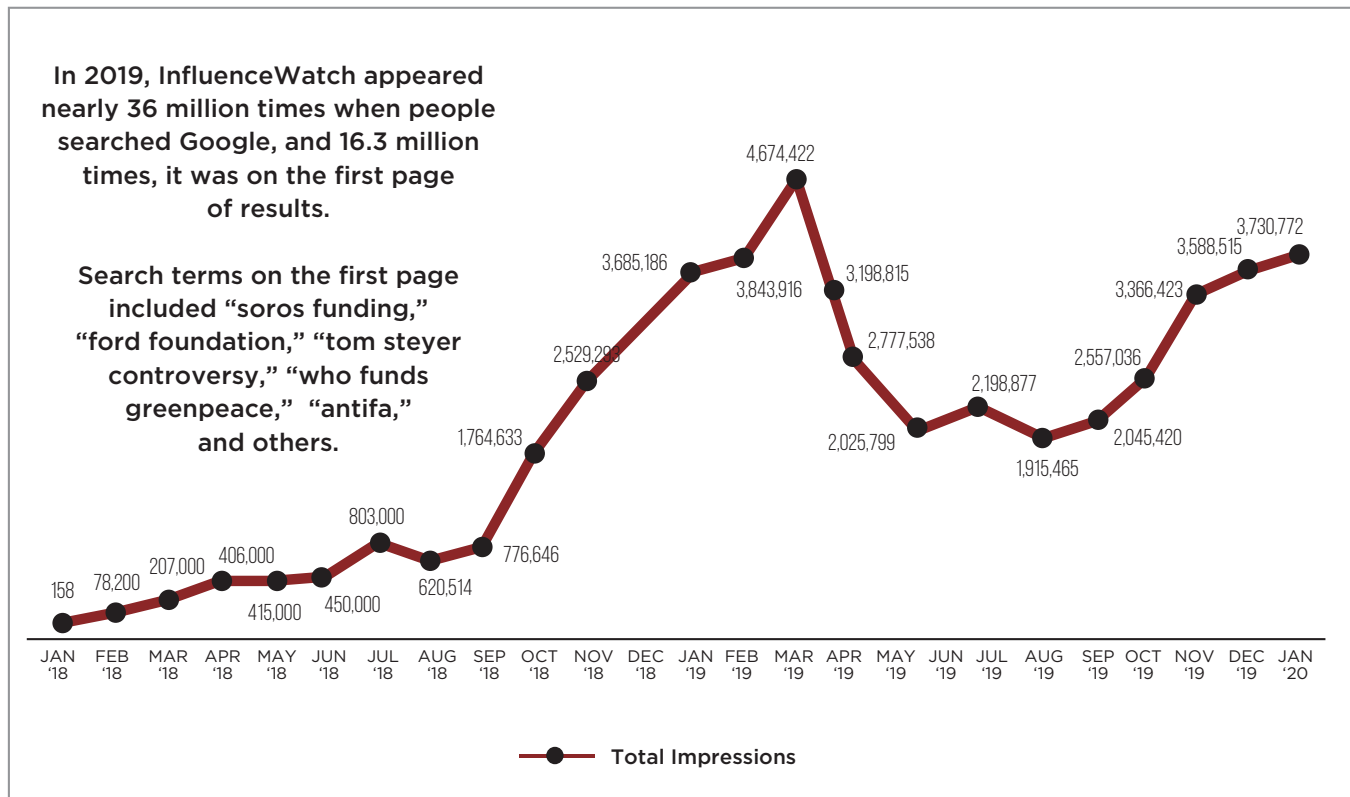
"The American Psychological
Association Has Lost Its Mind"
137,588 TOTAL VIEWS



"The Corrupt MPAA Cartel
Rating Our Movies"
126,139 TOTAL VIEWS

InfluenceWatch Outperforms on Google

In 2019, InfluenceWatch.org grew dramatically in audience and scope. This online encyclopedia offers comprehensive coverage of the donors, activists, and organizations of the Left. Designed “wiki-style” with input from our allies in the nationwide conservative movement, InfluenceWatch now features more than 1,200 full profiles plus “stub” entries for 5,800 more. InfluenceWatch’s reach is impressive, thanks to its extraordinary “search engine optimization.”



CRC's special reports have helped shine a light on how the Left exerts influence and is working to change America

- Our groundbreaking report on Arabella Advisors exposes a major shadowy network of funding and front groups influencing everything from Supreme Court confirmation battles, election technology, and countless state-level campaigns.
- CRC's Special Issue—The State of the Left: The Regressive Resistance—explored how the Left is manipulating language, reimagining journalism, focusing on organizing, and coordinating stealthy national campaigns.
- Our discussion of nonpartisan redistricting—and the outsized power of left-leaning independent commissions—will influence the way state legislators think about gerrymandering debates after the critical 2020 census.





BIG MONEY IN DARK SHADOWS

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

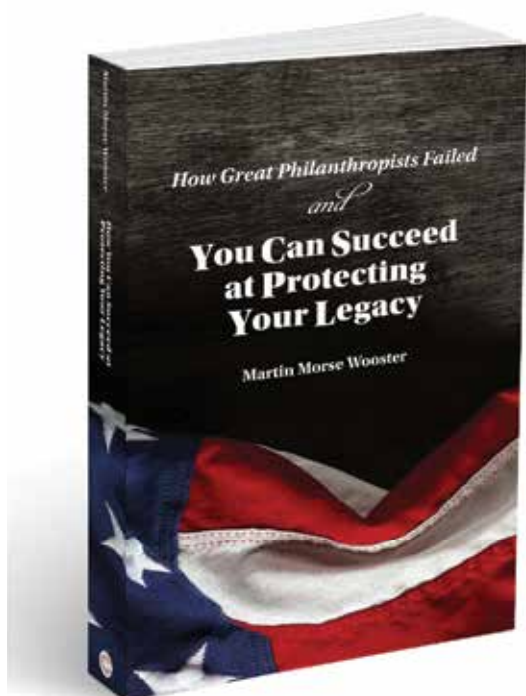
Hayden R. Ludwig

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



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Is Your Legacy Safe?



An instructive and cautionary tale for our time.

—W.J. Hume,
Jaquelin Hume Foundation

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

—Linda Childears,
President and CEO, The Daniels Fund

No, your legacy is not safe.

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

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

This fascinating book covers the history of some of the biggest philanthropic mistakes and offers practical tips on how to protect your legacy. Everyone who wants to use their money to change the world needs to read this book.

Find it on Amazon



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LABOR WATCH ON PENNSYLVANIA

By Kevin Mooney

Summary: *The school choice movement in Pennsylvania has remained at a disadvantage, and education reform has stalled because government employees who support legislation to expand scholarship opportunities or boost charter schools have had part of their wages taken to finance political activity that undercuts their own policy preferences. The problem stems from deeply ingrained features of Pennsylvania labor laws, but legislative and legal pressure to reform these outdated statutes has been building in recent months thanks to the U.S. Supreme Court's decision in Janus v. AFSCME. What happens in the Pennsylvania courts and state legislature will likely ripple across state lines.*

Not everyone in Pennsylvania agrees with Democratic Gov. Tom Wolf's education policies, and not everyone shares his hostility toward school choice initiatives. But everyone in the commonwealth who has worked in the public sector since Wolf became governor has been footing the bill for the political activism attached to Wolf's policy agenda in the form of union dues or fees.

Last June, the governor vetoed HB 800, which would have expanded Pennsylvania's Education Improvement Tax Credit (EITC) by \$100 million. The EITC and a companion program, the Opportunity Tax Credit (OSTC), offer private school scholarships to about 50,000 low-income families with K–12 students. Together, the programs have saved state taxpayers about \$5 billion since 2002, according to a study from EdChoice. They also enable state residents of limited financial means to break orbit from schools in their district that have failed to deliver a quality education. But Wolf wasn't finished. Just a few months later, he rolled out a series of executive orders and proposed legislative action that would cut funding and limit enrollment for charter schools, while imposing a moratorium on any new cyber charter schools.



Credit: Governor Tom Wolf. License: <https://bit.ly/31xSuSu>

Not everyone in Pennsylvania agrees with Democratic Gov. Tom Wolf's education policies . . . but everyone in the commonwealth who has worked in the public sector since Wolf became governor has been footing the bill for the political activism attached to Wolf's policy agenda in the form of union dues or fees.

Parents, students, teachers, business leaders, and other average citizens who favor school choice initiatives have a strong ally in House Speaker Mike Turzai (R-Allegheny County), who was the lead sponsor of HB 800. Turzai participated in a roundtable discussion with U.S. Education Secretary Betsy DeVos this past fall when she visited the Harrisburg Catholic Elementary School. He joined with other proponents of school choice from across the state to learn more about the administration's proposed Education Freedom Scholarships and how they might complement his own legislation.

But Turzai and the constituency he champions from inside and outside his district are up against well-funded public employee unions, which have made significant campaign contributions

Kevin Mooney is an investigative reporter with The Daily Signal who also writes and reports for several national publications including National Review, the Daily Caller, American Spectator, and the Washington Examiner.



Credit: Joe Ravi. License: <https://bit.ly/3998ddQ>.

The problem stems from deeply ingrained features of Pennsylvania labor laws, which are laced with perks and privileges for union leaders. But legislative and legal pressure to reform these outdated statutes has been building in recent months thanks to Janus v. AFSCME, a U.S. Supreme Court ruling published on June 27, 2018.

to Wolf and other elected officials in both parties who have resisted education reform measures. Charles Mitchell, the president and CEO, of the Commonwealth Foundation, a free-market Pennsylvania think tank, credited Turzai for advancing the cause of education reform in a press release:

“Last year, Speaker Turzai was the driving force behind one of the largest school choice expansions in America,” Mitchell said in the release. “Over Gov. Wolf’s opposition, he led lawmakers in expanding Pennsylvania’s tax credit scholarship programs by \$30 million. This reform, coupled with a 2018 expansion, opens the door for up to 27,500 more students to attend better schools each year.”

But the school choice movement in Pennsylvania has remained at a disadvantage, and education reform has stalled because government employees who support legislation to expand scholarship opportunities or boost charter schools have had part of their wages taken to finance political activity that undercuts their own policy preferences.

The problem stems from deeply ingrained features of Pennsylvania labor laws, which are laced with perks and

privileges for union leaders. But legislative and legal pressure to reform these outdated statutes has been building in recent months thanks to *Janus v. AFSCME*, a U.S. Supreme Court ruling published on June 27, 2018.

The Janus Effect

The Court’s decision outlawed contract provisions requiring government employees to pay union dues and fees or be fired as unconstitutional violations of First Amendment freedoms. That means that Pennsylvania’s laws that empower unions to extract fees from individual workers who do not want to join a union are in violation of the U.S. Constitution.

The same is likely also true with “maintenance-of-membership” requirements that unions are permitted to insert into contracts that restrict a public employee’s ability to resign from a union. Pennsylvania is one of six states with laws that do not square with the free speech rights the high court reasserted in its ruling against the American Federation of State County and Municipal Employees (AFSCME).



“Compelling individuals to mouth support for views they find objectionable violates that cardinal constitutional command.”

— Justice Samuel Alito

“Compelling individuals to mouth support for views they find objectionable violates that cardinal constitutional command, and in most contexts, any such effort would be universally condemned,” Justice Samuel Alito wrote in the majority opinion in *Janus*.

The *Janus* ruling principally affects the about 5 million state government employees in 22 states who are no longer required to join a union or pay union fees as a condition of employment. The states most affected by the decision are those states that were not already right-to-work states. On the West Coast, this includes California, Oregon, Montana, and Washington. On the East Coast, the list includes Rhode Island, New York, New Jersey, and Pennsylvania.

Often called the Keystone State in reference to its location in the middle of the original 13 colonies and its prominent role during the American founding, Pennsylvania is poised to make history again in November 2020 when it could decide the presidential election. Pennsylvania also sits at the epicenter of controversial labor practices that are coming under increased scrutiny since the Supreme Court ruling. Unlike the battleground states of Michigan and Wisconsin in the Midwest, Pennsylvania did not adopt right-to-work laws, which makes Trump’s 2016 victory in the Keystone State all the more remarkable.

Wisconsin became a right-to-work state in 2015 (on top of its 2011 government worker labor reforms) and Michigan in 2013. Since then, the teachers unions in both states have lost thousands of dues-paying members. The Wisconsin Education Association Council lost about 60 percent of its membership since labor reforms went into effect, while Michigan Education Association lost about 20 percent of its members. The fact that the teachers unions in those

states could no longer collect dues from members who do not share their far-left politics was likely a factor in Trump’s victory. In contrast, Trump won the Keystone State by just 44,000 votes, and it remains up for grabs in 2020.

Recent figures from the U.S. Bureau of Labor Statistics shows about 700,000 Pennsylvania workers are union members. In fact, some figures show union membership actually increased slightly throughout the state in 2018 even as it fell nationwide. This means that organized labor will remain a potent political force in Pennsylvania into the foreseeable future, even as unions lose ground in other parts of the country. Even so, there are palpable indications that Pennsylvanians who do not want to finance the political agenda of government unions are beginning to find expression in the legislative and legal arena.

Lawmakers Fight Big Labor

A short walk down the front steps of the Pennsylvania State Capitol building is a sign detailing legislative history of the 20th-century union mandates that have bedeviled government employees. The sign reads:

Efforts to organize public workers in PA resulted in Acts III in 1968 and 195 in 1970. Tens of thousands of public employees joined unions. The movement to unionize public workers began in the 1930s, was legislatively restricted in 1947, & given partial recognition in 1957.

Now some of those workers want out.

Francisco Molina is one. He’s a former shop steward for the Service Employees International Union Local 668 who ran into difficulty when he tried to resign from the union back in 2018. The “maintenance-of-membership” provision of Pennsylvania’s Public Employee Relations Act 195 specifies that public employees may resign union membership only during a 15-day window before their contracts expire. The standard practice for unions such as the SEIU was to stipulate that their members must submit a resignation letter by certified mail within that 15-day window. This provision of the law doesn’t require unions to notify workers of the resignation window. Moreover, the state’s public payroll systems automatically deduct union dues from paychecks until an employee can find a way to resign. As Molina discovered, the deck was stacked in favor of the union.

Fortunately, some lawmakers are willing to defy the power and influence of public-sector unions on behalf of free speech rights. Rep. Greg Rothman (R-Cumberland County) has



Credit: The Fairness Center. License: <https://bit.ly/382JUNO>.

Francisco Molina is a former shop steward for the Service Employees International Union Local 668 who ran into difficulty when he tried to resign from the union back in 2018.

introduced House Bill 506, which would allow government workers to resign from a union anytime they like without observing a window period, while Rep. Kate Klunk (R-York County) has introduced House Bill 785, which would require public employers to notify employees of their rights.

If either bill passes, it would be largely along party lines. Wolf could then veto a labor reform bill at behest of his union benefactors. Yet the unions are beginning to show signs of relenting on maintenance-of-membership requirements, which could give a boost to Rothman's bill. Conceivably, Governor Wolf might find it politically expedient to allow one or both of the bills to become law without his signature, by taking no action for ten days after the bill's passage.

For starters, SEIU 668 has agreed to refund Molina the dues collected from him after he resigned in July 2018. For this reason, major portions of his case have been dismissed. The Fairness Center, a nonprofit, public interest law firm based in Harrisburg, Pennsylvania, represents Molina in the case filed with U.S. District Court of the Middle District of Pennsylvania.

"SEIU officials are implementing a strategy to avoid court rulings on constitutional issues because they know they would lose," Fairness Center lawyer David Osborne told the Daily Signal. "The judge in the case found in favor of the union and said the fact that Molina had gotten his money back means either he doesn't have standing or the case is moot."

Essentially, the union "cried uncle," Osborne explained, before the court could address the constitutionality of the state's Public Employe Relations Act. The downside for workers is that maintenance of membership remains law, which is why Molina's case is still active. But the upside is that union leaders are signaling retreat. SEIU 668, United Food and Commercial Workers (UFCW) 1776, and the Pennsylvania State Correctional Officers Association have removed maintenance-of-membership requirements from their new contracts. Taken together, these unions represent roughly 22,500 state public employees, according to government figures.

But what about those "fair-share fees"?

House Bill 785, which would require that employees be notified of their rights, was approved by the House Labor and Industry Committee and is now before the full House for consideration. "The aim of House Bill 785 is rather

simple," Klunk said in an interview. "It ensures workers who were once forced to pay into a public sector union know their rights, namely that they do not have to pay so-called 'fair share fees.' Though the U.S. Supreme Court handed down the ruling in the *Janus vs. AFSCME* decision, not all workers know that they no longer have to pay these fees. My bill would make sure they are alerted to the change."

Seeking Retroactive Refunds

Some proponents of the right-to-work movement now argue in court that laws requiring government workers to either join a union or pay "fair-share" fees as nonmembers were illegal from the start.

This point has been made by plaintiffs and attorneys in "clawback cases" now working their way through federal courts that seek retroactive refunds of union fees taken from employee paychecks prior to the 2018 Supreme Court ruling. The justices did not create new rights, but instead moved to restore constitutional freedoms that never should have been suspended in the first place, argue attorneys attached to the National Right to Work Legal Defense Foundation and the Liberty Justice Center based in Illinois. These are the same legal teams that partnered to represent

Mark Janus, a child support specialist at the Illinois Department of Healthcare and Family Service, who was the lead plaintiff in the Supreme Court case against AFSCME.

In a new development, Brian Kelsey, the lead attorney in the clawback cases for the Liberty Justice Center, said in an interview that Janus will petition the Supreme Court to rehear his current case against AFSCME in which he is asking union officials to refund thousands of dollars in union fees taken from his paycheck before the Supreme Court ruled in his favor back in June 2018. A three-judge panel of the 7th Circuit Court of Appeals ruled

last year that AFSCME could retain the fees taken prior to the Supreme Court's ruling.

Meanwhile, government workers in Maryland, New York, and Pennsylvania continue to push for retroactive refunds from unions in those states.

"These fees were illegally taken from workers and that's why we are asking the courts to give them back," Kelsey said. "The Supreme Court has already ruled in favor of workers and with us saying that these fees were unconstitutionally

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The justices did not create new rights, but instead moved to restore constitutional freedoms that never should have been suspended in the first place.

taken and that what the unions did was wrong and unconstitutional and for this reason they must give the money back.”

While right-to-work advocates work through the courts to build and expand on their victory at the Supreme Court, union leaders and their allies in government are pushing back.

The Commonwealth Foundation, a free-market think tank based in Harrisburg, Pennsylvania, published an extensive report in 2019 marking the first anniversary of the Supreme Court decision that found more than 100 *Janus*-related bills have been moving at the state level:

A majority of these 2019 bills contained union-backed policies. They represented an effort to codify union privileges that may have simply been negotiated at the contract level before; shore up the scope of collective bargaining; and unionize new groups of government employees.

Labor policy analysts with the Commonwealth Foundation identified legislation in Washington State, Oregon, and California as particularly problematic from the perspective of worker freedom. In Pennsylvania, where Republicans control the General Assembly, union leaders have tried but failed so far to pass “card check” legislation that would deprive individual workers of the ability to vote by secret ballot in a unionization election.

In sum, the large government unions are attempting to benefit from a policy weakness we identified three years ago in state laws: the lack of clear statutory language prohibiting or limiting union privileges such as release time, the payroll deduction of union dues and other political money, and the scope of collective bargaining. Such provisions adversely impact state and local budgets, creating the potential for cumulative deficits and higher future taxes.

State representatives such as Turzai have blocked union favors that have taken root in other states without right-to-work protections. But on the flip side, they have not yet



Credit: The Fairness Center. License: <https://bit.ly/2n22qHC>.

Gregory Hartnett of the Homer-Center School District in Homer City is the lead plaintiff in a suit filed in 2017, which closely models the arguments made by Rebecca Friedrichs, a former elementary school teacher in California, whose case made it to the Supreme Court.

been able to repeal anachronistic measures such as maintenance-of-membership and fair-share fees. In the end, breaking through union resistance in Pennsylvania may take a combination of legal and legislative action.

Public-school teachers who object to paying fair-share fees are taking their unions to court where the legal costs associated with the union’s defense of labor laws that do not pass constitutional muster are becoming more apparent.

The Third Circuit Court of Appeals is expected to issue a ruling in the next few months in the case of *Hartnett v. PSEA*. Legal briefs have been submitted by opposing sides in lieu of oral arguments. The teachers argue that they should not be compelled to pay fees to the Pennsylvania State Education Association (PSEA), since they have chosen not to join.

Gregory Hartnett of the Homer-Center School District in Homer City is the lead plaintiff in a suit filed in 2017, which closely models the arguments made by Rebecca Friedrichs, a former elementary school teacher in California, whose case made it to the Supreme Court. The Fairness Center has partnered with the National Right to Work Foundation to represent Hartnett and three other public-school teachers from across Pennsylvania who are challenging compulsory fair-share fees as an unconstitutional assault on constitutional freedoms.

Hartnett’s case could be the *coup de grace* for union mandates at the state level that free speech and worker rights activists have sought since *Janus* was decided.



Hartnett’s case could be the coup de grace for union mandates at the state level that free speech and worker rights activists have sought since Janus was decided.

But wait? Hasn't the Supreme Court already overturned mandatory union fees for government workers? Why is it even necessary for Hartnett and other teachers to go to court?

The answers here go back to what Friedrichs said during an impromptu press conference delivered on the public space outside of the Supreme Court just minutes after the *Janus* ruling was made public in June 2018. The petite teacher, turned free speech activist, made her voice heard just a few feet from the steps leading into the court building. Supporters, antagonists, and members of the press gathered around Friedrichs to hear her make what might be the most insightful, enduring observation about the court ruling.

"The Supreme Court victory here restoring free speech for school teachers and other public employees is a huge victory, but it is just the beginning, not the end, of a very long fight," she said that day. "The job now is to make sure the decision is enforced at the local and state level because the unions will work every which way to undermine this ruling."

She would know.

Friedrichs taught elementary school students in the Savanna School District in Anaheim, California, for 28 years. She was the lead plaintiff in a suit that raised the same First Amendment arguments against mandatory union dues and fees as the *Janus* case. In fact, her case made it all the way to the Supreme Court. Friedrichs joined with nine other teachers and the Christian Educators Association International to sue the California Teachers Association, several local unions, and the National Education Association. But because Justice Antonin Scalia died just a few weeks after oral arguments were held in her case on January 11, 2016, the high court deadlocked 4-4 leaving a lower court ruling in place upholding California's "agency shop law."

What this meant is that rank-and-file school teachers such as Friedrichs and other public employees, who differ with the political agenda of union leaders, still have to pay fair-share fees to those same union leaders who negotiated collective bargaining agreements with their employer. From her perspective, this seemed like a straight-up violation of her constitutional rights including freedom of speech and freedom of religion.

Since California has initiative and referendum processes, teachers and other public-school employees could easily see that their political views were often diametrically opposed to those of California Teachers Association, an affiliate of the National Education Association. Both were named as defendants in the Friedrichs case along with several local California unions.



Credit: Goldwater Institute. License: <https://bit.ly/374kTRn>.

Rebecca Friedrichs taught elementary school students in the Savanna School District in Anaheim, California, for 28 years. She was the lead plaintiff in a suit that raised the same First Amendment arguments against mandatory union dues and fees as the Janus case.

"If the union leaders were on one side of a ballot initiative, it was a sure bet that I was on the other," Friedrichs said.

"The same was true of other school teachers who identified themselves as Christian. We certainly weren't the only teachers who opposed the union's political stand. But I think only David is willing to fight Goliath, which is why I joined with other Christian teachers."

The National Education Association (NEA) and its many state affiliates are political goliaths in terms of money and organization. InfluenceWatch reports that from 1990 through February 2019 the NEA's political action committees contributed almost \$143.5 million to federal candidates and committees with 97 percent of the contributions going to support Democrats and liberals. The union has about 3 million members.

The question Friedrichs frequently asked in media interviews during her case was "Why should I have to spend part of my workday paying for political activism I do not support?"

That's the same question Hartnett is asking on the other side of the country. In a press statement, he said:

I witnessed how out of touch many union leaders have become during teacher contract negotiations in Indiana County's Homer-Center School District, where I teach. To avoid potential teacher layoffs or a community-harming tax increase, I asked the union to drop its demand for salary increases. The union ignored me, adhering to bargaining tactics estab-

lished decades ago that put union leaders' priorities first, and union members' wishes and the community's well-being last.

He added:

As negotiations dragged on, I learned that union leaders who once secured individual workers' rights now violate them to maintain one-size-fits-all contracts that secure their power. I learned that even if union leaders treat my opinion as worthless, the law still entitles them to a portion of my salary every year. Most of all, I learned that to keep teaching, I had to give up my constitutional rights of free speech and free association.

PSEA's actions indicate how prescient Friedrich's warnings were when *Janus* was decided. Nathan McGrath, an attorney with the Fairness Center representing Harnett and the other plaintiffs, said the union has a long history of defying Supreme Court rulings with the *Janus* decision being just the latest in a series.

"PSEA specifically has a history of thumbing its nose at Supreme Court precedent, and it's sometimes required litigation to make them comply with the Court's rulings," he said. "Because of that, the fact that the PSEA and its affiliates are still negotiating fair share fees provisions into CBAs

[collective bargaining agreements] after *Janus* is not actually very shocking to us. This seems to be par for the course for how they operate, and it's required federal court cases in the past, and in some cases a very lengthy period of time, to get them to comply with what the Supreme Court has said."

McGrath added, "At the end of the day, we would like the 3rd Circuit to bring *Janus* to Pennsylvania and to say to Pennsylvania that you have a law on the books that runs counter to what the Supreme Court said and to declare the Pennsylvania fair share fee statute unconstitutional.

For union members and nonmembers who differ with the political positions of the PSEA and other unions, Keith Williams, director of Americans for Fair Treatment and a former public-school teacher, sees a way out. He founded the nonprofit group based in Harrisburg to inform teachers of their rights and options.

"A lot of teachers like their local unions because they are less political, more accountable and more responsive to the concerns of their members," he said in an interview. "But they are less enthusiastic about what's happening with unions at the state and national level."

That's one reason why 11 local teachers unions seceded from the National Education Association in the past five years, he explained in an opinion piece for the *Wall Street Journal*.



Credit: PSEA. License: <https://bit.ly/36YbeX>

"PSEA specifically has a history of thumbing its nose at Supreme Court precedent, and it's sometimes required litigation to make them comply with the Court's rulings," said Nathan McGrath from the Fairness Center.

“There’s an arrangement called ‘unified dues’ where a teacher who joins an NEA-affiliated local is then automatically enrolled in the state and national unions,” Williams said. “While an individual teacher can decline to join, the locals have a harder time leaving now. That’s because the NEA has changed its bylaws putting up new roadblocks to prevent locals from going their own way. Clearly, this is an ongoing battle. We are all about starting a conversation and changing the paradigm. Teachers should be free to join a union if they like, but they should be just as free not to. Allowing local unions to go in their own direction I think would appeal to a lot of teachers.”

Williams has started a new initiative called “Free to Teach” designed to “help teachers exercise their First Amendment rights to freedom of association without threats or coercion from unions.”

He points to a growing body of evidence in recent election returns that suggests public-school teachers in particular, and public-sector workers in general, object to having their union dues and fees funneled into political activism that is at odds with their own convictions. “Many rank-and-file union members recognize that the political positions of their union leadership are often out of step with their own,” he said. “But I think we still need to raise awareness about how union dues are spent and allocated.”

Only a small percentage of the dues paid to the teachers unions are reserved for the local unions. Williams estimates that in most Pennsylvania school districts about 90 percent of the dues are sent to the state and national affiliates.

Where Does the Money Go?

Where is that money going and how is it being used?

In the past quarter century, the Pennsylvania State Education Association, the largest public-sector union in the state and an affiliate of the NEA, has given more than \$13 million to Democrats and a little more than \$3 million to Republicans during that same period, according to campaign records.

In the most recent election cycles, the 181,000-member PSEA contributed more than \$1.5 million to Governor Wolf during his successful re-election campaign in 2018. Wolf was also the top recipient of PSEA campaign contributions from 2010 to 2016, receiving \$865,000. The American Federation

of Teachers, the second-largest teachers union in the country, is also a major player in Pennsylvania where it has about 36,000 members. It contributed \$700,000 to Wolf in 2018.

There’s a case to be made that the teachers unions are the most politically potent forces in the state in terms of money and organization. But they are only part of larger picture.

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Commonwealth Foundation’s charts of government union political spending from 2007 to 2019 provide critical insight into recent election cycles. Government unions spent about \$135.5 million on politics during this period with about 40 percent of this money coming from PACs, according to the Pennsylvania State Department’s campaign finance reports, and 59 percent coming from political dues, according to U.S. Department of Labor LM-2 forms. The teachers unions, AFSCME, and SEIU locals all figure into the equation.

In other words, a lot of money taken from Pennsylvania taxpayers is funding the political activism of government union operatives.

Union Leaders Suddenly Object to Political Activism!

Sometimes all it takes is a little imagination and a lot of humor to get your point across in the court room. That’s what Chris Meier, a history and economics teacher at Penn Manor High School in Lancaster County, has done.

Under Pennsylvania law, teachers such as Meier who object to paying mandatory union fees on religious grounds, can divert money from their paychecks into the charity of their choice instead of having those funds go to the union. The catch is that the union has say over which charity is selected. Meier had selected the National Right to Work Legal Defense Foundation, the Virginia-based nonprofit that advocates on behalf of workers opposed to mandates—the same outfit that successfully brought suit on behalf of Janus before the Supreme Court and is partnering with the Fairness Center to represent Hartnett and others. The PSEA objected because it saw a “conflict of interest.”

Jane Ladley, who taught in the public schools for 25 years before retiring in 2014 from Avon Grove School District in Chester County, is the lead plaintiff in the case with

Meier. They are both represented by the Fairness Center. Ladley selected a scholarship fund for high school seniors who wanted to study the U.S. Constitution, and the union objected. She then selected another organization that supplies educational material promoting the ideals of the U.S. Constitution, and the union has yet to give its approval.

“The Hartnett and Ladley cases have become very similar,” Osborne explained in an interview. “What brought the two cases together was the *Janus* ruling.”

If the Third Circuit invalidates the part of Pennsylvania labor law that makes fair-share fees possible, then this ruling would settle both cases.

The PSEA may not see the humor in Meier’s choice of charity or the seriousness of Ladley’s proposal to benefit young students with a stake in the founding of their country. But when the union objects to uppity, imaginative citizens

spending their own money on what the union views as being “too political,” it’s time for the courts to recognize that this is no joke.

Regardless of how union leaders might feel about the preferred charities of nonunion members, those nonunion members are spending their own money. If the PSEA leadership is gung ho on torpedoing school choice initiatives that benefit the children they claim to represent, then maybe it’s time they write a personal check to pay for their own political activism. That’s the point Meier is making, and by objecting to Meier’s political preferences the PSEA is actually making his point for him.

What happens in the Pennsylvania courts and state legislature will likely ripple across state lines. ■

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

A project of Capital Research Center



CLIMATE DOLLARS

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

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

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



TWITTER PHILANTHROPY

By Jeremy Lott

Summary: Bill Pulte, a Michigan businessman and grandson of a famous billionaire, has started giving away money on Twitter. He claims it's the wave of the future, a new kind of philanthropy, and he wants you to join in. Many people are skeptical, but the idea is promising. Can Bill Pulte pull it off? At the very least, he "has found something even better than puppy videos to make Twitter go berserk."

Every Black Friday brings news of people throwing down over great deals. These reports have become so ubiquitous that the website Ranker published a list titled "Things People Are Most Likely to Fight Over on Black Friday." Top vote getters were "the biggest television humanity is capable of producing" and "gaming consoles to help you avoid your family throughout the holidays."

There may be a new contender for people to squabble over: Bill Pulte's money. In a Periscope amateur broadcast on this last Black Friday, the Michigan millionaire announced, "Boy do I have a Black Friday special for you. I am going to be selling my money to some people who need it for zero dollars."



"Boy do I have a Black Friday special for you. I am going to be selling my money to some people who need it for zero dollars."

—Bill Pulte



Bill Pulte is the avowed "inventor of Twitter philanthropy," which he describes as "Giving food, necessities, rent, and more to people in need." He is now known by many simply by his Twitter handle of @Pulte.

Bill Pulte is the avowed "inventor of Twitter philanthropy," which he describes as "Giving food, necessities, rent, and more to people in need." He is now known by many simply by his Twitter handle of @Pulte. He was well known in parts of Michigan but not nationwide before @Pulte started just giving money away to people on Twitter.

Word got out in a big way, and he now has over 1.8 million followers. The *Detroit News* published a story on his new-found fame, titled "Bill Pulte Discovers the Key to Going Viral: Free Money." It noted that he "has found something even better than puppy videos to make Twitter go berserk."

With that fame has come a large heap of controversy. Critics snipe that Pulte is too politically conservative, allege that he has made "problematic" statements in the past, insinuate that he's scamming people, complain that he takes too much credit for joint efforts, and in one case may have doxed him—that is, someone made public some of his private information to encourage harassment.

Jeremy Lott is a former editor of CRC's *Labor Watch*.

Mistaken Identity

Several early reports of his *Brewster's Millions*—like antics repeated one glaring error, which Pulte had to awkwardly correct. He had to tell reporters and supporters that he was a multimillionaire, not a billionaire. There was a good reason for the misunderstanding. William Pulte, Bill's grandfather, was a billionaire. William is often shortened to Bill and the late William was known as Bill.

Confusing the two was an easy mistake. (For clarity, this report always refers to the grandfather as "William" and the grandson as "Bill.")

William Pulte died in 2018 at age 85. He was a nationally famous builder who specialized in quantity. He built his first house at 18 with friends, turned a profit, and never looked back. In his obituary, the *New York Times* estimated that he built 600,000 homes in five decades. His company is currently building about 20,000 new homes a year.

The paper also quoted Bill Pulte on how quickly his grandfather scaled up. Growing up in Michigan exposed him to the benefits of mass production. "[Grandfather] started out building one home [a five-bedroom bungalow near the Detroit airport], then two homes, then three homes. Then he took it to the subdivisions, then took it to cities across America," Bill Pulte said.

Builder magazine said this about the William Pulte's legacy:

With all due respect to his own limitations—"I'm not a finance man"—Bill Pulte aimed to be the best and proudest of what he did, and it became a mission to spread and propagate being the best and proudest to people in what became a spoked network of field businesses, emanating, and ever-more-widely radiating out of the Bloomfield Hills, Mich. hub, into the Pulte Homes national empire.

Lessons Learned From Grandpa

Bill Pulte was involved with his grandfather's business dealings during his lifetime and runs his own companies in the related fields of building investment and countertop manufacturing. It is largely the money earned from those enterprises that he is giving away.



William J. Pulte, founder of Pulte Homes, in a 2008 family photo.

William retired from his company's board in 2010, but in 2016 he waged a successful campaign as the company's founder and largest shareholder to push Pulte Group's president out. (Pulte Group is the larger company headquartered in Atlanta that owns Pulte Homes and several other housing companies.) To help make peace after such a bitter public spat, Pulte Group added Bill to its board of directors.

It's telling that grandson Bill and not one of William's 13 surviving children (with wife Karen) came onto the board to help broker the peace. Bill clearly looked up to William, but more to the point he studied his successes and in some ways has tried to emulate them.

"Most people think of [grandpa] as a pioneer in home construction . . . and that's true," Bill told *Builder* magazine, "But what often goes left unsaid was his pioneering approach to the consumer, the home buyer. He was always working

to understand how that person wanted to live in his or her home so that he could do that, design that, build that, and make it affordable to that person."

For instance, one way that Pulte Homes found to create affordable units for buyers was to build it with several bedrooms but leave an unfinished "bonus room" that could be converted into an additional bedroom. This cut down on construction costs, which in turn brought down the sale price of the house. People of moderate means could then buy a house and build equity into it by finishing the bonus room as a bedroom.



The family's official memorial called the family patriarch an "Anonymous Philanthropist, Loving Family Man, and Home Building Giant."

Charity Began at Home

Bill also emphasized something to *Builder* that was missing from many obituaries: William's charitable work. The family's official memorial put it front and center. The write-up called the family patriarch an "Anonymous Philanthropist, Loving Family Man, and Home Building Giant."

The family explained:

[William] was the silent benefactor behind the Angel Fund, an organization that anonymously provided needy families in Detroit with shelter, heat, and light. [He] also served as a quiet philanthropist for Detroit's Cornerstone Schools where he provided for the education of thousands of young Detroiters. One of [William's] and his wife Karen's favorite missions was the building of homes and shelters for those in poverty. Together, they donated thousands of housing units and shelters in some of Central America's poorest communities.

The Pulte family added by way of explanation for this being news to some people that "Most of the people that [he] helped throughout his lifetime never knew that he was their

benefactor. To [William] Pulte, giving quietly was the true definition of giving."

It's a fair question to ask why has Bill Pulte departed from this more quiet model of charity. But it's also worth noting that he has wrestled with this question and that his Twitter philanthropy initiative coincides with a move by many of the Pulte family into more public roles in funding causes.

"Shortly before my grandfather William Pulte died, he decided to publicly name this Pulte Family Building. He'd given privately his whole life. But, he told me he Named it Publicly to Inspire Others to Give. This inspired me. And THAT has inspired Tens of Thousands to GIVE! RIP," wrote Bill Pulte in a tweet on August 25, 2019. The tweet included a picture of the Pulte Family Life Center, an addition to St. John the Evangelist Catholic Church in Naples, Florida.

The Pulte Family Charitable Foundation, run by Bill's grandmother and other relatives, recently made two very public pledges: \$1 million to Ferris State University and \$111 million to the University of Notre Dame. According to *Crain's Detroit Business*, as part of this gift, Notre Dame will name a bunch of things after William Pulte. They include the Pulte Institute for Global Development, the William J.



Credit: Ken Lund. License: <https://bit.ly/374yPe8>.

The Pulte Family Charitable Foundation recently made a pledge of \$111 million to the University of Notre Dame. According to Crain's Detroit Business, Notre Dame will name a bunch of things after William Pulte. They include the Pulte Institute for Global Development, the William J. Pulte directorship, and some endowments "named for William J. Pulte and the family."

Pulte directorship, and some endowments “named for William J. Pulte and the family.”

The Notre Dame donation represent a serious leveling up of the Pulte Family Foundation’s giving. According to the organization’s 990 for 2018 (the year William died), the foundation ended the year with assets worth a little over \$7 million. After his death, a larger part of his fortune was deposited into the foundation, which accounts for more expensive initiatives.

A Tale of Two Charities

The different ways the various Pultes are going about philanthropy appears to reflect differences of emphasis, not a rift. The large donation to Notre Dame, where several Pultes but not Bill went to college, departs from William’s general approach to charity during his lifetime. William tended to focus more on direct material assistance.

Beth Kanter, an expert in nonprofits and online fundraising, crystalized the difference between the two approaches while also praising both. “Anyone who is giving visibility to being generous, and is trying to create a ripple effect around generosity is fantastic. We want to see more of that. The flip side is, if you look at big donors, they try to change systems, versus giving money directly to individuals,” she told the *Detroit Free Press*.



“Together, [the Pulte Family Charitable Foundation and Notre Dame] will leverage our resources to finally put an end to global poverty once and for all.”

William’s widow Karen Pulte insists that her late husband “wanted to do what he could to help address the world’s biggest problems, especially world peace and poverty.” In a press release, she said William “wanted more impact on a larger scale,” and expressed great confidence that the expected scale of this and future donations is truly, staggeringly enormous: “Together, [the Pulte Family Charitable Foundation and Notre Dame] will leverage our resources to finally put an end to global poverty once and for all.”

In addition to funding new initiatives, the Pulte family is greatly concerned about boosting William’s posthumous reputation. The foundation website even features a prayer that he apparently authored and recited:

Dear God, thank you for all creation. In the spirit of Jesus of Nazareth and all teachers of peace who inspire the many faith traditions, help me, and all the people of the world, learn how to replace hate, war, oppression and division with love, peace, freedom, and reconciliation. Help me to embody Your love in my relationships with my family and friends, strangers—even my enemies. I commit myself to this sacred task throughout my life. So Let it be.

Bill Pulte has not spoken negatively of the family foundation’s donations. He has linked to news of them and appears proud of his family’s efforts. Yet his own philanthropic approach and ambition are quite different. You might call them grandiose but in a different way.

One almost mantra that Bill Pulte repeats is, “We’re going to use technology for good, we’re going to use Twitter for good.” Very few people doubt that technology can be used for good, but Twitter—that’s a taller order. The social media site has a very bad reputation.

Disney had struck a deal to buy Twitter to promote its new streaming service Disney+, but CEO Bob Iger pulled his entertainment company out of the deal at the last moment, because “the nastiness” on display there “is extraordinary.” Asked by Bloomberg Businessweek if he’s still happy with that decision, Iger replied, “every day.” Twitter is famous for the politicization of practically everything and for the “outrage mobs” that accompany the partisan vitriol.

Rather than try to tiptoe around Twitter’s toxic dynamic, Pulte waved a red flag right in the bull’s face. In July, Pulte tagged the most controversial account on Twitter, the one belonging to President Donald Trump, and offered to donate \$30,000 to a veteran’s cause if the president would retweet the message to his followers. President Trump promptly did, along with the message “THANK YOU BILL!”

Anything involving President Trump invites passionate responses—from attaboys to criticism to whisper campaigns to threats—and Pulte’s donation for promotion was no exception. Pulte complained about attempts to dox him and publicly announced that he’d informed the FBI. But he hasn’t let that stop him from boasting about regular contact with the president.

The Pulte in Team

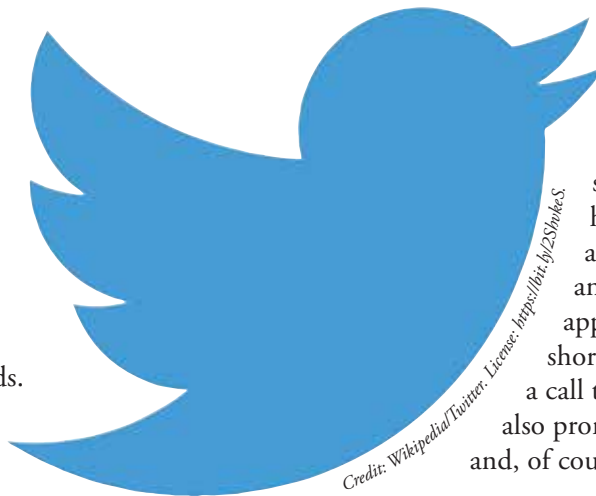
In fact, Pulte has used the criticisms as a springboard for his larger vision of what Twitter philanthropy ought to be, and it’s not all about him. On December 7, he sent this message to his Twitter followers: “Why do I raise money for people in

need? Because I am only 1 millionaire . . . 1 donor . . . Alone, I am nothing. But together . . . we are EVERYTHING!”

Pulte has set up an organization and a website for others to join in called Team Giving. The site, just out of beta, features stories and requests for relatively small amounts of money by people who have pressing financial needs. One recent entry shows a woman named Jillian posing with a young boy. The text explains, “Jillian had a liver transplant in 2016 to save her life. Since then, her body has rejected the liver four times. She is currently in the middle of her FIFTH rejection and due to this she’s unable to work. She fell behind on her electric bill after putting that money towards medication. Can you help Jillian and her son?” It asks for \$784 to help keep the power on.

The site is superficially similar to other crowdfunding websites that can be used to meet needs, such as GoFundMe. But the differences are significant. Other crowdfunders are platforms, and they try to get donors to pay a significant amount of money toward overhead. You can show up there and use them to make your case and maybe people will help or maybe they won’t. The Team Giving website is more about advocacy. It supports these people in need, presents their stories in the best possible light, really emphasizes the joint effort, and makes giving as simple as it possibly can be for folks to throw in. When you are making a donation, it only asks if you’d like to kick in 46 cents for the PayPal processing fee.

The *Detroit News* reported that with Pulte’s direct Twitter philanthropy, the process to “self-nominate for cash is not difficult, and the criteria do not appear stringent. First, send a tweet. Second, show that you need the cash. A small truth squad evaluates potential winners to make sure they are not hustlers, bots, or people who say their name is Chuck but sound like Boris from ‘Rocky & Bullwinkle.’”



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The Team Giving website is similar. It encourages those with pressing problems to “apply now” if “you need support.” There is a lot of hand-holding to walk you through the application and screening process, and your plight is presented in an appealing way with a nice picture, a short story spelling out the need, and a call to action. The organization will also promote your cause on its website and, of course, on Twitter.

One tweet promoting Jillian’s cause posted on December 6 explains:

This Single Mom received a new Liver. Her body has Rejected the new liver FIVE times. She requires infusions to Stop the rejection. Due to this she’s unable to work and fell behind on her Electric Bill. GOAL: \$497 (remaining) Can you help Jillian?

At press time, that tweet had been “liked” by 142 people and retweeted 108 times. It was well on the way to being funded, as were many of the other causes the organization promotes.

In addition to calls to give to those in need, Team Giving’s Twitter account also showcases multiple short videos of the people whose needs were met thanking the folks in cyberspace who chipped in to help bail them out. The point is to create a virtuous circle, whereby people are encouraged to give and then assured that their giving made a difference.

Will Others Pay It Forward?

But will it make a difference? Bill Pulte has promised to put up a lot of his money to make this Twitter philanthropy revolution happen—somewhere in the neighborhood of \$1 million in bits and pieces, through direct donations and to help build up Team Giving.



The point is to create a virtuous circle, whereby people are encouraged to give and then assured that their giving made a difference.

The *Detroit Free Press* noted that some experts “question whether Pulte’s money and energy are best spent doing what appear to be ‘random acts of kindness,’ rather than giving through professional charities or organizations that can act on a larger and more methodical scale.” But many of those same “experts” also conceded that they “see little harm, and much potential good in what Pulte is doing.”

At the individual level, it’s undeniable that Pulte is doing some good for people. Those people may in turn “pay it forward” and others may look to the example and decide to “become a philanthropist!” as the Team Giving website puts it.

Take the case of 53-year-old Sherri Miller. The former meth addict left prison with “nothing but the clothes on my back,” she told the Indiana newspaper *Goshen News*. During a 21-month prison stint, Miller got clean, and she has stayed clean and employed with the help of her church.

Miller is using \$10,000 that Pulte sent her in response to a tweet to stop living “paycheck-to-paycheck,” buy a used car, and use some of her freed up time and mobility to help start a new ministry to inmates currently struggling with addiction issues.

Miller was overjoyed to find that she had won, but there were “some speed bumps with her bank in verifying the transaction was legitimate,” the paper reported. Apparently, the folks in the bank’s fraud department had a hard time believing that some guy was just giving out money on Twitter.

As stories like Miller’s get out there, it will become much easier to believe such crazy things in the future. ■

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