



ENEL: AN ITALIAN ENERGY GIANT INVADES AMERICA

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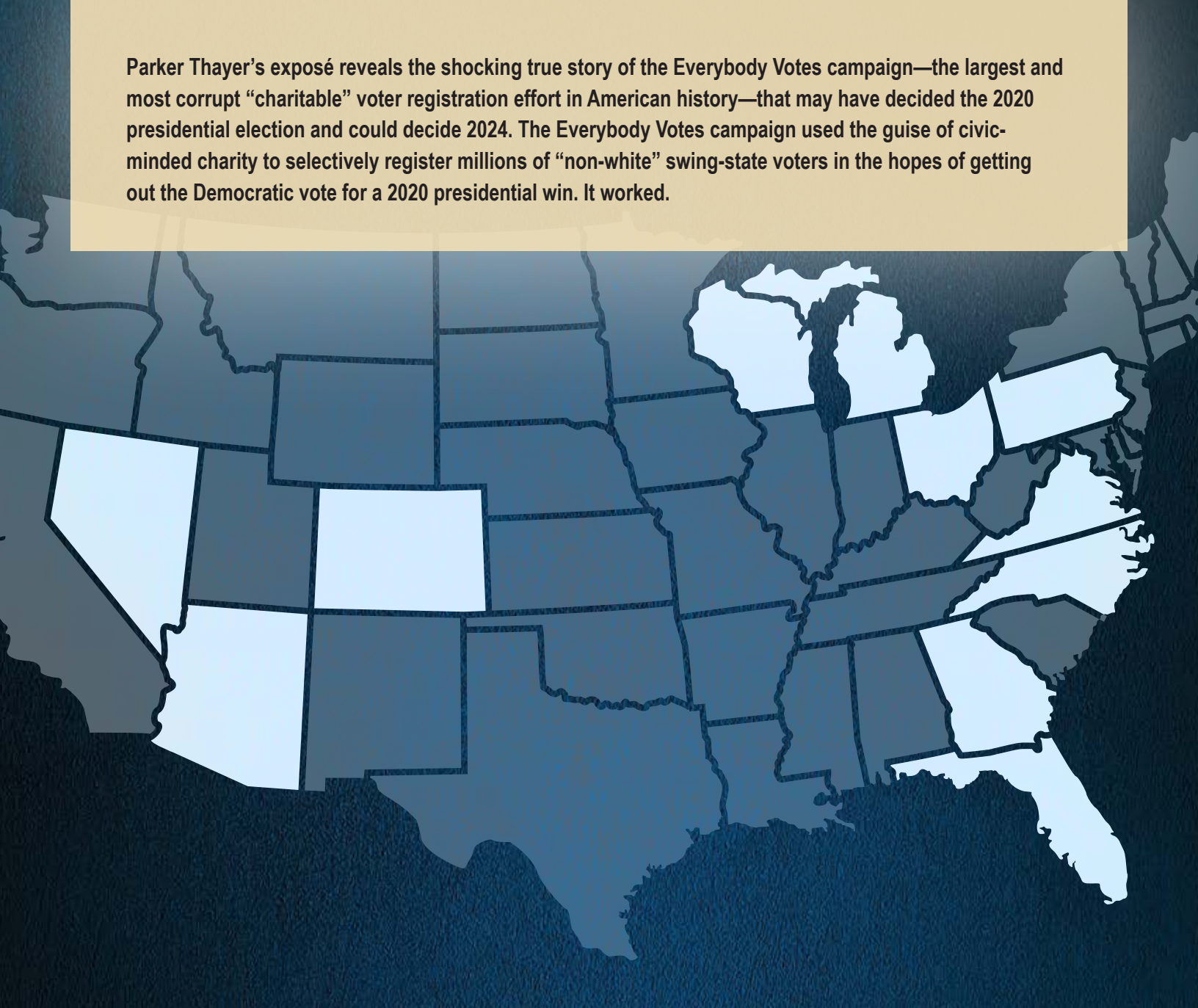
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HOW CHARITIES SECRETLY HELP WIN ELECTIONS

BY PARKER THAYER

Read the report at
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BIG MONEY IN DARK SHADOWS

Arabella Advisors' Half-Billion-Dollar
"Dark Money" Network

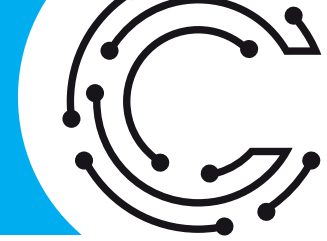
Hayden R. Ludwig

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.



CAPITAL RESEARCH CENTER
AMERICA'S INVESTIGATIVE THINK TANK



POLITICIZED, PROGRESSIVE BIG PHILANTHROPY

By Michael E. Hartmann

Steve Miller's December 12 *RealClearInvestigations* article, "How Tax-Exempt Nonprofits Skirt U.S. Law to Turn Out the Democrat Base in Elections," is both jarring and informative and helps frame many important questions facing philanthropy, conservatism, and conservative philanthropy.

Miller describes the general size and scope of activities being conducted by a progressive nonprofit infrastructure that has "taken on an outsized part of the Democratic Party's election strategy" and, specifically, how they "work around legal restrictions on nonprofits that accept tax-deductible donations by selectively engaging in nonpartisan efforts including boosting voter education and participation."

The infrastructure also includes nonprofit grantmaking institutions, which are also tax-advantaged and also evade restrictions on partisan political activity.

As Institute for Free Speech chair Bradley Smith tells Miller, progressive grant-recipient groups outnumber, outraise, and outspend conservative entities. Contemporary, politicized Big Philanthropy—as my *Giving Review* co-editor Bill Schambra has noted—is "an oppressively arid, progressive monoculture" and "[c]onservatives need to face this truth."

On the day Miller's article appeared, the Subcommittee on Oversight of the House Ways and Means Committee held a hearing on the how the growth of the tax-exempt sector is changing the U.S. political landscape. During the generally non-contentious proceeding, members and witnesses floated or endorsed several potential discrete changes to law and



Credit: Ways and Means Committee. License: <https://bit.ly/494s6hd>.

On the day Steve Miller's article appeared, the Subcommittee on Oversight of the House Ways and Means Committee held a hearing on the how the growth of the tax-exempt sector is changing the U.S. political landscape.

regulations on tax-exemption, foreign funding of exempt nonprofits, and the degree to which those groups and their also-exempt funders can engage in voter registration.

The proposed reforms included, among others, the following: (1) banning foreign contributions to tax-exempt nonprofits; (2) curbing contributions to political super PACs from social-welfare nonprofits that accept foreign contributions; (3) barring private foundations and public charities from funding and engaging in voter-registration projects; (4) banning private contributions to state- and local-government election administration; and (5) redesigning Internal

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If one believes there's a good rationale for proposing an increase of the tax in the higher-education context, it seems the same rationale would apply to private foundations.

Revenue Service Forms 990, including to request and then provide to the public more information about “fiscally sponsored” projects, and 990-PF.

Two days after Miller’s article and the oversight subcommittee hearing—at the other end of the U.S. Capitol—Sen. J. D. Vance, Republican of Ohio, introduced the College Endowment Accountability Act, which would increase the excise tax on endowment net investment income from 1.4% to 35% for secular, private, nonprofit colleges and universities with at least \$10 billion in assets under management.

Big Philanthropy *is* big mostly because of its similarly large nonprofit endowments. Vance’s bold bill would be a decidedly non-incremental policy step and could serve as an opening bargaining position for future discussions about all such endowments’ tax treatment.

Rates and Rises

The current 1.4-percent tax rate on the endowments of colleges (whose student bodies are majority U.S. citizens, where more than 500 students are tuition-paying, and where total assets exceed \$500,000 per student) was set by the Tax Cuts and Jobs Act of 2017.

“While it is a relatively small tax, this new law is a first step towards the exploration of taxing non-profit entities on the vast sums of wealth they hold in their endowments,” University of Kentucky law professor Jennifer Bird-Pollan wrote in a *Pepperdine Law Review* article about the tax and its wider implications.

“If we believe the rationale for imposing the excise tax stems from a distaste for excessive accumulation on the part of these wealthy universities, perhaps we should take the rationale even further,” she observed. “Why are we focused only on universities? ... Seeing the 2017 tax bill’s university endowment excise tax as opening the door to imposing tax as an incentive tool to stop the excessive accumulation of wealth by non-profit entities lets us imagine what else we might see”

In fact, in the Further Consolidated Appropriations Act of 2020, Congress set the excise tax on the income of private-foundation endowments at a flat 1.39%. Prior to the simplifying change, the rate was 2%, but could decrease to one percent if a foundation increased its charitable grant distributions.

Rationales for Reform

If one believes there’s a good rationale for proposing an increase of the tax in the higher-education context, it seems the same rationale would apply to private foundations. Here’s how Vance explained his reasoning for a higher-ed endowment tax increase on the Senate floor: “How is it,” he asked, that universities, which “should be responsive to the public will, responsive to their donors and alumni, responsive to their students, how is it that they can go so far so fast without any pushback?”

The answer, he continued, “is university endowments, which have grown incredibly large on the backs of subsidies from the taxpayers, and they have made these universities completely independent of any political, financial, or other pressure....”

In 2021, prior to formally declaring his Senate candidacy, Vance floated a reform idea that treated the tax status of all nonprofits, including foundations, the same. “[W]e should eliminate all special privileges that exist for our nonprofit and foundation class,” he told a Claremont Institute audience.

Why is it that if you’re spending all your money to teach literal racism to our children in their schools, why do we give you special tax breaks instead of taxing you more? ...

The decision to give those foundations and those organizations special privileges is a decision made by public policy. It was made by man, and we can undo it.

Three months later, Vance then specifically applied this equivalence. “Any charitable organization with an endowment over \$100 million must spend 20% of its endowment each year, or else it loses its 501c3 status and the preferential treatment of its income,” he proposed. Echoing his made-by-man-and-can-be-unmade thinking, Vance notes, “The Ford Foundation and the Harvard endowment don’t have a constitutional right to tax advantages that are unavailable to the vast majority of American citizens.”

Questions

Along with the similar work of others—including at the Capital Research Center, where I’m a senior fellow—Miller’s article, the Ways and Means oversight-subcommittee hearing, and Vance’s bill raise even more fundamental questions. These are especially relevant to conservatism, and conservative philanthropy.

Of philanthropy: What’s it for? If it’s for charity, but is being used for partisan electoral politics, what’s to be done?

Of conservatism: Where on the spectrum of proposed policy reforms, between the carefully tailored oversight subcom-

mittee options and Vance more-existential “threat” to large nonprofit endowments, should principle nudge us? Slight alterations or frontal assaults, or a mixture of both?

Finally, regarding conservative philanthropy: Can it face the truth of how radically progressive, policy-oriented, and partisan most Big Philanthropy has become? Are conservatives bound by principle to defend such a regime? Is the traditional understanding of charity worth somehow trying to preserve despite how the system has been abused by partisan politicization?

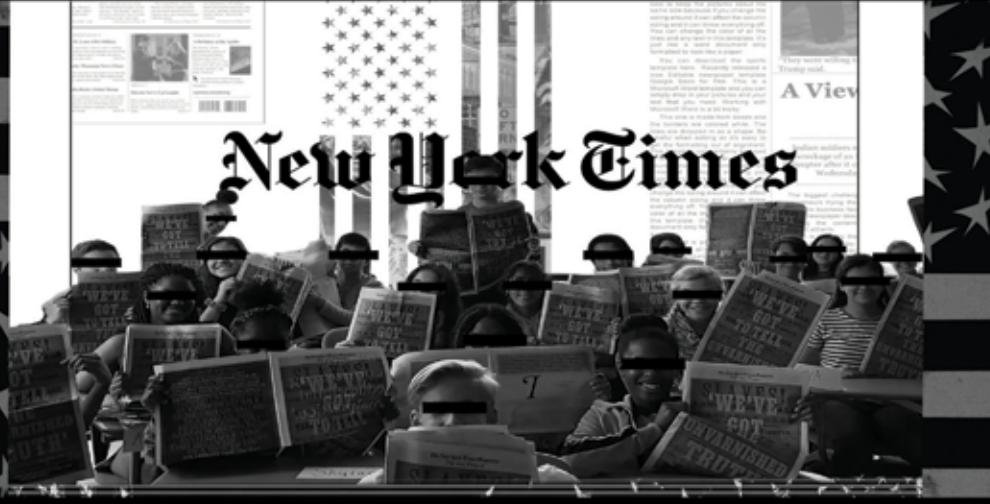
Or should the conservative side of philanthropy aggressively “fight fire with fire” and engage in the same kind of politicization itself, if only to try neutralizing the other effort? And if the other side’s fire so often includes successfully influencing the formulation, passage, and implementation of government policy—shouldn’t its fire too? ■

This article first appeared in RealClearPolicy on January 2, 2024.

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

ARCHITECTS OF WOKE:

The 1619 Project's Fake History



STOKELY CARMICHAEL



& RACISM WITHOUT RACISTS

SLAVOJ ŽIŽEK & THE ROMANCE OF REVOLUTIONARY TERROR



CRC's Architects of Woke series takes aim at far-left post-modernist and Marxist thinkers and activists responsible for the spread of identity politics on college campuses and in society at large.

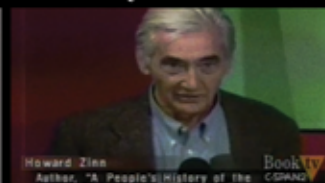
The series is hosted and directed by award-winning filmmaker Rob Montz, whose online documentary work has attracted millions of views and coverage in major outlets, including *The Economist*, *USA Today*, the *New York Times*, the *Washington Post*, and The Adam Carolla Podcast.

Subjects of the Architects of Woke include the fake history of the 1619 Project, the wildly popular radical socialist podcast *Chapo Trap House*, far-left political activist Howard Zinn, University of California at Berkeley feminist gender theorist Judith Butler, highly influential Marxist-Leninist philosopher Slavoj Žižek.

Watch the entire series at DangerousDocumentaries.com.



Howard Zinn, Hollywood, & the Fairy Tale of American Evil



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DANGEROUS
DOCUMENTARIES



THE PROGRESSIVE INTERNATIONAL

By Robert Stilson

Summary: *A persistent problem in contemporary sociopolitical commentary is that groups that aren't especially radical are nevertheless regularly portrayed as such (often for political expediency), while those that truly exist on the ideological fringes aren't sufficiently exposed as the extremists that they are. The Democratic Socialists of America (DSA) issued a reprehensible response to the October 2023 terrorist attacks upon Israel, finally revealing the group's true nature to many, but the DSA is itself a member of a far-left global coalition called the Progressive International. The Progressive International's leadership and membership should be considered every bit as radical as the DSA, and this should invite public scrutiny of both them and their institutional affiliates and funders.*

The Democratic Socialists of America (DSA) has received much richly deserved criticism since October 2023 and its reprehensible response to the Hamas-led terrorist attacks upon Israel. This has overshadowed some other interesting news about the DSA, which is that the group has been formally admitted to the Progressive International.

A relatively new coalition, the Progressive International gathers together the radical fringes of global leftism—the ideological outskirts where authoritarian communism is praised, terrorism is justified, Israel's legitimacy is denied, and the United States is portrayed as the malignant font giving rise to all the world's evils.

That the DSA would join such a coalition is perhaps unsurprising, given the group's hard left turn toward radicalism, but it is not the only American activist group affiliated with the Progressive International. Notably, its membership includes several nonprofits that are funded by some of the largest and most prominent foundations and other grantmakers in the country. The Progressive International's leadership also consists of some notable names, both in the United States and globally. This makes the group well worth close examination.



Credit: DiEM25. License: <https://bit.ly/47MdlZa>.

In late 2018, the Sanders Institute teamed up with a similarly new European political association called the Democracy in Europe Movement 2025 (DiEM25) to issue a joint call for all “progressives of the world to unite” in the face of what they claimed was humanity's greatest collective threat from the ideological right since the 1930s.

The “Left of the Left” Goes Global

As with many developments on the American far-left over the past decade, the story of the Progressive International begins with the 2016 presidential campaign of Bernie Sanders—the unexpected success of which led to the establishment of a 501(c)(3) nonprofit think tank called the Sanders Institute. In late 2018, the Sanders Institute teamed up with a similarly new European political association called the Democracy in Europe Movement 2025 (DiEM25) to issue a joint call for all “progressives of the world to unite” in the face of what they claimed was humanity's greatest collective threat from the ideological right since the 1930s.

Robert Stilson is a research specialist at CRC who runs several of CRC's specialized projects, including a series on federal grants and nonprofits.



Couched in language that borders on the apocalyptic, the Progressive International declaration asserts that “capitalism is the virus” that must be eradicated.

From this call was born the Progressive International, which as of January 2024 counts more than 70 organizational members worldwide. The Sanders Institute, which shut down in 2019 amid Sanders’ second presidential campaign but has since re-opened, is not among them. Indeed, the 25-point declaration adopted at the Progressive International’s inaugural summit in 2020—which serves as its core manifesto—espouses a far more radical vision than anything that had been publicly promoted by Bernie Sanders.

Couched in language that borders on the apocalyptic, the declaration asserts that “capitalism is the virus” that must be eradicated—alongside white supremacy, which it calls “an organizing principle of the world system.” It supports “revolution” to “transform society and reclaim the state,” while ominously warning that “winning elections is not enough to fulfill our mission.” The Progressive International wants a global “planetary mobilization” and asserts that decolonization “is not a metaphor.” It will be satisfied with nothing less than “full reparations for past crimes and the immediate restoration of land, resources, and sovereignty to all the dispossessed peoples of the world.”

This is some truly radical stuff, which is perhaps what induced the Democratic Socialists of America (DSA)—the “Left of the Left” in the United States—to apply for membership. At a recent event in Chile that the Progressive International helped organize, DSA national political committee member (and self-described communist) Luisa Martinez claimed that “no matter where we live in the world, under capitalism we will be poor.” Material published on the Progressive International’s website broadly advocates for a planned socialist economy, with an emphasis on redistributing wealth from richer societies to poorer ones, including through mechanisms such as an international Green New Deal. Much of what the Progressive International supports is similar to the DSA’s own domestic political platform, just on a global scale.

Also like the DSA, deep and abiding anti-Americanism permeates virtually everything the Progressive International does. The group describes the United States as “the lynchpin” of a malevolent system of imperial capitalism that serves

only to perpetuate “psychotic, unconstrained violence” upon the rest of the world. It charges America with scheming to “strangle countries that do not fall in line with its global political and economic agenda.” In late 2023—to coincide with the 200th anniversary of the Monroe Doctrine—the Progressive International launched what it called a “global campaign against US militarism,” while making the outrageous claim that the United States has “destroyed nation after nation, leaving a trail of violence and sorrow in [its] wake,” all in order “to expand and sustain the US-led capitalist system and force nations and peoples to contribute to their own exploitation.”

On the other hand, entities whose interests are generally perceived to be at odds with those of the United States are praised by the coalition. This extends most strikingly to some of the world’s most brutal authoritarian regimes, past and present. For instance, the Progressive International maintains a collection of material on socialist construction called “Building the Future.” The collection’s introductory text lionizes the Russian Revolution of 1917 and quotes multiple prominent Soviet personalities from the era, including Lenin. It laments “the collapse of the socialist project in the Soviet Union” and the way in which “capitalist ideology” has been “tainting our theories and strategies.” Indeed, the Progressive International has elsewhere described the Soviet Union as having been “an important constraint on US power.”

Other material posted on its website lauds the “just cause and heroic struggle” of the North Vietnamese communists against “US imperialist aggression” and notes how military aid from the Soviet Union and China “was essential to the Vietnamese people’s resistance to US aggression.” The



Credit: Twitter. License: <https://bit.ly/3u1b7EM>.

The Progressive International maintains a collection of material on socialist construction called “Building the Future.” The collection’s introductory text lionizes the Russian Revolution of 1917 and quotes multiple prominent Soviet personalities from the era, including Vladimir Lenin.

Progressive International is likewise effusive in its praise for Cuba and has published speeches by the communist country's president Miguel Díaz-Canel. It has called upon the United Nations to take action against the United States over sanctions it has levied on the country, in addition to those targeting Venezuela and Iran.

The Progressive International dismisses the possibility of military aggression by China as an “invented narrative” and a product of “anti-China hysteria” in the United States—part of what it characterizes as a long line of fabricated enemies created solely to justify America’s “de facto military occupation of the world.” Another recent article posted on its website argues that “the main reason why China was able to finally eradicate absolute rural poverty was because the Communist Party of China relied on its political advantage of unifying society and strongly integrated its political commitment to poverty reduction across all sectors of government and society, breaking the constraints of interest groups and administrative bureaucracy and achieving a redistribution of wealth and opportunities.”

Functionally, the Progressive International primarily serves to connect and support like-minded activists worldwide—organizing and promoting campaigns, developing what it calls a “blueprint” for “the principles and policies of a progressive international order,” and sharing news and opinion about issues of importance to its members. Legally, it consists of two entities: an “unincorporated association with members” simply called Progressive International and a private company called Progressive International (Services) Ltd., which is located in the United Kingdom. It solicits donations on its website and claims to rely entirely on its members for funding.

Israel the Enemy

While the United States (and the capitalist imperialism it supposedly embodies) is portrayed as the ultimate source of general human misery, Israel receives an outsized share of specific blame. Indeed, like much of the contemporary far-left, the Progressive International harbors a unique, conspicuous, and vitriolic hatred of Israel—which it calls a “fascist” country—that extends all the way to the justification of terrorism.

This was on full display in the aftermath of the surprise Hamas-led terrorist attacks against Israel in October 2023, the horrors of which need not be recounted here. Far from condemning the wanton murder of civilians, the Progressive International characterized the attacks as a mere “opera-

CC —————
The Progressive International characterized the Hamas-led terrorist attacks on October 7 as a mere “operation from inside the Gaza Strip.”

tion from inside the Gaza Strip,” while referencing what it called the “UN-recognized right [of Palestinians] to struggle for national liberation.” After Israel responded by declaring war on Hamas and launching operations designed to neutralize its military capabilities in Gaza, the Progressive International published material accusing the Israelis of perpetrating a “genocide” and an “ethnic cleansing” against the Palestinians.

Several weeks later, the Progressive International released the Gaza Resolution, a statement that denigrated Israel (the “Zionist regime”) as “a colonial project and imperial outpost” that had been established “on stolen land” and was currently pursuing a “genocidal war” against the Palestinians. Explicitly rejecting what it described as “the false equivalence of colonizer and colonized,” the resolution threw its support behind what it called “the Palestinian people’s inalienable right to resist” and affirmed that the Palestinian “national struggle must be won.” The resolution accused Israel of spreading unspecified “disinformation” and made no mention of Hamas or of the Israelis murdered on October 7. The only reference to terrorism came in the form of a demand that the United States lift sanctions against certain unnamed “Palestinian political parties.”

The Gaza Resolution thus boils down to an attempt to justify the cold-blooded murder of Israeli civilians. Yet astonishingly, it was signed by more than 65 organizations worldwide, not all of which are members of the Progressive International. Some notable signatories included the Palestinian Youth Movement, the Black Alliance for Peace, the Democratic Socialists of America (through its international committee), Samidoun: Palestinian Prisoner Solidarity Network, the National Lawyers Guild, and the Transnational Institute.

Shortly thereafter, the Progressive International posted an excerpt from a document entitled “Strategy for the Liberation of Palestine,” written in 1969 for the Popular Front for the Liberation of Palestine, a U.S.-designated terrorist organization. Although claiming not to have “aggressive intentions against the Jews,” the passage affirms that the group’s ultimate goal “is to destroy the state of Israel as a military, political and economic establishment.”



One of the anti-Israel campaigns promoted by the Progressive International involves direct action against Elbit Systems, a major Israeli defense company that has manufacturing facilities in multiple countries worldwide.

It suggested forming alliances with communist states such as (then) North Vietnam, North Korea, Cuba, and China against the global “imperialism” of Israel and the United States. Acknowledging that Israel would win a conventional war due to its superior military capabilities, the excerpt advocated for adopting a strategy of widespread guerrilla warfare to gradually wear the country down. The Progressive International called the excerpt “an instructive path for the revolutionary liberation of the Palestinian people.”

One of the anti-Israel campaigns promoted by the Progressive International involves direct action against Elbit Systems, a major Israeli defense company that has manufacturing facilities in multiple countries worldwide. The campaign is spearheaded by Palestine Action, a group based in the United Kingdom that also has an American branch known as Palestine Action US. Activists affiliated with the group have not only targeted Elbit Systems facilities for vandalism and disruption, but also even taken responsibility for spray-painting “Death to Israel” and “Glory 2 the Martyrs” on the Embassy of Israel in the United States. The Progressive International also publishes a Palestine Action Target Map, which lists entities associated with Elbit Systems and asks people to email the group “if you have targets to add.” Other members of the campaign include Code Pink, the Democratic Socialists of America, and the Black Alliance for Peace.

Even by the standards of contemporary leftist rhetoric—which is decidedly unfriendly toward Israel—the Progressive International’s obsessive vilification of the country stands out. As of January 2024, a search for “Israel” on its website turns up 43 different posts since May 2020, an average of nearly one per month for a country that represents barely 0.1 percent of the world’s population. That’s the same number of posts that searches for “India” (36) and “China” (7) return combined, despite together accounting for more than one-third of humanity. Searches for “Cuba” and “Venezuela” turn up 18 posts, while “Russia” turns up just eight posts despite it being responsible for launching the worst European conflict since the Second World War.

As for why there is such an obsessive focus on Israel, the country’s close relations with the United States probably plays some role, with the reasoning being that “the friend of my enemy is my enemy.” But it is virtually impossible to explain the singular viciousness with which groups such as the Progressive International attack the world’s only Jewish state without considering abject anti-Semitism as a motivating factor. Indeed, the Progressive International routinely engages in conduct that the U.S. Department of State has identified as anti-Semitic, including justifying attacks on Jews, applying double standards toward Israel’s conduct, and claiming that Israel itself is a racist entity. Such is the shameful state of the contemporary far-left.

Members

The Progressive International thus sits at the very ideological fringes of global leftism, and this in turn says much about the true nature of those American activist groups that have joined the coalition during the first few years of its existence. What's more, several Progressive International members are generously funded by some of the most prominent foundations and other nonprofit grantmakers in the United States.

As of January 2024 the Progressive International lists more than 70 organizations as members. Those based in the United States include:

- **Arab Resource and Organizing Center.** The center is a San Francisco activist group that fights against what it calls “global militarism and racial capitalism.” It released a statement blaming the “Israeli regime” and its “unrelenting colonial aggression” for being “entirely responsible” not only for the October 2023 Hamas terrorist attacks, but also for all associated violence “across historic Palestine.”

The Arab Resource and Organizing Center is a fiscally sponsored project of the Tides Center, a 501(c)(3) nonprofit that brought in over \$281 million in 2022 and which is a principal constituent member of one of the largest left-of-center nonprofit funding networks in the country. Known grants made through the Tides Center or the affiliated Tides Foundation that were specifically earmarked for the Arab Resource and Organizing Center have come from the California Community Foundation (\$552,000 in 2019) and the Immigrant Legal Resource Center (\$408,357 from 2018 to 2021).

- **Brandworkers.** A labor union-aligned activist group located in New York, it sees its efforts to unionize the local food production industry as a method of furthering broader “collective liberation.” Brandworkers had total revenues of \$920,377 in 2021, and some of its larger funders that year included the Amalgamated Charitable Foundation, the Mertz Gilmore Foundation, and the Daphne Foundation.
- **Code Pink.** A mainstay of anti-American agitation since its founding in 2002, Code Pink considers the United States to be “a decadent, declining empire stumbling blindly into its agonizing death spiral”—though it heaps plenty of praise on the authoritarian communist regimes governing Cuba and China. In 2023, the *New York Times* reported on the extensive ties between Code Pink’s president Jodie



Credit: Twitter. License: <https://shorturl.at/dDkWX>.

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Evans—largely through her husband Neville Roy Singham—and the Chinese Communist Party’s global propaganda efforts. The *Times* noted that Evans “stridently supports China” in public, and that she once claimed she could not think of a single negative thing to say about the country—save for a minor complaint about its electronic payment applications.

Code Pink reported total revenues of \$1,230,357 in 2023. Major funders include the Benjamin Fund (\$952,600 from 2017 to 2020)—which is headed by another of Code Pink’s co-founders, Medea Benjamin—and a donor-advised fund provider called the Goldman Sachs Philanthropy Fund (\$1.03 million from 2017 to 2021).

- **Debt Collective.** A self-styled “debtors’ union,” the Debt Collective advocates not only for the abolition of various forms of personal debt but also for doing away with the entire capitalist economic system—which it charges with fostering supposedly negative values such as “competition, profit, and efficiency.” Instead, the Debt Collective favors a socialist economy in which entire sectors (e.g., housing, health care, education, and finance) are controlled through direct participation by the state. Strategically speaking, it “aim[s] to dismantle racial capitalism with militance, disobedience, and radical imagination.”

Details about the Debt Collective’s financials are scant due to its status as a fiscally sponsored project of the Sustainable Markets Foundation (2022 revenue of \$42 million). The group acknowledges that the vast majority of its funding comes from foundations and individual grants, while admitting that it is “hard to be



Credit: Soy Del Pueblo TV. License: <http://tinyurl.com/3f6u397m>

For decades one of the most well-known political organizations on the American far-left, the Democratic Socialists of America has taken a decidedly radical turn over the past several years to the point where it now boasts multiple revolutionary communists on its national political committee.

an anti-capitalist organization asking foundations and funders for money!” Large grants specifically earmarked for the Debt Collective have come from the Ford Foundation (\$1.05 million from 2017 to 2023), the Amalgamated Charitable Foundation (\$250,000 from 2019 to 2020), the Merle Chambers Fund (\$350,000 from 2021 to 2022), the Way to Win Action Fund (\$250,000 in 2021) and the Foundation to Promote Open Society (\$200,000 from 2019 to 2021).

- **Democratic Socialists of America (DSA).** For decades one of the most well-known political organizations on the American far-left, the DSA has taken a decidedly radical turn over the past several years to the point where it now boasts multiple revolutionary communists on its national political committee. Its official platform calls for the abolition of police, prisons, immigration controls, fossil fuels, and capitalism—alongside a litany of other leftist policy proposals, the sheer breadth and extremism of which defy easy description.

The DSA operates as a 501(c)(4) nonprofit and had total revenues of \$6.85 million in 2021, primarily from membership dues. It reported having approximately 78,000 members as of August 2023, though this was prior to a series of high-profile public

resignations following the group’s reprehensible response to the October 2023 Hamas terrorist attacks upon Israel.

- **KC Tenants.** A renters’ association and activist group located in Kansas City, Missouri, it has endorsed an expansive national Homes Guarantee program that would dramatically increase the federal government’s role in the real estate sector and socialize vast swaths of America’s housing market. The group’s director Tara Raghuvver also serves on the Progressive International’s governing council.

KC Tenants had total revenues of \$971,931 in 2021, more than a third of which came from the New Venture Fund, which is managed by Arabella Advisors. Other important funders include the Amalgamated Charitable Foundation, ImpactAssets, and the People’s Action Institute.

- **Palestinian Youth Movement.** Identified by the Anti-Defamation League as one of the most notable groups in North America “that has expressed support for terrorism against Israel,” the Palestinian Youth Movement declares that it “will not rest until Palestine is free from the river to the sea.” It is a fiscally sponsored project of the WESPAC Foundation, a relatively obscure



The Palestinian Youth Movement declares that it “will not rest until Palestine is free from the river to the sea.”

501(c)(3) charity located in New York that reported total revenues of \$1.07 million in 2022.

- **Post Growth Institute.** An advocacy group that sees economic growth as problematic, the Post Growth Institute wants to replace capitalism with what it calls a “post-growth economy” so that humanity can exist “within ecological limits.” Its total revenues in 2022 were \$344,134. One of its biggest funders is the NoVo Foundation (\$75,000 from 2021 to 2022, plus an additional \$100,000 approved for future payment), which is rather ironically controlled by Peter Buffett, son of legendary investor and dyed-in-the-wool capitalist Warren Buffett.
- **Sunrise Movement.** Probably the group most widely associated with proposals for a radical Green New Deal, the Sunrise Movement’s “demands” extend beyond the total elimination of conventional energy sources. They encompass a full spectrum of left-wing policy proposals such as abolishing the police, paying race-based reparations, and dramatically expanding the federal government’s direct role in the economy. The group’s former executive director Varshini Prakash also formerly sat on the Progressive International’s governing council. The Sunrise Movement is a 501(c)(4) nonprofit that had 2021 revenues of about \$4.1 million, though there is also an affiliated 501(c)(3) charity called the Sunrise Movement Education Fund, which brought in \$14.6 million that year. The Education Fund’s revenue dropped to about \$5.1 million in 2022.

By far the single largest funder of the Sunrise Movement Education Fund in recent years has been an obscure private foundation called the Cabin Road Foundation, which reported giving the group a full \$10 million from 2020 to 2021. Other seven-figure grantors since 2020 include the Vanguard Charitable Endowment Program (\$2.65 million), the Sequoia Climate Fund (\$1.5 million), the Hewlett Foundation (\$1.22 million), the Packard Foundation (\$1.155 million), the Silicon Valley Community Foundation (\$1.035 million), the MacArthur Foundation (\$1 million), and the Wellspring Philanthropic Fund (\$1 million).

These are deeply radical organizations. They would fairly be described as such based solely on their membership in the Progressive International, to say nothing of their own activities. This leads to some natural questions for their funders in Big Philanthropy. Do these foundations consider the United States and Israel to be unequalled forces for global evil? Do they believe that the very system of free market capitalism that built and sustains their vast endowments is a “virus” that must be eradicated? Do they seek to align themselves with Hamas terrorists, Cuban communists, and Marxism’s murderous legacy in the Soviet Union and elsewhere? These will be fair questions to ask so long as they continue to finance organizations like those that have joined the Progressive International.

Leadership

The Progressive International is led by a Council, which determines the group’s “strategic direction,” a Secretariat, which is responsible for day-to-day operations, and a Cabinet, which draws its membership from the other two bodies and is the group’s main executive organ. Current and former members of the Council include some household names, depending upon the country in which one’s household happens to be located:

Current Leadership. Current Council members include:

- **Mariela Castro Espín.** Member of the National Assembly of People’s Power—the unicameral legislature of Cuba, in which the Communist Party is the only legal political party—and director of the Cuban National Center for Sex Education. She is the daughter of former Cuban president Raúl Castro, making her the niece of the country’s longtime dictator Fidel Castro.
- **Jeremy Corbyn.** Left-wing member of Parliament in the United Kingdom. He was most famously the leader of the Labour Party from 2015 until stepping down in the aftermath of the Conservative Party’s landslide victory in the 2019 general election. Under Corbyn’s leadership the Labour Party was accused of harboring a culture that tolerated antisemitism, which was later substantiated by an independent commis-



Credit: paulhieu. License: <http://tinyurl.com/yf7z94c>.

- **Yanis Varoufakis.** Co-founder of the Democracy in Europe Movement 2015 (DiEM25), he was briefly Greece’s minister of finance in 2015 amidst the country’s national debt crisis, when it became the first developed country ever to default on a loan from the International Monetary Fund.

Former Leaders. Former Council members include:

- **Kali Akuno.** The co-founder and co-director of a nonprofit called Cooperation Jackson, he served in the administration of Chokwe Lumumba, former mayor of Jackson, Mississippi. Akuno is affiliated with the Malcolm X Grassroots Movement, a group that aims to establish an independent black separatist nation called “New Afrika” in the American deep south. A proposal he wrote on behalf of the Malcolm X Grassroots Movement entitled *The Jackson-Kush Plan* became the direct inspiration for Cooperation Jackson. In the proposal, Akuno refers to “the struggle for Afrikan or Black Liberation in the European settler-colonial project called the United States” and denies the legitimacy “of the settler colony known as the state of Mississippi.”
- **Celso Amorim.** The former foreign minister (1993–1994 and 2003–2010) and defense minister (2011–2014) of Brazil, he is currently serving as an official advisor to the country’s leftist president Luiz Inácio Lula da Silva.
- **Noam Chomsky.** A well-known left-wing academic and activist since the 1960s, Chomsky is famously controversial as a vociferous critic of the United States and its foreign policy. He has also been particularly outspoken in his criticism of Israel—which he has called “the leading issue of my life since early childhood”—and has expressed regret that he didn’t start publicly talking about “the criminal nature of Israel’s actions” until after the Six-Day War in 1967.
- **Rafael Correa.** Leftist president of Ecuador from 2007 to 2017, he was subsequently convicted of corruption relating to his time in office and (having gone into exile in Belgium) sentenced *in absentia* to eight years in prison. In October 2023, seven Republican U.S. senators wrote a letter to President Joe Biden asking him to help “hold Mr. Correa accountable for his involvement in acts of significant corruption and violations of internationally recognized human rights in Ecuador.”
- **John Cusack.** American actor and outspoken left-wing activist.

Under Jeremy Corbyn’s leadership the Labour Party was accused of harboring a culture that tolerated antisemitism, which was later substantiated by an independent commission.

sion. In 2023 the Labour Party voted to ban Corbyn from standing as one of its candidates for the next parliamentary election.

- **Tom Morello.** American guitarist most widely known for his work with the leftist rock band Rage Against the Machine. The band members’ communist aesthetics and revolutionary lyrics famously conflicted with their embrace of corporate capitalism in the music industry in order to sell millions of records and ensure that they themselves became quite wealthy.
- **Gustavo Petro.** President of Colombia since 2022 as leader of the left-wing political party Humane Colombia, Petro spent a decade as a member of a rebel guerrilla group called M-19. He was imprisoned for over a year (and was reportedly tortured) upon being captured by the Colombian government during the 1980s.
- **Annie Raja.** Leader of the Communist Party of India and general secretary of the National Federation of Indian Women.
- **Pierre Sané.** Senegalese founder and president of the Imagine Africa Institute, he was formerly assistant director-general for social and human sciences at UNESCO and the secretary general of Amnesty International.

- **Alvaro Garcia Linera.** Vice president of Bolivia from 2006 to 2019 under the country’s socialist President Evo Morales, he was imprisoned during the 1990s for his involvement with a Marxist guerrilla group called the Tupac Katari Guerrilla Army.
- **Naomi Klein.** Canadian left-wing activist and author. Her books include *This Changes Everything: Capitalism vs. the Climate* and *On Fire: The (Burning) Case for a Green New Deal*. She is a contributing editor at *The Nation* and formerly served on the board of the environmental group 350.org.
- **Varshini Prakash.** Until recently the executive director of the Sunrise Movement, Prakash is a major advocate for the Green New Deal and was a member of the climate change “unity task force” set up by then-Democratic nominee Joe Biden and his erstwhile rival Bernie Sanders during the 2020 presidential election campaign.
- **Cornel West.** A prominent socialist intellectual and author for decades, West was elected to the Democratic Socialists of America’s national executive committee shortly after the group’s founding in the 1980s and was at one point its honorary chair. He is an independent candidate for president of the United States in the 2024 election.

This is of course merely a sampling, and the Progressive International’s website lists 66 current and 55 former members of its governing Council, who come from all over the world. From an American perspective, it is interesting to note that the council’s foreign members include current and former heads of state, sitting legislators, high-ranking executive officials, leaders of political parties, and others who have been rather influential in the governments of their respective countries. Of the 11 Americans listed as

current or former members of the Council, four are academics, four are nonprofit activists, two are entertainers, and one is the CEO of a tech startup. This itself is probably something of a commentary on the nature of far-left politics in the United States relative to much of the rest of the world.

Revealing Radicalism

A persistent problem in contemporary sociopolitical commentary is that people, groups, and ideas that aren’t especially radical are nevertheless regularly portrayed as such—often for political expediency—while those that truly exist far outside the ideological mainstream aren’t adequately revealed as the fringe extremists that they are. The massive financial windfall received by the Black Lives Matter Global Network Foundation in 2020, despite its deeply radical nature, is probably the paradigmatic example of this phenomenon.

In such circumstances, it often takes time and sustained effort for reality to break through into public knowledge. Indeed, one silver lining in the Democratic Socialists of America’s abominable response to the October 2023 Hamas terrorist attacks was that it effectively exposed the group’s extremism for the entire world to see. This resulted in widespread condemnation from all political directions and numerous high-profile resignations from the group. Such scrutiny should be leveled against every individual and organization affiliated with the Progressive International, and their institutional funders. ■

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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.



ENEL: AN ITALIAN ENERGY GIANT INVADES AMERICA

By Ken Braun

Summary: *Enel is an Italian firm that that has filled enough of America with wind turbines to cover two of the nation's big national parks. But the intermittent, weather dependent power Enel generates from all those turbines isn't enough to rival the carbon-free electricity from a nuclear power station that occupies less than 6.5 square miles—the size of a big residential subdivision development. Enel does all this because American politicians value virtue signals more than power production. With the Inflation Reduction Act, U.S. taxpayers are teed up to pay even more for sanctimony being sold as electricity.*

Near the end of last year, the *Wall Street Journal* reported that Enel, referred to by the newspaper as an “Italian energy giant,” was “readying a massive solar-manufacturing push in the U.S.” According to the *Journal*, nearly \$400 billion in federal climate pork unleashed by the so-called Inflation Reduction Act was inspiring the solar building boom.

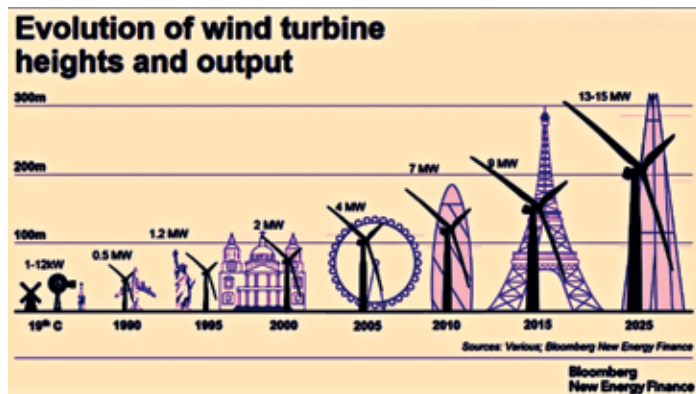
“Massive” and “giant” are already excellent adjectives for the landscapes and tax dollars that get gobbled up when weather dependent power comes to town.

Eating Up the Environment

By the time that *Wall Street Journal* report was published, Enel already had at least 24 wind and solar energy projects operating across nine U.S. states, on a combined 1,270 square miles of real estate. Most of that was Enel wind facilities.

To grasp the enormity of Enel's occupation of America, imagine solar panels and wind turbines covering all of Yosemite National Park or *both* Great Smoky Mountain National Park *and* Rocky Mountain National Park put together.

From that huge hunk of America, Enel generated almost 20.9 terra watt hours (TWh) of electricity in 2022. A TWh is roughly enough to power 70,000 American homes for a year, so Enel's output from those 24 facilities was hypothetically enough to electrify almost 1.5 million homes.



To grasp the enormity of Enel's occupation of America, imagine solar panels and wind turbines covering all of Yosemite National Park or both Great Smoky Mountain National Park and Rocky Mountain National Park put together.

That's a horrible waste of the environment compared to energy systems not dependent on the weather.

During 2022, according to the U.S. Department of Energy, Arizona's Palo Verde nuclear power plant kicked out more than 31.9 TWh of carbon-free electricity from just a 6.4 square mile site near Phoenix. This was enough to juice up more than 2.2 million homes, or 700,000 more than all of Enel's 24 weather-dependent power facilities.

Instead of needing the combined acreage of two large national parks, Palo Verde operates on a plot of land about the size of a large subdivision.

Burning coal in 2022, Alabama's James H Miller Jr. power station produced almost 20.9 TWh of electricity. The Alabama powerhouse equaled the energy production on Enel's 1,270 square miles on a little more than one square mile.

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And the West County Energy Center, a natural gas power plant in Florida, generated 19.5 TWh on just one-third of a square mile in 2022. This was enough to power almost 1.4 million homes, just 100,000 shy of Enel's 24 energy projects put together, but from a tiny spot roughly the size of a large golf course.

The landscape gobbling numbers of wind and solar energy are not unique to Enel.

A 2020 report from the center-left Brookings Institution combined all land-use factors necessary to produce electricity, including mining of materials, mining and transportation of fuels, power distribution lines, and more. The report concluded that in overall energy density, coal, nuclear, and natural gas are far superior to wind and solar:

Wind and solar generation require at least 10 times as much land per unit of power produced than coal- or natural gas-fired power plants, including land disturbed to produce and transport the fossil fuels. Additionally, wind and solar generation are located where the resource availability is best instead of where is most convenient for people and infrastructure, since their "fuel" can't be transported like fossil fuels. Siting of wind facilities is especially challenging. Modern wind turbines are huge; most new turbines being installed in the United States today are the height of a 35-story building. Wind resources are best in open plains and on ridge-tops, locations where the turbines can be seen for long distances.

Enel is dismissive of the landscape blight caused by the towering turbines. "Each turbine takes up less than half an acre," proclaims a FAQ on the firm's website.

This was posted as an evasive reply to the question "How much land does a *wind farm* occupy?" (Emphasis added.)

Another Enel FAQ asks: "Does wind energy receive energy incentives?"

"Yes," begins another dodgy answer. "All forms of energy, including oil and gas, coal, nuclear, and renewables, receive federal support."

In September 2023, using 2022 federal subsidy statistics from the Department of Energy, journalist Robert Bryce calculated that wind energy received *19 times* more subsidy dollars per unit of power produced than coal, *31 times* more than natural gas and oil, and a whopping *70 times* more than nuclear. Solar was even worse, according to Bryce, receiving 302 times more than nuclear.

With that perspective, Enel applying an "everybody is doing it" context for a comparison of wind and nuclear subsidies is akin to claiming that a high school football team has a shot at beating the Super Bowl champion. It is functionally a lie.

Trespassing Against the Osage Nation

An independent journalist, Bryce maintains on his own initiative a Renewable Rejection Database to track resistance to industrial wind and solar facilities. There are more than 600 entries. Nearly all if not all of them are stories of underfunded locals opposing the needless blight on their landscapes inflicted by these projects.

One of the most iconic victories over Enel was won by the Osage Nation, a Native American tribe based in Oklahoma.

During the summer of 2011 the Osage County Commission (the local, rather than tribal government) voted to allow Enel to place wind turbines on more than 13 square miles of private property. But the Osage tribe argued that digging the pits to hold the turbines was the equivalent of mining the property and could not be done legally without the tribe granting a permit to Enel.

A 1906 federal law gave mineral rights underneath the county to the Osage Nation.

The tribe did not wish to permit wind turbine construction, citing among their concerns the threat to their underground mineral holdings, the potential disruption of ancestral burial



One of the most iconic victories over Enel was won by the Osage Nation, a Native American tribe based in Oklahoma.



Credit: Carol Highsmith. License: <https://shorturl.at/afR1P>

Deciding on damages in late December 2023, a federal judge gave the Osage Nation an unmitigated victory. The tribe had asked for nothing less than removal of the wind turbines and that's exactly what they will receive.

plots, and the visual disturbance of having wind turbines spinning over the landscape near their homes.

Tribal leaders warned immediately after the county government vote that any turbine construction that ensued “may have to be removed or relocated” if found in violation of the tribe’s underground rights. When Enel went ahead and built its wind farm anyway, the Osage Nation sued.

The tribe accused Enel of willfully trespassing and continuing to do so long as the turbines are in place. Enel countered that it trespassed just once, in good faith, because it thought it had all the permission it needed from the county.

In September 2017, the U.S. Court of Appeals for the Tenth Circuit sided with the tribe. Enel appealed to the U.S. Supreme Court. Trump administration lawyers sided with the tribe and in January 2019 successfully encouraged the High Court to refuse to hear Enel’s appeal.

Deciding on damages in late December 2023, a federal judge gave the Osage Nation an unmitigated victory. The tribe had asked for nothing less than removal of the wind turbines and that’s exactly what they will receive. Enel claims this will cost \$300 million and that this price is not reasonable. Of course, this wouldn’t be an issue at all if Enel had listened to the tribe’s timely warning in the first place.

“By thrashing Enel in court,” wrote Bryce in December 2023, “the Osage tribe not only stands to collect millions

of dollars in damages and the removal of the loathsome turbines, it also has handed Big Wind the biggest public relations debacle in its history.”

Leaving aside the profound insult against the property rights of the Osage Nation, what Enel has done with the land is an insult to common sense and environmental stewardship.

The Osage wind farm operated for seven years through 2022, and in its most productive year (2014) it generated 600 gigawatt-hours of electricity. At even that high-end rate of output, Enel’s turbines would need to spin for more than 53 years to match just a single year of carbon-free power production from the Palo Verde nuclear reactors, which use up only half as much landscape.

And in addition to being absurdly wasteful, this lopsided comparison is technologically impossible.

The Osage wind turbines will never last that long. Even Enel admits they will have only a “20 to 30-year lifespan.”

Damaged Wind Turbines

And that’s a generous estimate.

Enel’s Buffalo Dunes wind project in Kansas started generating electricity in December 2013. One of its 135 turbines lasted only a year and collapsed in December 2014.

Enel’s Fenner Wind Farm began operating in 2001. One of the 20 turbines lasted just eight years and collapsed in 2009. “That’s an unusual situation,” said an Enel spokesman to the local newspaper.

In October 2014 a New York television station reported a fire atop one of the Fenner turbines.

And even though the collapsed turbine tower from the 2009 Fenner incident was replaced, in 2016 a blade fell off of the replacement! This time, an Enel spokesperson had the audacity to tell local media it was an “extremely rare event in the industry.”

Enel’s Chisholm View II project in Oklahoma was the scene of more “rare” events. It went into service in 2016, and by May 2019 one of its turbine towers had collapsed. It was the second of two GE-constructed turbines to fail that spring. The other accident was at a New Mexico wind facility not affiliated with Enel.

“Local media accounts of both collapses reported strong winds in the vicinities,” reported ReCharge News, an indus-



Credit: Cambridge Fire and Rescue Service. License: <https://shorturl.at/ibC7>.

But Enel doesn't suffer as much as its suppliers when a few turbines crash or burn, because the virtue signaling produced by wind machines is at least as valuable as the puny power output.

try website. Without the slightest acknowledgement of the irony, the ReCharge report also summarized recent academic literature on turbine failures: “Most failure incidents of wind turbine towers are due to a combination of factors, among which extreme wind is identified as the most common.”

Perhaps Enel's communications department noticed the obvious bad optics, because in November 2020 they pushed back against the notion that their wind turbines can't handle ... the wind.

At issue was a viewer who had sent a video of a damaged turbine at Enel's Aurora Wind Farm in North Dakota to a local news outlet. Whatever the problem was, it occurred pretty quickly because Aurora, one of Enel's biggest wind projects, didn't go fully online until the following year.

“The safety and durability of wind turbines in North Dakota are being questioned following an incident late last month in Williams County,” reported KX News.

“Wind turbines are designed to withstand extremely high wind gusts, and while we are still investigating the root cause of the incident, our preliminary indications are that wind speeds were not the instigating factor,” claimed Enel, in a statement to KX News.

KX News didn't buy it:

But information obtained by KX News describes several errors believed to be made by the contractor while building the turbine that allowed it to spin out of control, resulting in the damage. That has caused concern about the durability of turbines in high winds.

Their skepticism was warranted. In July 2023, Reuters reported that wind turbine manufacturers had “raced to build bigger and more efficient turbines to keep up with rivals, without necessarily allowing time for quality checks.” The report revealed that GE Renewable Energy, Vestas, Siemens-Gamesa, and Nordex—four of the largest wind turbine makers—had each had increased sales but hemorrhaged money in 2022, losing a combined 5 billion euros, or \$5.4 billion.

But Enel doesn't suffer as much as its suppliers when a few turbines crash or burn, because the virtue signaling produced by wind machines is at least as valuable as the puny power output.

Virtue Signaling

Enel's corporate homepage gives away this secret. The vision statement at the top reads: “Open Power for a brighter future: We empower sustainable progress.” The website's featured headlines contain words such as “sustainable,” “renewable,” “equality,” and “circular economy.” Images of solar panels, wind turbines, bicycles, and even bees adorn the page.

This is a misleading image of what the company does. Enel reported generating 227.8 TWh of electricity worldwide in 2022, but 76 percent of it was produced from energy systems other than wind, solar, bees, bicycles and equality.

The biggest single source, at 23.9 percent of total output, was combined-cycle gas turbine power plants, which generally burn natural gas very cleanly and efficiently. Enel's coal fired power stations and those that burn other “oil & gas” fuels added an additional 15.1 percent.

Put together, those much-maligned hydrocarbons provided 39 percent of Enel's total 2022 electricity production. A combined 34.3 percent more came from hydroelectric dams and nuclear power, both carbon-free energy sources.

There's a big difference between the wind turbines and solar panels Enel promotes to the public and what the electric utility must really do to keep the public's power flowing. Only 24 percent of its 2022 energy output was from wind and solar.



Credit: slouking2. License: <http://tinyurl.com/ldhmkrf>.

The ReCharge report also summarized recent academic literature on turbine failures: “Most failure incidents of wind turbine towers are due to a combination of factors, among which extreme wind is identified as the most common.”

Enel’s home page doesn’t show pictures or even references to natural gas wellheads, coal mines, hydro dams, or nuclear fuel rods that produce the overwhelming majority of its electricity. Yet nuclear power and hydro dams generated 43 percent more carbon-free energy than Enel’s wind and solar in 2022, and the firm’s natural gas turbines produced more energy than the wind turbines.

But wind turbines spin out what gas turbines cannot: virtue signaling.

As one example, since 2021 Enel has claimed that Anheuser-Busch brews “all its products using 100% renewable energy” due to a “Virtual Power Purchase Agreement” whereby the brewer buys electricity produced at Enel’s Thunder Ranch wind facility in Oklahoma.

“We have the opportunity to play a leading role in the battle against climate change by purchasing energy in a more sustainable way,” crowed the CEO of AB InBev when the Thunder Ranch deal was announced in 2017. AB InBev is the parent company of Anheuser Busch.

In February 2019, AB InBev featured the iconic Budweiser Clydesdales in a Super Bowl commercial promoting beer supposedly brewed with wind.

The beverage conglomerate also donated nearly a week of electricity, supposedly for the city where the game was to be played. Enel announced that this “ensured that 100% of the electricity used to power Atlanta the week of the Big Game was sourced from clean, renewable energy from the Budweiser Wind Farm at Thunder Ranch.”

More than 860 miles separate Thunder Ranch’s Oklahoma wind turbines from Atlanta, Georgia. Similar distances and more stand between the turbines and Anheuser Busch’s breweries in various states, including California and New Hampshire. Those breweries, and the city of Atlanta, also need electricity when they need it, whether or not the wind blows in Oklahoma.

How Does It Get There?

It doesn’t, according to the fine print from Enel that explains its power purchase agreements: “A Virtual PPA is a flexible, customizable, multi-year bilateral renewable energy contract, powered by renewable energy produced by Enel Green Power, that *does not involve the physical delivery of energy* from the vendor to the customer, who thus does not need to change supplier.” (Emphasis added.)

The continental U.S. is divided into more than a dozen interconnected electrical grids, a map of which shows Oklahoma and Atlanta on totally different systems that aren’t even contiguous to one another.

So, the weather-dependent power AB InBev purchases from Enel in Oklahoma doesn’t get used to brew much beer, perhaps not even any beer at all. Instead, they likely and logically use the energy available wherever their breweries are located.

In 2022, 60.2 percent of total U.S. electricity was generated from either natural gas (39.8 percent), coal (19.5 percent) or petroleum (0.9 percent). And 86.4 percent was from sources other than wind and solar. This is a crude, but reasonable approximation of fuels that are probably used to brew Budweisers.

The Cheapest Way to Make Expensive Electricity

Even if those wind turbines were spinning right outside metro Atlanta with powerlines running right into the city, they never could have literally electrified all of Atlanta in real



The breweries, and the city of Atlanta, need electricity when they need it, whether or not the wind blows in Oklahoma.

time. Thunder Ranch gobbles up 93 square miles to produce an annual average of roughly 1 TWh of electricity—only enough to electrify about 70,000 homes for a year. Even this assumes the absurd hypothetical that the wind blows exactly as much as needed, when it is needed.

Enel couldn't come remotely close to electrifying any big city with the daily power produced at Thunder Ranch. Atlanta sits on 135 square miles. It is home to 499,000 residents and more than 14,000 businesses. Thunder Ranch likely needed to operate for roughly two months to generate the electricity that Enel claimed was "used to power Atlanta" during the Super Bowl week.

Most major cities are far more densely populated. Detroit sits on 139 square miles and is home to more than 620,000 people. San Francisco has more than 800,000 residents on just 47 square miles.

There are no magic batteries that can store up a week of energy for Atlanta and no trucks that can drive it there from Oklahoma to be used during the Super Bowl. The electricity for major cities must be produced on-demand.

This is why Enel has to sneak that "V" word into "virtual power purchase agreement." It's virtual, not real.

Here as well, there isn't anything unusual about the behavior of Enel or AB InBev. Their Thunder Ranch arrangement is typical of what occurs when weather-dependent power advocates claim they have "replaced" coal or natural gas generation.

In truth, all they have done is add needless redundancy to an otherwise reliable system that works fine without them.

Coal, natural gas, and nuclear power plants remain necessary as backups for the frequent occasions when the wind and sun—like a flaky employee—won't work. The more unreliability that is added to the system, the more backup is needed. It's inescapable math.

Worse still, constantly starting up and stopping reliable power plants is the most expensive way to generate electricity from them. It's as logical as using an 18-wheel long-haul

freight truck to deliver mail door to door in a densely populated subdivision. Getting to each mailbox is going to be absurdly expensive.

Although these added costs are inflicted on energy grids by weather-dependent power advocates, the extra expenses get credited against the good old reliable energy systems. Those who understand this waggishly describe wind and solar as the cheapest method of generating overpriced electricity.

But the weather-dependent wonder twins have become the only source of virtue signaling in the energy market, which is why they chew up most of the subsidies. Despite being America's leading source of zero-carbon power since anyone bothered to worry over carbon emissions, nuclear energy receives little credit and very little federal financial support by comparison.

Virtue signaling is valuable because it allows people to pretend the laws of physics can be ignored and to move those hefty subsidies for weather-dependent power into the pockets of industry advocates.

Always lucrative, subsidies for wind production are getting jumbo-sized by the so-called Inflation Reduction Act. A July 2023 blog posted on the Enel website provides guidance for the firm's potential American-based partners who may wish to get in on the loot:

The domestic content bonus tax credit was created by the Inflation Reduction Act, which directs nearly \$400 billion in federal incentives to the development of new clean energy and energy technology projects such as solar photovoltaic (PV), wind, geothermal and battery storage. ... At Enel North America, our experts are prepared to help you unlock the maximum value of the domestic content bonus tax credit and other incentives offered by the Inflation Reduction Act. Contact us now to explore the opportunities available.



Coal, natural gas, and nuclear power plants remain necessary as backups for the frequent occasions when the wind and sun—like a flaky employee—won't work.

Whether Enel has been benefitting directly from weather-dependent power subsidies or indirectly through customers and clients, the American taxpayers have been very generous to those trying to capture tiny dribbles of energy from huge plots of America's environment.

The headline from an August 2007 Reuters report announced Enel's arrival on the American stage: "Enel to build wind farms in U.S. and Canada." Fifteen years later Enel reported that 55.2 percent of total electricity it generates worldwide was still generated for Europe, with just 10.3 percent generated for North America.

Tellingly, the figures are reversed for Enel's wind energy output. While just 21.3 percent of Enel's wind energy was generated by spinning turbines in Europe, a disproportionate 45.9 percent of its wind output was generated by wind machines in North America.

A perfect explanation for this disparity was provided in 2014 by Warren Buffett:

I will do anything that is basically covered by the law to reduce Berkshire's tax rate. For example, on wind energy, we get a tax credit if we build a lot of wind farms. That's the only reason to build them. They don't make sense without the tax credit.



Credit: Fortune Live Media. License: <https://shorturl.at/taouL1>.

Warren Buffett became one of the richest men in the history of Earth, but it wasn't because he will be remembered as one of the planet's most prolific providers of electricity.

Warren Buffett became one of the richest men in the history of Earth, but it wasn't because he will be remembered as one of the planet's most prolific providers of electricity. Enel is profiting from his example. ■

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BIG LABOR'S DECLINE AND LEFT TURN: THE GOVERNMENT WORKERS RISE AND LABOR'S CENTER FALLS

By Michael Watson

Summary: *As President John F. Kennedy took office in January 1961, organized labor looked ahead toward a future of ever-increasing power and influence. States had begun to advance laws requiring themselves and local governments to bargain with labor unions of government workers. President Kennedy would shortly issue an executive order to bargain with unions in the federal government workforce. The new administration advanced its New Frontier anti-poverty and entitlements-expansion policies that would be expanded after Kennedy's death by his successor, President Lyndon Johnson, as the War on Poverty and Great Society. And social liberalism supported by organized labor would see advances, especially in civil rights.*

American liberalism was at its zenith, and the labor movement was one of its pillars. The AFL-CIO's George Meany closely aligned with President Johnson. The United Auto Workers' Walter Reuther became a famed crusader for social democracy and civil rights. But organized labor was already beginning to lose its position in the private-sector workforce, and the changes unleashed by the 1960s social-liberal Left would engender a conservative response not seen since Warren Harding's election on a "return to normalcy" after the Progressive activism of Woodrow Wilson. The changes in organized labor's composition and the rise of the Sixties Radicals in left-wing activism would fundamentally change the American union movement in the succeeding era and contribute to the coming Long Decline in organized labor's membership position and political influence.

By the 1980s, conservatives were in the political ascendancy, and the center-left New Deal–Cold War consensus among labor unionists was on its way out. Lane Kirkland, Meany's successor at the AFL-CIO, led its last stand, fighting against the Reagan administration's domestic policies while supporting the anti-Soviet free trade unions of Eastern Europe like Poland's Solidarność. When the Eastern Europeans prevailed and the Soviet Bloc fell, New Deal–era American trade unionism fell with it. In its place would rise today's contemporary woke-socialist labor movement focused on government workers and led by a card-carrying Democratic Socialist.



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January 20, 1961, was a good day to be an American liberal. John F. Kennedy was taking the oath of office as president of the United States, and Democrats held commanding majorities in both houses of Congress. For organized labor, a key pillar of the mid-century liberal-Democratic coalition, the union-skeptical Eisenhower administration was out, and a friendly Kennedy administration was in. Big Labor even dared to hope that the Kennedy administration would end the 14-year Taft-Hartley experiment of subjecting its operations to government scrutiny and regulation.

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civil and voting rights, expanding government provision of health care, regulating air quality, and commissioning numerous other expansions of the national government in what would come to be known as the Great Society and the War on Poverty advanced, most with the backing of Big Labor. At all levels of government, collective bargaining was expanded to more government workers, building up the numbers of labor unionists.

But the winds of change would not be in Big Labor's favor for long. Alongside the apogee of mainline liberalism came the genesis of a radical New Left—a genesis Big Labor midwifed.

Walter Reuther, the United Auto Workers leader who personified Kennedy-Johnson era liberalism, provided financial support to the Students for a Democratic Society (SDS) from his union. SDS generated the Port Huron Statement, a declaration of left-wing principles and programs credited with launching the New Left. Over the decade, SDS would evolve from a left-wing, pro-union student activism center into a radical-left, arguably outright Communist faction that would devolve into the Weather Underground, a radical-left terrorist faction, by the 1970s.

The rise of the New Left and its radical positions on foreign affairs (affirming neutrality when not openly siding with Soviet Communism) and social policy (best summarized as “acid, amnesty, and abortion”—a liberal's description of Sen. George McGovern's 1972 presidential platform) provoked first right-populist and later conservative reactions. This curtailed Big Labor's political ascendancy, which had seen efforts to repeal the Taft-Hartley Act's authorization of state right-to-work laws fall to a Senate filibuster in 1965.

Changes in the world and national economies also ended Big Labor's economic ascendancy. Abroad, the revitalization of the Western European and Japanese economies as they rebuilt from World War II generated international competition that challenged sclerotic, unionized American companies such as the Detroit Three automakers. Domestically, air conditioning, which became widespread in the 1960s and 1970s, made living and working in the right-to-work South more bearable. Legislation endorsed by Big Labor, on issues from civil rights to Social Security to the standard eight-hour workday, also reduced the demand

for private-sector union membership. And the damage done to Big Labor's standing by labor racketeers and Communist domination cannot be overstated.

Thus, as the era proceeded, labor's left wing was strengthened by the rise of government worker unionism, but the labor movement itself fell into its long decline. While Lane Kirkland, who succeeded George Meany as head of the AFL-CIO in 1979, spent heavily on foreign labor movements opposed to Communism, socialism rose in his own movement. After the Berlin Wall fell, it would strike, empowered not only by foreign affairs but also by a shifting balance of power in Big Labor itself.

At the outset of Kirkland's tenure, the proportion of private-sector workers who were union members was slightly more than one in five. By the time he left office as Big Labor's left turn was about to begin in 1995, the proportion was less than one in nine. Meanwhile, government worker unionism remained strong, with a consistent four in eleven government workers being union members throughout the period. This relative ascendancy of government unions against private-sector unions would culminate in the rise of a man reported to carry a membership card in the Democratic Socialists of America to Meany's old office, ushering in the contemporary era of full-spectrum-leftist Big Labor.

A New Power Rises: Government Worker Bargaining

Prior to the late 1950s, the concept of collective bargaining among government workers was extremely controversial. In 1919, conservative Massachusetts Governor Calvin Coolidge (R) had risen to national prominence by cracking down on a strike by Boston policemen. He wrote a telegram to Samuel Gompers, head of the American Federation of Labor (which had chartered the Boston Police Union), stating, “The right of the police of Boston to affiliate has always been questioned, never granted, is now prohibited.” Governor Coolidge further wrote, “There is no right to strike against the public safety by anybody, anywhere, any time.” President Woodrow Wilson, a staunch progressive who had helped bind organized labor to his Democratic Party, also

denounced the strike, saying, “I want to say this, that the strike of policemen of a great city, leaving that city at the mercy of an army of thugs, is a crime against civilization.”

Even through the Depression era and the expansions of organized labor’s power that were enacted in that period, political figures supportive of private-sector organizing expressed skepticism that collective bargaining was appropriate for civil servants. President Franklin Roosevelt, who had signed the Wagner Act that established the private-sector labor-relations regime, wrote to the National Federation of Federal Employees:

All Government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of Government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with Government employee organizations. The employer is the whole people, who speak by means of laws enacted by their representatives in Congress.

Even as late as 1959, the AFL-CIO executive council resolved that “government workers have no right [to collectively bargain] beyond the authority to petition Congress—a right available to every citizen.” But even as that resolution was adopted, the landscape of government worker associations was changing. New York City and the state of Wisconsin were granting government worker unions collective bargaining powers, and President Kennedy would extend limited collective bargaining to the federal sector in 1962 under Executive Order 10988. By the end of the decade, many more states had extended collective bargaining powers to their government worker unions; this list notably included California, in which Governor Ronald Reagan (R) had signed the Meyers-Milias-Brown Act that gave unions and local governments power “to reach binding agreements on wages, hours, and working conditions.”

As the 1970s concluded, approximately 37 percent of government workers were union members, and a further 8 percent were covered by union contracts (with many of those “covered” workers required to pay compulsory union fees as a condition of their employment), according to the historical Union Membership and Coverage Database published by Barry Hirsch, David Macpherson, and William Even. As the government worker unions grew and the private-sector unions shrank relative to one another, the power balance

in the labor movement shifted from the New Deal/Great Society welfare statism of the private-sector unionists to the often-explicit socialism of workers who relied on Big Government for their paychecks and the former Sixties Radical activists who led them.

Labor’s Private-Sector Left: Walter Reuther and Unionism’s Activist Wing

But in the 1960s, government worker unionism subordinating the wider labor movement was still decades away. The Left of organized labor (laying aside some straggling outright communists and fellow-travelers like International Longshore and Warehouse Union president Harry Bridges) was led by Walter Reuther, head of the United Auto Workers and the motivating force of the Industrial Union Department of the AFL-CIO.

By 1960, Reuther was already a veteran of decades in union organizing. The son of a socialist trade unionist from West Virginia, Reuther and his brothers took to industrial unionism, the practice of worker organizing across trades within the same industry. By the early 1930s, Reuther had campaigned for Socialist Party candidate Norman Thomas and worked abroad in a tool-and-die factory in the Soviet city of Gorky (now Nizhny Novgorod, Russia). Returning to the United States in the mid-1930s, Reuther would make his name leading the “sit-down-strikes” in the 1930s against the Detroit Three automakers that secured union recognition.



While his 1945–46 strike failed beyond securing a wage increase and helped provoke the conservative reaction of the Taft-Hartley Act, Walter Reuther increased his status in the CIO.

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Unlike AFL-CIO head George Meany, Walter Reuther was a strong backer of Martin Luther King Jr.'s civil rights campaigns. (Civil rights leaders meet with President John F. Kennedy and Walter Reuther in the White House after the March on Washington, August 28, 1963.)

But while Walter Reuther had made his name securing recognition for the UAW, his 1946 strike against General Motors would propel him to the leadership of his union and organized labor's liberal wing. The immediate postwar period was when Big Labor attempted to flex its New Deal–empowered muscles; Reuther's GM strike was its most audacious bid. While other CIO unions (most notably the United Steelworkers) struck for wage increases to stay ahead of rising inflation, Reuther's UAW added unprecedented demands on the automaker's business including a union veto over vehicle price increases.

While his 1945–46 strike failed beyond securing a wage increase and helped provoke the conservative reaction of the Taft-Hartley Act, Reuther increased his status in the CIO. His subsequent 1948 bargaining round with the automakers created a wage formula and corporate social policy that prospered in the 1950s and 1960s but later drove inflation and hurt Detroit's competitiveness in the 1970s.

Reuther's social democracy played out in two major areas. Unlike AFL-CIO head George Meany, Reuther was a strong backer of Martin Luther King Jr.'s civil rights campaigns. (While personally supportive of the civil rights movement, Meany did not institutionally back campaigners like King in the interests of managing a giant coalition that included segregationist Southerners and Black Pullman-car porters alike.) At one point Kennedy administration Attorney General Robert F. Kennedy even called Reuther to arrange payment of an extortionate bail amount that an Alabama court had set for King.

Reuther would be the highest-profile white organizer supporting the 1963 March on Washington for Jobs and Freedom, at which King delivered his "I Have a Dream" speech.

On economics, Reuther's results were more mixed. His 1946 strike for something approaching European-style "co-determination" failed and helped provoke a conservative reaction, but the "Treaty of Detroit" his union negotiated with General Motors in the 1948 and 1950 bargaining rounds created a form of privatized social welfare for union members that midcentury liberals would view as a model to expand nationally. The model would prove reasonably successful until the 1970s, during which inflation, declining productivity growth, and competition from foreign competitors recovering from World War II exposed the weakness of this labor Keynesianism.

But a mere private system of social provision for union members was not all the left-wing Reuther was after. As in 1946, he sought to remake American society on the state-socialist Scandinavian model of his time. (Contemporary Scandinavia has abandoned the state-socialist model of its mid-20th century for a hybrid of liberal, open trading economy appended to a comparatively gigantic, high-middle-class-tax welfare state.) His UAW supported the rise of the New Left. Reuther's aide Millie Jeffrey helped arrange the venue and financing for the conference at which the Port Huron Statement, the New Left's manifesto, was drafted and adopted. The UAW under Reuther also provided at least \$10,000 in funding (roughly \$101,000 in 2023 dollars) to the budding Students for a Democratic Society activist group.

Reuther's hostility to George Meany, the long-standing head of the AFL-CIO, ultimately led to a break in the late 1960s. Reuther had become increasingly critical of Meany's aggressive Cold War foreign outlook (which aligned with the policy of the Johnson administration), especially the AFL-CIO's collaboration with the Central Intelligence Agency. Reuther favored contacts with the Eastern Bloc and balked at the escalation of the war in Vietnam.

Departure from the AFL-CIO put Reuther's UAW in the company of a strange bedfellow. Reuther himself was famously "clean" by the standards of the labor union leaders of his time; during the Rackets Committee investigations, committee Republicans had embarrassed themselves with sloppy inquiries that failed to show misconduct at the UAW. But after departing the AFL-CIO, Reuther teamed up with the Rackets Committee's number-one target: the Teamsters, led *de facto* by Frank Fitzsimmons, allegedly a Mob-compromised figure himself, while the Mob-

compromised and occasionally Republican-friendly Jimmy Hoffa was jailed.

In 1968, the two unions joined up in the Alliance for Labor Action (ALA). In a harbinger of labor's messaging over the Long Decline to come, at its inaugural convention ALA vowed to "revitalize the labor movement" while organizing unorganized workers and campaigning for expanded social welfare programs.

But Reuther would not live to see the Long Decline take hold. In May 1970, Reuther, his wife, and two other passengers boarded a Learjet 23 bound for the UAW's recreation and education center at Black Lake, Michigan. On approach, the pilot lost situational awareness of his altitude. The aircraft struck trees and crashed into flames. All souls aboard were lost.

Labor's Love Lost: Causes of the Long Decline

By 1979, when Lane Kirkland succeeded George Meany as head of the AFL-CIO, fundamental changes to the economy had led to a decline in the unionized share of the private economy that continues to this day. The rise of American organized labor, which had marched upward with little to impede it either politically or economically relied on a series of historical contingencies in the Great Depression and immediate post-World War II eras that were coming apart by the 1970s and 1980s and have since collapsed completely.

To the extent there was a political consensus around the New Deal political economy in the immediate postwar period, the social radicalism of the 1960s and the expansions of government under the Great Society ended it. The "Three Bigs" model of Big Government, Big Corporations, and Big Labor working together from the New Deal and World War II eras could not survive the increasing fragmentation of American society. Debates over where the civil rights movement would go after the enactment of the Voting Rights Act (think of Martin Luther King Jr.'s increasingly left-wing economic campaigning or debates over busing in northern school districts), the Vietnam War, rising crime, and increasing sexual libertinism fueled a conservative comeback.

Politically, the wages of 1968 were President Richard Nixon. While Nixon was liberal by the standards of his Republican successors on political economy, and Nixon did notable favors for the Teamsters' Jimmy Hoffa, his election slowed the advance of political leftism at the federal level. In this

way his presidency functioned like the "conservative coalition" in Congress had functioned under Franklin Roosevelt. While unable and unwilling to reverse the changes that had already happened, the government would not engage in more "bold, persistent experimentation" to grow state power.

Politics wasn't the only thing to change at the end of what the French and nostalgists for a French-style state-managed economy call the "thirty glorious years." The world economy was not what it was at the end of World War II either. Labor contracts like those negotiated as part of Reuther's Treaty of Detroit set wages and other labor costs on a constant upward track. Combined with declining productivity growth rates, loose monetary policy, and surging government expenditures, these "wage-price spiral" pressures drove inflation even as economic growth slowed, creating the befuddling "stagflation" for which the then-dominant theories of Keynesian economics had no answer.

Abroad, the international economic picture had also changed wildly since the immediate post-World War II period. Western Europeans had benefitted from American Marshall Plan aid that kept the Soviet communists out and rebuilt the industrial bases destroyed by aerial bombardment and brutal land warfare. In 1946, Japan was a defeated, twice-nuked (and capital-firebombed) former Axis Power under U.S. military occupation, but by the late 1970s it had become an industrial powerhouse exporting cars that Americans and other Westerners were suggesting *sotto voce* might be better than their own domestic production.



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Energy was more expensive. At the end of the World War II, the United States was a major oil producer, with geostrategic reserves that the country could wield against foes like the Axis Powers or friends alike. The 1957 Suez Crisis, in which the French, British, and Israelis responded militarily to the seizure of the Suez Canal by the Egyptian government of Gamel Abdel Nasser, ended in Egypt's favor when the Eisenhower administration refused to offer emergency oil supplies to the British, among other financial pressures it levied on the Western powers.

But by the mid-1970s, American production had peaked and begun a decline that would only reverse with the “fracking boom” of the 2010s. The balance of energy power moved from West Texas to the Arab Middle East, and when the now-Soviet-backed Egypt and Syria went to war with the now-U.S.-allied Israel in the Yom Kippur War, America faced the pain of the “oil weapon.” Arab states embargoed oil sales to the U.S., causing a shortage. The price of oil more than doubled. Further conflicts in the Middle East through the 1970s and 1980s would drive the price up even higher.

And a new power had risen in the economy and was now demanding consideration in policy: the American consumer. Big Labor had risen in an environment of privation and war, but the country now identified with—and demanded—plenty and peace. The late 1970s and early 1980s saw the American consumer flex its power, demanding that something—anything—be done to curtail rampant inflation. After the predictable failure of wage and price controls enacted by the Nixon administration and the pathetic “Whip Inflation Now!” campaign of the Gerald Ford administration, a bipartisan consensus emerged, first under Jimmy Carter, in favor of deregulating the national economy. The results were excellent for American consumers and the rising share of services-industry workers. They fell harder on heavily unionized regulated industries like long-haul trucking and international airlines.

A Trade Unionist in the White House

Precisely one former national labor union president has been elected to the presidency of the United States. Before his political career, he was already a notable figure, perhaps most notably as the leading actor in the Brass Bancroft series of prewar low-budget adventure films and for a supporting role in *Knute Rockne: All American*. By the late 1940s, he had been elected to lead the Screen Actors Guild (the film-actor predecessor to today's SAG-AFTRA) and was testifying before the House Un-American Activities



Precisely one former national labor union president has been elected to the presidency of the United States: Ronald Reagan.

Committee on his and the union's efforts to keep the movie industry free from Soviet-aligned Communist control. When his acting career faltered, he became an increasingly prominent and increasingly Republican-aligned political activist, culminating in *A Time for Choosing*, a speech promoting the doomed 1964 presidential candidacy of Sen. Barry Goldwater (R-AZ).

By 1966, he was a Republican candidate for governor of his home state of California. He would defeat embattled Democratic incumbent Pat Brown by 15 points. In Sacramento, Governor Ronald Reagan was something of a moderate by today's issue matrix and ideological standards: He signed gun control legislation in response to the Black Panthers' habit of openly carrying firearms at demonstrations, legislation liberalizing abortion access, and legislation granting certain government worker unions the power to bargain collectively.

By 1976, former Governor Reagan was the standard-bearer for the conservative wing of the national Republican Party, challenging then-President Gerald Ford for the party's nomination. In 1980, he would win it and ride a national wave to unseat President Jimmy Carter (alongside a GOP majority in the Senate and a “conservative coalition” balance of power in the House) and consolidate the post-Sixties conservative reaction.

Among the organizations that had endorsed Reagan's presidential campaign was the Professional Air Traffic Controllers Organization (PATCO), the labor union for air traffic controllers employed by the Federal Aviation Administration. Upon President Reagan taking office, PATCO expected the usual rewards from government worker collective bargaining; it had, after all, helped elect the boss. Duly enough, President Reagan's administration offered a substantial pay increase. While Democrats claimed it was a payoff, PATCO demanded more.

And on August 3, 1981, PATCO precipitated a national crisis. In violation of federal law and the controllers' employment oaths, the union went on strike, threatening the ability of the civil air transportation system to function. Reagan's response would enrage labor unionists, enthrall free-market

conservatives, and set the tone for his administration. Four hours after the strike began, Reagan issued an ultimatum, telling the press:

Let me make one thing plain. I respect the right of workers in the private sector to strike. Indeed, as president of my own union, I led the first strike ever called by that union. I guess I'm maybe the first one to ever hold this office who is a lifetime member of an AFL-CIO union. But we cannot compare labor-management relations in the private sector with government. Government cannot close down the assembly line. It has to provide without interruption the protective services which are government's reason for being.

...

It is for this reason I must tell those who failed to report for duty this morning they are in violation of the law and if they do not report for work within 48 hours, they have forfeited their jobs and will be terminated.

The Reagan administration mobilized military personnel, non-unionized supervisors, and strike defectors to keep planes in the air. On deadline day, AFL-CIO head Lane Kirkland joined the picket line. In his diary, President Reagan wrote, "How do they explain approving of law breaking—to say nothing of violation of an oath taken by each [air controller] that he or she would not strike."

Often in government-worker labor relations both before and after 1981, legal prohibitions on government worker strikes prove toothless if unions test them. Even if government officials facing the strike are not union allies who have no interest in handing out penalties, the public is unlikely to support sanctions ranging from firing to arrest of teachers, cops, and firemen.

But the Reagan administration was prepared for the possibility of having to break a controllers' strike in a way state governors during the COVID-19 school closures were not. Even before Reagan's election, the military had begun making contingency plans to keep the civil air traffic network open using military air traffic controllers, non-union supervisors, and picket-line crossers—one of whose comments was favorably relayed in Reagan's speech issuing the ultimatum.

These contingency plans were put into effect even before the administration formally fired the strikers on August 5, 1981. That day, Reagan fired 11,000 strikers and laid a ban

upon their holding any government job that was not lifted in full until the Clinton administration. The contingency plans worked. A contemporary analysis in the *New York Times*, published after the Federal Labor Relations Authority formally decertified PATCO, stated, "The controllers were unable to bring a significant halt in the nation's air travel."

Expanding on Taft-Hartley: State Laws and Court Cases

While Reagan's victory had come against a government-worker union, leftists and left-leaning labor historians note the message it sent resounded into the private sector. It signaled that Big Labor was an increasingly paper tiger in the new conservative age, and that the Republican-backed Taft-Hartley Consensus, which focuses on promoting union voluntarism, regulating union conduct, and protecting consumers from labor-dispute fallout, would drive national policy.

Since its creation, the National Right to Work Committee has been the chief proponent of enforcing union voluntarism and protecting the Taft-Hartley Act from various Big Labor and Democratic-backed efforts to restore the full levels of coercion of the original Wagner Act. It survived its narrowest scrape in the mid-1960s, when Democratic supermajorities nearly passed legislation to repeal Section



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14(b) of the Taft-Hartley Act, the federal provision explicitly authorizing state-level “right to work” laws that forbid conditioning employment on the payment of union fees. A filibuster led by Senate Republican Leader Everett Dirksen (R-IL) blocked the legislation. The political changes following the failure of the Great Society put that matter to bed for the next half-century.

This win kept state-level right-to-work provisions in force where they could be enacted. As of the 1980s, there were essentially two classes of right-to-work states: the Old South, which adopted right-to-work laws in advance of Taft-Hartley when Florida and Arkansas adopted state constitutional provisions in 1944 and in its immediate aftermath, and right-wing Republican states in the Great Plains and Mountain West.

Beyond those regions, the policy struggled: An attempt to enact a right-to-work law by referendum in California in 1958 failed by a 60–40 margin. With the prospects for a national right-to-work law blocked by consistent Democratic strength in Congress, squeamishness toward the effort by Republicans from union-heavy states like New York and Pennsylvania and expanding state-level right-to-work beyond its southern heartland unlikely, the Taft-Hartley consensus’s offense moved to the courts and the related but independent National Right to Work Legal Defense Foundation.

The foundation (and earlier litigation that was supported by the National Right to Work Committee) secured court precedents short of a national right-to-work principle but that nevertheless constrained Big Labor’s ability to coerce workers, especially for political advocacy purposes. Litigation confined compulsory unionism to the “financial core,” forbidding unions from compelling non-members to engage in union activities other than fee payment. Further litigation culminating in the 1988 Supreme Court decision *Communications Workers of America v. Beck* limited the amount of compulsory fees to those “necessary to ‘performing the duties of an exclusive representative of the employees in dealing with the employer on labor-management issues.’” In other words, unions could not compel private-sector workers to pay for political advocacy, lobbying, or other expenses not related to collective bargaining.

Government workers won similar protections under the 1986 *Chicago Teachers Union v. Hudson* decision. Those protections would ultimately be made moot by the National Right to Work Legal Defense Foundation’s win in the 2018 *Janus v. AFSCME* case, which made the entire government sector functionally right-to-work.

Membership Decline and Labor’s Finest Hour in Foreign Relations

Lane Kirkland, head of the AFL-CIO from 1979 through 1995, was cut from the mold of his predecessor and former boss, George Meany. A former merchant mariner who became a policy analyst at the AFL and wrote speeches for Democratic national candidates, he was a New Deal/ Great Society liberal in domestic and economic views. But like Meany and unlike Reuther, Kirkland was a staunch Cold Warrior. As Meany’s chief lieutenant, Kirkland had supported the AFL-CIO’s decision to refuse its endorsement to 1972 Democratic nominee George McGovern and was a founding member of the second Committee on the Present Danger, an anti-Soviet coalition that would place many members in foreign policy roles in the Reagan administration (and which would, after 1979, count Reagan as a member).

Kirkland’s record at the AFL-CIO was defined by the Long Decline in union membership and union density, the proportion of the workforce consisting of organized workers. When he took office in 1979, 24.1 percent of wage and salary workers were union members. When he left office in 1995, 14.9 percent were. In raw numbers, union membership fell from just under 21 million to 16.4 million. (All figures are from the UnionStats.com database published by Barry T. Hirsch, David A. Macpherson, and William E. Even.)

The Long Decline changed whom the labor movement represented. The union density of the government sector remained largely stable over Kirkland’s tenure, with membership density actually rising from 37.0 percent to 37.7 percent. Adding in those government-sector workers who were not union members but were subject to a union contract, the percentages were 44.2 in 1979 and 43.5 in 1995. Even as total union membership declined by over 4 million, government-worker union membership *rose* by over 1 million.

The Long Decline fell entirely in the private sector, which was affected by the trends in economic and political developments discussed earlier. Over Kirkland’s tenure at the AFL-CIO, private-sector union membership fell by over 5.5 million from 15.1 million to 9.4 million, and private-sector membership density fell from 21.2 percent to 10.3 percent.

Even as his domestic influence and membership waned, Kirkland would lead the AFL-CIO to a key role in the closing days of the Cold War. With assistance and federal funding from Senate Republicans, normally a *bête noire* of Big Labor, Kirkland’s AFL-CIO led an international campaign to support the independent, anti-government,



Lane Kirkland's record at the AFL-CIO was defined by the Long Decline in union membership and union density, the proportion of the workforce consisting of organized workers.

and anti-Communist free trade union movements in the Communist bloc. More controversially within the labor movement, Kirkland also hesitated to oppose the Reagan administration's policies in Latin America. The *Washington Post* even quoted an aide to Sen. Orrin Hatch (R-UT) crediting Kirkland thus, "The AFL-CIO in general takes foreign policy positions to the right of Ronald Reagan."

Kirkland or his defenders could argue that American trades unionism's finest, most public-spirited hour came in the late 1980s. With American government backing through Kirkland's AFL-CIO, Eastern European trades unions—most famously Poland's *Solidarność* (Solidarity)—campaigns against the Communist regimes that ruled the "captive nations" of the Warsaw Pact. By 1989, their mass movement was powerful enough to topple Communist regimes no longer able to count on Soviet military force for their continued power, and in 1990 *Solidarność* leader Lech Walesa took office as the first democratically elected president of Poland.

With the Wall Fell Labor's Center

All was not comfortable in Lane Kirkland's House of Labor given the AFL-CIO head's anti-Communism. A rising faction of unionists, led by Sixties activists who had burrowed into the labor movement and risen to power driven by the growing share of government workers in Big Labor's membership wanted a change from the Meany-Kirkland era of center-left consensus welfare-state and strong-defense policy to open socialism at home and retreat abroad.

When Kirkland announced his intention to retire in 1995, the rising leftist faction pounced. Kirkland named his protégé, Thomas R. Donahue Jr., interim president of the union federation. A Catholic trade unionist who had worked first under Meany and then as Kirkland's number-two man, Donahue offered continuity. But at the 1995 general convention, Donahue was unseated by the radical faction led by Service Employees International Union head John Sweeney, a card-carrying member of the Democratic Socialists of America (according to contemporary reporting) from a union with strong government-worker membership and the backing of government-worker union boss Gerald McEntee.

Sweeney took office vowing to reverse the Long Decline and revitalize Big Labor as a political force on the American Left. In the coming decades, he would prove successful in one-half of those aims. ■

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LIBERAL *RIGHT-OF-CENTER*
LEFT WING **CONSERVATIVE**
GREEN *FREE-MARKET*
FAR LEFT *LIBERTARIAN*
PROGRESSIVE **RIGHT-WING**
LEFT OF CENTER *RIGHT-LEANING*

Political and Policy-Oriented Giving After *Citizens United*: An Update to CRC's 2017 Analysis

CRC's update to the 2017 report found: In the 2018 election cycle, liberal grantmakers increased their public policy 501(c)(3) giving, increasing the imbalance from nearly 3.4 to 1 in 2014 to 3.7 to 1 (\$8.1 billion to \$2.2 billion) in 2018. "Dark money" funding through 501(c)(4) groups flipped from a 3.6 to 1 advantage for conservatives to a nearly 2 to 1 (\$81 million to \$42 million) advantage for liberals.



POLITICAL ABUSES IN THE NONPROFIT SECTOR

By Scott Walter

Summary: *On December 13, 2023, Scott Walter, president of the Capital Research Center, testified on political abuses in the nonprofit sector before the Subcommittee on Oversight of the House Ways and Means Committee. The following is the written statement he submitted to the subcommittee.*

Chairman Schweikert, Ranking Member Pascrell, distinguished members of the Subcommittee, thank you for the honor of testifying. I'm president of the Capital Research Center, and for decades we've studied the nonprofit world and its connections to politics.

I applaud the full Ways and Means Committee and this subcommittee for your attention to political abuses in the nonprofit sector, which do not receive nearly as much attention as they deserve from Congress and the media. Worse, the media typically spend much more time investigating the rightward end of the political spectrum, with long stories on donors like Charles Koch, and much less time investigating the leftward side, even though left-wing nonprofits enjoy far more money.

Perhaps the Left's growing dominance in riches explains why, in the last couple of years, the so-called mainstream media have finally been examining the left side of the nonprofit world in more detail and with a more critical eye, as my testimony will demonstrate. No longer do left-leaning philanthropies and charities always receive the benefit of the doubt that their every dollar spent, and their every effort undertaken, are beneficent, law-abiding, and aimed at healing the country's wounds.

I've been asked to focus especially on foreign money in nonprofits, which is eminently reasonable. Our country is increasingly polarized in many ways, but we possess near-universal agreement that foreigners and foreign money should not meddle in our politics. The overwhelming consensus in this area should make improvements possible.

While both political parties have experienced abuses in the Super PAC arena over the years, and those abuses have received attention from the Federal Election Commission (FEC) and the public, problems in 501(c)(3) and (c)(4)



Scott Walter testifying before the Subcommittee on Oversight of the House Ways and Means Committee. .

groups have been much less examined. By far the largest example of apparent abuses I'm aware of involves the nonprofits controlled by Swiss billionaire Hansjörg Wyss. Mr. Wyss has the Wyss Foundation, a (c)(3) private foundation, and the Berger Action Fund, a (c)(4) social welfare group.

Let us please have no claims that criticism of these two nonprofits arises from feverish right-wing conspiracy theories. Using only reports from non-conservative media sources we can see serious problems with these nonprofits. Permit me to quote some of the media reports at length.

In a Politico article last year, the headline and subtitle declared, "Liberal billionaire's nonprofit splashed \$56M in 2020: Berger Action Fund, founded by the Swiss-born billionaire Hansjörg Wyss, sent \$31 million of that money to Sixteen Thirty Fund, the left's leading 'dark- money' hub." Politico added:

Sixteen Thirty Fund spent widely on a range of liberal causes, from swing-state TV ads and left-leaning ballot measures, to campaigns opposing Trump's

Scott Walter is President of the Capital Research Center.



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judicial picks and his health care and tax policies. It played a major role in the 2018 midterms as well, when Democrats flipped control of the House of Representatives.

...

Other major outlays by Berger Action Fund in the 2020 fiscal year included \$10.5 million to the Fund for a Better Future ... [which] distributed tens of millions of dollars to several nonprofits associated with Democratic super PACs in 2020....

Berger Action Fund also gave \$4.5 million to League of Conservation Voters, ... \$2 million to Color of Change Education Fund, a racial justice group; and \$1.75 million to Center for American Progress Action Fund, the advocacy arm of the liberal think tank where Wyss sits on the board of directors.

Another four groups got \$1 million apiece, including National Redistricting Action Fund, a sister group of Democrats' national redistricting hub, which has funded lawsuits against GOP-drawn state political maps.

The *New York Times* has also reported on Wyss's political activities. In a 2021 article, a Times reporter not only described Wyss's powerful influence on our politics but also pushed back on his claims not to be influencing American politics and elections:

Newly obtained tax filings show that [the Wyss Foundation and Berger Action Fund] donated \$208 million from 2016 through early last year to three other nonprofit funds that doled out money to a wide array of groups that backed progressive causes and helped Democrats in their efforts to win the White House and control of Congress last year.

Mr. Wyss's representatives say his organizations' money is not being spent on political campaigning. But documents and interviews show that the entities have come to play a prominent role in financing the political infrastructure that supports Democrats and their issues.

...

Beneficiaries of his organizations' direct giving included ... organizations that ran voter registration and mobilization campaigns to increase Democratic turnout, built media outlets accused of slanting the news to favor Democrats and sought to block Mr.

Trump's nominees, prove he colluded with Russia and pushed for his impeachment.

Several officials from organizations started by Mr. Wyss and his team worked on the Biden transition or joined the administration, and on environmental policy in particular Mr. Wyss's agenda appears to align with President Biden's.

...

...tax filings submitted by the Sacramento-based Fund for a Better Future, which passes money from donors to groups that push to shape the political process in a way that helps Democrats ... has received the majority of its funding—nearly \$45.2 million between the spring of 2016 and the spring of 2020—from the Berger Action Fund.

...

Among the groups under the umbrella of [Arabella Advisors'] Sixteen Thirty and New Venture is the Hub Project, which was started by Mr. Wyss's philanthropic network in 2015 as a sort of incubator for groups backing Democrats and their causes, as first reported by The Times. It created more than a dozen groups with anodyne-sounding names that planned to spend \$30 million attacking Republican congressional candidates before the 2018 election.

One more non-conservative outlet, the Associated Press, this year published a similar article highlighting the highly political uses to which Wyss's nonprofit funds are put:

The Berger Action Fund is a nondescript name for a group with a rather specific purpose: steering the wealth of Hansjörg Wyss, a Swiss billionaire, into the world of American politics and policy.



Credit: Oceana. License: <https://shorturl.at/ahcX2>.

By far the largest example of apparent abuses I'm aware of involves the nonprofits controlled by Swiss billionaire Hansjörg Wyss.

As a foreign national, Wyss is prohibited from donating to candidates or political committees. But his influence is still broadly felt through millions of dollars routed through a network of nonprofit groups that invest heavily in the Democratic ecosystem....

Newly available tax documents show that his giving through the [501(c)(4)] Berger Action Fund ... swelled in 2021 to \$72 million, cementing Wyss' status as a Democratic-aligned megadonor.

Representatives for Wyss insist they comply with laws governing the giving of foreign nationals and have put in place strict policies limiting the use of donations to "issue advocacy"—not partisan electoral activities. But the fact that the money cannot be publicly traced highlights the difficulty of putting such assertions to the test.

Those same groups have helped to bankroll efforts to lift President Joe Biden's agenda and paid for TV ads promoting Democratic congressional candidates ahead of last year's midterm elections.

I apologize for quoting at such length, but the cumulative weight of these mainstream news reports proves just how extensive are the political entanglements that connect Mr. Wyss, his (c)(3) foundation, and his (c)(4) action fund, on the one hand, and, on the other hand, the network of nonprofits managed by Arabella Advisors, which runs "the left's leading 'dark- money' hub," as Politico puts it. Arabella's nonprofit

empire involves, as the *New York Times* describes it, "an opaque network managed by a Washington consulting firm" that has "funneled hundreds of millions of dollars through a daisy chain of groups supporting Democrats and progressive causes. The system of political financing, which often obscures the identities of donors, is known as dark money, and Arabella's network is a leading vehicle for it on the left."

My colleagues at the Capital Research Center have totaled the revenues taken in just on the nonprofit side of the Arabella empire, which comprises six (c)(3) and (c)(4) groups that in turn fiscally sponsor over 500 "projects" for Mr. Wyss and other billionaires. In the two years of the 2018 election cycle, Arabella's nonprofits' combined revenues were \$1.2 billion; for the 2020 cycle, \$2.6 billion; for the 2022 cycle, \$3 billion.

Mr. Wyss's entanglement with Arabella goes back decades, almost to the empire's beginning. The Wyss Foundation began making six-figure annual grants to Arabella's New Venture Fund (then the "Arabella Legacy Fund") in 2007, just one year after the fund's creation. His foundation's 2007 grant accounted for 55 percent of New Venture Fund's revenues for that year. At least one Wyss Foundation staffer, Kyle Herrig, jumped ship to Arabella. Herrig, a Wyss Foundation staffer from 2012 to 2013, has served on the advisory boards of at least five New Venture Fund projects. He now runs the left-of-center activist group Accountable.US.

Both the Wyss-run nonprofits and the Arabella-run nonprofits like to claim they're mild-mannered, compassionate, and vaguely charitable operations just trying to make the world a better place, but one data point alone makes laughable these claims to be apolitical: Both the Wyss Foundation and Arabella nonprofits use the Elias Law Group, run by Marc Elias, the so-called Democratic super-lawyer known for his bare-knuckles partisanship. In 2022, the Wyss Foundation's IRS Form 990 reports \$61,251 in compensation to Elias's firm. The same form reports the foundation made \$346,905 in payments to Global Strategy Group, a public relations firm which brags that its pollsters helped win Democratic majorities in the House and Senate.

The strongest evidence that improper foreign intervention in American elections has resulted from Mr. Wyss's mixing foreign funds with American nonprofits comes from the Federal Election Commission. In May 2021, the right-leaning Americans for Public Trust filed a complaint with the Federal Election Commission, arguing the evidence already available indicates "Mr. Wyss indirectly funded federal electoral advocacy through his nonprofit organizations,



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the Wyss Foundation and the Berger Action Fund. The intended recipient of these funds was ultimately a variety of organizations whose primary purpose is to engage in electoral advocacy.”

The complaint observed that “the law prohibits foreign nationals from making contributions to political committees whether directly or indirectly.” Unfortunately, the Federal Elections Commission (FEC) did not promptly act on this complaint, so after waiting a year,

Americans for Public Trust filed a lawsuit in April 2022, aiming to prod the Commission to investigate Wyss’s alleged illegal donations to left-wing groups and various Democratic politicians. The plaintiff observed that FEC records already showed illegal *direct* donations to politicians, including Sen. Dick Durbin (D-IL) and former Rep. Jay Inslee (D-WA)—now governor of Washington State—and former Rep. Mark Udall (D-CO), who was later elected to the Senate. (The statute of limitations on those illegal donations has expired.) The plaintiff also noted that Wyss has claimed to support senators for election.

As the lawsuit pressed on the Commission, the FEC’s general counsel finally produced a document with recommendations for what the Commission should do regarding Wyss and his relations with the Arabella network. The general counsel said an investigation into Arabella’s Sixteen Thirty Fund’s relations with its largest grant recipients in



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Americans for Public Trust filed a complaint with the Federal Election Commission that FEC records showed illegal direct donations to politicians, including Sen. Dick Durbin (D-IL) (left) and former Rep. Mark Udall (D-CO) (right).

the 2018 and 2020 election cycles should be conducted, to see if the group should have been registered as a PAC, rather than a 501(c)(4) nonprofit. Even on the basis of evidence already available, the general counsel found grave violations and recommended that the FEC “Find reason to believe that the Sixteen Thirty Fund and The Hub Project”—the latter launched and sustained through the Arabella network by Wyss and his nonprofits—had “violated 52 U.S.C. §§ 30102, 30103, and 30104 by not registering as a political committee and meeting the Act’s organizational, recordkeeping, and reporting requirements.”

The complaint to which the FEC general counsel responded alleges that “The Hub Project has served as a vehicle for the political spending of Mr. Wyss. This is demonstrated by the fact that Mr. Wyss has not publicly disclosed his role in founding the Hub Project. Neither his influence nor his financial support can be found anywhere on the group’s website.”

Indeed, the *New York Times* reporter who first exposed the Hub Project only learned of Wyss’s connection to the project with the help of “interviews with five people with knowledge of The Hub Project, an internal memo from another liberal group that was obtained by The New York Times, and the appearance of The Hub Project’s business plan in a tranche of data made public by WikiLeaks.”

The inauguration of Joseph Biden as President only led to more influence for Wyss. “Several officials from the Hub Project were hired by the Biden administration,” the *Times* reports, “including Rosemary Enobakhare, a former Environmental Protection Agency official in the Obama administration who returned to the agency under Mr. Biden; Maju Varghese as director of the White House Military Office; and Janelle Jones as chief economist for the Labor Department.” Then there’s Wyss’s top aide, Molly McUsic, president of both the Wyss Foundation and Berger Action Fund (and former Arabella Sixteen Thirty Fund board member): she “was a member of the Biden transition team that reviewed Interior Department policies and personnel.”

Even more disturbing, given the Ways and Means Committee’s responsibility for overseeing the nonprofit sector, is the fact that Joe Biden might never have had any transition team in 2020, were it not for what Ms. McUsic,



Credit: U.S. Bureau of Land Management. Public domain.

(Sylvia Baca and Molly McUsic, 2014) Then there's Hansjörg Wyss's top aide, Molly McUsic (right), president of both the Wyss Foundation and Berger Action Fund: she "was a member of the Biden transition team that reviewed Interior Department policies and personnel."

using her Wyss Foundation email account, was discussing in 2015 with John Podesta, then the presumptive head of Hillary Clinton's 2016 presidential campaign.

As a Capital Research Center colleague has reported on at length, McUsic helped to launch a "massive [voter] registration surge" that spanned two presidential elections (and counting) and consumed over \$150 million in funds from 501(c)(3) private foundations and public charities. The funds were channeled through (c)(3) "charities," which microtargeted voters in a handful of swing states in the 2016 and 2020 cycles, registering millions of persons. One of McUsic's Wyss Foundation emails to Podesta was labeled "new c3 version," and it had a Word file attachment from a for-profit Democratic consulting firm which had altered its partisan voter registration program in hopes of squeezing it into a campaign to which (c)(3) foundations and donor-advised funds could legally contribute, and which (c)(3) charities could carry out. To understand the kind of fig leaves the "new c3 version" put on top of the scheme's original partisan language, consider that a reference to changing the "outcome of an election"—something forbidden to charities and private foundations—was switched to changing the "competitiveness of an election." Sometimes no fig leaf could be found that was large enough to camouflage the partisanship, as when three entire paragraphs in the original version had to be deleted, because they calculated how targeted voter registration could have turned three past elections won by Republicans into Democratic victories.

This Voter Registration Project effort, midwived by the Wyss Foundation, has continued to grow and aims to be central in

the 2024 presidential election. Capital Research Center has just acquired the latest IRS Form 990 for the "charity" at the center of this scheme (the Voter Registration Project), which reveals that in 2022 the group's revenues rose to \$46 million, compared to \$17 million the previous year, with the total number of employees rising to 42. The Form 990 also indicates that the group's second-largest independent contractor, to which it paid \$233,750 in 2022, is Catalist LLC, described by the New York Times as a "Democratic data firm."

This dubious (c)(3) voter registration nonprofit is related to a concern raised by the Ways and Means Committee in its August 14, 2023 Request For Information. The Committee cited a 2020 donor strategy memo from the Mind the Gap Super PAC launched by Sam Bankman-Fried's mother, which declared that "the single most effective tactic for ensuring Democratic victories" was to send money to targeted (c)(3) voter registration efforts. The two (c)(3) groups recommended to donors were the Voter Registration Project and the Voter Participation Center. I regret to inform the Committee that the same Super PAC has had its 2024 donor strategy memo leak, and once again the Super PAC declares its presidential strategy is "to massively scale high-performing voter registration and mobilization programs." This time they recommend only one grantee, the (c)(3) Voter Registration Project charity that our report highlighted. The Super PAC adds that this charity's voter registration work, along with voter-mobilization radio ads through American Independent Radio, "are projected to generate more net Democratic votes dollar for dollar than virtually any other tactic this cycle."

With this kind of abuse that turns charitable dollars into political dollars, no wonder the nonprofit sector finds itself facing calls for radical changes. For example, the subcommittee's Democrats have invited to this hearing as their witness professor Philip Hackney, who has written that "we ought to eliminate tax benefits for the private foundation form." The professor may find himself surprised to have Senator J.D. Vance (R-OH) as a possible ally in this fight. It brings to mind how the Ford Foundation's grants for partisan voter registration in 1967 so outraged Congress, both of whose houses were under Democratic control, that it passed the landmark Tax Reform Act of 1969, whose restrictions still largely shape what's legally permissible for private foundations and public charities in this area.



Sometimes no fig leaf could be found that was large enough to camouflage the partisanship.

Will Stricter IRS Enforcement or Forced Donor Disclosure Save Us?

The changes in the nonprofit sector most likely to be called for after an examination of foreign money abuses by the likes of Hansjörg Wyss are first, stricter enforcement of rules by the IRS, and second, government-coerced disclosure of donors. But calls for harsher IRS enforcement are unlikely to bring greater fairness or banish illegal behavior. As I testified last year to the Senate Finance Subcommittee on Taxation and IRS Oversight, we must never forget “the terrible temptations the IRS places before administrations of both parties. From FDR through Nixon, the IRS repeatedly used selective enforcement as a political weapon, and entire books have been needed to chronicle this ugly abuse of governmental power.”

IRS officials like the Obama-Biden Administration’s notorious Lois Lerner will, all too often, control IRS enforcement. In the same testimony, I noted that the subcommittee’s chairman, Senator Sheldon Whitehouse (D-RI), had himself held a hearing to demand enhanced IRS enforcement a decade earlier, in April 2013, only to have the Lois Lerner scandal erupt a month later. Her improper suppression of conservative-leaning nonprofits seeking recognition—which a study by academics from Harvard’s Kennedy School, Stockholm University, and AEI found likely had a powerful effect on the 2012 election—caused even Senator Whitehouse to address the Senate on “the scandal that the IRS appears to have targeted organizations for inquiry based on Tea Party affiliation. Obviously, that’s wrong.”

Similarly, having the government force disclosure of nonprofit donors is not desirable, and much of the conversation surrounding donor disclosure is disingenuous. We hear wild denunciations of “dark money” hiding in the shadows, and yet no legal definition of these monies appears, even in hearings in places like the Senate Judiciary Committee or Senate Finance’s IRS Oversight Subcommittee. Is it money in 501(c)(3) nonprofits? in (c)(4) nonprofits? (c)(6)s? in donor-advised funds? I’ve yet to learn which ones define “dark money,” even though a clear definition would be made if, in fact, those who complain about “dark money” were raising the issue in good faith, rather than invoking it as a vague insult that drives attention away from the substance of public policy debates like, say, the proper judicial philosophy for a judge.

In hearings on “dark money” where I’ve testified, I’ve heard advocates for disclosure reveal that they believe donor disclosure will harm both the donors and the grantees forced to disclose. That raises my central criticism of forced government disclosure: *As a defender of citizens’ privacy, I do not*



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Senator Sheldon Whitehouse (D-RI) (not shown), had himself held a hearing to demand enhanced IRS enforcement a decade earlier, in April 2013, only to have the Lois Lerner scandal erupt a month later.

wish to harm donors and groups I disagree with, and I respectfully urge others to end their campaign to harm donors and groups they disagree with. Of course, that objection applies to U.S. citizens, whose rights should be protected, not to foreigners with no claim to those rights.

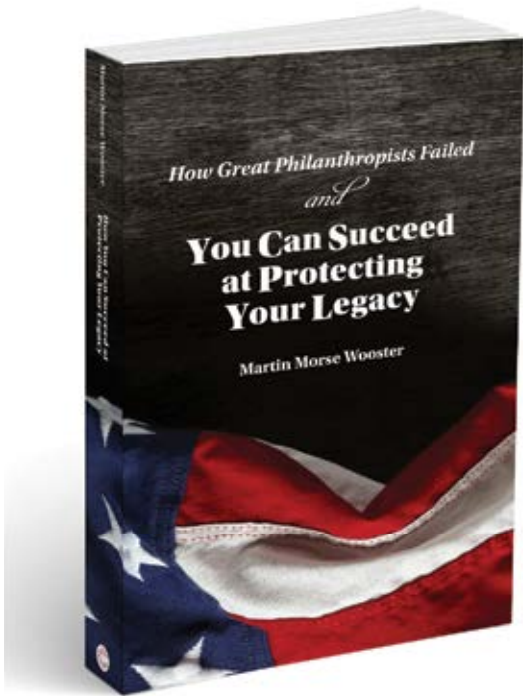
None of this means there is no hope for improvement. Carefully targeted legislation has the potential to substantially affect such problems as indirect foreign funding of American politics; for example, the ACE Act introduced in the House Administration Committee would ban (c)(4) nonprofits from contributing to political committees for four years if they accept donations of foreign money, and would also bar foreign nationals from giving to state ballot initiatives, which can be supported by (c)(3) charities. State attorneys general are also becoming more engaged in overseeing nonprofits in their jurisdictions, for good or ill, which may deter some bad behavior even as it will sometimes be the attorneys general who themselves behave with improper partisanship.

There are no final solutions to these problems of our republic, and anyone who claims to have a final solution should not be trusted. I agree with my fellow witness professor Hackney, who wrote, “I believe deeply in the power of a fiercely independent and courageous civil society that empowers the voices of all in our communities.” But that will require protecting our nonprofits, especially our charities, from the abuses of foreign money and from improper politicization. ■

Given space limitations, citations of the sources were omitted in the printed version. Full citations will be included in the online version.

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