

George Soros: *The Left's One-Man Message Machine* By Neil Maghami

Summary: *George Soros recently said he wants to get out of politics. Don't believe him. The billionaire philanthropist's quest to influence domestic politics continues. Soros's methods change, and the issues shift – but his goals remain the same.*

In 2004, George Soros tried to put Democrat John Kerry into the White House. In 2005, the billionaire philanthropist launched a jihad against the Bush administration and the Republican Congress, funding an array of tax-exempt liberal policy and media outfits. In 2006, Soros is hoping for a Democratic Party breakthrough in the House of Representatives. And in his latest book, *The Age of Fallibility: Consequences of the War on Terror*, he's vowed to "support the Democratic Party until the Republican Party is recaptured from the extremists."

Love him or loathe him, there is no denying that George Soros plays a central role in left-of-center U.S. politics – not only as a funder of causes and candidates, but also as freelance spokesman and pundit. Soros, in the words of conservative activist David Horowitz, is the leader of a "shadow party" that wants to control the Democratic Party, and eventually, the U.S. government.

In 2006, according to mid-September filings, Soros had donated at least \$2.3 million to either Democratic candidates or groups in the current election cycle. That is much less than he contributed in 2004. A \$120,000 gift went to Majority Action, a 527 directed by Mark Longabaugh, a former vice president for political affairs at the League of Conser-



vation Voters. Soros also hosted a much-publicized fundraiser at his home in New York City's Upper East Side for 60 guests who listened to remarks by Senator Charles Schumer. It raised \$250,000 for Democratic Senate candidates. But while Soros has pulled back on his campaign funding, he remains as committed as ever to shifting the climate of ideas by issuing public statements, making speeches and granting interviews. Soros is more willing than ever to launch partisan attacks.

Will this be Soros's final electoral campaign? Perhaps. The New York Post reported in late September that Soros told a Council on Foreign Relations meeting, "In the future, I'd very much like to get disengaged from politics...I'm interested in politics and not in

politics." That's understandable – Soros, now in his mid 70s, may be tired of politicians' hat-in-hand visits. But the disdain he claims to feel for politics will not keep him out of the political arena.

November 2006

CONTENTS

George Soros: The Left's One-Man Message Machine
Page 1

The "Porkbusters" Law: A Modest Step Toward Good Government
Page 7

Philanthropy Notes
Page 8

Soros sees a tough fight ahead for the Democrats in 2006. Interestingly, in *The Age of Fallibility*, Soros argues that the principal reason why Democrats must win in 2006 is so that moderates can recapture the *Republican Party*:

Because of the way congressional districts have been gerrymandered, capturing the House [by the Democrats] will be no easy task in spite of the swing in public opinion against the Bush administration. Moreover, the Republican Party is supported by a well-financed conservative movement, and the Republican National Committee has an electoral machinery that is far superior to that of the Democratic National Committee... The ultimate objective has to be to recapture the Republican Party from the conservative and religious extremists who now control it... If we are to restore the balance, the extremists must be routed. A resounding Democratic victory in 2006 would achieve that.

Is that surprising? In 2005 Grover Norquist, president of Americans for Tax Reform, introduced Soros as a surprise guest speaker at

Editor: Matthew Vadum

Publisher: Terrence Scanlon

Foundation Watch

is published by *Capital Research Center*, a non-partisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

Address:

1513 16th Street, N.W.
Washington, DC 20036-1480

Phone: (202) 483-6900

Long-Distance: (800) 459-3950

E-mail Address:

mvadum@capitalresearch.org

Web Site:

<http://www.capitalresearch.org>

Reprints are available for \$2.50 prepaid to Capital Research Center.



Soros's decision to cut off funding for '527' groups has alienated key Democrats like Congressman Rahm Emanuel (above).

his celebrated Wednesday morning meeting of the "center-right coalition." At the meeting Soros observed, "I probably would be most comfortable as a moderate Republican, but [the party] has virtually eliminated its moderates." Later, Norquist reportedly interrupted the meeting to reveal that Vermont Senator Jim Jeffords, a liberal Republican turned Independent, had just announced that he would not seek re-election. Noted the *Washington Times*, "Nearly everyone present but Mr. Soros broke out in applause."

In 2004, Soros was a big believer in large-scale get-out-the-vote drives. In that election cycle, Soros won global notoriety by spending, according to most estimates, more than \$27 million to mobilize voters. This push focused on what are known as 527 political action committees, which derive their name from a part of the U.S. tax code.

A 527 group is permitted to accept unlimited contributions and use these towards

advocacy efforts such as voter mobilization and political advertising – provided it refrains from working directly with a political party. Three 527s benefited most from Soros: the Joint Victory Campaign (\$12 million), America Coming Together, or ACT, (\$7.5 million), and MoveOn.org (\$2.5 million). [For more information, see www.opensecrets.org.]

MoveOn.org is the 527 that in 2004 helped circulate a video that juxtaposed President Bush's image with a speech by Adolf Hitler. Another video circulated by MoveOn.org used similar imagery accompanied by the words: "What were war crimes in 1945 is foreign policy in 2003."

Even in an age of attack ads, this is 150-proof stuff. But it pales in comparison to Soros's own in-your-face approach. In a *Washington Post* op-ed that appeared in December 2003, Soros wrote: "If Americans reject the president's policies at the polls, we can write off the Bush Doctrine as a temporary aberration and resume our rightful place in the world. If we endorse those policies, we shall have to live with the hostility of the world and endure a vicious cycle of escalating violence." Nearly three years after this prediction, violence persists, but the U.S. has faced no repeat of 9/11. However, this has not deterred Soros, who continues to argue that Bush policies create violence rather than forestall it.

In September Harold Meyerson, a *Washington Post* columnist and editor of the leftist *American Prospect* magazine, examined the Democrats' voter mobilization strategy and noted that Soros-linked 527s play a much smaller role in November's contest.

"The most important Democratic player in turning out the base in 2004 can't point to a higher level of activity this year," wrote Meyerson. "Indeed, it has ceased to exist altogether. America Coming Together (ACT)...which pushed Democratic turnout to record, if insufficient highs in [various states], died a quiet death last year when [top funders George Soros and Peter Lewis] pulled the plug."

Apparently the billionaire decided his money was not well spent. That month, speaking to an audience assembled in Washing-

ton, D.C. by the New America Foundation, Soros meekly volunteered that “You can’t buy elections with just money,” the Financial Times reported September 14.

Soros’s decision to stop funding the 527s has not gone unnoticed. As the Washington Times noted (also in September), Illinois Representative Rahm Emanuel, head of the Democratic Congressional Campaign Committee, is particularly incensed:

Referring to Mr. Soros and a couple of other 2004 big spenders, Mr. Emanuel angrily complained recently to Washington Post columnist E.J. Dionne: “These guys – where are they?”

Emanuel is only one of the latest figures on the political left to vent his exasperation with Soros. But while the politician Emanuel wants more Soros giving, liberal pundits and reformers suspect his money. In October 2004, Fred Wertheimer, of the campaign finance reform advocacy group Democracy 21, described Soros to the Financial Times as having “gone from being part of the solution to being part of the problem.” Even the Washington Post has pointedly editorialized: “Who is he to determine the public interest?”

Still, however much the Democrats lose in Soros donations this time around will be more than made up by Big Labor. The Times has noted that labor-affiliated political action committees (PACs) raised about \$100 million in 2005. (See the November 2006 *Labor Watch* for the most recent filings of labor 527 political contributions in 2006.)

If Soros won’t bankroll the left in 2006, what is his role? Full of suggestions, he apparently sees himself as a “wise man,” an adviser and mentor to politicians and policymakers. Soros once said he hoped to be “the conscience of the world.”

“I think it’s essential to capture the House [of Representatives],” he told RawStory.com in a September interview. Why? In part, to use “the subpoena power to bring to light the misdeeds by the [Bush] administration.”

In the same interview, Soros praised the carbon tax – his obsession of the moment. (See inset box on page 4. The full

RawStory.com interview is available at http://www.rawstory.com/news/2006/A_man_in_full_George_Soros_0918.html.)

Soros and the War on Terror

However, it’s foreign policy that is on Soros’s mind most of the time, if his highly partisan public statements are any indication. Pointing out what he considers U.S. policy failures, he deploys a rhetorical stick against President Bush.

Interviewed by the London-based Spectator last July, Soros shared his own unique interpretation of the last five years of American history:

[After 9/11] Bush exploited fear in American people. The Bush administration reinforced the threat posed by terrorists and declared war on terror, making it the center piece of his policy – it is really exploitational...The practical message for Europeans [from the rise of the Bush administration] is that the world really needs a strong European Union with a mission which is different to America’s priorities.

This is a constant Soros theme. In a November 2004 op-ed in the far-left London-based Independent, Soros complained that Bush’s campaign “is shamelessly exploiting the fears generated by 9/11. But fear is a bad counselor; we must resist it wherever it comes from. If we re-elect President Bush, the war on terror will never end. The terrorists are invisible, therefore they can never disappear. It is our civil liberties that may disappear instead.”

This August in the Wall Street Journal, he described the “war on terror” as “a false metaphor which has led to counterproductive and self-defeating policies...Most Democratic politicians subscribe to it for fear of being tagged as weak on defense.”

Soros explains why he wants to retire the metaphor: “Terrorism is an abstraction. It lumps together all political movements that use terrorist tactics. Al-Qaeda, Hamas, Hezbollah, the Sunni insurgency and the Mahdi army in Iraq are very different forces, but President Bush’s global war on terror prevents us from differentiating between them and dealing with them accordingly.”

So would Soros prefer to negotiate with the

For frequent updates on environmental groups, nonprofits, foundations, and labor unions, check out the CRC-Greenwatch Blog at

www.capitalresearch.org/blog



SOROS CARBON TAX TO SAVE THE WORLD?

In early September 2005, Soros attended a meeting with the Houston Chronicle editorial board. At first, he sounded a cautious and almost conciliatory note: "There is less to be gained by just beating up the Bush administration because the situation, the position in the world, has deteriorated and the world is very unstable."

But soon enough he was back to making pronouncements on the state of the world. In particular, he urged his listeners to consider his proposal to stop global warming and fix the coming entitlements crisis: a global carbon tax.

The Chronicle described Soros's ideas: "Power plants that rely on carbon-based energy that contributes to global warming would have to pay a tax on that energy. They, in turn, would pass those higher operating costs on to consumers in the form of higher utility bills."

Soros predicted that a carbon tax also would affect investment decisions and shift funding to alternative energy. Moreover, he advised that over a 15-year period the carbon tax could be used to replace the payroll tax to fund Social Security! "It would be revenue neutral, but it would reorient the spending," Soros said. (See http://blogs.chron.com/sciguy/archives/2006/09/soros_implement_1.html)

Soros provided insight into his political plans. The Chronicle's Shannon Buggs wrote: "Soros said his political activism this year and in the coming 2008 presidential election will be to a much lesser extent than it was in 2004, but he will still work to help the Democrats capture one of the chambers of Congress."

It's unlikely many Democrats will embrace the carbon tax idea—even to fund Social Security. It would, once again, make them the party of "tax and spend."

—Neil Maghami

terror-masters in Iraq? The daily bombings, drive-by shootings and inter-communal violence gripping Baghdad suggests negotiation is no option.

Soros also dislikes the "war on terror" metaphor because he feels it has "diverted attention from other urgent tasks that require American leadership, such as finishing the job we so correctly began in Afghanistan, addressing the looming global energy crisis, and dealing with nuclear proliferation."

Regarding Iran, Soros says he opposes its acquisition of nuclear weapons but says Iran's "legitimate" security concerns must be taken into account. He takes swipes at defense hawks who urge a tougher line. In his RawStory.com interview he said, "A missile attack would be even more counterproductive than the invasion of Iraq..."

What to do about Iraq? Business Week magazine asked Soros that question in June.

Q: How do we make an honorable exit from Iraq that doesn't send it into a more intense spiral of death and destruction?

A: That is the quandary, because we cannot simply pull out. We need to do it in an orderly manner. That requires a political settlement between the factions...with adequate protections for other minorities like the Turkman. There is a big Turkman community, and Turkey could be drawn in if they are not protected.

Soros neatly avoids the most pressing question in Iraq, which is how to defeat militant Islamists bent on tearing the country apart. The minority groups he is concerned about – which include an ancient community of Christians now under siege – could look forward to a much brighter future once the insurgency is defeated. But if Soros has a plan to defeat that insurgency, he's keeping it a secret.

Still, in his new book, Soros distances himself from the radical anti-war left. He writes: "I want to make it clear that when I condemn the war on terror I am not denying the threat posed by al-Qaeda and its offsprings [sic]. That threat is real and it requires a strong response." Later, he says "I supported the invasion of Afghanistan. That is where Osama bin Laden had his address and al-Qaeda had

its training camps." He supports, he says, the use of "military force" – with the caveat of "where appropriate." Maybe Soros will eventually acknowledge the need to fight a war against terror – but don't hold your breath waiting.

Soros and the GOP

Soros has no love for the current Republican Party and people associated with it. He reserves his most biting barbs not for President Bush, but for members of the Bush administration – and GOP organizers. Soros has claimed there are "nefarious psychological reasons" that explain Vice President Dick Cheney's ideas. (He did not elaborate on these in the September Financial Times article.) And he has called John Bolton, U.S. ambassador to the United Nations, a member of a group of "rabid American supremacists."

Indeed, Soros takes great delight in attacking Bush appointees. He had the following to say about Karl Rove: "You don't have a Karl Marx, you have only a Karl Rove who has been successful in creating a coalition of fundamentalists." (Los Angeles Times, July 29, 2006)

Soros's new book, *The Age of Fallibility*,

made instant headlines when it was published earlier this year. It is the source for Soros's now-infamous observation that after 9/11, when he heard President Bush say "Either you are with us or you are with the terrorists," Soros "was reminded of Nazi propaganda."

Soros continued:

I said so in an interview with the Washington Post that turned out to be counterproductive. It allowed the conservative propaganda machine to assert that I had called Bush a Nazi and to label me as an extremist at a time when I was trying to label *them* as extremists. The tactics employed by the Republican National Committee (RNC) and its handmaidens were also reminiscent of Nazi and Communist propaganda. They painted a totally false picture of me and what I stood for, yet they established it in the public mind by constant repetition. [emphasis in original]

Soros pressed the outrageous Nazi/Communist-GOP comparison:

Indeed, the Bush administration has been able to improve on the techniques used by the Nazi and the Communist propaganda machines by drawing on the innovations of the advertising and marketing industries.

Soros grew up in Nazi-ruled Hungary, and later, through his philanthropic foundations, assisted democracy movements in Eastern Europe. Soros has firsthand experience of totalitarianism, but when he draws parallels between, for example, the RNC and Nazi/Communist propaganda, he begs to be ignored. "Maybe I did go over the line," he admitted to CNN's Wolf Blitzer, but then immediately added, "I think that on the whole, my assessment is a balanced one."

While think tanks and politicians crave his money, the philosophical points Soros tries to score with these wild statements are ignored by everyone except those on the far fringes of the left. As New York Daily News columnist Michael Goodwin has observed, many Democrats understand that demonizing President Bush puts his critics in the



Soros has claimed there are "nefarious psychological reasons" that explain the ideas of Vice President Dick Cheney (pictured above).

unsavory company of Venezuela's Hugo Chavez and Iran's Mahmoud Ahmedinejad.

Goodwin quoted former New York mayor Ed Koch on the president's detractors – "You can differ and you can disagree. But

when you demean the president, you are aiding the enemy... We are at war. And everything we do that derides our president before the world of nations hurts our ability to fight and win."

Soros versus House Republicans

Republicans in Congress face constant sniping from a coterie of self-declared government watchdogs belonging to a group called the "Congressional Ethics Coalition," or CEC. The coalition includes liberal stalwarts such as the Campaign Legal Center, the Center for Responsive Politics, Common Cause, Democracy 21, Public Citizen and the latest attack group on the left, Citizens for Responsibility and Ethics in Washington (CREW). The Coalition claims to be acting solely in the public interest. But as American Conservative Union chairman David Keene has observed:

The members of this coalition, however, are anything but non-partisan. George Soros has reportedly given the groups in the coalition upwards of \$3 million, and they are staffed by former Democratic Hill aides, liberal activists and Democratic campaign workers.

In other words, his critics say Soros funds "public interest" and "campaign reform" nonprofits to carry out partisan political

**Be sure to catch
Capital Research Center's
next online radio show**

November 21, 3:05 p.m. (Eastern time)

**Go to <http://www.rightalk.com>
(replays follow at 5 minutes past the hour for
the following 23 hours)**

SOROS AND ANTI-CATHOLICISM

One reason George Soros has backed away from liberal 527s may be the bad press he has received. For example, an ad critical of Pope Benedict XVI was circulated by the 527 known as MoveOn.org on its website. Critics were quick to highlight the group's link with Soros. Here are portions of a May 23, 2005 National Legal and Policy Center press release providing background on the incident:

Peter Flaherty, president of the National Legal and Policy Center (NLPC), today asked George Soros to repudiate a new ad by MoveOn.org portraying Pope Benedict XVI holding a gavel in front of the doors of the Supreme Court. It is captioned, "God already has a job...He does not need one on the Supreme Court. Protect the Supreme Court rules."

Flaherty wrote, "You have been one of MoveOn's most generous and outspoken supporters. It is time for you to speak out and specifically repudiate this ad. The implication that a Senate rules change would give the Catholic Church undue influence over the Supreme Court plays to the worst of anti-Catholic bigotry. Mocking imagery of the Pope was a staple of anti-Catholic prejudice in the 19th and early 20th centuries. You should not be party to its return."

Flaherty continued, "The crude simplemindedness of this attack would make the Know Nothings of the 1850s proud. The caption of the ad refers to 'Supreme Court rules,' but presumably the ad concerns a possible Senate rules change that would end the filibustering of judicial nominations."

The ad was apparently placed on the MoveOn PAC website last week...It has apparently been [since] removed.

William Donohue, president of the Catholic League for Civil and Religious Rights, also reacted to the attack: "So this is the way George Soros operates. Of all the anti-Catholic canards ever expounded in American history, none is more infamous than the one that accuses the Vatican of steering U.S. public policy."

—Neil Maghami

warfare.

The shadowy Democracy Alliance, a Soros-inspired donor collective of 80 mega-wealthy liberals dedicated to building a movement of left-wing think-tanks and media outfits, has yet to reveal which groups it is funding. However, the Washington Post has reported that groups like the John Podesta-led Center for American Progress and CREW have made the cut. CREW, the 501(c)(3) group that in July 2006 gave the FBI copies of e-mails sent by then-Representative Mark Foley to a congressional page, received \$100,000 in January from Soros's Open Society Institute, according to the Cleveland Plain Dealer.

Republicans have fired back, circulating research showing how these organizations are linked to the Democratic Party – and George Soros. In March 2005, the claims were reported in The Hill newspaper:

The research shows that members of these groups' boards have contributed tens of thousands of dollars to Democratic candidates and political organizations and several of their staff members have previously worked for Democrats. The groups have also accepted hundreds of thousands of dollars from the Open Society Institute, an organization founded by Soros, who spent millions trying to defeat President Bush in last year's elec-

tion."

CREW is the group that is the special focus of GOP ire. The 501(c)(3) nonprofit has filed at least 20 ethics complaints against Republican lawmakers and candidates, more than any of the other groups. It is headed by Melanie Sloan, a former assistant U.S. attorney and aide to Representative John Conyers and to Senator Charles Schumer when the latter was a member of the House of Representatives.

The links between Soros and anti-Republican groups are hotly disputed by some on the left, but more often they inspire cynical humor. Barbara Comstock, a Republican spokeswoman, told the New York Times that the anti-Republican groups were "sore losers — or 'Soros losers' as we call them."

Some on the left have denounced all claims of links between Soros and the Congressional Ethics Coalition as a blatant smear. Capital Research Center has done its own check and notes that Soros's Open Society Institute has funded the Campaign Legal Center (\$150,000 in 2004), the Center for Responsive Politics (\$75,000 in 2001), Common Cause Education Fund (\$150,000 in 2004), Democracy 21 Education Fund (\$50,000 in 2003) and Public Citizen (\$100,000 in 2001). While he may be less generous to political candidates in 2006, the far-left orientation of

Soros's philanthropic activity means he remains a one-man ATM for organizations on the left.

"I have too many enemies."

In a 2004 interview with the Financial Times, Soros claimed to feel "rather uncomfortable" assuming a visibly partisan role in presidential elections. He wanted to "avoid making this an issue about me." In a Los Angeles Times interview he added, "I have too many enemies. And that becomes counterproductive... Taking on too many causes, I create a kind of echo chamber, and it works against me... Perhaps I should have been more judicious in the causes I take on. But I keep taking on new causes... Emotionally, it kind of eggs me on."

As his book and recent public statements make clear, Soros has shed any remaining inhibitions about speaking out.

In 2005, Soros told Bloomberg News that the Democrats faced what he considered "a very effective conservative message machine." In 2006, Soros has established himself as the left's one-man message machine.

Neil Maghami has studied the Soros network for many years.

FW

The “Porkbusters” Law: A Modest Step Toward Good Government

By Robert Huberty

On September 26 President Bush accomplished a goal long sought by Capital Research Center: He signed into law a bill that sets up a searchable online database to locate and identify all government and non-government recipients of all federal grants and contracts. The new law allows citizens to, in the president’s words, “Google their tax dollars.” Every year the federal government distributes more than \$300 billion in contracts and \$400 billion in grants. But even members of Congress have a hard time finding out *what* government agencies and programs give out *how many* taxpayer dollars and *where* the money goes. The data is locked into computerized databases that are incompatible with one another and badly maintained by federal government agencies. The data is belatedly and inaccurately entered, the databases are difficult to acquire and download, and most are not searchable. None of it is online.

That will change. The Federal Funding Accountability and Transparency Act (S.2590, now Public Law No. 109-282) was a bipartisan proposal championed by Senators Tom Coburn (R-OK), Barack Obama (D-IL), John McCain (R-AZ), and Tom Carper (D-DE). They had the support of the Bush administration’s Office of Management and Budget, which is charged with implementing the program. OMB will face difficulties—tracing federal money going to state and city agencies that make sub-grants to nonprofits, for instance—but better reporting requirements combined with the revolution in information technology should manage to overcome them.

Despite widespread congressional support, the bill almost did not come up for a vote. Two senators—Robert Byrd (D-WV) and Ted Stevens (R-AK)—opposed the public’s right to know by putting a secret “hold” on the bill. The two senators renowned for their enthusiasm for pork-barrel spending were exposed and their tactics thwarted when dedicated Internet-based journalists and bloggers

polled every member of the Senate and found that all but those two favored the bill. CRC Green-Watch director James Dellinger and I were privileged to attend the ceremony at the Eisenhower Executive Office Building where President Bush signed the bill into law. Among those invited to witness the event were many of the bloggers (e.g. Glenn Reynolds of www.instupundit.com and Mark Tapscott of tapscottscopydesk.blogspot.com) who worked so hard to promote it.

One might expect fiscal hawks to support transparency in government, but liberals also had their reasons for supporting the measure. For instance, the Sunlight Foundation will provide “transparency grants” to six follow-the-money groups to develop databases and websites scrutinizing government lobbying and grantmaking. The foundation was set up in January 2006 by Ellen Miller, who was at the signing ceremony. She is a former deputy director of the left-wing Campaign for America’s Future.

Sunlight also gave \$234,713 to the liberal OMB Watch to create a website featuring a searchable online database of government grants and contracts. (It’s unclear to what extent the website, called Federalspending.org, will duplicate the federal government’s new program.) And the foundation cooperated with Citizens Against Government Waste, Porkbusters and the Examiner newspaper chain to create an online database for tracing spending earmarks in the \$141 billion Education-Labor-HHS Appropriations bill.

Finding and following government grant

money is only the first step to reducing federal government spending and making sure it is not spent on lobbying and advocacy. A next step is to cut out the spending “earmarks” that members of Congress quietly insert into appropriations bills just before they come to a vote. That thankless task has been undertaken by members like Senators Coburn and McCain and Rep. Jeff Flake (R-AZ), who highlight their colleagues’ pet projects (e.g., \$100,000 to renovate the Old City Hall in Corona, California; \$158,000 for an industrial park in Alfred, New York). Last year Congress—the body Jack Abramoff called “the favor factory”—passed over 15,000 earmarks worth \$50 billion, according to the Congressional Research Service.

The new law should help CRC and other watchdog groups uncover newsworthy stories about government mismanagement and malfeasance. Already there are investigative bloggers like the woman (online pen name: “Mrs. Panstreppon”) who recently discovered a \$1.175 million grant tucked into the \$141 billion HHS bill. Mrs. Panstreppon, a Democrat, was chagrined to learn that the grant was earmarked by New York City congressional Democrats for a nonprofit called the “Friends of the Congressional Glaucoma Caucus Foundation,” a \$5 million operation headed by one “Bud” Grant, a Washington, D.C. healthcare lobbyist. It was one of 1800 earmarks worth \$500 million in the massive appropriations bill.

Robert Huberty is Executive Vice President and Director of Research for Capital Research Center.

Please remember
Capital Research Center
in your will and estate planning.
Thank you for your support.

Terrence Scanlon, President

PhilanthropyNotes

Tempting Faith, a book by **David Kuo** that criticizes President **George W. Bush**'s faith-based initiative, has received positive early exposure in the Washington Post. Kuo was deputy director of the Office of Faith-Based and Community Initiatives until December 2003. According to the Post: "Kuo said he was 'dazzled' by Bush's talk of compassion. But in his telling, the administration's actions never matched its rhetoric. During the scramble to win tax cuts, for example, the promise of \$8 billion per year for charities was scrapped." Kuo also said White House staff mocked evangelicals. **James Towey**, who was head of the faith-based office from 2002 to May of this year, suggested Kuo was being less than truthful. The book seems to be describing "a personal animus against evangelicals and a kind of personal insulting behavior," Towey said. "President Bush would never have tolerated that, and I never saw it in four and a half years."

The **Internal Revenue Service** has adopted a new get-tough approach to auditing charities, according to an October 12 article in the Chronicle of Philanthropy. "We're touching a significant number of organizations and a significant cross-section of different types and sizes of organizations," according to **Lois G. Lerner**, director of the IRS's exempt-organizations office. "Charities need to be aware." Although only about 2% of the nation's 650,000 nonprofits and foundations are contacted in the typical year, lawyers and accountants report that audits are on the rise. "There's more audit activity going on in my practice today than I've ever seen," said **Bruce R. Hopkins**, a Kansas City, Mo., lawyer.

The smart money says the \$370 million that **Wachovia Corp.**'s charitable foundation recently received from **Golden West Financial Corp.** before the two corporations merged won't be going to conservative causes. This is because the Wachovia foundation has a reputation for funding liberal causes. In 2004 the charity gave \$730,000 to left-wing groups—including \$565,000 to the **NAACP**—but donated no money to groups on the right, according to "Funding Liberalism," by **David Hogberg** and **Sarah Haney** (*Foundation Watch*, August 2006). The \$370 million gift from Global West dwarfs the total of \$65.6 million that Wachovia's foundation gave away through 2005, the Charlotte Observer reported.

Mohamed Shorbagi, head of a mosque in Rome, Ga., has pleaded guilty to providing financial support to the terrorist group Hamas, the New York Times reported Oct. 14. Prosecutors said that Shorbagi, a Palestinian, gave aid to Hamas through donations to **Holy Land Foundation for Relief and Development**, a Muslim foundation that the U.S. government closed five years ago for funding terrorist organizations. President Bush shut the foundation down, noting it "pays for murder abroad."

According to **Dana R. Fisher**, a sociology professor at Columbia University, the typical young liberal's career in political canvassing lasts less than a month. "The average life of a canvasser in this type of organization is two and a half to three weeks. More than 50% of the people do not even finish their training days. So these happen to be young people who are interested in progressive politics, who in most cases get very little experience doing progressive politics before they decide that it's just not for them," Fisher said during an October 6 panel discussion at the Hudson Institute's Bradley Center for Philanthropy and Civic Renewal. In her new book, *Activism, Inc.*, Fisher argues that liberal activist groups are so reliant on paid canvassers to solicit donations from the public that it is hindering their ability to push for political change. Conservative groups, on the other hand, rely more on traditional community- and church-based groups, which are better at making long-term connections, said Fisher.