

Left-Wing Radicalism in the Church: The Catholic Campaign for Human Development

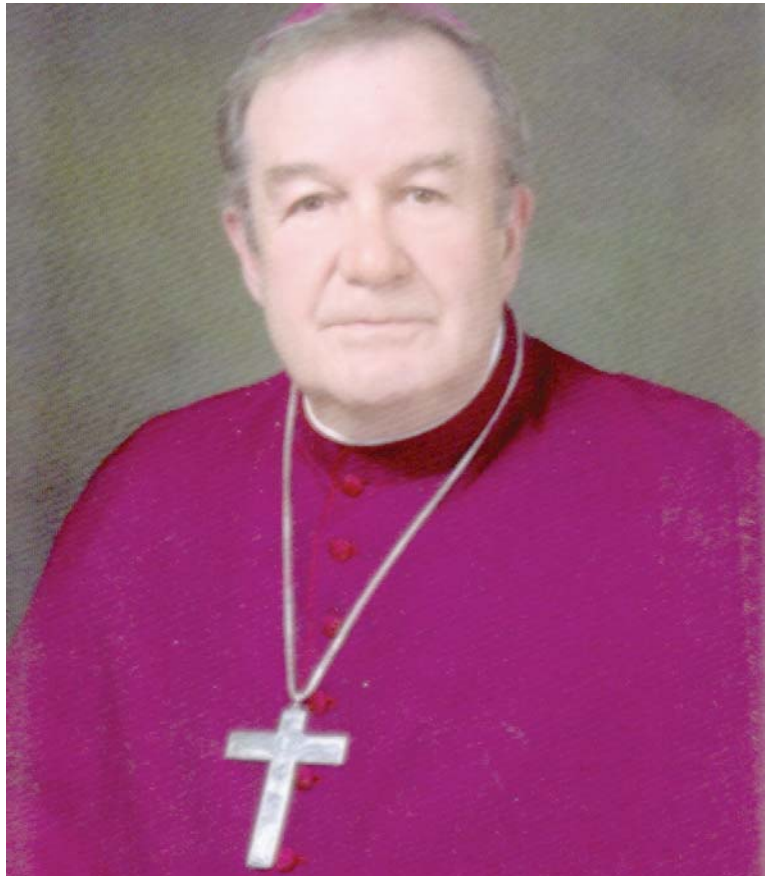
By Matthew Vadum

Summary: Each November around Thanksgiving every Roman Catholic parish takes up a collection for the nonprofit Catholic Campaign for Human Development (CCHD), a program run under the auspices of the United States Conference of Catholic Bishops (USCCB). Last November, under intense pressure from Catholic parishioners, CCHD finally stopped collecting money for the fraud-ridden radical group ACORN. But the Bishops' Conference continues to support other radical community activist groups with similar goals, such as the Industrial Areas Foundation (IAF) founded in Chicago by Saul Alinsky, the founding father of "community organizing." President Obama, a self-professed community organizer, has ties to both ACORN and CCHD.

It must have been a sad day at the offices of the Catholic Campaign for Human Development (CCHD) in Washington, D.C., last year when the United States Conference of Catholic Bishops (USCCB) announced that its temporary suspension of funding for the embattled radical group ACORN was being made permanent.

CCHD is the grantmaking arm of USCCB, the 350-person Washington, D.C.-based organization that acts on behalf of the nation's Roman Catholic bishops, a group widely assumed to be conservative defenders of traditional morality. However, CCHD and ACORN share a left-wing sociopolitical ideology that puts a premium on aggressive community organizing – but more on that in a moment.

After channeling \$7.3 million of parishioners' money to ACORN over the last decade, the



Bishop Roger Morin announced last fall that CCHD was cutting off the corrupt group ACORN but as this year's Thanksgiving collection approaches, the church's charity continues to support similar radical community organizing groups.

Catholic bishops were coming under intense pressure from conservative Catholics who were outraged by reports of gross legal and ethical improprieties involving ACORN.

Founded in 1969, CCHD has given more than \$280 million over the years to fund what it calls over "7,800 low-income-led, community-based projects that strengthen families, create jobs, build affordable housing, fight crime, and improve schools and

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neighborhoods.” The projects funded must develop local solutions to “help break the cycle of poverty.” CCHD says it educates Catholics “about the causes of poverty and seeks to build solidarity between impoverished and affluent persons.”

Its mission statement calls for raising funds to support “organized groups of white and minority poor to develop economic strength and political power.” It also declares CCHD’s purpose is to “educate the People of God to a new knowledge of today’s problems... that can lead to some new approaches that promote a greater sense of solidarity.”

On Nov. 11, 2008, Bishop Roger Morin, chairman of the Bishops’ subcommittee on CCHD, announced that ACORN was permanently cut off as a grant recipient. No funds from the annual collection taken at every Catholic parish during the third Sunday of November “will go to ACORN in any place or at any level,” he said. ACORN stands for Association of Community Organizations for Reform Now, a group that has hundreds of affiliates across America. (For more on ACORN, see the November 2008 editions of CRC’s *Foundation Watch* and *Labor Watch*.)

Bishop Morin announced that the five-

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Heather Booth of the Midwest Academy

month-old provisional suspension of funding for ACORN had been made permanent “because of serious concerns about financial accountability, organizational performance and political partisanship.”

He made it clear that “a major case of embezzlement eight years ago that was covered up by ACORN staff leadership,” was the tipping point and noted that CCHD and the Bishops Conference had hired forensic accountants “to help determine if any CCHD money was taken or misused.”

It is unclear if that forensic audit has been completed. Ralph McCloud, director of CCHD, said the groups “that will benefit from this year’s collection have yet to be determined.” The decision will be made in June next year, McCloud said.

CCHD, which insists it does not support organizations that engage in partisan politics, became concerned that ACORN had used its money in a way that might jeopardize CCHD’s tax-exempt status. Morin said that although CCHD had funded only local affiliates of ACORN, the national group’s conduct, including its involvement in alleged election fraud, “raised serious concerns about national ACORN’s financial accountability, transparency, governance and organizational integrity.”

Of course public concerns about ACORN have only grown since Morin announced the funding cutoff. In July congressional investigators released a report concluding that ACORN was a highly partisan organization involved in racketeering and serial violations of tax, campaign finance, and other laws.

CCHD and ACORN are cousins in a sense, and their common bonds must have made it excruciating for CCHD to disown ACORN.

Both CCHD and ACORN were inspired by Saul Alinsky, the father of community organizing. Alinsky is the Marxist Machiavelli who dedicated his 1971 manual on grassroots activism, *Rules for Radicals*, to Lucifer, whom he called “the first radical known to man who rebelled against the establishment and did it so effectively that he at least won his own kingdom.”

Alinsky believed poor people had to rise up and take what belonged to them. “I tell people, ‘The hell with charity. The only thing you’ll get is what you’re strong enough to get.’”

To that end, he developed the concept of “community organizing” to mobilize poor neighborhoods to make demands, long and loud, on public officials and the private sector. To Alinsky, “organizing” was a euphemistic term for “revolution.”

Radical Goals

While CCHD poses as a mainstream Christian charity trying to help the poor, it uses left-wing euphemisms in its mission statement. It seeks to address “the root causes of poverty in America through promotion and support of community-controlled, self-help organizations and through transformative education.”

ACORN’s mission statement, by comparison, is far more aggressive. Its “People’s Platform,” is a manifesto for America’s downtrodden:

“But we have nothing to show for the work of our hand, the tax of our labor. Our patience has been abused; our experience misused. Our silence has been seen as support. Our struggle has been ignored. Enough is enough. We will wait no longer for the crumbs at America’s door. We will not be meek, but mighty. We will not starve on past promises, but feast on future dreams.”

CCHD’s website sells bumper sticks that say, “If you want peace, work for JUSTICE.” It’s a variation on the radical slogan “no justice, no peace,” that Thomas Sowell notes “has been used to justify settling legal issues in the streets, instead of in courts of law.”

CCHD’s 2007 annual report declares, “Poverty is caused not simply by the lack of financial resources, but by the lack of quality education, affordable housing, health care, child care, fair wages, and vocational training.” In the same report, CCHD states that it “supports programs that help poor and low-income people to help themselves.”

Indeed it does, if helping the poor consists of funding Alinsky-inspired poverty groups to help themselves to taxpayer money. Here are some of the left-wing local groups that received grants from CCHD in 2008: Chinese Progressive Association; VOZ Workers’ Rights Education Project; Texas Tenants’ Union Inc.; Border Network for Human Rights; Figueroa Corridor Coalition for Economic Justice; and Power U Center for Social Change. With names like these, do these groups seem focused primarily on helping the poor?

Funding the Radical Left and Community Organizers

CCHD reported distributing \$10.2 million for grants and projects in 2007, up from \$9.7 million the year before.

But not much of CCHD’s money over the years has actually gone to the poor. Almost all of it has been disbursed to ACORN-like groups for political activities and community organizing – and many of those groups



Edward T. Chambers of the Industrial Areas Foundation (IAF)

have been founded or are run by Catholic priests.

Here are some select recipients of CCHD grants:

*Alinsky’s **Industrial Areas Foundation**, the mother of all community organizing networks with dozens of affiliates nationwide (and affiliates in Canada, Germany, and the United Kingdom), has received plenty of money over the years from CCHD. Alinsky referred to its training institute as a “school for professional radicals.” It has been headed by ex-seminarian Edward T. Chambers since Alinsky’s death in 1972.

*The **Midwest Academy** founded by Heather and Paul Booth has been funded by CCHD, according to Catholic writer Paul Likoudis. IAF trained Heather Booth, the founder of a number of activist training academies, including the Midwest Academy, Citizen Action and USAction. Her husband

is Paul Booth, a founder and former national secretary of Students for a Democratic Society (SDS), now an aide to Gerald McEntee, president of the powerful public sector union AFSCME

According to the David Horowitz Freedom Center, the Midwest Academy is an Alinsky-inspired school that teaches “radical activists tactics of direct action, targeting, confrontation, and intimidation.” It describes itself as “one of the nation’s oldest and best known schools for community organizations, citizen organizations and individuals committed to progressive social change.”

***People Improving Communities Through Organizing (PICO)**, was founded in 1972 by Father John Baumann, a Jesuit priest trained in Alinsky’s techniques. The training school and activist group was originally called Pacific Institute for Community Organizations, but five years ago it adopted its current name. It claims to have 53 affiliates in 17 states.

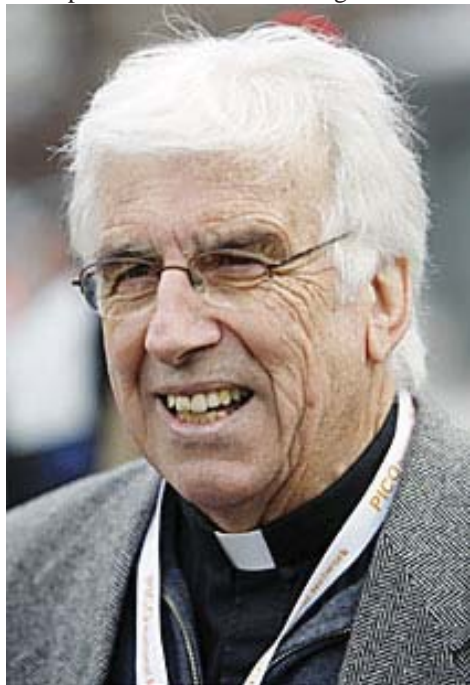
Also known as the PICO National Network, the group describes its mission as trying to “increase access to health care, improve public schools, make neighborhoods safer, build affordable housing, redevelop communities, and revitalize democracy.” PICO also says, “[W]e need to insure that new Americans are welcomed and not exploited.”

According to the group, “government can play a vital role in improving society.” It favors using “people of faith” to maximize “the potential for transformation – of people, institutions, and of our larger culture.” This year it has worked with Sojourners and Faithful America, which is a political arm of the National Council of Churches, to encourage churchgoers to campaign for a government takeover of the nation’s healthcare system.

***Direct Action and Research Training Institute (DART)** was created in 1982. It boasts 20 locally affiliated organizations in six states and claims to have trained more than 10,000 community leaders and 150 professional community organizers. Academic David Walls wrote that it “practices strictly congregation-based community organization [and]... conducts five-day orientation trainings for community leaders and has a four-month training program for organizers.”

***Gamaliel Foundation**, founded in 1968 in Chicago, says its mission is “to be a powerful network of grassroots, interfaith, interracial, multi-issue organizations working together to create a more just and more democratic society.” Its executive director is Gregory Galluzzo, a former Jesuit priest.

Originally focused on helping low-income black Americans, Galluzzo changed its focus to community organizing when he took over in 1986. It is “refocusing its efforts on wider metropolitan areas and assessing how to im-



Father John Baumann, founder of People Improving Communities Through Organizing (PICO)

pact national policy on immigration reform,” according to Walls. As of last year, Gamaliel reported having 60 affiliates in 21 states, as well as affiliates in the United Kingdom and South Africa. The group claims to represent more than one million people.

Gamaliel brags on its website about its connection to President Obama. Obama worked for the Developing Communities Project, which was a spinoff of the Calumet Community Religious Conference, itself a creation of several Chicago area Catholic churches.

The Obama Connection

Both President Obama and his secretary of state, Hillary Clinton, were inspired by Alinsky’s teachings. Clinton even wrote her

senior thesis at Wellesley on Alinsky.

It has not been widely reported that CCHD has a longtime friend in the White House. According to “The Catholic Case for Obama,” a monograph published by a group called Catholic Democrats, Barack Obama “received support in his community organizing work for Chicago from the Archdiocese of Chicago and the United States Conference of Catholic Bishops through the Campaign for Human Development.” (It is available at http://www.catholicdemocrats.org/cfo/pdf/Catholic_Case_for_Obama_booklet.pdf.)

Candidate Obama himself acknowledged CCHD’s importance to his early career in community organizing in an October 2008 interview with Catholic Digest:

“I got my start as a community organizer working with mostly Catholic parishes on the South Side of Chicago that were struggling because the steel plants had closed. The Campaign for Human Development helped fund the project, and so very early on, my career was intertwined with the belief in social justice that is so strong in the Church.”

From 1985 to 1988 Obama ran the CCHD-funded Developing Communities Project (DCP) from an office located in Chicago’s Holy Rosary Church.

Obama has said he “tried to apply the precepts of compassion and care for the vulnerable that are so central to Catholic teachings to my work [such as in] making health care a right for all Americans – I was the sponsor in the state legislature for the Bernardin Amendment, named after Cardinal Bernardin, a wonderful figure in Chicago I had the opportunity to work with who said that health care should be a right.”

The Alinsky Connection

CCHD has long supported groups such as ACORN that engage in left-wing community organizing.

In fact, it was created specifically to do so.

Former Treasury Secretary William E. Simon, a prominent Catholic layman who served on the board of Capital Research Center, complained in the late 1980s that

CCHD was a “funding mechanism for radical left-wing political activism in the United States, rather than for traditional types of charities.”

Catholic writer Paul Likoudis observes that CCHD could be considered “a political mechanism bonding the American Church to the welfare state.”

Likoudis wrote that CCHD was created in Saul Alinsky’s twilight years specifically to serve as a permanent funding mechanism for his Industrial Areas Foundation (IAF). In turn, IAF’s “model of organizing religious congregations into powerful local and regional networks has been taken up by three other groups – PICO, Gamaliel [Foundation], and DART – most of whose leaders got their start with IAF,” according to David Walls of Sonoma State University.

The connections between CCHD and Alinsky were clarified in a March 2002 article in *Social Policy*, a journal of the ACORN-affiliated American Institute for Social Justice.

While organizing in Chicago, Alinsky gained many Catholic allies. He began working in 1938 for the Institute for Juvenile Research in Chicago, which worked with local leaders to combat juvenile delinquency. While there, Alinsky teamed up with Joseph Meegan, a devout Catholic who was director of a local recreation facility, to create the Back of the Yards Neighborhood Council.

“Among friends, he could be openly contemptuous about not only Catholic rituals but religious rituals in general,” wrote Sanford D. Horwitt, an Alinsky biographer. But despite his atheism Alinsky found common cause with religious leaders on political matters.

Sometimes he invoked religious imagery and used salty language to make a point: “I think that somebody who goes off in a monastery and starts praying for the salvation of mankind and doesn’t do a damn thing but sits there and prays, I think that when that guy comes up for judgment that the judge is going to sit there and say ‘why you cruddy bastard.’”

Alinsky concentrated his efforts on unions, while Meegan focused on churches and community groups. Meegan helped Alinsky

ingratiate himself with the Chicago Archdiocese. His brother, Monsignor Peter Meegan, served as Bishop Bernard Sheil's secretary. Over time Alinsky's organizing efforts in the Back of the Yards, a section in the Southwest Side of Chicago, gained the support of Bishop Sheil, a liberal who founded the national Catholic Youth Organization.

Alinsky also worked with Jack Egan, a student at Chicago's Mundelein Seminary, who later became a crusading left-wing priest. Monsignor Egan became an important Alinsky ally and a member of the board of Alinsky's Industrial Areas Foundation (IAF). He also went on later to play a significant role in the creation of CCHD and the Catholic Committee on Urban Ministry (CCUM).

CCHD's kinship with ACORN is further discussed in a March 2000 Sojourners magazine article by Helene Slessarev, a professor of urban ministries at Claremont School of Theology:

"Congregation-based community organizing is the fastest growing form of organizing in the country, according to Doug Lawson of the Catholic Campaign for Human Development (CCHD). 'No one else approximates faith-based organizing,' he says. The only non-faith-based organization that has built comparable power is ACORN."

Alinsky's ideas about the aggressive use of power are controversial within church congregations, but Slessarev points out that churches are excellent sites for organizing angry and alienated people, a point not lost on CCHD and ACORN.

"For people who have been marginalized by mainstream society, the church is often the one institution offering them the space to freely develop their leadership abilities by serving as deacons, trustees, musicians, and teachers. This makes the church an excellent starting point for building a powerful community organization."

Alinsky trained generations of community organizers who in turn begat their own activist groups and community organizing schools.

What Made the Bishops De-Fund ACORN?

1. Embezzlement

The embezzlement that led Bishop Morin to announce that Catholics would no longer be making Thanksgiving-time contributions to ACORN organizations took place around 2000. The basic facts of the crime are not in dispute.

Dale Rathke, the brother of ACORN founder Wade Rathke, stole \$948,000 from the ACORN network. When the theft was discovered, ACORN leaders refused to contact law enforcement officials. Instead, they embraced an uncharacteristically libertarian approach to dispute resolution.

Wade Rathke, who had covered up his brother's action for eight years, called it a "misappropriation," and his senior colleagues at ACORN allowed the Rathke family to quietly and privately pay restitution at the meager rate of \$30,000 per year. Observers note that it would have taken more than 30 years to pay off the debt. Throughout the eight years of the cover-up, Wade Rathke kept his brother on the payroll as his \$38,000 a year "assistant" at ACORN headquarters.

Dale Rathke had previously served as a senior official at Citizens Consulting Inc. (CCI), the shadowy financial nerve center of ACORN. As former ACORN national board member Charles Turner said earlier this year on "The Glenn Beck Program,"

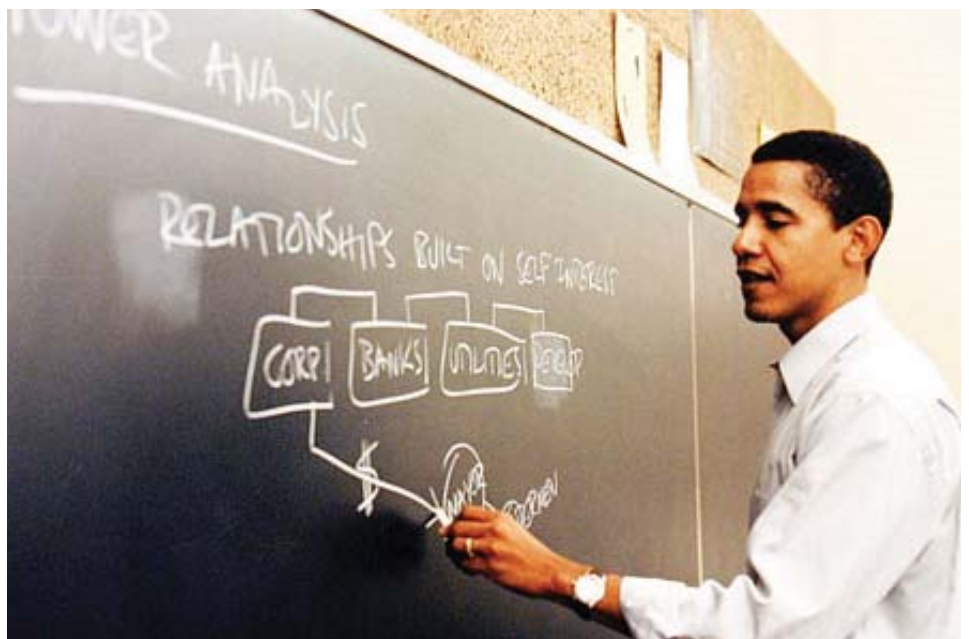
CCI, an affiliate of ACORN, "is where the shell game begins."

"ACORN has over 200 different entities that the money gets moved around to - for this purpose to that purpose, this organization to that organization," said Turner. "We believe the way the money has been moved around, they've been laundering money."

Former ACORN officials say these activities are controlled by the mysterious CCI, which is located in ACORN's headquarters in New Orleans. CCI handles the financial affairs of hundreds of affiliates within the ACORN network. ACORN member dues, government money, and foundation grants, are all sucked into the CCI vortex often never to be seen again.

When the cover-up became public in the summer of 2008, Drummond Pike, the founder of the far-left Tides Foundation, stepped forward and paid off the debt using his personal funds. Wade Rathke had been a member of the board of the Tides Foundation (2007 assets: \$186 million), which has provided more than \$400 million in grants to activist nonprofits since 2000.

ACORN concealed the embezzlement by entering the missing funds as a loan to an ACORN officer on the ledgers of CCI. At the national ACORN board meeting in June last year, Wade Rathke told his fellow community organizers that he had to cover up the embezzlement so the group's right-



FoundationWatch

wing adversaries wouldn't use it to destroy the organization.

It is unclear what other ACORN activities were considered by Bishop Morin's subcommittee. The bishops could hardly ignore the fact that ACORN is relentlessly, emphatically, exuberantly partisan. However, to protect the tax-exempt status of some of its affiliates, ACORN loudly claims to be community-oriented and officially nonpartisan.

2. Partisanship

During last year's Democratic Party primaries, the Obama campaign paid \$833,000 to Citizens Services Inc., another ACORN affiliate, for get-out-the vote activities. Having ACORN do the political work evidently made sense to candidate Obama, who had once led a voter drive for Project Vote, an ACORN affiliate. Obama also represented ACORN in court, and he had lectured at ACORN on organizing techniques.

Last year ACORN and Project Vote proudly announced they had registered 1.3 million new voters. The impressive 1.3 million figure didn't hold for long. After hundreds of thousands of registrations were tossed by election officials, the groups had to admit the true total was closer to 450,000.

In October ACORN's CEO and "chief organizer" Bertha Lewis, endorsed Barack Obama for president. She appeared in a YouTube video in front of a banner reading "Working Families Party: Fighting for Jobs and Justice." (The Working Families Party, a minor New York state political party, is an ACORN affiliate.)

Only Democrats were showcased in another YouTube video, called "ACORN Grassroots Democracy Campaign." The video featured Sens. Sherrod Brown (D-Ohio) and Robert P. Casey Jr. (D-Pennsylvania), and Reps. Dennis Kucinich (D-Ohio) and Barney Frank (D-Massachusetts). Democratic strategist Paul Begala says in the video, "I love ACORN because they're a direct impact organization. They focus on meat and potatoes, the real lives of real people."

ACORN's national political action committee, ACORN Votes, endorsed Obama. ACORN national president Maude Hurd said Obama was "the candidate who best



An undated photograph shows ACORN founder Wade Rathke (left) visiting Peru with Drummond Pike (right), founder of the Tides Foundation.

understands and can affect change on the issues ACORN cares about like stopping foreclosures."

3. Racketeering

Surely other reported instances of ACORN malfeasance must have found their way into the bishops' deliberations. ACORN is under investigation in at least a dozen states for electoral fraud, and is reportedly being probed by the FBI. A group of disgruntled former ACORN members called the "ACORN 8" has asked U.S. attorneys across the nation to pursue civil and criminal litigation under the federal Racketeer Influenced Corrupt Organizations (RICO) Act, along with mail fraud and civil rights charges.

Republican investigators on the House Oversight and Government Reform Committee released a report on ACORN in July called "Is ACORN Intentionally Structured As a Criminal Enterprise?"

There is "a pattern of loose financial accounting and no firewalls" within the community-based group's byzantine network of hundreds of affiliated groups, said Rep. Darrell Issa (R-California), ranking member

on the committee.

"It's very clear that that's for a reason," said Issa. "It is impossible to hand over government money "to ACORN and its affiliates without knowingly delivering it to partisan operatives who in fact engage in campaigning."

The report was "specifically done so that the facts speak for themselves so that very clearly we could make the case that ACORN cannot be receiving government money and should lose its tax-free status," the congressman said.

The investigators also found that by "intentionally blurring the legal distinctions between 361 tax-exempt and non-exempt entities, ACORN diverts taxpayer and tax-exempt monies into partisan political activities." They argued that ACORN should be stripped of its jealously guarded tax-exempt status because it illegally spends taxpayer dollars on partisan activities, commits "systemic fraud," and violates racketeering and election laws.

"Operationally, ACORN is a shell game

played in 120 cities, 43 states and the District of Columbia through a complex structure designed to conceal illegal activities, to use taxpayer and tax-exempt dollars for partisan political purposes, and to distract investigators,” the report said. Structurally, it is “a chess game in which senior management is shielded from accountability by multiple layers of volunteers and compensated employees who serve as pawns to take the fall for every bad act.”

The report examines the ACORN network’s abusive interlocking directorates, and claims that the group deliberately organized itself to escape legal and public scrutiny. “ACORN hides behind a paper wall of nonprofit corporate protections to conceal a criminal conspiracy on the part of its directors, to launder federal money in order to pursue a partisan political agenda and to manipulate the American electorate.”

What Took CCHD So Long?

ACORN misbehavior is well-documented and it’s been going on for years. The group choreographs sit-ins to force banks to lend to high-risk borrowers. It buses schoolchildren to the nation’s capital to demonstrate against tax cuts. It sends mobs to shout down conservative speakers. It raises the dead and leads them to voting booths.

It’s strange that only in 2008 did CCHD get around to noticing that ACORN was crooked. CCHD director Ralph McCloud told Catholic News Service he knew some of CCHD’s past ACORN funding must have gone for voter registration. “But by the same token, we didn’t find any voter registration irregularities, the allegations we are finding now.”

A massive dose of bad publicity crippled ACORN fundraising. Ironically, it has come during a recession just as the people that ACORN claims to help are most in need of real assistance, and it comes at a time when ACORN’s good friend has made it to the White House. As a candidate for president, Barack Obama promised the friends of ACORN that they were on his call list:

“Before I even get inaugurated, during the transition, we’re going to be calling all of you in to help us shape the agenda. We’re going to be having meetings all across the country with

community organizations so that you have input into the agenda for the next presidency of the United States of America,” Senator Obama said in December 2007.

It’s fortunate that Catholics noticed last year what was happening at ACORN. As their parishes geared up for “second collections” in November, Catholics throughout the nation launched local boycotts of the CCHD collection, according to a Nov. 26 Washington Times report.

Parishioners at Queen of Apostles Church in Alexandria, Virginia, were informed in the church bulletin that in the 1990s the CCHD had given money “to organizations diametrically opposed to the Catholic Church, i.e. the pro-abortion group National Organization for Women and the American Civil Liberties Union.”

“There are so many tremendous Catholic apostolates that work with the poor that are in need,” read the bulletin item written by the Rev. Thomas Vander Woude. “One wonders if one’s donations could be better spent elsewhere until the CCHD has proven its ability to fund truly Catholic apostolates that truly work with and help the poor?”

During a Sunday homily at St. Mary’s Church, also in Alexandria, Rev. John DeCelles told his congregation, “I personally haven’t given a dime to the Campaign for Human Development in years.”

Some Catholics were apparently inspired by a blog post written by the late Rev. Richard John Neuhaus, the editor of the journal *First Things*. Father Neuhaus wrote that the collection for CCHD was “misbegotten in concept and corrupt in practice, [and] should, at long last, be terminated.” He added that a decade ago the CCHD was “exposed as using the Catholic Church as a milk cow to fund organizations that frequently were actively working against the Church’s mission, especially in their support of pro-abortion activities and politicians.”

Anita MonCrief, a Washington, D.C. area Catholic and former ACORN employee who personally witnessed ACORN abuses from the inside, told *Catholic World Report* that she was delighted that CCHD finally came to its senses.

“I’ve been a Catholic all my life and I’ve been a little disturbed it took them so long to realize what was happening with ACORN,” MonCrief said. “ACORN and its shenanigans have been in the news since 2000 and they should have known.”

Matthew Vadum is Editor of Foundation Watch and Organization Trends. This article is based on his article about CCHD and ACORN that was published in the April 2009 edition of Catholic World Report. It also relies upon DiscoverTheNetworks.org, the online encyclopedia of the left maintained by the David Horowitz Freedom Center, “The Legacy of CHD: a critical report and analysis of the U.S. Bishops’ Campaign for Human Development,” a monograph by Paul Likoudis that was published in 1996 by the Wanderer Press, and Let Them Call Me Rebel: Saul Alinsky, his life and legacy, by Sanford D. Horwitt, published in 1989 by Knopf.

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We need your help in the current difficult economic climate to continue our important research.

Your contribution to advance our watchdog work is deeply appreciated.

Many thanks.

Terrence Scanlon
President

PhilanthropyNotes

New York Senate Republican leader **Dean Skelos** criticized a federal government program that allows a \$35 million matching grant from **George Soros** and the **Open Society Institute** to clear the way for New York state to access an additional \$140 million in federal economic stimulus funding. Under the program 813,000 poor children will each receive \$200 in back-to-school shopping money. Skelos says the hand-out is “ripe for fraud and abuse.” The \$175 million is “a helicopter drop of cash” that will have a negligible impact on the economy, added **E.J. McMahon**, director of the **Empire Center for New York State Policy**, part of the **Manhattan Institute**.

The **William J. Clinton Foundation** plans to construct the world’s largest solar power generating station in an Indian desert near the Pakistani border. Indian officials said the foundation has signed a memorandum of understanding to move forward with a facility with a generating capacity of 5,000 megawatts. The Clinton Foundation reportedly has \$12 billion in backing from companies such as **GE Energy** and **Microsoft**.

California Assembly Speaker **Karen Bass**, a former community organizer, told the Los Angeles Times that support for limited government is tantamount to terrorism. Lawmakers in a state budget fight “were essentially threatened and terrorized against voting for revenue,” Bass said. “Now [some] are facing recalls. They operate under a terrorist threat: ‘You vote for revenue and your career is over.’ I don’t know why we allow that kind of terrorism to exist.” Bass founded a local group in South L.A. called the Community Coalition.

The Catholic News Agency reports that **Catholic Charities USA** has been awarded a five-year contract by the U.S. Department of Health and Human Services (HHS) and its Administration for Children and Families (ACF) section. Under the \$100 million agreement, the charitable group will render disaster aid nationwide. Although CCUSA has long received federal funding in the form of government grants, **Roger Conner**, a spokesman for the group, said that this is the first contract CCUSA has ever had with the federal government in its 100-year history.

Patients United Now, a project of **Americans for Prosperity Foundation**, is now running an effective TV ad opposing a proposed government takeover of healthcare. It features Canadian brain tumor patient **Shona Holmes** who was told by Canada’s dysfunctional government-run healthcare system that she would have to wait for six months to see a specialist. “In six months I would have died,” Holmes says in the spot. She received successful treatment in the U.S. at the **Mayo Clinic**.

President **Obama** plans to nominate healthcare investor and Democratic Party fundraiser **Alan Solomont**, current chairman of the **Corporation for National and Community Service**, to be U.S. ambassador to Spain and Andorra. CNCS oversees the AmeriCorps program. In June, the CNCS inspector general, recently fired by President Obama, issued a blistering report criticizing CNCS grants, and the House Appropriations Committee cut the administration’s 2010 budget request for the agency, citing its many managerial failings. Solomont has been a member of the CNCS board since 2000.

Goldman Sachs WATCH

“What’s bad for America is good for Goldman Sachs,” writes Terry Keenan, anchor of “Cashin’ In,” a Fox News Channel show about investing. The bank makes big money selling and trading federal, state, and local debt and as one of the largest primary dealers in U.S. Treasuries it “has a huge vested interest in the United States digging a deeper and deeper hole.” Goldman forecasts the U.S. will borrow a record \$3.25 trillion in the fiscal year ending Sept. 30, which is quadruple the total borrowed last year, Keenan writes in a New York Post op-ed. Its biggest competitors in the debt world, Lehman Brothers and Bear Stearns, are defunct. That leaves Goldman as the “major toll collector on Washington’s red-ink railroad,” she writes. “To put it bluntly, Goldman Sachs is a play on the bankrupting of America – the more we borrow, the more they make.”

Conservative pundit Ben Stein said he was recently relieved of his fortnightly column in the Sunday New York Times in part because he criticized Goldman. One of the things Stein did was make a “new set of antagonists by repeatedly and in detail criticizing the real power in this country, the ‘investment bank’ Goldman Sachs, for what seemed to me questionable behavior,” he wrote in the American Spectator.