

The Tides Foundation and Center: Brokers of the Revolution

By Trevor Loudon

Summary: The Tides Foundation and Tides Center are the radical left's best kept secret. Together they provide tens of millions of dollars annually to some of the most extreme, destructive charities in America. Their money has gone to an assortment of questionable groups including ACORN, Media Matters for America, and the Center for Constitutional Rights.

All revolutions need wealthy backers who stand quietly behind the armies of agitators. But revolutions also need bankers and brokers, middlemen who insulate the donor from turmoil as they transmit his funds to the agents of social and political change. To understand the progress of any revolution we need to “follow the money.”

Capital Research Center has looked closely at the Democracy Alliance, the badly-named billionaires' consortium set up by a frustrated George Soros after John Kerry's presidential defeat in 2004. (See the December 2008, January 2008, and December 2006 editions of *Foundation Watch*.) The Democracy Alliance channels funds from a select group of about 100 mega-wealthy donors to “progressive” policy groups that it evaluates and finds worthy of support. However, an equally important organization is the Tides Foundation, founded in 1976, and its affiliated Tides Center. The Tides network is one of the leading brokers of the unfolding Obama Revolution that promises “nothing less than the complete transformation of our economy,” as candidate Obama put it in announcing his energy plan for America in 2008.



With Che Guevara and Fidel Castro looking down, Tides Foundation founder Drummond Pike (right) and disgraced ACORN founder Wade Rathke (left) spread radicalism in a visit to ACORN's organization in the nation of Peru.

Based in San Francisco, the spiritual heart of the “West Coast left,” the Tides network distributes thousands of grants to left, far-left and ultra-left organizations across America. Some of the groups receiving Tides money are independent 501(c)(3) public charities and 501(c)(4) lobby organizations. Others are Tides “projects” that are legally tied to Tides but function largely independently of it. Many Tides projects eventually spin-off from it and become independent legal entities.

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What makes the Tides network unique is that it combines the Foundation's role as a donor-advised funder with the Center's activities, nurturing and sheltering many of its fledgling groups with legal advice and fundraising assistance.

Authors Tom and Gretchen Randall described Tides operations in a previous Capital Research Center report: "The Tides Foundation and its offspring, the Tides Center, effectively 'launder' donor dollars when they give to other nonprofits. The San Francisco-based foundation receives donations for individuals and foundations and then channels them to activist groups. The result is that the original donor can't be linked to the ultimate recipient ... In theory the Foundation raises and grants money, while the Center manages projects and organizations. A legal firewall divides the two organizations and keeps their functions separate. In fact, each does both. The Foundation awards grants to groups, including groups not managed by the Center, that are promoting a kaleidoscope of liberal issues." (See *Foundation Watch*, December 2003.)

Talk show host Glenn Beck has been trying to raise the public profile of the virtually invisible Tides network. Alone in the media,

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Beck has raised the alarm about Tides's carefully crafted strategy of philanthropic giving to radical nonprofits. But the mainstream media is eager to muzzle talk about Tides. When a crazed Beck listener who shot at police later told detectives that he intended to kill "people of importance at the Tides Foundation and the ACLU," Washington Post columnist Dana Milbank urged Beck to restrain his viewers, as if Tides were a paranoid fantasy.

Tides Foundation Grantmaking

The Tides Foundation claims to have distributed \$400 million in grants to progressive nonprofits since 2000. But the true amount must be significantly higher. That's because according to the respected FoundationSearch.com philanthropy database, the Tides Foundation gave 14,246 grants totaling \$630.6 million from 1999 through 2008.

This places Tides squarely in the major leagues of leftist philanthropy. In the same period, George Soros's Open Society Institute, which has a much higher profile, handed out \$901.4 million.

Tides had income of \$114 million in 2008 and maintained over 300 donor-advised funds that made \$105 million in grants to U.S. and overseas groups. According to its 2008 IRS tax form (the most recent available), the Foundation had net assets of \$153 million.

In 2008 Tides made about 1,800 grants totaling \$84 million to U.S. nonprofits and about 600 grants totaling \$20 million to overseas nonprofits. (The U.S. grants list is 93 pages long and there are about twenty grants per page.) The grants vary in size from \$1.5 million to Third Way, a progressive economic policy advocacy group, to some 450 grants in the \$5,000-\$6,000 range. They went to nonprofits with such names as Astraea Lesbian Foundation for Justice, the Grassroots Institute for Fundraising Training, and Youth for Environmental Sanity. While a few grants go to mainstream charities, the vast majority support cause-related advocacy groups promoting social and political change.

Particularly noteworthy are the grants to hard left activist groups like ACORN (\$100,000), ACORN International (three

grants totaling \$134,000), ACORN Institute (three grants totaling \$84,793), ACORN's voter mobilization arm Project Vote (11 grants totaling \$845,000) and the Center for Constitutional Rights (three grants totaling \$15,000). There are also large grants to what White House press secretary Robert Gibbs calls "the professional left": well-connected groups like Catalist (\$801,853), a company established by Bill Clinton associate Harold Ickes that customizes its voter database to serve progressive clients; PowerPAC.org (\$500,000), which runs leftist ballot initiatives and voter registration drives, especially in California; and Media Matters for America (\$500,000), David Brock's left-wing "watch-dog" group.

Tides Center Activities

The much smaller Tides Center was set up in 1996 as an affiliate of the Tides Foundation. In 2008 it had net assets of \$80 million and it received \$89 million in contributions (including almost \$14 million from the Tides Foundation and \$9 million in fees and investment income. Its expenses, including salaries, totaled \$68 million. It maintains a single donor advised fund from which it made \$18 million in grants to other groups. According to FoundationSearch.com, from 2005 through 2007 it gave 345 grants worth \$25.3 million.

The Center is unique because it acts as a "fiscal sponsor" for some 200 new groups and individuals. That doesn't mean that it funds the groups. Instead, it helps new groups get up-and-running by offering them the shelter of Tides own charitable tax status and Tides health and liability insurance. Under the Tides Center umbrella, the new group can then accept tax deductible contributions without needing to apply immediately to the IRS for tax-exempt 501(c)(3) public charity tax status. The Tides Center says its own projects can apply to the Tides Foundation for grants—and it makes the dubious claim that "no preference is given."

Besides giving a new project its seal of approval the Tides Center performs a notable service in showing new groups how to run an office, apply for grants, conduct effective public relations, and handle the many personnel, payroll, and budget problems that might

baffle a novice group. The Center points out that many now established and independent nonprofits began as Tides “projects.” They include People for the American Way, Social Venture Network, Women Donors Network, and Grantmakers for Effective Organizations. It’s noteworthy that the last three groups are themselves organizations that promote effective fundraising.

The concept of “fiscal sponsorship” was pioneered by Tides, but Tides has now created a network of fiscal sponsors so that other groups around the country can give local activists the shelter of their tax status and the benefit of their administrative experience.

Tides People

Clearly Tides has created an innovative model for supporting advocacy organizations in ways that go far beyond raising money for activists. The people at Tides understand that the old models of protest politics won’t work in modern societies. Who are Tides’s leaders? What qualifies them for this vital role? How well connected are they?

A close look at key Tides personnel reveals that most have activist backgrounds connecting them to virtually every sector of the American left, from the Democratic Party, the AFL-CIO and SEIU to George Soros, the antiwar groups Code Pink and United for Peace and Justice, and to ACORN and an array of environmental activists, the religious left and other “progressive” nonprofits. But Tides people also have ties to investment banking and they have expertise in commercial real estate, modern telecommunications, database management, social networking and online fundraising.

To know the people who run Tides is to know the brokers of leftist political change in America.

Drummond Pike

Drummond Pike is the mastermind behind Tides. Born in 1948 and the son of a San Francisco Bay-area investment banker, Pike was a campus activist at the University of California, Santa Cruz, and a 1970s antiwar protester. He began his organizing career by working at the Youth Project, a Washington, D.C. funding conduit that showed young

people with inherited wealth how to support “social change philanthropy.”

In 1976 Pike founded Tides to work with “community-based nonprofit organizations and the progressive movement through innovative grantmaking.” Today he is president of both the Tides Foundation and the Tides Center. Besides his work at Tides, Pike is also a board member and treasurer of the Democracy Alliance and chairman of the board of the Environmental Working Group, a green activist group.

Befitting his reputation as an innovator, Pike helped set up Working Assets, a “progressive” wireless, long distance and credit card company that dedicates much of its profit to leftist advocacy groups. He also is behind the website Egrants.org (now Groundspring.org), which facilitates online charitable giving to “progressive” causes, and the Tsunami Fund, which supports gun control laws.

Pike has long been close to ACORN, the notorious community organizing force that lost much of its influence after it was discovered in 2008 that ACORN chief organizer Wade Rathke covered up a nearly \$1 million embezzlement by his brother Dale, the group’s chief financial officer. Wade Rathke, who served on the Tides board of trustees, appealed to Pike for help to keep the scandal quiet. The Rathke family agreed to pay restitution to ACORN on a slow-as-molasses-in-January repayment schedule. But as the scandal grew, Pike personally contributed around \$700,000 in order to squelch the investigation and keep his donor list secret. (See Capital Research Center’s ACORN profiles in the November 2008 editions of *Foundation Watch* and *Labor Watch*.)

Pike has been a generous donor to the Democratic Party, funding the Democratic Congressional Campaign Committee and prominent candidates including Sen. Sherrod Brown (D-Ohio), former Sen. John Edwards (D-N.C.), and Barack Obama. However, his greatest contribution is the creation of the Tides network.

Wade Rathke

Wade Rathke was a founding board member of the Tides Foundation and until the recent

unpleasantness at ACORN he was chairman of the Tides Center. Because of the embezzlement scandal he was fired by ACORN and resigned from his leadership position at Tides. At ACORN he developed a model of “community organizing” that combines overt grassroots rabble-rousing with covert political and financial management. Rathke continues to serve as a “senior adviser” to Tides and to several of its project entities, the Paradox Fund and the Frontera Fund.

Rathke retains his position of “chief organizer” at SEIU Local 100 (which has recently been disaffiliated from SEIU) and at ACORN International (now renamed Community Organizations International), which is a recipient of Tides Foundation grants and works with many far left political groups in the U.S. and overseas.

The Organizers’ Forum

Both Pike and Rathke serve on the board of the Organizers’ Forum – a key Tides ally and an important bridge to left-wing organizations worldwide. The Forum hosts twice yearly Organizer Dialogues, bringing together constituency-based organizers “to look honestly and critically at our work, learn new skills and approaches, and be challenged by organizers who are doing exceptional or innovative organizing.” To date, there have been 14 Dialogues. The most recent Forum, on Sept. 26-Oct 1, 2010, was to be held in two cities, Hanoi and Ho Chi Minh City (formerly Saigon), Vietnam.

One key member of the Organizers Forum is Michael Kieschnick a “social entrepreneur” who was an early member of the Tides board of directors. Kieschnick is president of Working Assets, the “progressive” grant-maker masquerading as a telephone and credit card company. He also heads up CREDO Mobile, a cell phone adjunct of Working Assets. Kieschnick is a donor to the Secretary of State Project and served on the board of the Ballot Initiatives Strategy Center, which makes use of state ballot initiatives to enact leftist social change. Kieschnick is also on the board of the League of Conservation Voters Education Fund. (In 2008 the Tides Foundation gave \$100,000 to the Ballot Initiatives Strategy Center and \$150,000 to the League of Conservation Voters Education Fund.)

Other Organizers Forum board members include recently retired SEIU president Andy Stern, Deepak Bhargava of the Center for Community Change (which received \$400,000 from Tides in 2008), radical Bay Area Unite HERE leader Tho Thi Do, Mary Gonzalez, deputy director of the Alinsky-inspired Gamaliel Foundation, and John Calkins of the Direct Action and Research Training Center (DART) and a veteran of ACORN's important predecessor group, the National Welfare Rights Organization (NWRO) founded by George Wiley.

Until recently Phaedra Ellis-Lamkins worked for the Organizers' Forum. She is now CEO of Green for All, an Oakland, California-based antipoverty/environmental group launched by Van Jones, the Obama administration's "green jobs czar" until he was dumped following exposure of his outrageous remarks claiming that the Bush administration had advance notice of the 9/11 terror plot.

Maya Wiley and Social Policy magazine
Maya Wiley, George Wiley's daughter, is a member of the Tides Center board of directors. She is also the founder and director of a Tides Center "project," the Center for Social Inclusion, which says it helps community groups "dismantle structural racism." Wiley is a civil rights attorney who has worked for the ACLU, the NAACP Legal Defense & Educational Fund, and the U.S. Attorney's Office for the Southern District of New York. She also has been a consultant to George Soros's Open Society Institute.

Wiley serves on the board of Wade Rathke's Social Policy magazine, which promotes labor and community organizing. Other members of the magazine's advisory board include Noam Chomsky, the famous professor of linguistics-turned-left-wing ideologue; Occidental College professor Peter Dreier; and Frances Fox Piven, co-originator of the infamous "Cloward-Piven Strategy" which proposes to destroy capitalism by inflating local welfare rolls to the point of state bankruptcy.

Another Social Policy board member, Ken Grossinger, is a long-time friend and protege of Piven's late husband Richard Cloward.

In a 2002 obituary, Grossinger wrote of Cloward:

Anyone writing about a mentor knows the difficulty of dealing with a flood of emotions that rush to the surface when recalling the influence of their teacher....Until his last days, some 21 years after I first met him, he was trying to teach me to balance the personal and political.

I was not alone—far from it. Richard taught countless students and readers about social movements - about race, class, poverty and power. More importantly, he taught us how to think about the society and our political relationship to it. He was a mentor to many. Thousands of his students who learned from his 40 years of classes and community activities carry on their work for social and economic justice

In 1992 Grossinger was a founding member of the Committees of Correspondence, a Communist Party USA (CPUSA) splinter group. He also helped to launch the Human SERVE Fund, an advocacy organization that promoted the National Voter Registration Act – commonly known as Motor Voter – a major plank in the left's long-term plan for universal voter registration.

Once director of legislative field operations for the AFL-CIO, Grossinger is currently executive director of the CrossCurrents Foundation (2009 assets: \$1.4 million), a leftist grant-maker. Previously, he was programs director for another grant-maker, the Proteus Fund (2008 assets: \$6.7 million).

Also on the Social Policy advisory board is Heather Booth, who most recently directed the lobbying effort to pass the Obama financial reform bill. Booth is founder of Chicago's Alinsky-inspired Midwest Academy, which has trained thousands of community organizers. Others on the board are Peter Olney, a one-time lecturer at the Sacramento Marxist School, and Janice Fine, an early leader, along with Chomsky and Piven, of the radical New Party. The New Party once listed then-Illinois

State Senate candidate Barack Obama as a party member.

Janice Fine works on the recently established "Cry Wolf Project" with Peter Dreier, labor historian Nelson Lichtenstein, and Donald Cohen of Van Jones's Green For All. This enterprise pays writers and researchers \$1,000 for 2,000 word articles that discredit conservative criticisms of "progressive" legislation and policies. The project is sponsored by the San Diego-based Center on Policy Initiatives and funded by a grant from the Public Welfare Foundation.

Larry Litvak

Educated at Harvard and Stanford, Litvak is vice chair of the Tides Center board of trustees and acts as its investment expert. In the 1970s Litvak was close to the radical Institute for Policy Studies (IPS) – easily the most influential "progressive" organization in the U.S. at the time. Like Drummond Pike and Michael Kieschnick, he was part of the management team at Working Assets, where he was CFO during 1994-2003. Earlier he co-managed \$3.2 billion in assets as a senior vice president and portfolio manager for Walden Asset Management and worked as a lead consultant at Community Economics Inc.

China Brotsky

China Brotsky, a senior vice president at Tides, is the managing director of Tides Shared Spaces, a separate organization that is, in effect, a real estate office that rents space to left-wing nonprofits. Tides scored an enormous coup in the 1990s when the Clinton administration transferred San Francisco's historic Presidio military base to the National Park Service. Tides's Drummond Pike signed a 55-year lease with the Interior Department to take over the Presidio's dozen military hospital buildings and barracks and convert them into modern office space. Brotsky now rents them to left-wing nonprofits.

Brotsky is no apolitical administrator. She is on the advisory board of the corporation watchdog group CorpWatch, a Tides project. She has served on the board of the anti-globalization Global Citizen Center, which is led by Kevin Danaher, husband

of Code Pink founder Medea Benjamin. She is a donor to the Ella Baker Center for Human Rights, founded by Van Jones and to the DataCenter, both based in Oakland, California. The Center is a research outfit founded by Jon Frappier, a radical activist who in the 1970s was a member of the violent Weather Underground.

China Brotsky is a close associate of Bay Area activist Ellen Brotsky, a veteran of the Venceremos Brigade, a group of Americans who first went to Cuba in 1969 to show their support for Fidel Castro. In the 1970s Ellen Brotsky was a steering committee member of the Maoist-run U.S.-China Peoples Friendship Association.

Ellen Friedman

From 1987 until June 2010 Ellen Friedman served as executive vice president of the Tides network and managing director of Tides Foundation. She is an advocate for the power of infrastructure and networks in creating social change, having designed grant programs and initiatives on issues ranging from “environmental sustainability in the West, homeless prevention strategies, and rebuilding communities in post-conflict regions of the world to health equity, technology, and LGBT issues.”

In August, Friedman became executive director of the Compton Foundation (2009 assets: \$59 million), which is based in Redwood City, California, home to several children of founder Randolph Compton, a New York City investment banker who died in 1987 at age 95, and his wife Dorothy Danforth, daughter of the founder of the Ralston Purina company. The Compton Foundation, a member of the Peace and Security Funders Group (PSFG), has a focus similar to Tides. (PSFG was profiled in the August 2009 *Foundation Watch*.)

Friedman is also a board member of the New Field Foundation (a Tides supporting foundation with \$13 million in assets), the Open Square Foundation (formerly Agora Foundation), Women in Philanthropy, the Jewish Funders Network, the Institute for Jewish Spirituality, and the Family Violence Prevention Fund.

In the early 1980s Ellen Friedman was active in California’s Socialist-Feminist Network, which was closely aligned to the Marxist-led New American Movement, the forerunner of Democratic Socialists of America (DSA).

Dan Carol

Dan Carol, who serves with Drummond Pike, Maya Wiley, and Larry Litvak on the Tides Center board of directors, is a savvy political strategist who co-founded the Apollo Alliance. This was the plan for building a new political alliance between labor unions and environmental groups to be organized around the concept of government support for “green jobs.” (Phil Kerpen profiled the Apollo Alliance in the October 2009 *Foundation Watch*.)

In 2004, Carol and two former New Party founders, Joel Rogers from the Center On Wisconsin Strategy and Robert Borosage, the former head of the Institute for Policy Studies who now heads the Institute for America’s Future, approached union leaders Leo Gerard, head of the Steelworkers, and then-SEIU President Andy Stern. The idea of the Alliance, which soon included over 200 supporting organizations, called for a 10-year investment program in a “clean energy, good jobs” economy.

Apollo enlisted a board of directors that included self-described “communist” Van Jones, Gerry Hudson, a vice president of the SEIU and long time DSA member, and Carl Pope, head of the Sierra Club. Apollo is credited with helping to draft the Obama stimulus package, which aims to channel \$60 billion taxpayer dollars into “green/red” causes.

Carol recently joined philanthropist Simon Rosenberg’s “NDN” think tank as senior fellow for innovation and clean technology. Carol’s work to “strengthen the tools and tactics of progressives” has been profiled by the Wall Street Journal and his commentaries appear in the Nation, Alternet, Salon, and Boston Review. He is a founding contributor to the Huffington Post.

Leftists of Influence

Clearly, the people of the Tides network are not merely wealthy donors or long-serving

political hacks. While they transmit large donor contributions to progressive causes, they also transform those causes by re-tooling the mechanisms of “social change philanthropy” and rebuilding the infrastructure of the political left.

Anonymity is one key to Tides’s success. Donors don’t have to reveal the recipients of their contributions. If they leave the grants decisions to Tides’s discretion, donors don’t even have to know which groups receive their money. The grantees can accept funds from wealthy and (*gasp*) capitalist donors with no hint of obligation or compromised principles.

None of this would be possible without Tides people, the brokers of the revolution.

Trevor Loudon is a New Zealand-based writer. He created the New Zeal blog (www.newzeal.blogspot.com) and KeyWiki, an online encyclopedia of the left.

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Please consider contributing early in this calendar year to the Capital Research Center.

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

Radical philanthropist **George Soros** denounced his adopted home country as he gave \$100 million to the left-wing group **Human Rights Watch**, his largest single donation on record. “Unfortunately, we lost the moral high ground during the Bush administration and the Obama administration has not done enough to regain it,” he told the Washington Post. “Therefore human rights as an American cause is often resisted because it comes from America.” The donation is meant to help the group expand overseas.

The ranking member on the Senate Finance Committee wants more public disclosure from 33 non-profit medical groups. “These organizations have a lot of influence over public policy, and people rely on their leadership,” said Sen. **Charles Grassley** (R-Iowa). “There’s a strong case for disclosure and the accountability that results.” A Chronicle of Philanthropy article points out that the **National Alliance on Mental Illness** provides detailed information on its donors.

The U.S. ranked fifth in a study of giving habits, according to the “World Giving Index 2010,” which was conducted by the U.K.-based Charities Aid Foundation. Countries were ranked according to three criteria: the percentage of a country’s inhabitants who gave money to a charity, volunteered for an organization, or helped a stranger in the prior month. Switzerland shared fifth place with the U.S. Australia and New Zealand were tied in first place. Canada and Ireland tied in third place.

Cash-strapped nonprofits weren’t happy in August when New York Gov. **David A. Paterson** signed into law a bill that cut in half the cap on charitable deductions for “high earners.” State residents with state-adjusted gross income above \$10-million annually will only be allowed to deduct 25% of their contributions from their state income, down from the previous 50% level. Analysts say the new law could generate as much as \$100 million in revenue for New York. Philanthropist and filmmaker **Abigail E. Disney**, grandniece of **Walt Disney**, supports the change. “The biggest donors are the people who are least hurt by this economic downturn and more likely to be there every year with the kind of general-support money and reliable money that these organizations need.” Disney is also a fan of the death tax.

After losing 16.1% of its value the previous year, **Columbia University’s** endowment beat stock market indexes and other elite universities in the most recent fiscal year, garnering a 17.3% return on its investments. Columbia’s endowment now stands at around \$6.5 billion.

Goldman Sachs WATCH

“On Wall Street, becoming a partner at Goldman Sachs is considered the equivalent of winning the lottery,” the New York Times reports. But the company plans to instill a measure of market discipline in its ranks by taking away partnerships from up to 60 Goldman executives this year to clear the way for new blood. This “de-partnering,” as it is called within the firm, is “something you just don’t talk about,” one former executive said. Goldman has about 35,000 employees. Only around 375 are partners.