

# **Exposed: The Biggest Non-Profit Funders of Climate Denial**

While the list is by no means exhaustive, it represents key groups primarily focused on energy and the environment that consistently mislead the public about the climate crisis.

ALEX KOTCH March 23, 2022

In its recently released <u>report</u> on climate impacts and adaptation, a working group of the Intergovernmental Panel on Climate Change points out the very real danger of climate misinformation—for the first time since its annual assessments began in 2017.

The report, which states that "urgent action" is needed "to avoid mounting loss of life, biodiversity and infrastructure," finds that "vested economic and political interests have organized and financed misinformation and 'contrarian' climate change communication." The resulting "rhetoric and misinformation on climate change and the deliberate undermining of science have contributed to misperceptions of the scientific consensus, uncertainty, disregarded risk and urgency, and dissent," it contends.

<u>Geoffrey Supran</u>, a Harvard University fellow in the history of science, says it's great that the Intergovernmental Panel on Climate Change (IPCC) has finally called this out. But he believes the report should also detail exactly who has been bankrolling misinformation about the climate crisis.

"Indeed, there's enough to write another report on," Supran said. "The veiled reference to 'vested economic and political interests,' for instance, is an example of where reports such as this can and, in my opinion, should go further, and name names. It is a quantified, reported fact that those vested interests include specific fossil fuel interests and libertarian billionaires such as ExxonMobil, the American Petroleum Institute, and Koch Industries, and that they have orchestrated multi-decade, multi-billion-dollar propaganda campaigns to sabotage science and undermine action."

## Naming Names

Fossil fuel corporations are among the special interests that have <u>funded climate change</u> <u>denial</u> for decades. But it's not just the oil giants that are spreading this harmful misinformation. A host of nonprofit charities—ranging from mainstream money managers to private, right-wing foundations—are some of the biggest funders of climate change denial, research by the Center for Media and Democracy (CMD) has found.

CMD research has found that eight of the most egregious climate misinformation groups received more than \$54 million from nonprofit funders between 2014 and 2020.

While the list is by no means exhaustive, it represents key groups primarily focused on energy and the environment that consistently mislead the public about the climate crisis.

Nonprofit donations to these eight climate misinformation organizations swelled from 2016–18 and decreased in 2019 and 2020. Note that 2020 data may be incomplete, as tax returns are not yet publicly available for some nonprofit donors.

Many other right-wing groups regularly spread misinformation on climate issues, but since their work focuses on other areas as well, their donors are not included in this report. Larger-scale studies such as "Obstructing action: foundation funding and US climate change countermovement organizations" offer additional details.

#### The Dirty Dozen Funders of Climate Misinformation

A dozen of the largest nonprofits donated \$47.8 million to the leading climate denial organizations, accounting for 88% of the funds CMD was able to track down using FY 2014-20 federal tax returns.

Half of the traceable funding came from DonorsTrust and Donors Capital Fund, two donoradvised fund sponsors that pass along their clients' donations to other charities approved by their boards of directors. While the two funds give exclusively to conservative causes, no restrictions are apparent within that ideology. For instance, CMD was first to report that DonorsTrust is by far the <u>biggest known funder of American white nationalist hate groups</u>.

Among the "Dirty Dozen" climate denial financiers are foundations established by the right-wing Bradley, Koch, Mercer, Searle, and Scaife families. The Kochs, Mercers, and other Republican megadonors pour additional money into political groups and electoral campaigns focused on electing right-wing candidates who oppose meaningful action on climate change and often support expanding and deregulating the fossil fuel industry.

The funders named in this report have also financed a broader right-wing political strategy to misinform the public about a number of issues and increase GOP voter turnout.

"Bad actors are using a tried and tested playbook to weaken public mandates and create confusion [about] viable solutions going forward," notes Jennie King, head of civic action and education at the Institute for Strategic Dialogue, an independent nonprofit dedicated to protecting human rights and reversing polarization, extremism, and disinformation around the world. "This includes weaponizing climate response within a broader 'culture wars' frame and conflating it with any supposed controversy, from Covid-19 lockdowns and vaccine mandates to critical race theory, trans rights, or geopolitics."

Leading non-ideological donor-advised fund sponsors connected to the Vanguard and Fidelity financial firms are also among the Dirty Dozen climate misinformation funders.

"We cannot solve the climate crisis until we solve the climate misinformation crisis," U.S. Rep. Ro Khanna (D-Calif.) told CMD. "It is disappointing that mainstream organizations are still keeping ties with groups that have attacked climate science and legislative solutions. We need to be calling this behavior out publicly, so Americans know which organizations are linked to climate denial efforts."

All nonprofits identified by CMD that gave \$10,000 or more to the top climate misinformation groups from 2014–20 are listed in the table below.

A number of the top funders of climate misinformation are closely connected. Staff and board members often overlap, and many currently work or previously worked for organizations linked to Charles Koch.

In addition to the fossil fuel companies themselves, this network of nonprofits has been effective at blocking meaningful policies and regulations to address the climate crisis. In 2022, after a number of dire warnings from the IPCC and other climate monitors, even a unified Democratic White House and congressional majority have yet to pass substantial environmental protection legislation.

In descending order, the leading nonprofit funders of climate science misinformation from 2014–20 are:

## 1. Donors Trust and Donors Capital Fund—\$20.6 million

Known as the "dark money ATM of the conservative movement," <u>DonorsTrust</u> and its sister fund, <u>Donors Capital Fund</u>, have been the nonprofit funding vehicles of choice for the wealthy right wing for many years. They are both donor-advised fund sponsors, meaning that they manage the charitable donations of their clients. These clients "advise" the funds on which nonprofit charities should receive their money, but the funds decide on the recipients.

Between 2014 and 2020, the two funds gave the most money—\$13.3 million—to the <u>Heartland</u> <u>Institute</u>, a Chicago-based free-market think tank and charity that "has been at the forefront of denying the scientific evidence for man-made climate change," according to <u>DeSmog</u>.

The institute has historically received significant funding from fossil fuel giants such as ExxonMobil, Koch Industries, and Murray Energy, and in the 1990s it worked with the tobacco company Philip Morris to question the science linking second-hand smoke to health problems.

The funds bankrolled the <u>Competitive Enterprise Institute</u>, a Washington, D.C.-based free market advocacy group that also has a history of funding from tobacco and oil companies, with nearly \$6 million. The institute's former executive director, <u>Gregory Conko</u>, is senior director of programs at DonorsTrust.

In addition, DonorsTrust and Donors Capital Fund funded these climate misinformation groups from 2014–20:

- Energy and Environment Legal Institute (\$421,000)
- <u>Center for the Study of Carbon Dioxide and Global Change</u> (\$400,000)
- Institute for Energy Research (\$371,000)
- <u>Committee for a Constructive Tomorrow</u> (\$122,000)
- <u>Property and Environmental Research Center</u> (\$30,000)

Kimberly Dennis, cofounder and <u>board chair</u> of DonorsTrust, is on the <u>board</u> of the Property and Environmental Research Center (PERC), which was formerly known as the Political Economy Research Center. She's also president of the right-wing Searle Freedom Trust.

Thomas Beach, a member of the DonorsTrust board of directors, also serves on the PERC board.

## 2. Searle Freedom Trust—\$6.3 million

The <u>Searle Freedom Trust</u>, a private foundation launched with money from the pharmaceutical company that invented the sugar substitute aspartame, donated a total of \$6.3 million to several of the organizations mentioned above, as well as to the <u>CO2 Coalition</u> (\$400,000), a pro-carbon organization founded by prominent climate change denier William Happer, who is currently its chairman.

A <u>former adjunct scholar</u> at the Koch-funded Cato Institute, Happer served as deputy assistant for emerging technologies on Trump's National Security Council, a position he used to <u>attack</u> <u>mainstream climate science</u>. A 2015 Greenpeace <u>investigation</u> revealed that he agreed to accept thousands of dollars from a fake Middle Eastern oil company to write a paper on the benefits of carbon dioxide. CO2 Coalition board member and former Exxon lobbyist Bill O'Keefe suggested in an email that funders of the paper route their money through DonorsTrust to hide their identities, and a DonorsTrust representative, who previously worked with Koch Industries, confirmed to Greenpeace investigators that the fund accepted foreign money if it came from a U.S. bank account, which allowed donors to remain hidden.

Happer also revealed that the CO2 Coalition had accepted thousands of dollars from coal giant Peabody Energy in exchange for his testimony that the earth is experiencing a "carbon dioxide famine" and would benefit from even more greenhouse gas emissions—a claim as absurd as it is false.

The Searle Freedom Trust is closely connected to the Competitive Enterprise Institute, where Searle program officer Richard Tren is on the <u>board of directors</u>. Searle donated the most—more than \$3.4 million—to the Competitive Enterprise Institute during the seven-year period in question. In addition, the foundation gave \$2.2 million to PERC, \$224,000 to the Heartland Institute, and \$80,000 to the Institute for Energy Research, which Charles Koch cofounded.

## 3. Sarah Scaife Foundation—\$5.6 million

The <u>Sarah Scaife Foundation</u> is one of three foundations that were previously overseen by Richard Mellon Scaife, an heir to the Mellon industrial, oil, aluminum, and banking fortune. In addition to funding right-wing political and climate misinformation groups, the Scaife Foundation is a major donor to <u>anti-Muslim</u> and anti-immigrant organizations.

Since 2014, Scaife has given big donations to the Competitive Enterprise Institute (\$2.4 million), PERC (\$1.2 million), the Committee for a Constructive Tomorrow (\$960,000), and the CO2 Coalition (\$777,000), among other climate misinformation groups.

The 2020 board of directors included Roger Kimball, president of <u>Encounter for Culture and</u> <u>Education</u>, a nonprofit shell organization for Encounter Books, a publisher founded and funded by the Bradley Foundation.

## 4. Mercer Family Foundation—\$3 million

The <u>family foundation</u> of hedge fund billionaire and Trump megadonor Robert Mercer and his daughter Rebekah is one of the Heartland Institute's biggest funders, having donated nearly \$2.6 million to the group from 2014–17. It also contributed \$320,000 to the CO2 Coalition in 2016 and 2017, and \$125,000 to the Center for the Study of Carbon Dioxide and Global Change in 2016.

While this might suggest the Mercer Family Foundation stopped funding climate misinformation after 2017, it's likely still doing so. By then the foundation had already given millions to DonorsTrust, which allows donors to shield their names from the public. But in 2018, the foundation ramped up the size of its donor-advised fund, giving more than \$8 million to DonorsTrust and another \$1.4 million the following year. Then, in 2020, the Mercer Family Foundation gave DonorsTrust \$20 million, moving its charitable operation into its donor-advised fund.

A veteran donor to far-right causes, Mercer is a longtime patron of nationalist Steve Bannon, the former head of Breitbart News, CEO of the 2016 Trump campaign, and a former White House special adviser. Bannon is currently focused on coordinating an international far-right movement and rabble rousing through his video podcast, which is a prime vector for ongoing lies about alleged election fraud and other disinformation.

# 5. Dunn Foundation—\$3 million

The behind-the-scenes <u>Dunn Foundation</u> (formerly Dunn's Foundation for Right Thinking) has become one of the biggest climate misinformation funders in the U.S. The private foundation of Florida-based multimillionaire <u>William A. Dunn</u>, president of Dunn Capital Management, gave \$1.3 million to the Competitive Enterprise Institute, \$1.2 million to PERC, and \$600,000 to Heartland from 2014–20. Dunn is an <u>emeritus member</u> of the Competitive Enterprise Institute's board of directors and a former PERC <u>board member</u>.

# 6. Bradley Foundations—\$2.5 million

The Wisconsin-based Lynde and Harry Bradley Foundation was founded by a charter member of the far-right John Birch Society in 1942. Now a \$1-billion private foundation, it's one of the biggest funders of right-wing state policy think tanks. The connected <u>Bradley Impact Fund</u>, a donor-advised fund sponsor, finances many of these same operations.

Since 2014, the Bradley foundations have given nearly \$2 million to the Competitive Enterprise Institute, as well as large amounts to Heartland (\$361,000) and the CO2 Coalition (\$125,000), among other climate misinformation organizations.

The foundations are major funders of the Big Lie of widespread voter fraud, anti-labor activism, and school privatization. The Bradley Foundation <u>board</u> includes <u>Cleta Mitchell</u>, a leading voter suppression lawyer who attempted to help Trump overturn the 2020 presidential election results in Georgia, as well as Koch ally <u>Art Pope</u>, a North Carolina-based GOP megadonor.

# 7. American Fuel and Petrochemical Manufacturers—\$1.5 million

A trade group representing oil, gas, and petrochemical companies, American Fuel and Petrochemical Manufacturers has done its part to advance misinformation about climate change on behalf of its members, which include oil giants Chevron, ExxonMobil, Marathon, and Valero. Its <u>board</u> chairman is Jeff Ramsey, CEO of Flint Hills Resources, an oil refining subsidiary of Koch Industries.

From 2015–18, the trade association donated to the American Energy Alliance (\$1.2 million), the 501(c)(4) affiliate of the Institute for Energy Research; Heartland (\$150,000); and the Competitive Enterprise Institute (\$120,000). The group did not make any contributions in 2018, and tax records for 2019 and 2020 are not yet publicly available.

## 8. Koch Foundations—\$1.5 million

Billionaire oil executive Charles Koch doled out at least \$1.5 million to five climate misinformation organizations through two of his foundations. He and his firm Koch Industries have been among the most significant funders of climate change denial and misinformation for decades.

Since 2014, the Charles Koch Foundation and Charles Koch Institute bankrolled the Institute for Energy Research (\$489,000), PERC (\$390,000), the Competitive Enterprise Institute (\$361,000), and two other climate misinformation operations.

A 2010 <u>Greenpeace report</u> showed that the Koch operation gave more to climate change-denying groups than big, public oil companies such as ExxonMobil.

## 9. Vanguard Charitable Endowment Program—\$1 million

Like DonorsTrust and Donors Capital Fund, the Vanguard Charitable Endowment Program is a donor-advised fund sponsor—albeit a non-ideological one. It passes along clients' donations to an array of causes deemed charitable by the Internal Revenue Service, including climate change

misinformation and white nationalist hate groups. The charitable endowment program is not legally connected to the Vanguard investment company, but Vanguard money managers invest its charitable program's funds and receive management fees, which the charitable arm raises from its clients. In other words, Vanguard profits from Vanguard Charitable and is able to increase its total money under management because of the relationship.

From 2014–18, Vanguard Charitable donated almost \$1 million to the Heartland Institute. Between 2017 and 2020, it also gave nearly \$70,000 to the VDARE Foundation, a white nationalist hate group, with the largest amount given in 2020.

As in <u>past reporting</u>, Vanguard responded to CMD's request for comment with a standard statement glossing over concerns about the ethics of funding groups that help fossil fuel companies destroy the environment or demonize non-white people.

"Donors can recommend grants at any time to qualified 501(c)(3) public charities that are in good standing with the IRS," the statement reads. "Vanguard Charitable abides by IRS guidelines that require all charitable dollars be used to advance the public good. If Vanguard Charitable becomes aware that an organization has been charged by state attorney general or federal regulatory authorities, putting the organization's ability to carry out its charitable purpose in question, Vanguard Charitable will cease grantmaking until the issue has been resolved or charges have been dropped."

Despite its board having full discretion over where its money goes, Vanguard appears to fund any nonprofit that isn't being openly scrutinized by government authorities.

# 10. Fidelity Charitable Gift Fund—\$971,000

Like its rival, Vanguard Charitable, the Fidelity Charitable Gift Fund is another donor-advised fund sponsor closely affiliated with, but not legally connected to, a major financial investment firm. The largest U.S. charity based on annual income, Fidelity Charitable has funded a number of climate misinformation groups in recent years, including the Committee for a Constructive Tomorrow (\$354,000 since 2017), the Heartland Institute (\$213,000 since 2014), and the Center for the Study of Carbon Dioxide and Global Change (\$155,000 in 2018).

Like Vanguard, Fidelity Charitable has <u>financed white nationalist hate groups</u>. Fidelity did not respond to CMD's request for comment.

## 11. National Philanthropic Trust—\$877,000

The National Philanthropic Trust is a donor-advised fund sponsor that was worth <u>\$10.5 billion</u> at the end of June 2020. Since 2014 it has donated \$877,000 to the Competitive Enterprise Institute.

A National Philanthropic Trust spokesperson did not directly address a question about whether climate misinformation should qualify as a charitable activity, and whether that activity was worthy of the trust's money. "As context, in 2021 National Philanthropic Trust donors

recommended grants exceeding \$200 million to charities focused on environmental causes, representing an increase of more than 100% compared to 2020," the spokesperson said.

The National Philanthropic Trust gave the white nationalist VDARE Foundation <u>\$50,000</u> in the 2020 fiscal year, the most recent on record. When CMD asked if the trust is planning to take an honest look at its policies and confront the fact that it funds hate and environmental destruction, the spokesperson said, "NPT takes all constructive feedback under advisement and regularly reviews grantmaking policies."

Among the top recipients of the National Philanthropic Trust's donations in FY2020 was the <u>Stand Together Foundation</u>, a 501(c)(3) "venture philanthropy" foundation founded by Charles Koch, which received \$37.9 million.

## 12. Bartley J. Madden Foundation—\$865,000

The foundation of retired finance industry veteran <u>Bartley J. Madden</u> has mostly donated to the Heartland Institute (\$775,000 from 2016–19), where Madden is a policy adviser. The foundation gave \$90,000 to the Competitive Enterprise Institute between 2016 and 2020.

## 13. Thomas W. Smith Foundation—\$725,000

Baker's dozen: Hedge fund founder Thomas W. Smith is (along with Charles Koch) a major funder of free-market university programs and right-wing think tanks. He also stands out as a prodigious donor to organizations that <u>oppose critical race theory</u>.

Smith's foundation gave \$400,000 to PERC and \$325,000 to the CO2 Coalition from 2014–19. The foundation's 2020 tax records are not yet publicly available.

## **More Climate Misinformers**

A number of other right-wing groups spread lies about the climate crisis, although they work on other issues as well.

The <u>American Legislative Exchange Council</u> (ALEC), a right-wing policy nonprofit that brings together state lawmakers and corporate lobbyists to write model legislation, has <u>denied climate change</u> for years, backing legislation that opposes environmental action and supports fossil fuel companies. Most recently, an ALEC committee approved model legislation <u>penalizing government contractors who divest from fossil fuels</u>. Already passed in Texas, the law is <u>in play</u> in four other states. DonorsTrust/Donors Capital Fund and the Searle, Bradley, Scaife, and Koch foundations all gave millions to ALEC from 2014–20.

Additional organizations that are funded by many of these same donors and misinform the public about the climate crisis include the <u>American Enterprise Institute</u>, Koch's <u>Americans for</u> <u>Prosperity</u> and affiliates, the <u>Heritage Foundation</u>, the <u>Manhattan Institute</u>, and the <u>Texas Public</u> <u>Policy Foundation</u>.

#### Media Exacerbate the Problem

Fossil fuel corporations and groups willfully disseminating misinformation about climate change get help from <u>social media</u> companies and the news media, including mainstream publications.

As chair of the House Oversight Subcommittee on the Environment, Rep. Khanna has "pledged to bring in the heads of these [social media] companies to outline the steps they are taking to crack down on misinformation." Questioning social media CEOs "is one of the next steps in a long-term effort to hold fossil fuel companies responsible for their decades of climate misinformation," continued Khanna, who added that his subcommittee will also examine others involved in the spread of this misinformation, including public relations firms.

Right-wing media regularly misinform their audiences, but in its report the IPCC working group also called out "traditional media" for "the journalistic norm of 'balance' (giving equal weight to climate scientists and contrarians in climate change reporting)," which distorts coverage by "unevenly amplifying certain messages that are not supported by science, contributing to politicization of science, spreading misinformation, and reducing public consensus on action."