

The Street

'Dark Money' Provides the Fuel Behind Global Warming Denial

BY Laura Kiesel
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NEW YORK (MainStreet) -- This spring, new research out of Canada's McGill University that reviewed historical temperature records and geological data (ice cores, tree rings and lake sediments) concluded with 99% certainty that our current climate change predicament cannot be ascribed to natural cycles.

But many are still dubious that man-made climate change is real. What's more, some skeptics even claim climate change is a money-making scam. In reality, you can follow the "dark money" to see how targeted funding is perpetuating these misconceptions -- even as climate change awareness and research groups lose funding.

Pulling Their Stakes

First of all, the Canadian government has seriously slashed funding for climate research in recent years. In 2012, the Canada's National Round Table on the Environment and the Economy its federal advisory panel that consulted on climate change was completely eliminated. The Canadian government has also laid off more than 2,000 scientists and defunded hundreds of science programs in the past five years.

Here in the United States, things do not fare that much better. As reported by the *Christian Science Monitor*, the federal government invested only \$6 billion in renewable energy companies in 2007 as compared to \$52 billion in the fossil fuel industry.

The public's confusion on climate change and the role money plays in addressing it or not, as the case has often been should come as no surprise, considering how much money actually fuels climate misinformation.

The Flood of 'Dark Money'

A study released out of Drexel University at the end of last year found that 140 foundations had directed \$558 million between 2003 and 2010 to approximately 100 organizations, which in turn devoted those funds to climate misinformation campaigns.

The study, which was conducted by environmental sociologist Robert Brulle and published in the peer-reviewed journal *Climactic Change* in late December, found that much of this "dark money" is funneled through third-party foundations like DonorsTrust and Donors Capital. In particular, DonorsTrust was found to account for 25% of all traceable foundation money used by organizations to promote climate skepticism. Other groups found to be significant funders of climate skeptic material were the Searle Freedom Trust, the John Williams Pope Foundation, the Howard Charitable Foundation and the Sarah Scaife Foundation.

To come to his findings, Brulle developed a list of 118 influential climate denial organizations in the United States. After that, he coded data on philanthropic funding for each organization, referring to the Foundation Center's global philanthropy database and financial data records submitted to the Internal Revenue Service.

"The big thing is that it's hard to trace a lot of this money," says Brulle. "Nobody wants to tell you where it's coming from or where it's going."

Brulle's research is particularly poignant in light of the recent release of a series of subsequent reports by the American Association of the Advancement of Science, the Intergovernmental Panel on Climate Change and the White House National Climate Assessment. All three reports not only continue to assert that climate change is occurring and can be attributed to human activities such as burning fossil fuels, but that its impacts are already being felt.

Within weeks of the release of these reports, there was a surge in climate skeptic articles in various media outlets.

In early May, an article with the headline *Dissenting Scientists Label White House Climate Report As 'Pseudoscience'* was published on the U.S. news Web site the *Daily Caller*.

The dissenting scientists referred to in the headline are Pat Michaels and Paul Knappenberger, both of whom work for the think tank Cato Institute.

According to tax records acquired and published online by *PRWatch*, Cato Institute contributed over \$240,000 in 2006 and 2007 to New Hope Environmental Services, a consulting firm founded by Michaels and staffed by Knappenberger that publishes content that questions the validity of anthropogenic climate change. Additionally, Cato Institute, which runs the climate skeptic Web site *GlobalWarming.org*, received a \$1 million grant from Koch Industries, according to a 2010 article in *Mother Jones*.

Forbes has also experienced a recent uptick in climate skeptic content, especially from regular columnist James Taylor, an attorney and Senior Fellow of the Heartland Institute, which came under fire in 2012 for featuring a billboard in Illinois equating those who believe in global warming to Unabomber Ted Kaczynski. The publicity stunt caused Heartland to lose funding support from two dozen insurance companies, including State Farm.

According to transcripts leaked to and posted on *DeSmog Blog*, the Charles G. Koch Foundation donated \$200,000 to Heartland in 2011, as reported by a 2012 Heartland memo on climate strategy. Heartland documents also referred to an "anonymous donor" with an interest in climate skepticism who contributed \$1,664,150 in 2010 to \$979,000 in 2011 to the group -- comprising approximately 20% of the group's annual revenue.

"The biggest surprise for me during my research was discovering that Heartland is registered with the IRS as a 501(c)(3) charity," says Brulle, who notes that approximately 85% of Heartland's funding is untraceable.

Heartland has not confirmed the authenticity of these records and claims one of them is a fake and others were obtained through theft and forgery.

Another article recently featured in *Forbes* by Joseph Bast of the Nongovernment International Panel Climate Change (NIPCC), a project of the Heartland Institute, claims that most of the climate risks outlined in the latest IPCC report such as higher incidences of droughts and floods and related threats of food insecurity are either vastly overstated or nonexistent.

"The NIPCC was [Heartland's] biggest play," says Kert Davies, founder of the Climate Investigations Center. "The pretense [of their report] is that there is some elaborate hoax going on despite this growing body of evidence and knowledge about climate change."

However, the tide seems to be turning as more investors are becoming wary of funding organizations that advocate for climate skepticism or that plan to perpetuate a carbon-intensive economy in light of the uncertainties posed by climate change.

Last month, Stanford became the first major U.S. university to divest its shares in coal-mining companies from its \$18.7 billion endowment funds. And back in March, shareholders of **Apple** (AAPL_) voted down a resolution by the National Center for Public Policy Research a proponent of climate skepticism that would have forced the corporate behemoth to disclose the money it has invested in tackling climate change.

Apple chief executive Tim Cook even explicitly called on climate denialists to ditch their Apple stocks if they did not support company's plan to slash greenhouse gas emissions.

But that's just the tip of the iceberg.

A survey released last year by the Global Investor Coalition on Climate Change, which examined the investment behaviors of asset managers and owners whose collective assets exceeded \$14 trillion, found that more than half (53%) referred to climate change as a motivation when investing in or divesting from certain stocks.

"There's a lot of question about who is funding what and where," says Gretchen Goldman, a lead analyst with the Union of Concerned Scientists' Center for Science and Democracy, where she has recently researched the influence of trade associations on

climate policy in the U.S. "More and more shareholders are concerned about this and want to make sure their companies don't deny science or interfere with any sort of action that can be taken on climate change."