

Mother Jones

Exposed: The Dark-Money ATM of the Conservative Movement

By Andy Kroll February 5, 2013

Working out of an nondescript brick rowhouse in suburban Virginia, a little-known organization named Donors Trust, staffed by five employees, has steered hundreds of millions of dollars to the most influential think tanks, foundations, and advocacy groups in the conservative movement. Over the past decade, it has funded the right's assault on labor unions, climate scientists, public schools, economic regulations, and the very premise of activist government. Yet unlike its nearest counterpart on the progressive side, the Tides Foundation, a bogeyman of Glenn Beck and Bill O'Reilly, Donors Trust has mostly avoided any real scrutiny. It is the dark-money ATM of the right.

Founded in 1999, Donors Trust (and an affiliated group, Donors Capital Fund) has raised north of \$500 million and doled out \$400 million to more than 1,000 conservative and libertarian groups, according to Whitney Ball, the group's CEO. Donors Trust allows wealthy contributors who want to donate millions to the most important causes on the right to do so anonymously, essentially scrubbing the identity of those underwriting conservative and libertarian organizations. Wisconsin's 2011 assault on collective bargaining rights? Donors Trust helped fund that. ALEC, the conservative bill mill? Donors Trust supports it. The climate deniers at the Heartland Institute? They get Donors Trust money, too.

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Donors Trust is not the source of the money it hands out. Some 200 right-of-center funders who've given at least \$10,000 fill the group's coffers. Charities bankrolled by Charles and David Koch, the DeVoses, and the Bradleys, among other conservative benefactors, have given to Donors Trust. And other recipients of Donors Trust money include the Heritage Foundation, Grover Norquist's Americans for Tax Reform, the NRA's Freedom Action Foundation, the Cato Institute, the American Enterprise Institute, the Federalist Society, and the Americans for Prosperity Foundation, chaired (PDF) by none other than David Koch.

In a recent interview, Ball, who calls herself a libertarian, went to great lengths to stress that she's no Koch brothers stooge, and that Donors Trust is not yet another appendage of the almighty "Kochtopus." She insists, "We were not created by them at all."

Donors Trust is a so-called "donor-advised fund," a breed apart from a family foundation like, say, the Lynde and Harry Bradley Foundation, which helped build the conservative movement over decades with donations totaling tens of millions of dollars. The people who donate to Donors Trust don't get final say over how their money is spent. But they get to recommend where their cash goes, and in exchange for giving up some control, they get a bigger tax write-off than they would with a family foundation. (And those who wish it get anonymity.)

Ball says she travels all over the country courting wealthy conservatives and libertarians, and attends Koch donor retreats and Cato "shareholder" meetings. The crux of her pitch is this: Rich folks can give to Donors Trust and rest easy knowing that their millions will continue bankrolling the conservative movement long into the future, even after their death. They don't have to worry that, after they die, their heirs and trustees will use their bucks for causes they would never support. Ball points to the Ford Foundation as one example of a major charity that, in her view, drifted leftward over time and away from ideals of man who started it, industrialist Edsel Ford. Donors Trust promises its funders that conservative money stays with conservatives. "Greenpeace won't get a dime from us," Ball told the *National Review* in 2001.

Donors Trust grew out of the fear among right-leaning donors that their family foundations might end up in the hands of those who would fund centrist or, even worse, left-of-center causes. At the behest of the late Bruce Jacobs, a Seattle-area businessman and "paleocon" who didn't want to underwrite a local community foundation, Ball and a conservative strategist named Kimberly Dennis created Donors Trust.

The amount of cash passing through Donors Trust has skyrocketed. In 2002, Donors Trust and Donors Capital Fund took in \$1.4 million and gave out \$1.2 million. By 2010, \$44 million was flowing in and \$63 million heading out. Donors Trust's board of directors, which ultimately decides who gets funded, reads like a conservative who's-who directory: Arthur Brooks, president of American Enterprise Institute; John Von Kannon, vice president of the Heritage Foundation; William Mellor, president of the Institute for Justice, a libertarian legal firm; and Kris Alan Mauren, director of the Acton Institute, a Michigan-based conservative think tank.

Donors Trust is the only honey-pot of its kind for right-leaning donors. But on the left, there's the Tides Foundation, which gives out tens of millions of dollars each year to thousands of left-leaning groups in the US and overseas (including Mother Jones' nonprofit arm, the Foundation for National Progress). Tides is a target of conspiracy theorists such as TV and radio host Glenn Beck, who has featured Tides on his infamous connect-the-dots chalkboard. But Donors Trust's strategic intent is far narrower and more coherent than Tides's. The groups funded by Donors Trust more or less pursue the same agenda—eliminate regulations, kneecap unions, shrink government, and transfer more power to the private sector.

Donors Trust keeps its contributors secret. Funders can ask Donor Trust to publicly identify their donations, but very few do, Ball says. The reasons for preferring anonymity are many. Some donors want to avoid attention; others don't want their mailboxes and inboxes filling up with unwanted solicitations for more money.

Tax records, however, reveal some of the sugar-daddies of the conservative and libertarian movement who funnel big money through Donors Trust. The Knowledge and Progress Fund, a charity bankrolled by Charles Koch, gave \$2 million in 2011. The DeVos family charity, another pillar of conservative politics, contributed \$1 million in 2009 and \$1.5 million in 2010. And yet another long-time bankroller of conservative politics, the Bradley family, donated \$650,000 through their charity between 2001 and 2010.

Donor Trust's increasingly important role in the conservative movement is perhaps most evident on the issue of climate change. The group has funded much of the climate-change denier movement—bankrolling, for instance, the Heartland Institute, a torchbearer in the denier movement. (It recently compared those who believe in climate change to terrorists.) At the same time, climate-denier funding from family and corporate foundations—say, Exxon's foundation—has declined, according to Robert Brulle, a sociologist at Drexel University who studies the climate change "counter-movement."

Across the conservative spectrum, Brulle found that Donors Trust is playing ever larger role. In 2003, Donors Trust money was the source of 3 percent of the funding for more than 100 conservative groups whose financial records Brulle has studied. By 2010, that percentage had grown to 24 percent. Brulle surmises that financial underwriters of the climate counter-movement and the conservative agenda write large give through Donors Trust to wipe their fingerprints off donations to Heartland and others. "We just have this great big unknown out there about where all the money is coming from," he says. And, in the years to come, the unknown will only get bigger.