

# The Washington Post

## Critics question the impartiality of nonprofit

By: Lydia DePillis- August 15, 2013

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The word "bipartisan" carries a special weight in Washington. If something's bipartisan, it's presumed to be fair and balanced. Just get an approximately equal number of Democrats and Republicans together to agree on something, and it should inoculate you against attacks from either side.

But what if the bipartisan veneer masks a deeper, more important bias - that the real divide in Washington is between those who can afford to pay for manufactured reports and white papers and those who can't?

That is the central allegation facing the Bipartisan Policy Center, a nonprofit group founded in 2007 by former Senate majority leaders Howard Baker (R), Thomas A. Daschle (D), Robert J. Dole (R) and George J. Mitchell (D). As the self-proclaimed "only Washington, DC-based think tank that actively promotes bipartisanship," it says it "drives principled solutions through rigorous analysis, reasoned negotiation and respectful dialogue."

In the past month, it has faced accusations of being far less principled than it claims. The Nation magazine dinged the center for its role in shepherding a plan for major U.S. retailers to improve conditions at Bangladeshi garment factories when the organization had received funding from Wal-Mart. Investigative journalist Ken Silverstein, in a piece for Harvard University's Edmond J. Safra Center for Ethics, outlined how the BPC took money from oil and gas interests while promoting expanded drilling in a report overseen by a lobbyist who had done work for Exxon Mobil.

This week, it is the subject of a scathing report from Public Citizen, [Ralph Nader's](#) consumer advocacy group. The authors charge that, soon after receiving funding from the American Banking Association and Citigroup, the center convened a project on financial regulatory reform stacked with industry advocates.

Their worries were bolstered by the resignation of John Coffee, a Columbia University law professor not affiliated with the industry.

"The Task Force has been bipartisan in terms of political parties," Coffee said. "But it was not bipartisan in terms of the critical division in Washington: The financial services party and the reform party." Coffee had been satisfied with a previous BPC project on capital markets, which had been staffed purely with academics. This one, not so much - he was assigned to a working group with someone from a law firm that lobbies on financial issues.

"I just felt that whether they were Democrat or Republican, the people I was dealing with were professionally engaged in serving the financial services industry," he said. "All they wanted to discuss was further deregulation, and I thought it was a waste of my time."

But another academic participant, former University of Rochester president Thomas Jackson, said he had no problem with the process. The white paper his working group put out in May on how to resolve failed banks, which the Public Citizen report didn't mention, doesn't take sides in either direction.

"I never got a sense that my academic ideas about what you needed to do with this were being resisted on the grounds that 'my clients would go into an uproar about this,' " Jackson said.

Jason Grumet, the BPC's founder and president, vehemently defends the group's process. The financial reform initiative was underwritten by a California-based foundation, he said; the ABA and Citigroup provide less than 2 percent of their funding. They carefully made sure each working group had at least one Democrat and one Republican.

"We very actively embrace interested parties across the spectrum. We don't believe there is such a thing as purity or objectivity," Grumet said.

As for industry participation, Grumet said it is both unavoidable and essential, because most high-level government people also have taken turns in the private sector and have the experience to know what works and what doesn't. "How one would suggest that they could have a meaningful interaction on these issues without corporate engagement is befuddling," Grumet said. "The question is, do we have a process that inoculates our policy work from the special interests of our funders?"

Public Citizen said that it's impossible to separate policy work from the people who pay the bills. But lots of think tanks receive corporate contributions, or at least help from institutions that have discrete policy interests. Bart Naylor, who wrote the report, said that is fine as long as you are up front about it.

"Public Citizen gets money, and I bet if we attacked the people who are our funders, they might be less than thrilled," he said. "But we say we're progressive, and [the] Cato [Institute] is upfront that they're anti-government. But 'bipartisan' says, 'Hey, we have an open mind.'"

The BPC rarely takes corporate contributions and also claims total neutrality. Most organizations - from the Brookings Institution to the American Enterprise Institute, the Center for American Progress to the Heritage Foundation - are known for some degree of political inflection.

The BPC says it is also transparent. Grumet even admits that the banks who donated to the center probably hope to see something favorable to their point of view come out of it.

"This idea that there is such a thing as disinterested money, the notion that anybody's going to write a \$100,000 check to an organization because they don't care about the issues that are being worked on, is kind of fantastic," Grumet said. That's why they try to get a diversity of funding sources, and prominently identify where everybody is coming from, in hopes that the collision of interests will result in a solution that makes some sense to everyone.

"I think that what we find is a little silly about these critiques is that there's this effort to delegitimize the question by suggesting that undisclosed connection," he said. "We proudly wear our different interests on our sleeve."