

## **Written Testimony**

### **To the House Ways and Means Committee**

**Rep. Jason Smith, chairman**

Hearing on Foreign Influence in American Nonprofits:  
Unmasking Threats from Beijing and Beyond

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Chairman Smith, Ranking Member Neal, distinguished members of the Committee, thank you for the honor of testifying. I'm president of the Capital Research Center, where we've long studied the nonprofit world and its connections to politics.

I applaud the Committee for investigating nonprofit political abuses, which deserve much more scrutiny than Congress or the media typically give. It's especially proper to focus on foreign money in nonprofits, because as I observed in a previous testimony, our country is increasingly polarized, yet "we possess near-universal agreement that foreigners and foreign money should *not* meddle in our politics."<sup>1</sup> To ignore this overwhelming democratic consensus against foreign meddling is to suppress our democracy.

The state of the nonprofit sector is not pretty. Traditionally a glorious part of American exceptionalism, featuring ordinary citizens helping each other in grassroots groups devoted to real charity, the nonprofit world, and especially its so-called charitable branch, is too often crudely politicized. As one knowledgeable observer put it, the law that says tax-deductible gifts to 501(c)(3) charities "can't be used for electoral work ... is a joke."<sup>2</sup> Actually, "Philanthropy can help win elections, pass legislation, enact policy, decide court cases, shape press coverage, catalyze protests, smear your enemies, boost your allies, and even help set the overall cultural direction of American life," the same observer admits.<sup>3</sup>

This author, David Callahan, leads InsidePhilanthropy.com and BlueTent.us and is no conservative conspiracy theorist. He's a left-wing activist passionately fighting to "flip the House" of

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<sup>1</sup> <https://waysandmeans.house.gov/event/oversight-subcommittee-hearing-on-growth-of-the-tax-exempt-sector-and-the-impact-on-the-american-political-landscape/>.

<sup>2</sup> David Callahan in an e-newsletter sent to Blue Tent supporters, Dec. 18, 2021, and quoted in <https://thegivingreview.com/a-selection-of-quotes-about-nonprofit-laws-distinction-between-politics-and-charity/>.

<sup>3</sup> <https://www.insidephilanthropy.com/toplines/toplines-nov22-politics-and-philanthropy>.

Representatives to the Democrats and help the party win every other federal and state election,<sup>4</sup> and he admits that the trend is toward ever-more politics in the charitable sector:

Over the past three decades, wealthy people and institutional funders alike have gotten far more savvy at using philanthropy to sway politics, deploying ever larger sums across more issues and arenas. In addition, they've become more sophisticated at integrating their philanthropic giving with campaign donations, lobbying, media strategies, and business operations.<sup>5</sup>

Callahan acknowledges "The public does not support a system that offers so many different ways to convert wealth into political influence and get a nice deduction in return,"<sup>6</sup> and he admits, "philanthropy is largely run by highly educated professionals with little connection to the working class or material hardship."<sup>7</sup>

Many other left-leaning observers likewise admit the ugly situation. Ezra Klein of the *New York Times*, for instance, interviewing Michael Lind (author of *Why the Right Is Wrong for America*), expressed concern in 2024 about "the role that foundations and nonprofits play in modern progressive politics, in the Democratic Party, the amount of power I know them to hold—in terms of what the White House ends up doing, in terms of what happens in Congress." Klein added that "the power of this nonprofit complex in the Democratic Party" is partly based on financing groups "claiming to speak for very, very wide swaths of the electorate," especially for Hispanic voters and Black Americans, yet pushing radical policies that aren't "what Hispanic voters wanted" and were "never popular ... among Black Americans." Lind responds, "That's exactly right. If all of the leaders of these various communities are career nonprofit people or academics funded by the Ford Foundation and other big grantors, they're AstroTurf"—that is, frauds whose allegedly nonpartisan nonprofits are subsidized by Big Philanthropy and serve its agenda.<sup>8</sup>

Still another left-leaning observer describes the phenomenon, though she tries to pretend it's not all left-wing donor-driven partisanship. The reporter Molly Ball, notorious for a sycophantic biography of former House Speaker Nancy Pelosi,<sup>9</sup> wrote the famous *Time* article on how the 2020 election was won thanks to a "secret bipartisan campaign" by activists whom she says formed a "conspiracy" and a "cabal" aimed at shaping the election.<sup>10</sup> Despite her claims the effort was "bipartisan," nearly every one of the 24 groups and 23 persons she mentions were Biden supporters,<sup>11</sup> and the person she calls the conspiracy's "architect" was Michael Podhorzer, longtime political director of the AFL-CIO, which in the 2020 election cycle gave 86% of its funds to Democrats.<sup>12</sup> Ball reports that architect Podhorzer held "back-to-back Zoom meetings for hours a day with his network of contacts across the progressive universe: the labor movement; the institutional left, like Planned Parenthood and Greenpeace; resistance groups like Indivisible and MoveOn; progressive data geeks and strategists, [...] state-level grassroots organizers, racial-justice activists and others." That's an exhaustive list of the Left's nonprofit world,

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<sup>4</sup> See, e.g., <https://www.bluetent.us/top-recommendations>.

<sup>5</sup> <https://www.insidephilanthropy.com/toplines/toplines-nov22-politics-and-philanthropy>.

<sup>6</sup> Ibid.

<sup>7</sup> <https://archive.is/Y3EEr#selection-671.312-671.438>.

<sup>8</sup> <https://www.nytimes.com/2024/11/13/opinion/obama-ezra-klein-podcast-michael-lind.html>.

<sup>9</sup> Ball, Molly. *Pelosi* (New York: Holt, 2020). An extremely unfavorable review in the *Wall Street Journal* decried it as "you-go-girl boosterism," "mindlessly celebratory," and "one of the most cloyingly adulatory paeans to a living politician I've ever read."

<sup>10</sup> <https://time.com/5936036/secret-2020-election-campaign/>.

<sup>11</sup> <https://capitalresearch.org/article/the-groups-and-persons-mentioned-in-times-shadow-campaign-article/>.

<sup>12</sup> <https://www.opensecrets.org/orgs/afl-cio/totals?id=d000000088>.

and where I inserted an ellipsis in the quotation, Ball adds one more group to these hyperpartisan folks fixated on winning the presidential election: “representatives of donors and foundations.”<sup>13</sup>

Perhaps the bluntest left-leaning observer to describe America’s politicized nonprofits is Teddy Schleifer, now a reporter at the *New York Times* after stints at Puck and Vox. In his 2021 article “Inside the Democrats’ Dark Money Machine,” he confesses that 501(c)(3) charities “are often surprisingly as [much a] part of big-money politics as your neighborhood super PAC.” The “line between philanthropy and politics has, frankly, been completely obliterated over the last few years.” On the left, “most insiders now will admit, in candid moments, they’re in on the joke.” Schleifer especially knocks nonprofit voter registration. He notes that Tom Lopach, the former national finance director of the Democratic Senatorial Campaign Committee, runs the 501(c)(3) Voter Participation Center and its (c)(4) sister the Center for Voter Information and claims the groups aren’t partisan. Schleifer scoffs: “Both groups are nonprofits, but they are led by longtime Democratic operatives like Lopach, funded by Democratic Party donors, and work to turn out voters who are likely Democrats. Are these philanthropies?”<sup>14</sup>

Schleifer laments that “ever more of the money that shapes civic life is retreating into the shadows,” and “the public disclosures that are filed with the government have never meant less. … the real money, increasingly flows in the unaccountable backwaters of America’s political swamp.”<sup>15</sup>

Of course, the growth of fiscal sponsorship in the nonprofit sector is part of this retreat into the shadows, as is the growing popularity of donor-advised funds. The National Network of Fiscal Sponsors finds “the field is growing rapidly.” Three times as many sponsorship programs were created in about the first 20 years of this century than were created in the last 40 years of the twentieth century. Over 12,000 sponsored projects exist, “stewarding” over \$2.6 billion in philanthropic and \$575 million in government funding.<sup>16</sup>

Similarly, *Inside Philanthropy* reports that total assets in donor-advised funds in fiscal year 2024 “stood at \$326.45 billion, nearly doubling since fiscal year 2020. Meanwhile, donors recommended a total of \$64.89 billion in grants from DAFs in 2024—a 19% increase over the previous year.”<sup>17</sup> Now neither fiscal sponsorships nor donor-advised funds are inherently undesirable. Used properly, fiscal sponsorships exist to help incubate new nonprofits, though they’re often used just to hide details of a controversial effort, and donor-advised funds help persons who lack the wealth to start their own private foundation—or who know the terrible risks of a private foundation, which often ends up supporting work the original donor would never have financed. But donor-advised funds, too, can be just another way to obscure funding streams, which is likely to raise concerns in an age when so much philanthropy is politicized.

Some left-wing practitioners celebrate the collapse of the traditional distinction between charity and politics. Eric Kessler founded Arabella Advisors, which ran a vast network of politicized left-wing nonprofits that recently re-branded itself as Sunflower Services and Vital Impact.<sup>18</sup> He paid for a case study of Arabella by Georgetown’s business school which admitted that when he founded Arabella in 2005, “most donors still equated philanthropy with giving to charity for community services.” He should have added that *most Americans* think local communities and actual charity are what philanthropy is for.

<sup>13</sup> <https://time.com/5936036/secret-2020-election-campaign/>.

<sup>14</sup> <https://puck.news/inside-the-democrats-dark-money-machine/>.

<sup>15</sup> Ibid.

<sup>16</sup> <https://www.fiscalsponsors.org/blog/field-scan-2023-report>.

<sup>17</sup> <https://archive.is/HFJE#selection-439.0-443.166>.

<sup>18</sup> Kerr, Andrew, and Chuck Ross, “Same Game, Different Name: ‘Radioactive’ Arabella Advisors Announces Rebrand to ‘Sunflower Services’ as Prominent Donors Flee,” Free Beacon, November 18, 2025, <https://freebeacon.com/democrats/same-game-different-name-radioactive-arabella-advisors-announces-rebrand-to-sunflower-services-as-prominent-donors-flee/>.

But he and business partner, Lee Bodner, “saw things differently.” They were obsessed with “bold change-making strategies,” “advocacy,” and “innovative methods”—like fiscal sponsorship—that would “soon help billions in new philanthropic resources”—from left-wing billionaires—“flow into the nonprofit field with unprecedented velocity.”<sup>19</sup>

Again, this top-down, billionaire-driven, hyperpolitical, central-government-bloating “philanthropy” is the opposite of what most Americans expect our charitable sector to engage in. And if it’s undesirable when American donors produce this pseudo-philanthropy and manipulate our politics through it, it’s far worse when *foreign* donors are involved, because nearly all Americans reject foreign money entering our politics through any channel, much less through alleged “charities.” That’s why states keep passing laws to block foreign funds. Only this past week, Alabama and Michigan saw houses of their state legislature pass bills to prohibit foreign nationals from directly or indirectly funding ballot initiatives.<sup>20</sup> Already at least 19 states have passed laws prohibiting foreign nationals or governments from contributing to ballot measure committees, Ballotpedia reports.<sup>21</sup> On the federal level, this Committee should consider whether 501(c)(3) “charities” should continue to be allowed to engage in ballot initiative campaigns, given that charities have no limit on their spending, no requirement to disclose their donors, and may receive unlimited funding from foreign nationals and foreign governments.

States aren’t banning foreign money in ballot initiatives based on some vague fear foreigners may someday attempt to influence our politics this way. No, one of the most prominent longtime foreign donors, Swiss billionaire Hansjörg Wyss, has for years given to nonprofits in the Arabella Advisors network, which in turn is one of the biggest players in recent ballot initiatives that have been a top tactic to turn out Democratic voters.<sup>22</sup> The same Michigan whose House just passed a foreign-funding ban was the top recipient of ballot initiative funds from the Arabella network to which Wyss has given \$360 million.<sup>23</sup>

Before Wyss turned to Arabella’s nonprofits he illegally wrote checks directly to election campaigns, including those of Sen. Dick Durbin (D-IL), then-Rep. Mark Udall (D-CO), and then-Rep. Jay Inslee (D-WA).<sup>24</sup> (The statute of limitations on those donations has expired.) Wyss also told the foreign press he had “supported senators.”<sup>25</sup>

This foreign influence by a Swiss billionaire is no right-wing conspiracy theory. As I testified to the Oversight Subcommittee in 2023, left-leaning news outlets reported with alarm on Wyss’s 501(c)(3)

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<sup>19</sup> “Arabella Advisors: Built for Impact at Scale,” Georgetown Business for Impact (Georgetown University’s McDonough School of Business), November 6, 2023, <https://businessforimpact.georgetown.edu/wp-content/uploads/2024/01/BFI-Arabella-Case-11-1-28-pages-1.pdf>.

<sup>20</sup> <https://thefederalist.com/2026/02/06/michigan-alabama-republicans-advance-bills-to-cut-off-foreign-money-in-elections/>.

<sup>21</sup> Arkansas, California, Colorado, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Missouri, Montana, Nebraska, Nevada, North Dakota, Ohio, South Dakota, Tennessee, Washington, and Wyoming. See [https://ballotpedia.org/Laws\\_governing\\_foreign\\_spending\\_in\\_ballot\\_measure\\_campaigns](https://ballotpedia.org/Laws_governing_foreign_spending_in_ballot_measure_campaigns).

<sup>22</sup> See, e.g., “Can Democrats Ride Ballot Initiatives to Victory?” *The Progressive*, August 19, 2024, <https://progressive.org/magazine/can-democrats-ride-ballot-initiatives-to-victory-daignon-20240819/>.

<sup>23</sup> For spending on ballot initiatives by Arabella’s 1630 Fund, see <https://americansforpublictrust.org/reports/sixteen-thirty-fund-cumulative-spending-on-ballot-issue-campaigns/>. For Wyss’s donations to Arabella entities, see <https://americansforpublictrust.org/reports/hansjorg-wyss-the-swiss-billionaire-influencing-u-s-politics/>.

<sup>24</sup> Wyss’s direct donations remain in FEC records: [https://www.fec.gov/data/receipts/individual-contributions/?contributor\\_name=Wyss%2C+Hansjörg&contributor\\_name=Wyss%2C+Hansjörg](https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=Wyss%2C+Hansjörg&contributor_name=Wyss%2C+Hansjörg).

<sup>25</sup> See Giorgio V. Müller, “We have found a good home for Synthes,” *Neue Zürcher Zeitung*, June 11, 2011, [https://www.nzz.ch/wir\\_haben\\_ein\\_gutes\\_heim\\_fuer\\_synthes\\_gefunden-1d.589550](https://www.nzz.ch/wir_haben_ein_gutes_heim_fuer_synthes_gefunden-1d.589550). In Google’s translation, Wyss says of his time in America during the George W. Bush administration, “I already had three foundations and supported senators.”

private foundation and his (c)(4) Berger Action Fund. *Politico* says that Arabella's 1630 Fund, the recipient of over \$278 million from Wyss, "played a major role in the 2018 midterms, when Democrats flipped control of the House," and it adds that his Berger Action Fund gave \$1 million to a sister group of Democrats' national redistricting hub that has funded lawsuits against GOP-drawn state political maps.<sup>26</sup>

The *New York Times* reports that Wyss's nonprofits "doled out money to a wide array of groups that backed progressive causes and helped Democrats in their efforts to win the White House and control of Congress" in 2020, funded "voter registration and mobilization campaigns to increase Democratic turnout, built media outlets accused of slanting the news to favor Democrats and sought to block Mr. Trump's nominees, prove he colluded with Russia and push for his impeachment"—all before Wyss-supported groups "worked on the Biden transition or joined the administration."<sup>27</sup>

The Associated Press likewise had no blinders obscuring Wyss's political intent: "The Berger Action Fund is a nondescript name for a group with a rather specific purpose: steering the wealth of Hansjörg Wyss, a Swiss billionaire, into the world of American politics and policy." Though "Wyss is prohibited from donating to candidates or political committees ... his influence is still broadly felt through millions of dollars routed through a network of nonprofit groups that invest heavily in the Democratic ecosystem." In short, Wyss is undeniably "a Democratic-aligned megadonor."<sup>28</sup>

No wonder the lawyer for the nonprofits controlled by Wyss and by the old Arabella network, Democratic super-lawyer Marc Elias, sued Ohio after it passed a law banning foreign money in ballot initiatives.<sup>29</sup>

Wyss is especially active in energy and environmental political fights, but he is by no means the only foreign national intruding in American politics in this field. As I testified to the Senate Judiciary Committee last year, this is another example of democracy suppression, because large democratic majorities of Americans oppose radical efforts to end the use of fossil fuels, so popular with left-wing megadonors, especially those aligned with foreign powers who oppose American energy independence. Here again Big Philanthropy is particularly at odds with working-class Americans, who support including fossil fuels in the country's energy mix by three to one. Even voters who planned to support Democrats in 2024, and voters who supported Biden in 2020, by solid majorities told pollsters they don't want to end fossil fuels.<sup>30</sup>

Of course, hobbling our energy sector pleases America's enemies, especially Russia and China. According to Hillary Clinton, who likely saw intelligence reports as Secretary of State that confirmed this claim, "a lot of the money" supporting messages against American fracking came from Russia.<sup>31</sup> Big Philanthropy's advocacy that we accelerate the "clean energy revolution" by working with China means that we will become ever more dependent on China, especially in the raw ingredients of the "clean energy" economy. But that will not bother the multimillionaire Maoist Neville Roy Singham,

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<sup>26</sup> Scott Bland, "Liberal billionaire's nonprofit splashed \$56M in 2020," *Politico*, March 18, 2022, <https://www.politico.com/news/2022/03/18/liberal-billionaire-nonprofit-dark-money-00018513>.

<sup>27</sup> Ken Vogel, "Swiss Billionaire Quietly Becomes Influential Force Among Democrats," *New York Times*, May 3, 2021, <https://www.nytimes.com/2021/05/03/us/politics/hansjorg-wyss-money-democrats.html>.

<sup>28</sup> Brian Slodysko, "Group steers Swiss billionaire's money to liberal causes," Associated Press, April 4, 2023, <https://apnews.com/article/dark-money-democrats-wyss-politics-elections-601d40cd01569190559d545418afe396>.

<sup>29</sup> <https://www.dispatch.com/story/news/politics/2024/06/28/ohio-ban-foreign-donations-violates-first-amendment-lawsuit-political-donations/74243951007/>.

<sup>30</sup> <https://www.aei.org/wp-content/uploads/2024/10/Politics-Without-Winners-Can-Either-Party-Build-a-Majority-Coalition.pdf>.

<sup>31</sup> <https://www.washingtontimes.com/news/2016/oct/10/clinton-blames-russians-anti-fracking-groups/>.

who sold his software company in 2017 for \$785 million and blames “the climate and environmental crisis” on “the predatory nature of capitalism.”<sup>32</sup>

Singham and the radicals he financially supports easily weave environmental extremism into their full-spectrum left-wing activism. The Singham-financed Code Pink, best known for its foreign policy agitation, also exhorts, “Environmentalists Unite! War Fuels the Climate Crisis.” This appears in a Code Pink complaint about America’s allegedly violent empire maintained by our military bases around the world that produce carbon dioxide.<sup>33</sup> By contrast, Code Pink has also hosted a “Rise of Green China” webinar to laud “China’s rise and the evolution of its environmental sustainability practices.”<sup>34</sup> Although these crude crusades reveal a desire to boost Chinese talking points in America, “none of Mr. Singham’s nonprofits have registered under the Foreign Agents Registration Act, as is required of groups that seek to influence public opinion on behalf of foreign powers,” the *New York Times* reports.<sup>35</sup>

But Singham is far from the only foreign billionaire powering politicized environmental nonprofits in America. One Australian billionaire funded a foreign charity to pay an American law firm to represent four tax-exempt environmentalist groups in a lawsuit against a major U.S. energy company. The suit alleges ExxonMobil “concealed the harms caused by single-use plastics.”<sup>36</sup> The Center for Climate Integrity is also piling on. As my colleague Robert Stilson reports, the law firm representing the nonprofits (Cotchett, Pitre & McCarthy) was required to register under the Foreign Agents Registration Act (FARA).<sup>37</sup> Materials accompanying that registration disclosed that the firm was acting on behalf of an Australian charity called the Intergenerational Environment Justice Fund, for the purpose of providing “legal services in California lawsuit.”<sup>38</sup>

The Fund’s contract with its lawyers revealed the Fund “views litigation as a means to achieve environmental objectives” and that the lawsuit’s ultimate goal was “to bring positive change to the plastics industry.” So in classic lawfare fashion, this litigation was launched to achieve a political objective without the trouble of going through the democratic process. And who made an end run around American democracy? A foreign national billionaire, the Australian mining magnate Andrew Forrest, who endowed the \$10 billion Minderoo Foundation,<sup>39</sup> which in turn, the FARA registration reveals, controls the Intergenerational Environment Justice Fund.

Few Americans would call this foreign meddling in American politics via 501(c)(3) “charities” a charitable act that should be incentivized through the tax code, my colleague Stilson notes.<sup>40</sup> No wonder that in recent years Sen. John Kennedy (R-LA) introduced the bipartisan Protecting Our Courts from Foreign Manipulation Act,<sup>41</sup> and Rep. Ben Cline introduced the Protecting Our Courts from Foreign Manipulation Act of 2025.<sup>42</sup>

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<sup>32</sup> <https://thetricontinental.org/newsletterissue/anthropocene-capitalism-climate/>.

<sup>33</sup> <https://www.codepink.org/wing>.

<sup>34</sup> <https://www.codepink.org/greenchina>.

<sup>35</sup> <https://www.nytimes.com/2023/08/05/world/europe/neville-roy-singham-china-propaganda.html>.

<sup>36</sup> <https://www.cpmlegal.com/news-Surfrider-the-Sierra-Club-Heal-the-Bay-and-San-Francisco-Baykeeper-Sue-Exxon-for-Hiding-the-Truth-About-Plastic-Harms>.

<sup>37</sup> <https://capitalresearch.org/article/foreign-funded-plastic-lawfare/>.

<sup>38</sup> <https://efile.fara.gov/docs/7480-Exhibit-AB-20241021-4.pdf>.

<sup>39</sup> <https://philanthropynewsdigest.org/news/minderoo-foundation-endowment-could-reach-26-billion-by-2030>.

<sup>40</sup> <https://capitalresearch.org/article/foreign-funded-plastic-lawfare/>.

<sup>41</sup> <https://www.kennedy.senate.gov/public/2023/9/kennedy-manchin-introduce-bipartisan-protecting-our-courts-from-foreign-manipulation-act-to-end-overseas-meddling-in-u-s-litigation>.

<sup>42</sup> <https://www.congress.gov/bill/119th-congress/house-bill/2675>.

I mentioned the Center for Climate Integrity's cheerleading for the Australian billionaire's lawsuit.<sup>43</sup> That's grimly appropriate because one of the Center's significant funders is another foreign national billionaire, Christopher Hohn of Britain. Hohn is also a major backer of Extinction Rebellion, one of the world's most prominent environmental extremist groups.<sup>44</sup> In 2019 its efforts to "shut down London" lasted for days and resulted in over 1,100 arrests. Dozens of other arrests for its law-breaking have occurred in New York;<sup>45</sup> Washington, D.C.,<sup>46</sup> and elsewhere. Luckily, Americans for Public Trust exposed Sir Hohn's interventions in American politics, which involved over half-a-billion dollars,<sup>47</sup> and as a result he hastily announced he would cease to fund U.S. nonprofits.<sup>48</sup> That's especially reassuring because Hohn's Children's Investment Fund Foundation (CIFF) has deep ties to the Chinese Communist government: "In 2019, CIFF opened an office in Beijing.... CIFF also supports the 'green development' of China's 'Belt and Road Initiative,' the [Chinese Communist Party's] infamous attempt to project soft power globally via international development."<sup>49</sup> CIFF's work in China is overseen by Chinese governmental ministries, and it "has given millions to various organizations directly under the auspices of the Chinese government, including the National Renewable Energy Center, the Foreign Environmental Cooperation Centre (FECO), and Tsinghua University, which conduct energy and military research."<sup>50</sup>

Many environmentalist groups funded by America's left-wing billionaires have disturbing foreign ties. For example, the Rocky Mountain Institute, known for its bogus study attacking gas stoves,<sup>51</sup> now has a China program<sup>52</sup> set up by its CEO. The Institute's co-chair Martha Brooks previously chaired the Yale-China Association. Wei Ding, another board member as of 2023, is the founder and chairman of the Chinese private equity firm Broad River Capital, the *Free Beacon* reports, adding that "Ding started the firm after serving as chairman of the China International Capital Corporation (CICC), a partially state-owned investment bank. Former CICC executives include Chinese leader Xi Jinping's vice president and right-hand man, Wang Qishan, while the corporation's website highlights its 'deep participation in China's economic reforms and development'<sup>53</sup> and goal to 'serve the nation.'"<sup>54</sup>

The *Beacon* also reports how the Institute "joined forces with China's National Development and Reform Commission—the government agency tasked with planning the communist nation's economy—to produce a report that advised China to replace existing appliances and generators with 'clean energy technologies.'"<sup>55</sup>

The California China Climate Institute is another troubling environmentalist group. Housed at U.C. Berkeley, it is a University of California-wide initiative founded and led by former Governor Jerry Brown. It partners with the Institute of Climate Change and Sustainable Development at China's Tsinghua University, the alma mater of Xi Jinping which the Australian Strategic Policy

<sup>43</sup> <https://climateintegrity.org/lawsuits/case/california-nonprofits>.

<sup>44</sup> <https://archive.is/PX1Ni>.

<sup>45</sup> <https://www.pbs.org/wnet/peril-and-promise/2019/08/the-radical-philosophy-of-extinction-rebellion/>.

<sup>46</sup> <https://extinctionrebellion.us/press-release-sep-23-2019>.

<sup>47</sup> <https://americansforpublictrust.org/document/the-foreigner-radicalizing-u-s-policy>.

<sup>48</sup> <https://www.foxbusiness.com/politics/british-billionaire-cuts-off-funding-left-wing-groups-after-watchdog-exposes-553m-operation>.

<sup>49</sup> <https://americansforpublictrust.org/document/the-foreigner-radicalizing-u-s-policy>.

<sup>50</sup> Ibid.

<sup>51</sup> <https://freebeacon.com/biden-administration/meet-the-green-energy-group-behind-the-study-thats-driving-calls-to-ban-gas-stoves/>.

<sup>52</sup> <https://rmi.org/our-work/china-program/>.

<sup>53</sup> <https://archive.is/KXCWY>.

<sup>54</sup> <https://web.archive.org/web/20230201204657/https://en.cicc.com/cmscontent/26.html>.

<sup>55</sup> [https://rmi.org/wp-content/uploads/2017/05/OCS\\_Report\\_ReinventingFireChina\\_2016.pdf](https://rmi.org/wp-content/uploads/2017/05/OCS_Report_ReinventingFireChina_2016.pdf).

Institute deems a “very high risk” institution for its alleged role in supporting cyberattacks, adding that not only the university’s “dedicated defence laboratories but also a range of key laboratories and research institutions at the university have received funding from the military.”<sup>56</sup> Reuters reports that in 2018 hackers operating from this elite university probed “U.S. energy and communications companies, as well as the Alaskan state government.”<sup>57</sup>

The California China Climate Institute also partners with several Chinese Communist Party front groups, the *Free Beacon* reports,<sup>58</sup> including the Chinese People’s Association for Friendship with Foreign Countries, a group Beijing uses to “malignly influence state and local leaders” to advance China’s “global agenda,” according to a Department of State warning.<sup>59</sup> The Biden Administration’s Office of the Director of National Intelligence issued similar warnings in 2022<sup>60</sup> and 2023.<sup>61</sup>

Another wealthy and prominent environmentalist group funded by left-wing billionaires is Energy Foundation China, a 501(c)(3) “charity.” As a thorough report by State Armor explains, this group “is led by Ji Zou, a former official of an influential Chinese government agency, and most of its employees are in Beijing.”<sup>62</sup> Its 2023 IRS filing shows revenues totaled over \$84 million,<sup>63</sup> thanks to the generosity of billionaires like the MacArthur and Hewlett foundations and the Children’s Investment Fund Foundation, the philanthropic vehicle for Christopher Hohn, the British billionaire mentioned earlier. Energy Foundation China “has spent millions each year to bankroll climate advocates who promote phasing out fossil fuels and implementing green energy alternatives like the Rocky Mountain Institute and Natural Resources Defense Council, the latter of which was the target of a 2018 Congressional inquiry into whether it should register as a foreign agent based on its Chinese funding,” State Armor reports. More recently, Energy Foundation China has led a state-level campaign of legislation and litigation against the leading Western fertilizer company, Bayer, which may force the company out of the U.S. market and leave our farmers dependent on a Chinese company for fertilizer. This neutralization of America’s critical advantage over China in food production would be a great victory for the Communist regime.

Energy Foundation China’s employees have deep ties to the China Communist Party. CEO Zou Ji held a leadership position in China’s National Center for Climate Change Strategy and, State Armor notes, “was so deeply tied into CCP leadership that he was included as a part of China’s delegation to the 2015 Paris Climate Talks. Zou’s other affiliations include a position at Tsinghua University,” earlier described as a high-risk institution tied to Chinese cyberattacks. The Foundation’s environmental program director, Xin Liu, “also held high-ranking positions within Chinese government entities,” and Energy Foundation China’s board includes Hongjun Zhang, previously a legislative director for the China National People’s Congress.” Zhang’s D.C. law firm “touts that he has worked for ‘many years in the Chinese government,’ including four different ministries. He even helped author China’s Five-Year Plans.

The Foundation’s executive vice president, David Vance Wagner, once worked for China’s Ministry of Environmental Protection and has a master’s degree from the high-risk Tsinghua University.

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<sup>56</sup> <https://unitracker.aspi.org.au/universities/tsinghua-university/>.

<sup>57</sup> <https://www.reuters.com/article/us-usa-china-cyber/chinese-hackers-targeted-u-s-firms-govt-after-trade-mission-researchers-idUSKBN1L11D2/>.

<sup>58</sup> <https://freebeacon.com/democrats/gavin-newsom-ignores-intelligence-warnings-strengthens-ties-with-ccp-linked-climate-group/>.

<sup>59</sup> <https://2017-2021.state.gov/designation-of-the-national-association-for-chinas-peaceful-unification-nacpu-as-a-foreign-mission-of-the-pre/index.html>.

<sup>60</sup> [https://www.dni.gov/files/NCSC/documents/SafeguardingOurFuture/PRC\\_Subnational\\_Influence-06-July-2022.pdf](https://www.dni.gov/files/NCSC/documents/SafeguardingOurFuture/PRC_Subnational_Influence-06-July-2022.pdf).

<sup>61</sup> <https://www.dni.gov/files/ODNI/documents/assessments/ATA-2023-Unclassified-Report.pdf>.

<sup>62</sup> <https://statearmor.org/who-is-energy-foundation-china/>.

<sup>63</sup> <https://projects.propublica.org/nonprofits/organizations/943126848/202403199349306005/full>.

The Foundation's headquarters in China for its roughly 80 local staff members are in a building owned by CITIC group, a state-owned Chinese investment corporation. One of the Foundation's top contractors is Beijing China News Network, the website of China's state-owned China News Service that spreads the regime's propaganda around the world.<sup>64</sup>

On the one hand, State Armor reports, the Foundation "regularly sends grants directly to CCP-controlled agencies in China," and it partners with governmental entities like the Jiangsu Provincial Department of Ecology and Environment, Tsinghua University, and the Tongzhou District People's Government of Beijing. On the other hand, it also sends money to flagship American universities like the University of California Berkeley, UCLA, and Harvard, and it supports studies praising mandatory electrification policies in America. In short, all the Foundation's work helps ensure "America is subsidizing China's energy resilience while harming its own," which explains why the Chinese Communist Party "has every incentive to support climate activism in America."

A major factor in the politicization of America's nonprofit sector is so-called campaign finance reform, which squeezes political money out of its proper channels—candidates, parties, and traditional PACs—and into nonprofits. McCain-Feingold, the last major campaign finance bill, was passed after eight billionaires all with the same last name, *Foundation*, spent a decade pouring in nearly all the money used to pass it. As usual, Big Philanthropy was at odds with America's democratic majority: the donor ringleader was Pew, whose own pollsters asked Americans two months before the bill's passage to rank 22 issues in importance. Campaign finance reform came dead last (behind runner-up climate change), but the billionaire foundations were thrilled to have hidden their role in the new law, which would strangle traditional political giving but leave the foundations and their "charitable" grantees without any limits on foreign funding or total spending.<sup>65</sup>

Especially in this Committee responsible for the tax code, everyone should recall the origin of the Tax Reform Act of 1969, the fundamental law still governing, in amended form, the charity/politics distinction. A Democratic-controlled Congress passed this limitation on politicized "charity" in outrage over the partisan voter registration carried out by the even-then left-leaning Ford Foundation, and by similar abuses. Ford sent the equivalent of millions in today's dollars to two "charities" and charged them with registering voters for Cleveland's mayoral race. The registrations were over 13 times larger than the eventual victory margin,<sup>66</sup> and ever since, this electioneering intervention has drawn the ire of the Left and the Right.<sup>67</sup> As the Joint Committee on Taxation staff put it in their "General Explanation of the Tax Reform Act of 1969": "In several instances called to Congress' attention, funds were spent in ways clearly designed to favor certain candidates. In some cases, this was done by financing registration campaigns in certain areas...."<sup>68</sup>

When the IRS last considered new regulations on "charitable" work connected to politics, Public Citizen—now testifying in this hearing—worked to manipulate the process. They issued a profoundly disingenuous press release about a poll they had commissioned, and they also worked to defend

<sup>64</sup> <https://www.chinanews.com.cn/common/footer/aboutus.shtml>.

<sup>65</sup> See Fund, John, "Astroturf Politics: How liberal foundations fooled Congress into passing McCain-Feingold," *Wall Street Journal*, March 21, 2005,

[https://www.wsj.com/articles/SB122512338741472357?st=gsiYc4&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/SB122512338741472357?st=gsiYc4&reflink=desktopwebshare_permalink), citing a study by Congressional Quarterly's Political Money Line that found "of the \$140 million spent to directly promote liberal campaign reform in the last decade, a full \$123 million came from just eight liberal foundations." See also Walter, Scott, "Pew and the Gang Ride Again," Capital Research Center, April 2011,

<https://capitalresearch.org/app/uploads/2013/06/FW0411.pdf>.

<sup>66</sup> <https://thegivingreview.com/the-ford-foundation-the-1967-cleveland-mayoral-election-and-the-1969-tax-reform-act/>.

<sup>67</sup> For the Left, see <https://socialistworker.org/2013/03/15/a-niche-in-the-system>. For the Right, see <https://www.discoverthenetworks.org/organizations/ford-foundation/>.

<sup>68</sup> <https://www.jct.gov/getattachment/89bb713c-bb3f-4a1d-a987-425856365722/s-16-70-2406.pdf>.

501(c)(3) voter registration, even though when I asked a Public Citizen spokesman if she could name a single 501(c)(3) in America that is genuinely nonpartisan in its voter registration, she initially couldn't keep a straight face. She finally composed herself to give a non-transparent answer that named not one such group.<sup>69</sup>

Over and over, however, politicized philanthropy backfires. David Callahan, whose criticisms of today's nonprofit scene we opened with, admits this: Big Philanthropy "has invested unprecedented sums since 2016 in these strategies and has not achieved the impact that funders hoped for, to say the least." He doesn't see "how such strategies can succeed in drawing enough working-class Americans back into the left-of-center coalition to reliably win governing power."<sup>70</sup>

Karl Zinsmeister, editor of *The Almanac of American Philanthropy* and a leading scholar in the field, agrees that politicized philanthropy is undesirable, especially when foreign monies intrude. "It is continuous giving by more than a hundred million generous and sensible everyday Americans that constitutes the main branch of U.S. charity." Decentralized giving "is actually one of our most pluralistic and democratic elements. Philanthropy disperses authority" and it "gives individuals direct opportunities to change their communities." By contrast, "the surge of foreign philanthropy that has helped politicize American charities should immediately be cut off."<sup>71</sup>

Bill Schambra, a longtime philanthropy critic, has the best conclusion: Perhaps Callahan wants to sharpen

the boundary between politics and philanthropy because he has seen—first-hand, and as one of the leading practitioners of politically savvy philanthropy—just how politically unsavvy philanthropy has become. Better to return politics to the politicians, who have a tangible stake in consulting voters, rather than leave it to the philanthropists, who are proud of the fact that they do not.<sup>72</sup>

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<sup>69</sup> For the video of this exchange and my critique of the poll, see <https://philanthropydaily.com/lies-damned-lies-and-polls/>.

<sup>70</sup> Quoted in <https://thegivingreview.com/time-for-introspection-about-progressive-philanthropys-political-ineptitude-is-passing/>.

<sup>71</sup> Zinsmeister, Karl, *Sweet Charity: Why Private Giving Is So Important to America (And Must Not Be Wrecked by Politics)*, pp. 13, 15, 20.

<sup>72</sup> <https://thegivingreview.com/time-for-introspection-about-progressive-philanthropys-political-ineptitude-is-passing/>.