

The Democracy Alliance Does America: The Soros-Founded Plutocrats' Club Forms State Chapters

By Matthew Vadum and James Dellinger

(Editor's note: This special report on the Democracy Alliance updates our January 2008 and December 2006 issues of *Foundation Watch*.)

Summary: Four years ago the Democratic Party was in disarray after failing to reclaim the White House and Congress despite record contributions by high-dollar donors. George Soros and other wealthy liberals decided they had the answer to the party's problems. They formed a secretive donors' collaborative to fund a permanent political infrastructure of nonprofit think tanks, media outlets, leadership schools, and activist groups to compete with the conservative movement. Called the Democracy Alliance (DA), Soros and his colleagues put their imprimatur on the party and the progressive movement by steering hundreds of millions of dollars to liberal nonprofits they favored. The Democracy Alliance helped Democrats give Republicans a shellacking in November. Now it's organizing state-level chapters in at least 19 states, and once-conservative Colorado, which hosts the Democracy Alliance's most successful state affiliate, has turned Democrat blue. Moreover, the DA-funded "Secretary of State Project" has helped elect the chief electoral officials in nine states. Critics worry that a secretary of state sympathetic to the aims of ACORN, the radical community organizing group, will open to door to vote fraud.

The wealthy liberals who are members of the Democracy Alliance (DA), the financial clearinghouse that aims to move America permanently to the left, are always afraid of something. Their greatest fear used to be George W. Bush. But now they are afraid that the Democratic victory last month



Democracy Alliance financier George Soros spoofed: This is a screen grab from the Oct. 4 "Saturday Night Live." In front row from left to right, Kristen Wiig as House Speaker Nancy Pelosi, Will Forte as Soros, and Fred Armisen as Rep. Barney Frank.

could weaken the resolve of self-styled "progressives." They worry that complacency and fatalism threaten the progressive sense of mission and their long-term prospects to destroy conservatism and the conservative movement. When the Democracy Alliance was founded in early 2005, members said in a survey that their greatest fear was that their organization might not survive a Democrat winning the White House. Over the next two years they will begin to find out if the Alliance is becoming a victim of its own success.

Democracy Alliance leaders and their most visible funder, George Soros, haven't said much publicly on the Democratic Party's triumph at the polls. But on November 12 they met behind closed doors in Washington,

D.C., according to Marc Ambinder of the Atlantic. It's safe to say they are planning their next moves.

Since at least 2006 DA members and staff have been quietly working to franchise their operations at the state level. The Alliance

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created a Committee on States which aims to put a state-level Democracy Alliance in all 50 states. Its greatest success to date is Colorado, where a DA chapter helped turn that state Democrat blue. The Alliance also funds the Secretary of State Project, which aims to put Democrats in control of the elections apparatus in “key” states.

Following the Money

How much grant-making to liberal groups has the Democracy Alliance facilitated?

It’s not easy to say. First, the Alliance is extremely secretive. Second, it doesn’t generally handle grant monies directly, but acts as a clearinghouse matching causes to willing donors. Unless evidence surfaces that money was funneled through the Alliance, who’s to say an individual DA member didn’t make a grant to a group on his or her own initiative?

Last month a reporter told *Foundation Watch* that a Democracy Alliance spokesperson told him the DA has brokered a total of only \$105 million in grants to date. This is only \$5 million more than we reported 11 months ago. Democracy Alliance founder Rob Stein told a Democratic Party national convention panel discussion in August that the Alliance “over the last 30 months has put about \$110 million into 30 groups.”

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Since the Alliance had been in existence for 43 months –not 30 months— when Stein made the statement, neither amount tells the whole story.

In an August 15 Huffington Post column Alliance member Simon Rosenberg noted that the total dollar value of DA-approved grants was significantly higher. Rosenberg, the founder of the 501(c)(4) New Democrat Network (now called simply NDN), wrote that the Alliance has already “channeled hundreds of millions of dollars into progressive organizations.”

In November 2007, Alliance members George Soros, Rob McKay, Anna Burger, and the Center for American Progress’s John Podesta helped form the Fund for America, a 527 group. Roll Call predicted (Nov. 12, 2007) that the new entity could pump “perhaps \$100 million or more into media buys and voter outreach in the run-up to the 2008 elections.” But Alliance donors pulled back after the Fund fell short of its goal and was disbanded by June 2008, a victim of the lengthy Obama-Clinton primary fight and Obama campaign signals that it did not want its supporters giving to any outside 527 group not under its control. (New York Times “The Caucus” blog, June 26)

Before it disbanded the 527 funded a number of left-of-center political organizations. They include the Campaign to Defend America (\$1.4 million), America Votes, VoteVets.org, Americans United for Change, ACORN, Center for American Progress Action Fund, Women’s Voices, Women Vote Action Fund, and Progress Now Action and some of its affiliates. The Fund’s address was identical to the Service Employees International Union’s Washington headquarters, and it reimbursed SEIU for staff and office expenses. The fund took in \$3.5 million from Soros, \$2.5 million from SEIU, \$2.5 million from Hollywood producer Steve Bing, and \$1 million from hedge fund executive Donald Sussman.

The Alliance created an internal bureaucracy to deal with grants. Last summer, the DA posted a “Letter of Interest” form on its website inviting grant applications from progressive nonprofits for the 2009/2010 giving cycle. The form, since scrubbed from the site, showed that the Alliance has a special interest in sustaining certain kinds of organizations. This list usefully describes what DA funders consider the priorities for the 21st century left:

- ***Building power and capacity in key constituencies:** engagement and issue advocacy work with key constituencies, primarily Latinos and young people, as well as African Americans and unmarried women.
- * **New media and technology:** content generators, aggregators and distributors that disseminate and amplify progressive messages.
- ***Law and legal systems:** working to advance and protect progressive values and policies at all levels of the legal system.
- * **Early stage idea generators:** focusing on progressive idea generation and development at the early and middle stages of the idea cycle including journals, academic networks, books, and non-traditional think tanks.
- * **Content generation:** focusing on traditional and new media vehicles that are capable of developing and effectively promoting progressive ideas.
- * **Civic engagement coordination:** achieving greater efficiency and effectiveness in mobilization and participation work through collaboration and coordination and creating economies of scale.
- * **Civic engagement tools:** increasing capacity and availability of data services, including online organizing services for civic engagement groups.
- * **Election reform:** focusing on structural reforms of our democratic process that will increase voter participation among progressive constituencies.
- * **Youth leadership development:** building on the youth development part of the leadership pipeline that includes looking for organizations targeting young people that work at scale.
- * **Mid-career nonprofit leadership development:** building on the mid-career development part of the leadership pipeline that includes looking for organizations working at scale.

Clearly, donor support is needed for writing books, starting think tanks, winning elections and changing laws. But what’s striking about this list is the philanthropic left’s emphasis on young people, new media, and online organizing.

What is the Democracy Alliance?

During a panel discussion at the Democratic National Convention in Denver in August,

Democracy Alliance founder Rob Stein explained the simple truth behind the Alliance's mission: It was crucial to control the White House. According to a recording of that August 27 meeting Stein explained:

The reason it is so important to control government is because government is the source of enormous power. One president in this country, when he or she takes office, appoints 2 million people—I mean, I'm sorry—appoints 5,000 people to run a bureaucracy, non-military non-postal service of 2 million people, who hire 10 million outside outsource contractors—a workforce of 12 million people—that spends 3 trillion dollars a year. That number is larger than the gross domestic product of all but four countries on the face of the earth.

The Alliance has been around for almost four years now. It was born out of the frustration of wealthy liberals who gave generously to liberal candidates and 527 political committees, but received no electoral payoff in 2004. George Soros, Progressive Insurance chairman Peter B. Lewis, and S&L tycoons Herb and Marion Sandler were angry and discouraged after contributing to the Media Fund, which spent \$57 million on TV ads attacking President Bush in swing states and to America Coming Together which spent \$78 million on get out the vote efforts. They had been seduced by the siren song of pollsters and the mainstream media who promised them John Kerry would trounce the incumbent president. Other wealthy Democratic donors felt the same way. “The U.S. didn't enter World War II until Japan bombed Pearl Harbor,” political consultant Erica Payne told them. “We just had our Pearl Harbor.”

In April 2005, 70 millionaires and billionaires met in Phoenix, Arizona, for a secret long-term strategy session. Three quarters of the members at the meeting agreed that the Alliance should not “retain close ties to the Democratic Party,” and 84% thought the conservative movement was “a fundamental threat to the American way of life.”

Former Clinton administration official Rob Stein told the gathering they needed to reflect on how conservatives had spent four decades investing in ideas and institutions with staying power. Stein showed his PowerPoint

presentation on condition they keep it confidential. Called “The Conservative Message Machine's Money Matrix,” Stein showed graphs and charts of an intricate network of organizations, funders, and activists that comprised what he said was the conservative movement. “This is perhaps the most potent, independent, institutionalized apparatus ever assembled in a democracy to promote one belief system,” Stein said.



Democracy Alliance founder Rob Stein at a November 2006 panel discussion at the Hudson Institute's Bradley Center for Philanthropy and Civic Renewal

Stein believed the left could not compete electorally because it was hopelessly out-gunned by the right's think tanks, legal advocacy organizations, and leadership schools. Stein failed to mention the universities, big foundations and mainstream media as adjuncts of the political left.

Stein felt Democrats had grown accustomed to thinking of themselves as the natural majority party. The party had become a top-down organization run by professional politicians untroubled by donors' concerns. He was convinced the party had to be turned upside-down: Donors should fund an ideological movement to dictate policies to politicians. Activists with new money and new energy should demand more say in party affairs. Said Eli Pariser of the group MoveOn.org: “Now it's our party: we bought it, we own it, and we're going to take it back.”

Democratic donors aggravated by the GOP's electoral success latched on to Stein's vision. “The new breed of rich and frustrated leftists” saw themselves as oppressed both by “a Republican conspiracy” and “by their own party and its insipid Washington establishment,” writes journalist Matt Bai, author of *The Argument: Billionaires, Bloggers, and the Battle to Remake Democratic Politics*. “This, more than anything else, was what

drew them to Rob Stein's presentation,” writes Bai.

Stein's presentation won converts and in 2005 the Democracy Alliance was born. It was an odd name for a loose collection of super-rich donors committed to building organizations that would propel America to the left.

The Alliance is becoming what leftist blogger Markos Moulitsas of DailyKos fame called for in 2005: “A vast, Vast Left Wing Conspiracy to rival” the conservative movement. It relies less on traditional Democratic Party “machine” politics, which typically draws upon fat cats, institutions (the party itself, labor unions), and single-issue advocacy groups (pro-abortion rights groups, the National Education Association and other teacher unions). Although it is officially nonpartisan, the DA has cultivated deep and extensive ties to the Democratic Party establishment.

Members, who are called “partners,” pay an initial \$25,000 fee and \$30,000 in yearly dues and must pledge to give at least \$200,000 annually to groups that the Alliance endorses. Partners meet two times a year. The Alliance discourages partners from discussing DA affairs with the media, and it requires its grant recipients to sign nondisclosure agreements.

The Alliance’s board is a microcosm of the modern left. In the top rungs are Rob McKay, a limousine liberal, Anna Burger, a labor activist, and Drummond Pike, a peacenik from the 1960s. Taco Bell heir McKay was born in conservative Orange County, Calif., and his parents were Republicans. The DA vice chairman is Anna Burger, sometimes known as the “Queen of Labor.” She is secretary-treasurer of the militant SEIU and chairman of Change to Win, the AFL-CIO breakaway labor federation. Drummond Pike, founder of the ultra-liberal Tides Foundation, is the DA’s treasurer. Pike was recently in the news when it was revealed that he personally contributed over \$700,000 to help pay back \$948,000 embezzled from the radical group ACORN. The theft was committed by the brother of Pike’s close friend Wade Rathke, who is ACORN’s founder. Pike’s actions were an attempt to help Rathke cover up a scandal that would have damaged the good reputation (and donor support) ACORN enjoys among leftist activists. (For more on ACORN, see *Foundation Watch* and *Labor Watch*, November 2008.)

Organizing the States

Despite founder Rob Stein’s promise two years ago to make the Democracy Alliance more transparent, the group reveals little about its membership or their contributions. But since our most recent *Foundation Watch* profile of the group in January, we have learned that the group has big plans for the future.

Stein has been working to create state-level Democracy Alliances across the country. One is already openly operating in Colorado, and possibly in other states. In August, during the Democrats’ national convention in Denver, Stein touted the Democracy Alliance, telling participants at a panel discussion that no organization “has done more in the last four years to help build the 30 or so organizations that help form the core of what is happening all around the country.”

At the convention, Stein said DA’s “Committee on States” project “is helping 18-other states beyond Colorado try to get up to Colorado’s level of sophistication and organizational development.” He added, “over the next couple of years a lot of development is going to happen.”

Stein complimented leaders of the Colorado Democracy Alliance (CoDA) which started up in 2006. With little national attention and less money, CoDA had helped Colorado turn from red to blue in just a few short years.

Of CoDA, which until recently operated under the radar, Stein said:

In the absolutely finest form of flattery, the *Weekly Standard*, which is the most respected conservative-right opinion journal in the country, did a cover story about a month ago, written by Fred Barnes, on the Colorado Model. And it is a warning shot to conservatives in America, that if the Colorado Model is replicated elsewhere, conservatives have nothing comparable to possibly compete with it and they had better watch out.

In the July 21 article, Barnes recounted how in January 2008 “a ‘confidential’ memo from a Democratic political consultant outlined an ambitious scheme for spending \$11.7 million in Colorado this year to crush Republicans.” The goal was to “[l]ock in Democratic control of Colorado for years to come.” The memo by Democratic strategist Dominic DePapa was first reported by the Rocky Mountain News on Jan. 29 and used the phrase, “Define Schaffer/Foot on Throat.” Wealthy liberal donors in the state would need to come up with \$5.1 million to defeat the GOP’s U.S. Senate candidate, Bob Schaffer, and \$2.6 million to oust incumbent Rep. Marilyn Musgrave.

It worked, at least in this election cycle. On Nov. 4, the Democrats’ Mark Udall won by 10% picking up the Republican-held Senate seat that Schaffer sought. Musgrave too went down in flames, beaten by newcomer Betsy Markey by a margin of 13%.

The legal status of the Committee on States is unclear. It is housed in the Service Employees International Union (SEIU) building in Washington, D.C. A May want-ad on job

website idealist.org for a project coordinator describes the Committee as “a not-for-profit organization that encourages and supports the strengthening of sustainable, state-based progressive political networks across the country.”

Alliance member Anne Bartley, a trustee of the Rockefeller Brothers Fund, helped create the Committee. Bartley, a step-daughter of the late Arkansas governor Winthrop Rockefeller, one of the Rockefeller brothers, is married to Larry B. McNeil, a former Saul Alinsky organizer for 25 years. McNeil is now director of the SEIU-sponsored Institute for Change, a leadership training foundation.

DA’s “investment services” consultant Frank Smith, a former assistant district attorney in Boston, co-manages the Committee on States project. Kelly Craighead, managing director of the Democracy Alliance, explained that the intention is “to build infrastructure, both at the national level and at the state level, but also to build the sustainable progressive majorities.”

Michigan, Minnesota, Ohio, and Wisconsin Too?

Through its Committee on States, the Democracy Alliance may have already opened branches in Michigan, Minnesota, Ohio, and Wisconsin too. Grant data indicate DA members are heavily involved in financing Democrats in all four states. At the Democratic convention, Frank Smith said:

We’ve also had a couple of other projects that grew out of DA work this year, that we’re funding organizations like Working America, which has got a door to door membership canvass in states like Colorado, Ohio, Michigan, Wisconsin, in those states where we’ve got to get to those constituencies on economic issues and to convince them that four more years of Republican ruin is going to, what, what that’s going to mean for their lives. So there is a big program in these crucial states, it’s just under-funded at this point.

It could be that the national Alliance is supporting existing state groups until it can establish its own branches in those states.

Campaign Donations Favored Democrats in 2008

In 2008, Democrats didn't need help from the Democracy Alliance, which was free to focus on its long-term mission of building a progressive infrastructure. The party out-raised Republicans in the presidential and congressional races. All Democratic presidential candidates raised \$889 million compared to Republicans' \$640 million. Barack Obama raised \$639 million compared to McCain's \$360 million, according to the FEC's Oct. 27 figures. MoveOn.org claims to have steered an astounding \$88 million to Obama's campaign. In Senate races, Democrats raised \$194 million compared to Republicans' \$178 million. In House races, Democrats raised \$478 million versus Republicans' \$400 million. (opensecrets.org, FEC data as of Nov. 6)

Corporate America leaned left in 2008. Businesses gave all Democratic candidates \$886 million compared to \$728 million to Republicans. That's a 55% to 45% split in favor of Democrats. Labor gave \$54 million to Democrats versus less than \$5 million to Republicans. That's a 91% to 8% split in favor of Democrats. (opensecrets.org, FEC data as of Oct. 27) Corporations and labor unions, which cannot give directly to political parties or candidates to federal office, may make unlimited contributions to 527s. The only (wink wink) restriction: the law forbids political parties and 527s from "coordinating" their activities.

Of the top corporate and labor union donors to **ostensibly non-partisan** 527 committees that filed disclosure reports with the IRS, four were on the left:

The **Service Employees International Union** (\$31 million), followed by the **American Federation of State, County, and Municipal Employees** (\$5.6 million), **Soros Fund Management** (\$5.1 million), and Steven Bing's **Shangri-La Entertainment** \$4.8 million. Number five was **Las Vegas Sands** (\$4.4 million), whose namesake hotel is owned by conservative businessman **Sheldon Adelson**. SEIU also topped the list in the 2006 cycle, donating \$33 million. (opensecrets.org, IRS records as of Oct. 21)

In Michigan, Colorado-based Alliance member Pat (Patricia) Stryker and her billionaire brother Jon Stryker of Kalamazoo, Mich., have given millions of dollars to Democratic candidates and the Michigan Coalition for Progress, an independent left-wing political action committee. Since 2006, Patricia has given \$500,000 to the Coalition and Jon has given \$8,697,827, according to Michigan's campaign finance database. Jon has given \$755,230 to the Democratic State Central Committee and \$50,000 to the Granholm Leadership Fund, an independent PAC for Democratic Gov. Jennifer Granholm.

Other Alliance members have been writing checks for Michigan too. George Soros gave \$10,000 to the 21st Century Democrats PAC in 2006 and \$3,400 to Granholm's campaign in 2005. In 2006 Peter B. Lewis, gave \$65,000 to the Democratic Legislative Campaign Committee (DLCC), an independent PAC and \$3,400 to Granholm's campaign. Deborah Rappaport gave \$100,000 to the DLCC in 2006. Rutt Bridges gave Granholm's campaign \$1,000 in 2006.

In Minnesota, DA members Tim Gill and Pat Stryker gave \$300,000 and \$100,000, respectively, in 2006, to the liberal Alliance for a Better Minnesota, a 501(c)(4) pressure group. Two state SEIU funds gave a total of \$105,000 in 2005 and 2006 to the group.

Soros gave \$10,000 to the Minnesota DFL (Democrat) State Central Committee in 2006, and \$200,000 to the Minnesota chapter of America Votes, an approved DA grantee, the same year.

In Ohio, Progress Ohio, a 501(c)(4) affiliate of Progress Now, has been funded by the Democracy Alliance. Since Progress Ohio was created in 2006, "affiliates based on the same model have sprouted in seven other states: Courage Campaign (CA); Progress Florida; Progress Michigan; Alliance for a Better Minnesota; Clearly New Mexico; Fuse Washington and One Wisconsin Now," NPR reports. Progress Now aspires to be active in 25 states by 2012.

The Alliance's vehicle in Wisconsin may be Advancing Wisconsin, a political action committee. In the 2008 election cycle it received donations from the Fund for America (\$230,000) and SEIU Wisconsin State Council (at least \$13,120). The group also received funds from DA-approved grantee America Votes, which in turn has received donations from Alliance members Pat Stryker and Peter B. Lewis.

The "Colorado Model"

What is this "Colorado Model" that journalist Fred Barnes writes "if copied in other states, has the potential to produce sweep-

ing Democratic gains nationwide"? This approach, he says,

depends partly on wealthy liberals' spending tons of money not only on "independent expenditures" to attack Republican office-seekers but also to create a vast infrastructure of liberal organizations that produces an anti-Republican, anti-conservative echo chamber in politics and the media.

"Colorado is being used as a test bed for a swarm offense by Democrats and liberals to put conservatives and Republicans on defense as much as possible," says former Colorado Republican state senator John Andrews, who founded the Independence Institute, the state's free-market think-tank.

Barnes explains that the Democrats' push in Colorado has its origins in 2004 when Colorado State University president Al Yates got together with heiress Pat Stryker, technology entrepreneur Jared Polis, and software tycoons Tim Gill and Rutt Bridges. (All except for Polis are known DA members.) That year the group quietly spent \$2 million targeting Republican state lawmakers, and for the first time in 44 years, Democrats won majorities in both the state senate and house. In 2006, Gill and Stryker spent \$7.5 million to elect a Democratic governor, and

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in 2008, Schaffer and Musgrave fell to the progressive juggernaut.

With last month's election, the state will have two Democratic senators and five out of the state's seven House members will be Democrats. In 1998, the state had two Republican senators and four of the six House members were GOP, as well as the governor and both houses in the state legislature. Here is another measure of Democratic success: in 2000 George W. Bush won the state by 9%. In 2004 he won by 5%. But in 2008 Republican John McCain garnered only 44% of the state's popular vote compared to 53% for Democrat Obama.

Eric O'Keefe, who heads the conservative Chicago-based Sam Adams Alliance, says there are seven "capacities" that are needed to advance a political strategy and keep it moving forward. As Barnes explains it, those capacities are 1) "to generate intellectual ammunition," 2) "to pursue investigations," 3) "to mobilize for elections," 4) to combat media bias, 5) to sue strategically, 6) "to train new leaders," and 7) "to sustain a presence in the new media."

Left-wingers in Colorado now have all seven, Barnes says. There are liberal think tanks: the Bighorn Center for Public Policy (founded by Rutt Bridges – but now reportedly defunct) and the Bell Policy Center (recipient of \$150,000 from the Gill Foundation since 2005 and \$10,000 from the Rutt Bridges Family Foundation in 2004). A MoveOn.org activist spin-off called ProgressNowAction.org was formed in 2005. And Colorado Media Matters, a spin-off of David Brock's liberal watchdog Media Matters for America, was formed in 2006 to pressure journalists and editorial writers into being even *more* liberal.

Colorado Ethics Watch, was created in 2006 to handle so-called public interest litigation. Its parent in the nation's capital, Citizens for Responsibility and Ethics in Washington (CREW), serves as a financial conduit, accepting donations designated for the Colorado entity. The Gill Foundation gave CREW \$100,000 in 2006 earmarked for its Colorado arm.

An online media outlet, the Colorado Independent, was also launched in 2006. It

relentlessly attacks Republicans and is a subsidiary of the leftist Center for Independent Media. The parent group acknowledges on its website that it has received grants from the Gill Foundation, Service Employees International Union (SEIU), and Soros's Open Society Institute. Other donors to the Colorado Independent include the Sagner Family Foundation (as in DA member Deborah Sagner) which in 2006 gave \$6,000 through the Tides Center. Other Colorado-specific liberal websites include ColoradoPols.com and SquareState.net.

There's a Colorado chapter of the Center for Progressive Leadership, which provides liberal leadership boot camps. The parent entity received \$16,420 from the Gill Foundation in



The Alliance-funded Secretary of State Project helped elect Mark Ritchie as Minnesota's chief electoral officer.

2006 and \$50,000 from the Susie Tompkins Buell Foundation (whose namesake is a DA member) in 2007.

By coordinating these seven prongs the Colorado Model drives political discussions and media coverage in the state. "Build an echo chamber and the media laps it up," says Jon Caldara, president of the Independence Institute.

Behind the CoDA Curtain

At the August 27 meeting in Denver, Laurie Hirschfeld Zeller, executive director of Colorado Democracy Alliance, threw some light on her state-level spinoff. She said

CoDA's job is "to build a long-term progressive infrastructure in Colorado, while we're conceding nothing in the short term, in terms of progressive goals at the ballot box."

An internal memo published on the Denver Post website laid out the levels of CoDA membership. "Tier I" members commit to give at least \$100,000 directly to CoDA-approved groups, participate in internal governance, and pay \$12,000 in annual membership dues. "Tier II" members commit to give at least \$25,000 directly to approved groups and pay annual membership dues of \$2,000. Institutional members must give at least \$400,000 a year directly to approved groups and pay \$12,000 in annual dues.

A confidential memo dated Oct. 3, 2006 published by the Denver Post identified the "board of directors and founding members" as Rutt Bridges, Tom Congdon, Doug Phelps, Tim Gill, Bruce Oreck, Linda Shoemaker, and Pat Stryker. Other named board members were David Friedman, Judi Wagner, Butch Weaver, Kimbal Musk, Rob Katz, and John Huggins. Institutional members named were Colorado Education Association (CEA), SEIU, AFL-CIO, and Colorado Trial Lawyers Association (CTLA)

At the Democratic convention, Zeller lauded the work of several groups that have received funding from CoDA. America Votes, said Zeller, coordinates the work of 37 member advocacy organizations representing "almost a quarter of a million Colorado members and a reach into the activist community that's crucial for achieving both electoral goals and progressive change over time."

She also hailed New Era Colorado for being "youth vote oriented" and "focused on really innovative uses of technology, of communications, and different ways of activating youth, particularly non-college youth."

Zeller praised the Bell Policy Center for studies that supported increased state spending and criticized Colorado's groundbreaking Taxpayer Bill of Rights (TABOR):

As you may know, we have an arcane constitutional provision that requires that voters have to approve any increase in taxes and spending. And the Bell has developed an expertise and a commu-

nications capacity on those issues that has helped to empower the progressive sector to be able to talk about the funding concerns of the states, and really about the role of government, that it plays. There are 19 measures on the ballot here in Colorado, and the Bell is serving as an information conduit for progressive organizations and progressive leaders.

Zeller praised ProgressNow, “which is known for its very edgy, punchy communications capacity.” She might have had in mind its reporter’s filmed attempt to interview Republican Rep. Marilyn Musgrave, a vocal opponent of gay marriage. The interviewer asked Musgrave to choose between stopping a gay marriage and saving a life. (Video, “Marilyn Musgrave Attacks,” available at <http://www.youtube.com/watch?v=LKqvMdMV7hM>.) This kind of juvenile harassment mirrors the interviewing tactics of the Nation’s Max Blumenthal, son of former Clinton aide Sidney Blumenthal, who similarly filmed his mocking interviews of convention goers to the 2007 Conservative Political Action Conference (CPAC).

The Democracy Alliance After Obama

Democracy Alliance leaders were unusually forthcoming at the panel discussion held during the Democratic National Convention in Denver this summer. At the Aug. 27 panel, “Democracy Alliance: Colorado as a Model – Donor Cooperation for Social Change,” Rob Stein updated attendees on the group’s future plans and acknowledged the difficulties it would face, even with an Obama victory.

Stein admitted that progressive Democrats had no clear alternatives to free market economics. Progressives know what they want in healthcare, education and immigration reform. But not in economics. Well before the October financial meltdown and the government bail-outs, a New York Times Sunday Magazine article on “Obamanomics” (Aug. 24, 2008) acknowledged that Barack Obama was struggling with reconciling markets with the role of government. Said Stein:

Are we good yet—in terms of 21st century progressive economics? No. In my judgment, no. We don’t have the language. We don’t have the framework. We still need to work on it.

Stein was also critical of progressives’ lack of electoral appeal to white male voters and highlighted why liberals want to censor talk radio by re-imposing the so-called Fairness Doctrine:

In 2004, 27 million white men voted for George Bush, and 16 and a half million men voted for John Kerry. And so, and they have been maintaining a conversation through Fox News and Rush Limbaugh and Michael Savage and all of their media, with those 27 million white men, and so it is a huge challenge.



The left’s juvenile political theater keeps donations rolling in. This grab is from a ProgressNowAction video featuring an activist harassing Rep. Marilyn Musgrave (R-Colo.) in 2006.

Laurie Hirschfeld Zeller of the Colorado Democracy Alliance was also flummoxed: “It seems to me that white men are the problem here.” Stein responded with, “White men are a huge problem.” He added:

And then they have this incredible array of media properties, one of which is focused exclusively on the Christian community, basically in America, particularly the evangelicals, one of which is focused on gun owners, another which is focused exclusively on white men. That’s talk radio. Talk radio isn’t for everybody, not for most of us in this room, and it isn’t for most women. It is for white men, and they have 350 hours a week. That’s all paid for in the commercial market, it’s paid for by advertisers. And it serves their purposes every day. So it costs about a billion dollars, and we can do it cheaper. So let’s say that it cost us, you know, 700, 800, 900 million a year. We’re much more efficient than they are. Because we’ve

got the Internet, we’ve got all kinds of things. But it’s big bucks.

Light was shed on CoDA operations recently when a former intern at the Bighorn Center described what he saw when the Center shared space with CoDA. Isaac Smith told radio host Jon Caldara that a parade of Democratic politicians visited CoDA’s office while he worked there in 2006. The visitors included former Iowa governor Tom Vilsack and Colorado legislators Andrew Romanoff, the speaker of the House, and Alice Madden, the House majority leader.

Secretary of State Project

As the murderously astute Joseph Stalin once remarked, “The people who cast the votes decide nothing. The people who count the votes decide everything.”

Since 2006, Democracy Alliance partners have quietly funded the Secretary of State Project (SoS Project), a below-the-radar non-federal “527” political group. It can accept unlimited contributions that are not immediately publicly disclosed. Its website claims, “A modest political investment in electing clean candidates to critical Secretary of State offices is an efficient way to protect the election.” Indeed. Political observers know that a relatively small amount of money can help swing a little-watched race for a state office few people understand or care about.

SoS endorses secretary of state candidates who take the position that voter fraud is largely a myth; that vote suppression is widely and solely used by Republicans; that it’s a waste of time to remove obviously fraudulent names from voter rolls; and that legal requirements that voters show photo identification discriminate against racial minorities.

The SoS Project promotes “election protection,” but it only backs Democrats. The project’s promoters fervently believe Republican secretaries of state like Katherine Harris in Florida and Ken Blackwell in Ohio helped the GOP steal the 2000 and 2004 presidential elections. “Any serious commitment to wresting control of the country from the Republican Party must include removing their political operatives from deciding who can vote and whose votes will count,” said SoS co-founder Becky Bond to the San Francisco Chronicle in 2006. Other co-founders

include James Rucker, a former director of grassroots mobilization for MoveOn.org Political Action and Moveon.org Civic Action, and DA member Michael Kieschnick, a self-described “social entrepreneur.”

SoS strategic targeting yielded impressive results in 2006 and 2008.

In 2006, Minnesota’s SoS candidate, Mark Ritchie, beat Mary Kiffmeyer 49% to 44%. According to the Minnesota Campaign Finance and Public Disclosure Board, an impressive group of DA members contributed to little-known Ritchie. They included George Soros, Drummond Pike, and Deborah Rappaport. During his campaign, Ritchie recited well-worn liberal talking points on the electoral process. “The only means we have of defending ourselves is the vote, and if you want to throw out or hold accountable leaders who are not doing what you want around [Hurricane] Katrina, or the Iraq war, the vote is your only mechanism. [...] When you begin to perceive that your vote is being manipulated, it’s a sign of worry,” he said.

Guess what? Ritchie is currently presiding over the Senate recount in Minnesota.

In Ohio, Jennifer Brunner trounced her opponent, Greg Hartmann, 55% to 41%. In October the SoS investment paid off when Brunner defied federal law by refusing to take steps to verify 200,000 questionable voter registrations. SoS candidates in 2006 also won their races in New Mexico (Mary Herrera), Nevada (Ross Miller), and Iowa (Michael Mauro). The group claims it spent about \$500,000 in that election cycle.

In 2008, SoS Project-backed Democrats Linda McCulloch (Montana), Natalie Tennant (West Virginia), Robin Carnahan (Missouri), and Kate Brown (Oregon) won their races. (Only Carnahan was an incumbent.) The Center for Public Integrity reported two months ago that the group had raised thus far a mere \$280,000 for the 2008 election cycle. That’s quite a return on investment.

According to IRS 8872 disclosure forms, the SoS Project has received donations from several DA members, including Soros, Rob Stein, Gail Furman, and Susie Tompkins Buell.

Selected Grant Recipients

The Democracy Alliance filed corporate registration papers in the District of Columbia in January 2005. However, little money passes through Alliance bank accounts because it chooses to act as a middle man linking donors to causes it deems worthy of support. DA partners can divide their giving into what Rob Stein calls the “four buckets”: ideas, media, leadership training, and civic engagement. Some small contributions have gone to the Democracy Alliance “Innovation Fund,” which makes small grants to 501(c)(3) groups.

There is no publicly available tally of Democracy Alliance-approved grants, but here are the names of grant recipients and amounts taken from credible sources.

***Progress Now:** This network of nonprofits provides “a place in cyberspace for groups to coordinate and deliver their messages to activists. And there’s nothing like it on the Right,” NPR reports. It was bankrolled by Soros’s now defunct Fund for America and initial financing came from the DA, NPR also reports.

***Election Administration Fund:** the donor group raised \$5.1 million—\$1 million from the Open Society Institute, and about \$2.5 million from the DA for voter registration and get out the vote efforts. The Fund is housed at the Tides Foundation in San Francisco. There are four primary recipients of the Fund’s money: ACORN’s Project Vote; the Advancement Project; the National Committee for Civil Rights Under Law; and the Brennan Center for Justice at New York University.

***Kirwan Institute for the Study of Race and Ethnicity** at Ohio State University: The politically correct institute acknowledges receiving DA money on its website. After the recent election it released a statement claiming that “[m]isogyny, Islamophobia, and xenophobia made lengthy, dismaying appearances throughout the campaign.”

***VoteVets:** This anti-Bush group works to elect Iraq and Afghanistan veterans to public office. Chairman Jon Soltz told the Center for Public Integrity’s Sara Fritz that the group has received DA funding.

***New Organizing Fund:** This 527, created in 2006, runs the New Organizing Institute which conducts training in online political organizing and activism. The group is headed by Zack Exley, who co-founded it. He was online campaign director for the Kerry-Edwards campaign in 2004. He has worked for MoveOn.org and for Howard Dean’s 2004 campaign for the Democratic nomination. According to 990-EZ forms filed with the IRS, the group has accepted donations directly from DA members George Soros (\$50,000) and Deborah Rappaport (\$25,000), as well as MoveOn.org (\$13,000).

***The U.S. Public Interest Research Group Education Fund:** The research organization acknowledges DA support for a September 2008 report.

***YearlyKos/Netroots Nation:** The group that holds left-wing bloggers’ convention acknowledged receiving DA money in 2007. It now accepts donations through BloggerPower.org, a California 501(c)(4) corporation.

***League of Young Voters:** DA members Herb and Marion Sandler’s foundation acknowledges on its 990 form (2006) providing a DA-approved \$11,000 grant to the League of Young Voters Education Fund.

***Mi Familia Vota (“My Family Votes”):** The Sandler’s foundation acknowledges on its 990 form (2006) providing a DA-approved \$25,000 grant to the group which registers immigrants to vote.

***United States Student Association:** The Sandler’s foundation acknowledges on its 990 form (2006) providing a DA-approved \$26,000 grant to the radical student group.

***Women’s Voices. Women Vote:** New research reveals that the foundation of DA member Susie Tompkins Buell gave an Alliance-sanctioned grant of \$50,000 in 2007 to Women’s Voices, Women Vote, a 501(c)(3) group that it is “dedicated to increasing the share of unmarried women and other historically underrepresented women in the electorate.”

***Working America:** It is unclear how much money in DA-approved grants this 501(c)(4) group that is the “community affiliate of the AFL-CIO” has received. It claims to work “against wrong-headed priorities favoring

the rich and corporate special interests over America's well-being."

***Young Democrats of America:** The Alliance acknowledges on its website approving a grant to this group which has been the official youth arm of the Democratic Party since 1932. Since 2002, YDA has operated independently of the Democratic National Committee (DNC) as a nonfederal 527 group.

***Drum Major Institute for Public Policy:** The Alliance acknowledges on its website approving a grant to this progressive think tank. It has received \$104,125 from the Open Society Institute since 2005.

***Center for American Progress:** Former Clinton White House chief of staff John Podesta, who now heads President-elect Obama's transition team, heads the think tank that has received at least \$9 million through the DA. CAP aspires to be a counterpart to the Heritage Foundation, uniting disparate factions on the left. CAP spin-offs include Campus Progress and the Center for American Progress Action Fund, a 501(c)(4) lobby group. Reporter Robert Dreyfuss wrote that, "It's not completely wrong to see [CAP] as a shadow government. (The Nation, March 1, 2004) (For more on CAP, see *Organization Trends*, May 2007)

***Media Matters for America:** Headed by former conservative journalist David Brock, it monitors "conservative misinformation in the U.S. media." DA members have given the group at least \$7 million. Sen. Hillary Clinton (D-New York) helped create Media Matters. Kelly Craighead, now DA managing director and one of Clinton's closest friends, was a top paid advisor to Media Matters. (For more on this group, see *Foundation Watch*, July 2007)

***Democracy: A Journal of Ideas:** DA partners have given \$25,000 to the start-up publication founded by former White House speechwriters Andrei Cherny and Kenneth Baer. Soros's Open Society Institute gave the journal \$50,000.

***People for the American Way (PFAW):** In 2006 the DA approved a grant of unknown size to this vocal activist group founded by Alliance member Norman Lear. Its president emeritus is Ralph Neas. A spinoff group, Young People For the American Way, a.k.a.

YP4, received a DA-approved grant of \$50,000 from the Gill Foundation in 2006.

***New Democratic Network (NDN):** This activist group, which encompasses the NDN Political Fund, the New Politics Institute, and the Hispanic Strategy Center is headed by Simon Rosenberg, a political strategist. The DA approved a grant to this group in 2006 but the amount is unknown.



Alliance member Michael Kieschnick founded Working Assets and the Secretary of State Project.

***Progressive Majority:** This group focuses on developing a "farm team" of progressive candidates to win state and local-level elections. Its founder and president is Gloria A. Totten, formerly political director for NARAL (National Abortion Rights Action League) Pro-Choice America. DA grants to this group total at least \$5 million.

***Citizens for Responsibility and Ethics in Washington (CREW):** This Soros-funded group sees itself as a left-wing version of Judicial Watch, the conservative legal group. CREW executive director Melanie Sloan is a former U.S. Attorney and Democratic counsel for the House Judiciary Committee.

***Center for Progressive Leadership:** This organization wants to mirror the conservative Leadership Institute. The center's website describes the group as "a national political training institute dedicated to developing the next generation of progressive political leaders." CPL President Peter Murray said in 2006 that DA members' grants boosted CPL's budget to \$2.3 million, up from \$1 million the

year before. Contributors include the Susie Tompkins Buell Foundation (\$50,000) and the Gill Foundation (\$16,420).

***Association of Community Organizations for Reform Now (ACORN):** ACORN is the radical activist group active in housing programs and "living wage" campaigns in inner cities neighborhoods. In recent years it has been implicated in many fraudulent voter-registration schemes. The DA approved a grant to this group in 2006 but the amount is unknown. DA founder Rob Stein called ACORN "a grassroots, tough-minded, liberal-left organization. I think it's a very responsible organization."

***EMILY's List:** While the political action committee boasts that it is "the nation's largest grassroots political network," it is essentially a fundraising vehicle for pro-abortion rights female political candidates. EMILY, according to the group's website, "is an acronym for 'Early Money Is Like Yeast' (it helps the dough rise)." The group's president is veteran political fundraiser Ellen Malcolm. The DA approved a grant to this group in 2006 but the amount is unknown.

***America Votes:** Another get-out-the-vote 527 organization, it is headed by Maggie Fox, a former Sierra Club official. It received a \$6 million funding commitment from Soros.

***Air America:** The struggling left-wing talk radio network reportedly received a funding commitment of at least \$8 million from the Alliance, and filed for bankruptcy protection in 2006. DA member Rob Glaser has invested at least \$10 in the network. It was purchased by the family of Mark Green, a perennial New York office-seeker who founded the New Democracy Project, a left-wing policy institute.

***Sierra Club:** The influential environmental organization—#7 on GreenWatch.org's "Gang Green" list of the worst environmental activist groups—entered into a "strategic alliance" with the United Steelworkers union. (See *Labor Watch*, October 2006) The DA approved a grant to this group in 2006 but the amount is unknown.

***Center for Community Change:** This group dedicated to defending welfare entitlements and leftist anti-poverty programs was founded in 1968. Activist Deepak Bhargava is its executive director.

***USAction:** This group works closely with organized labor. It is the successor to Citizen Action, the activist group discredited by its involvement in the money-laundering scandal to re-elect Teamsters president Ron Carey in the late 1990s.

***Catalist:** Formerly called Data Warehouse, this company was created by Clinton aide Harold Ickes and Democratic operative Laura Quinn. Ickes, who has been critical of DNC chairman Howard Dean, aims to create a sophisticated get-out-the-vote operation. Soros put \$11 million at Ickes's disposal because he distrusts Dean, the Washington Post reported. The chairman of Catalist is Albert J. Dwoskin, a DA board member and real estate developer in Fairfax, Virginia.

***Employment Policy Institute:** The chairman of this liberal think tank is Gerald W. McEntee, president of the American Federation of State, County and Municipal Employees (AFSCME). Other labor figures such as SEIU's Andrew Stern are on the EPI board.

***Center on Budget and Policy Priorities:** This left-leaning think tank is headed by former Carter appointee Robert Greenstein, a MacArthur Foundation "genius" award recipient.

***AmericanForeignPolicy.org:** University of Connecticut law professor Richard Parker claims to have received funding from three DA partners for "a major study" for the DA "on investment gaps and needs in promoting a progressive national security and foreign policy."

***Progressive States Network** (legal name: Progressive Legislative Analysis Network): has received grants from the Stephen M. Silberstein Foundation (\$174,000 since 2005), Barbra Streisand Foundation (\$10,000 in 2006), and Open Society Institute (\$7,024 in 2006).

Matthew Vadum is Editor of Foundation Watch. James Dellinger, who was Executive Director of Capital Research Center's GreenWatch project, left CRC in November. Research assistance was provided by CRC Intern Josh Jones. He is a recent graduate of the University of Alabama, where he majored in political science.

FW

The "Partners": Who's Who in the Democracy Alliance

The Democracy Alliance has at least 100 donor-members, both individuals and organizations. However, it has not made available an official list of its "partners." Here are some known DA members:

AFL-CIO
-an institutional member

Fred Baron (died Oct. 30)
-the "King of Torts" and one of America's wealthiest plaintiffs' attorneys; founded Public Justice (formerly Trial Lawyers for Public Justice); was finance chairman for Sen. John Edwards's 2004 presidential campaign.

Anne Bartley
-step-daughter of Winthrop Rockefeller; trustee of Rockefeller Philanthropy Advisors, director of Bauman Family Foundation.

Patricia Bauman
-Bauman Family Foundation.

Ann S. Bowers
-widow of Intel co-founder Robert Noyce, inventor of the integrated circuit

Rutt Bridges
-founded Advance Geophysical; ran for governor of Colorado in 2005 but dropped out of the race

William Budinger
-investor who founded and ran Rodel, Inc.

Mark Buell and Susie Tompkins Buell
-businessman; wife co-founded clothier Esprit with ex-husband, Douglas Tompkins, who is president of the Foundation for Deep Ecology

Anna Burger (DA board member, vice chairman)
-secretary-treasurer of SEIU and chairs Change to Win, the labor federation break-away from the AFL-CIO

Lewis B. Cullman
-financier and philanthropist

Robert H. Dugger (DA board member)
-managing director of Tudor Investment Corp. (asset management)

Albert J. Dwoskin (DA board member)
-Northern Virginia real estate developer; chairman of Catalist

David A. Friedman
-philanthropist and self-described centrist

Gail Furman (DA board member)
-Manhattan psychologist; member of the Council on Foreign Relations



Pat Stryker

Chris Gabrieli
-software entrepreneur; sought Democratic nomination for Massachusetts governor in 2006

Tim Gill
-created Quark, the design and layout publishing program; funds gay rights groups

Davidi Gilo
-high-tech entrepreneur and founder of Vyyo Inc.; his wife, Shamaya, created Winds of Change Foundation

Rob Glaser
-heads the online multimedia company RealNetworks

Steven M. Gluckstern
-a former chairman of the DA, investment banker

Connie Cagampang Heller

-philanthropist, advisor for Heller Philanthropic Fund at Tides Foundation

Rachel Pritzker Hunter

-of the Hyatt Hotel Pritzkers

Rob Johnson (DA board member)

-partner at Impact Artist Management

Michael Kieschnick

-founded Working Assets which donates a portion of long distance charges to progressive causes; founded Secretary of State Project

John Luongo

-venture director of Lightspeed Venture Partners; previously a senior vice president at Oracle Corp.

Gara LaMarche

-president and CEO of the Atlantic Philanthropies; was vice president of Open Society Institute

Norman Lear

-veteran television producer, he is the founder of People for the American Way, the Lear Family Foundation, and Business Enterprise Trust

Peter B. Lewis

-billionaire insurance magnate founded Progressive Casualty Insurance Co.; gave \$23 million to anti-Bush 527s in 2004

Rodger MacFarlane

-senior adviser to the Gill Foundation, is also a DA partner.

Robert McKay (DA board member, chairman)

-Taco Bell heir writes for the Huffington Post

Herb Miller

-real estate developer and Democratic Party fundraiser.

Philip Murphy

-national finance chairman for the Democratic National Committee

Alan Patricof

-co-founder of private equity firm Apax Partners; was chairman of the White House Conference on Small Business (1993-95)

Steven Phillips (DA board member)

-attorney and political organizer; founded PowerPAC.org in California; son-in-law of DA members Herb and Marion Sandler

Drummond Pike (DA board member, treasurer)

-founder of the ultra-left Tides Foundation

Andy and Deborah Rappaport

-identified as members of DA by the Politico newspaper (Nov. 2); funded first YearlyKos (now Netroots) convention in 2004; founded New Progressive Coalition LLC, ("Your political giving advisor") technically a for-profit corporation that allows individuals to "invest" in political "mutual funds"



Anne Bartley

Rob Reiner

-Hollywood actor-director; chairman of Parents Action for Children; backed unsuccessful California Proposition 82 (preschool for four year olds)

Charles Rodgers (DA board member)

-president of the New Community Fund

Simon Rosenberg

-founder and president of the New Democrat Network (NDN); ran unsuccessfully in 2005 for the DNC chairmanship

Deborah Sagner (DA board member)

-philanthropist, social worker

Herb and Marion Sandler

-co-founded and later sold Golden West Financial Corp. to Wachovia, which made the terrible decision to purchase its portfolio of subprime loans; gave \$13 million to anti-Bush 527s in 2004

Guy Saperstein

-trial lawyer who created the National

Security/Foreign Policy New Ideas Fund (newideasfund.org) with DA funding

Service Employees International Union (SEIU)

-an institutional member

Stephen M. Silberstein

-California philanthropist interested in civil rights disclosed on donation forms his association with the DA

Bren Simon

-president of MBS Associates LLC, a property management and development firm; husband, Melvin, is part owner of Indiana Pacers and runs the Simon Property Group, developer of shopping malls

George Soros (and son Jonathan)

-high-flying financier founded Open Society Institute; gave \$24 million to anti-Bush 527s in 2004

Rob Stein (DA board member, founder)

-an attorney who was chief of staff of the U.S. Department of Commerce and a senior official on the Clinton-Gore transition team

John Stocks

-former chief of staff for Democrats in Idaho state senate, now deputy executive director at National Education Association

Patricia Stryker

-granddaughter of Homer Stryker, founder of Stryker Corp.

Michael Vachon (DA board member)

-spokesman and political director for Soros

Albert C. Yates

-former president of Colorado State University

Please remember
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Thank you for your support.

Terrence Scanlon
President

PhilanthropyNotes

The **Catholic Campaign for Human Development** has decided the radical community group **ACORN** may not be eligible for grants derived from its annual collection taken up each November at all Roman Catholic churches. CCHD is looking into whether the ostensibly nonpartisan ACORN, which officially endorsed **Barack Obama** for president, used money in a way that might jeopardize CCHD's tax-exempt status. CCHD has temporarily suspended raising funds for ACORN.

Meanwhile, ACORN silenced dissidents on its national board by firing them. Chief organizer **Bertha Lewis** said "**Karen Inman** and **Marcel Reid** were removed for violating the board's code of conduct." The two had asked the board for documents concerning efforts by ACORN's founder and former chief organizer, Wade Rathke, to cover up his brother's embezzlement of close to \$1 million in ACORN funds. In the old days the inquiries by Inman and Reid would have been called due diligence.

The **Greenlining Institute's** politically-correct scheme to shake down foundations got its comeuppance. According to the Wall Street Journal the pressure group invited representatives from 50 large foundations for a meeting to discuss "diversity in philanthropy." Not one foundation sent a representative. Last summer 10 of California's largest foundations agreed to pay millions of dollars to "minority-led nonprofits" in order to head off legislation pushed by Greenlining that would have forced the state's foundations to disclose the racial makeup of their boards, staffs and grantees. A profile of the Greenlining Institute ran in the August 2008 *Foundation Watch*.

The California Supreme Court has decided to review the constitutionality of the voter-approved state constitutional amendment that bans same sex marriage in the state. Proposition 8 was approved by voters 52% of 48% last month. This means the California court has actually decided to review the *constitutionality* of the state's constitution.

The formidable liberal group **MoveOn.org** said it raised an astounding \$88 million for the Obama campaign. The group is offering beautiful commemorative "Yes We Did" stamps and posters for sale. **Jimmy Carter** never had nice merchandise like this. All Americans got was Billy Beer.

Former President **Bill Clinton** has agreed to limit his philanthropic activities if his wife becomes secretary of state, the Chronicle of Philanthropy reports. **Capital Research Center** president **Terrence Scanlon** remained skeptical. "The potential for conflict is enormous," the newspaper quoted Scanlon saying. The February issue of *Foundation Watch* profiled the **William J. Clinton Foundation**.

Colorado-based **Focus on the Family**, said it intends to lay off more than 200 of its workers or roughly 20% of its workforce as part of a belt-tightening efforts. The group is No. 158 on the Chronicle of Philanthropy's most recent Philanthropy 400, which ranks charities that collect the most from private sources.

Meanwhile, atheist groups are escalating their campaigns, the Wall Street Journal reports. Billboards sponsored by the **Freedom From Religion Foundation** read "Beware of Dogma" in huge Gothic type, while ads on the sides of buses from the **American Humanist Association** ask, "Why believe in a god? Just be good for goodness' sake."

Goldman Sachs WATCH

(This GS Watch is the first appearance of this regular feature in Philanthropy Notes. –Editor)

Treasury Secretary Henry Paulson's flip-flop on how to use the \$700 billion in bailout money has hurt his reputation, frightened the stock market, and emboldened special interest lobbyists who want in on the money. Originally the funds were to be used to buy distressed assets from banks but now the plan is to require certain banks and insurance companies to sell preferred stock to the federal government, and well, umm, no one's really sure what the plan is. Paulson's former employer, Goldman Sachs, was profiled in the October 2008 *Foundation Watch*.