

EarthJustice Legal Defense Fund: How Environmentalism Weakens U.S. National Security

By Kevin Mooney

Summary: After 9/11 you would think that only the most radical environmental groups would dare attack the U.S. military as an enemy of the environment. But that's exactly what green groups are doing. Defense officials are alarmed that they are using the courts to pursue goals that interfere with what America needs for a strong national defense. Worse, their demands often appear to be mere pretexts for legal mischief to hamstring the military. Green groups are sending out teams of lawyers and waves of demonstrators to block national defense programs. If they succeed, they will stop weapons testing, interfere with naval training exercises, compromise U.S. border security measures, and frustrate the development of a ballistic missile defense.



Supporting environmentalist pressure groups over national security: Rep. Raul Grijalva (right), an Arizona Democrat, with President Barack Obama. Grijalva favors legislation to make parkland on the U.S.-Mexico border off limits to the U.S. Border Patrol.

The EarthJustice Legal Defense Fund is a non-profit public interest law firm. Formerly known as the Sierra Club Legal Defense Fund, it has shared its legal skills with other environmental groups since the early 1970s, showing green activists how to bolster and expand state and federal environmental regulations. Today the group—which changed its name to EarthJustice in 1997—has nine regional offices and \$21 million in revenues (according to its most recently available IRS filing for 2006). EarthJustice employs 150 lawyers and lobbyists. Its motto is, “Because the earth needs a good lawyer.”

On its website the 501(c)(3) nonprofit says litigating on environmental issues plays a “strategic role in reforming the basis of our civil society.” To protect its court triumphs, EarthJustice also deploys teams of lobbyists

in Washington, D.C., and many state capitals. Their role is to “stop legislative backlash” against judicial rulings by cajoling or strong-arming lawmakers to leave their courtroom victories alone.

For the past eight years EarthJustice has been a ferocious enemy of the Bush administration. It tried to block the confirmation of federal judges and Bush political appointees, and it lobbied against administration attempts to reform environmental policies. Its project “Judging the Environment” (<http://www.judgingtheenvironment.org/>) provides a handy searchable database of arguments green groups can use to oppose a Bush appointee. If you type in the name of an appointee and click on a legal or environmental issue

(e.g. Clean Air or The Commerce Clause) you will be directed to statements, resolutions, and “letters of concern” issued by dozens of environmental groups giving reasons why the appointee should be rejected.

Glenn Sugameli, a senior legislative counsel in EarthJustice’s Policy and Legislation

February 2009

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program, heads up the project, which keeps tabs on “extreme nominees.” For instance, Steve A. Matthews, nominated by President Bush in September for the Fourth Circuit of the U.S. Court of Appeals, was called out by Sugameli for his membership in the Federalist Society, his close ties to the Landmark Legal Foundation and his affiliation with former Reagan Attorney General Edwin Meese. (Editor’s Note: Mr. Meese is a member of Capital Research Center’s board of trustees.)

Friends of the Dugong: EarthJustice Targets the Defense Department

EarthJustice says it has provided free legal representation to over 700 clients. They range from major groups such as the Natural Resources Defense Council (NRDC), the Wilderness Society, and Greenpeace to more obscure state and local groups such as the California Wilderness Coalition and the North Carolina Wildlife Federation. Some of these groups enjoy the high regard of liberal politicians and support from major foundations, while others are radical fringe groups with a reputation for outrageous claims and uncompromising positions.

For instance, the Tucson, Arizona-based Center for Biological Diversity (2007 budget: \$5.1 million) constantly invokes the

Editor: Matthew Vadum

Publisher: Terrence Scanlon

Foundation Watch

is published by Capital Research Center, a non-partisan education and research organization, classified by the IRS as a 501(c)(3) public charity.

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Endangered Species Act to block recreation, agriculture and economic development on public and private lands and offshore. With the legal counsel of EarthJustice at its disposal, the Center has not hesitated to go to court to block projects necessary to the nation’s defense.

In 2003 the Center invoked the 1966 National Historic Preservation Act (NHPA) to stop the Department of Defense (DOD) from constructing a 1.5 mile military runway over a coral reef in Okinawa. EarthJustice attorneys alleged that the runway might disturb 50 dugongs, sea mammals related to manatees. EarthJustice argued that the dugongs’ welfare was covered by the historic preservation act because a 1980 amendment to it required the federal government to conduct a full public review before doing anything that would infringe on a cultural resource listed on the World Heritage List. The World Heritage List was created by an international treaty the U.S had signed.

The World Heritage List names some 900 architectural antiquities and natural wonders deemed worthy of protection, sites such as the Taj Mahal, the Great Wall of China, the Grand Canyon and Yellowstone National Park. But on Jan. 24, 2008 federal judge Marilyn Patel ruled in *Okinawa Dugong v. Gates* that the dugong, also known as the sea-cow, was a protected cultural icon on Okinawa. Even though it wasn’t on the Heritage list, the Japanese government considered the dugong a “Natural Monument.” Under the amended NHPA, Judge Patel ruled that the Defense Department was required to consider the rights of three Japanese citizens who claimed they were harmed by DOD’s failure to devise procedures protecting their interest in observing the dugong. (Despite naming the dugong as plaintiff, Judge Patel, a Carter appointee, did concede that the dugong did not have standing to sue—because it’s an animal.)

And so EarthJustice prevailed. The Defense Department cannot build a runway until the friends of the dugong have their day in court.

The Center for Biological Diversity took in \$9,619,697 in grants and donations from 2003 through 2006, according to its 2007 IRS form 990. Its major donors include California

Community Foundation (\$1 million since 2003), Wyss Foundation (\$535,000 since 2003), and the Sandler Family Supporting Foundation (\$531,000 since 2003).

By comparison, EarthJustice took in \$68,661,518 in grants and donations from 2002 through 2005, according to its 2006 IRS form 990. Its major donors include Pew Charitable Trusts (\$3,554,000 in 2005), Charles Stewart Mott Foundation (\$487,500 since 2001), the far-left Tides Foundation (\$392,743 since 1999), and George Soros’s Open Society Institute (\$305,000 since 2004).

Great Frigates and Boobies: EarthJustice Targets the U.S. Navy

In 2002 EarthJustice assisted the Center in blocking U.S. Navy exercises and tests in the Northern Mariana Islands that it claimed could potentially harm migratory birds. This time EarthJustice sued the Navy under the 1918 Migratory Bird Treaty Act (MBTA) arguing that Navy bomb detonations and shelling exercises were killing several bird species, including great frigates and masked, brown and red-footed boobies.

In 2002 Judge Emmet Sullivan, of the U.S. Court of Appeals for the District of Columbia, issued an injunction halting all military exercises and tests at Farallon de Medinilla, an island in the Western Pacific that measures 0.3 miles by 1.7 miles. In his ruling, Judge Sullivan dismissed Navy arguments that its “live-fire” exercises would be restricted to this one island and that it was working with biologists to use target areas far from bird nesting sites. The judge was unmoved by the Navy’s claim that the bombing exercises actually kept predators away from the birds, which are protected under the MBTA. To no avail Navy lawyers pointed out that the island’s overall bird population was consistent with the rest of the Marianas and unaffected by the exercises.

After the injunction was issued, Lt. Cmdr. Jeff Gordon, spokesman for the U.S. Pacific Fleet, warned: “If denied long-term use of the range, it would have a tremendously negative impact on Navy readiness.” Military officials note that the island is a vital and unique training site providing the armed forces with the only target platform in the Western Pacific that can support large-scale operations on

short notice. The Navy, Marine Corps, and Air Force had used the island for gunnery training over 150 days a year. After the 9/11, this routine accelerated. Court documents show that Navy SEALs also used the island for weapons testing.

The judge's ruling pertained to the Navy's bombing exercises, but Paul Mayberry, deputy undersecretary of defense for personnel and readiness, notes that it will be used to constrain other kinds of military training. The fear is that whenever there is a news story about a sea bird sucked into a plane engine an EarthJustice attorney will appear to cite the MBTA law and argue for a ban on flight tests.

U.S. Supreme Court Sides with the Navy
Environmentalists continue to devise ingenious arguments to attack U.S. military policies and practices. However, the Navy won a big victory late last year in the case of *Winter v. Natural Resources* (available online at <http://www.supremecourtus.gov/opinions/08pdf/07-1239.pdf>) On Oct. 8, 2008 the U.S. Supreme Court in a 6-3 decision overruled lower court restrictions set up to protect whales and other marine creatures from the allegedly damaging impact of sonar, a detection system vital to anti-submarine warfare.

In March 2007 NRDC and five other environmental groups sued to impose conditions on naval training exercises that involve sonar use. In 40 years of sonar training off the coast of California there has not been one documented instance of harm done to marine mammals. Yet federal judges still saw fit to impose environmental restrictions that the Navy said greatly undermined anti-submarine exercises.

A federal court ordered the Navy to shut down the sonar when a marine mammal was spotted within 2,200 yards of a ship and to reduce sonar volume when sea conditions allow sonar to travel farther than usual. The decision was upheld by the Ninth U.S. Circuit Court of Appeals.

But the U.S. Supreme Court overruled the lower courts. Writing for the majority, Chief Justice John Roberts found that national defense trumped environmental concerns. He noted that antisubmarine warfare is a

top priority for the Pacific Fleet. The very technology targeted by environmentalists is a critical component of U.S. national security strategy in the 21st century.

"Modern diesel-electric submarines pose a significant threat to Navy vessels because they can operate almost silently, making them extremely difficult to detect and track," Roberts wrote. "Potential adversaries of the United States possess at least 300 of these



EarthJustice sued to stop military exercises that it claimed threatened the red-footed booby, a bird indigenous to the Northern Mariana Islands.

submarines," he continued. "The most effective technology for identifying submerged diesel-electric submarines within their torpedo range is active sonar, which involves emitting pulses of sound underwater and then receiving the acoustic waves that echo off the target."

Roberts agreed with the Navy's contention that NRDC's claims were "too speculative" and that there was no hard evidence showing sonar injury to marine animals.

In December, the Navy entered a settlement with NRDC and other environmental groups allowing for sonar tests. However, it also agreed to fund almost \$15 million in research and to pay over \$1 million in attorney's fees

to settle two lawsuits concerning sonar use around Hawaii.

The Navy victory is an important one. Unlike the Center for Biological Diversity, NRDC is no fringe player in the environmental movement. NRDC took in \$231 million in grants and donations from 2001 through 2004, according to its 2005 IRS form 990. Its major donors include the Energy Foundation (\$10,179,827 since 1999), Marisla Foundation (\$3,075,000 since 2000), William & Flora Hewlett Foundation (\$3,029,120 since 2003), Public Welfare Foundation Inc. (\$2,450,000 since 2001), (Ted) Turner Foundation Inc. (\$2,435,000 since 2000), San Francisco Foundation (\$2,338,399 since 2000), and the Sandler Family Supporting Foundation (\$1,050,000 since 2004).

The Law of Sea Treaty and the Precautionary Principle

As the sonar case illustrates, environmentalists are pressing U.S. courts to recognize an evolving legal standard known as the "precautionary principle." This is the 'better safe than sorry' view that says lawmakers have a duty to regulate or restrict what could be a potential risk even when there is no evidence to prove a hazard.

For instance, EarthJustice is helping groups restrict efforts by the government of Columbia to stop cocaine trafficking by spraying herbicide on the coca crop. Columbian officials cite studies showing the spraying is safe. But EarthJustice worries that spraying could harm the nation's "threatened amphibian species," contaminate drinking water and destroy legal food crops. **If the idea takes hold that it is good law and public policy to act merely on suspicion and to ban substances and practices even when no harm has been demonstrated, then no enterprise is safe from a lawsuit, observes" Lawrence Kogan, CEO of the Institute for Trade Standards and Sustainable Development (ITSSD). And nowhere is the precautionary principle more entrenched than in the proposed Law of the Sea Treaty.**

To date, more than 150 countries have signed the treaty. President Reagan vetoed the pact in the early 1980s, but the Bush administration favored its ratification and today it has strong backing at the Pentagon and among many members of Congress in both parties.

They believe the treaty can clear up disputes concerning navigation rights. But opponents like Kogan and Frank Gaffney, president of the Center for Security Policy (CSP), warn that the treaty will transfer U.S. sovereignty to the authority of foreign tribunals, which will rule on U.S. seabed mining and military transportation. "The innocent passage of US nuclear-powered military vessels," write Kogan and former Navy secretary J. William Middendorf, could be stymied by lawyers claiming hypothetical environmental risks. (See "The 'LOST 45' UN Environmental Restrictions on US Sovereignty, Copenhagen Institute, Sept. 27, 2007, <http://www.coin.dk/default.asp?aid=1370>.)

Border Security and the Environmental Movement

The precautionary principle is also invoked by environmental groups that are working with open-border advocates intent on stopping construction of a security fence on the U.S.-Mexico border. Under the guise of wilderness protection, they are pushing for legislation that could result in an accelerated flow of illegal immigration, drug smuggling, and human trafficking from Mexico into Arizona, according to law enforcement experts familiar with the terrain.

Two bills sponsored by Rep. Raul Grijalva (D-Arizona) could block federal and state law enforcement officials from patrolling an already porous border area that extends from Sonora, Mexico into Santa Cruz County, Arizona. Grijalva (who many environmental activists touted as an ideal Secretary of the Interior in an Obama administration) wants to extend federal wilderness protection to 84,000 acres of the Tumacacori Highlands. This is an area within the Coronado National Forest that is adjacent to an already-designated wilderness area running along the Mexican border. A very bad idea, says Zack Taylor, a retired U.S. Border Patrol officer. He says giving the area the legal cover of a "wilderness" designation could have the practical effect of pushing the Mexican border 30 miles northward. Taylor says U.S. border agents have to move fast along the U.S.-Mexico border to be effective. But Grijalva's bills would create a "safe haven" for smugglers and drug dealers.

"Each stretch of the border has its own solution," he explained. "Once you have success

in catching smugglers and illegal aliens at a particular crossing point the next group simply moves laterally along the line, and then the border patrol must respond. They [smugglers and illegal aliens] are the ones who decide where the Border Patrol works, not the Border Patrol."

Taylor points out that the Border Patrol has to wait until a crossing takes place before it can move. "These bills would do great harm to our national security, because they would restrict



Chuck Cushman, executive director of the American Land Rights Association

our agents from operating in key corridors," he said. "Once this becomes known, it will be easier for smugglers and other criminals to predict the movements of our Border Patrol and to make adjustments."

One Grijalva bill, H.R. 2593, the Borderlands Conservation and Security Act, would preclude border security officials from operating on federal land. The other, H.R. 3287, the Tumacacori Highlands Wilderness Act, would establish a wilderness zone at one of the largest illegal entry points. Chuck Cushman, executive director of the American Land Rights Association, has said passage of Grijalva's bills will create a "massive new opening" for illegal aliens.

"Drug smugglers and human traffickers would be protected, and the Border Patrol handcuffed," Cushman said. "The bills will make it far more difficult to police an already

challenging part of the border. They [the lawmakers] might as well pave a superhighway for illegals and just say openly, 'This is how you get into the U.S.'"

Adds Bonner Cohen, a Capital Research Center senior fellow, "Whether you are smuggling people or drugs, the coyotes on the other side of the border know the national forest is a corridor to promote their agenda. Having a new wilderness area placed adjacent to the existing corridor will just open the floodgates. Environmentalism is being used as pretext to harm national security."

Kent Lundgren, chairman of the National Association of Former Border Patrol Officers (NAFBPO), said Grijalva's legislation is really the handiwork of the Sky Island Alliance (SKI), a self-described grassroots organization formed in 1991. The group (2007 revenues: \$644,000) has long opposed motorized activity in the Coronado National Forest.

Mike Quigley, the SKI wilderness campaign coordinator, counters that border security and environmental protection should not be viewed as "an either or choice." He argues that the rugged nature of the terrain is a natural barrier against illegal crossings.

But Lundgren and other Border Patrol experts see it differently. "It is imperative that the authority vested in agents and their ability to defend our borders remain seamless and unencumbered," Lundgren wrote in an open letter to policymakers. "It is obvious that a wilderness designation, the most restrictive of all federal land designations, along our international border would create adverse impediments in efforts to perform these difficult and dangerous responsibilities."

Besides expanding borderland wilderness areas, Grijalva wants to impede construction of the border security fence proposed by the Bush administration. As chairman of a House subcommittee on national parks, forests and public lands, he held a field hearing in Brownsville, Texas, last April focusing attention on the fence's environmental impact. Grijalva is a persistent critic of a decision by homeland security secretary Michael Chertoff to waive regulations affecting the fence.

Rosemary Jenks, director of governmental relations for the immigration control group Numbers USA, supports granting the waiver to speed construction of the fence. She commented that those who testified at the field hearing against the waiver “seemed more interested in protecting illegal immigration than they did in protecting natural assets.”

“If all they do is restrict border security, while allowing illegal immigration to continue unabated they will be complicit in destroying those public lands for future generations. I can tell you from personal experience that environmental devastation caused by the illegal flow is far greater than the environmental impact of a security fence at the border.”

Fortunately, in June the U.S. Supreme Court turned away an appeal from environmental groups that wanted the courts to stop the government from waiving these regulations.

Green Groups Against Ballistic Missile Defense

President Bush can justly point with pride to the progress his administration made in developing a mixed ground and sea based missile defense. So far, 24 Ground Based Interceptors (GBIs) have been installed in silos in Alaska and California to track and destroy an enemy missile attack. These GBIs are backed up by U.S. Navy Aegis cruisers and destroyers that carry missile defense systems at sea. Next up is the U.S. Army’s Terminal High Altitude Area Defense (THAAD) system. It is scheduled for deployment in 2010. THAAD is intended to protect against short- and medium-range missiles at longer ranges and higher altitudes than the interceptors now in use. It will complement rather than replace existing anti-missile assets.

Missile defense advocates say two additional programs, now in development, have the potential to take out ballistic missiles in their boost phase, the earliest stage of a rocket launch, within the first two minutes of flight.

One system, the Airborne Laser, is housed inside a 747 aircraft and is designed to hit a moving missile. The first demonstration of this technology is scheduled for this year. The other system, the Kinetic Energy Interceptor (KEI), is a fast-moving missile



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that can intercept an enemy missile shortly after it is launched. At a time when missile technology is becoming more widely available to rogue states, and possibly non-state actors, these new defense technologies are obviously important.

But that’s not the view of activists.

“Alaska is the heart of the Star Wars program in the United States,” said Stacey Fritz, an activist with “No Nukes North” based in Fairbanks. “It threatens to ignite a new nuclear arms race as well as directly jeopardizing the people of Alaska, which is why Alaskan groups have joined to take the lead in stopping this dangerous and unnecessary weapons program.”

Some environmental groups have resorted to direct action to stop missile defense tests. In July 2001 fifteen Greenpeace activists were arrested for attempting to halt a missile defense launch at Vandenberg Air Force Base. They subsequently entered a plea agreement to avoid felony charges and pledged for the next five years not to trespass against military facilities conducting missile defense tests.

Others have gone to court. Just two weeks

before the 9/11 attacks NRDC, Greenpeace and Physicians for Social Responsibility filed suit against the Pentagon. They argued that before any missile defense testing could occur in the Pacific the federal government would have to abide by the 1969 National Environmental Policy Act (NEPA). This is the law that requires government agencies to conduct an environmental impact study before undertaking any proposed action.

CRC’s Bonner Cohen commented on this foolish exercise: “Think about what was done with hijacked 757s and 767s and now think about what would happen if terrorists had access to ballistic missiles that could be aimed at New York or Washington, D.C.,” he said. “This is a very real possibility at a time of proliferation.”

Green activists long argued in favor of keeping the U.S. tied into the 1972 Anti-Ballistic Missile (ABM) Treaty, which President Bush abrogated in 2002.

Of course, even with legal structures in place communist countries are unlikely to honor any agreements regardless how environmentally fashionable they might be. The former Soviet Union persistently violated the

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1972 Anti-Ballistic Missile (ABM) Treaty. The treaty precluded the U.S. from moving forward on an anti-missile system. Heritage Foundation national security expert Baker Spring notes that had the ABM Treaty not been scrapped, the U.S. would not have been able to reach agreement last year with the Czech Republic and Poland on installing anti-missile defenses.

The importance of missile defense in the post 9/11 world cannot be overstated, national security experts maintain. But the progress made in the past few years would never have occurred if anti-missile defense environmental groups had their way.

UCS a Longtime Foe

Policy advocates with the Union of Concerned Scientists (UCS) have long argued against a ballistic missile defense system, claiming that it can be overcome by countermeasures and decoys. Twenty-five years ago they attacked President Reagan's Strategic Defense Initiative (SDI). UCS member Kurt Gottfried, a Cornell University physicist, countered Reagan's 1983 call for an SDI system: "It's a Pandora's box of unprecedented magnitude."

The late UCS member Carl Sagan, a Cornell University astronomer and noted author who helped craft several unmanned space programs for the U.S., campaigned in 1984 for Democratic presidential candidate Walter



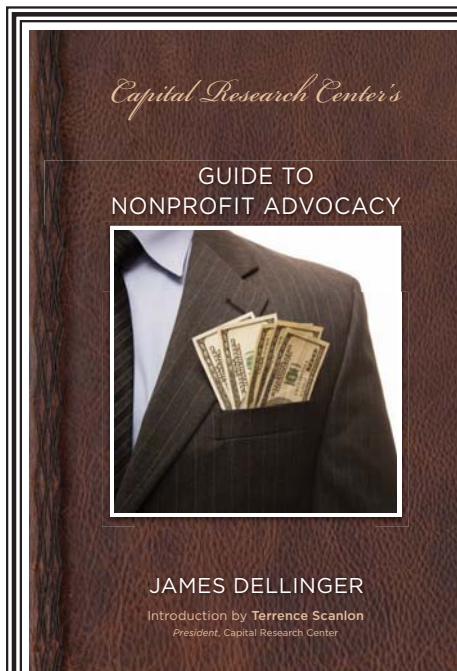
Kent Lundgren, chairman of the National Association of Former Border Patrol Officers

Mondale. Sagan used the opportunity to attack SDI. "Star Wars is a policy that sounds good in a speech," he said on the campaign trail. "But what sounds good on paper would be a disaster in practice."

The missile defense system the Bush administration has fielded lacks the space-based component President Reagan envisioned but remains just as unworkable, the UCS contends. The ground- and sea-based systems already deployed have demonstrated

their effectiveness in flight intercept tests at least 80% of the time since 2002, according to the U.S. Defense Department's Missile Defense Agency (MDA).

Currently there are 24 ground based interceptors (GBIs) installed in Alaska and California with an eye toward terrorist states. These GBIs are backed up by U.S. Navy Aegis cruisers and destroyers that carry missile defense systems at sea. Next up is the U.S. Army's Terminal High Altitude Area Defense



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(THAAD) system scheduled for deployment in 2010. It can protect against short- and medium-range missiles at longer ranges and higher altitudes than the interceptors now in use.

UCS has long argued that counter-measures and decoys could be used to overwhelm a ballistic missile defense system. But technology has not stood still since the early 1980s when President Reagan called on the scientific community to begin work on a space-based shield that could render nuclear weapons “impotent and obsolete,” proponents pointed out in response.

The advances that have occurred in just the past few years suggest that the ground- and sea-based systems already online have the ability to navigate their way through at least some countermeasures, some national security experts observe.

Missile defense critics tend to fall back on what Spring, the Heritage Foundation expert, calls “the fallacy of the optimal threat assumption.”

“It is not correct to assume counter-measures would work in every instance,” he said. “We should not be dissuaded from putting a missile defense in place based on the assumption that we can’t defeat counter-measures. That’s giving these critics a great amount of leeway.”

Today UCS (2006 budget: \$15.3 million) characterizes the former president’s anti-missile initiative as “seductive and audacious,” while insisting that countermeasures could penetrate it. UCS notes that the missile defense system undertaken by the Bush administration lacks Reagan’s space-based component but contends that it is just as unworkable—even though its ground- and sea-based systems have already demonstrated their effectiveness in flight intercept tests at least 80% of the time since 2002, according to DOD’s Missile Defense Agency.

Ultimately, only a space-based missile defense system capable of intercepting and destroying incoming warheads in the “boost phase” (shortly after they are launched) can adequately protect America from emerging global threats Baker and other national security proponents continue to argue.

President Reagan’s vision of a space-based protective shield “is alive and well” and remains the motivating force behind the program, says Jeff Kueter, president of the George Marshall Institute (GMI).

Still, the vision of a space-shield continues to provoke environmentalist objections from the UCS and other groups. (See <http://www.space-ecology.com/war.html>.)

“The greatest threat to the space environment is the testing and deployment of missile defense and anti-satellite (ASAT) weapons,” declares one group that objected to a ground-based missile launch by China in January 2007. The Chinese missile successfully destroyed an aging Chinese weather satellite, eliciting protests from activists.

Wrote one sorrowful proponent of “space ecology”: “Anyone can blow up their own satellite in space without any legal consequence.”

But nations hostile to the U.S. now see outer space as a legitimate military theater from which to attack America’s military and economic interests in the 21st century. China’s anti-satellite demonstration last year shows the regime in Beijing does not see itself as being constrained in any way.

Environmental activists have demonstrated extraordinary resourcefulness in devising unusual arguments and complex strategies to advance their goals. But as the above examples illustrate, they tread on dangerous ground when they make legal and policy arguments that endanger America’s national security. Shame on them.

Kevin Mooney is a writer and reporter in Washington, D.C., who recently joined the D.C. Examiner. He also blogs for Newsbusters.

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PhilanthropyNotes

By swindling clients out of up to \$50 billion, hedge fund manager **Bernard L. Madoff** has caused at least two left-wing charitable foundations to fold. Through his Social Security-like Ponzi scheme that paid older investors with funds from newer investors, liberal Madoff, a heavy donor to Democratic candidates, has caused the collapse of the **Picower Foundation** and the **JEHT Foundation**. Picower gave generously to **NARAL**, **Planned Parenthood**, **Southern Poverty Law Center**, and **ACORN** affiliate **Project Vote**. JEHT gave big to the **ACLU** and its foundation, the **Center for Constitutional Rights**, ACORN affiliate **American Institute for Social Justice**, and the **Tides Foundation** and its affiliates.

Independent Sector, a coalition of liberal charities and foundations, wants to cash in on Washington's bailout fever, the Chronicle of Philanthropy reports. "There's simply not enough cash to respond to the amount of the needs," said **Diana Aviv**, president of the group. "The demand is much greater and the dollars that are secured from traditional sources are shrinking." Call it charity welfare. If you don't dig deeply enough into your pockets for charity, the government will force you to, or at least that's what Aviv wants.

Wealthy individuals gave record amounts to philanthropic causes last year despite the economic slowdown, the Chronicle of Philanthropy reports. At least 16 Americans gave donations of \$100 million or more in 2008, more people than have done so in the 12 years that the Chronicle has been keeping records on the topic. Philanthropists on the 2008 list gave more than \$8 billion, which outstripped the \$4.1 billion they gave the previous year. The largest donation on the 2008 list was a \$4.5 billion gift from the estate of **James LeVoy Sorenson** to his family foundation in Utah.

As part of a revamping of its international development program **Google.org**, **Google's** charitable arm, has decided to stop financing efforts to help entrepreneurs in poor parts of the world, the Chronicle of Philanthropy reports. The philanthropy will focus instead on improving developing nations by organizing key information and making it accessible by the public. In 2008 Google.org joined forces with philanthropists **George Soros** and **Pierre Omidyar** to create an investment fund for businesses in India. Google.org was profiled in the November 2007 *Foundation Watch*.

Former **Capital Research Center** board member **Daniel J. Popeo**, writing in the New York Times (Dec. 15) argues that corporations are undermining themselves by giving to charitable foundations and nonprofits "who just don't like America's free enterprise system." "Philanthropists who made their fortunes in business like John D. Rockefeller, Henry Ford, and John D. MacArthur would be appalled by how eagerly those sustained by their wealth are declaring free market capitalism dead. These industrial entrepreneurs never intended the remains of their riches to be turned into cash cows for activist groups that agitate for laws, regulations, and lawsuits that stifle private property and economic rights," wrote Popeo, chairman of the **Washington Legal Foundation**.

The British Treasury is considering changing a tax rule to encourage affluent people to give an additional \$7.3 billion dollars to charity, the Financial Times reports. In the United Kingdom the wealthiest 20% donate an average of 0.8% of their income to charitable causes, well below the 3% given by the poorest fifth of Britons. The proposal from economist Sir **James Mirrlees** would give the wealthy a 50% tax break on donations in line with the millennium development goals set by the United Nations.

Goldman Sachs WATCH

Some of Henry Paulson's bank bailouts were lousy investments, according to a Bloomberg News report. President Bush's Treasury secretary, a former Goldman CEO, "failed to win for U.S. taxpayers what Warren Buffett received for his shareholders by investing in Goldman Sachs Group Inc." In October Paulson had the Treasury buy \$10 billion in Goldman warrants, double the dollar value of Buffett's purchase the month before. Yet the Treasury received certificates worth only a quarter as much as those received by Buffett. "If Paulson was still an employee of Goldman Sachs and he'd done this deal, he would have been fired," said Nobel Prize-winning economist Joseph Stiglitz. "The Goldman Sachs terms were repeated in most of the other bank bailouts," the news service reported.

Goldman, which has received \$10 billion in bailout money from the U.S. Treasury according to Bloomberg News, reportedly used part of the taxpayer dollars to pay for employee bonuses.