

## Giving That's All About Getting

By Rick Cohen. *The Washington Post*  
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Star power counts in fundraising. Movie stars, famous athletes and other celebrities usually have pet charities. But the involvement of high-profile politicians in charity fundraising ought to give pause to anyone concerned about the accountability of nonprofit organizations or the buying and selling of political influence.

Take the recently canceled "Rockin' on the Dock of the Bay" fundraiser, which was to have been hosted by Sen. Blanche Lincoln (D-Ark.) at this summer's Democratic National Convention in Boston. The plan was that, for \$100,000, an individual, lobbyist, trade association or corporation could buy a package of tickets to a party at the Roxy nightclub in honor of seven Democratic senators from the South -- and, oh yes, help children with cancer.

Or consider the recently canceled string of parties and events that were to have been hosted by House Majority Leader Tom DeLay of Texas during the Republican convention in New York, ostensibly to benefit a foster-care organization called Celebrations for Children. In exchange for a \$500,000 contribution, big-time donors were going to be able to dine with DeLay, golf on Long Island, attend Broadway shows, take a yacht cruise and attend a late-night concert -- and, oh yes, help foster children.

Ethics and accountability watchdog groups put a crimp in these plans by questioning the political ethics involved and prompting Lincoln and DeLay to pull out of the fundraisers. But other political suzerains -- such as Senate Majority Leader Bill Frist (Tenn.) and Sen. Saxby Chambliss (R-Ga.) -- are going ahead with fundraisers for children's charities. And the venues just happen to be the Republican and Democratic national conventions.

A sudden outpouring of altruism on the part of the politically active and connected? Doubtful. The primary reason for these carnivals isn't charity but politics -- and finding a way to curry favor with members of Congress while circumventing campaign finance restrictions. As Sen. John

McCain (R-Ariz.), one of the architects of the campaign finance law, put it to the New Orleans Times-Picayune, "We have aroused the charitable instincts of special interests all over town? Give me a break."

After covering the cost of these shindigs, whatever slice of money is left presumably would have gone to the charities, a legitimate and longstanding organization, the National Childhood Cancer Foundation, in the case of the Democratic bash and a newly minted one in the instance of DeLay's parties. But whatever the genuine charitable inclinations of these politicians (DeLay and his wife have taken three foster children into their own home), there's plenty to be concerned about here.

The problem is that political donors, corporations and lobbyists can make unlimited contributions to these fundraisers. In return, they get to hobnob with key lawmakers involved in the soirees. The really high rollers enjoy one-on-one dinners and face time with some of the politicians and their spouses. The charity doesn't have to reveal who makes contributions, because donor anonymity is protected by the charities' 501(c)(3) status. The corporations and lobbyists don't have to call their gifts political donations or register as lobbyists, because they're giving to charities, not to political campaigns.

But the effect is the same. Donors to these charitable events purchase invaluable -- and undisclosed -- direct access to major politicians under the cloak of giving to charity. Whatever good is done for charity is just a byproduct.

Despite protests to the contrary, all sides know that the game is political. Remember former Sen. Bob Dole's foundation, which was devoted to creating employment opportunities for people with disabilities? Dole successfully raised money for his eponymous foundation while in office, but acknowledged that "once I left the Senate, I wasn't voting on anything, so many of the corporations said, 'Well, that guy can't do anything for us.' " And subsequently the Dole Foundation closed shop. The president of the foundation was more blunt, calling the charitable contributions " 'protection money' for a donor's interests."

There are four ways politicians use 501(c)(3) nonprofit organizations to mix politics and charity. The most basic is when a congressman creates and directs his or her own charitable grant-making foundation; between 30 and 50 of these currently exist.

The Tom DeLay Foundation, devoted ostensibly to building a home for foster children outside Houston, has held fundraisers at five-star golf resorts with names like "Fantasy Island." The foundation flies lawmakers and their families to events where they can consort with the foundation's individual and corporate donors. Not only are the sources of the donations kept from the public, but since the repeal of the congressional gift ban in early 2003, there's no requirement that lawmakers disclose the value of flights, hotel rooms and other perks they receive.

In March 2004, the Ted Stevens Foundation, established by supporters of Alaska's Republican senior senator, held a \$5,000 per ticket fundraiser in Washington to honor Stevens himself. The foundation was established to promote amateur sports among Alaskans and to "honor and recognize the career of Sen. Stevens," according to a March article in the Anchorage Daily News. At the dinner, contributors with business in front of Stevens's Senate Appropriations Committee, including representatives of Boeing, General Dynamics, MCI and United Airlines, had the chance to mix with Republican leaders. Vice President Cheney and some cabinet officers were invited .

In fairness, not all foundations associated with members of Congress fit the DeLay-Stevens model. Some are funded from the lawmakers' preexisting family or business wealth, such as the old money behind the Danforth Foundation (established in 1927), the family wealth underwriting Frist's family foundation, the earnings former Goldman Sachs executive and New Jersey Sen. Jon Corzine (D) used to establish his own foundation before he ran for office, and the Automatic Data Processing gains that New Jersey's other senator, Frank Lautenberg, used to fund the Lautenberg Foundation. These aren't the problem foundations. The problem is the foundation whose charitable capital depends on contributions by frequently less-than-charitably-minded, influence-interested corporations and lobbyists.

A second model is the charitable fundraising event for an independent charity, such as Lincoln's convention party to help childhood cancer treatment and research and Chambliss's get-together honoring Georgia Republicans to benefit Camp Sunshine, a retreat for families with children who have life-threatening illnesses.

The American Family Life Assurance Company (AFLAC) was an underwriter for both the Lincoln and Chambliss affairs. When Lincoln pulled her name off the fundraiser under pressure from campaign finance and ethics watchdogs, AFLAC flew the coop, too, withdrawing its sponsorship , causing the event to be canceled and demonstrating that charity might not have been the top priority for the occasion.

Few would mistake AFLAC for one of the nation's corporate philanthropic champions. In 2001, AFLAC's charitable contributions totaled \$3.6 million, less than 15 percent of the \$25.1 million total compensation package of its CEO. But AFLAC has been generous when it comes to political giving. In the current election cycle, AFLAC's political action committee (PAC) ranked fifth in contributions by corporate PACs. Pierce the veil of the charity fundraiser, and AFLAC's motives become transparent.

The third form of political foundation is the type established with leftover campaign contributions. The Federal Election Commission encourages lawmakers to give surplus campaign capital to charity. Politicians have discovered that instead of giving to the United Way or another established charity, they can donate the money to their own foundations. Politicians enjoy control, so expect more of these.

The fourth model is exceptionally pernicious -- the foundation or charity established by government bureaucrats or legislators with an ostensible quid pro quo of trading regulatory enforcement for charitable contributions. These are frequently run by local or state officials. For example, in Philadelphia, Democratic State Sen. Vincent J. Fumo is being investigated for allegedly making secret regulatory deals with Verizon and the energy company PECO in return for multimillion-dollar contributions to charities controlled by his political aides.

Even the White House has its hand in the game. The Laura Bush Foundation for America's Libraries is aiming to raise \$25 million so it can hand out \$1 million annually to school libraries. Its executive director works for K Street lobbying behemoth Akin Gump, and its board includes leaders of Marriott International, Wal-Mart, Clear Channel Communications and General Motors.

At risk is the integrity of the nonprofit sector. Already, a small number of nonprofits have sullied the reputation of nonprofits in general. The public's trust of charities has grown wafer-thin, strained by improprieties involving groups such as the United Way of the National Capital Area, the Nature Conservancy and some foundations that pay their executives and trustees more than they give away. The last thing nonprofits need is to be seen as facades for politicians, corporations and lobbyists engaged in buying and selling influence.

In Congress and in many state capitals, ethical standards and their enforcement are moribund

concepts. It's time to give them a breath of life. And in the foundation world, it's time to restore the public's faith in nonprofits by calling attention to political vehicles masquerading as charities and making sure they aren't simply tools for Machiavellian politicians.

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