

Charities Find Delaware Is Good Company

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It's hard to imagine Brad Pitt and Angelina Jolie spending much time at their office here.

The low, brown-brick building on Silverside Road is a far cry from the mansions and spotlights of Hollywood. Anyone – adoring fans, stalkers, the paparazzi – can walk through its glass front door, down the hall, up the stairs and around the corner to reach their office, Suite 123. The carpet is beige, not red.

Yet 501 Silverside Road is the address the movie superstars and global philanthropists consider their legal address as co-presidents of the non-profit Jolie-Pitt Foundation. It's incorporated here, but it gives all its money — \$21.5 million from its founding in 2006 through 2011 — to charities in Cambodia, Namibia, Pakistan and destitute portions of the USA.

There is one of more than 1,200 charitable foundations incorporated in Delaware, nearly all of which focus their philanthropy elsewhere. Only Rhode Island has more foundations per capita, but Delaware specializes in "foreign" foundations that have no significant connection to the state.

Nearly 800 of those foundations — which are established by wealthy donors to give money to favorite causes — all legally reside with Pitt and Jolie behind the oak door of Suite 123. They include those of actor Hugh Jackman, entertainer Cher, NFL quarterbacks Matt Hasselbeck and Phillip Rivers, *Jeopardy!* host Alex Trebek, *Melrose Place* creator Darren Star and actress Yeardley Smith, better known as the voice of Lisa on

The Simpsons

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... They're all drawn, experts say, by Delaware's well-earned reputation as a place to set up shop quickly, easily, cheaply and with few questions — many of the same reasons that nearly 1 million public corporations are here.

"It's the company state, and it's well known that way," said David Wickert, executive director of Chapel & York.

Foundations in Delaware pay just \$25 a year in franchise tax, don't need CPA-certified audits and don't pay state tax on unrelated-business income, as they would in some other states, said Jeffery Haskell, chief legal officer for Foundation Source, the Connecticut company that administers the Silverside Road foundations.

"They really know how to attract for-profit businesses and non-profits, too," Haskell said.

Like most states and the federal government, Delaware's oversight of the growing number of private foundations and public charities is "woefully inadequate," said Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy, a non-profit advocacy group.

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