

## **In Rebuttal / Bedfellows, Yes; Odd, No: Conflicts Of Interest Undermine Shale Panel's Credibility**

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*Pittsburgh Post-Gazette*

July 5, 2013

A June 26 Post-Gazette editorial, “Going to Extremes: A Report Seeks to Fault Reputable Environmentalists,” took aim at the nonprofit watchdog group I direct, the Public Accountability Initiative, for “unfairly” criticizing the gas industry connections of nonprofit groups behind a new initiative to certify fracking operators that follow environmental guidelines.

The Center for Sustainable Shale Development was billed in the media as a “peace treaty” between industry and environmental “foes,” and a Post-Gazette news story described the groups as “odd bedfellows,” but PAI found that its nonprofit sponsors – the groups lending it special credibility – have strong ties to the oil and gas industry. We released a report in order to bring transparency to these ties and deepen public understanding of CSSD.

The Post-Gazette editorial argued that environmental groups behind CSSD should not be criticized because they are “reputable.” It downplayed conflicts of interest that philanthropic experts deem worthy of scrutiny, and it relied on out-of-context quotes that mischaracterized PAI.

PAI specializes in investigating conflicts of interest, exposing corruption and shedding light on influential networks. We believe the public deserves to know about the power players and money flows shaping policy. For example, our research on the revolving door between the gas industry and regulatory bodies in Pennsylvania was recently covered on the front page of the Post-Gazette. If the foxes are guarding the henhouse, we make sure that the public is aware.

In this case, our major findings concerned the Heinz Endowments, which is the philanthropic force behind CSSD, chairing its board and funding its environmental sponsors. Heinz has a strong reputation for funding environmental causes and, as we note in our report, has funded efforts to measure and mitigate the effects of fracking. By the Post-Gazette’s formulation, this record puts it beyond reproach.

... Though the editorial avoided the phrase “conflict of interest,” it is quite relevant here. Aaron Dorfman, an expert on philanthropies at the National Committee for Responsive Philanthropy, told PAI that “given Mr. Vagt’s position on the board of Kinder Morgan and his substantial personal financial interest in the company, it’s clear that this is a classic conflict of interest situation.”

Mr. Dorfman told PAI that because the foundation has not addressed the issue publicly, it is unclear if its board was aware of the conflict and took steps to make fracking-related decisions without “undue influence” from Mr. Vagt, in accordance with best practices. “However, if decisions about this body of work for the foundation were made without awareness of or mitigation for the conflict,” he continued, “then that’s a real problem.”

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