



## Leftist Foundations and Dark Money in Politics

**L**eft-wing activists once railed against so-called “dark money” in political campaigns. Today, not so much, although some Democrats still gripe about it without doing anything to stop it. That is because leftists have mastered the use of dark money that flows into activist groups and helps political campaigns through philanthropic foundations that spread the money around.

When we think of dark money, we tend to think of George Soros on the left and the Koch brothers on the libertarian right. The left has become especially adept at raising dark money since 2016. On the left, Arabella, a donor advisory group, is only one of the major players in directing dark money to leftist activist organizations and political campaigns. Arabella carries weight because its clients are incredibly, indeed fantastically wealthy. Arabella claims that its donors collectively own more than \$100 billion.

What is “dark money”, exactly? The best definition is offered by the left-leaning Center for Responsive Politics (known for its website OpenSecrets): *Dark money is spending from undisclosed sources to influence political outcomes.* It is called “dark” not because it may be sinister, but because its sources may be secret. The term is applied to 501(c)(3) and 501(c)(4) non-profits, which are not required by the Internal Revenue Service to reveal donors.

Arabella advises some of the largest grantmaking institutions in the country, including the Rockefeller, Packard and Kellogg foundations. These foundations provide grants to myriad organizations. Arabella has close ties to Soros-related operations such as Democracy Alliance. Soros has used Arabella non-profit entities to host at least eight politically related projects that do not have to reveal their original funders. This network operates on multiple levels, funding state initiatives, student activist groups—including pro-Hamas student organizations—and influencers.

The end result is a progressive secret-money network that exerts a profound influence on the political process.

The amount of dark money circulating into American politics has alarmed even liberals. Exposés by the *New York Times*, *Atlantic* magazine and *Politico* have condemned the flow of progressive dark money into the U.S. political system. Their proposed solution to dark money is “transparency,” but this is not about to happen because of foundation tax protections and the *Citizens United* decision by the U.S. Supreme Court.

Few Americans understand the extent of this dark money empire. A look at Arabella provides a glimpse.

### Arabella’s Tentacles

**A**n extensive investigative study by Capital Research Center in 2019 shows the reach of the dark money network established by the left.<sup>1</sup> The report focuses on Arabella Advisors, created in 2017 to funnel money to a vast network of other entities. Arabella Advisors manages four non-profit entities: New Venture Fund, Sixteen Thirty Fund, Windward Fund and Hopewell Fund. The Rockefeller, Packard and Kellogg foundations are donors to funds managed by Arabella.

Worth noting is how these foundations’ missions have turned leftward over time. Incorporated in 1913 by the Standard Oil magnate John D. Rockefeller and his son, the Rockefeller Foundation stated its mission as “to promote the well being of mankind.” Following World War II, this mission was transmogrified into population control through an array of Rockefeller-affiliated foundations such as the Population Council.<sup>2</sup>

The W.K. Kellogg Foundation, founded in 1930 by a breakfast cereal entrepreneur, was originally named the W.K. Kellogg Child Welfare Foundation. In 2007, the foundation’s board concluded that “racism places the greatest hurdle for children and families thriving. The Kellogg Foundation establishes powerful commitments: to being the most effective anti-racist organization in the U.S.”<sup>3</sup>

The Packard Foundation, created in 1964 by the co-founder of the Hewlett-Packard technology company and his wife, is concerned more recently with the U.S. “history of racism, inequity, and injustice, and a democracy increasingly under threat,” as well as climate change and pandemics.<sup>4</sup>

The money funneled into left-wing dark money causes is staggering. *Between 2013 and 2017, when information was available, the Arabella network alone received \$1.6 billion in contributions.* This money was used to support dozens of activist groups and astro-turf entities (pretend grassroots organizations) pushing state initiatives and social justice causes such as Free Palestine demonstrations.

## The Structure of Arabella Advisors

In July 2018 *Politico* reported on the Sixteen Thirty Fund, one of the Arabella-managed funds, describing a “liberal secret-money network” spending millions to attack House Republicans in advance of the 2018 midterm elections. At that point the fund had purchased 6,885 broadcast television ads.

So what exactly is Arabella and who runs it? Arabella is a private for-profit organization that provides consulting services to major foundations, wealthy donors and left-wing political influencers, directing donors and other foundations where to place their donations and grants.

Arabella was founded by Eric Kessler, a trust fund baby from Chicago. Before working in the Clinton administration, he was national field director for the League of Conservation Voters, a major tax-exempt environmental advocacy group. Later he served as a member of the now-defunct Clinton Global Initiative. He also serves as a board member for his family’s Family Alliance Foundation, which funds the World Resources Institute, an environmentalist non-profit that was created with start-up capital from the MacArthur Foundation, another once-conservative foundation that turned left after the founder’s heirs took over.

Arabella’s four sister non-profit entities share interlocking boards of directors and offices in DC. These four non-profits specialize in different issue areas. The Hopewell Fund was launched in 2015 with \$8.4 million in startup capital provided from the left-leaning Susan Thompson Buffett Foundation. Hopewell hosts groups such as the pro-abortion Equity Forward. The Windward Fund focuses on environmental causes. Its funds come from multi-million-dollar grants from the Rockefeller Foundation, the Kellogg Foundation and the Walton (Wal-Mart) Foundation.

The real stars of the Arabella network are the New Venture Fund and Sixteen Thirty Fund. These funds maximize pop-up campaigns through front groups. Arabella provides more than just institutional consulting. It runs a network of hundreds of groups. Some of these groups do little more than create websites that give the appearance of a grassroots organization. Front groups might be created around protesting a judicial nomination, such as Brett Kavanaugh, or pushing an environmental cause, or demanding that religious groups pay for birth control.

These funds allow multi-millionaire and multi-billionaire donors to contribute funds to projects they support, while hiding the fact that they are contributing to these causes. Among these donors is billionaire Hansjörg Wyss, a Swiss national who lives in Wyoming, who directs his money to Sixteen Thirty Fund and New Venture Fund to ensure that his donations cannot be traced and accused of foreign influence in elections.

## Philanthropy or Politics?

One consequence of Wyss’s involvement in the Arabella network is that Eric Kessler came under attack for blurring the lines between “philanthropy” and “politics.”<sup>5</sup> Kessler counters that he supports the DISCLOSE Act (Democracy Is Strengthened by Casting Light on Spending in Elections Act), a longtime Democrat-backed bill in Congress that would require 501(c)(4) non-profits to disclose their donors. Nominally supporting the DISCLOSE Act provides cover for Democrats to denounce dark money in campaigns from donors like the Koch Foundation, while themselves being major beneficiaries of dark money. The likelihood of this bill becoming law is low because it would jeopardize a ready source of funding of left-wing causes.

In an interview with the *Chronicle of Philanthropy*, Kessler insisted that Arabella is just a service provider rather than a “hidden hand in politics.”<sup>6</sup> He notes that while he remains a board member and a minority owner in Arabella, he sold his majority interest in 2020. Furthermore, he insists that Arabella is not involved in partisan politics but merely seeks to engage citizens in government through voter registration efforts, participation in public hearings and issue advocacy.

Sixteen Thirty Fund is a good example of how these funds work. *Politico* reported in November 2021 that Sixteen Thirty Fund sent more than \$400 million to groups that aided Democratic efforts to unseat Donald Trump and retake control of the Senate in 2020.<sup>7</sup>

Of this total amount, \$164 million went to explicitly political super PACs and activist groups working for Joe Biden and

Senate Democrats.<sup>8</sup> Another \$3 million went to directly to political activity including the left-wing organization America Votes. Millions of dollars were directed to other political action committees as well as websites bashing Trump and Senate Republicans, while other funds were directed to state-based activist groups. Another \$5 million went to a breathtaking range of other political action committees.<sup>9</sup>

At the same time, Sixteen Thirty Fund funded groups pushing progressive ballot measures in specific states. These measures were intended to turn out the Democratic vote. Such ballot measures included paid maternity leave in Colorado and marijuana legalization in Montana.

Sixteen Thirty Fund raised \$191 million in revenue in 2022, the majority of which came from six undisclosed donors. Overall, \$170 million of Sixteen Thirty funds came from 32 donors who gave at least \$1 million apiece in 2022.

### Sixteen Thirty Fund and Abortion

**I**n the 2022 election, Sixteen Thirty Fund spent \$196 million backing state ballot measures on abortion rights, as reported by NBC News.<sup>10</sup> These expenditures did not include \$12 million that the fund spent in Ohio alone to finance ballot measure efforts that led to the 2023 passage of a state constitutional amendment guaranteeing abortion rights, overturning a legislative restriction on abortion. (In a move to counter foreign influence by donors such as Hansjörg Wyss on future elections, Ohio passed a bill in June to prevent foreign nationals from contributing to ballot initiatives and other electoral campaigns in the state.)

*Pro-life forces are typically far outspent by pro-abortion forces in campaigns for statewide abortion-related measures. Dark money is one reason why.*

Sixteen Thirty was the second largest super-PAC donor in 2020. It exploded in size and donors during the Trump administration and provided funds for organizations targeting Trump cabinet nominees, including businessman Andy Puzder, who withdrew as a nominee for Secretary of Labor, and Secretary of Treasury Steven Mnuchin, who fought back to win confirmation.

Its targeting of Trump and Republican Senators up for reelection in 2020 is revealing. In the 2019-20 political cycle, Sixteen Thirty donated \$43 million to PACs and super PACs aligned with Democrats, including Victory 2020, Change Now, Unite the Country, NextGen Climate Action Committee and American Bridge.

Sixteen Thirty gave \$300,000 to the anti-Trump Lincoln Project. This made Sixteen Thirty the third-largest donor to the Lincoln Project. In addition, the fund ran at least 250 advertisements on Facebook through a number of its projects. Its projects number in the hundreds, with names like Abortion Access Force, Demand Justice, Climate Action Fund and the Youth Engagement Action Fund.<sup>11</sup>

### Funding Campus Protests

**D**ark money is routed into supporting anti-Jewish, pro-Hamas campus protests.<sup>12</sup> Soros, Pritzker and Rockefeller foundations are major funders of pro-Hamas campus groups. Their donations have gone either directly to student groups or to umbrella foundations that have channeled funds to protesters. Groups funded by Soros, Pritzker and Rockefeller Brothers Fund include the U.S. Campaign for Palestinian Rights, which has received \$700,000 since 2018 from Soros's Open Society Foundations, and \$355,000 from the Rockefeller Brothers Fund. In turn, the U.S. Campaign for Palestinian Rights provides stipends for community and campus-based organizers.

The leaders for the Campaign for Palestinian Rights include Malak Afaneh, Nidaa Lafi and Craig Birkhead-Morton, who figured prominently in student protests that occurred last spring. Especially prominent was Afaneh, co-president of Law Students for Justice in Palestine, who gained national headlines by commandeering the microphone during a graduation dinner at the UC-Berkeley law school dean's home to denounce Israel's war in Gaza. She claimed a First Amendment right to disrupt the dinner and then accused the dean's wife of assaulting her when she was forcefully asked to leave.

Other pro-Hamas groups involved in campus protests, Jewish Voice for Peace and IfNotNow, received funding from the Soros-backed Tides Foundation. Jewish Voice for Peace, which is extremely anti-Israel, also received \$500,000 from the Rockefeller Brothers Fund over the last five years. The Tides Foundation funded smaller left-wing groups including the Adalah Justice Project, prominent in the Columbia University protests and encampment.

The Pritzker family Libra Foundation seeds a variety of small non-profit organizations that participated in campus protests. These groups are disparate in their stated organizational goals but united in their opposition to Israel. For example, Climate Justice Alliance and Black Organizing for Leadership and Dignity, both Pritzker-backed, took part in campus protests.

Meanwhile, the Soros, Pritzker and Rockefeller families have funded 30 House Democratic congressional candidates in 2024, including House Minority Leader Hakeem Jeffries.<sup>13</sup>

## Shining Light on Dark Money

**T**hese foundations and their donors are protected under the First Amendment to the U.S. Constitution. In 2010, the U.S. Supreme Court ruled in *Citizens United v. FEC* that the First Amendment prohibits the government from restricting independent expenditures for political campaigns by corporations, non-profit organizations, labor unions and other associations. IRS regulations allow non-profits wide latitude in grantmaking, although direct partisan funding is not allowed. One of the problems of going after dark money from left-wing organizations is that conservative philanthropic foundations could easily be turned into targets by the left.

There is no easy solution to the general problem of dark money flowing into politics, though the recently passed Ohio law to prevent foreign donations to influence state elections might represent a step in the right direction. Conservatives can continue to shine a light on dark money organizations, to the extent possible. Candidates should be outed for

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<sup>1</sup> Hayden R. Ludwig, "Big Money in the Dark Shadows: Arabella Advisors' Half-Billion Dollar 'Dark Money' Network," Capital Research Center (2019).

<sup>2</sup> Donald T. Critchlow, *Intended Consequences: Federal Family Planning, Birth Control and Abortion* (2001).

<sup>3</sup> <https://www.wkkf.org/who-we-are/>.

<sup>4</sup> <https://www.packard.org/insights/perspective/sharing-our-new-vision-mission-and-updated-values/>.

<sup>5</sup> Alex Daniels, "Arabella Founder Eric Kessler—Under Fire as 'Dark Money' Master—Talks about the Line Between Philanthropy and Politics," *Chronicle of Philanthropy*, June 20, 2024.

<sup>6</sup> *Ibid.*

<sup>7</sup> "Liberal 'Dark-money' Behemoth Funneled more than \$400M in 2020," *Politico*, November 17, 2021.

<sup>8</sup> Another \$5 million went to Change Now, \$15.2 million went to Future Forward USA PAC, \$4.5 million to Priorities USA Action and \$7.7 million to Victory 2020. Just to ensure that enough money was being spent to oust Trump and elect Biden, Sixteen Thirty directed another \$10 million to an anti-Trump group, Defending Democracy Together, run by Never Trump Republicans.

<sup>9</sup> Sixteen Thirty directed \$7 million to North Carolina Piedmont Rising, \$1.5 million to Advancing AZ in Arizona, \$1.9 million to Maine Momentum, \$1.5 million to Rocky Mountain Values in Colorado, and \$1.2 million to Iowa Forward—all sweet-sounding names, but clearly partisan groups.

<sup>10</sup> "Left-Leaning Nonprofit Poured \$196 Million into Political World of 2022," *NBC News*, November 15, 2023.

<sup>11</sup> *Ibid.* Also, "Liberal 'Dark-money' Behemoth Funneled More than \$400M into 2020," *Politico*, December 17, 2021; 'Shadowy' Dark Money Network Behind Left-wing Causes Exposed in New Report," *Fox News*, April 17, 2019; Kenneth P. Vogel and Shane Goldmacher, "Democrats Decried Dark Money. Then They Won it in 2020," *New York Times*, January 29, 2022; Rachael M. Cohen, "The Democratic Dilemma on Dark Money," *American Prospect*, December 2, 2021; and Casey Tolan, "One of Top Donors to a Pro-Biden Dark-Money Group is a Non-Profit Run by an early AI Investor," *CNN*, March 3, 2024.

<sup>12</sup> Susan Crabtree, "Billionaires Funding Protests Donate Millions to House Dems," [realclearpolitics.com](http://realclearpolitics.com), May 5, 2024; and Armin Rosen, "The Rockefeller Brothers Fund Renews Its Commitment to BDS," *Tablet Magazine*, August 17, 2017.

<sup>13</sup> Candidates who accepted donations from at least one of the three families include Kirsten Engel in Arizona; Adam Gray, Rudy Salas, George Whitesides and Will Rollins in California; Lanon Baccam in Iowa; Tony Vargas in Nebraska; Laura Gillen, Mondaire Jones and Josh Riley in New York; Ashley Ehasz in Pennsylvania; and Michelle Vallejo in Texas.

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