

Octopuses Garden

More secrets from Eric Kessler's stealth entity.

By Dave Skinner

Last issue, *RANGE* reported on Western Values Project, a self-described “nonprofit watchdog” that, with some success, has been running a multistate, million-dollar-plus negative public-relations campaign from Interior Secretary Ryan Zinke’s hometown, Whitefish, Mont. Western Values is, kindly put, a stealth entity, created only to feed a fabulist “narrative” to America’s pliable news professionals, a UPS-store private mailbox its only tangible presence. Who created, funded and controls Western Values? How about a multi-million-dollar, Washington, D.C.-based “charity,” the New Venture Fund?

Why is *RANGE* bothering with this instead of cute kids and surviving red meat? Because the West’s “romance” is welded to an ugly reality: Washington, D.C., decides what happens in the West. Period.

Westerners need to understand how Washington, D.C., players pay. Washington politicians can be considered a herd; which bull you buy depends on the genetics of the bull, right? Just like cowboys rely on genetics to put that nice-looking bull (and the cows) in proper context—well, what are the genetics of politics? Money, selectively bred.

So, who’s really the head “bull,” even though octopus might be more apt? At Western Values, certainly Eric Kessler, whose background *RANGE* touched upon in the Summer 2018 issue. He has worked with high-level “progressives” such as Bruce Babbitt and the late “archdruid” Dave Brower, and in a “quasi-government” job overseas under former Secretary of State Madeleine Albright.

Aside from being connected, Kessler is from a family with means and a family foundation, with that experience providing the impetus for his 2005 creation of Arabella Advisors, a private “philanthropic advisor” firm that Mr. Kessler founded and still owns. His job? Telling other people how to spend their money.

In 2006, he created Arabella Legacy Fund with \$545,000—renamed New Venture Fund around 2009—for hijacking off-road-trails funding away from motorized users (who buy gas). The scheme worked, donor Hansjörg Wyss was delighted (Hewlett later joined

with \$400,000), and new money came in for other Kessler ideas. Some were in the West, but much of what Arabella does focuses on “progressive” causes from a Beltway outlook.

Ten years later, Mr. Kessler’s New Venture Fund is a \$371-million-per-year operation, bigger in terms of funding than the Tides Foundation (\$311 million), which in 1976 pioneered the New Left’s politics-as-charity, tax-deductible “fiscal sponsor” funding model that New Venture now follows. NVF itself in

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2016 roughly matched both the Republican (\$343 million) and the Democratic National Committee (\$368 million). NVF runs over 150 “projects” and pays at least 168 “independent contractors” over six figures.

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The contractor? Arabella Advisors, silly! With offices nationwide, Arabella Advisors is, according to *Worth* magazine, the “largest philanthropy consulting firm” in America today. Arabella sells itself as a “B Corporation” that meets “rigorous standards of social and environmental performance, accountability, and transparency.” Ben & Jerry’s and Patagonia are also B Corps.

Publicly, Arabella “helps clients make a difference on the issues that matter most to them”—an incredibly broad mandate that can cover almost anything (for a fee), through what Arabella Advisors offers to philanthropists as “the most extensive set of intermediary services available, thanks to deep partnerships with premier platforms including the New Venture Fund, the Windward Fund, the Hopewell Fund, and the SixteenThirty Fund.”

How does this work? Billionaire “philanthropists” are too busy to vet every grant or read every beseeching plea for funds. Pay an expert. Trust-fund babies too busy sunning in the Riviera to think much? Pay an expert. What if Mom and Dad left “your” millions to a charity so you couldn’t blow it up your nose? Pay...an...expert. As Kessler told *Worth* last year, his job is to “help philanthropists have the greatest possible impact with their dollars.” How many? As Kessler bragged to the writer, “there’s a whole bunch of foundations with assets between about \$30 million and \$300 million whose address is my office.”

Many of Arabella’s clients are primarily interested in “good-works” issues. NVF itself facilitates charitable things, such as managing Avon’s breast cancer fund-raising (\$10 million a year) and the Gates Foundation’s efforts in Africa. But as *RANGE* is discovering, plenty of what Kessler’s advisor/nonprofit/impact empire does isn’t charity at all—it’s politics, the kind that flows rivers of anonymous cash through myriad fiscal cutouts: Dark money.

Misconduct and Malfeasance

One example of how dollars translate to impact is an Arabella/New Venture project which, like Western Values, recently popped up seemingly out of whole cloth onto the national policy and media stage, with a Western sideshow: Campaign for Accountability (CfA).

Starting in early 2015, New Venture hired a handful of senior operatives away from the left-wing Citizens for Ethics & Responsibility in Washington. This “CREW” spent about a year preparing to turn the “corruption” spotlight on big-spending, big-lobbying Google. In spring 2016, CfA’s “Google Transparency



Project” (yep, project) rolled out in a wave of negative reports and press releases that in turn spurred a decent (not huge) number of news stories.

Some select few reporters asked who had funded all that “transparency.” CfA’s opaque response was, “We protect the anonymity of our donors who support our work.” Reporter Ethan Baron of *SiliconBeat* then donated a dollar to CfA’s donation page, scoring a “charitable” receipt from the New Venture Fund! He then reported in July that the Gates, Hewlett and Ford foundations were “heavily funding” New Venture (correct, Gates alone gave \$94 million in 2014-16), and therefore its transparency project.

Baron’s reporting upset donors who “wouldn’t donate without anonymity,” triggering a mad scramble behind the scenes and a declaration from CfA’s spokesperson that CfA was “a project of the Hopewell Fund, a

different nonprofit organization.” How different will be discussed further down.

In August 2016, both *Fortune* and *SiliconBeat* finally reported that Oracle (loser of a gigantic lawsuit against Google) had, as Baron wrote, “bought a share in an attack dog to maul [Oracle’s] Silicon Valley rival.” Kind of puts that transparency in proper context—pure corporate sleaze, not charity.

With Oracle embarrassed as Google’s real mauler, CfA changed staff, focus, and most likely, funders. After the 2016 election, CfA’s emphasis shifted to attack-dogging prospective Trump administration Cabinet members—simultaneous with Western Values’ zeroing in on Secretary Ryan Zinke.

But through it all, even in 2015, CfA miraculously found the time to apply its top-tier scandalmongering to a select handful of little-known-yet-troublesome western state legislators: Montana state Sen. Jennifer Fielder, plus Utah state representatives Ken Ivory and Mike Noel. All three are feisty (Noel calls

environmentalists “rock lickers”) Republicans and have been advocating for a serious discussion about the transfer of public lands’ management from the federal government to willing western states.

Ivory, as founder of the pro-transfer American Lands Council (ALC), was targeted by CfA in summer 2015, formally and falsely accused by CfA of fraud because he’d been trying to get counties officially onboard the transfer bandwagon. By 2016, all three were subjected to intense negative publicity and press coverage, plus multiple Freedom of Information Act records/correspondence demands, not from irate constituents, but from first-line Beltway-based law firms.

Why? State control threatens the power of large environmental groups to dictate land-use policies which, at least on federally managed public lands, are objectively disastrous. CfA used the Freedom of Information Act to not just hunt for “dirt” required for a “scan-

dal” narrative, but more importantly, to identify, target, and intimidate any potential allies, especially funders.

Keep in mind, ALC only raised \$153,000 its best year. And, Ivory, Fielder and Noel are awfully quiet lately. The takeaway is, CFA’s high-dollar Beltway “watchdogs” remain ready to chew up any rural elected official who dares whisper about transferring management to local or state government. Or any other reform Greens oppose.

Finally, you’ll be happy to know the “kennel” address for CFA’s watchdogs: 611 Pennsylvania Avenue SE #337—the Capitol Hill UPS Store!

Hopewell Fund

The Hopewell Fund—a 501(c)(3)—website was registered in February 2015 in anticipation that the IRS would grant charitable status. Like New Venture, Hopewell has a generic name and word-salad mission statement, to “help social/corporate entrepreneurs and other change makers launch innovative social change projects [such as Campaign for Accountability, of course] and achieve the impact they seek,” such as anonymously squishing uppity politicians.

IRS approval came just in time for New Venture to dump CFA off its books following the Oracle revelations, enabling Hopewell to file a 2015 Form 990 in November 2016. Beginning balance? An impressive \$6,895,270, of which \$6,256,861 came from New Venture—more than likely the leftover Oracle cash, conveniently “spent” by Hopewell instead of New Venture in 2016. Chairman? Eric Kessler, changing to Lee Bodner in May 2016 (again, excellent timing). Address? Same as NVF. Management services provider? Same (Arabella).

The activities line item shows Hopewell spent \$205,000 in 2015 on a “portfolio of civil rights, social action [and, describing CFA], advocacy projects focus[ing] on exposing misconduct and malfeasance in public life.”

End of story? Heck no. Hopewell Fund (2016 revenues: \$16.5 million with zero employees but \$597,812 in other salaries and wages) later popped up in the middle of the NFL’s National Anthem circus. In a December 2017 story, perfectly headlined “What the Hell is the Hopewell Fund,” reporter Diana Moskowitz of *Deadspin* (sports news) followed up on ESPN reports that the NFL would direct 50 percent of \$89 million over seven years to charity through the so-called “Players Coalition,” which in turn would hire “the Hopewell Fund to oversee and advise”

the coalition—through Mr. Kessler’s Arabella Advisors, actually—although reporter Moskowitz didn’t clue in to that. Arabella charged Hopewell \$452,000 in 2015 and \$807,000 in 2016, roughly 5.3 percent of \$23.4 million in revenue.

Windward Fund

Also in 2015, Arabella Advisors stood up the 501(c)(3) Windward Fund, “founded in response to donors who expressed a desire to be more connected to their peers’ work.” In plain English, that’s pooling cash in a coordinated strategy for more impact, which of course is illegal in electoral campaigns—but environmental campaigns are not “electoral,” are they?

Windward donors pool support for “building a stronger conservation movement.” Its “startup” funding in 2015 was only \$1.3 million, but 2016 income rocketed to

Overkill is a great way to snuff a political baby in its cradle and avoid an adult discussion.

\$15.8 million (with \$12.6 million so far from major donors with over \$300,000 each) in its second year. Expenses (grants) were less than \$4 million, leaving net assets (to be paid out in grants) of \$9.5 million after just two years.

Tellingly, Windward’s largest single grant in 2016 (the first year) went to the Conservation Biology Institute in Corvallis, Ore., for \$620,000—in turn a big cut of CBI’s total \$3.9 million revenue. CBI is radical, run by James Strittholt, a full partner with other Wildlands Project notables such as Michael Soule, Reed Noss, and Dave Foreman. Also, CBI chair David Johns is co-founder of the Wildlands Project and the Yellowstone to Yukon Conservation Initiative. Other Windward grantees: Trout Unlimited (\$200,000) and The Nature Conservancy (\$100,000).

Windward paid Arabella Advisors (more than 35 percent owned by Windward president Eric Kessler) \$740,180 for management in 2016, a little under five percent.

Sixteen Thirty Fund

This little-known 501(c)(4) “nonprofit” created in 2009, which shares its address and many directors with New Venture, apparently serves the same charity-to-politics role the 501(c)(3) Sierra Club Foundation fills for the 501(c)(4) Sierra Club just down the hall in San Francis-

co. Big Sierra supporters cut checks to the foundation, grab a tax deduction, and the foundation launders the cash over to the club. Peasants who don’t need a write-off can donate to the club, there’s just no deduction.

In election year 2016—funding nearly disappears in nonelection years—Sixteen Thirty paid out more than \$14 million from undisclosed donors, including \$1 million to Ralph Nader’s Environment America, \$1.5 million to Environmental Defense’s Action Fund, \$1.3 million to League of Conservation Voters, and \$1.12 to the Partnership Project, created by the Wilderness Society as a lobbying “collaborative.”

Arabella Advisors charged Sixteen Thirty \$790,000 for management in 2016, a little under four percent of the \$21 million gross throughput.

Latino Victory Foundation/Fund/Project

Finally, Arabella Advisors also works in the dark-money PAC arena for willing donors. Listed among many New Venture “projects,” and mentioned specifically in New Venture CEO Lee Bodner’s biography, is the Latino Victory Foundation, an “ambitious, nonpartisan effort to ensure that the growing influence of the Latino population is brought to bear in policy debates and elections.” Deceptive word salad? Oh yeah.

There is no Latino Victory Foundation in IRS records, yet. But in Federal Elections Commission (FEC) records, there’s a Fund, and, yep, a Project, both super PACs. The *Latin Post* once reported the Fund and Project as related but separate, with the Fund having “a more partisan approach.” All three share the same address, on the second floor of a bank building two blocks from the White House, with the Fund and Project sharing a treasurer, one Sara Le Brusq. Her public resume includes work in investment administration for Ford Foundation (a major NVF donor) and “in the office of philanthropist and global financier George Soros” while working on her master’s degree.

Federal and state election data give hints at the hit-and-run nature of this “ambitious, nonpartisan” setup: First, FEC records for the Project lack any funding reports, just expenditures. A sample from \$642,000 spent in the 2014 and 2016 elections is \$179,000 to well-known “progressive” campaign-shop Waterfront Strategies, for 2014 attack ads against Will Hurd (R), a border-security hawk who nonetheless became the first black Texas Republican elected to Congress since Reconstruction.

Thankfully, FEC records for the Fund reveal the Project got at least \$111,000 from the Fund in 2016, easy for the same person to do in the same room. FEC records also show the Fund's donors. In 2016, the Fund raised \$2.1 million with \$2.01 million from "other" sources: CHC (Committee for Hispanic Causes) Bold PAC, "the fastest growing Democratic PAC," wink, wink, giving \$716,000; Service Employees International Union: \$100,000; Trump impeachment crusader billionaire Tom Steyer: \$250,000; Priorities USA Action: \$437,000; and Puget Sound Progressives (please, don't ask): \$180,000. Taken together, that's \$1.6 million from just five donors.

The Fund has already raised \$1.5 million for 2018: CHC Bold is good for \$170,000 and Tom Steyer's Nextgen Climate Action, \$218,000. Biggest donor? George Soros, with three checks totaling \$500,000, so far.

Another illustrative situation: Just days

before the 2016 general election, Ms. Le Brusq registered LVP as an "electioneering communications" entity in Florida. LVP then bought \$15,000 worth of media, drawing from, according to its initial filing, a \$50,000 check from NextGen PAC (Tom Steyer). The state of Florida then sent back a welcome packet, which was returned to sender, "unable to forward." Really? Keep in mind, Le Brusq once worked helping manage Ford Foundation's \$10 billion portfolio—but nobody on the second floor knew about the Project, or thought to send complete records to the FEC?

Then there is Le Brusq's phone number (202-830-1683), a floating, "nonfixed VoIP"

phone first registered to New Venture's office address. It's a direct line, but shared by the Project, the Fund and multiple Victory staff, as well as for "callbacks" to LVP "Dreamer" robocalls in 2018.

Finally, here's the "more partisan" yet "nonpartisan" Fund's biggest claim to fame: In 2017, it made national waves with a vicious

TV ad run in the Virginia governor's race, attacking Republican Ed Gillespie. Remember the noisy black pickup with the Confederate flag prowling through leafy suburbs as children of color flee in terror? Yep—the Fund threw down a full 52-card deck of "race cards" in the cheapest shot of the year, and Gillespie lost. If you haven't seen it, put "Gillespie pickup truck" in the YouTube search window. It's classic, right up there in impact and sleaze with the 1964 "Daisy" nuclear war ad against Barry Goldwater.

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The breadth and complexity of operations conducted by the full range of entities created and controlled by Arabella Advisors is impressive. Arabella/New Venture does it all, for a fee, from wonderful charity for starving babies in Africa, to National Football League damage control, to blatant corporate warfare, to systematic political character assassination campaigns alongside hit-and-run advertising dumps and boiler-room robocalls, right down to some of the best (actually worst) dark-money political skullduggery in modern times. And it's done, for all practical purposes, anonymously with much of it fully tax deductible and the rest completely legal.

While certainly not the only octopus in the garden Washington, D.C., Arabella/New Venture ranks as one of the biggest and best. At accomplishing what? Well, the Latino Victory Foundation's website sadly laments an "explosion of dark money into politics."

The end result, also according to Latino Victory? "[T]he voices of voters are being drowned out, and the best candidates aren't able to get a fair shot." ■

Dave Skinner has never eaten calamari, but he can smell it thousands of miles away.

What's in a Name? Nothing!

Climate Interactive?

Sustainable Agriculture and Food Systems Funders?

Latino Victory Foundation/Fund/Project? Allied Progress?

Campaign for Accountability?

Western Values Project?

Center for Western Priorities?

Like all smart octopuses, Arabella/New Venture works at keeping a low profile. Arabella Legacy's first "project," the 2006 trail-funding diversion scheme, ran about two years before annoyed trail bikers were able to trace it back to Arabella and make it known. Mr. Kessler then very wisely renamed his "charity" New Venture Fund.

Why?

Well, "new venture fund" is a popular business-journalism buzz phrase, so common that today a Google news search presents 75 news articles before a "nonprofit trade" (which normal people never read) story about New Venture comes up. "Mainstream" news? That takes 120 stories and brings up the two-year-old *Siliconbeat*/Oracle exposé. In short, New Venture never, ever makes "the news" consumed by average citizens—or their elected officials.

Following the New Venture tack, the

names Hopewell, Windward and Sixteen Thirty reveal nothing about their true function—acting to host activities and organizations that might bring unwanted attention to the preferably anonymous "fiscal sponsor." When the Google Transparency narrative blew up, New Venture moved fast to spin away any connection to Oracle's money, pretending Hopewell was "different" and attaching CfA to Hopewell. Problem solved, New Venture "cleansed," donors undisturbed.

Even projects get word-salad names. Do you have any idea what Allied Progress does? Look it up; it's another New Venture project run out of a post office box. Really.

As for project names that *do* present a clue, there's a method there, too. Western Values, Center for Western Priorities, Campaign for Accountability, and even Google Transparency Project (wow, what a lie) exhibit a classic "dialectic" technique of using a name to preempt "high ground." Who could ever question transparency for Google? Or the Center's priorities? Even Kessler's off-road "project" was carefully named Responsible Trails America. Who could oppose "responsible" riding?

—Dave Skinner