

Commentary

Daniel Popeo: 'Tis the season for caveat donor

Daniel Popeo, The Examiner

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WASHINGTON - As Americans ponder their year-end gifts, they should consider the charitable giving of some famous philanthropists like Henry Ford, Andrew Carnegie and John D. Rockefeller.

All made their fortunes in the free enterprise system and were passionate believers in market capitalism and self-reliance. Yet the philanthropic remains of their riches have been hijacked by professional special interests to fund social engineering and legal assaults on economic rights.

One of the most fundamental principles of trust and estate law is that the assets of the deceased must be faithfully distributed in full accord with their wishes. However, charitable institutions often ignore the clear intent of their donors.

Unfortunately, many of these institutions use their benefactor's financial legacy to bankroll professional activist organizations that despise capitalism and free enterprise principles. Literally hundreds of foundations across the country have been turned into cash cows for radical causes.

These "charities" bear little resemblance to their founders' vision. They fund a cadre of activist groups and their lawyers who espouse causes contrary to the values held dear by the entrepreneurs whose commitment to free enterprise made their existence possible.

Many of the organizations promote laws, regulations and lawsuits that restrict private property rights, stifle business civil liberties, and generally expand government control over everyday life. Other beneficiaries of free enterprise money seek to judicially legislate an ever expanding list of new "rights" for illegal aliens, criminals, and even terrorists.

Just a few months ago, the Michigan Attorney General opened an investigation of the Ford Foundation, which is incorporated in Michigan, to determine whether it is serving its founder's purposes by substantially cutting funding of Michigan charities, including the Ford Museum.

In 1976, Henry Ford II resigned from the foundation, claiming it attacked the very free enterprise system that made its funding possible. Critics also point to Ford Foundation recipients who use the funds to promote pro-Palestinian, anti-Israeli propaganda.

In a closely watched case that the Wall Street Journal reported "may be the most important case higher education has faced over the question of honoring the wishes of a donor," the underlying principles of philanthropic funding are currently being displayed in a New Jersey courtroom. The Robertson Foundation is suing Princeton University seeking the return of its gift, now valued at \$750 million.

The foundation's funds were earmarked for Princeton's Woodrow Wilson School of Government to educate and train future diplomats and public servants employed by federal government agencies such as the State Department. However, only a fraction of the graduates satisfy those conditions, and foundation money was spent on other programs.

The risk that donor intent will be subverted has even spurred some foundations to arrange for their own dissolution. For example, the John M. Olin Foundation, whose founder promoted free enterprise and conservative values, disbursed all its funds last year as Olin originally intended in 1953, lest it be commandeered by individuals who would start funding programs attacking the objectives of the foundation's creator.

The Bill & Melinda Gates Foundation recently announced that it will disburse all its assets within 50 years of the death of the last of its three trustees — Bill Gates, his wife Melinda and Warren Buffett.

The problems do not end with manipulated foundations. Other special interest group activism is funded by corporations and individuals who simply do not pay enough attention to the activities of the organizations they subsidize. Many anti-business organizations would not exist if not for the money given by well-meaning donors who naively assume their charitable contributions are used to bolster free market principles.

A case in point: corporate benefactors and law school alumni who regularly send checks to law schools without any knowledge their generosity is supporting activist law clinics. Essentially training camps for the next generation of activist lawyers, these clinics are on the vanguard of efforts to saddle businesses with newly concocted radical theories of legal liability.

Whatever one's philosophic stripe, donors and benefactors have a right to expect that the dignity of their ideas will be respected in the years to come through the charitable distribution of their assets. Sadly, this is often not the case. Unless they do their homework, Americans can expect that the money they charitably earmark today may well wind up paying for causes they find unacceptable.

Too frequently, the wishes of donors are given little more than lip service by the beneficiaries of their largesse. Before writing that next check to charity, be very careful — American philanthropy has too little respect for donor intent.

Daniel J. Popeo is chairman and general counsel of the [Washington Legal Foundation](#).

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