

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Statement of Principles on Philanthropic Freedom

Philanthropy exemplifies the American ideal of private action in the public interest, demonstrating our faith in the capacity of individual citizens not only to create wealth, but also—voluntarily—to care for their country, their communities, and their fellow citizens without undue reliance on government.

Philanthropy rests upon the premise that both recipients and donors have the capacity for self-government and wise choices. This vital and diverse element of civil society should be honored as one of America's finest achievements and as evidence of people's capacity for individual initiative and self-governance.

Legislatures should not pass legislation that encroaches upon the freedom of foundations to operate as private institutions or to limit the ability of foundations to make granting decisions based on their own guiding documents. The IRS has a clear determination for organizations who qualify as not-for-profits; states should not seek to politicize charity by limiting the choices of charities that foundations can support. Local organizations are best able to make these decisions.

A free and vibrant civil society, which includes foundations and charities, is quintessentially American and is well worth protecting. It should be the goal of every legislature:

- To preserve the distinctive contributions of all foundations, including small, operating, and family foundations, to American life;
- To safeguard the freedom of foundations to carry out their various charitable objectives;
- To maintain common-sense laws and regulations that impose strict penalties on wrongdoers without trapping the innocent or wasting valuable charitable assets; and,
- To expand and celebrate America's leadership as the most generous and charitable nation on earth.

As such, fundamental principles of philanthropic freedom include the following:

- Fair: Any measure affecting philanthropic organizations must not favor certain types of charities over others. Philanthropy serves as an indispensable laboratory of innovation in addressing many of society's greatest challenges. The independence of thought and diversity of interests and perspectives produced by having so many committed private actors is the wellspring of this sector's vitality, and must therefore be protected.
- Economically Sound: Any tax or regulation on foundations necessarily harms the charities and causes they support, and, by extension, weakens our civil society. Civil society is strongest when participation by all members of society is encouraged.
- Simple: The tax and other reporting systems should be as simple as possible, and should minimize complexity. The cost of tax and regulatory compliance is a real cost to society and complexity serves as a disincentive to creating new foundations.

- Transparent: The Internal Revenue Service requires foundations to submit an

Did you know that the Evergreen Freedom Foundation—which is connected to the Kochs—was the corporate co-chair in 2011?"

ALEC's Corporate Board --in recent past or present

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- Johnson & Johnson
- Coca-Cola Company
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- Coca-Cola Co.
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- DIAGEO
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- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

annual disclosure form (990PF). These forms ensure compliance with tax law and disclose all grants made by the organization. As private institutions, philanthropic organizations maintain the right to determine their own internal policies and governance practices, as long as they operate within the law.

- Predictable: Many foundations are formed in perpetuity to serve social needs and to build better communities. When creating new philanthropic organizations, it is important that donors know that changes in the laws will not weaken their original mission and intent.

Adopted by the Tax and Fiscal Policy Task Force on July 31, 2008.

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About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.