Second in a two-part series. Click here to read the first part.

For six years, a coordinated campaign has fought to save the Colorado River, influencing policy decisions like a recent interstate drought plan.

But you can't find it on Google.

The Colorado River Sustainability Campaign has been an important behind-the-scenes player for environmentalists working on the waterway, which provides water to 40 million people.

It is housed at the New Venture Fund, a tax-exempt charity based in Washington, D.C., that funnels money to dozens of advocacy campaigns on a variety of issues.

There is no mention of the Colorado River Sustainability Campaign on the fund's website, or anywhere in its tax filings.

And those tax returns are opaque.
The organization has some $383.4 million in assets, according to its 2017 tax return, its most recent.

But it does not disclose where it gets its money. And while it does report whom it hands out grants to, it doesn't break that money down by projects, making it a black box for millions of philanthropic dollars.

That has raised significant concerns among transparency watchdogs. The large amounts of money moving through organizations like the New Venture Fund frequently have political implications.

The fund's operating model makes it unclear who is fueling its campaigns, and it allows donors and their allies to pool their money virtually anonymously.

Often, as in the case of the Colorado River Sustainability Campaign, the projects are not public, nor is it readily apparent they are housed at the New Venture Fund.

There is a high "level of political involvement without a lot of press surrounding it because the groups behind don't see themselves as the face," said Anna Massoglia of the Center for Responsive Politics.

She said that while there are several other charities that operate in a similar fashion, the New Venture Fund stands alone in its scope.

"I can't think of any other parallel," she said.

Sam Tucker, director of the fund's Colorado River Sustainability Campaign, told E&E News that environmental groups vary widely in their ideologies, organizational expertise and even personalities.

His project, he said, is about collaboration and coordination.

"What we are trying to do," he said, "is help these organizations undertake their missions as they relate to the Colorado River as efficiently and effectively as possible."

A review of the campaign's finances, however, raises questions of influence and accountability.

When asked who funds his project, Tucker listed five foundations. Those foundations' grant databases showed that his campaign has received at least $8.6 million since 2016.

All of it is under the control of just three employees at the New Venture Fund, but the organization isn't required to reveal who they are, Massoglia said.

"It adds another layer of opacity to the group," she said. "Because they operate under that umbrella, they are not subject to the same disclosure requirements as if there were a separate entity."

It is next to impossible to track how the campaign spends those funds.
Almost half — $4 million — of the campaign's money came from one source: the Walton Family Foundation.

**No fingerprints**

New Venture Fund may be one of the largest players in the "fiscal sponsorship" world, but it is far from the first.

In the 1970s, activist Drummond Pike launched the Tides Foundation as a way for wealthy individuals to pool and funnel funds to progressive causes.


Donors would give, and Pike's staff would put the money to its best use through grant-making.

"Tides also offered mainstream foundations a way to funnel grants to hot-button causes without leaving any fingerprints," he wrote.

That model was replicated in the 1990s by the Koch brothers and conservative foundations that opposed climate change regulation, among other liberal policies.

They poured staggering sums into DonorsTrust, an Alexandria, Va.-based nonprofit that distributed the money to conservative causes and groups.

In her book "Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right," *New Yorker* reporter Jane Mayer concluded that the fund doled out about $750 million from 1999 to 2015 as it "became a screen for the right wing, behind which fingerprints disappeared from the cash."

She also noted that the fund was a way for the Koch brothers and others to sidestep laws concerning the tax-exempt status of their foundations.

"Ordinarily, under the law, in exchange for their tax breaks, private foundations such as the Charles G. Koch foundation were required to publicly disclose the charitable groups to whom they made their grants," she wrote.

"It was one way to assure that these public service organizations were in fact serving the public," Mayer wrote. "But donor-advised funds defeated this minimum transparency."

**Moving money**

Although the New Venture Fund bears similarities to Tides and DonorsTrust, Lee Bodner, the fund's president, insisted it is not ideologically driven and does not seek to replicate those groups.
Its goal since it began in 2006, he said, is to serve as an intermediary, providing services like administrative infrastructure and legal compliance.

"New Venture Fund really got its inspiration from a need for [an] efficient way to get philanthropic capital from point A to point B responsibly," he told E&E News.

That can happen in a few different ways. In some cases, projects or nonprofits are incubated within the fund, then break off as their own tax-exempt group.

In others, the project may be time-limited and remain within the fund until that clock runs out.

And for others, like the Colorado River campaign, they may decide that project is best permanently housed at New Venture Fund.

"In general, fiscal sponsors are a really useful tool for a group of donors to work together," he said.

Bodner also noted that there are other similar groups, including the $105 million Resources Legacy Fund, based in Sacramento, Calif.

Nevertheless, the fund has sparked criticism from the right.

Former Interior Secretary Ryan Zinke said last year that the Western Values Project, one of his fiercest critics and a recipient of New Venture Fund money, should be investigated.

"I think everyone would like to see how they are funded," he told Fox News.

Previous analysis by E&E News found the fund received more than $518 million from about 340 nonprofits between 2010 and 2017, as well as some contributions from foundations tied to corporations including Shell Oil Co. and Southern Co. (Greenwire, Jan. 7).

'Habor master'

Tucker, the director of the Colorado River Sustainability Campaign, said there wasn't anything nefarious about this project.

Its goal is to provide a more nimble way to invest philanthropic dollars than foundations' often laborious and time-consuming grant-making process.

It started in 2012 when the Walton Family Foundation approached the New Venture Fund. The foundation wanted someone to coordinate its grantees' efforts, he said.

"The effort to get those organizations to collaborate was time-consuming," said Tucker, who is based in Maine. "So Walton funded the New Venture Fund to enable some resources and staff capacity to help with that cooperative effort."

Tucker provided five funders of the campaign's money — Walton, the Gordon and Betty Moore Foundation, the Gates Family Foundation, the S.D. Bechtel Jr. Foundation and the Rockefeller Foundation.
Ted Kowalski, the Walton Family Foundation's Colorado River lead, called Tucker and the project a "harbor master."

"At the Walton Family Foundation, we have four program officers, me and three others," he said. Tucker and the project allow the foundation "to utilize additional capacity to make sure our grant dollars are being used in an efficient way," Kowalski said.

He added: "We can't foresee every possible need for deploying funds."

To be clear, the Walton Family Foundation's New Venture Fund contributions for the Colorado River campaign are only a fraction of what the foundation spends in the basin every year. In 2018, for example, it gave $3 million to the Colorado River Sustainability Campaign out of $21.4 million spent in the basin.

But the New Venture Fund has been a frequent recipient of Walton Family Foundation money for other causes, as well. A review of the foundation's grants found it has funneled $10 million to the New Venture Fund since 2016 for everything ranging from other Colorado River work ($725,000) to other environmental work ($1.2 million) to education ($620,000) to "special projects" ($529,000).

Those sums barely register in the scope of the foundation’s giving; it handed out $595.9 million in grants in 2018 alone. And it does disclose the grants to New Venture Fund on its website. Nevertheless, once the money reaches the fund, it is untraceable.

Environmental groups that have worked with Tucker's Colorado River campaign universally praise its structure.

"I think of [Tucker] as an operational arm that helps the groups that receive Walton Family Foundation funding that all work on Colorado River issues," said Scott Yates of Trout Unlimited.

"It's a real benefit for organizations that work on the Colorado River issues to have them," said Matt Rice of American Rivers.

**Salton Sea**

Groups that don't receive Walton Family Foundation grants or work with the New Venture Fund campaign can quickly find themselves marginalized, however.

Take the recently ratified Drought Contingency Plan for the Colorado River.

The seven-state agreement had been years in the making — and was a top priority for the foundation. But at the last minute, it appeared that a Southern California water district could scuttle the deal.

The Imperial Irrigation District, the largest single user of Colorado River water, held out over concerns about the Salton Sea, a shrinking lake whose toxic bed is creating an ecological and public health crisis ([Greenwire](https://www.greenwire.com), June 20, 2016).
The district wanted $200 million in federal funding for mitigation. It also raised concerns about legislation authorizing the drought pact, claiming it contained a rider that would waive environmental laws (Greenwire, March 13).

When former California Sen. Barbara Boxer (D) got wind of the legislative language, she penned an op-ed in the Desert Sun, the local newspaper, taking the district's side and calling it a "terrible environmental waiver."

"Proponents of this drought plan environmental waiver argue it is needed to implement the plan expeditiously," she she wrote. "But that is nonsense."

Quickly, the drought plan looked imperiled, and environmental groups were put on notice by the former chairwoman of the Senate Environment and Public Works Committee.

The plan's backers punched back hard, as if a coordinated campaign had been mobilized.

Days later, seven basin states and seven environmental groups penned their own op-ed in the Desert Sun. They wrote that the drought plan "was designed to function within rigorous environmental analysis review and permitting processes that have already been completed."

Their main ammunition was minutes from one of the district's board meetings in September 2018. In it, the district appeared to acknowledge the drought plan would not affect the Salton Sea — a point the states and groups have insisted upon.

All the environmental groups that signed on to the op-ed — American Rivers, the National Audubon Society, the Environmental Defense Fund, the Nature Conservancy, Trout Unlimited, the Theodore Roosevelt Conservation Partnership and Western Resource Advocates — have received significant funding from the Walton Family Foundation, the New Venture Fund campaign, or both.

Tucker, the Colorado River Sustainability Campaign director, said the groups "we work with are pretty accustomed to coordinating at this point."

"When the chance came up for them to partner with the states in a way that could support both the [Drought Contingency Plan] and the Salton Sea," he added, "they jumped on it."

The rider was eventually removed from the bill before it passed Congress and was signed into law by President Trump this week. But the water district's $200 million request shouldn't have caught the Walton Family Foundation by surprise; it partly funded the work to identify it.

The foundation issued several grants to a conservation consulting firm to develop federal funding for Salton Sea efforts.

Kowalski said the foundation has worked on Salton Sea issues for years. But he acknowledged that the foundation didn't want the $200 million request to sink the Drought Contingency Plan, or DCP.
"We support that ask, but not at the expense of the DCP," he said. "We supported that as a separate, stand-alone request. We support both."

Joan Taylor of the Sierra Club, which does not receive Walton money, said that before the op-ed, she had thought all the environmental groups were on the same page: Steps would be taken to ensure the drought plan and related legislation would mitigate any effects on the Salton Sea.

"In meetings with other environmental groups," including the Environmental Defense Fund, she said, "we were given assurances by those close to the Drought Contingency Plan that the Salton Sea would be mitigated for any impacts from this plan."

The change from the other groups nearly gave her whiplash. Suddenly, making sure the drought plan moved forward was more important than the environmental protections for the lake, she said.

"Now they are the very groups saying this waiver of law is just dandy."

And remember that September 2018 board meeting that the states and groups used as evidence?

Morgan Snyder, a Walton Family Foundation program officer, tweeted about it on March 20 — six days before the op-ed.

_Reporter Jeremy P. Jacobs was a 2018 Institute for Journalism & Natural Resources fellow on the Colorado River, which was largely funded by the Walton Family Foundation._

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