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The Environmental Left: Breaking the Law in the Name of Charity

By George C. Landrith

Most far Left environmental groups are organized as charitable education foundations. However, these same groups routinely engage in non-educational and non-charitable activity – such as, violent protests,¹ pressure campaigns,² boycotts,³ blockades,⁴ and unlawful activities⁵ – clearly violating the legal requirement that organizations be “operated exclusively for...educational purposes.”⁶

These eco-extreme organizations, like the Rainforest Action Network (RAN), have taken the law into their own hands by first applying for a charitable tax status and then abusing that charitable status to fund their radical political agenda and their unlawful activities. While a number of leftist environmental groups play this game, for purposes of illustration, I will focus on RAN. Rather than me telling you what RAN does, I’ll let them tell you:

“Rainforest Action Network is not your typical band of tree-huggers. We work hard to combine sophisticated strategies with radical demands. On any given day our team could be engaged in everything from corporate negotiations to community organizing, from policy development to civil disobedience, from an interview with the Wall Street Journal to an interview with the Earth First! Journal.”⁷

RAN is definitely not what most people imagine when they think of a charitable environmental group. Going way beyond mere environmental education of the public, RAN devotes most of its \$3 million-plus annual war chest to pressure campaigns aimed at forcing companies to change the way they do business. In pursuing its goals, RAN employs an aggressive, uncompromising strategy. The group targets a company, makes demands, and then attacks with boycotts, negative publicity, and high-profile acts of civil disobedience.⁸

Until the company acquiesces, the attacks continue. In the words of RAN President Randall Hayes: “We’ll boycott a corporation until the ends of the Earth if we have to.... We now know how to be an effective thorn in the sides of a transnational.”⁹

As its annual report and website reveal, RAN’s main activity is to conduct pressure campaigns — efforts to force companies or institutions to make specific changes in the way they do business.

“Direct action through protests and non-violent civil disobedience is another way that RAN puts pressure on corporations, lending institutions, and governments that are destroying rainforests.”¹⁰

The organization’s pronouncements and actions make it clear that the purpose of these campaigns is not to indirectly trigger changes in corporate behavior through public education. Rather, the intent of RAN’s campaigns is to *directly* force such changes through the making of specific demands, followed up with threats, and then initiation of action intended to harm the target company in hopes of forcing them to capitulate to their demands.

RAN itself distinguishes this approach from educational efforts: “We can produce and distribute printed materials directly to people and/or distribute information indirectly through the media. However, if we want to engage more actively and to interrupt the casual flow of business-as-usual, we can turn towards the time-honored tradition of direct action, either with or without civil disobedience.”¹¹

In stark contrast to the face RAN presents to its funders is the face RAN presents to the government when it asks to receive the charitable tax status. Gone is the talk of “radical demands” and “civil disobedience.” In its annual return to the IRS, RAN speaks only of “education” in describing its activities. However, the word “education” is not used even once in the overview letter to supporters in the annual report.¹²

RAN describes its activities differently to the IRS than it does in promotional materials for good reason. Established as a nonprofit corporation exempt from taxation under section 501(c)3 of the Internal Revenue Code, which qualifies RAN to solicit tax-deductible contributions, RAN is required by law to be “operated exclusively for...educational purposes.”¹³ Any such organization violates the law “if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.”¹⁴

As a result of RAN’s current tax exemption status, taxpayers are being improperly forced to subsidize through millions of dollars in tax deductions the efforts of a group of activists to force companies to behave as these activists see fit. This burden RAN imposes on taxpayers is especially offensive given that the group’s activities routinely involve the deliberate breaking of laws enacted and enforced at taxpayer expense.

Compounding the insult to taxpayers, RAN seems to regard taxpayer-subsidized civil disobedience as a legitimate fundraising tool. In annual surveys of its supporters, the group asks whether people would be motivated “to give financial support to RAN if RAN did more demonstrations and civil disobedience.”¹⁵

There is no question that folks have a right to peaceably protest. The question is whether they should be able to fund protests, vandalism, trespassing, or unlawful activities with tax-exempt charitable money. The law defines what is charitable and what activities qualify an organization to receive and collect tax-deductible charitable funds. For example, schools, universities, hospitals, educational policy institutes, homeless shelters, museums, and organizations that assist the poor or promote the arts are among the organizations that qualify to receive a charitable designation – which means that donors to such causes may deduct the donation on their income taxes.

Many legal activities do not qualify for a charitable designation. For example, the local donut shop, grocery store, and barbershop are not charitable organizations. Political parties and campaign organizations are not charitable organizations – even though their activities are critical to our democratic processes and protected by the First Amendment.

The question is not whether the activity is permitted – the issue is should such activities receive tax-free charitable tax advantages. Our society has determined that schools, hospitals, homeless shelters, museums, and educational institutes may receive this favorable charitable tax status. Most other things, as important as they may be, do not qualify for charitable tax deductions.

While people have every right to form groups and forcefully express their opinions, RAN’s founders chose to organize RAN as a nonprofit dedicated solely to educational purposes in order to have access to tax-deductible contributions. RAN could have instead been organized as a nonprofit *advocacy* organization, freeing it from the constraint to be operated exclusively for educational purposes. But that also would have meant no tax-deductible contributions.

RAN has apparently decided that the best course of action is to have it both ways: operate as an advocacy organization *and* take tax-deductible contributions. However, for taxpayers who are footing the bill for advocacy activities that are anything but charitable, this is an unacceptable arrangement. It is also clearly prohibited by law.

George C. Landrith is President of Frontiers of Freedom.

Notes

¹ RAN press release, “Activist Bootcamp Near Seattle Attracts Top-Flight Hellraisers from Across U.S.,” September 9, 2000.

² RAN press release, “200 Activists Occupy Al Gore’s Olympia Office,” September 19, 2000.

³ RAN press release, “Home Depot Stores Targeted in North American Day of Protest,” October 14, 1998.

⁴ RAN press release, “Activists Around the World Vie to stop Mitsubishi’s Destruction of Rainforests,” October 16, 1996.

⁵ RAN Web page, “Old Growth Campaign Timeline”.

⁶ See Internal Revenue Code Section 501(c)3. Referring to entities for tax exempt status, the section reads: “Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes...”

⁷ Rainforest Action Network Annual Report for 2000, Letter of Christopher Hatch and Randall Hayes.

⁸ RAN press release, “Boise Cascade Target of National ‘Markets Campaign’.”

⁹ eMagazine.com, July-August 1997, “Interview with Randy Hayes.”

¹⁰ RAN Web page, “Direct Action.”

¹¹ RAN Web page, “Creative Intervention: Street Theatre Spotighting Citigroup.”

¹² RAN’s IRS Form 990 for 1999. See statement 6, in which RAN describes its programmatic activities as follows: “Public education to conserve and protect the world’s natural resources, concentrating on preservation of tropical rainforests.”

¹³ Internal Revenue Service Code Section 501(c)3.

¹⁴ IRS Web page, “Exemption Requirements - § 501(c)3”.

¹⁵ “RAN Online Survey 2000.”