

GETTING RICH

**THE ENVIRONMENTAL MOVEMENT'S
INCOME, SALARY, CONTRIBUTOR,
AND INVESTMENT PATTERNS**

**WITH AN ANALYSIS OF LAND TRUST
TRANSFERS OF PRIVATE LAND
TO GOVERNMENT OWNERSHIP**

A REPORT BY
THE CENTER FOR THE DEFENSE OF
FREE ENTERPRISE

Getting Rich: Introduction

The environmental movement is arguably the richest power and pressure center in America. This report examines the question, "What is the public paying for with its money for the environment?" It profiles the twelve richest and best-known environmental organizations in the United States, including two subgroups, one within Greenpeace, one related to the Sierra Club. It focuses on their internal finances, how they spend the money the public gives them—usually a well-guarded secret even though the law requires non-profit organizations to make full public disclosure.

Simply put, where does the money go?

Certainly environmental group money goes to programs that "protect the environment from the ravages of humanity." None of the twelve major groups and their subgroups examined here fail to expend substantial funds on their publicly announced programs.

However, none of the groups examined here announce the fat salaries of their executives, the huge amounts paid for staff wages and pensions, or the donations spent playing Wall Street in professionally managed investment portfolios. And few loudly advertise their gifts from large corporations.

In addition, many environmental groups have fallen under control of the nation's richest private foundations. Private foundations have forced their own social-change agendas on many environmental organizations through "grant driven projects," with ominous implications for the unwitting public.

This report also focuses on the most troublesome aspects of a citizen movement grown powerful: the ability of wealthy land trusts to funnel private property into the federal government at prices above the approved appraised value, to "lowball" prices paid to private owners based on inside information provided by federal agencies, and to persuade congressional allies to put their properties at the top of the list for federal payments.

Acknowledgments

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All raw data used in this report were obtained from public records, including IRS Form 990 reports, and annual financial filings required by the States of New York, Virginia, and California. Statistical and political analyses were performed by the Center for the Defense of Free Enterprise.

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The Twelve Top Organizations

1

The Nature Conservancy (Founded 1951)

Annual budget: \$278,497,634 (1993)

Staff: 1,150 total

Members: 708,000 individuals; 405 corporations

Tax Status: (501)(c)(3)

Headquarters: 1815 North Lynn Street

Arlington, Virginia 22209

Phone: (703)841-5300 Fax: (703)841-1283

2

National Wildlife Federation (Founded 1936)

Annual budget: \$82,816,324 (1993)

Staff: 608 total

Members: 4 million members

Tax Status: (501)(c)(3)

Headquarters: 1400 16th Street, NW

Washington, D.C. 20036

Phone: (202)797-6800 Fax: (202)797-6646

3

World Wildlife Fund (Founded 1961; predecessor in 1948)

Annual budget: \$60,791,945 (1993)

Staff: 244 total—172 professional; 72 support

Members: 1 million members

Tax Status: (501)(c)(3)

Headquarters: 1250 24th Street, NW

Washington, D.C. 20037

Phone: (202)293-4800 Fax: (202)293-9211

4

Greenpeace Fund, Inc. (Founded 1971, formerly Greenpeace USA)

Annual budget: \$48,777,308 (Combined 1993 with **Greenpeace, Inc.**)
\$157 million internationally (1991)

Staff: 250 staff members plus 20 interns (reorganized in 1992)
Offices in 30 countries

Members: 1.7 million members and supporters U.S. (1993),
4.5 million worldwide

Tax Status: (501)(c)(3) [**Greenpeace, Inc.** is a (501)(c)(4)]

Headquarters: 1436 U Street, NW

Washington, D.C. 20009

Phone: (202)462-1177 Fax: (202)462-4507

5

Sierra Club (Founded 1892)

Annual budget: \$41,716,044 (1992)

Staff: 325 total—180 professional, 145 support, plus volunteers

Members: 550,000 individuals

Tax Status: (501)(c)(4); Sierra Club Legal Defense Fund is 501(c)(3)

Headquarters: 730 Polk Street

408 C Street, NE

San Francisco, California 94109

Washington, D.C. 20002

Phone: (415)776-2211

Phone: (202)797-6800

Fax: (415)776-0350

Fax: (202)797-6646

6

National Audubon Society (Founded 1905, precursors in 1886 and 1896)

Annual budget: \$40,081,591 (1992)

Staff: 315 total

Members: 542,000 individuals (1993)

Tax Status: (501)(c)(3)

Headquarters: 950 Third Avenue

801 Pennsylvania Avenue SE

New York, New York 10022

Washington, D.C. 20003

Phone: (212)832-3200

Phone: (202)547-9009

Fax: (212)593-6254

Fax: (202)547-9022

The Twelve Top Organizations

7

Natural Resources Defense Council (Founded 1970)

Annual budget: \$20,496,829 (1993)
Staff: 128 total—83 professional; 45 support
Members: 170,000 individuals
Tax Status: (501)(c)(3)
Headquarters: 40 West 20th Street
New York, New York 10011
Phone: (212)727-2700
Fax: (212)727-1773
1350 New York Ave., NW
Suite 300
Washington, D.C. 20005
Phone: (202)783-7800
Fax: (202)783-5917

8

Environmental Defense Fund (Founded 1967)

Annual budget: \$17,394,230 (1993)
Staff: 110 total—80 professional, 30 support
Members: 250,000 individuals (1994)[source: telephone inquiry]
Tax Status: (501)(c)(3)
Headquarters: 257 Park Avenue South
New York, New York 10010
Phone: (212)505-2100
Fax: (212)505-2375
1616 P Street, NW
Washington, D.C. 20036
Phone: (202)387-3500
Fax: (202)234-6049

9

The Wilderness Society (Founded 1935)

Annual budget: \$16,093,764 (1993)
Staff: 136 total
Members: 293,000 individuals
Tax Status: (501)(c)(3)
Headquarters: 900 17th Street, NW
Washington, D.C. 20006
Phone: (202)833-2300 Fax: (202)429-3959

10

National Parks and Conservation Association (Founded 1919)

Annual budget: \$11,285,639 (1993)
Staff: 43 total
Members: 400,000 individuals
Tax Status: 501(c)(3)
Headquarters: 1015 31st Street, NW
Washington, D.C. 20007
Phone: (202)223-6722 Fax: (202)944-8535

11

Friends of the Earth (Founded 1969, reconstituted 1990)

Annual budget: \$2,467,775 (1993)
Staff: 45 total—38 professional, 7 support
Members: 50,000 individuals
Tax Status: 501(c)(3)
Headquarters: 218 D Street, SE
Washington, D.C. 20003
Phone: (202)544-2600 Fax: (202)543-4710

12

Izaak Walton League of America (Founded 1922)

Annual budget: \$2,074,694 (1992)
Staff: 23 total—14 professional, 9 support
Members: 52,700 individuals
Tax Status: 501(c)(3)
Headquarters: 1401 Wilson Boulevard, Level B
Arlington, Virginia 22209
Phone: (703)528-1818 Fax: (202)528-1836

Environmental Organization Incomes

ORGANIZATION	REVENUE	EXPENSES	ASSETS	FUND BALANCES
The Nature Conservancy (fiscal 1993)	\$278,497,634	\$219,284,534	\$915,664,531	\$855,115,125
National Wildlife Federation (1993)*	\$82,816,324	\$83,574,187	\$52,891,144	\$13,223,554
World Wildlife Fund (fiscal 1993)*	\$60,791,945	\$54,663,771	\$52,496,808	\$39,460,024
{ Greenpeace Fund, Inc. (1992) {combined different years} Greenpeace Inc. (1993)	\$11,411,050	\$7,912,459	\$25,047,761	\$23,947,953
	{ \$48,777,308 }			
Greenpeace Inc. (1993)	\$37,366,258	\$38,586,239	\$5,847,221	<\$5,696,375>
Sierra Club (1992)	\$41,716,044	\$39,801,921	\$22,674,244	\$14,891,959
Sierra Club Legal Defense Fund (1993)	\$9,539,684	\$9,646,214	\$9,561,782	\$5,901,690
National Audubon Society (fiscal 1992)	\$40,081,591	\$36,022,327	\$92,723,132	\$61,281,006
Environmental Defense Fund (fiscal 1992)	\$17,394,230	\$16,712,134	\$11,935,950	\$5,279,329
Natural Resources Defense Council (fiscal 1993)	\$20,496,829	\$17,683,883	\$30,061,269	\$11,718,666
Wilderness Society (fiscal 1993)	\$16,093,764	\$16,480,668	\$10,332,183	\$4,191,419
National Parks and Conservation Association (1993)	\$12,304,124	\$11,534,183	\$3,530,881	\$769,941
Friends of the Earth (1993)	\$2,467,775	\$2,382,772	\$694,386	<\$120,759>
Izaak Walton League of America (1992)	\$2,036,838	\$2,074,694	\$1,362,975	\$414,309
Total	\$633,014,090	\$556,359,986	\$1,234,824,267	\$1,030,377,841

Notes: All figures most recent reporting year available. Some organizations had not filed reports for either calendar or fiscal 1993 as of September 1, 1994. Calendar year used unless noted.

The Nature Conservancy obtained \$76,318,014 of this amount from sale of private land to the government and \$20,402,672 from government grants.

National Wildlife Federation fiscal year 1993 ended August 31, 1993.

World Wildlife Fund fiscal year 1993 ended June 30, 1993.

Greenpeace Fund (a 501(c)(3)) and Greenpeace, Inc. (a 501(c)(4)) have substantial financial interactions annually. Most recent Form 990 year available for Greenpeace Fund, Inc., is 1992. Greenpeace, Inc. figures are from 1993 financial statement.

National Audubon Society income includes \$93,623 in mineral royalties from natural gas wells on its Rainey Wildlife Sanctuary and \$505,850 from government grants.

Executive Compensation

ORGANIZATION	EXECUTIVE	TITLE	SALARY	BENEFITS	EXPENSE ACCOUNT
The Nature Conservancy	John Sawhill	President and Chief Executive	\$185,000	\$17,118	None
National Wildlife Federation	Jay Hair	Executive Director	\$242,060	\$34,155	\$23,661
World Wildlife Fund	Kathryn Fuller	Executive Director	\$185,000	\$16,650	None
Greenpeace Fund	Barbara Dudley	Executive Director Acting*	\$65,000	None	None
Greenpeace Inc.	Stephen D'Esposito	Executive Director	\$82,882	None	None
Sierra Club	Carl Pope	Executive Director	\$77,142	None	None
Sierra Club Legal Defense Fund	Vawter Parker	Executive Director	\$106,507	\$10,650	None
National Audubon Society	Peter A. A. Berle	President	\$178,000	\$21,285	None
Environmental Defense Fund	Fred Krupp	Executive Director	\$193,558	\$17,216	None
Natural Resources Defense Council	John H. Adams	Executive Director	\$145,526	\$13,214	None
Wilderness Society	Karin Sheldon	Acting President	\$90,896	\$22,724	None
National Parks and Conservation Association	Paul C. Pritchard	President	\$185,531	\$26,123	None
Friends of the Earth	Jane Perkins	President	\$74,104	\$2,812	None
Izaak Walton League of America	Maitland Sharpe	Executive Director	\$76,052	\$5,617	None
Total			\$1,887,258	\$187,564	\$23,661

Greenpeace: Stephen D'Esposito subsequently took the position of head of Greenpeace International in Belgium, leaving Barbara Dudley as executive director of both Greenpeace Fund, Inc. and Greenpeace, Inc., according to the Washington office.

Officer Incomes, Staff Wages and Benefits

ORGANIZATION	OFFICER & DIRECTOR COMPENSATION	OTHER SALARIES AND WAGES	PENSION PLAN CONTRIBUTIONS	OTHER EMPLOYEE BENEFITS
The Nature Conservancy	\$1,786,432	\$45,824,545	\$1,913,453	\$3,832,110
National Wildlife Federation	\$475,512	\$23,607,589	\$80,000	\$640,291
World Wildlife Fund	\$663,531	\$11,515,186	None	\$934,687
Greenpeace Fund (1991)	\$148,900	\$5,928,454	None	\$300,318
Greenpeace Inc. (1991)	\$35,600	\$9,904,344	None	\$545,985
Sierra Club	\$272,381	\$8,234,250	\$73,275	\$1,011,847
Sierra Club Legal Defense Fund	\$384,502	\$3,612,083	\$447,700	\$461,607
National Audubon Society	\$1,010,723	\$10,382,800	\$913,397	\$1,265,623
Environmental Defense Fund	0	\$6,163,645	\$220,769	\$422,141
Natural Resources Defense Council	\$421,730	\$8,258,420	None	None
Wilderness Society	\$757,541	\$4,470,572	\$403,581	\$569,163
National Parks and Conservation Association	\$185,531	\$1,864,451	\$56,195	\$142,122
Friends of the Earth	\$74,104	\$958,580	\$28,797	\$123,762
Izaak Walton League of America	0	\$659,365	\$31,985	\$173,958
Total	\$62,164,487	\$141,384,284	\$4,169,152	\$10,423,614

Major Corporate Contributors

ORGANIZATION	DONOR CORPORATION OR CORPORATE FUNDED FOUNDATION
The Nature Conservancy	Allied-Signal, Inc.; ARCO; Boeing; BP Oil; Chevron; Dow Chemical; DuPont; Enron; Exxon; Newmont Gold Company; Times-Mirror Corporation; others.
National Wildlife Federation	Amoco; ARCO; Coca-Cola; Dow Chemical; DuPont; Exxon; General Electric; General Motors; IBM; Miller Brewing; Mobil Oil; Monsanto; Pennzoil; others.
World Wildlife Fund	ARCO; AT&T; Ford Motor Company; General Electric; H. J. Heinz; Mobil Oil; New York Times Company; Procter & Gamble; Shell Oil; Weyerhaeuser; others.
Greenpeace Fund	Greenpeace Fund claims it does not accept corporate contributions
Greenpeace Inc.	Greenpeace, Inc. is a lobbying group not eligible for tax deductible donations
Sierra Club	The Sierra Club is a lobbying group not eligible for tax deductible donations
Sierra Club Legal Defense Fund	New York Times Company.
National Audubon Society	Alcoa; Bank of Boston Corporation; Ford Motor Company; General Electric; H. J. Heinz; Monsanto; New York Times Company; Procter & Gamble; others.
Environmental Defense Fund	Times Mirror Company.
Natural Resources Defense Council	Ametek; Corning Glass Works; Dakin Corporation; Mayfair Supermarkets; Morgan Bank; New England Biolabs; New York Times Company; Dean Witter.
Wilderness Society	Archer Daniels Midland; Guardsmark, Inc.; Morgan Guaranty Trust Co.; New York Times Company; Timberland Co.; Waste Management, Inc.; others.
National Parks and Conservation Association	First National Bank of Boston.
Friends of the Earth	American Railroad Association; Recreational Equipment, Inc.
Izaak Walton League of America	Amoco; Anheuser-Busch; ARCO; Chevron USA; DuPont; Exxon; FMC Corp.; Pennzoil; Phillips Petroleum; Procter & Gamble; Tenneco; 3M; Unocal.

Investment Summaries, Market Value

ORGANIZATION	U.S GOVERNMENT OBLIGATIONS	COMMON STOCKS	BONDS, ALL TYPES	OTHER	TOTAL INVESTMENTS
The Nature Conservancy	\$49,017,000	\$138,508,000	\$27,262,000	\$65,597,600	\$245,322,000
National Wildlife Federation	\$6,739,754	\$4,592,752	\$1,426,093	See analysis	\$12,758,599
World Wildlife Fund	\$2,704,914	\$27,262,802*	\$6,216,714*	\$6,760,934*	\$42,945,391
Greenpeace Fund	\$2,470,393	None	None	\$1,112,134	\$3,582,527
Greenpeace Inc.	Note 1				
Sierra Club					\$8,886,605
Sierra Club Legal Defense Fund	Note 1	—	—	—	\$4,870,716
National Audubon Society	\$12,366,647	\$34,237,474	\$9,640,927	\$830,425	\$57,075,473
Environmental Defense Fund					\$2,744,086
Natural Resources Defense Council	\$2,139,751	\$155,245	\$1,461,277*	\$5,335,167	\$9,091,440
Wilderness Society	\$1,808,092	\$3,913,949*	None	\$180,000	\$5,950,957
National Parks and Conservation Association	\$1,227,342	\$728,255*	\$511,889	\$369,137	\$2,836,623
Friends of the Earth	Note 1				
Izaak Walton League of America	None	None	\$72,756	None	\$72,756
Total	\$78,473,983	\$209,398,477	\$46,591,656	\$80,563,456	\$396,137,173

World Wildlife Fund: Common stock entry is listed on Form 990 as "Equities," Bonds entry as "Corporate obligations," and Other entry as "Cash and cash equivalents."

Greenpeace Inc. Note 1: Greenpeace Inc. claims to have no investments in securities.

Sierra Club Legal Defense Fund Note 1: See Investment Analysis on page 14 for details.

*Natural Resources Defense Council-owned corporate obligations may include instruments other than bonds.

*Wilderness Society: \$3,913,949 is entered as cash equivalents on the balance sheet. The Wilderness Society also maintains a financial reserve called The Wilderness Fund with a 1993 market value of \$3,890,898.

National Parks and Conservation Association: Stocks: Includes preferred and common stock; Bonds: Includes corporate notes and bonds; Other: See analysis.

Friends of the Earth Note 1: FOE claims to have no investments in securities.

Izaak Walton League of America owns only these investments in bonds according to their Form 990.

Investment Analysis

THE NATURE CONSERVANCY

Fiscal 1993 Form 990, Part IV - Investments - Securities DESCRIPTION	Statement 7	
	BEGINNING OF YEAR	END OF YEAR
U. S. Obligations		\$49,017,000
Bonds		\$27,017,000
Endowment Investments	\$138,228,753	
Planned Giving Investments	\$ 26,890,767	
Current & Land Acquisition	\$102,941,039	
Common Stock		\$138,508,000
Preferred Stock		\$ 976,000
Mutual Funds		\$ 29,559,000
Total	<u>\$268,060,559</u>	<u>\$245,322,000</u>

(Note: The classification of beginning-of-year figures is different from end-of-year figures in order to reflect groupings previously reported).

The Nature Conservancy refused to release its list of investments in corporate stocks.

NATIONAL WILDLIFE FEDERATION

Taxable Year Ended July 31, 1993 Form 990, Part IV - Investments - Securities Schedule 9		
	Book Value	
	FY1993	FY1992
U. S. Government and Agency Securities	\$6,739,754	\$8,216,943
Corporate Stock	\$4,592,752	\$4,423,380
Corporate Bonds	<u>\$1,426,093</u>	<u>\$3,343,893</u>
Total	<u>\$12,758,599</u>	<u>\$15,984,216</u>
Investments - Other Schedule 10		
Investments - Mutual Funds		
Merrill Lynch Investment Portfolio Government Plus	-0-	\$206,999
Merrill Lynch Cash Management Account	<u>\$378,059</u>	<u>\$554,666</u>
Total	<u>\$378,059</u>	<u>\$761,665</u>

The National Wildlife Federation refused to release its list of investments in corporate stock and corporate bonds.

11 Getting Rich

Investment Analysis

WORLD WILDLIFE FUND

1993 Form 990, Part IV, Line 54 - Investments

Cash and cash equivalents	\$ 6,760,934
Government securities	2,704,914
Corporate obligations	6,216,714
Equities	<u>27,262,802</u>
Total	\$42,945,391

Notes to Financial Statements as of June 30, 1993

Note 1: Summary of Significant Accounting Policies

Cash and Investments:

Investments are recorded in the financial statements at the lower of cost or market value. Investments received as contributions are recorded at their fair market value at the date of donation. Market value of cash and investments at June 30, 1993 and June 30, 1992 were approximately \$47,972,000 (1993) and \$40,671,000 (1992).

The World Wildlife Fund refused to release its list of investments in corporate obligations and equities.

GREENPEACE FUND

Financial Statement - Note 4 - Investments

At December 31, 1991, investments consist of:

	Amortized Cost	Market Value
Current investments:		
Certificates of deposit	\$ 680,000	\$ 680,000
U. S. Government securities	\$1,134,451	\$1,152,051
Other	<u>\$ 101,765</u>	<u>\$ 105,154</u>
Total current investments	\$1,916,216	\$1,937,205
Long-term investments:		
Certificates of deposit	\$ 90,000	\$ 90,000
U. S. Government securities	\$1,279,703	\$1,318,342
Municipal Bonds	\$ 99,139	\$ 95,213
Other	<u>\$ 137,965</u>	<u>\$ 141,767</u>
Total long-term investments	<u>\$1,916,216</u>	<u>\$1,937,205</u>
Total investments	\$3,523,023	\$3,582,527

Investment Analysis

SIERRA CLUB

1992 Form 990, Page 3, Part IV, Line 54 - Investments

Beginning of Year: \$7,979,267; End of Year: \$8,886,605 ANALYSIS OF 1992 NOT AVAILABLE

MOST RECENT ANALYSIS AVAILABLE, YEAR ENDED: 09/30/90 STATEMENT 9

INTEREST RATE	DESCRIPTION	BALANCE 09/30/89	BALANCE 09/30/90
15.75%	Stripped Coupon Treasury Bonds	\$470,867	\$470,867
	Cash Held for Investment	384,966	657,718
	Bond Amortization	740,079	1,030,083
	Investment in Subsidiary	250,000	250,000
11.25%	Stripped Coupon Treasury Bonds	65,128	65,128
	U.S. Strip Bond	330,278	330,278
	FNMA	175,000	0
6.5%	U.S. Treasury Note	229,973	0
8.75%	U.S. Treasury Note	201,187	201,187
8.625%	U.S. Treasury Note	200,879	0
	U.S. Strip Bond	294,122	294,122
	U.S. Strip Bond	207,493	207,493
	U.S. Strip Bond	181,791	181,791
8.125%	U.S. Treasury Note	244,765	244,765
8.25%	U.S. Treasury Note	243,125	243,125
8.875%	U.S. Treasury Note	246,679	246,679
8.6%	U.S. Treasury Note	241,211	241,211
8.25%	U.S. Treasury Note	244,414	244,414
8.875%	U.S. Treasury Note	295,875	295,875
	U.S. Strip Bond	154,754	154,754
7.15%	FHLB	0	246,563
8.05%	FHLB	0	329,794
8.913%	Resolution Fund	0	169,999
8.7%	U.S. Strip Bond	0	369,504
	Total	\$5,402,586	\$6,475,328
	Less: Investments held by Affiliate S.C.C.O.P.E.	(237,311)	(83,674)
	Net Investment for Balance Sheet	\$5,165,275	\$6,391,654

Note: S.C.C.O.P.E. is the Sierra Club Committee on Political Education, a Political Action Committee.

Investment Analysis

SIERRA CLUB LEGAL DEFENSE FUND, INC.

Taxable Year Ended July 31, 1993
Form 990, Part IV - Investments

	Fair Market Value	
	1993	1992
Bonds	\$14,150	\$12,975
Mutual Beacon Fund, Inc.	97,753	78,530
Mutual Qualified Fund	51,190	42,329
Brown Brothers Harriman	3,374,107	3,181,536
Meritor Mortgage Corp - GNMA	19,564	29,731
U.S. Trust Company	90,648	n/a
U.S. Trust Company	901,078	626,353
Franklin Trust Company	322,586	166,799
	<u>\$4,870,716</u>	<u>\$4,138,253</u>

NATIONAL AUDUBON SOCIETY

Form 990, Part IV, Line 54, - Investment Securities
6/30/92

	Cost	Market
U. S. Government and Agency obligations	\$11,789,173	\$12,366,647
Money Market Funds	830,425	830,425
Corporate Bonds	9,267,238	9,640,927
Corporate Stock	28,811,560	34,237,474
Total	<u>50,698,396</u>	<u>57,075,473</u>

The National Audubon Society breaks down these funds into two investment pools, general investment and life income trusts. Values of these components were: Current Funds, Cost: \$12,716,026, Market, \$14,273,514; Endowment and Similar Funds, Cost, \$34,147,894, Market, \$38,598,119; Life Income Trusts, Cost, \$1,689,572, Market, \$1,846,105; Non-Pooled Investments, Cost, \$2,144,904, Market, \$2,357,735.

The National Audubon Society refused to release its list of investments in corporate bonds and common stocks.

Investment Analysis

ENVIRONMENTAL DEFENSE FUND

Fiscal 1992 Form 990, Part IV -
Investments - Securities Line 54

Total investments, End of Fiscal Year at September 30, 1992: \$2,744,086.

Investments include the following:

Morgan Fixed Fund, Endowment	\$8,658
Morgan Fixed Fund, Board Designated Endowments	\$40,558
Vanguard Fund - GNMA	\$820,493
Short Term, Vanguard Fund - GNMA	\$823,773
Vanguard GNMA - Endowment	\$65,923

Other Investments - Line 56 - Form 990

EDF has invested a portion of its endowment funds in a limited partnership. During the fiscal year ended September 30, 1992, the market value of the partnership investment decreased from \$527,882 to \$480,454. The assets reported in the financial statements reflect the September 30, 1992 market value.

NATURAL RESOURCES DEFENSE COUNCIL

Fiscal 1993 Form 990, Part IV - Investments - Securities	Statement 7	
DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
Money Market Funds	\$2,601,982	\$4,255,984
U. S. Government and Agency Obligations	\$2,031,624	\$2,139,751
Corporate Obligations	\$1,005,222	\$1,461,277
Common Trust Funds	\$ 951,016	\$1,079,183
Common Stocks	None	\$ 155,245
Total	<u>\$6,589,844</u>	<u>\$9,091,440</u>

The Natural Resources Defense Council refused to release its list of investments in corporate obligations and common stocks.

Investment Analysis

WILDERNESS SOCIETY

Investment in Securities [Most recent year available]

Investments at September 30, 1988 are as follows:

Cash Equivalents	Cost	Market Value
General Motors Acceptance Corp. - repurchase agreements	\$ 385,000	385,000
Kidder, Peabody - premium account	<u>597,030</u>	<u>597,030</u>
	982,030	982,030
Principal Cash		
Fiduciary Trust Co.	4,202	4,202
Securities of U.S. Government and Agencies		
U.S. Treasury notes, due 5/31/89 8%	200,000	199,688
Federal Home Loan Bank, due 9/25/89, 6.75%	150,541	147,375
Federal Home Loan Bank, due 7/25/91, 7.5%	99,719	96,719
Federal National Mortgage Association, due 12/10/93, 7.375%	149,625	140,156
Federal National Mortgage Association, due 7/10/96, 8%	200,500	187,000
Government National Mortgage Association Guaranteed Mortgage Pool #167158, due 6/15/01, 8%	176,948	173,185
Federal Home Loan Mortgage Corp. Participation Certificate Group #20-0043, due 7/01/01, 9%	<u>153,169</u>	<u>151,153</u>
	<u>1,130,502</u>	<u>1,095,276</u>
Debentures		
General Motors Acceptance Corp., due 3/01/95, 7.25%	46,058	44,375
Pacific Gas & Electric, due 7/1/95, 8.375%	<u>49,688</u>	<u>47,008</u>
	<u>95,746</u>	<u>91,383</u>
Convertible Debentures		
Circle K Corp., due 11,01, 7.25%	18,700	19,600
Dreyers Grand Ice Cream, due 6/01/11 6.5%	18,775	15,800
General Dynamics, due 7/15/11 5.75%	32,887	27,150
Masco Industries, Inc., due 12/15/11, 6%	37,163	30,450
Sci Systems, Inc., due 3/01/12, 5.625%	<u>30,000</u>	<u>23,400</u>
	<u>137,525</u>	<u>116,400</u>
Convertible Preferred Issues		
Baxter International, Inc.	41,560	30,438
Warner Communications, Inc.	<u>26,431</u>	<u>25,850</u>
	<u>67,991</u>	<u>56,288</u>

Investment Analysis

WILDERNESS SOCIETY (continued)

Investment in Securities (continued)

Equity Securities		<u>Cost</u>	<u>Market Value</u>
<u>Preferred Stocks</u>			
<u>Shares</u>	<u>Security</u>		
1,395	Keland Holding Co., preferred 6%	\$ 1,395	\$ 87,815
366	Keland Holding Co., 2nd preferred 6.25%	<u>366</u>	<u>23,424</u>
		<u>1,761</u>	<u>111,239</u>
<u>Common Stocks</u>			
<u>Shares</u>	<u>Security</u>		
600	AMP, Inc.	26,092	25,200
800	AMR Corp.	37,546	38,000
640	Abbott Labs	27,415	30,880
600	American International Group	37,169	39,675
800	Apple Computer, Inc.	31,800	34,600
900	Baltimore Gas & Electric Co.	29,219	28,463
600	Banc One Corp.	15,372	15,228
440	Bell Atlantic Corp.	29,180	31,680
400	Caterpillar, Inc.	25,732	23,000
500	Consolidated Edison Co. of New York	21,313	22,313
1,000	Consolidated Rail Corp.	29,370	33,125
1,000	Compania Telefonica Nacional de Espana	20,875	22,625
400	Corestates Financial Corp.	15,550	16,400
700	Deere & Co., Inc.	25,256	31,063
700	Cummins Engine Co., Inc.	37,446	34,037
500	Digital Equipment Corp.	51,324	46,938
750	Eaton Corp.	39,196	39,094
1,800	Emerson Electric Co.	55,110	54,000
1,200	FPI Group, Inc.	35,327	37,500
700	Gannett, Inc.	24,672	22,925
1,102	General Electric, Inc.	44,869	47,799
300	IBM Corp.	34,307	34,613
1,000	Illinois Tool Works	20,706	35,125
1,050	Intel Corp.	26,089	28,875
400	J. P. Morgan & Co., Inc.	24,128	15,050
400	Johnson & Johnson	27,511	34,350
700	Loral Corp.	24,584	24,063
750	McDonalds Corp.	34,460	35,625

Investment Analysis

WILDERNESS SOCIETY (continued)

Equity Securities (continued)	Cost	Market Value
402 Merck & Co., Inc.	7,883	23,216
624 Midsouth Corp.	4,160	7,020
400 Minnesota Mining & Manufacturing Co.	23,424	25,750
600 Nynex Corp.	39,272	39,600
1,000 Pacific Telesis Group	23,176	30,750
700 Pepsico, Inc.	21,784	27,475
1,000 Policy Management System Corp.	21,625	22,375
800 Prime Motor Inns	29,196	27,900
4,166 Prospect Group, Inc.	44,998	34,370
800 Reuters Holdings, PLC	18,725	20,700
600 Ryder Systems, Inc.	14,832	14,178
700 Sara Lee Corp.	23,972	30,188
1,000 Southern California Edison Co.	34,183	32,750
800 Tambrands, Inc.	49,909	44,000
600 U.S. Bancorp	14,925	14,478
600 Walt Disney Co.	25,747	38,925
600 Wells Fargo & Co.	27,132	40,500
1,000 Yellow Freight Systems, Inc.	<u>36,313</u>	<u>31,500</u>
	<u>1,312,874</u>	<u>1,387,921</u>
Other Interests - at nominal value	<u>103</u>	<u>2,770</u>
Total Investments at September 30, 1988	<u>\$3,732,734</u>	<u>\$3,847,509</u>
Total investments in securities as displayed on the balance sheet, Exhibit A:		
<u>1988</u>		
Unrestricted	\$3,334,858	\$3,449,633
Endowment Fund	<u>397,876</u>	<u>397,876</u>
	<u>\$3,732,734</u>	<u>\$3,847,509</u>
<u>1987</u>		
Unrestricted	\$3,889,814	\$4,376,821
Endowment Fund	<u>397,876</u>	<u>397,876</u>
	<u>\$4,287,690</u>	<u>\$4,774,697</u>

The Wilderness Society has not filed for public inspection a list of investments in securities as displayed above since 1989 in any state jurisdiction investigated (New York, California, Virginia) nor with the IRS.

Investment Analysis

WILDERNESS SOCIETY (continued)

1993 Financial Statements, Note 3: Investment in Securities
Investments at September 30, 1993 are as follows:

	Cost	Market
Cash equivalents	\$3,913,949	\$3,913,949
Certificates of Deposit	180,000	180,000
Securities of U.S. Government and agencies	<u>1,808,092</u>	<u>1,843,776</u>
Total investments at September 30, 1993	\$5,902,041	\$5,937,725

Permanent financial reserve, The Wilderness Fund, assets at September 30, 1993, consist of the following:

	Cost	Market
Mutual Funds	\$2,144,923	\$2,614,602
Charitable remainder unitrusts	858,379	1,232,176
Cash value of life insurance	<u>44,118</u>	<u>44,118</u>
	<u>\$3,047,420</u>	<u>\$3,890,898</u>

NATIONAL PARKS AND CONSERVATION ASSOCIATION

Fiscal 1993 Form 990, Part IV - Investments - Securities DESCRIPTION	Statement 7 BEGINNING OF YEAR	END OF YEAR
Common and preferred stock	\$ 340,048	\$ 728,255
U. S. Government securities	\$ 737,467	\$1,227,342
Corporate notes and bonds	\$ 684,814	\$ 511,889
Short term securities	<u>None</u>	<u>\$ 369,137</u>
Total	\$1,762,329	\$2,836,623

See next pages for NPCA's Capital Gains and Losses

Investment Analysis

NATIONAL PARKS AND CONSERVATION ASSOCIATION

Form 990, Page 1, Part 1, Line 7
Capital Gains and Losses

SHARES	SECURITY	DATE ACQUIRED	DATE SOLD	COST BASIS	PROCEEDS	GAIN (LOSS)
6 sh	General Electric		03/30/93	154.50	513.73	359.23
49 sh	New York Times		03/30/93	1,000.00	1,467.83	467.83
27 sh	AT&T		03/30/93	1,000.00	1,519.03	519.03
100 sh	Amerada Hess		03/31/93	5,000.00	5,124.82	124.82
100sh	Toys R Us		03/29/93	4,266.00	4,346.85	80.85
25sh	Paramount Comm.		03/29/93	1,162.50	1,192.26	29.76
180sh	FMP International		03/31/93	3,638.10	3,638.10	0.00
18sh	FMP International		05/21/93	406.50	406.50	0.00
1 sh	Rockwell International			29.63	29.63	0.00
1 sh	Phillip Morris			47.00	47.00	0.00
3sh	General Electric		05/05/93	256.49	256.49	0.00
35,000sh	Fed Farm Cr Bks Con	02/15/90	09/01/92	35,380.00	35,000.00	(380.00)
300sh	Citicorp	12/20/91	10/02/92	3,091.00	4,585.00	1,494.00
100sh	Chem Bank Corp	12/20/91	10/02/92	2,103.00	3,035.00	932.00
35,000sh	New York Tele Co	06/26/90	10/15/92	35,743.00	35,000.00	(743.00)
100,000sh	Associates Corp No. Amer.	09/12/91	11/16/92	105,619.00	100,000.00	(5,619.00)
300sh	CSMTX	01/22/92	12/01/92	13,340.00	11,795.00	(1,545.00)
30,000sh	Federal Home Ln Bks Cons	01/06/91	12/28/92	30,658.00	30,000.00	(658.00)
200sh	ANR Corp Cel Con	01/22/92	02/10/93	14,240.00	12,425.00	(1,815.00)
200sh	General Electric	12/20/91	02/10/93	13,615.00	17,276.00	3,650.00
300sh	Hong Kong Telecommunication	03/04/92	02/10/93	9,750.00	11,174.00	1,424.00
50,000sh	Sears Med Term Nts	11/27/91	02/16/93	50,102.00	50,490.00	388.00
35,000sh	United States Treasury	2/13/90	02/16/93	35,792.00	35,000.00	(792.00)
100,000sh	General Motors Acceptance	11/26/91	03/15/93	103,819.00	100,000.00	(3,819.00)
300sh	ASTA Research Inc.	12/20/91	03/19/93	5,555.00	4,080.00	(1,475.00)
1,000sh	ASTA Research Inc.	12/07/92	03/19/93	20,481.00	13,601.00	(6,880.00)
200sh	ALZE Corp CL	12/20/91	03/19/93	17,815.00	6,691.00	(11,124.00)
300sh	ALZE Corp CL	12/07/92	03/19/93	12,206.00	10,037.00	(2,169.00)
300sh	Glaxo Holdings	03/11/92	03/19/93	8,578.00	5,366.00	(3,212.00)
200sh	IBM	12/20/91	03/19/93	17,690.00	10,700.00	(6,990.00)
300sh	Merck & Co Inc	03/11/92	03/19/93	15,446.00	10,732.00	(4,714.00)
100sh	Merck & Co Inc	12/21/92	03/19/93	4,787.00	3,577.00	(1,210.00)
500sh	National Health Labs	01/21/92	03/19/93	14,535.00	7,351.00	(7,184.00)
200sh	National Health Labs	12/21/92	03/19/93	4,710.00	2,940.00	(1,770.00)
300sh	Price Co	06/15/92	03/19/93	10,165.00	9,809.00	(356.00)
300sh	Price Co	12/21/92	03/19/93	12,055.00	9,809.00	(2,246.00)
500sh	Time Warner Inc	03/11/92	03/29/93	25,167.00	25,850.00	683.00

Investment Analysis

NATIONAL PARKS AND CONSERVATION ASSOCIATION

Form 990, Page 1, Part 1, Line 7
Capital Gains and Losses (continued)

SHARES	SECURITY	DATE ACQUIRED	DATE SOLD	COST BASIS	PROCEEDS	GAIN (LOSS)
100,000 sh	United States Treasury	08/26/91	03/29/93	100,711.00	103,984.00	3,273.00
35,000 sh	United States Treasury	02/07/90	03/29/93	35,299.00	37,209.00	1,910.00
100,000 sh	United States Treasury	09/18/91	03/29/93	105,802.00	106,312.00	510.00
100,000 sh	Chrysler Corp	02/14/92	04/05/93	93,384.00	104,375.00	10,991.00
20,000 sh	Conner Peripherals	12/03/91	04/05/93	16,172.00	17,850.00	1,678.00
300 sh	Bombay Co	11/19/92	05/25/93	8,220.00	13,057.00	4,837.00
300 sh	Bombay Co	12/21/92	05/25/93	9,561.00	13,054.00	3,493.00
300 sh	Movell Inc	12/01/92	05/25/93	9,026.00	8,903.00	(123.00)
50,000 sh	Citicorp Sr Nt	11/14/92	06/14/93	50,209.00	52,547.00	2,338.00
500 sh	Bank of Boston Corp	03/11/92	06/29/93	18,188.00	22,802.00	4,614.00
200 sh	Ford Motor Co	11/29/91	06/29/93	10,268.00	17,699.00	7,431.00
200 sh	Aerco Inc	03/11/92	10/02/92	5,927.00	4,738.00	(1,189.00)
300 sh	Bio Magnetic Technologies	03/12/92	10/02/92	4,715.00	2,797.00	(1,918.00)
500 sh	WWC Financial Corp	03/12/92	10/02/92	4,133.00	5,224.00	1,091.00
400 sh	Abbott Labs	03/11/92	02/10/93	12,665.00	10,983.00	(1,682.00)
300 sh	Hechinger Company	11/19/92	03/19/93	3,318.00	2,611.00	(707.00)
400 sh	ICF International	11/19/92	03/19/93	2,857.00	2,494.00	(363.00)
1,000 sh	Naviator Intl	02/26/92	03/19/93	3,841.00	2,547.00	(1,294.00)
100 sh	National Health Labs	12/21/92	03/19/93	2,377.00	1,460.00	(917.00)
25,000 sh	US Treas Secs Stripped	02/15/90	03/29/93	18,878.00	24,640.00	5,762.00
200 sh	Bombay Company	12/17/92	05/25/93	6,708.00	8,687.00	1,979.00
25,000 sh	Citicorp Sr Nt	11/14/91	06/14/93	25,105.00	26,274.00	1,169.00
				----	-----	-----
				1,186,766.72	1,181,801.24	(4,963.48)

Fundraising and Lobbying Expenditures

ORGANIZATION	FOUR YEAR DIRECT LOBBYING	FOUR YEAR GRASSROOTS LOBBYING	TOTAL 4 YEAR LOBBYING EXPENDITURES	FUNDRAISING*
The Nature Conservancy	\$3,352,135	\$12,508	\$1,913,453	\$24,791,449
National Wildlife Federation	\$2,334,138	\$486,947	\$3,115,866	\$3,994,986
World Wildlife Fund	\$7,069	\$76,792	\$83,861	\$4,447,034
Greenpeace Fund	\$111,992	None	\$111,992	\$9,050,944
Greenpeace Inc.	*	*	\$12,617,895	\$3,896,596
Sierra Club	*	*	\$8,793,421	\$5,098,599
Sierra Club Legal Defense Fund	\$165,864	\$107,027	\$272,891	\$1,813,426
National Audubon Society	\$1,732,047	\$549,012	\$2,281,059	\$4,338,227
Environmental Defense Fund	\$624,030	None	\$624,030	\$3,168,754
Natural Resources Defense Council	\$246,526	\$182,821	\$429,347	\$2,158,637
Wilderness Society	\$1,155,264	\$207,198	\$1,362,462	\$2,485,395
National Parks and Conservation Association	\$192,192	\$189,235	\$381,427	\$988,806
Friends of the Earth	\$116,378	0	\$116,378	\$266,948
Izaak Walton League of America	\$54,773	\$2,929	\$57,702	\$159,023
Total	\$10,092,408	\$1,814,469	\$32,161,784	\$66,658,824

*Fundraising: amounts shown appear in Line 15, Form 990, "Fundraising."

*Greenpeace, Inc. and the Sierra Club are 501(c)(4) lobbying organizations that do not report under Section 501(h) of the U.S. Tax Code. The amounts shown are from Form 990, Part III, under Program Services and may include educational expenses as well as actual lobbying expenses to influence public policy.

Major Foundation Donors

ORGANIZATION	DONOR FOUNDATION
The Nature Conservancy	Mildred Andrews Fund (\$10 million in 1989); W. Alton Jones Foundation; MacArthur Foundation; C.S. Mott Foundation; R. K. Mellon Foundation.
National Wildlife Federation	American Conservation Association (Rockefeller); Beldon Fund; W. Alton Jones Foundation; Joyce Foundaiton; C.S. Mott Foundation; Pew Charitable Trusts.
World Wildlife Fund	Champlin Foundations; Geraldine R. Dodge Foundation; Ford Foundation; W. Alton Jones Foundation; MacArthur Foundation; R. K. Mellon Foundation.
Greenpeace Fund	Bydale Foundation; Cheeryble Foundation; William H. Donner Foundation; Dreyfus Foundation; Fanwood Foundation; Town Creek Foundation
Greenpeace Inc.	Greenpeace, Inc. is a lobbying group not eligible for tax deductible donations
Sierra Club	The Sierra Club is a lobbying group not eligible for tax deductible donations
Sierra Club Legal Defense Fund	Compton Foundation; Gerbode Foundation; C.S. Mott Foundation; Mary Flagler Cary Charitable Trust; W. Alton Jones Foundation.
National Audubon Society	Compton Foundation; Ford Foundation; W. Alton Jones Foundation; Joyce Foundation; MacArthur Foundation; C.S. Mott Foundation; Rockefeller Family Fund.
Environmental Defense Fund	Foundation grants 1993, \$6,133,625. Ford Foundation, Richard King Mellon Foundation, Rockefeller Family Fund.
Natural Resources Defense Council	Foundation grants 1993, MacArthur Foundation \$1,576,403; Beineke Foundation \$1,450,000. W. Alton Jones Foundation; Rockefeller Foundation.
Wilderness Society	Foundation grants 1993, \$2,285,111. Goldman Foundation; George Gund Foundation; MacArthur Foundation; R. K. Mellon Foundation.
National Parks and Conservation Association	Foundation grants 1993, \$196,268. Mary Flagler Cary Charitable Trust; Andrew W. Mellon Foundation.
Friends of the Earth	Foundation grants 1993, \$1,573,996. Beldon Fund; C.S. Mott Foundation; Rockefeller Brothers Fund; Rockefeller Family Fund.
Izaak Walton League of America	Foundation grants 1993, \$498,309. Beldon Fund; R. K. Mellon Foundation; George Gund Foundation; Joyce Foundation.

Foundation Control of Environmental Groups

The Surdna Instance

Surdna Foundation, Inc. (a member of Environmental Grantmakers Association)
1155 Avenue of the Americas, 16th Floor
New York, New York 10036
Tel: 212-730-0030 Fax: 212-391-4384
Contacts: Edward Skloot, Executive Director
Hooper Brooks, Program Officer for the Environment

The Surdna Foundation, Inc., is a family foundation established in 1917 by John E. Andrus (d. 1934), whose businesses included gold, oil, timber, and real estate. Surdna is Andrus spelled backward. About half of its annual grants go to two programs: Community Revitalization and the Environment.

Documents show that Surdna Foundation, as part of an investment portfolio of \$338,074,279 in assets, owns and operates approximately 75,000 acres of timberlands in Northern California. Andrus timber partners also own and operate approximately 90,000 acres of timberlands in Northern California. Frederick F. Moon III is a director of both Surdna Foundation and Andrus timber partners. According to federal tax forms, Surdna Foundation realized \$2.7 million income from timber in 1992-93.

Documents show that Surdna Foundation made contributions of \$35,000 to Environment Now, an environmental organization that held training seminars teaching activist group leaders how to file appeals to stop federal timber harvest plans. Surdna Foundation grant recipients known to have filed Timber Harvest Plan appeals include Sierra Club (\$90,000), Oregon Natural Resources Council, Wilderness Society (\$325,000), Western Ancient Forest Campaign (\$175,000), Audubon Society (\$100,000), and Natural Resources Defense Council (\$557,000), stopping timber harvests and log supplies to mills in the Sierra Nevada market area. Thirty-six sawmills in Northern California have shut down because of log shortages since 1990, rendering 8,000 unemployed. As a result, timber prices on Surdna Foundation's private lands have increased dramatically. Some of the Timber Harvest Plans that were appealed lie in the same watershed as the timberlands owned by Surdna Foundation and Andrus timber partners, yet no appeals were filed on the State Timber Harvest Plans submitted by Surdna Foundation under California law.

The sequence of events in Surdna Foundation's grantmaking history shows that they made no grants to groups involved in restricting federal timber supplies in Northern California during 1987-88; during 1988-89 they made a grant to The Nature Conservancy; in 1989-90, grants went to Conservation Law Foundation, 1000 Friends of Oregon, Natural Resources Defense Council, Project LightHawk, Sierra Club, Wilderness Society and Western Ancient Forest Campaign; during 1991-92, grants went to Americans for the Ancient Forest, National Audubon Society, Environment Now, Conservation Law Foundation, Natural Resources Defense Council, Oregon Natural Resources Council, EcoTrust, 1000 Friends of Oregon, Western Ancient Forest Campaign, and the Wilderness Society.

Two Northern California residents filed numerous Timber Harvest Plan appeals on behalf of several groups, and also occupied leadership positions: Linda Blum, leader positions: Western Ancient Forest Campaign; Tulare Audubon Society; Friends of Plumas; Sierra Nevada Alliance; and Wilderness Society. Erin Noel, leader positions: Western Ancient Forest Campaign; Friends of Plumas; Sierra Nevada Issues Group.

During 1992-93 Surdna Foundation realized \$2.7 million income from its Northern California timberlands.

Foundation Control of Environmental Groups

A substantial effort to control major non-profit environmental organizations through the power of the purse was discussed in the 1992 annual retreat of the

Environmental Grantmakers Association (Founded 1985)

Budget: \$40,000

Staff: 1, operated by Rockefeller Family Fund dba EGA

1290 Avenue of the Americas

New York, New York 10104

Phone: 212-373-4260 Fax: 212-315-0996

Pam Maurath, Assistant Coordinator.

The Environmental Grantmakers Association is a coalition of 160 private foundations that provide most of the \$340 million in environmental grants each year. The annual retreats are strategy planning sessions during which grantmakers lay their plans for the coming year. The following dialogue was transcribed verbatim from tapes of a session titled "Environmental Legislation." Ed Skloot and Hooper Brooks of Surdna Foundation spoke during this panel.

ANNE FITZGERALD: Do you detect, though, a resistance in the larger organizations to becoming grant driven?

DONALD ROSS [ROCKEFELLER FAMILY FUND]: Yeah. I think a lot of them resist.

CHUCK CLUSEN [AMERICAN CONSERVATION ASSOCIATION]: A number of us have been involved in this, Anne. Yeah. There's definitely a feeling on the part of the not-for-profit organizations that in cases of some of the campaigns like the Ancient Forests Campaign that they resent funders, not just picking the issues, but also being directive in the sense of the kind of campaign, the strategy, the style, and so on. I guess, coming out of the advocacy world, and having spent most of my career doing it, I look at it as, if they're not going to do it on their own, thank God funders are forcing them to start doing it....

DONALD ROSS: I think that there are things that could be done. I think funders have a major role to play. And I know there are resentments in the community towards funders doing that. And, too bad. We're players, they're players.

But I think we touched on a lot of problems, the internal problems within these big groups, the warring factions within them who are all trying to get resources, and there's too many groups and too few resources, and all that. I think the fundamental effort that has to be made is a reorganization of the movement, whether you're talking—I don't think it's realistic to think that groups like Sierra Club or NRDC are going to disappear and reform into something new. They'll stay, and they'll still send out those newsletters. I think we have to begin to look much more at a task force approach on major issues that is able to pool. And the funders can drive that. And part of the reason these groups have been resistant to work with each other is precisely because they want the credit, they want the name, so they can get more funding, either from us—from foundations—or from members.

And I think there isn't one of them, even the biggest, National Wildlife, or Audubon or Sierra Club, that has the capacity to wage full scale battles on major issues by themselves. They don't have the media, lobbying, grass roots organizing, Washington base, etc, litigation, all wrapped in one organization.

And so the trick, I think, is to figure out how we can duplicate some of the early successes like the Alaska lands fight that you were involved in, Chuck, back in—or this transportation one. I think it can be, where funders can play a real role is helping, is using the money to drive, to create ad hoc efforts in many cases that will have a litigation component coming from one group, a lobbying component coming from another group, a grass roots organizing component coming from yet a third group with a structure that enables them to function well.

Individual audio tapes of all 1992 EGA retreat sessions can be purchased for \$11.00 each from Conference Recording Service, 1308 Gilman Street, Berkeley, California 94706, Phone: (510)527-3600, Fax: (510)527-8404. The complete conference audio set is available in a vinyl binder for \$150 including shipping. If EGA attempts to block release of these tapes by Conference Recording Service, the Center for the Defense of Free Enterprise will provide copies to legitimate members of the media. Verbatim transcriptions of major sessions are available from the Center for the Defense of Free Enterprise.

Non-Profit Land Trusts Selling Private Land to Governments

There are presently more than 900 non-profit land trusts in the United States. These land trusts commonly buy property from individual private owners with the understanding that the land will be kept in trust for environmental purposes by the non-profit purchaser. Many non-profit land trusts, in addition to keeping these private purchases in private trusts, also sell purchased private land to government agencies.

Many individual private land owners have complained about non-profit land trust practices, and cite numerous abuses that should receive congressional scrutiny and wide public attention. The most commonly cited abuses are:

- Failure to advise the individual private seller that his or her land will in turn be sold to a government agency.
- Individual land owners are underpaid by non-profit trusts.
- Individual land owners are not advised that they may sell directly to the government.
- Non-profit land trusts receive inside information from government agencies about “approved appraised value” of individual privately owned parcels in advance of purchase, promoting underpayment.
- Government agencies secretly request non-profit land trusts to buy desired properties and hold them until congressional appropriations are available to pay for government purchase.
- Government agencies pay non-profit land trusts prices “above approved appraised value.”
- Government agencies pay non-profit land trusts additional “carrying costs” including interest, travel, telephone, postage, appraisal and survey costs, title premiums, closing costs, property taxes owed, and overhead.
- Non-profit land trusts commonly retain all mineral rights and gas and oil rights to properties they sell to the government.
- Government agency employees who have arranged favorable purchases for non-profit land trusts for years then accept employment by those non-profit land trusts at high salaries, pension plans and benefits.
- Purchase of land by non-profit land trusts often takes the property off the tax rolls, harming local and county government revenues.
- Sales of non-profit land trust property to government centralizes power and feeds an insatiable appetite for more private property to be nationalized.
- Non-profit land trusts keep their government sales quiet and refuse to release details of individual transactions in progress or completed.
- Government agencies refuse to release details of land transactions in progress or completed with non-profit land trusts, claiming private sales to government are exempt from the Freedom Of Information Act.
- Non-profit land trusts justify their secret complicity with government agencies by pointing out that it is not illegal, setting a standard of behavior of merely avoiding prosecution.
- Non-profit land trusts use their reputations to purchase private property for conservation purposes and then convert it to “trade lands” which are sold to developers at high profits, using the justification that the funds will eventually be plowed back into purchases of actual conservation lands.
- Non-profit land trusts advertise only their private land activities, and do not provide the public with remedial advertising openly describing their extensive land sales to the government, thus leaving the public with a false impression of their real operations.
- Government agencies commonly whitewash their abuses in reports written by government appointees formerly employed by environmental organizations and still loyal to those private non-profit organizations.

We Get a Good
Return on Our
Investment.



©Gary Messaro

The Nature Conservancy takes a business approach to protecting our natural world. Each day in the U.S. we invest in over 1,000 additional acres of critical habitat for the survival of rare and endangered species.

Through creative techniques like debt-for-nature swaps, we are also saving millions of acres of tropical rainforest throughout Latin America and the Caribbean.

On these protected acres, migratory waterfowl return each year. Trout return to the streams. Antelope return to the grasslands. And in many areas plant and animal species previously driven to the brink of extinction are returning to their native habitats.

Join us, and make an investment in our natural heritage. Future return: isn't that what investment is all about?



Conservation Through Private Action

For more information, call toll-free 1-800-628-6860.
Or write The Nature Conservancy, Box 254, 1815 N. Lynn Street, Arlington, VA 22209

Bait and Switch

The Bait:

This charming Nature Conservancy ad with its appealing tag line
Conservation Through Private Action

The Switch:

The Nature Conservancy sells private purchases to the federal government

- Without the prior knowledge of the private land seller
- Often at secret government request
- Using privileged appraisal information supplied by agents of the federal government
- Above “approved appraised value”
- Paying “lowball” prices below “approved appraisal value” by offering tax breaks to the seller because of TNC’s non-profit tax status.
- Keeping the mineral and oil and gas rights
- Taking land off the tax rolls
- Obtaining influence within federal agencies for Congressional appropriations to pay for TNC purchases
- \$76,318,014 income from government sales in fiscal 1993.
- All at taxpayer expense

Conservation Through Private Action?

Other Non-Profit Land Trusts Selling Private Land to Governments

THE CONSERVATION FUND

Staff: 19 professionals on contractual basis
Non-membership
Tax Status: 501(c)(3)
1800 N. Kent Street, Suite 1120
Arlington, Virginia 22209
Phone: (703)522-8008 Fax: (703)525-4610
Total revenue, 1993, \$13,886,902

President: Patrick Noonan. Salary, \$148,500, Benefits \$16,542.
Vice President: David Sutherland, \$64,000 salary, \$6,426 benefits.
Chief Operating Officer: John Turner, \$68,000 salary, \$3,743 benefits.
Secretary: Kiku Hoagland Hanes, \$55,000 salary, \$9,800 benefits.
Assistant Treasurer: Joann Porter, \$64,500 salary, \$10,000 benefits.
Board Member: Charles Hordan, \$14,000 compensation.
Compensation of Officers and Directors, \$400,000.
Other Salaries and Wages, \$1,084,714.
Pension Plan Contributions, \$64,160.
Other Employee Benefits, \$86,318.

AMERICAN FARMLAND TRUST

Total revenue, 1993, \$22,744,704
Total expenses \$21,263,591
Fund balances at end of year, \$27,539,148
Compensation of officers, \$1,621,300
Other salaries and wages, \$4,057,727
Pension plan contributions, \$237,343
Other employee benefits, \$1,518,784
Investments--securities, \$15,182,446
Total assets, \$58,840,830
Grants and conveyances of properties to government and private groups, \$4,544,270
Legal fees, \$402,389
Telephone, \$328,335
Travel and meetings expenses, \$726,702



United States Department of the Interior

RECEIVED

SEP 4 1985

FISH AND WILDLIFE SERVICE
ONE GATEWAY CENTER SUITE 700
NEWTON CORNER, MASSACHUSETTS 02158

THE NATURE CONSERVANCY
EASTERN REGIONAL OFFICE

AUG 30 1985

LA - Connecticut
Connecticut Coastal NWR

Mr. Dennis Wolkoff
The Nature Conservancy
Eastern Regional Office
294 Washington Street
Boston, Massachusetts 02180

Dear Dennis:

We are appreciative of The Nature Conservancy's continuing effort to assist the Service in the acquisition of lands for the Connecticut Coastal National Wildlife Refuge. As a result of your assistance and cooperation approximately 90% of the acreage identified in the enabling legislation has received long term protection.

Our appraisal of the tract on Sheffield Island has been completed and we are currently awaiting funding prior to making an offer on the property. We understand that the proceeds from the eventual sale of this parcel to the Service will in turn, be used to purchase the 8-acre Milford Point tract.

Since the availability of additional funding is not currently known, we request that The Nature Conservancy continue their preservation efforts and acquire the Milford Point tract. We will make every effort to purchase the property when funds become available.

It is understood that our purchase price will be based on the Service-- approved value plus an amount, to be agreed upon, which will cover your overhead, financing, and handling charges in excess of the approved appraisal value. If we are not able to purchase this property within a reasonable period of time, it is further understood that The Nature Conservancy may recover its investment by a sale on the open market.

Your efforts to purchase property on Milford Point and to hold for subsequent conveyance to the Service are greatly appreciated.

Sincerely yours,

DEPUTY Regional Director

Letter from the Deputy Regional Director of the U.S. Fish and Wildlife Service to the Nature Conservancy dated August 30, 1985, showing systematic government request for TNC to buy private land. The government clearly agrees to pay TNC "your overhead, financing, and handling charges in excess of the approved appraisal value." The information in this letter was not made known to private owners who sold to TNC. The practice continues.

The Nature Conservancy

Eastern Regional Office
291 Washington Street, Room 710
Boston, Massachusetts 02108
(617) 542-1908

November 7, 1986

Robert Miller
Chief, Realty Division
U.S. Fish and Wildlife Service
One Gateway Center
Newton Corner, MA 02158

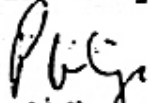
Dear Bob:

Attached please find the so-called letter of intent for Milford Point. It gives you pretty broad authority to pay what we both agree to for the property, even "...in excess of the approved appraisal value." Let's talk after you have had a chance to review your files.

I look forward to receiving the FWS appraisal on Milford Point which was done in January 1986 and any revisions thereof.

Best regards.

Sincerely,


Philip Tabas
Legal Counsel
Eastern Region

PT/jn
enc.

P.S. I guess TNC wins the "Agency with The Most Complete File" award on this one!

PT

RECEIVED

NOV 12 1986

Letter from TNC legal counsel Philip Tabas to Robert Miller of the U.S. Fish and Wildlife Service showing the elastic payment policy of taxpayer money to a private nonprofit organization. Tabas boasts in a footnote that The Nature Conservancy is the "Agency with The Most Complete File" on Milford Point, indicating access to insider information. Miller was later hired by The Nature Conservancy at a high salary.

The Nature Conservancy

Southeast Regional Office

101 Conner Drive • Suite 302 • P.O. Box 2267
Chapel Hill, NC 27515-2267
(919) 967-5493

December 23, 1988

Mr. Al Bonsack
United States Department of the Interior
Fish and Wildlife Service
75 Spring Street, SW
Atlanta, GA 30303

RE: Big Pine Key (Granada Continuing Presbyterian Church), FL - TNC to USFWS

Dear Mr. Bonsack;

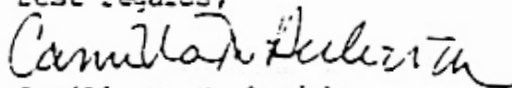
The Nature Conservancy acquired the above-referenced tract at Big Pine Key on November 15, 1988. We would like to transfer the property to the United States Fish and Wildlife Service by January 31, 1989. Our costs through January 31, 1989 are \$78,322.00. Costs would increase in an amount equal to prime plus one percent (1%) per annum times the purchase price for any period of holding after January 31, 1989. Current per diem cost is \$23.00. Our costs for this transaction are itemized as follows:

PURCHASE PRICE	73,000.00
COOP INTEREST @ 11.5% X 2.5 mos	1,748.00
TRAVEL	50.00
TELEPHONE	50.00
POSTAGE	0.00
APPRAISALS/SURVEYS	0.00
TITLE PREMIUM	310.00
CLOSING COSTS	127.00
PROPERTY TAXES	846.00
OVERHEAD @ 3% 73,000 =	2,190.00
TOTAL	\$78,322.00

As is customary, the oil and gas rights will not go with the property, although the Conservancy will restrict its mineral activity to subsurface methods.

If you would please indicate the acceptance of The Nature Conservancy's offer by having the appropriate person sign for the United States Fish and Wildlife Service in the space provided below and return to me. A copy is provided for your records.

Best regards,



Camilla M. Herlevich
Director of Protection

UNITED STATES FISH AND WILDLIFE SERVICE

By: _____
Its _____

Letter from TNC Director of Protection Camilla M. Herlevich to Al Bonsack of the U.S. Fish and Wildlife Service showing TNC billing the federal government for numerous expenses involved in a land sale. TNC states that, "as is customary, the oil and gas rights will not go with the property."



The Nature Conservancy

Eastern Regional Office
294 Washington Street, Room 740
Boston, Massachusetts 02108
(617) 542-1905 Fax (617) 452-5366

REALTY
RECEIVED

January 24, 1990

JAN 26 1990

Region 5

Robert Miller
Chief, Realty Division
U.S. Fish and Wildlife Service
One Gateway Center
Newton Corner, MA 02158

Dear Bob:

... what
... property from The
... wildlife Service. For that
... any barriers to the transfer?

Third, we recently saw the national LAPS list and, as you may know, the James River Eagle project was (ranked #18.) I know that there are logical inconsistencies in the LAPS list process, but this ranking of the James River project is likely to make it difficult for us to secure the support we need in Congress to get the money to fund this project. As you know, Congressman Sisitsky pointed to the LAPS list in the last round as the reason for his failure to support the project and we would like to avoid having to fight with him on that issue again this year. If there is anything you can do with the powers that be in your national office to revise the James River project to a higher ranking, it would make the job of securing Congressional funds for this project that much easier.

Thanks very much for your help on these matters. I look forward to catching up with you when you return from your travels. Best regards.

Sincerely yours,

Philip Tabas
Attorney
Eastern Region

PT/ms

Letter from TNC legal counsel Philip Tabas to Robert Miller of the U.S. Fish and Wildlife Service showing the solicitation of Miller's superiors in the national office to place one of TNC's properties higher on a government purchase priority list to avoid the oversight of a Congressman and "make the job of securing Congressional funds for this project that much easier."

State Government-Non-Profit Land Trusts

SCENIC HUDSON, INC.

Total revenue, 1993,	\$1,112,787
Total expenses,	\$1,013,288
Fund balances,	\$2,398,803
Salaries and wages,	\$561,878
Employee benefits,	\$51,115
Investments - securities,	\$1,667,771
Total assets,	\$3,799,224
Executive Director, Klara Sauer,	\$72,000 salary, \$3,600 benefits
Land Preservation Director, Steven Rosenberg,	\$51,500 salary, \$2,575 benefits
Associate Director, Carol Sonderheimer,	\$49,000 salary, \$2,450 benefits
Environmental Director, Cara Lee Box,	\$33,897 salary, \$1,695 benefits
Waterfront Specialist, John J. Anzevino,	\$32,569 salary, \$571 benefits
Deferred grants and contributions \$10,000 and over:	
Lila Acheson and DeWitt Wallace Fund for the Hudson Highlands	\$345,500
Hudson River Foundation	14,800
Surdna Foundation	26,762
Compton Foundation	20,000
The Cohen Charitable Trust	10,000
Total deferred grants and contributions,	\$428,480
Investments:	
U.S. Treasury Notes	\$462,259
Bonds	326,107
Common stock	644,339
Preferred stock	235,066
Total	<u>\$1,667,771</u>

SCENIC HUDSON LAND TRUST, INC.

<i>Land buying affiliate of Scenic Hudson, Inc.</i>	
Total revenue, 1993,	\$4,794,870
Total expenses,	\$345,380
Fund balances,	\$13,298,300
Salaries and wages,	\$13,716
Employee benefits,	\$1,001
Total assets,	\$17,964,088
Executive Director Klara Sauer of Scenic Hudson, Inc., is a director of Scenic Hudson Land Trust, Inc.	
Foundation and trust grants received,	\$4,756,694
Support and revenue designated for future periods:	
Lila Acheson and DeWitt Wallace Fund for the Hudson Highlands	\$3,228,095

State Government-Private Land Trusts

Scenic Hudson, Inc. and Scenic Hudson Land Trust, Inc., based in Poughkeepsie, New York, are operating a secretive land buying operation along the 148-mile Hudson River Valley corridor from New York City to Albany. Some operations are carried out in cooperation with Open Space Institute in Ossining, New York. The organizations are carrying out the plan of "Conserving Open Space in New York State," approved by Governor Mario Cuomo in 1993, a document available only upon special request from the state and not of general knowledge. These organizations are beneficiaries of over \$40 million from the Lila Acheson and DeWitt Wallace Fund (the Readers Digest fortune) for the Hudson Highlands.

Once Scenic Hudson holds title to local real estate, its officers and executives demand that municipalities take their "non-profit" purchase off the tax rolls—or face devastating lawsuits. The non-profits' financial clout and backing by New York elites gives them leverage against beleaguered municipalities that cannot afford extensive lawsuits.

Scenic Hudson, Inc. enjoys corporate support and invests in corporate stocks. Chevron awarded Scenic Hudson a \$2,000 grant in May, 1994. A gift of 400 shares of Chevron common stock to Scenic Hudson on May 25, 1989, netted the non-profit \$6,133.07 when sold on May 12, 1992. Scenic Hudson owns substantial oil stock: On August 16, 1990, SH purchased 400 shares of Texaco valued at more than \$25,000; two weeks later they bought another 300 shares worth nearly \$19,000; in June, 1993, they still owned the 700 shares of Texaco. On May 12, 1992, they bought 400 shares of Exxon (\$24,014); on August 7, 1992, 400 shares of Royal Dutch Petroleum (Shell Oil) worth \$35,498; on March 10, 1993, 800 shares of Sun America.

Scenic Hudson also acquired 700 shares of Phillip Morris on May 4, 1989, sold 100 of the shares October 13, 1992 at a \$5,004.15 profit, and sold the remaining 600 shares in February and April, 1993, reaping \$16,987.34. A gift of 600 shares of DuPont stock was reduced by sale of 200 shares on October 5, 1992 for a \$5,322.09 profit; Scenic Hudson retained the 400 shares of DuPont at the 1993 tax reporting period. Scenic Hudson held Georgia-Pacific common stock for 15 months before selling it.

Wealthy donors enjoy tax breaks by giving appreciated stock to Scenic Hudson. On April 2, 1989, SH received 500 shares of British Petroleum worth \$28,747.50 and sold it 16 months later at a capital gain of \$41,563.11.

New York State has targeted for acquisition 157 private properties comprising hundreds of thousands of acres in Westchester, Putnam, Rockland, Orange, Sullivan and Ulster Counties. These properties, combined with the already vast state, county and federally-owned lands in the region, would create a tax free park stretching from the Hudson Highlands through the Adirondacks to the Canadian border, further impoverishing local communities.

Documentation

All factual information in this report was taken from public information or published reports readily available to the journalist.

Most financial data were found in U.S. Internal Revenue Service Form 990 annual reports filed by the respective organizations under examination. Other sources include financial statements prepared by the environmental organizations and provided to the Secretary of State of New York, the Division of Consumer Affairs of the Commonwealth of Virginia and the Attorney General's Office of the State of California. Lists of investments were obtained from both of these sources, or from California Attorney General's Office filings on Form CT-2. Many organizations do not file their list of investments with any public agency. In such cases, the authors of this report requested such lists by telephone directly from the environmental organization in question. All organizations thus solicited for investment information refused to divulge it.

Information on Foundation Control of Environmental Groups came from tape recorded discussions among foundation staff and officers at the Environmental Grantmakers Association 1992 Annual Retreat at Rosario Resort in Washington State. Documentation of the Surdna Instance came from U.S. Forest Service timber harvest plans, Form 990 filings, California state filings, and internal documents discovered in public filings.

Major documentation of Non-Profit Land Trust abuses was obtained from the U.S. Fish and Wildlife Service through the Freedom Of Information Act. Additional documentation was obtained from individual land owners in personal interviews or through third-party correspondents.

The Center for the Defense of Free Enterprise is the sole author of this report, and is solely responsible for the accuracy of the data here presented.

\$10.00

THE CENTER FOR THE DEFENSE OF FREE ENTERPRISE is a non-profit, tax-exempt, publicly supported educational foundation organized under 501(c)(3) and 509(a)(1) of the Internal Revenue code.

The Center for the Defense of Free Enterprise was founded on July 4, 1976, by a coalition of concerned citizens to promote and defend the principles of the American free enterprise system. To that end, the Center for the Defense of Free Enterprise conducts many educational and legal action projects designed to better inform the public about the benefits of the free enterprise economic system. This report is one of a periodic series on the problems of free enterprise.

Additional copies of this report are available for \$10.00 from the address below. Questions concerning this report should be addressed to: Editor, "Getting Rich." For more information, please contact:

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