

Announcer ([00:04](#)):

Welcome to The Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists and thinkers. Fresh perspectives on money, culture, politics and human flourishing. Interesting people, interesting things.

Bill Walton ([00:24](#)):

We often use the phrase follow the money. And today I'm with two people who are among the best at following the money. Scott Walter is president of Capital Research Center and Senior Vice President, Kristen Eastlick. I hope most of you know and know about Capital Research Center, but it was founded in 1984 to investigate and expose how foundations, charities and other nonprofits use their money in politics and advocacy to undermine America's free market, constitutional government, and our individual liberties.

([01:02](#)):

Scott's written an outstanding, and as I mentioned, when he got in, a deeply troubling book about one of the lead players on the left, the left's money machine, the Arabella network. His book is titled Arabella appropriately. We'll get into what's in the book, but it's a dark money operation so-called that really at his essence is a for-profit entity in the middle of it, Arabella Advisors, which deploys billions of dollars every year through half a dozen, what they call, half a dozen nonprofit entities and taken together, they control over 500 smaller projects, popup groups. They masquerade as grassroots movements and they seek to influence elections, policymakers, and all of us, the public through their campaigns using those billions of dollars. It's something we need to be watching, be concerned about, and I hope do something about. Scott, Kristen, I'm glad you're here.

Kristen Eastlick ([02:10](#)):

Thanks for having us.

Bill Walton ([02:11](#)):

Scott, let's talk about the book. You're the principal author of this and it's terrific. It's accumulation of a lot of work I know with Capital Research Center and I highly commend everybody to get to your website because you've got what's in the book plus a lot more. And if you want to really track what's going on in the political world, the money world, that's the place to go.

Scott Walter ([02:35](#)):

Well, thanks so much. Yes. We actually have two websites, the capitalresearch.org and then also influencewatch.org, which Kristen oversees. That's sort of our Wikipedia of the left. But you will lose five hours of your life the first time that you go there because you're just going to go down rabbit hole after rabbit hole because it shows all the interconnections.

Kristen Eastlick ([02:56](#)):

Yeah, we tried to look at all of the different influence networks and see how they're connected to the funders, how they're connected to the subgroups, how they give money to one another, their founders, their history, and some of the financial history that goes into the organization. We'll be the ones to cover the scandals and the malfeasance that also happens in that world where some of the other sites tend to gloss over that.

Bill Walton ([03:21](#)):

Let's talk about Arabella. When did it get started? Who founded it and how's it grown over the years?

Scott Walter ([03:29](#)):

Sure. It was founded roughly speaking in a garage, dare to say. It wasn't a big deal when it first started. It was started by Eric Kessler. He had served in the Clinton Interior Department and he came from a wealthy family, a fossil fuel related family that's so common, especially in groups that do a lot of environmental work. And his parents had sold for hundreds of millions of dollars, their auto parts company when he was a young man, and that sort of is what brought him into the philanthropy world. So it starts in '05 and it has well under \$1 million in revenues for its one, at that point, nonprofit. By the time you're getting to '08, however, they found a sugar daddy. It looks like a Swiss billionaire that is, some people are calling the next Soros. Hansjörg Wyss. He's a foreign national, so he's not allowed to meddle in American politics at all supposedly. And by '08, they have 1.7 million in revenue for their one nonprofit at the time. And a million of the 1.7 comes from Mr. Wyss.

Bill Walton ([04:41](#)):

I didn't realize he was the initial funder.

Scott Walter ([04:43](#)):

Well, he seems to have been the first big sugar daddy that they came across.

Bill Walton ([04:48](#)):

But he's only coming to light, we're only beginning to aware that he's been involved with this whole time.

Scott Walter ([04:54](#)):

Only in the last few years.

Bill Walton ([04:56](#)):

The good news is if he wants to catch up with George Soros, he's already 88 years old.

Scott Walter ([05:00](#)):

Right. He doesn't have quite as many billions as Soros did either, if that's some consolation. Single-digit billions.

Bill Walton ([05:07](#)):

But did this start out to hide the fact that he was not an American citizen and he was interested in influencing American politics and policy?

Scott Walter ([05:17](#)):

Well, back then, I don't think he worried about hiding too much because when he first started getting mixed up in politics, he flat-out wrote checks to things like Friends of Dick Durbin Committee and whatnot, which of course is wildly illegal for a foreign national. Unfortunately, that was not discovered until after the statute of limitations had expired. But he got smarter and he realized, wait a minute,

there's no limitations of any kind whatsoever for foreign money with nonprofits. They can take unlimited amounts from anybody.

Kristen Eastlick ([05:51](#)):

And it was at around this time that they also started understanding the nexus between the charity piece of it, which is the think tanks, the educating, the giving people information about topics, and then the advocacy portion. So they started up what is in the business called a 501(c)(4). It's the social welfare organization. And that group can do unlimited lobbying. And ever since Citizens United, those types of groups can also give politically to campaigns or politically to PACs.

([06:23](#)):

Arabella started out with New Venture Fund that was the largest entity, and then they started up a thing called the Sixteen Thirty Fund. So what winds up happening are these issue advocacy pairs where the education happens through something that works through the New Venture Fund, and then the lobbying and the advocacy happens through the Sixteen Thirty Fund. And there are a lot of examples of various issues, and we can talk about this a little bit later, but the number of issues that these organizations manage, I mean, it's the whole laundry list of any liberal progressive idea.

Bill Walton ([06:57](#)):

But let's go back to the basics. The way you can give money is you can give money to a campaign or a politician, you can give money to a 501(c)(3). You can give money to a 501(c)(4). And what's the difference between a (c)(4) and a (c)(3)?

Scott Walter ([07:15](#)):

The easy way to put the (c)(4) is to give you just a couple of great examples. The National Rifle Association is a (c)(4) and endorse candidates and register voters for a party and lobby, things like that. A (c)(3) is the kind of only entity that you get a tax deduction for. Now, there's two sides to the (c)(3) world. One is the private foundation side, like the Ford Foundation, or if you set up your own, the Walton Foundation, whatnot.

Bill Walton ([07:47](#)):

I like that idea, except I think the name's already been taken.

Scott Walter ([07:50](#)):

Yeah, well, be careful, you don't want a foundation to be permanent. Make it have a limited life. But anyway, so there's that private foundation side, and then the other side of the (c)(3) charitable world are the public charities. Now, that's your place of worship. That's the Boy Scouts, Salvation Army, think tanks like our Capital Research Center, Heritage Foundation. Those are public charity (c)(3)s. And in all those cases with the (c)(3)s, you get a tax deduction for giving them money.

Bill Walton ([08:23](#)):

So is there another channel? Are there (c)(5)s? These are all codes. These are all chapters in the Internal Revenue Code.

Scott Walter ([08:32](#)):

It goes all the way to (c)(27).

Bill Walton (08:33):

(c)(27). Okay.

Scott Walter (08:33):

I'll spare you. (c)(5)s matter though. You know (c)(5)s. (c)(5)s are unions. Yep?

Bill Walton (08:38):

Okay.

Scott Walter (08:38):

And you also know (c)(6)s, they're called business leagues, but the most famous would be Chamber of Commerce. The Kochs also created their Freedom Partners, which was a (c)(6). So there are some (c)(6)s that matter.

Bill Walton (08:50):

So these are entities that if you give money to it, it's not tax-deductible. But they themselves don't pay taxes. They're a nonprofit.

Kristen Eastlick (08:57):

Correct.

Scott Walter (08:57):

Exactly.

Kristen Eastlick (08:57):

There's tax-exempt-

Bill Walton (08:58):

There's this big bassinet, very confusing nonprofit network and there are all these rules.

Kristen Eastlick (09:02):

Correct.

Bill Walton (09:04):

But it doesn't seem like Arabella plays by them or do they?

Scott Walter (09:08):

Well, the basic structure of the way Arabella works is not itself illegal. And in fact, they weren't the first ever to do such a thing. However, on the question of whether they play by the rules, they are now facing a serious lawsuit and with one of the largest tort law firms in the country behind it. And it was raised by a Black woman who's a former employee of one of the Arabella entities. And she not only claims that they racially discriminated against her, but she also says that they retaliated against her when she started blowing the whistle internally that you're not following some of the complicated rules that you do have to follow in order to use these complicated arrangements.

Kristen Eastlick ([09:57](#)):

We maybe should explain a little bit more how it's organized. Think about it as a little bit of a pyramid. So Arabella Advisors is a private company. It's called philanthropic services. It provides some consulting to big philanthropies, but then through that they began to run, so the second tier are these nonprofits, and they actually run seven different nonprofits. Most of them are 501(c)(3)s. They have two 501(c)(4)s-

Scott Walter ([10:25](#)):

Up to three now.

Kristen Eastlick ([10:25](#)):

Oh, that's right.

Scott Walter ([10:25](#)):

They've just added.

Kristen Eastlick ([10:29](#)):

They've added another. This is a group that does keep changing. So they have, again, these two different structures and these nonprofits then pay Arabella Advisors ostensibly for accounting and bookkeeping and HR services. But they also, of course, can coordinate then with all of the different pieces involved in a public advocacy campaign. And then on the third, the largest bar is then the projects that run underneath these nonprofits. So there would be a campaign perhaps for an election cycle to convince, I don't know, Montana voters about a marijuana ballot initiative that could be a campaign run by one of the nonprofits.

Bill Walton ([11:09](#)):

But all these have shared a common interest. They're on the left and they have their issues. They have climate, they have the labor issues-

Kristen Eastlick ([11:18](#)):

Abortion.

Bill Walton ([11:19](#)):

Abortion. And we need to talk about Warren Buffett. So this is the usual suspects of the left's issues and they run through all of these entities. Where's the money come from?

Scott Walter ([11:34](#)):

Well, from lots and lots of places. However, we already talked about Hansjörg Wyss, he's given a quarter billion dollars over the years to the Arabella world, another quarter billion to other nonprofits. But Bill Gates is actually one of the larger donors through the Gates Foundation. Soros' philanthropies have also given many millions. Mark Zuckerberg has given tens of millions. In his case, it tends to be mostly in the civil justice reform area, which-

Bill Walton ([12:06](#)):

In other words, influencing elections.

Scott Walter ([12:08](#)):

Well, yeah. DAs and also the policies like should we have bail and things like that.

Bill Walton ([12:15](#)):

But they're also foundations like the Ford Foundation, the Rockefellers, Kellogg. I mean, it's all whole household name. The two founders of Hewlett-Packard, their foundations are both giving money. Now, they're in the business of giving out money. Why would they give it to Arabella and not just do it themselves?

Scott Walter ([12:35](#)):

Well, that of course is a fascinating question because they don't have to do it through Arabella. But on the other hand, Arabella has become very skilled at the kind of advocacy or ""educational efforts that these folks want to do.

Bill Walton ([12:53](#)):

So they know how to organize the people, organize the systems, get the PR done, write all the papers, all that stuff.

Kristen Eastlick ([13:00](#)):

Exactly.

Bill Walton ([13:01](#)):

Whereas these other foundations don't have that.

Kristen Eastlick ([13:03](#)):

It's almost like this is a political campaign firm, but for ideas, not for candidates. And so they've got all the different specialties that might be involved in doing that, all the things that you just said. What's particularly interesting though is that because all of the leadership is organized at that nonprofit level, you can't really look at the board of directors of one of the ideas, one of the campaigns. You can't see, okay, who's influencing this? All of it gets masked by, it's the New Venture Fund board of directors. It's the Sixteen Thirty Fund board of directors.

Bill Walton ([13:41](#)):

These are the five entities that they manage-

Kristen Eastlick ([13:42](#)):

These are the five entities or the seven entities now that are running the smaller campaigns.

Bill Walton ([13:45](#)):

Oh, there's now seven. There were six in the book. They pop all the-

Kristen Eastlick ([13:45](#)):

Exactly, yeah. They keep popping up.

Bill Walton ([13:48](#)):

Okay. Why five or six different ones? What's the skullduggery behind that structure?

Scott Walter ([13:55](#)):

Well, again, we can't read their minds, but there's some specializations. For instance, the abortion issue got raised. There's one of them, Hopewell that especially sort of focuses on abortion issues. The Windward Fund initially was one of the top four environmental issues. But the other fascinating thing is the money flow in and among all of these different entities is amazing. It's typically 100 million, sometimes 200 million in one year that just is given back and forth between all the different entities. Now, that is truly a mystery that we have not solved-

Bill Walton ([14:36](#)):

They're giving money to each other?

Scott Walter ([14:37](#)):

Yes.

Kristen Eastlick ([14:38](#)):

Correct. I can't remember the page, but we have a graphic in our book that shows the total amounts of money given from New Venture to Sixteen Thirty, from Sixteen Thirty to Hopewell, from Hopewell to Windward. All them are mixed together. They're all of course paying management fees directly into Arabella Advisors, but it almost looks like a spiral. It's a spiderweb of all of the different money. Think about it as though you're working at a public company, say, and you're taking money from one department and giving it to the other in just a whirlpool of activity. It's hard to figure out who's doing what.

Scott Walter ([15:15](#)):

And sometimes they literally exchange. Entity one gives money to entity two and entity two gives money back to entity one. It's an amazing, amazing operation. And by the way, the one thing, now, we don't have evidence of this, but I would love to see investigations into it. The suspicion of course, is that sometimes the (c)(3) charities may be giving money to a (c)(4) group to do (c)(4) political work, which that is not kosher. It's possible for a (c)(3) to give to a (c)(4) legally, but it has to be for certain restricted purposes. And no one has, of course, ever checked or even asked whether this is all being kept kosher.

Bill Walton ([15:59](#)):

The conservative groups I've been involved with are very, very particular about (c)(3), (c)(4), you can't do this because it's political activism, so it's got to stay in a (c)(3). And of course, the donors like the (c)(3) better because you get a tax production.

Kristen Eastlick ([16:13](#)):

Correct.

Bill Walton ([16:15](#)):

The (c)(4) though, you can play a lot harder ballgame than you can with a (c)(3) because the (c)(3) is just supposed to be educational.

Kristen Eastlick ([16:22](#)):

Correct.

Bill Walton ([16:23](#)):

So the game is, and conservatives don't play this game. They're very scrupulous. I'm sure somewhere somebody's done something that's crossed the line, but not very often. It seems like they're using this as a way to get (c)(3) money to do (c)(4) things.

Scott Walter ([16:38](#)):

Well, that, as I said, I have no evidence that they've done it in an improper way.

Bill Walton ([16:42](#)):

Come on, Scott. You've written a whole book about this.

Scott Walter ([16:43](#)):

No, no, no. But-

Bill Walton ([16:45](#)):

You got to have some-

Scott Walter ([16:46](#)):

Well, actually, that lawsuit is fascinating because in the lawsuit it shows from the documents that have been made public so far, it certainly seems to suggest that they had a (c)(3) that was completely operating a (c)(4). And that the way that the documents imply, that would not be kosher.

Bill Walton ([17:05](#)):

But then we have this whole IRS problem. The way to think about the federal government is that Washington, D.C. voted about 96% for Joe Biden and the surrounding collar counties in Maryland and Virginia had similar bias. Well, those people all work in these agencies, and these people work in the IRS and they work in the Justice Department. So there's this incredible left bias in the IRS. And so when they go after nonprofits, they tend not to look very hard at people like Arabella. They look harder at the tea party.

Scott Walter ([17:41](#)):

No, exactly. And that's something that you could put it this way. It's Lois Lerner all the way down. She may now be enjoying-

Bill Walton ([17:48](#)):

She just was the one that plucked out of the crowd.

Scott Walter ([17:52](#)):

Yes.

Kristen Eastlick ([17:52](#)):

And they have been defamed. And then of course, budgets are reduced as result of some of that activity, which is fine. But then there's less and less of an appetite for any kind of enforcement, both because of resources and because, well, we really don't want to look at these things. It's harder for us to ask questions because we're going to get smacked whoever we look at, because certainly they would get smacked if they were really investigating some of the left-wing groups.

Bill Walton ([18:18](#)):

It's Bill Walton, I'm here with Scott Walter and Kristen Eastlick of the Capital Research Center, and we're talking about the dark money network, which is Arabella, and we're going to go deep. We're going to find out about this.

[\(18:36\)](#):

They're lined up with these seven groups now based on issues, and one of them is abortion. And one of the things, I'm a money guy, and I used to read Warren Buffett religiously for all his investment ideas and followed Berkshire Hathaway. I was stunned to find out that the Susan and Warren Buffett Foundation has given more money to the abortion industry than any other single entity on the planet. It's almost \$6 billion.

Scott Walter ([19:04](#)):

Yes. It's shocking. And almost all of that going through Arabella's Hopewell Fund.

Bill Walton ([19:10](#)):

Okay. Well, that's where I wanted to go with this. So Warren Buffett would give money to Hopewell, so he doesn't have to have the Warren and Susan Buffet Foundation on the donor list, or how do you know that? Is it really-

Kristen Eastlick ([19:26](#)):

It's unclear. Yeah.

Scott Walter ([19:27](#)):

The Susan Thompson Buffett Foundation has to disclose where it gives grants. So it has disclosed that it gave grants to the Hopewell Fund run by Arabella. So that's the part that we know. And then we also know that Hopewell spends most of its money fighting all kinds of abortion battles.

Kristen Eastlick ([19:46](#)):

And it could be that Hopewell is just the organization that the left has coalesced around to come up with these campaigns. And then it becomes, oh, well, we have this idea, please fund it. And the funding goes through from a large foundation into Hopewell, to run a smaller campaign that you might not know the name of specifically.

Bill Walton ([20:07](#)):

Okay. Well, I don't think we are to make it sound that innocent. I mean, the whole thing goes back to population control. Warren Buffett believes there are too many people in the world. Bill Gates believe there's too many people in the world. Bill Gates' father was on the board of Planned Parenthood. I mean, these people don't like human beings. They want fewer of us, and they think abortion is one of the best things they can do to cut back.

Kristen Eastlick ([20:29](#)):

Our challenge is that because of the structure, it's what we can prove.

Scott Walter ([20:33](#)):

But let me give you a really scary story because you haven't finished the book. This is at the very end of the book.

Bill Walton ([20:39](#)):

I read the last chapter. I read about what we can do about it.

Scott Walter ([20:42](#)):

Oh, okay. Well, then you read too about David Brower.

Bill Walton ([20:46](#)):

I didn't read that. Maybe I missed it. Okay, let's go to David.

Scott Walter ([20:49](#)):

David Brower is the guy who radicalized Eric Kessler, the founder of Arabella. So Eric Kessler is an undergrad in Colorado, and he has a come-to-Gaia moment because this enviro guru gives a talk at his school-

Bill Walton ([21:06](#)):

Gaia is the word for the earth worshiper guy.

Scott Walter ([21:09](#)):

The earth worshiper is called Earth Gaia. She worships Mother Earth, she's Gaia.

Bill Walton ([21:13](#)):

Okay.

Scott Walter ([21:14](#)):

So he had a come-to-Gaia moment. And as this kid, like some Columbia student today, gets radicalized.

Bill Walton ([21:25](#)):

We all went through that phase. We got over it though by the time we were 22. Anyway, so he's still-

Scott Walter ([21:30](#)):

But let me tell you about this David Brower guy. First of all, he had been, in previous years, this is around 1990 previous years, he had run the Sierra Club. He'd been so radical and political there that it lost its tax exemption. But that was a long time ago back when the IRS might actually hurt you for that. And then he goes on to found other places like Friends of the Earth and Earth Island Institute and League of Conservation Voters, which to this day is a crucial buddy and ally of the whole Arabella network. But anyway, here is what we found the manifesto for one of his environmental groups in the '70s. Now our

climate apocalypse is global warming, but do you remember what it was in the '70s? It was population bomb, right? We're all going to die of famine because we had too many people.

Bill Walton ([22:15](#)):

[inaudible 00:22:15], 1964.

Scott Walter ([22:15](#)):

Yeah. All those fine folks right in the '70s. So in the '70s, this guy who radicalized Hessler, the head of Arabella, he published a book for his friends of the Earth Group. And the first chapter is about population. And what does he say in there? Not he, but one of the authors in the book says, "Maybe the government should make it a crime to have a child without government permission. Oh, better than that, maybe we should force everybody of parental age to take contraceptives. And if the government decides to give you a license to have a child, then they'll give you the antidote for the contraceptive that you're being forced to take. Now, this is really sick stuff, obviously, but it fits your point that these are people who don't like people.

Bill Walton ([23:05](#)):

No, they don't. Well, let me try to put an innocent face on this. These are just good liberals. They've got abortion. They believe in the environment, they do all this stuff, but it's really no different from what the right does. I mean, we've got the Koch brothers. We know how evil the Koch brothers are. Isn't this just the same thing as the Koch brothers?

Scott Walter ([23:27](#)):

Well, it is somewhat similar in the fact that obviously there are some conservative, rich people and there are some conservative organizations trying to make a difference in law and politics and public policy. But I don't think that the Koch network, for instance, is a perfect analogy because for one thing, as we well know, for some years now, the Kochs have not been nearly as political. And in fact, they definitely have not been well aligned with the Republican Party. Now you can say that's good or bad, but that's a brute fact. Whereas Arabella is absolutely joined at the hip with the Democratic Party. And the Kochs of course, didn't have as much. They were not playing with as much money per election cycle as these guys.

([24:08](#)):

And then one last thing I would definitely throw out, one of our biggest happy horses is you do not have much charitable money on the right going to microtargeted voter registration and voter turnout. Whereas on the left, that is the absolute biggest weapon the left has to win elections, and they use it, even though of course it's not legal for (c)(3) charitable entities to be funding or carrying out partisan voter registration and get out the vote.

Bill Walton ([24:42](#)):

There's so many places we can go with this, but let's stick with influencing the election part of it. Cleta Mitchell has been on the show. She is an incredible advocate that the right needs to focus more on process the way elections are conducted, poll watching, get out the vote, you name it. But there's a lot of things that, the detail, the minutiae, all that stuff, the right tends to not focus as much on, they want to talk about the issues, but the left spends a lot of time on process.

Kristen Eastlick ([25:16](#)):

Here's a good example of the process, the way that the law approaches process. So let's go back to 2020 and think about all of the things that were happening that year. You wound up having an army of nonprofit groups. These are 501(c)(3) organizations. These are according to the IRS acceptable for the (c)(3)s, these charities to do. They were encouraging, first, people to sign up for the census. So it was, let's get as many people to report their census numbers, to answer those questionnaires. That's the first part. So you want to change who's being counted.

[\(25:52\)](#):

Then that would flow into, and now we can use those same people to drive them to the election polls, actually get them in to vote with this concept of hopefully changing redistricting because that's how it would change the politics of it. So more people being counted, more people at the polls, more people in the districts that are heavily democratic. And that would perhaps create a more sustaining democratic majority. Now, some things happened in 2020 that broke that up. It wound up being, yes, the presidential election shifted, but there was a lot more public inactivity at the state and local level that those redistricting battles didn't happen the way they wanted them to. But that's an example of the way that the left looks at process. That was a plan.

Bill Walton ([26:38](#)):

Well, let's talk about the-

Kristen Eastlick ([26:39](#)):

The right didn't do that.

Bill Walton ([26:39](#)):

Let's talk about the rivers of money. What are your three that's really interesting.

Scott Walter ([26:46](#)):

Sure. I like to say that there are three rivers of political money that empty into the gulf of elections. So the first river is so-called hard dollars.

Bill Walton ([26:58](#)):

I didn't realize this was a book of poetry.

Scott Walter ([27:01](#)):

Well, it's important to have good metaphors.

Bill Walton ([27:04](#)):

So agree.

Scott Walter ([27:05](#)):

So the first river is what in D.C. they call hard dollars, and that's what people, normal Americans think of as political money, right? I write a check to a candidate, I write a check to a party or a traditional PAC. That's the first river. The second river is a little murky. People talk about dark money, which originally that was coined to being the (c)(4) groups like the NRA and League of Conservation Voters. But that's

the second one. Or if you want to be broader about it, it's all the outside expenditures, meaning outside the campaign.

Bill Walton ([27:43](#)):

It was called dark money because the donors' names did not need to be disclosed?

Scott Walter ([27:43](#)):

Yes.

Bill Walton ([27:46](#)):

Whereas with (c)(3), they do need to.

Scott Walter ([27:47](#)):

No, no, no, no. (c)(3)s don't have to disclose their donors, but they're theoretically not playing in politics supposedly.

Kristen Eastlick ([27:57](#)):

Charity.

Scott Walter ([27:57](#)):

Whereas the (c)(4) guys like an NRA or League of Conservation Voters or Democratic Socialists of America, they're endorsing candidates, they're saying vote for Republicans, et cetera.

Bill Walton ([28:06](#)):

Why did it get called dark money?

Scott Walter ([28:08](#)):

But they don't have to reveal donors either.

Bill Walton ([28:10](#)):

Okay.

Kristen Eastlick ([28:10](#)):

Correct.

Scott Walter ([28:11](#)):

They too don't have to reveal donors. And they're the groups that were affected by the Citizens United decision in 2010, which is when after the decision, that's when the term gets coined because people are saying, "The world's going to be controlled by this because there's going to be so much money going into those groups." So that's river two. Sorry, dark money is river two sort of, but to be broader about it, it's all the independent expenditures independent of the campaigns. Theoretically, you're out there fighting for issues, but you're not saying, "Vote for Joe Biden, vote for Donald Trump," that kind of thing.

([28:49](#)):

Now, the third river is something that only Kristen and her team at Capital Research studies, and that's the (c)(3) charitable river. Now, we don't mean by that all of the charities. We don't mean your House of Worship. We don't mean the Boy Scouts, the Salvation Army, Goodwill. We only are looking at the (c)(3) groups that really do play in public policy. So think tanks, the educational arms of things like Planned Parenthood. Most of those places will have a planned parenthood educational foundation, that kind of thing. That's a (c)(3).

[\(29:25\)](#):

Now, the first thing is to understand the size of those three rivers. The hard dollar first river in the 2020 cycle, so this is '19 and '20 and left and right, it's around 14 and a half billion. The second river in the broadest definition, so all the outside or independent money, which is this dark money groups, plus the super PAC groups. Super PACs do have to disclose their money. Who gives them money? That is about three and a half billion for both sides 2020 cycle. And then there's the (c)(3) river that Kristen and Capital Research count, 35 billion. So it dwarfs the others. The other two rivers combined are about half of that river.

Bill Walton [\(30:20\)](#):

Okay, well, let's stick with both sides to this question.

Kristen Eastlick [\(30:22\)](#):

Sure.

Bill Walton [\(30:24\)](#):

I understand there's some differences here.

Scott Walter [\(30:24\)](#):

Yes.

Kristen Eastlick [\(30:26\)](#):

Yes.

Bill Walton [\(30:26\)](#):

We ought to amplify.

Scott Walter [\(30:27\)](#):

Well, the last thing about those three rivers are how much of the water is blue and how much is red in each of those rivers? So in the first river-

Bill Walton [\(30:36\)](#):

They're sticking with the poetry. This is good.

Scott Walter [\(30:38\)](#):

Exactly. The first river of hard dollars, the left has an advantage, but it's slight, not a whole lot. And in the second river, the independent expenditures, dark money and super PACs, the left has a little better advantage. But again, there are a lot of conservative super PACs out there raising money. But in the

third river, the charitable public policy groups, there it's not even close. It's over 10 to one left advantage. And since it's double the other two combined and then 10:1 advantage, surprise, surprise, that is really the death star for the lefties.

Bill Walton ([31:21](#)):

And that's where Arabella operates.

Scott Walter ([31:23](#)):

That's where a lot of Arabella operates.

Kristen Eastlick ([31:23](#)):

Correct.

Scott Walter ([31:25](#)):

They operate in the second river too, but they also in the biggest way they operate in the third.

Kristen Eastlick ([31:31](#)):

The other way to think about it is that roughly that \$3 billion on the right tends to be pretty consistent. If you look at 2018, we looked at the 2017/18 cycle. It was roughly three billion on the right. In that 2020 cycle, roughly three billion on the right. It's the 30 that went up. There was a Trump factor in there that I'm sure happened with the nonprofit advocacy, but it still that same small amount that's consistent.

Bill Walton ([32:01](#)):

So does the money matter?

Kristen Eastlick ([32:04](#)):

I mean, if you think of all of this as marketing dollars-

Bill Walton ([32:07](#)):

Where's it go?

Kristen Eastlick ([32:08](#)):

It goes into commercials, studies, ways to change the way people think about issues. So if you think about all of these as marketing dollars, let's say that the Sierra Club, I'm not sure what their annual budget is, but all of that is to make you think differently about energy issues, to make you think differently about the environment. That's all that is.

Bill Walton ([32:31](#)):

Hearts and mind stuff.

Kristen Eastlick ([32:32](#)):

Hearts and mind stuff. So you're looking at these billion dollar marketing campaigns. That's what this business is.

Bill Walton ([32:39](#)):

So is social media, how much... With the social media component, that has to be-

Scott Walter ([32:44](#)):

Sure. Well, in fact, a lot of their (c)(4) Arabella money goes to Facebook ads and that sort of thing. Now those are Facebook ads for and against candidates in the case of the (c)(4) groups. And then in the case of the (c)(3) groups, it's issue advocacy. So it's going to be talking about abortion or it's going to be talking about climate change or other things they feel they can use to drive people to the polls.

Bill Walton ([33:10](#)):

But why would the left have a 10:1 advantage in this sector? What are the conservative activists not doing what they should be doing? Or is there something the left is doing that they shouldn't be doing because it's illegal?

Scott Walter ([33:25](#)):

Well, there's multiple things there.

Bill Walton ([33:28](#)):

I know you can't opine. We don't want to invite lawsuits here.

Scott Walter ([33:31](#)):

Well, you can say some of the things.

Bill Walton ([33:34](#)):

Why is that happening?

Scott Walter ([33:37](#)):

Part of it, I would say, is that the lefty fundraisers, first of all, they have more groups which help them bring in more people. They also have the big foundations. Because remember you said earlier, quite rightly, the Ford Foundation is a huge player in that (c)(3) world.

Bill Walton ([33:51](#)):

So the whole list of foundations-

Scott Walter ([33:53](#)):

Yeah, so that's another thing-

Bill Walton ([33:54](#)):

The Rockefellers and Forbes, all those great entrepreneurs from 100 years ago, all that money's on the left.

Scott Walter ([33:59](#)):

The left stole that money. Yes. It's amazing. Which is why you shouldn't create a perpetual foundation because the odds are very bad that it will stay aligned with your donor intent over the years.

Bill Walton ([34:10](#)):

I'm going to spend it all.

Scott Walter ([34:12](#)):

Well give it away. Give it all away, or spend it all, but don't leave it to a perpetual foundation.

Bill Walton ([34:18](#)):

All right. But truly though, okay, so it is the foundations that we hear about, all the people that sponsor PBS and all these other entities, that's where all that money is.

Scott Walter ([34:31](#)):

Yeah.

Kristen Eastlick ([34:31](#)):

That's billions of dollars.

Scott Walter ([34:31](#)):

A lot of that comes out of there. The other thing is that the left is more naturally political, right? You're a serious business guy. How many serious business guys did you know in the business world who didn't care that... You know what I mean? They were worried about if something was going to hurt their business, but they weren't obsessed with politics. They cared about their families.

Bill Walton ([34:49](#)):

That's absolutely right. And they cared about their business, but their business of that government was just leave us alone.

Scott Walter ([34:55](#)):

Yeah, exactly.

Bill Walton ([34:56](#)):

We didn't see it as an instrument to do. Well now businesses have changed. There's a lot more rent seeking. But

Kristen Eastlick ([35:01](#)):

Yeah, the right have jobs. The left has missions.

Bill Walton ([35:05](#)):

Say that again.

Kristen Eastlick ([35:06](#)):

The people who work in the right, they have yacht jobs. The left, they work on missions.

Bill Walton ([35:12](#)):

Well, the thing about the left too is that so many of their political activities and their policy promotion activities are funded by the federal government. I mean, you look at a lot of our, every agency in government's got a political promotion or community relations. All these sort of things are disguised. Get out the vote for Democrats.

Scott Walter ([35:32](#)):

Or sue and settle, right? Where they have sweetheart lawsuits where they go, "Oh, you got us. Okay. So our agency's going to have to write you a big check now."

Bill Walton ([35:39](#)):

Yeah. So we pay a big price on the right for not believing that we ought to be engaged in government all the time. We're bored with it. We don't want anything to do with it. And yet, that's a massive mistake.

Scott Walter ([35:53](#)):

Well, or a flip side of that too, Bill, I mean you understand that religious impulse is very powerful in human beings. You might even say we were created with it. So again, what do you have?-

Bill Walton ([36:03](#)):

You can't prove it.

Kristen Eastlick ([36:06](#)):

Well... But again, think about it. So a conservative businessman you know, I bet you knew lots of them whose religious impulse went into crazy things like worship and charity. But if people don't have that, that religious impulse goes somewhere. So it goes into the left's apocalypse, whatever today's apocalypse might be-

Bill Walton ([36:27](#)):

Climate.

Kristen Eastlick ([36:27](#)):

And then it goes into the left's salvation things, right? "Here's how we're going to save the world."

Bill Walton ([36:34](#)):

You were interesting about that in the book. What's the motivation you think? And we're speculating here. We're not going to-

Kristen Eastlick ([36:34](#)):

Absolutely.

Bill Walton ([36:39](#)):

Let's speculate on why we believe they're so committed to that. And you also have a psychological profile.

Scott Walter ([36:48](#)):

Well, again, if you have one of the traditional religions like Judaism or Christianity, that comes with a God, there already is a God and you're supposed to serve that God, but if you don't have a God in your religion, well, then maybe you get to be God. So maybe the answer is that you should have ever more control, ever more power. I mean, if you go back to St. Agustin, libido dominandi, the lust for domination, the lust for power. Again, normal people would say, "Well, you're a billionaire. You got five homes." People kowtow to you constantly, "What do you need something more?" But as we know, people do have that hunger.

Bill Walton ([37:33](#)):

It's never enough.

Scott Walter ([37:35](#)):

No. Read the screw tape letters.

Kristen Eastlick ([37:38](#)):

And a lot of the campaigns that big philanthropy has funded historically have often been contributing to some of the worst pieces of society. I mean, eugenics was something generated by the big philanthropic community back in the day. That was not something that was as organic as it might seem. It was actually funded, and the science behind it was Carnegie Foundation. There are just so many of those names that created this horrible way of thinking about humanity. And there's really been no big, I think just within the last couple of years, has there been any acknowledgement of philanthropy's role in the whole concept of eugenics.

([38:17](#)):

So we now have this elitist way of looking at the world where we're creating these religions that are distinct from that religious culture from which a lot of us share. And you have to fund something. We're actually starting to look at documenting the cost of some of this philanthropy. There are opportunity costs of not funding localism, of not really putting money back into communities, but instead putting money into, I don't know if you heard about Sam Bankman-Fried. He was very much into effective altruism and a lot of the faux billions that was put into some of his ideology, that was to fund these scientific ideas, how to be effective with your philanthropy. A lot of that becomes very bankrupt when you think, boy, all of that money could have been used to fund anything else.

Bill Walton ([39:08](#)):

Explain the opportunity cost. Well, let me explain my concern about one of these religions, climate. The opportunity cost just in hard dollars of deploying capital into wind, solar, batteries, electric vehicles, people don't realize you use more energy in creating that than it creates. It's absolutely a destruction of capital and wealth and the mines to get the stuff out of the earth, to make the windmills and the batteries. You're going to end up mining half of Africa by the time you're done. And so there's a massive cost to this.

Kristen Eastlick ([39:09](#)):

Correct.

Bill Walton ([39:46](#)):

And it's a massive misallocation. And as the capitalist, it offends my sensibility to waste all that money and we're wasting it like mad. The environmental protection... So that's my simple version of a misallocation of resources. How does your equation work?

Kristen Eastlick ([40:06](#)):

Well, if you think about the money that could possibly be taken and spent on a locality to not do what the books say is the right thing for, I don't know, saving families from poverty, from creating a community service. There are some really great examples of people who in-

Bill Walton ([40:23](#)):

The book being the Bible?

Kristen Eastlick ([40:24](#)):

No, no, no, no.

Bill Walton ([40:26](#)):

Or Scott's book.

Kristen Eastlick ([40:28](#)):

Science writ large and broadly. But there are a lot of examples of people who have in their community changed lives. I'm thinking of a Bill Shambra obituary of this wonderful woman in Wisconsin who she wasn't necessarily building a big philanthropy, but she was creating a service within her community that was providing afterschool daycare given by grandparents or people in nursing homes that married these two needy groups together. That's not something that can be maybe replicated on a massive level, but in that community it was better because she existed and giving her \$10,000 more would've done so much better than funding a study that showed something about climate change.

Scott Walter ([41:18](#)):

You're both right, I think. You were thinking about business dollars being wasted because, yes, Ford and GM should not be wasting their money on hyper-subsidized electric vehicle nonsense. And she's thinking about the charitable dollars. What if the Ford Foundation were giving to these local heroes in neighborhoods? Because in every impoverished neighborhood in America, there are some people really helping others. Now, they do it on a one-to-one basis, and they're not some giant national thing. Well, you and I believe every single soul matters, every human being matters. I don't want to eliminate them. I don't want to abort them. I don't want to population control them. I want to have a mutual love and support for each other and the folks in those neighborhoods, just a little bit of this charitable capital that gets wasted on all these garbage political campaigns, could make a massive difference in people's lives. Could heal families, help struggling kids? That's a much better allocation of that charitable capital.

Bill Walton ([42:22](#)):

So we are where we are with spending all this money and we got advocacy campaigns. It's hard to see as we sit here now changing that. I suffer the CEO disease having run all these things. I say, okay, what's our line of action here? What are we going to do about it?

Kristen Eastlick ([42:44](#)):

I mean, the first line has to be exposure.

Bill Walton ([42:45](#)):

I get to some of these conversations and I go, well, what do we do?

Kristen Eastlick ([42:49](#)):

First line has to be exposure. I mean, understanding that these groups exist and how they do business is a huge piece of then figuring out what people want to do about it. We have now finally seen some interest at the congressional level on asking questions that in many cases, we don't want the IRS to be asking those questions because we aren't sure that they're going to ask them fairly. But oversight is a huge component of where are those dollars going? Why is it that these campaigns are being run in this way? And that goes a huge way of getting the public's understanding of, yeah, this is what we want to accept. I mean, you're finding out that most of the public, 80% of the public does not want foreign money in our elections. These aren't things we were talking about the last cycle, but we're talking about them now because exposure has happened about individuals who are trying to exert that kind of power.

Scott Walter ([43:42](#)):

And there are a couple of bills that are being put around and considered. One would be that if you are a (c)(4) political nonprofit, and you receive foreign dollars, you can't give to super PACs because money's fungible and that foreign billionaire's not allowed to give to a super PAC. So you shouldn't be able to take his money and then give to a super PAC. Or, Claudia Tenney, congresswoman who heads the Election Integrity Caucus, she's proposed that (c)(3)s should just not be allowed to fund or carry out voter registration because they can't be trusted to do it in nonpartisan fashion, and the IRS isn't able to police that. So just make it say no. Can't do it at all, period. But the exposure though is she's totally right because here's the thing. Arabella operates like The Wizard of Oz. When Dorothy first sees the wizard, he's big and scary and intimidating, but then later the dog pulls the curtain back and you see it's just some guy at a microphone. Well, she's not so intimidated anymore, is she? He still has all the magnificent machinery, but it's not intimidating because you know what's going on.

Bill Walton ([44:51](#)):

And in this case, the little guy behind the curtain's making \$50 million a year personally. That's what this little management company pulls out of this, doesn't it?

Scott Walter ([45:02](#)):

Taking in a lot of management fees.

Bill Walton ([45:03](#)):

Well, I'm pulling it from your book. I mean, isn't that the number?

Scott Walter ([45:06](#)):

Exactly. Yeah.

Bill Walton ([45:07](#)):

You didn't have much overhead, I'm sure.

Scott Walter ([45:10](#)):

Yeah. I don't know. There's office space Downtown D.C. that doesn't-

Bill Walton ([45:12](#)):

Well, that's the other thing.

Kristen Eastlick ([45:14](#)):

Well, they've got also like seven offices.

Bill Walton ([45:14](#)):

All of these foundations have the same post office. They have the same office. I mean, it's not exactly-

Kristen Eastlick ([45:20](#)):

Every once in a while you'll get one of those issue campaigns or something on Capitol Hill, and they've got a letter that everybody has signed. And what's so funny is every once in a while you'll look at one of those issues and all of the organizations are down the hall from one another basically.

Bill Walton ([45:34](#)):

We got a couple of minutes left. Let's talk about those popup groups. I mean, it seems like they create a new group for every cause that makes it seem, I guess if you're an elected official or the community, my gosh, look at all these organizations that are for this thing or against that thing. Those are all just invented to do... They don't even have their own tax code, do they, or tax ID number?

Scott Walter ([46:00](#)):

Oh, yeah. Yeah.

Kristen Eastlick ([46:00](#)):

Yeah. It's the same one.

Scott Walter ([46:02](#)):

We have a great story from this. When they wanted to kill the filibuster and The Hill newspaper, I believe it was, reported on this, like, "Oh, there are all these groups that are demanding the end of the filibuster." Because, of course, they were trying to jam the elections through and things. So the letterhead of the group is an Arabella entity, and some of the first places signing are literally just other Arabella popups. And then to the extent there were some groups who weren't actually inside the same office, there were 17 groups receiving money from Arabella who signed the letter. Back when you had a business, if you were trying to fight some zoning issue or tax issue, it'd be like you had everybody who was standing around the water cooler with you put their names on the letter and you send it up to the Senate or something. And of course, they would've laughed you out of the place, but you just weren't as sophisticated as the Arabellans.

Bill Walton ([47:03](#)):

What do you bet that they're now working with an AI application to make those 500 popups 50,000 popups?

Kristen Eastlick ([47:09](#)):

That's entirely possible.

Bill Walton ([47:13](#)):

It's going to be madness in a few years.

Kristen Eastlick ([47:16](#)):

What we do know and as we're sort of pointing out for your audience is that this organization is really active in state ballot initiatives. So if you happen to live in a state where you can bring an issue and have it voted on by the public directly, a lot of the groups that then fund those campaigns often are Arabella groups. And they might be actually structured as "Arizonans for Healthcare Now or something like that. So it might sound like it's a homegrown group, but instead it's just an Arabella Advisor.

Bill Walton ([47:44](#)):

They're really good at names.

Kristen Eastlick ([47:46](#)):

They're very good at names. They're very good at names.

Bill Walton ([47:49](#)):

It seems like everything has got a motherhood apple pie name attached to it.

Kristen Eastlick ([47:54](#)):

Good governance.

Bill Walton ([47:56](#)):

Well, I want to keep talking, but we always run out of time. What should be our takeaway from this? First, everybody should buy the book, read the book. A lot in there. Some of it's kind of disturbing. I mean, I was dismayed to find that my old investment hero, Warren Buffett was a baby killer, and I'm going to go home and burn all my Warren Buffett annual reports. That was really upsetting. Almost \$6 billion.

Kristen Eastlick ([48:30](#)):

Huge funder.

Scott Walter ([48:32](#)):

Yeah, no. Well, as you said, and his buddy Bill Gates, is a big population controller.

Bill Walton ([48:39](#)):

Same thing.

Scott Walter ([48:40](#)):

Yeah, it's a sad-

Bill Walton ([48:44](#)):

And his partner, Charlie Munger, all those folksy guys in Omaha are really in the abortion business.

Scott Walter ([48:51](#)):

Yeah. Well, again, I don't think you can explain it without the religion factor. If you have a religion that says every human being is precious, you look at the world differently. And if you don't, if you're the god of the world, well, then your name may be Moloch.

Bill Walton ([49:15](#)):

Should we make that the last word? No, I don't think so. Let's give a plug for Capital Research.

Scott Walter ([49:21](#)):

Capitalresearch.org, we do a weekly email that has our greatest hits of Kristen and her team's research every week. And then also-

Bill Walton ([49:30](#)):

I'm on that list. It's great.

Kristen Eastlick ([49:31](#)):

Oh, thank you.

Scott Walter ([49:32](#)):

Influencewatch.org is our Wikipedia of the left. You want to have that bookmarked. A Senate staffer just a day or two ago was telling Kristen and me, I always say like, "Now, do you know about Influence Watch?" He laughed in my face and said, "When I open my browser, it automatically opens in a tab."

Bill Walton ([49:53](#)):

Oh, that's great.

Scott Walter ([49:53](#)):

Yeah, we have lots of Hill staff will say, "We vet every single witness at our hearings against Influence Watch." And we have foundations that will say, "If a new grantee comes to us, we vet them against Influence Watch."

Kristen Eastlick ([50:07](#)):

We've got 12,500 pages. And I am having a hard time keeping up with all of the new entries of organizations that I didn't know about last week. It's amazing how quickly the number of nonprofit groups, PACs, individuals, activists we need an Influence Watch page on them. We need another Influence Watch page on them. They're having an impact. So we should probably have some background on them.

Bill Walton ([50:29](#)):

Well, keep it up. We need you.

Kristen Eastlick ([50:32](#)):

Thank you.

Bill Walton ([50:32](#)):

We need you. I've watched what you've been doing for years and it's amazing how much research you turn out. So, more to come. We'll have you back and once we've got Arabella outed, then we can move on to the next giant. Scott Walter and Kristen Eastlick, thank you very much for joining.

Kristen Eastlick ([50:52](#)):

Thank you, sir.

Bill Walton ([50:52](#)):

And thank you all for joining. Hope you found this interesting and unique in the kind of things we're talking about here. You won't find much of this on cable or regular media news channels. As always, you can find The Bill Walton Show on all the major podcast platforms. We're on CPAC now on Monday nights. We've also got a Substack page. Please submit your comments about this show and other shows you'd like to see us do. And as always, stay tuned and we'll try to make the next one interesting as well.