

Charity Policies Violated

Corporations deliberately sidestep written criteria by giving to MALDEF

by Jeffrey A. Hartwick

A number of major corporations have given big contributions to the Mexican American Legal Defense and Education Fund (MALDEF), violating their own charitable giving guidelines. This article examines how two corporations, Anheuser-Busch and Southern California Edison (SCE), have violated their own written contribution criteria as well as how they have helped further MALDEF's pro-immigration agenda.

MALDEF's Agenda

MALDEF has been the bane of immigration reform advocates for many years. This Los Angeles-based organization was created in 1968 "to secure the civil rights of Latinos living in the United States" from "a legal perspective."¹

MALDEF is classified by the IRS as a 501(c)(3) "educational" organization. However, education/community service is only a disguise for its real agenda — litigation and lobbying to support expanded rights for illegal aliens, lax immigration laws, bilingual education, non-English balloting, and affirmative action. Over 60 percent of MALDEF's budget is allocated to fight for these very controversial political issues in court.²

Corporations and corporate-controlled foundations have been more than willing to fund MALDEF's political agenda with millions of dollars. In fact, over two-thirds of the organization's \$6.5 million budget is from foundations or corporations like Anheuser-Busch.³

The Budweiser Connection

Anheuser-Busch Companies, Inc., maker of Budweiser beer, has a close relationship with MALDEF. It is so close that MALDEF refers to its national headquarters in Los Angeles as the MALDEF Anheuser-Busch Nonprofit Center.⁴ An Anheuser-Busch executive (Jesus Rangel, vice-

president of corporate relations) even sits on MALDEF's board of directors.⁵

The company has given MALDEF a great deal of funding over the years. Since 1981, Anheuser-Busch has generously funded MALDEF's Policy Analyst Program. This is a lobbying program which presents MALDEF's liberal political agenda to federal and state legislatures.

For example, MALDEF analysts tried to prevent passage of a congressional bill to end affirmative action, prevented a Proposition 187-type bill from being introduced in Illinois, and helped stop a bill eliminating prenatal care of illegal alien women in California.⁶

All of the issues lobbied under the Policy Analyst Program have been of a partisan political nature, with MALDEF taking the side of more benefits and rights for specific groups of people (Latinos and immigrants). This appears to violate Anheuser-Busch's contribution guidelines.

The guidelines state that the "Contributions Committee does not approve contributions to ... political organizations."⁷ *Black's Law Dictionary* defines political as "pertaining to exercise of rights and privileges or the influence by which individuals of a state seek to determine or control its public policy."⁸

Under this definition, MALDEF clearly *is* a political organization. It was formed to "secure the civil rights of Latinos ... in employment, education, political access, immigration, language assistance."⁹ MALDEF secures these rights by influencing government policy — through the Policy Analyst Program and its legal activities which solely support a left-wing political agenda.

Because the purpose of the Policy Analyst Program is to influence elected officials by advocating legislative positions favorable to illegal aliens and Latinos, by definition political acts, the program violates Anheuser-Busch's guidelines.

Southern California Edison

This public utility, owned by Edison International,

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is one of MALDEF's staunchest corporate benefactors. It gave the Latino group \$250,000 in 1996, part of \$6.2 million raised to purchase MALDEF's national headquarters.¹⁰ SCE Vice President Frank Quevedo is both a member of MALDEF's board and the MALDEF Property Management Corporation (MPMC) board, which manages and leases office space in the group's headquarters.¹¹

SCE's contribution policy states that "we do not assist individuals or organizations espousing specific causes."¹² These include "political organizations" or "any group whose activities are not in the best interests of Southern California Edison, its employees, shareholders, customers."¹³

SCE has violated its own policy on a number of counts. Most of MALDEF's activities espouse one specific cause, increasing rights and preferences for Latinos and immigrants. And, as mentioned earlier, MALDEF's activities are blatantly political, qualifying it as a political organization.

MALDEF's policies also are not in the best interests of SCE's shareholders or customers. How does giving money to an ethnic-special interest group benefit SCE's shareholders or customers? Underwriting MALDEF's legal fights or "community" programs does nothing to make SCE a more productive company or increase distributions to shareholders. And because Southern California is so ethnically diverse, favoring one partisan ethnic organization for funding over many others is unfair and fosters divisiveness.

Nor so MALDEF's lobbying and legal efforts benefit SCE customers. After all, a majority of Southern California voters supported Propositions 187 and 209, initiatives denounced by MALDEF. Since SCE serves southern California, SCE is in essence supporting a group that espouses views contrary to those of most of SCE's customers — and Edison shareholders.

SCE purports to "contribute to programs that prepare individuals to become productive members of society."¹⁴ How is an organization devoted to mostly filing suits and lobbying preparing individuals to become "productive"? It is obvious that SCE's contribution to MALDEF cannot be justified under the company's own giving criteria.

What Is To Be Done?

It is wrong for corporations and corporate-controlled foundations to give to groups with

political agendas like MALDEF, particularly when their own guidelines and being circumvented. And it is likely that Anheuser-Busch and SCE are not the only violators since in recent years MALDEF has received funding from such corporations and corporate foundations as Allstate Insurance, American Savings Bank, AT&T, Amoco, Bank of America, Chevron, Coca-Cola, Disney, General Electric, GTE, IBM, Levi Strauss, NBC, Quaker Oats, and Seagram & Sons.

Small corporate donations to groups are proper which do not pursue partisan litigation and lobbying such as for Boy/ Girl Scouts, 4-H Clubs, or the American Red Cross. These groups have activities which benefit *all* Americans, not just a select few.

Part of the solution to this problem is for shareholders to keep informed about corporate giving programs and to demand that corporations divulge this information; many corporations refuse to disclose or make it difficult to obtain this often embarrassing data.

Shareholders should also sponsor resolutions at shareholder meetings that prevent corporations from giving shareholders' dollars to partisan groups like MALDEF. Corporate executives are deeply fearful of shareholder complaints about controversial company policies; that is why Anheuser-Busch and Edison have deceived their own shareholders by stating that political organizations (e.g. MALDEF) do not receive money when in fact they do.

In the alternative, shareholders should seek funding for immigration reform organizations such as the Federation for American Immigration Reform (FAIR); if MALDEF can get funding for its pro-immigration endeavors, FAIR and similar groups should qualify for corporate dollars as well.

Why corporate executives are so eager to spend shareholders' money on MALDEF is truly a mystery, especially when most Americans do not agree with MALDEF's policies. Perhaps it is because executives have simply jumped aboard the bandwagon of political correctness. Today's corporations are afraid of being publicly attacked for not "supporting the minority community" or "diversity" or for being insensitive to the needs of "immigrants." By ingratiating themselves through donations with Latino power brokers like MALDEF-head Antonia Hernandez or National Council of La Raza President Raul Yzaguirre, CEOs inoculate

their companies from unfavorable PR which could hurt the bottom line.

CEOs may also want to tap into the growing Hispanic market. But corporations should be able to reach new markets by competitive pricing and advertising, not by squandering shareholder dollars on self-appointed guardians of the Latino or immigrant community.

It thus is easier and cheaper for morally challenged CEOs to throw a few bones to the mongers of more preferences and immigration than it is to do the right thing. **TSC**

NOTES

¹ MALDEF Mission Statement (undated).

² MALDEF, *Annual Report*, 1996, p.20.

³ Ibid.

⁴ MALDEF Fact Sheet (undated).

⁵ MALDEF, *Annual Report*, 1996, p.16.

⁶ Ibid, p.8.

⁷ Anheuser-Busch Contribution Guidelines, (undated).

⁸ Henry Campbell Black, *Black's Law Dictionary*, (St. Paul, MN: West Publishing Company, abridged 5th ed., 1983), p.604.

⁹ MALDEF Mission Statement.

¹⁰ "Group Restores Historic Building," *Los Angeles Times*, July 24, 1996, p.B5.

¹¹ MALDEF, *Annual Report*, 1996, p.16.

¹² SCE (Southern California Edison), "Charitable Contributions," (an undated pamphlet) p.2.

¹³ Ibid.

¹⁴ Ibid.