

GOOGLE PAYS THE SPLC TO DO PART OF ITS DIRTY WORK

Southern Poverty Law Center Transfers Millions in Cash to Offshore Entities

Left-wing nonprofit pays lucrative six-figure salaries to top management

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The SPLC's chief trial counsel Morris Dees / Getty Images

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The Southern Poverty Law Center (SPLC), a liberal, Alabama-based 501(c)(3) tax-exempt charitable organization that has gained prominence on the left for its "hate group" designations, pushes millions of dollars to offshore entities as part of its business dealings, records show.

Additionally, the nonprofit pays lucrative six-figure salaries to its top directors and key employees while spending little on legal services despite its stated intent of "fighting hate and bigotry" using litigation, education, and other forms of advocacy.

The Southern Poverty Law Center is perhaps best known for its "[hate map](#)," a collection of organizations the nonprofit deems "domestic hate groups" that lists mainstream conservative organizations alongside racist groups such as the Ku Klux Klan and is often referenced in the media. A gunman opened fire at the Washington, D.C., offices of the conservative Family Research Council in 2012 after [seeing it listed](#) as an "anti-gay" group on SPLC's website.

The SPLC has turned into a fundraising powerhouse, recording more than \$50 million in contributions and \$328 million in net assets on its [2015 Form 990](#), the most recently available tax form from the nonprofit. SPLC's Form [990-T](#), its business income tax return, from the same year shows that they have "financial interests" in the Cayman Islands, British Virgin Islands, and Bermuda. No information is available beyond the acknowledgment of the interests at the bottom of the form.

However, the *Washington Free Beacon* discovered [forms](#) from 2014 that shed light on some of the Southern Poverty Law Center's transfers to foreign entities.

The SPLC's Form [8865](#), a Return of U.S. Persons With Respect to Certain Foreign Partnerships, from 2014 shows that the nonprofit transferred hundreds of thousands to an account located in the Cayman Islands.

SPLC lists Tiger Global Management LLC, a New York-based private equity financial firm, as an agent on its form. The form [shows](#) a foreign partnership between the SPLC and Tiger Global Private Investment Partners IX, L.P., a [pooled investment](#) fund in the Cayman Islands. SPLC transferred \$960,000 in cash on Nov. 24, 2014 to Tiger Global Private Investment Partners IX, L.P, its records show.

The SPLC's Form [926](#), a Return by a U.S. Transferor of Property to a Foreign Corporation, from 2014 shows additional cash transactions that the nonprofit had sent to offshore funds.

The SPLC [reported](#) a \$102,007 cash transfer on Dec. 24, 2014 to BPV-III Cayman X Limited, a foreign entity located in the Cayman Islands. The group then sent \$157,574 in cash to BPV-III Cayman XI Limited on Dec. 31, 2014, an entity that lists the same PO Box address in Grand Cayman as the previous transfer.

The nonprofit pushed millions more into offshore funds at the beginning of 2015.

On March 1, 2015, SPLC [sent](#) \$2,200,000 to an entity incorporated in Canana Bay, Cayman Islands, according to Securities and Exchange Commission (SEC) [records](#) and run by a firm based in Greenwich, Ct. Another \$2,200,000 cash transfer was [made](#) on the same day to another fund whose business is located at the same address as the previous fund in the Cayman Islands, according to SEC [records](#).

No information is contained on its interests in Bermuda on the 2014 forms. SPLC's financial stakes in the British Virgin Islands were not acknowledged until its 2015 tax form.

Lucinda Chappelle, a principal at Jackson Thornton, the public accounting firm in Montgomery, Ala., that prepared the SPLC's tax forms, said she does not discuss client matters and hung up the phone when the *Free Beacon* contacted her in an attempt to get the most updated forms from the group in relation to its foreign business dealings.

Tax experts expressed confusion when being told of the transfer.

"I've never known a US-based nonprofit dealing in human rights or social services to have any foreign bank accounts," said Amy Sterling Casil, CEO of Pacific Human Capital, a California-based nonprofit consulting firm. "My impression based on prior interactions is that they have a small, modestly paid staff, and were regarded by most in the industry as frugal and reliable. I am stunned to learn of transfers of millions to offshore bank accounts. It is a huge red flag and would have been completely unacceptable to any wealthy, responsible, experienced board member who was committed to a charitable mission who I ever worked with."

"It is unethical for any US-based charity to invest large sums of money overseas," said Casil. "I know of no legitimate reason for any US-based nonprofit to put money in overseas, unregulated bank accounts."

"It seems extremely unusual for a '501(c)(3)' concentrating upon reducing poverty in the American South to have multiple bank accounts in tax haven nations," Charles Ortel, a former Wall Street analyst and financial advisor who [helped](#) uncover a 2009 financial scandal at General Electric, told the *Free Beacon*.

The nonprofit also pays lucrative salaries to its top leadership.

Richard Cohen, president and chief executive officer of the SPLC, was given \$346,218 in base compensation in 2015, its [tax forms](#) show. Cohen received \$20,000 more in other reportable compensation and non-taxable benefits. Morris Dees, SPLC's chief trial counsel, received a salary of \$329,560 with \$42,000 in additional reportable compensation and non-taxable benefits.

The minimum amount paid to an officer, director, trustee, or key employee in 2015 was \$140,000 in base salary, not including other compensation. The group spent \$20 million on salaries throughout the year.

The SPLC, which [claims](#) to boast a staff of 75 lawyers who practice in the area of children's rights, economic justice, immigrant justice, LGBT rights, and criminal justice reform, [reported](#) spending only \$61,000 on legal services in 2015.

Following recent violence in Charlottesville, Va., the group raised a great deal of money.

Apple CEO Tim Cook [told](#) his employees that the company is donating \$1 million to the SPLC and would match employee contributions two to one. Cook also [placed](#) an SPLC donation button in its

iTunes store. The company is additionally providing a \$1 million donation to the Anti-Defamation League.

J.P Morgan Chase [vowed](#) to add a \$500,000 donation for the group's "work in tracking, exposing, and fighting hate groups and other extremist organizations."

The Washington Times [reported](#) that CNN ran a wire story following the Charlottesville events originally titled, "Here are all the active hate groups where you live" using SPLC's list of 917 groups.

Brad Dacus, the president of the Pacific Justice Institute, a Sacramento-based group that defends "religious freedom, parental rights, and other civil liberties without charge," was listed on the "hate groups" list.

"Why is the Southern Poverty Law Center doing this? It's simple. They want to vilify and isolate anyone that doesn't agree with their very extremist leftist policy and ideology," Dacus [told](#) the *Times*. "This isn't about defending civil rights; this is about attacking civil rights."

"I am shocked that CNN would publish such a false report on the heels of the Charlottesville tragedy," [added](#) Mat Staver, the founder of Liberty Counsel, a Christian nonprofit that provides pro bono assistance and representation, which is also featured on SPLC's list. "To lump peaceful Christian organizations, which condemn violence and racism, in with the KKK, neo-Nazis, and white supremacists is offensive. This is the epitome of fake news and is why people no longer trust the media."

CNN later changed its headline to, "The Southern Poverty Law Center's list of hate groups."

"The SPLC is an anti-conservative, anti-Christian hate group that the media have given pretend legitimacy to. One glance at their 990 tax forms is a reminder just what a fund-raising super-power it is," Dan Gainor, vice president of Business and Culture at the Media Research Center, told the *Free Beacon*. "Its assets are over \$328 million in 2015 and went up \$13 million in just one year. It doesn't need new liberal money. It could operate for at least six years and never raise a penny. It's like a perpetual motion machine for fundraisers."

The SPLC [has also been hit](#) with a number of lawsuits over "hate" defamation claims in recent days.

The Southern Poverty Law Center did not return a request for comment on its foreign financial dealings by press time.

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