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How Think Tanks Amplify Corporate America's Influence

Think tanks are seen as independent, but their scholars often push donors' agendas, amplifying a culture of corporate influence in Washington.

By ERIC LIPTON and BROOKE WILLIAMS AUG. 7, 2016

WASHINGTON — As Lennar Corporation, one of the nation's largest home builders, pushed ahead with an $8 billion plan to revitalize a barren swath of San Francisco, it found a trusted voice to vouch for its work: the Brookings Institution, the most prestigious think tank in the world.

"This can become a productive, mutually beneficial relationship," Bruce Katz, a Brookings vice president, wrote to Lennar in July 2010. The ultimate benefit for Brookings: $400,000 in donations from Lennar's different divisions.

The think tank began to aggressively promote the project, San Francisco's biggest redevelopment effort since its recovery from the 1906 earthquake, and later offered to help Lennar, a publicly traded company, "engage with national media to develop stories that highlight Lennar's innovative approach."

And Brookings went further. It named Kofi Bonner, the Lennar executive in charge of the San Francisco development, as a senior fellow — an enviable credential he used to advance the company's efforts.

"He would be a trusted adviser," an internal Brookings memo said in 2014 as the think tank sought one $100,000 donation from Lennar.

Think tanks, which position themselves as "universities without students," have power in government policy debates because they are seen as researchers independent of moneyed interests. But in the chase for funds, think tanks are pushing agendas important to corporate donors, at times blurring the line between researchers and lobbyists. And they are doing so while reaping the benefits of their tax-exempt status, sometimes without disclosing their connections to corporate interests.

Thousands of pages of internal memos and confidential correspondence between Brookings and other donors — like JPMorgan Chase, the nation's largest bank; K.K.R., the global investment firm; Microsoft, the software giant; and Hitachi, the Japanese conglomerate — show that financial support often came with assurances from Brookings that it would provide "donation benefits," including setting up events featuring corporate executives with government officials, according to documents obtained by The New York Times and the New England Center for Investigative Reporting.

Similar arrangements exist at many think tanks. On issues as varied as military sales to foreign countries, international trade, highway management systems and real estate development, think tanks have frequently become vehicles for corporate influence and branding campaigns.

"This is about giant corporations who figured out that by spending, hey, a few tens of millions of dollars, if they can influence outcomes here in Washington, they can make billions of dollars," said Senator Elizabeth Warren, Democrat of Massachusetts, a frequent critic of undisclosed Wall Street donations to think tanks.

Washington has seen a proliferation of think tanks, particularly small institutions with narrow interests tied to specific industries. At the same time, the brand names of the field have experienced explosive growth. Brookings's annual budget has doubled in the last decade, to $100 million. The American Enterprise Institute is spending at least $80 million on a new headquarters in Washington, not far from where the Center for Strategic and International Studies built a $100 million office tower.

The shift has occurred as nonprofits in general have been under increasing pressure from their donors to meet specific goals. But for think tanks, that pressure can threaten their standing as independent arbiters in policy debates in Congress, the White House and the news media.

"Wouldn't it be nice to go back to the greatest generation, in the post-World War II era of philanthropy, where they said, gosh, 'Here is $1 million; spend it how you wish,'" Kimberly Churches, the managing director at Brookings, said in an interview.

Think tank executives reject any suggestion that they are tools of corporate influence campaigns and say they are simply teaming up with donors that have similar goals, like helping cities with economic development.

"We do not compromise our integrity," said Martin S. Indyk, Brookings's executive vice president. "We maintain our core values of quality, independence, as well as impact."

But he acknowledged that the arrangement to appoint the Lennar executive as a senior fellow had created the "appearance of a conflict of interest." And he said that Brookings, in the interest of transparency, had recently decided to prohibit corporations or corporate-backed foundations from making anonymous contributions.

At think tanks like Brookings, the majority of reports and events, with titles like "Five Evils: Multidimensional Poverty and Race in America" or "India at the Global High Table," have no obvious link to corporate donors.

Still, the benefits afforded to corporations looking to cloak themselves with the authority of think tanks are strikingly evident, according to a review of documents from more than a dozen institutions.

The likely conclusions of some think tank reports, documents show, are discussed with donors — or even potential ones — before the research is complete. Drafts of the studies have been shared with donors whose opinions have then helped shape final reports. Donors have outlined how the resulting scholarship will be used as part of broader lobbying efforts. The think tanks also help donors promote their corporate brands, as Brookings does with JPMorgan Chase, whose $15.5 million contribution is the largest by a private corporation in the institution's history.

Despite these benefits, corporations can write off the donations as charitable contributions. Some tax experts say these arrangements may amount to improper subsidies by taxpayers if think tanks are providing specific services.

"People think of think tanks as do-gooders, uncompromised and not bought like others in the political class," said Bill Goodfellow, the executive director of the Center for International Policy, a Washington-based think tank. "But it's absurd to suggest that donors don't have influence. The danger is we in the think tank world are being corrupted in the same way as the political world. And all of us should be worried about it."

A group of Democratic state attorneys general is investigating whether Exxon Mobil worked with certain think tanks in past decades to cover up its understanding of fossil fuels' impact on climate change, in part by financing reports questioning the science, a suggestion the company rejects.

Executives at Brookings, the Center for Strategic and International Studies and other think tanks say they have systems in place to ensure that their reports are based on scholars' independent conclusions.

"We strongly believe in our model of seeking solutions to some of our country's most difficult problems," John J. Hamre, the chief executive at C.S.I.S., said in a written reply to questions. "We gather stakeholders, vet ideas, find areas of agreement and highlight areas of disagreement."

Yet researchers at think tanks are seeing corporate influence firsthand. Rachel Stohl, a senior associate at the Stimson Center in Washington, said she had been quizzed by potential donors as she tried to raise money for research on the military's use of armed drones.

"'Are you going to say drones are bad?'" she recalled one potential financial backer asking. "'We are not interested in funding something that says drones are bad.'"

Donations and Rewards

The confidential Brookings spreadsheet had an unassuming title: Corporate Overviews Tracking. It listed nearly 90 corporations, from Alcoa to Wells Fargo, providing a glimpse of the vast electronic file that Brookings maintained on donors and prospects, and the benefits it might offer.

The database, along with thousands of pages of emails, solicitations for money and memos on meetings with corporate officials, highlighted Brookings's practice of assuring that donors would see results from their contributions.

The files included company priorities and a tally of donations. General Electric wanted to fund work on rail networks and clean energy programs — both critical parts of its business — and Brookings then featured G.E. executives, joined by officials from the White House and Congress, at events that focused on these industries.

In 2004, Brookings established its Metropolitan Policy Program, devised to stimulate economic growth in cities. As the country was emerging from recession, Brookings bolstered its ties to corporate donors in 2010 by naming Marek Gootman, a lobbyist from Patton Boggs, as its first director of strategic partnerships. He was assigned to work with "a national network of elected, business and civic leaders engaged in city and metropolitan area policy development and implementation."

From the start, the program blended a variety of insights on urban matters, including from corporate, nonprofit and government sources. And Mr. Indyk noted that any reports issued were made public.

Donations to the program exploded, from $4.3 million in 2005 to $12.5 million in 2013, nearly 20 percent of Brookings's overall program spending that year.

K.K.R., after starting special funds around 2010 to invest in real estate and other infrastructure projects, donated $450,000 to Brookings, some of it as the institution agreed to set up meetings for a top K.K.R. executive with community leaders in Philadelphia and Detroit, where the company was considering real estate projects. Brookings separately produced a report, published on K.K.R.'s website, promoting one of the company's infrastructure projects in New Jersey, after the company executive suggested such a piece.

In advance of a 2014 event Brookings officials attended with corporate executives including Henry R. Kravis, a co-chairman of K.K.R., one memo marked as confidential noted: "K.K.R. has given a total of $350K to Brookings. Last gift came in on 3/27/2014 for $150K to Metro; Henry has donated $75K to Brookings, most going to the individual unrestricted fund."

The tally demonstrates the important distinction that Brookings makes between "unrestricted" donations, which the think tank can spend on any research, and project-based funding restricted to specific topics that the donor has a particular interest in.

Lennar joined Brookings's Metropolitan Leadership Council, established for the program's top donors, in July 2010. That month, the company won approval to redevelop Hunters Point in San Francisco, turning the area into a more than 700-acre mix of housing, education and commercial development.

Brookings would later name the project one of the three most "transformative investments in the United States."

The San Francisco project generated controversy from the beginning, with critics concerned about toxic waste left by the former Navy shipyard.

Lennar joined with Brookings as protests were escalating in 2010. One complaint, filed by area residents with the Environmental Protection Agency, said the San Francisco Health Department was "conspiring with Lennar Corporation to conceal the health threats of asbestos-laden dust." The company was busy at the time looking for investors to help it complete the project, known as the San Francisco Shipyard.

A spokesman for Lennar, Glenn Bunting, disputed claims that the company had donated to Brookings out of self-interest — and said the alliance was not related to the protests.

"There was nothing needed in the way of assistance for Lennar to 'buy' from Brookings," Mr. Bunting said in an email. Brookings, though, continued to promote the project.

"San Francisco's Shipyard project is both physically and economically transformative for the Bay Area and globally significant," Mr. Katz, the Brookings vice president, said in a news release issued by San Francisco's mayor in 2011 as Lennar's hunt for major investors intensified. "This project promises to set a new paradigm for successfully conceiving, financing and delivering transformative infrastructure projects in the United States."

Follow-up memos were more explicit: Brookings, as it sought an additional $50,000 from Lennar in 2014, said it was prepared to "use our convening power, research expertise, network connections and knowledge of innovative practices to help further drive the ultimate impact and success" of Lennar's project and to "provide public validation of San Francisco's efforts through national and local media coverage."

The think tank soon delivered.

Mr. Katz made appearances alongside Mr. Bonner, the Lennar executive, to promote the project to government officials and business leaders in California. In 2014, around the time the think tank sought an additional round of money from Lennar, Brookings invited its new nonresident senior fellow, Mr. Bonner, who has a master's degree in architecture and is a former government planner for several California cities, to appear at an event at its headquarters.

"I am working in San Francisco in a fabulous property," Mr. Bonner said at the event, referring to Lennar's Shipyard project.

In March, at a conference of real estate developers and investors in Cannes, France, Lennar sponsored a session in which Brookings researchers helped the company highlight the Shipyard.

"Kofi is what I would describe as the quintessential city builder," Julie Wagner, a Brookings nonresident senior fellow, said as she introduced Mr. Bonner at an event where projects with no connection to donors were also featured.

At least some of the $400,000 Lennar has donated to Brookings since 2010 has come from its SunStreet Energy division, which sells rooftop solar systems, at the same time that Brookings's metropolitan program has published research on the rooftop solar industry.

Mr. Indyk said the collaboration simply reflected shared goals of revitalizing cities. Brookings scholars promoted other real estate projects, he said, involving local governments, universities or even developers that were not donors — including one in Detroit backed by Dan Gilbert, the founder of Quicken Loans, and one in Seattle backed by Paul G. Allen, a co-founder of Microsoft.

But Mr. Indyk acknowledged that naming Mr. Bonner, who declined to be interviewed, a Brookings nonresident scholar had "created the impression that because Lennar was giving money, he was getting the title." His post, which was unpaid, was not renewed.

Hitachi has been another large donor to the metropolitan program, giving a total of $1.8 million to Brookings over the last decade, according to Brookings documents. The think tank reviewed the company's corporate marketing and sales strategy targeting the United States, an internal memo shows. Brookings also organized public events that featured top Obama administration officials and allowed Hitachi executives to promote their products.

"Metro has held nine meetings and several conference calls in the past six months with executives from Hitachi's water, transportation and data business lines and are collaborating more fully on defining what it means to be a 'Smart City,'" a confidential Brookings memo said.

Officials at Brookings said they had not lobbied for Hitachi, and they provided examples of reports that they said included conclusions challenging the company's position. "Helping a corporation's for-profit agenda is not in any way our agenda," Ms. Churches, the managing director, said.

Yet Ms. Churches also said the contract language with donors like Lennar and Hitachi was "inelegant," although not improper.

When asked if the documents read like a fee-for-service agreement, she said, "It could be misconstrued."

Mr. Indyk said Brookings had recently changed its policies so that "today, there is no way in which those words would be used in our documents."

'Growing the Economy'

When JPMorgan offered a major donation to the metropolitan program in 2011, Brookings created the Global Cities Initiative, complete with a new logo that called it a "joint project of Brookings and JPMorgan Chase."

The project was premised on a common interest between the bank and the think tank. Brookings wanted to promote economic growth in cities by encouraging international trade, and JPMorgan wanted to gain new business by offering loans to companies in the same markets.

In contract documents, Brookings emphasized that it would control the conclusions of its reports and said it would "not directly or indirectly communicate with any party" to help get JPMorgan business.

Mr. Indyk and executives from JPMorgan said the company and the think tank simply agreed on a worthy agenda.

"This was about growing the economy, and we are incredibly proud of the results of this initiative," said Peter Scher, the head of the corporate responsibility program at JPMorgan. "We believe it's had a huge impact in more than 30 cities that are involved."

At the same time, hundreds of pages of memos — status reports to JPMorgan, internal reports by Brookings staff to prepare for meetings with top bank executives, and formal documents soliciting more money — make clear that Brookings saw the Global Cities Initiative as a branding effort that could help JPMorgan bolster its standing in cities.

"Bottom line: Growing metro economies is good for the nation and for JPMC; also, many U.S. cities are JPMC clients — motivation to support them and their clients," said one Brookings document dated July 2011, as officials from the think tank met with top bank executives to discuss a planned donation that eventually totaled $15 million.

The Global Cities Initiative, another document written by a Brookings senior fellow explained, "must mean a marriage between JPMC corporate interests" and "Brookings continued thought leadership."

JPMorgan, in a document dated a month before the agreement was signed, said the pending donation to Brookings "deepens/extends relationships with important client base among business and civic leaders both in the U.S. and abroad."

And Brookings was ready to do its part.

"Our events, which in part target these audiences," said an internal 2014 Brookings memo, referring to the Global Cities Initiative and federal and state leaders, "have yielded 100+ media hits, with 97% of them referencing GCI and 90% referencing JPMorgan; by the end of this year, we will have held events in 13 domestic markets and 9 international markets."

At times, Brookings officials seemed worried they were not doing enough for the bank.

"No one wants to create overt marketing opportunities for JPMC, but we need to carve out roles and thought leadership opportunity for market presidents," said a 2013 Brookings memo, referring to a dinner with the bank's executives. "We need to do a better job tying it back to JPMC."

It remains difficult to assess whether the relationship helped the bank's business, but Mr. Scher said that was not the goal.

"If the Global Cities Initiative strengthens the economic competitiveness of cities, it's a win for small businesses, job creation and everyone involved in these communities, including us," Mr. Scher said in a statement.

Donations from the corporations to Brookings are tax exempt based on the premise that the think tank's work benefits the public good, not a company's bottom line.

But two lawyers who specialize in nonprofit law — Miranda Perry Fleischer, a professor at the University of San Diego School of Law, and Clifford Perlman, a partner at a New York-based firm — said Brookings's agreements raised questions.

"Tax deductions are subsidies that are paid for by all taxpayers," Ms. Fleischer said. "And the reason the subsidy is provided is that the charitable organization is supposed to be doing something for the public good, not that specifically benefits the private individual or corporation in the form of providing them goods or services."

Mr. Indyk said that opinion was "totally unfounded," noting that Brookings had retained its own lawyers to review the documents and found no problems.

"Brookings's conclusion that all of these activities it engaged in with these donors primarily benefited the public rather than the donors is consistent with the applicable federal tax standards," Douglas Varley, one of the lawyers for Brookings, said in a statement.

Close Partnerships

Other think tanks have been even more closely aligned with corporate agendas.

FedEx teamed up with the Atlantic Council — a think tank that focuses on international relations, with annual revenue that has surged to $21 million from $2 million in the last decade — to build support for a free-trade agreement the company hoped would increase business.

Six months before the Atlantic Council report was issued, FedEx and the think tank worked on plans to use the report as a lobbying tool.

"The impact and reach of the report would be maximized by a rollout event" including a "public report launch with member(s) of Congress from one of the relevant committees," said a two-page summary drafted by the Atlantic Council months before the study was completed.

FedEx and the Atlantic Council, working with the European American Chamber of Commerce, also told companies being asked to participate in the study that the goal was to "emphasize the positive impact that a comprehensive agreement would have on American and European small businesses."

When the report came out in late 2014, its conclusions mirrored arguments FedEx had been aggressively pushing on Capitol Hill, including recommending a reduction in trans-Atlantic tariffs and allowing more duty-free shipments.

An executive vice president at FedEx, Rajesh Subramaniam, attended an event at Atlantic Council headquarters in Washington to celebrate the release of the final report. So did a key supporter, Representative Erik Paulsen, Republican of Minnesota.

"This is very exciting," Mr. Subramaniam said at the event, referring to the potential for more trade. "The upside opportunity is quite large."

Frederick Kempe, the Atlantic Council president, said that FedEx had donated just $20,000 to help fund the effort and that the staff at the Atlantic Council had handled the research.

"There is no doubt the work of think tanks has more credibility than the work of lobbyists, but the only way we preserve it is through intellectual independence," Mr. Kempe said.

'We Do Not Lobby'

General Atomics, the California-based manufacturer of Predator drones, had a clear problem. Prospects for sales were falling as the wars in Afghanistan and Iraq wound down. The company wanted the Obama administration to change its policy to allow for sales to other countries, a lucrative proposition.

"When the budgets are going down in the U.S., you would like to be able to export more," Frank Pace, the president of the company's aircraft systems group, told a Reuters reporter in late 2013 at an air show in Dubai.

At about that time, the industry turned to the Center for Strategic and International Studies for help, providing money that the think tank used to conduct a study on drone policy, including exports.

While defense contracting giants like Lockheed Martin and Boeing have cumulatively donated at least $77 million since 2010 to two dozen think tanks, disclosure records show, General Atomics's contribution to the Center for Strategic and International Studies was quite small — in the tens of thousands of dollars.

C.S.I.S. set up confidential meetings at its headquarters with company representatives, inviting top officials from the Navy, the Air Force, the Marine Corps, the Coast Guard, the State Department and the office of the defense secretary, according to emails and other documents obtained by The Times through open records requests.

"Our series will be unique in convening a much broader group of stakeholders than is typical," Samuel J. Brannen, the think tank's lead scholar, wrote in an email to Aaron W. Jost, one of the State Department officials in charge of regulating drone exports.

As a think tank, the Center for Strategic and International Studies did not file a lobbying report, but the goals of the effort were clear.

"Political obstacles to export," read the agenda of one closed-door "working group" meeting organized by Mr. Brannen that included Tom Rice, a lobbyist in General Atomics's Washington office, on the invitation lists, the emails show.

Boeing and Lockheed Martin, drone makers that were major C.S.I.S. contributors, were also invited to attend the sessions, the emails show. The meetings and research culminated with a report released in February 2014 that reflected the industry's priorities.

"I came out strongly in support of export," Mr. Brannen, the lead author of the study, wrote in an email to Kenneth B. Handelman, the deputy assistant secretary of state for defense trade controls.

But the effort did not stop there.

Mr. Brannen initiated meetings with Defense Department officials and congressional staff to push for the recommendations, which also included setting up a new Pentagon office to give more focus to acquisition and deployment of drones. The center also stressed the need to ease export limits at a conference it hosted at its headquarters featuring top officials from the Navy, the Air Force and the Marine Corps.

Mr. Brannen, who has since left C.S.I.S., declined to comment. The think tank insisted that its efforts to influence administration policy were not lobbying.

"C.S.I.S. will not represent any donor before any government office or entity, including congressional lawmakers and executive branch officials," Mr. Hamre, the chief executive, said in his statement to The Times. "We do not lobby."

One thing is clear: The result was a victory for General Atomics.

In February 2015, almost one year after the C.S.I.S. report was issued, the State Department announced a clarification of its rules, easing final approval that month for General Atomics's long-planned sale of unarmed Predator drones to the United Arab Emirates, the first such sale to a non-NATO nation. The think tank report was just one of many voices pushing for the change.

A State Department spokesman said that while the government officials involved in the review had received opinions from think tanks and industry officials, "at the end of the day, this is a considered U.S. government policy."

Huntington Ingalls Industries had an equally clear objective: to create an elaborate public relations and lobbying campaign to convince Congress that the nation needed to confront an emerging threat from China by building more nuclear-powered aircraft carriers — at a cost of about $11 billion each. The clear beneficiary? Huntington, the lone builder of the ships.

As part of a broader communications effort, Huntington helped finance a think tank report that enhanced the company's argument for more funding. Bryan McGrath, a former naval officer who had commanded a guided-missile destroyer, approached Huntington Ingalls and offered to write a study on a fee-for-service basis as a private industry expert. The company turned down his offer.

Later, after he had joined the Hudson Institute and helped create the Center for American Seapower, he approached Huntington officials again, and they were interested.

"A think tank has more prestige," Mr. McGrath said.

Huntington Ingalls paid $100,000 to fund the work, a critical commitment for Mr. McGrath, who said he was paid by Hudson only if he could successfully solicit donations to support his research.

Mr. McGrath said he had always been a strong proponent of aircraft carriers, so the company was not buying his opinion.

"The Hudson Center makes no secret about being very pro-sea power," he said. "If a company came that wanted us to write a piece that advocated for something other than that, the answer would be no."

In exchange for Huntington Ingalls's support, company officials were given regular briefings on the research and the opportunity to suggest revisions to early drafts, Mr. McGrath said.

"We have an iterative process already laid out in which we will sit down with them and go through drafts and discuss where we are going," Mr. McGrath said. He added that he had not accepted all of the company's suggestions.

The report was released in October at the Rayburn House Office Building. Mr. McGrath received an introduction from one of the industry's most important boosters, Representative J. Randy Forbes, Republican of Virginia, the chairman of the House Armed Services subcommittee that oversees the Navy.

The report did not mention that Huntington Ingalls had helped pay for it. Asked about the failure to disclose the contribution, John P. Walters, Hudson's chief operating officer, called it a mistake. The report was subsequently revised — months after it was released and the congressional event held — to disclose the donation.

A second industry-funded report, prepared by the Center for Strategic and Budgetary Assessments, came out a month later with a similar urgent call for more money to build more ships and to base more ships abroad, although it did not mention that it had been funded by the Navy League of the United States, a nonprofit group whose large corporate donors include Huntington Ingalls.

"This report is yet another important tool for Navy Leaguers to use in the field when educating local leaders and lawmakers," Skip Witunski, the Navy League president, wrote to the group's members late last year.

The strategy — lining up think tank reports as lobbying tools that echoed each other — was backed up with a series of letters to the editor, dozens of posts on Twitter and Facebook, and op-ed pieces.

Mr. McGrath said he, too, wondered if this storm of industry-funded work might be threatening the integrity of the process.

"I see a lot of stuff that comes out in Washington," Mr. McGrath said, "and I got to scratch my head and say, 'That guy must be on the payroll.'"

Brooke Williams is a reporter at the New England Center for Investigative Reporting, which collaborated with The New York Times on this series. Audrey Stuart contributed reporting from Cannes, France. Kitty Bennett contributed research.

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