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Revealed: Right-Wing Groups Spent Over \$1 Million Bankrolling Fox News Host's Propaganda in Schools

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Two foundations that have [been described](#) [3] as "the dark money ATM of the right" have spent more than \$1 million combined funding a non-profit organization whose primary function is distributing libertarian education materials featuring Fox Business host John Stossel.

Donors Trust and Donors Capital Fund, the affiliated funding groups, were until recently obscure entities. But over the past month a [series](#) [3] of [reports](#) [4] have [detailed](#) [5] how those organizations have paid out more than \$400 million to over 1,000 conservative groups since their 1999 founding. Those reports have described how the two organizations have allowed wealthy individuals to discreetly underwrite trending conservative causes like [climate change denial](#) [6].

The groups have also been the primary funders behind an effort to flood American classrooms with packaged libertarian lessons branded with John Stossel's mustachioed face. In 2011, Donors Trust gave \$540,000 to the Philadelphia-based Center for Independent Thought (CIT), with the funds earmarked for the distribution of "Stossel in the Classroom" teaching materials, according to [IRS filings](#) [7] obtained by *Mother Jones*.

According to CIT's [website](#) [8], its mission is to "bring the ideas of liberty to freedom-loving people around the globe." They do so primarily through the distribution of free "Stossel in the Classroom" videos, DVDs and discussion guides, which the program [claims](#) [9] are currently used by more than 150,000 teachers in middle school, high school, and college classrooms around the country.

The 2011 Donors Trust donation made up [more than two-thirds](#) [10] of CIT's \$750,581 revenue, according to IRS filings. The Center spent \$360,872 on the "Stossel" program that year, making

it by far the largest of the three active programs listed on its website.

"Stossel in the Classroom" began in 1999 when Stossel was still with ABC News [11]. It was seeded [12] with financial support from the libertarian Palmer R. Chitester Fund [13] and grew slowly until CIT took over the program in the mid-2000s.

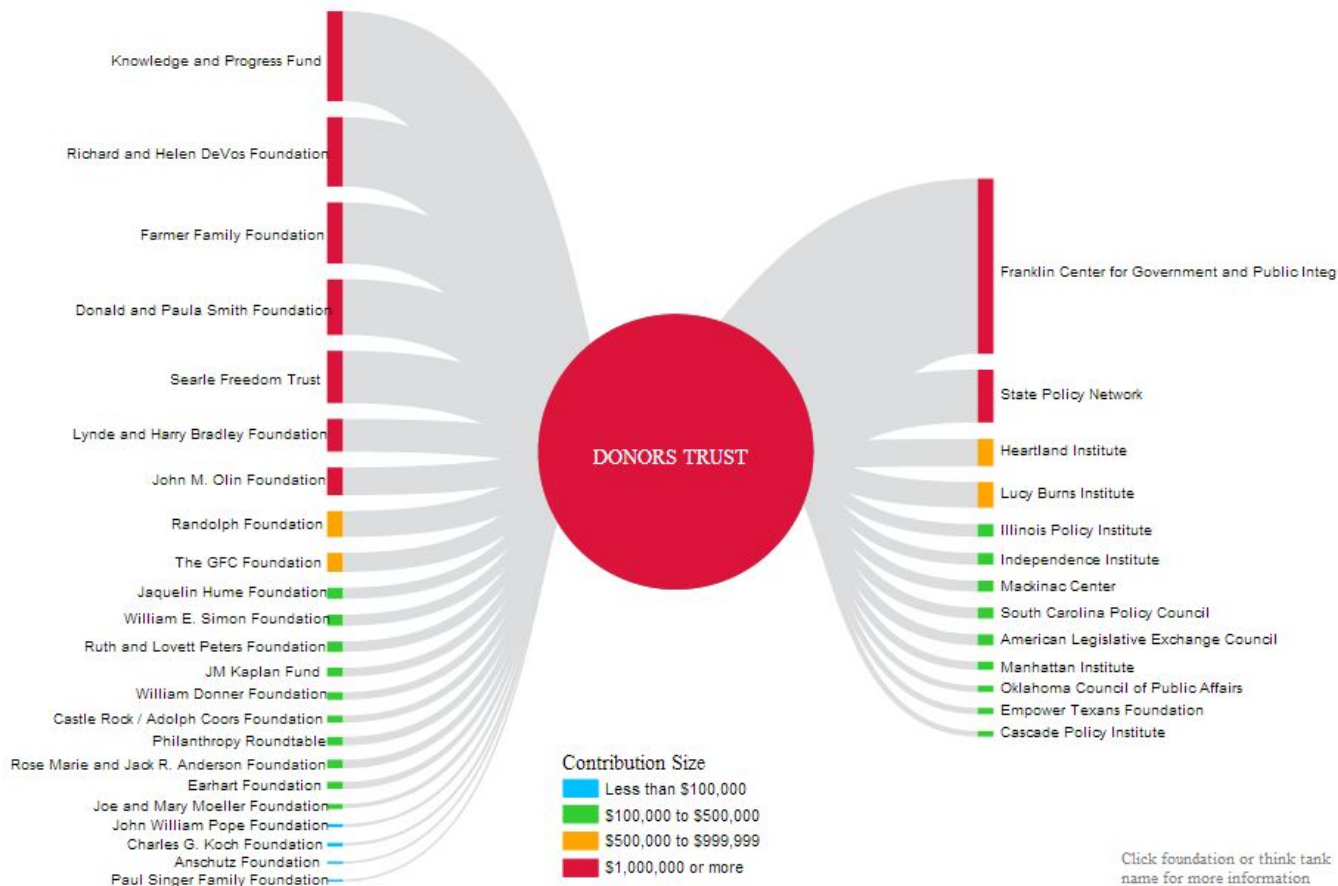
CIT was a natural home for "Stossel in the Classroom." Founded with Koch money as the Libertarian Review Foundation in the 1970s, real estate developer Howard Rich took control of the organization in 1990 [14] and gave it its current name. Rich is part of the libertarian donor elite, founded Americans for Limited Government, and sits on the board at Cato [15], the Club for Growth [16], and the Friedman Center for Educational Choice [17]. (Rich's wife, Andrea, runs CIT, but does not draw a salary.)

At the same time the group took over "Stossel," new right-wing funding began flowing into its coffers. While Donors Trust was its main sponsor in 2011, it has also received money [18] from Donors Capital Fund (\$500,000 from 2007 to 2010) and foundations linked to the Koch brothers.

The purpose of groups like Donors Trust and Donors Capital Fund is to allow wealthy benefactors to support conservative causes anonymously. The Tides Foundation is a liberal analogue, donating millions of dollars to left-leaning groups (including *Media Matters*).

According to Mother Jones [3], whose non-profit arm has also received Tides funding, "Donors Trust's strategic intent is far narrower and more coherent than Tides'. The groups funded by Donors Trust more or less pursue the same agenda--eliminate regulations, kneecap unions, shrink government, and transfer more power to the private sector."

The Center for Public Integrity produced this graphic [5] detailing the flow of money in recent years from Koch-backed and other right-wing foundations through Donors Trust to a variety of conservative groups:



CIT's funders -- whoever they are -- will find nothing in their program's activities to make them question their investment in helping produce the next generation of libertarians.

The new caretakers built a slick new website, archived more videos spanning Stossel's career, instituted a professional organization of requests and distribution, and began producing specially designed economics DVDs and teaching guides.

Stossel himself provides a brief welcome message from his Fox Business studio in the first segment of 2013's DVD "Good Intentions Gone Wrong," [available free](#) ^[19] on the "Stossel In The Classroom" website:

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The program now offers hundreds of free clips from Stossel's shows and specials that claim to seriously address a range of academic subjects, including Art ("Why does Hollywood Hate Capitalism?" [20]), Biology ("Debunking Food Myths" [21]), and History ("The Real Story of Thanksgiving." [22] which explains "how the Pilgrims were hurt by sharing").

"Stossel in the Classroom" also produces libertarian economics courses. The small team of economists [23] that writes materials such as "Making Economics Come Alive with John Stossel" has multiple [24] close [25] ties [26] to the Stavros Center for the Advancement of Free Enterprise and Economic Education at Florida State University.

The videos on the site are stacked with pundits echoing Stossel's radical laissez-faire views. A typical lesson pairs videos of Fox Business pundits tearing into a regulatory effort -- a video [27] on the 2011 health care law features serial liar Betsy McCaughey and industrial-fan entrepreneur Bob Luddy -- with teacher's guides that ask if government regulation is necessary.

Students who answer "Yes" are unlikely to win many of the 225 cash prizes totaling \$23,000 distributed annually in the "Stossel in the Classroom" essay contest [28]. Last year's competition, entitled, "Politicians' Promises Gone Wrong," asked students to write an essay of between 500 and 1,000 words about the government's ability to deliver on its promises. Students could take either side, but the rules stipulated that the essays must reference or cite an example [28] in Stossel's latest anti-government tract, *No They Can't: Why Government Fails -- But Individuals Succeed*, or his associated TV special.

Last year's winners, who received all-expenses-paid trips to New York and appeared on Stossel's show, were both home school students. The winning entry [29], by a 13-year-old student, used the Lily Ledbetter Fair Pay Act of 2009 as an example of harmful government overreach, and in support of her case cited a Heritage Foundation analyst who suggested that as a result of the law employers would simply hire fewer women and minorities -- thus hurting both groups. Second place honors went to an essay [30] that built its critique of government social spending around the metaphor of a class president candidate promising free candy to the student body. "While the students may enjoy the sugar and the candidate may have won the election," wrote the 15-year-old author, "the candy may give them cavities at the expense of the taxpayer."

It is unclear whether John Stossel is being paid for his role as the face of "Stossel in the Classroom." CIT did not return calls regarding \$230,000 in expenses for the program categorized on its tax returns as "Other." Fox Business and Stossel himself likewise did not respond to requests for comment.

See more stories tagged with:

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- [7] <http://www.documentcloud.org/documents/602527-donors-trust-2011-grants-list.html#document/p1>
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