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COALITION FOR A SAFE WEB URGES IRS INVESTIGATION INTO THE TIDES FOUNDATION

**FUNDING ANTISEMITISM & FAR LEFT VIOLENCE IN VIOLATION OF ITS TAX-
EXEMPT STATUS**

FOR IMMEDIATE RELEASE
May 9, 2024

The Coalition for a Safer Web (CSW) filed today a formal complaint with the Inspector General of the Internal Revenue Service (IRS) to commence an IRS investigation into TIDES NEXUS, the TIDES FOUNDATION, and their donor network (collectively “TIDES”) for:

- Funding organizations inciting violence, antisemitism, and the destruction of the State of Israel in violation of Section 501 IRS Code; and
- Laundering these donations from major U.S. philanthropies to extremist groups in order to conceal the identities of the donors and their recipients.

Based on its investigations CSW filed two prior complaints with the IRS against the Soros Open Society Foundation and the Goldman Sachs Philanthropy Network for violating their tax-exempt status.

In its third such formal complaint, CSW alleges that TIDES knowingly serves as a charitable money-laundering slush fund behemoth for leading U.S. philanthropies, including the NoVo Foundation, the Rockefeller Brothers Fund, the Ford Foundation, the New Venture Fund, and the Soros Open Society Foundation, among others, to mask their donations to anti-Israel, antisemitic, and pro-Hamas groups.

TIDES is one of the largest U.S. philanthropic donor clearing houses. It manages over \$1 billion in grants per year from major U.S. philanthropies and is coordinating charitable conduit to a variety of liberal causes as well as offensive far left extremist groups.

Coordinating the campus encampments, attacks on Jewish businesses, and disrupting U.S. transportation is the hallmark of the far-left TIDES fund recipients which play a significant role in the rioting. They have been operating for years, if not decades, as radical far-left agitators, trainers, and professional crisis actor employers with urban battle-hardened experience and have been recipients of TIDES donations long before October 7.

In order to cloak donations to antisemitic and pro-Hamas groups TIDES relies on a dark money transfer mechanism that enables it to avoid having to publicize and report to the IRS suspect donations to suspect groups. It does so by concealing its recipient as a so called “fiscal sponsor.”

As a fiscal sponsor TIDES lends its sponsored group its own tax-exempt status. The net effect is that the donor (TIDES) and the sponsored group are the same entity for legal and tax reporting purposes. Neither TIDES nor the recipient is obligated to publicly report their transaction. A recipient’s name is camouflaged as just another line-item project in TIDES’ financial statement. An added bonus in this arrangement is that a TIDES recipient also receives TIDES back-of-the-house support including payroll processing, health insurance, legal oversight, and personnel management – otherwise costly overhead charges to the recipient. The charade also enables the recipient to operate in the shadows.

It appears that wherever a “pro-Palestinian” organization is active, TIDES is the largest U.S. slush fund for major U.S. philanthropic organizations. We are not talking about “peaceful” pro-Palestinian organizations exercising their First Amendment rights (millions have flowed from TIDES to these groups) but overtly antisemitic, pro-Hamas extremist groups and individuals that TIDES has laundered to protect the identities of the donor to TIDES, TIDES itself, and TIDES’ beneficiary..

Who are such TIDES extremist group recipients and subrecipients?

- The Arab Resource & Organizing Center (AROC) which organized an illegal blockade of the Port of Takoma in November.
- The Adalah Justice Project, whose Executive Director was arrested on April 30 at the Washington University of St. Louis pro-Gaza encampment.
- The Alliance for Global Justice, which as a fiscal sponsored recipient of TIDES in turn became a fiscal sponsor for Samidoun, a front organization for the terrorist Popular Front for the Liberation of Palestine (PLFP).
- Students for Justice in Palestine (SJP)
- American Muslims for Palestine
- Defense for Children – Palestine
- Jewish Voices for Peace (JVP)

None of these recipients would be entitled to preferred tax status under Section 501. And it is inconceivable that TIDES' management could claim ignorance it did not know it was funding these extremist organizations. By designating them as "fiscal sponsors" and not separate third party grant recipients TIDES staff had to undertake a higher level of due diligence of the recipient because they were integrated into TIDES as a line item on its own balance sheet.

CSW concurs with the assessment made by Park MacGougald, author of "The People Setting America on Fire" published in The Tablet this week that TIDES' byzantine corporate structure is ideal for disguising major donors who do not want to reveal their donations to far left fringe extremist groups.

Congress and the Biden Administration have existing legislative and regulatory authority to choke off the secretive, law-breaching cabal that fuels these funding conspiracies. What are they waiting for!?

Fmr. Amb. Marc Ginsberg, President of CSW stated.

"TIDES and other charitable foundations are laundering donations to antisemitic groups by relying on this "fiscal sponsorship" loophole. Charitable tax exemption is not a right under U.S. law. It is granted to organizations that support worthy public policy objectives.

"Funding extremist groups which incite violence and antisemitic hate are clear violations of their tax-exempt status. Shutting down the "fiscal sponsor" loophole and stripping offending philanthropies of their tax-exemptions are critical steps in the battle against antisemitic incitement."

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