

The bogus ‘allegation’ that Putin is funding a California environmental charity

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“It has been alleged that [Russian President Vladimir] Putin is using a San Francisco-based e-NGO, the Sea Change Foundation (Sea Change), to funnel money into U.S.-based environmental advocacy efforts designed to undermine American energy production. ... Notably, reports suggest that your organization is one of the top e-NGO recipients of Sea Change grants since 2006.”

— **Letter signed by every GOP member of the House Energy Committee, written to several environmental groups, March 10**

Note the passive voice in this letter — “it has been alleged.” There’s just enough smoke in the four-page missive to suggest there’s a raging fire. At Fox News, the resulting story was headlined: “House Republicans demand answers from environmental groups over allegation of collusion with Russia.”

The letter demanded answers by March 25 from three environmental groups — the League of Conservation Voters (LCV), the Natural Resources Defense Council (NRDC), and the Sierra Club — on whether they have received funding from Russia or China and whether any funding from Sea Change, an environmental philanthropy, was used for anti-fracking advocacy. Sea Change contributes about \$40 million to \$50 million a year to a variety of environmental organizations.

“Provided the public reporting of Putin’s dark money influence in Europe and the concerns surrounding similar efforts in the United States, we write today to explore your connections with Sea Change,” the letter said. “Any action by President Putin, the Russian government, or Putin’s allies to undermine American energy security must be addressed.”

But upon inspection, the allegations crumble into dust. The flimsiest of dots are connected to make a case. What is even more astonishing is that, regular as clockwork, Republicans have been making these bogus claims every few years, even after credible explanations have been given. Small wonder — they keep getting the same favorable headlines from right-leaning media.

The Facts

This all started in 2014, when the Republican staff of the Senate Environment Committee published a [report](#) alleging that a group of “left wing millionaires and billionaires ... directs and controls the far-left environmental movement, which in turn controls major policy decisions and lobbies on behalf of the U.S. Environmental Protection Agency (EPA).” The report focused on [Sea Change Foundation](#), based in California, which it said “relies on funding from a foreign company with undisclosed donors.”

The president of Sea Change is Nat Simons, a son of billionaire hedge fund investor [James Simons](#), who is one of the world’s richest people, with a net worth of almost \$29 billion. The committee report conceded that Nat and his wife, Laura Baxter-Simons, “predominantly fund Sea Change through their own personal wealth, mostly attributed to their ties to Renaissance Technologies, a wildly profitably hedge fund.”

But the report also noted that “in addition to funding by the Simons, the only other source of its contributions derives from a Bermuda-based company called Klein Ltd.” In 2010, Klein contributed \$13 million to Sea Change, about half of Sea Change’s contributions that year, and in 2011 Klein contributed \$10 million to Sea Change, about one-third of the contributions. The report decried the “lack of transparency” about Klein’s funding and said the company appeared to have been set up “for the sole purpose of funneling anonymous donations to Sea Change.”

There was not a word in the report about Russian money. But then, in December 2015, a group called the Environmental Policy Alliance issued a [six-page paper](#) titled “From Russia With Love?”

Note the question mark. It intended to raise allegations but provide plausible deniability. The paper — it's too thin to be called a report — claimed it was building on the Senate report by examining the law firm that set up Klein.

That firm, Wakefield Quin, is one of Bermuda's top law firms. The hyped discovery in the paper was that some of the lawyers at the firm held directorship positions in companies of some of their clients, including some linked to the Russian energy sector. One 2008 court case in the British Virgin Islands, for instance, resulted in a money laundering conviction against a client associated with an adviser to Putin. "While it is unclear who is funding Klein, the law firm controlling this shady offshore funder of the U.S. environmental movement has ties to Russian money laundering, a friend and advisor of Vladimir Putin, Russian oil production, and more," the paper said.

Law firms, of course, often have many clients, sometimes with shared interests. But that does not mean the law firm is coordinating among its clients or funneling money between them. The dots are so poorly connected as to be almost nonexistent.

Moreover, there is a certain irony in the Environmental Policy Alliance issuing the paper. It's one of the many "AstroTurf" organizations — faux think tanks — run out of the offices of Berman and Company, headed by GOP lobbyist Richard "Rick" Berman. The group's webpage says it is devoted to "uncovering the funding and hidden agenda behind environmental activist groups."

In 2014, the New York Times obtained a recording of a closed-door speech in which Berman bragged to a group of oil industry executives about how he kept corporate donations secret behind a wall of nonprofit groups that sponsor major advertising campaigns supporting industry objectives. "There is total anonymity," he said. "People don't know who supports us."

Despite the dubious provenance and the flimsy reasoning, the claims made by Berman's group keep circulating.

In 2017, when Russian interference in the 2016 election was in the news, two Republican lawmakers from Texas, Lamar Smith (since retired) and Rep. Randy Weber, issued an open letter asking the Treasury Department to investigate possible money flows from Putin to Sea Change.

The letter began by citing concerns raised about Russia's opposition to fracking by NATO Secretary General Anders Fogh Rasmussen and former secretary of state Hillary Clinton.

Rasmussen in 2014 was quoted as saying that Russia “engaged actively with so-called nongovernmental organizations — environmental organizations working against shale gas — to maintain European dependence on imported Russian gas.” He provided no proof and declined to say more, saying, “That is my interpretation.”

Clinton, in a private speech in Edmonton, Alberta, in 2014, alluded to Russian disinformation efforts. “We were up against Russia pushing oligarchs and others to buy media,” she said. “We were even up against phony environmental groups, and I’m a big environmentalist, but these were funded by the Russians to stand against any effort, ‘Oh that pipeline, that fracking, that whatever will be a problem for you,’ and a lot of the money supporting that message was coming from Russia.”

The speech was revealed when Russia hacked the account of Clinton campaign manager John Podesta and turned over his emails to WikiLeaks. But Nick Merrill, a Clinton spokesman, said she was not talking about Russia funding groups in the United States. “I remember this speech,” he said in an email. “She was talking about proposed pipelines in Europe that would have threatened Russian supply.”

One repeatedly cited statistic is that Russia invested \$95 million in nongovernmental organizations to persuade European governments to stop shale gas exploration. The number appeared in a 2018 Senate committee report, sourced to the Wilfried Martens Center for European Studies. But the Wilfried Martens Center report does not explain how that figure was calculated and attributes it only to a 2015 “interview with anonymous contributor.” The report also is unclear about how much of this funding came from what are known as GONGOs (government-organized nongovernment organizations) or Russian oil companies themselves, as opposed to secret conduits of Russian money.

Finally, the letter referred to a national intelligence report issued on Jan. 6, 2017, about Russia’s efforts to influence the political debate in the United States. That report noted that RT, the Russian news channel, “runs anti-fracking programming, highlighting environmental issues and the impacts on public health.”

In other words, concerns about apparent Russian efforts to use nongovernmental groups in Europe to undermine fracking were leveraged to suggest that the same problem existed in the United States. But the only direct intervention in the United States that has been identified was a Russian news network.

When Smith and Weber issued their letter, the Bermuda law firm issued a blistering statement denying any suggestion that it acted as a conduit for Russian funds. “The allegations are completely false and irresponsible,” the firm said. “Our firm has represented Klein since its inception, and we can state categorically that at no point did this philanthropic organization receive or expend funds from Russian sources or Russian-connected sources and Klein has no Russian connection whatsoever.”

Politico quoted a Sea Change spokesperson as saying that no money from Russia had been received and that none of its donations to environmental groups were earmarked for opposition to fracking — which was supposedly the point of the subterfuge. From our study of Sea Change’s tax filings, its contributions have been focused broadly on climate change mitigation, energy efficiency and clean-energy policies.

Finally, a year later, the Sea Change Foundation revealed the source of Klein’s funding — the Simons family wealth. It turns out it was just another trust for the family’s billions.

“I wish to clarify that press reports speculating that Klein has received funding from outside sources are factually incorrect and have no basis,” Nat Simons said in a 2018 statement to Inside Philanthropy.

“Neither Klein nor Sea Change Foundation has ever solicited or accepted contributions from non-family related sources.” Simons said that the name of the Bermuda funding vehicle had been changed from Klein Ltd. to Sea Change Foundation International.

Yet, here we are, with a new letter. This new missive repeats, at the start, the same items as the earlier letter — such as quotes from Rasmussen, Clinton and the national intelligence report. It adds a 2019 quote from former Trump aide Fiona Hill, made during the first impeachment inquiry, that Putin “saw American fracking as a great threat to Russian interests.” (Hill told the Fact Checker that “this was only a general statement” as “Putin went on a rant about fracking that I personally witnessed in November 2011.”)

Then the letter claims that “it has been alleged that Putin” is using Sea Change to advance his interests. No mention is made of Sea Change’s 2018 statement explaining the family wealth as the source of the money.

The letter is so stuck in a time warp that it’s out of date. Rod Forrest, a director and senior counsel at Wakefield Quin, told The Fact Checker that the law firm no longer represents Sea Change (or Klein) and has not done so for some time. “Wakefield Quin does not have any directorship positions with any investment or other group connected in any way to any Russian minister,” he added.

Nat Simons and Laura Baxter-Simons, in a statement to The Fact Checker, said: “We are disappointed to see false allegations of foreign influence through Sea Change Foundation resurface after this untrue assertion was fully refuted in a statement released in 2018. To state clearly, neither Klein nor Sea Change Foundation has or had any connection to Russia or Russian funds.”

The environmental groups also issued statements denying any links to Russian funds.

“We receive no funding from the government of Russia,” said Bob Deans, the Natural Resources Defense Council’s director of strategic engagement. “We answer to our independent leadership, and we don’t do the bidding of any government — foreign or otherwise — in our work to advocate for common sense environmental protections in the public interest. These allegations are rooted in a smear campaign orchestrated nearly a decade ago by fossil fuel interests and a right-wing think tank. They only serve now, as then, as a distraction.”

“This false conspiracy theory, invented by the same deceitful front groups paid to do polluters’ and Big Tobacco’s dirty work, has been repeatedly debunked over its nearly 10-year existence,” said Sierra Club Legislative Director Melinda Pierce. “The Sierra Club has no connections to Russia or China, and proudly fights for clean energy and climate action because this is what our planet requires, our families deserve, and what the overwhelming majority of Americans across the country demand.”

“This story is completely false and has been put to rest for years,” said David Willett, a League of Conservation Voters spokesman. “We have no connections to Russia, or China, and have been an effective advocate for environmental protection for over 50 years. These false and poorly-researched allegations are rooted in a nearly 10-year-old right-wing think tank and fossil fuel industry-funded smear campaign that gets revived every few years to serve as a distraction.”

Jack Heretik, a spokesman for the House Energy Committee’s GOP members, said: “If the League of Conservation Voters, the Natural Resources Defense Council, and the Sierra Club have nothing to hide, then we look forward to seeing the evidence by March 25.”

Will Coggin, a Berman and Company research analyst associated with entities such as the Center for Consumer Freedom and the Environmental Policy Alliance, issued a statement defending the 2015 paper: “The NATO Secretary General said Russians were working with environmentalists to oppose fracking in other countries as a scheme to help Russian energy. Our report highlighted how a shadowy Caribbean-based organization gave \$23 million to Sea Change and how the firm where that group was based had connections to Russian clients. The questions we raised are still unanswered, and this situation deserves a full, independent investigation.”

The Pinocchio Test

For years, it's been clear that Sea Change Foundation has no connection to secret Russian money. After all, the foundation is associated with one of the world's richest families. On top of that, we can find no evidence that money donated by Sea Change resulted in anti-fracking campaigns. The foundation might have been quicker to reveal that Klein's funds were just more of the Simonses' money, but in any case that has been known now for four years.

The lawmakers may pretend that they are just asking questions, but in reality they are recycling claims that have already been adequately debunked. It's a smarmy way to earn some publicity during Russia's invasion of Ukraine. They earn Four Pinocchios.

Four Pinocchios

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