

Schwab Charity Funnels \$250 Million to Right-Wing Causes

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- Money flows to conservative activist Leonard Leo's network
- 85 Fund backs groups against trans rights, diversity programs

By Emily Birnbaum

(Bloomberg) --

Charles Schwab's charitable fund has become a favorite vehicle for funding right-wing causes tied to influential conservative activist Leonard Leo.

The major donor-advised fund gave \$141 million to a group associated with Leo between July 2022 and June 2023, according to a new tax filing with the Internal Revenue Service. In total, the Schwab Charitable Fund has given more than a quarter billion dollars to the Leo-connected 85 Fund in two years, helping to fund conservative campaigns against racial justice education in schools and healthcare for transgender people, among other causes.

Another Leo-linked group gave more than \$150 million to the Schwab Charitable Fund in 2022, showing how the fund can act as a pass-through for money from big donors and fundraisers. Leo received \$1.6 billion from a major GOP donor – one of the largest-ever single political donations – in 2021 through his group Marble Freedom Trust. Marble Freedom Trust then gave \$153.75 million to Schwab Charitable Fund in 2022.

It's unclear from the filings whether those two transactions are related. The Schwab Charitable donor-advised fund is not required to disclose the identities of the donors whose money it handles. But together, the filings show how central the Schwab fund and Leo have become to the flow of conservative funding in the US.

Schwab Charitable is a separate legal entity from Charles Schwab. Meghan Miller, a spokesperson for Schwab Charitable, said the fund "facilitates grants recommended by donors for qualified charitable purposes to 501(c)(3) charitable organizations deemed eligible by the IRS and state regulators. Grants recommended by donors do not reflect the values or beliefs of Schwab Charitable, Schwab, or its management."

The 85 Fund didn't immediately respond to requests for comment.

The \$141 million donation to the 85 Fund was the Schwab Charitable Fund's second-largest donation

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in 2022, according to the filing, surpassed only by a \$480 million donation to Johns Hopkins University. The Schwab Charitable donor-advised fund is not focused only on conservative causes; donors can give their money to the fund for any charitable purpose. In 2022, the fund doled out money to higher education institutions and dozens of nonprofits.

The 85 Fund, a charitable organization, is not allowed to directly influence elections but it funds dozens of conservative nonprofits that advocate on key issues for the right. In 2022, the 85 Fund reported \$134 million in revenue; the Schwab Charitable Fund accounted for 95% of those donations.

The 85 Fund has given millions of dollars to conservative groups including the Federalist Society, a legal organization chaired by Leo; the Ethics and Public Policy Center, a think tank that describes its mission as “applying the Judeo-Christian moral tradition” to public policy; and the Paragon Health Institute, a think tank helping to draft health regulations for the next Republican administration.

Earlier: Leonard Leo Groups Paid CRC \$100 Million for Services

The 85 Fund also operates under different names, according to new research from progressive watchdog group Accountable.US. According to 85 Fund filings, it is the fiscal sponsor behind groups such as the Honest Elections Project, which advocates for voting restrictions; Free to Learn, a group behind a national advocacy campaign against critical race theory; and American Parents Coalition, a “parental rights” organization that focuses on issues such as transgender rights, diversity in education and online content control.

Each of those groups is technically registered under the 85 Fund.

“The 85 Fund continues to use its seemingly unfettered access to Leonard Leo’s \$1.6 billion windfall to fund his right-wing agenda — even going so far as to register fictitious names to launch far-right, issue-targeted attacks and dodge transparency,” said Accountable.US president Caroline Ciccone.

(Updates with comment from Schwab Charitable.)

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