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The \$11.4 Million Dollar Question for Tides Canada

From: VIVIAN KRAUSE <vivian.krause@me.com>

To: Drummond Pike <drummond@tides.org>, joel@renewalpartners.com, Ross McMillan <ross.mcmillan@tidescanada.org>, treasurer@votevision.ca

Cc: Gregor.Robertson@vancouver.ca, dana.bertrand@vancouver.ca, Charlie Smith <charlie@straight.com>, Kirk LaPointe <klapointe@png.canwest.com>, Terence Corcoran <TCorcoran@nationalpost.com>, Michael Klassen <klassen@thinkcap.com>

Date: 26 October 2010 8:33:21 AM

To: Mr. Drummond Pike
Mr. Joel Solomon
Mr. Ross McMillan
Ms. Martha Burton

c.c. Mayor Gregor Robertson

I am writing to let you know that I have posted new material at my blog. For your reference, I have provided it below.

If I have presented any information that is factually incorrect, or if I have missed any important points, please let me know.

I would also like to take this opportunity to reiterate my concern about some of the projects that you are funding. I recognize that some of the projects that Tides Canada has funded may have benefited many people but frankly, I believe that you can do better. As I have been saying for three years, I would be grateful to be able to speak with you in order to better understand your point of view and, perhaps, to better explain my concerns.

As before, you can reach me at 604.618.8110.

Sincerely,
Vivian Krause

The [Financial Post](#), the [Montreal Gazette](#) and [the Vancouver SUN](#) have reported that the San Francisco-based Tides Foundation and Tides Canada have paid \$6 million to 36 organizations that campaign against Alberta oil. At the same time that Tides campaigns against Alberta oil, Canada's single most important export, overhead and salaries have doubled and tripled at Tides Canada and at the Endswell Foundation. Endswell is part of the Tides consortium of charities and is run by Joel Solomon, the biggest financial backer of Vancouver's Mayor Gregor Robertson.

In response to the Financial Post, the CEO of Tides Canada defended his charity, saying that there's "[nothing nefarious](#)" about Tides.

The Tides campaign against Alberta oil is a serious matter - and not only for Canada. The East-West Energy Chronicle noted, [in Chinese](#), that this campaign is "*having an impact on political decisions that are of non-trivial importance to the future of Canada's energy industry. Interestingly, the funding cited is directed to organizations that are waging a PR war not only against the oil sands, but also against tanker traffic in the coastal area between Vancouver Island and Alaska, the disallowance of which would foreclose the possibility of Canada diversifying hydrocarbon exports away from its current single export market, the USA*".

Tides Canada says "corporate public relations budgets dwarf those of non-profits and their foundation supporters." I'm not so sure. Five of the big U.S. foundations that fund Tides Canada have \$22 billion in assets and give away about \$1.2 billion every year. Even the oil industry might be hard pressed to match that. Since 2000, Tides Canada has been paid nearly \$57 Million by U.S. foundations which Tides refers to as "donor clients."

Five U.S. Foundations that Fund Tides Canada

U.S. Foundation	Assets (2008)	Annual Grant-Making Budget (2008)	Chief Investment Officer Salary	CEO Salary (2008)
The William & Flora Hewlett Foundation	\$ 6.7 Billion	\$ 345 Million	\$1,678,246	\$769,952
The David & Lucile Packard Foundation	\$ 4.5 Billion	\$ 342 Million	\$1,556,562	\$683,780
The Gordon & Betty Moore Foundation	\$ 4.5 Billion	\$ 330 Million	\$1,100,703	\$659,213
Pew Charitable Trusts	\$ 5.8 Billion	\$ 227 Million	n/a	\$687,710
Rockefeller Brothers Fund	\$ 982 Million	\$ 34 Million	n/a	\$547,557
Total:	\$22.4 Billion	\$ 1.2 Billion		

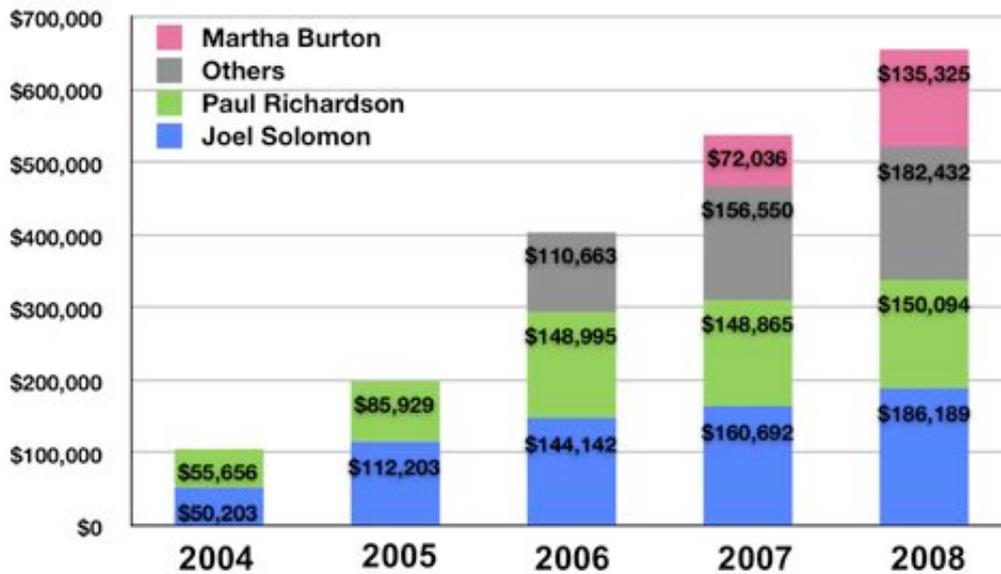
Sources: Compiled from annual reports and U.S. tax returns and on-line information

Another big funder of Tides Canada is the Endswell Foundation, a charity registered in both Canada and the U.S. Tax returns show that since 2003, Endswell has granted \$8.5 Million. Of that, 99 percent went to Tides Canada.

One of the things that has surprised me about Tides U.S., Tides Canada and Endswell is that the same people are in charge at all three charities. Drummond Pike, the CEO of Tides U.S is also the "founding chair" of Tides Canada and is the chairman of Endswell. Joel Solomon, the chairman of Tides U.S., is also the Vice-Chair of Tides Canada and the president of Endswell. Not only Pike and Solomon are at the helm of both organizations, the treasurer of Endswell and the treasurer of Tides Canada Foundation is the same person: James Morrissey, an accountant at Ernst & Young. Considering that the people at the top are the same and that Endswell's grants went to Tides Canada, it seems to me that these charities are virtually one and the same.

At both Tides Canada and at Endswell, expenditures for staff have skyrocketed. U.S. tax returns show that Martha Burton's salary nearly doubled over one year. Burton, a former assistant treasurer at Tides Canada, is the Sr. Vice-President at Endswell. She is also the treasurer of Vision Vancouver, the political party of Vancouver Mayor Gregor Robertson.

Highest Paid Staff at the Endswell Foundation, According to U.S. Tax Returns

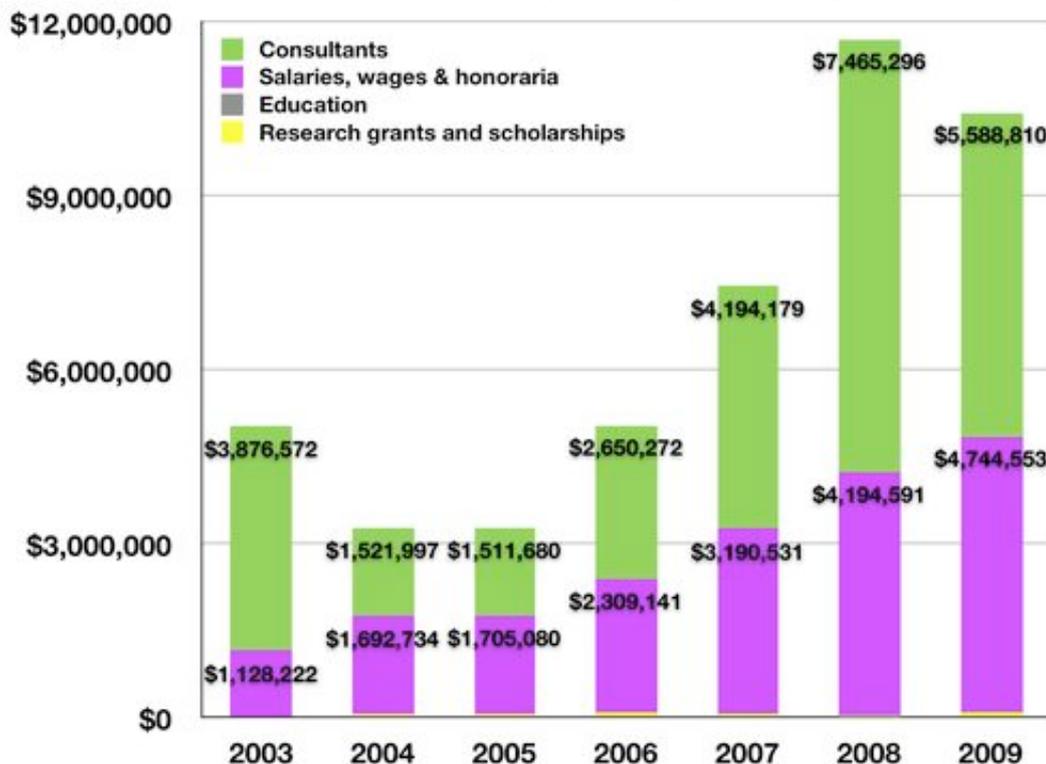


Source: Based on U.S. Tax Returns

U.S. tax returns show that since 2004, Endswell payments tripled to Joel Solomon and John Richardson. Until very recently, John Richardson was the Acting Chair of the [Coast Opportunity Funds](#), a First Nations organization to whom Tides Canada paid [\\$27.3 million](#) in a single grant, in 2008.

At Tides Canada, total expenditures on staff have also tripled since 2005. Payments to Ross McMillan, the CEO of Tides Canada, went from [\\$53,092](#) to [\\$143,236](#) in one year. U.S. tax returns also say that between 2004 and 2006 alone, Tides Canada paid [\\$433,998](#) to Boreray Praxis Ltd. Ross McMillan is the [company's president](#).

Tides Canada Staff Expenses (2003 - 2009): \$46 Million



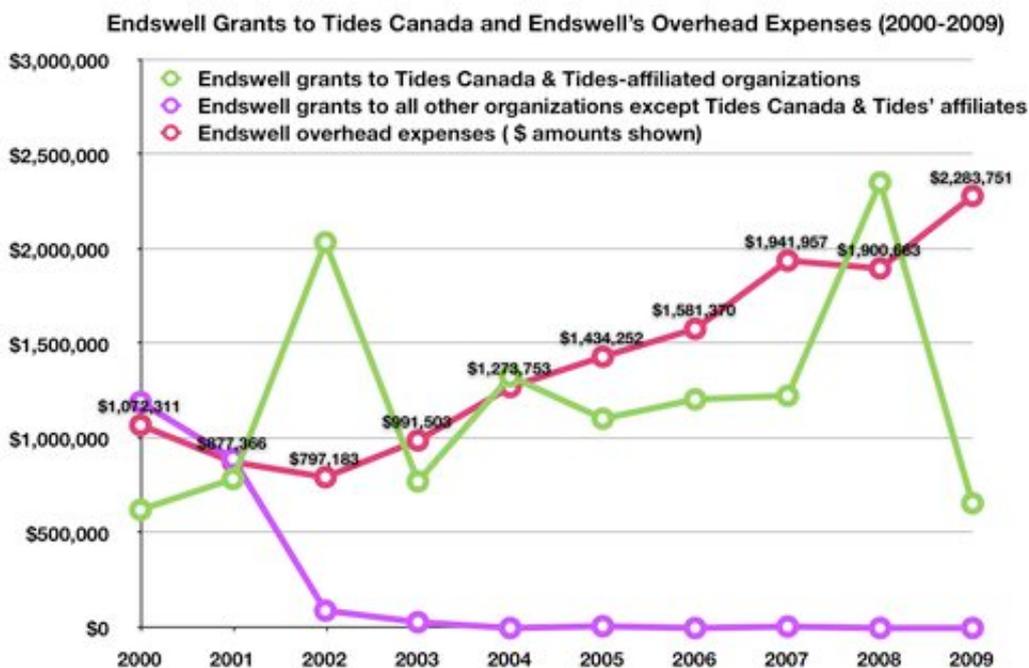
Source: Canadian tax returns.

The [Vancouver Sun reports](#) that Joel Solomon has been giving away his own money, "his millions," through the Endswell Foundation. This gave me the impression that Joel Solomon is independently wealthy so I was astonished to learn that, in fact, according to U.S. tax returns, Joel Solomon has been a paid employee of Endswell since 1997. According to my calculations, Endswell paid Joel Solomon and his company a total of [\\$872,519](#) including amounts paid to "[JSCO](#)."

U.S. tax returns say that since 1997, Endswell has paid [\\$1.2 Million](#) to Interdependent Investments Ltd., including amounts paid to "[IIL Ltd.](#)" Little seems to have been reported about this company except that it contributed \$6,000 ([\\$5,000](#) and [\\$1,000](#)) to Vision Vancouver. The officers of Interdependent Investments Ltd. are [Joel Solomon and Martha Burton](#). Why did Endswell need to pay \$1.2 million to a company whose only two officers are also the two most highly paid employees of the charity? Joel Solomon and Martha Burton have been asked this question. So far, no reply. (For my letters to them, please click [here](#)).

The Vancouver SUN reports that in the 2008 municipal election, Joel Solomon and his associates supported Vision Vancouver to the tune of [\\$330,000](#). That included [\\$70,469](#) from [Renewal Partners](#), the "investment firm" of [Joel Solomon, Drummond Pike and James Morrissey](#). According to the Vancouver Sun, Renewal Partners' donation was the [2nd largest](#) in the entire 2008 Vancouver election campaign, second only to C.U.P.E., British Columbia's largest labor union. The people to whom Endswell has paid salaries are the same people who work at Renewal Partners. Would Renewal Partners have been able to contribute \$70,649 if its staff salaries - to the tune of [\\$US 1.9 Million](#) - hadn't been covered by Endswell?

Since 2003, even though Endswell made virtually no grants at all to any organizations except Tides Canada, Endswell spent [\\$11.4 Million](#) on overhead: \$2.3 million for office expenses, \$2.6 million for staff costs, \$5.9 million for "other expenses" and \$427,973 for consultants. From \$800,000 in 2003 to \$2.2 million in 2009, Endswell's yearly overhead almost tripled. That included about [\\$30,000](#) per year that was paid to Ernst & Young.



Source: Based on Canadian and U.S. tax returns

During the years when Endswell didn't make a single grant at all to any organization except Tides Canada, what were the staff doing? Why did Endswell need to spend \$11.4 million so that it could grant \$8.7 million to Tides Canada? In my opinion, this is the \$11.4 million dollar question.

Campaigning against the Alberta oil industry, one of Canada's most important industries, is one thing. Doing that while doubling and tripling overhead and salaries, that's another thing all together.

Notes: Joel Solomon and James Morrisey have also been long-time directors of at least three other Tides-affiliated charities: [Salal](#), [the Sage Centre](#) (Tides Canada Initiatives Society) and [Nextwave](#). The Nextwave Foundation seems to operate in conjunction with Hollyhock, an ocean-front charity where Hollyhock Farm Ltd., a for-profit company, offers "[Bodywork](#)" (spa services?) ranging from \$85 - \$170 per hour. Property searches indicate to me that Drummond Pike and Joel Solomon own property immediately adjacent to the ocean-front charity. The [president](#) of Hollyhock Farm Ltd. is Joel Solomon and prior to entering politics in 2005, the [treasurer](#) of Hollyhock Farm Ltd. was Gregor Robertson, the current Mayor of Vancouver.