



Anti-Alberta Energy Public Inquiry

Deloitte's Report in respect of the Commission of Inquiry

May 27, 2021

Privileged & Confidential

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INTRODUCTION

- 1) Deloitte Forensic Inc. ("**Deloitte**") was engaged by Dentons Canada LLP ("Dentons") to assist Jackson Stephens Allan as the Commissioner (the "**Commissioner**"), in connection with a public inquiry into anti-Alberta energy campaigns that are supported, in whole or in part, by foreign funding (the "**Inquiry**"). The Inquiry is conducted pursuant to Terms of Reference ("**ToR**"), which are referred to in the Commissioner's Report (the "**Commissioner's Report**").
- 2) Deloitte was instructed to undertake the following:
 - i. review materials gathered by Ms. Vivian Krause ("**Krause**") in respect of financial assistance from foreign organizations and assess the materials' accuracy;
 - ii. assist, gather, investigate, source, and interpret additional materials obtained by the Inquiry (the "**Other Sourced Materials**"). The Other Sourced Materials relied on by Deloitte are set out in Appendix "**A**";
 - iii. consider the amount of foreign funding supporting anti-Alberta energy campaigns; and
 - iv. provide a report on Deloitte's findings (the "**Report**").
- 3) Deloitte understands that Deloitte's information, analysis and findings contained in its Report may be relied on and referred to in the Commissioner's Report, which will be provided to the Minister of Energy for the Province of Alberta and subsequently be released to the public. Deloitte further understands that the Report may be disclosed to certain persons or organizations or published broadly by the Commissioner.

APPROACH

- 4) The Commissioner instructed Deloitte to consider the period January 1, 2000 to October 31, 2020 over which to conduct its review (the "**Period of Review**"). It should be noted that there were occasions where certain materials over the Period of Review were not available and could not be independently verified. Those occasions are specifically noted herein.
- 5) Specific details of Deloitte's scope, limitations in scope and restrictions and certain social media, website limitations and caveats are set out in the attached Appendix "**B**".
- 6) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

METHODOLOGY

- 7) To assist the reader, the following is a summary of the methodology employed by Deloitte in its review of the materials provided by Krause (the "**Krause Materials**") (which are included in the document summary attached as Appendix "**A**") and its review of the Other Sourced Materials. As the Krause Materials contained information and documentation in connection with numerous Canadian based environmental initiatives, it was necessary for Deloitte to review all the Krause Materials in order to identify those entities supported by foreign funding. The specific methodology, tracing and search criteria used by Deloitte in respect of foreign philanthropic organizations (the "**Foundations**"), environmental non-government organizations ("**ENGOS**"), environmental law organizations ("**Envirolegals**") and conservative/market oriented policy organizations ("**Conservative/Market Oriented Orgs**") is set out in Appendix "**C**".
- 8) Deloitte's review and analysis of the documentation and information provided covers the Period of Review as established by the Commissioner. There were occasions where certain

materials in the early 2000s were not available, and where certain websites are no longer available or maintained such that the materials provided to Deloitte could not be independently verified. Where certain materials were no longer available for independent verification is noted herein.

- 9) Deloitte's starting point focused on the Krause Materials that were provided to the Inquiry. It is Deloitte's understanding that Krause traced foreign organization grants to Canadian ENGOS ("**Foreign Funding**") through open source or publicly available information in connection with Canadian based environmental initiatives. The period over which Krause traced the Foreign Funding was approximately for the period 2000 to 2019.
- 10) A large portion of the Foreign Funding information Krause provided to the Inquiry related to six (6) United States Foundations and one (1) European Foundation. According to Krause these seven (7) Foundations provided several hundreds of millions of dollars to numerous Canadian ENGOS and Envirolegals for Canadian based environmental initiatives. Krause similarly asserted, based on her review of financial, website and tax return information of the seven (7) Foundations, that some of those seven (7) Foundations also funded United States based ENGOS for many of these Canadian based environmental initiatives including activities that appear to be in opposition to the development of Alberta's oil and gas resources ("**Alberta Resource Development Opposition**").
- 11) Pursuant to the ToR, Deloitte commenced a review of the Krause Materials to assess their veracity. Deloitte traced Krause's information to open source publicly available information: i) Internal Revenue Service ("**IRS**") filed 990 tax returns; ii) available grant lists published by the Foundations on their websites; iii) annual reports published by the Foundations; iv) Foundation Directory Online ("**FDO**") website published by Candid (formerly known as Foundation Center and GuideStar); and v) other information available on the respective Foundation, ENGO, Envirolegal and Conservative/Market Oriented Orgs websites.
- 12) FDO is a United States foundation and charitable organization monitoring site. It maintains a detailed database of grant information compiled from IRS forms 990 and 990-PF, grant maker websites, annual reports, printed application guidelines, the philanthropic press, and various other sources of information related to foundations and charitable organizations.¹
- 13) Specific to Canadian ENGOS, Deloitte commenced a review of the Krause Materials by tracing such information to open source publicly available information: i) Canada Revenue Agency ("**CRA**") filed T3010 Registered Charity Information Returns ("**T3010 Tax Return**"); ii) available grant lists published by the ENGOS; iii) annual reports published by the ENGOS; iv) charitydata.ca; and v) other information available from the ENGOS respective websites.
- 14) The Other Sourced Materials relating to Conservative/Market Oriented Orgs, which are reflected in Appendix "**A**", were reviewed by Deloitte employing the same methodology as was used for the Canadian ENGOS.
- 15) As Deloitte's review of the Krause Materials and Other Sourced Materials progressed, it was noted by Deloitte in its findings that there were several additional United States Foundations providing Foreign Funding to ENGOS, providing funding to United States based ENGOS for Canadian based environmental initiatives including Alberta Resource Development Opposition and many more Canadian ENGOS were receiving Foreign Funding than noted in the Krause Materials. Deloitte limited its review to the larger Foundations, ENGOS, Envirolegals and Conservative/Market Oriented Orgs. Deloitte included a total of 64 organizations in its analysis as reflected in Table **1** below:

¹ <https://fconline.foundationcenter.org/welcome/faq>

Table 1

Organization Type	# of Organizations
ENGOS	31
Foundations	16
Conservative/Market Oriented Orgs	11
Envirolegals	6
Total	64

- 16) The names of the respective Foundations, ENGOS, Envirolegals and Conservative/Market Oriented Orgs are stated later in this Report. The quantum of materials provided to or obtained by Deloitte totals more than 200,000 pages. A summary of the Krause Materials and Other Sourced Materials reviewed by Deloitte is set out in Appendix "A".
- 17) Deloitte identified certain information regarding organizations as well as gaps in the information pertaining to certain organizations. As a result, the Inquiry made the decision to send letters to these organizations requesting verification of certain financial information. A listing of the organizations that were sent letters and whether a response was received from those organizations by the Inquiry is set out in Appendix "C".

EXECUTIVE SUMMARY

- 18) The review conducted by Deloitte indicates that the United States philanthropic community provides significant funds to Canadian charities, ENGOS, Envirolegals and Conservative/Market Oriented Orgs. Deloitte also discovered significant funding support provided by the United States philanthropic community to United States ENGOS on account of Canadian based environmental initiatives.
- 19) The United States philanthropic community is immense. There are more than 234,000 foundations, corporate giving programs, and public charities in the United States². The 1,000 largest Foundations, including United States Federal Funders, held assets of approximately US\$682.2 billion as at December 31, 2018 (the most recent complete yearly data available as at October 31, 2020). In 2018 alone, those same 1,000 Foundations provided grants totalling approximately US\$25.7 billion.
- 20) The Canadian charity sector is not nearly as large as that of the United States. The Canadian charity sector is largely funded by Federal, Provincial and Municipal Governments. However, the information and documentation collected by Deloitte appears to show that Canadian charities also receive significant Foreign Funding which totalled approximately \$2.5 billion in 2018³.
- 21) Deloitte analyzed the Krause Materials, the Other Sourced Materials and additional materials that were independently sourced by Deloitte from several public sources in Canada and the United States (including tax filings, annual reports and grant lists) to assess the veracity of the Krause Materials.
- 22) Deloitte was provided with or sourced more than 200,000 pages of documents.⁴ As noted in this Report, we encountered various limitations including some difficulty in determining the ultimate destination of the funds and the specific purpose of such funds. Moreover, some funds remained in the United States on account of Canadian based environmental initiatives. Consequently, Deloitte's tracing of the quantum of Foreign Funds provided by foreign organizations in respect of Canadian based environmental initiatives is likely

² <https://fconline.foundationcenter.org/welcome/faq>

³ <https://www.canadiancharitylaw.ca/blog/blumbergs-canadian-charity-sector-snapshot-2018/>

⁴ A document inventory is attached as Appendix "A" to this Report.

understated, but the Foreign Funding appears to total approximately \$1.28 billion over the Period of Review.

- 23) Deloitte was advised that the Inquiry had i) identified a campaign that appeared to be in opposition to the development of Alberta's oil and gas resources; and ii) identified certain parties who may have been involved in such Alberta Resource Development Opposition. Deloitte's analysis of the Krause Materials, the Other Sourced Materials plus the information directly sourced by Deloitte indicates Foreign Funding in respect of Alberta Resource Development Opposition was provided to Canadian ENGOS, Envirolegals and United States ENGOS commencing in 2003 (2003 being the first year where such Foreign Funding in respect of Alberta Resource Development Opposition was traced by Deloitte) through 2019 (the latest year information is available as at October 31, 2020; however, certain information is only available up to the 2018 calendar year end).
- 24) There appear to be numerous organizations involved in or participating in Alberta Resource Development Opposition in both Canada and the United States. Based on Deloitte's review, more than 200 Foundations, Canadian ENGOS, Envirolegals and United States ENGOS either provided funding, received funding, or participated in some fashion in Alberta Resource Development Opposition.
- 25) As previously noted in paragraph 22, there was some difficulty in tracing the ultimate destination of the funds and the specific purpose for which those funds were advanced as often there was vague or no description disclosed in the open source materials in respect of the funding provided. Moreover, on some occasions it appeared that certain ENGOS and other organizations spent significantly more in respect of Alberta Resource Development Opposition than the quantum of funds that Deloitte could trace to those parties. Certain organizations also receive significant donations from individuals, the purpose of which is not disclosed, nor can it be traced. Word search criteria considered by Deloitte to trace Foreign Funding to organizations participating in Alberta Resource Development Opposition is set out in Appendix "C.2".
- 26) Based on Deloitte's review it appears that Foreign Funding directed to Alberta Resource Development Opposition ranges between \$37.5 million and \$58.9 million over the period 2003 to 2019.

FINANCIAL ASSISTANCE FROM FOREIGN ORGANIZATIONS

Canadian Charity Sector

- 27) A submission made to the Inquiry asserts that Canadian charities have received funding from outside Canada for many years⁵. It is Deloitte's understanding that prior to 2009 Canadian charities were not required to separately report the amount of foreign funding received on their filed tax returns⁶ but are now required to do so. T3010 Tax Returns are made public by CRA and the most recent past five (5) years of tax returns are posted on CRA's website⁷.
- 28) In addition to the T3010 Tax Returns posted by CRA, there is a website www.charitydata.ca that maintains Canada's largest charity information portal with up to

⁵ Submission to the Inquiry by The Muttart Foundation

⁶ <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4033/t4033-completing-registered-charity-information-return.html> and <https://www.canadiancharitylaw.ca/>

⁷ https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request_locale=en

17 years of information on every Canadian registered charity⁸. The website was developed and is maintained by Blumberg Segal and The Wire ("**Blumbergs**")⁹.

- 29) Commencing in 2010, Blumbergs began publishing a "Canadian Charity Sector Snapshot"¹⁰ (the "**Snapshot**") which highlights the Canadian charity sector. The information summarized by Blumbergs is based on its review of the T3010 Tax Returns filed by Canadian registered charities. Blumbergs Snapshot is available for the period 2010 to 2018 (the latest year Blumbergs published its Snapshot).
- 30) The Canadian charity sector has a large footprint in Canadian society and the economy. According to Blumbergs, Canadian charities had revenues of over \$284 billion and expenditures of approximately \$271 billion in 2018¹¹.
- 31) A summary of Blumbergs Snapshot for the period 2010 to 2018 is attached as Schedule "**1**".
- 32) Noticeable highlights of the Canadian charity sector according to Blumbergs Snapshot for the entire period 2010 to 2018 inclusive are as follows:
 - i. An average of 84,141 charities filed T3010 Tax Returns each year;
 - ii. Assets held by charities have grown from approximately \$273.2 billion in 2010 to approximately \$465.2 billion in 2018;
 - iii. Revenues totalled approximately \$2.2 trillion;
 - iv. Government funding totalled approximately \$1.5 trillion (federal - \$72.6 billion, provincial - \$1.3 trillion and municipal - \$85.9 billion);
 - v. Receipted gifts and fundraising totalled approximately \$141.3 billion;
 - vi. Foreign funding totalled approximately \$14.9 billion; and
 - vii. Employee compensation totalled approximately \$1.2 trillion.
- 33) Based on Blumbergs review, annual foreign funding received by Canadian charities has grown from approximately \$812.2 million in 2010 to more than \$2.4 billion in 2018, an increase of approximately 200%.
- 34) A summary of foreign funding received by Canadian charities over the period 2010 to 2018 inclusive as summarized by Blumbergs is reflected in Table 2 below:

Table 2

Fiscal Tax Year	# of Registered Charities	Foreign Funding (\$)
2010	84,137	812,178,523
2011	82,848	1,172,692,796
2012	84,897	1,230,659,796
2013	83,466	1,359,365,332
2014	84,521	1,669,895,929
2015	84,442	1,841,787,364
2016	84,457	2,090,414,484
2017	84,181	2,319,367,314
2018	84,323	2,439,935,132

⁸ <https://www.charitydata.ca/>

⁹ *Ibid*

¹⁰ <https://www.canadiancharitylaw.ca/blog/blumbergs-canadian-charity-sector-snapshot-2018/>

¹¹ *Ibid*

Charities Defined

- 35) An understanding of the law surrounding charitable organizations in Canada and the United States is important in this analysis. Readers are encouraged to review the detailed report on this topic prepared by Dentons, counsel to the Inquiry, attached as Appendix "D".

FINDINGS ON FLOW OF FUNDS

United States Foundations

- 36) There are thousands of Foundations in the United States that have granted billions of dollars to thousands of recipients worldwide. FDO maintains a database of United States foundations and charitable organizations activities, providing up to 15 years of detailed data and statistics of grant information for more than 234,000 foundations, corporate giving programs, and grant making public charities in the United States. FDO is developed and maintained by Candid (formerly known as Foundation Center and GuideStar).¹² Based on our review of FDO, the 1,000 largest Foundations, including United States Federal Funders, held assets of approximately US\$682.2 billion as at December 31, 2018. In 2018 alone, those same 1,000 Foundations provided grants totalling approximately US\$25.7 billion. According to FDO as at December 31, 2018 the 1,000 largest Foundations over the Period of Review made grants totalling approximately \$273.2 billion.
- 37) The majority of the Foundations' grants are provided to United States recipients; however, Canada receives a significant quantum of Foundation grants. According to Blumbergs, Canadian charities received Foreign Funding totalling more than \$2.4 billion in 2018.¹³
- 38) Deloitte's initial concentration was broadly on those Foundations that provided grants related to Canadian based environmental initiatives generally. This broader scope was due to the Krause Materials containing information and documentation in connection with numerous Canadian based environmental initiatives. Pursuant to the Inquiry's instructions in accordance with the ToR, Deloitte subsequently focused its review on activities in relation to the Alberta oil and gas industry. Table 3 below lists the Foundations for which Deloitte identified the greatest number of environmental grants in respect of Canadian based environmental initiatives over the Period of Review:

Table 3

	Organizations	Total Assets	Total Grants
1	Gordon and Betty Moore Foundation	9,516,145,035	294,658,803
2	Pew Charitable Trusts	8,959,791,489	157,871,014
3	William and Flora Hewlett Foundation	12,648,559,911	105,138,063
4	The David and Lucile Packard Foundation	10,574,663,205	61,139,879
5	The Oak Foundation	82,818,119	55,572,037
6	The Wilburforce Foundation	145,182,791	52,517,830
7	Tides Foundation	519,309,607	23,719,316
8	Rockefeller Brothers Fund	1,485,900,054	16,898,987
9	The Bullitt Foundation Inc.	92,212,841	7,246,128
10	The Marisla Foundation	46,871,752	5,383,510
11	Global Greengrants Fund Inc.	12,721,615	3,373,164
12	Sea Change Foundation	332,349,030	2,283,955
13	The Energy Foundation	122,819,897	1,394,350
14	The Brainerd Foundation	7,523,523	537,487
15		260,980,373	331,202

¹² <https://fconline.foundationcenter.org/welcome/fag>

¹³ <https://www.canadiancharitylaw.ca/blog/blumbergs-canadian-charity-sector-snapshot-2018/>

Organizations		Total Assets	Total Grants
16		5,732,514	20,414
Total		44,813,581,756	788,086,139

- 39) Deloitte's findings indicate the Foundations made grants in respect of numerous Canadian based environmental initiatives. A summary of the grants made by Foundations to Canadian based environmental initiatives and the consolidation of the environmental initiatives into the five (5) categories noted below is attached as Schedule "2".
- 40) Over the Period of Review Deloitte's findings indicate:
- Foreign Foundations made grants in respect of Canadian based environmental initiatives totalling approximately \$788.1 million;
 - The Gordon and Betty Moore Foundation, Pew Charitable Trusts and the William and Flora Hewlett Foundation appear to provide approximately 71% of the Foreign Funding provided by Foundations in connection with Canadian based environmental initiatives;
 - The largest environmental initiatives funded by the 16 Foundations were:
 - Land-based – \$191.0 million;
 - Marine-based – \$297.2 million;
 - Wildlife preservation – \$173.0 million;
 - Alberta Resource Development Opposition – \$54.1 million¹⁴; and
 - Other initiatives – \$72.9 million.
 - Not all Foreign Funds noted in Table 3 entered Canada but were also distributed in the United States in respect of Canadian based environmental initiatives. However, of the approximately \$427.2 million in Foreign Funds entering Canada, 82% of that amount was in connection with initiatives in British Columbia.
- 41) Based on the Krause Materials, the Other Sourced Materials and information directly sourced by Deloitte, over the Period of Review, the majority of Foundations providing grants to ENGOS in connection with Canadian based environmental initiatives were located in the United States and the Oak Foundation located in Switzerland with the exception of grants made to one Canadian ENGO which is discussed in more detail below.
- 42) In addition, Deloitte's research revealed evidence of other foreign organizations outside of the United States with like-minded environmental initiatives; however, due to differing reporting requirements and Deloitte's focus on Canadian based environmental initiatives, Deloitte did not trace funds coming into Canada from countries other than the United States where such information was not recorded at FDO (with the exception of one European Foundation who's information is recorded at FDO). Examples of European organizations funded by US Foundations supporting Canadian based environmental initiatives that appear to be related to Alberta Resource Development Opposition is discussed below.
- 43) Friends of the Earth International characterizes itself as *"the world's largest grassroots environmental network uniting 73 national member groups and some 5,000 local activist groups on every continent"*.¹⁵ Friends of the Earth Europe ("**FOEE**"), based in Brussels, Belgium, with more than 30 national network organizations launched the 'Fossil Free Europe' Campaign, which includes terminating new tar sands projects in Canada and

¹⁴ Alberta Resource Development Opposition is discussed in further detail later in this Report.

¹⁵ <https://www.foei.org/member-groups>

elsewhere.¹⁶ Based on our review, for the period 2012 to 2019 (the time period for which information was available as at October 31, 2020), FDO reflects approximately US\$826,000 (approximately €686,000) was advanced from US Foundations to FOEE, which represents less than 3% of FOEE's total revenues of approximately €28.8 million over that same time period. A summary of the available financial information for FOEE is attached as Schedule "3".

- 44) It appears that FOEE participated in Alberta Resource Development Opposition. In 2012 FOEE participated in a publication titled – Cashing in on Tar Sands: RBS, UK banks and Canada's "blood oil". The report purports to outline issues witnessed with "tar sands" extraction and concludes that steps should be taken by banks to limit investment in "tar sands" related projects. A copy of the report is attached as Appendix "E".
- 45) The European Climate Foundation ("ECF") "a network of hundreds of organizations devoted to solving the climate crisis from every angle"¹⁷ founded in 2008 and based in the Netherlands, states that it works alongside, among others, the ClimateWorks Foundation and the Energy Foundation in the United States to align objectives on climate initiatives.¹⁸ Based on our review, for the period 2008 to 2019 (the time period for which information was available as at October 31, 2020), FDO reflects approximately US\$202 million (approximately €167.7 million) was advanced to ECF from US Foundations which represents approximately 62% of ECF's total revenues of €269.9 million. Many of these US Foundations were funders of Alberta Resource Development Opposition as identified in this Report. A summary of the available financial information for ECF is attached as Schedule "4".
- 46) The quantum of grants provided by the Foundations to European organizations in connection with Canadian environmental initiatives is not included in the amounts reflected in Table 3 above.

Canadian ENGOS

- 47) The Canadian charity sector comprises numerous sub-sectors including provincial health authorities, provincial school boards and universities. Those sub-sectors are heavily funded by government. There are additional sub-sectors such as those that advance religion, focus on relief from poverty or hunger or focus on the environment¹⁹.
- 48) Pursuant to the ToR and based on the Krause Materials, the Other Source Materials and information directly sourced by Deloitte, Deloitte commenced its review starting with Canadian ENGOS. Table 4 below lists the 31 largest Canadian ENGOS based on revenues (total revenues greater than \$10 million over the Period of Review) reviewed by Deloitte, ranked according to revenues reported on their T3010 tax returns filed with CRA for the period 2000 to 2018 (in some cases 2019 based on an ENGOS respective year end). In addition to Table 4 below, a summary of each of the ENGOS noted below including a summary of financial information over the Period of Review is attached as Schedule "5".

Table 4

	Organization	Total Assets	Total Revenue	Foreign Funding	Government Funding
1	[REDACTED]	447,775,118	1,854,681,685	429,190,488	178,624,667
2	[REDACTED]	534,712,008	1,473,588,076	-	864,013,320
3	[REDACTED]	894,418,544	1,452,308,192	55,760,236	496,891,283

¹⁶ <http://www.foeeurope.org/tar-sands-in-depth>

¹⁷ <https://europeanclimate.org/about/>

¹⁸ <https://europeanclimate.org/about/>

¹⁹ <https://www.charitydata.ca/>

	Organization	Total Assets	Total Revenue	Foreign Funding	Government Funding
4	Makeway, formerly Tides Canada Foundation and Tides Canada Initiatives Society	72,320,601	506,105,130	147,513,713	30,258,627
5	World Wildlife Fund Canada and World Wildlife Fund Canada Foundation	26,625,270	454,489,739	42,057,029	10,596,282
6	International Institute for Sustainable Development	51,299,476	311,052,931	116,683,780	92,330,730
7	[REDACTED]	17,557,033	277,693,370	6,000	8,272,213
8	[REDACTED]	116,853,089	202,052,582	39,140,322	60,035,000
9	The David Suzuki Foundation	21,900,448	181,854,927	13,428,585	74,300
10	Greenpeace Canada	2,164,663	178,359,033	1,439,248	-
11	[REDACTED]	2,862,073	138,741,742	76,979	80,416,501
12	[REDACTED]	38,792,616	134,797,876	6,829,920	54,052,204
13	[REDACTED]	140,761,276	120,421,144	-	17,952,870
14	[REDACTED]	26,753,629	107,002,315	-	14,756,458
15	Pembina Foundation for Environmental Research and Education and the Pembina Institute	4,412,380	90,651,221	7,561,435	309,666
16	[REDACTED]	39,742,811	88,848,342	-	70,141,230
17	[REDACTED]	8,206,268	75,615,032	9,901,019	2,085,295
18	[REDACTED]	49,201	68,756,446	-	50,624,287
19	[REDACTED]	21,829,966	65,877,805	-	28,962,777
20	[REDACTED]	1,882,414	61,718,020	9,089,972	5,100,555
21	Equiterre	9,457,964	54,876,048	2,435,040	14,099,764
22	[REDACTED]	582,788	39,300,160	-	27,540,069
23	[REDACTED]	721,404	34,073,968	295,761	-
24	Sierra Club of British Columbia Foundation	792,167	26,028,322	4,377,157	2,505,567
25	Raincoast Conservation Foundation	4,717,715	22,192,278	4,100,773	897,220
26	[REDACTED]	24,753,262	18,141,194	-	-
27	Sierra Club Canada Foundation	217,580	18,029,447	725,929	282,669
28	[REDACTED]	1,688,105	16,076,609	-	945,042
29	[REDACTED]	751,044	16,723,653	3,509,731	1,313,646
30	[REDACTED]	310,737	15,054,331	-	238,840
31	Dogwood Initiative	578,933	3,914,153	3,395,655	-
	Total	2,515,490,583	8,119,025,771	897,518,768	2,113,321,082

- 49) The World Wildlife Fund Canada, the Pembina Institute for Appropriate Development and [REDACTED] maintain foundations that do not appear to be registered charities with CRA ("**not-for-profit ENGOS**") and consequently their tax returns are not publicly available. In addition, Greenpeace Canada and Dogwood BC are not-for-profit ENGOS and their tax returns are not publicly available. The methodology used to compile the total assets, revenues, foreign funding, and government funding

attributable to these five (5) not-for-profit ENGOs differs from the charity ENGOs and is set out in Appendix "C".

- 50) As noted in paragraph 41, the one Canadian ENGO which Deloitte identified evidence of receiving Foreign Funds from funders other than those located in the United States (and the Oak Foundation located in Switzerland) is the International Institute for Sustainable Development ("**IISD**"), a think tank based in Winnipeg, Manitoba. IISD receives significant Foreign Funding with approximately 56% of its revenues for the year ended March 31, 2019 attributable to international governments and agencies (47%) and international organizations (9%)²⁰ outside Canada and the United States.
- 51) Over the Period of Review:
- i. The 31 largest above noted ENGOs held more than \$2.5 billion in assets as at December 31, 2018 (or 2019 in some cases based on the respective ENGOs year end);
 - ii. The ENGOs reported total revenues of \$8.1 billion;
 - iii. The ENGOs received foreign funding of approximately \$897.5 million;
 - iv. The top 10 ENGOs received approximately \$845.2 million or 94% of the foreign funding; and
 - v. ENGOs reported government funding (federal, provincial, and municipal) of approximately \$2.1 billion.
- 52) Over the course of Deloitte's review, we noted that certain ENGOs that received Foreign Funding appear to act as an intermediary and the Foreign Funding (or a portion thereof) was either re-granted to other Canadian ENGO's or charities, or the funds are retained as donor advised funds to be distributed in the future based on the instructions of the grantors. It appears that once the Foreign Funding arrives in Canada it loses its character or identity and whether or not those Foreign Funds are held by the recipient charities as donor advised funds or subsequently re-granted to Canadian ENGOs or other organizations, the Foreign Funding held or subsequently distributed is no longer traceable. It appears millions of dollars of Foreign Funding received in Canada is held and/or re-granted with no ability to trace the quantum of the ultimate destination of the Foreign Funding.
- 53) An example of an ENGO which Deloitte noted evidence of re-granting Foreign Funding is MakeWay, formerly known as the Tides Canada Foundation ("**Tides/Makeway**"). For the period 2009 to March 31, 2019, Tides/Makeway reported total revenues of approximately \$204 million. Of that \$204 million in revenue, Tides/Makeway reported approximately \$91 million or approximately 45% of its revenue was from Foreign Funding. Over that same time period (2009 to March 31, 2019) Tides/Makeway made gifts to numerous donees totalling approximately \$140 million.
- 54) In 2019 Tides/Makeway made grants to 232 donees²¹. It is not possible to trace how many donees were in indirect receipt of Foreign Funding as the distributions are not considered Foreign Funding due to the funds being distributed by a Canadian ENGO.
- 55) The largest recipient of Tides/Makeway grants is Tides Canada Foundation Initiatives ("**Tides Initiatives**"). For the period 2013 to March 31, 2019 (March 31, 2019 being the latest annual Tides/Makeway annual report reviewed by Deloitte), Tides/Makeway granted approximately \$31.7 million to Tides Initiatives. It is not known whether some of the Tides/Makeway funds granted to Tides Initiatives were Foreign Funding as that information

²⁰ IISD annual report 2018 – 2019.

²¹ Based on Tides/Makeway's 2019 CRA Form T1236

is not available. It should be noted however, that over the same time frame Tides Initiatives reported Foreign Funding of approximately \$4.8 million.

Envirolegals

- 56) Certain Environmental Law Organizations are registered charities²². Deloitte understands that Envirolegals are primarily engaged in legal activities including lobbying, legislation development, appearing before regulatory bodies and commencing lawsuits or Court challenges to stop certain developments or projects from proceeding. Table 5 below lists the six (6) largest Envirolegals identified in the Krause Materials, the Other Source Materials and the information directly sourced by Deloitte ranked according to revenues reported on their T3010 tax returns filed with CRA for the period from 2000 to 2018 (in some cases 2019 where the 2019 tax return has been filed and published by CRA). Table 5 also reflects the amount of assets, Foreign Funding, and government funding received by each Envirolegal. In addition to Table 5 below, a summary of each of the Envirolegals noted below including a summary of financial information over the Period of Review is attached as Schedule "6".

Table 5

Organization	Total Assets	Total Revenue	Foreign Funding	Government Funding
1 EcoJustice Canada Society	5,964,690	88,505,791	6,957,639	-
2 Environmental Defence Canada Inc.	1,537,628	48,697,691	5,418,974	3,428,409
West Coast Environmental Law Research Foundation and West Coast Environmental Law Association	2,366,889	31,657,603	9,078,124	921,732
3 [REDACTED]	835,665	17,741,010	4,830	471,735
4 [REDACTED]	232,246	12,315,654	-	1,677,719
5 [REDACTED]	16,686	4,216,147	78,482	1,330,377
6 [REDACTED]	10,953,804	203,133,896	21,538,048	7,829,972
Total				

- 57) Over the Period of Review:
- EcoJustice, on its website, states it is Canada's largest Envirolegal charity²³;
 - West Coast Environmental Law Research Foundation and West Coast Environmental Law Association appear to have received the most Foreign Funding;
 - Envirolegals have received approximately \$21.5 million in Foreign Funding; and
 - Envirolegals have received approximately \$7.8 million in Government funding.

Conservative/Market Oriented Orgs

- 58) A submission made to the Inquiry asserts that significant Foreign Funding is made to Conservative/Market Oriented Orgs for the benefit of or in support of Alberta's oil and gas industry. As a result of that submission, Deloitte was instructed by the Inquiry to review the revenues, Foreign Funding and Government funding of the largest market-oriented policy advocates registered as charitable organizations identified in the Other Source Materials. Table 6 below lists the 11 largest Conservative/Market Oriented Orgs having total revenues greater than \$10 million over the Period of Review. The figure of \$10 million in revenues was used as the applicable threshold criteria for size, as that same figure was

²² <https://www.charitydata.ca/> and/or https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/dsplyBscSrch?request_locale=en

²³ <https://ecojustice.ca/>

used by Deloitte in respect of the ENGOs identified in Table 4 above. The Conservative/Market Oriented Orgs are ranked according to revenues reported on their T3010 tax returns filed with CRA for the period 2000 to 2018 (in some cases 2019 depending on the Conservative/Market Oriented Orgs respective year end). Table 6 also reflects the amount of assets, Foreign Funding, and Government funding received by each Conservative/Market Oriented Org. In addition to Table 6 below, a summary of each of the Conservative/Market Oriented Orgs noted below including a summary of financial information over the Period of Review is attached as Schedule "7".

Table 6

Organizations	Total Assets	Total Revenue	Foreign Funding	Government Funding
1	26,893,380	218,998,570	20,738,103	-
2	1,532	191,675,706	-	12,581,501
3	10,108,822	78,278,576	-	6,193,502
4	53,285,880	57,188,299	-	810,163
5	8,576,708	45,609,094	-	14,833,610
6	3,152,832	33,908,087	3,521,629	-
7	72,964	20,881,916	-	4,507,510
8	152,934	15,867,624	686	384,675
9	64,511	14,961,195	113	-
10	865,252	12,802,238	2,395,446	-
11	615,135	11,163,181	-	-
Total	103,789,950	701,334,486	26,655,978	39,310,961

- 59) Over the Period of Review the Conservative/Market Oriented Orgs:
 - i. Held total assets of \$103.8 million as at December 31, 2018 (or 2019);
 - ii. Reflected total revenues of approximately \$701.3 million;
 - iii. Reflected foreign funding of approximately \$26.7 million; and
 - iv. Reflected government funding of approximately \$39.3 million.
- 60) The Inquiry requested Deloitte to compare the largest Conservative/Market Oriented Orgs to the largest ENGOs (based on revenues) considering a revenue threshold greater than \$10 million for the Period of Review. Based on that threshold, it appears:
 - i. there are 11 Canadian Conservative/Market Oriented Orgs compared to 31 Canadian ENGOs;
 - ii. as at December 31, 2018 (in some cases 2019 where the 2019 tax return has been filed and published by CRA), ENGO assets totalling \$2.5 billion are 24 times greater than Conservative/Market Oriented Orgs assets totalling \$103.8 million;
 - iii. the \$8.1 billion in revenues reported by the ENGOs are approximately 12 times greater than the \$701.3 million in revenues reported by Conservative/Market Oriented Orgs; and
 - iv. Foreign Funding of \$26.7 million received by Conservative/Market Oriented Orgs is approximately 3% of the \$897.5 million in Foreign Funding received by ENGOs.

First Nation Communities/Groups

- 61) Many First Nation Communities/Groups participate in a variety of environmental initiatives. As set out in Appendix "C", Deloitte was instructed by the Inquiry to review Foreign Funding provided to First Nation Communities/Groups to the extent such

information was available in Deloitte's review of the Krause Materials and the Other Sourced Materials.

- 62) The Krause Materials did identify Foreign Funding destined for or paid to entities that appear to be Canadian First Nation Communities/Groups. Deloitte was able to trace the Foreign Funding to the Foundations IRS Tax returns indicating that grants were made but Deloitte was unable to confirm the receipt of such funds in Canada as that information is not publicly available.
- 63) Over the Period of Review, based on FDO searches, approximately \$102.3 million in Foreign Funding was directly received by 22 First Nation Communities/Groups and was received by six (6) organizations destined for First Nation Communities/Groups based on the grant description, as reflected in Table 7 below.

Table 7

	Recipient	Grant Amount
1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	[REDACTED]
4	[REDACTED]	[REDACTED]
5	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]
14	[REDACTED]	[REDACTED]
15	[REDACTED]	[REDACTED]
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]
28	[REDACTED]	[REDACTED]
	Total	102,302,953

- 64) Details of the grants destined for or made to First Nations Communities/Groups over the Period of Review is attached as Schedule "8".

[REDACTED]

²⁵ Tides/Makeway appears to have acted as an intermediary with respect to certain environmental initiatives; Tides/Makeway received approximately \$19.6 million of foreign funds from Foundations designated for the [REDACTED] as described in Schedule 5.8.1 of this Report.

- 65) In the 9th Annual Conference Report for the International Funders of Indigenous Peoples ("IFIP"), it was noted that a First Nation Community, in addition to spending its own monies challenging the "Tar Sands" development, partnered with the UK Cooperative Bank who contributed \$300,000 towards the "Campaign"²⁶. Deloitte was unable to trace the above noted amounts and they are not included in Table 7.

GOVERNMENT FUNDING

- 66) As outlined in paragraph 20, the Canadian charity sector is heavily funded by Federal, Provincial and Municipal Governments. Total Government Funding to charities totalled approximately \$1.5 trillion over the period 2010 to 2018.²⁷ Charities funded by government include school boards and universities, provincial health care authorities, religious organizations, charities engaged in poverty and hunger reduction, various research organizations, ENGOs, Envirolegals, Conservative/Market Oriented Orgs and others.
- 67) A summary of Government Funding received by Canadian charities according to Blumbergs Snapshot over the period 2010 to 2018 (2018 being the most recent data available) is reflected in Table 8 below:

Table 8

Fiscal Tax Year	# of Registered Charities	Government Funding
2010	84,137	142,855,470,672
2011	82,848	145,255,266,503
2012	84,897	160,497,901,052
2013	83,466	160,979,961,787
2014	84,521	166,413,882,020
2015	84,442	168,526,743,270
2016	84,457	177,093,790,201
2017	84,181	183,772,760,534
2018	84,323	189,754,467,485
Total		1,495,150,243,524

- 68) As set out in Appendix "C", Deloitte was instructed by the Inquiry to review Government Funding provided to ENGOs, Envirolegals, and Conservative/Market Oriented Orgs noted previously in this Report. Based on Deloitte's review, a summary of Government Funding received by ENGOs, Envirolegals, and Conservative/Market Oriented Orgs for the Period of Review is reflected in Table 9 below:

Table 9

Organizations	Federal Funding	Provincial Funding	Municipal Funding	Total Government Funding
1 ENGOs	720,325,732	501,244,896	781,006,345	2,113,321,082
2 Envirolegals	3,966,114	3,176,839	687,019	7,829,972
3 Conservative/Market Oriented Orgs	24,458,078	13,185,501	1,667,382	39,310,961
Total	748,749,924	517,607,236	783,360,746	2,160,462,015

²⁶ IFIP 9th Annual Conference Report. For completeness, the First Nation Community indicates it spent \$500,000 of its own monies.

²⁷ <https://www.charitydata.ca/>

- 69) Over the Period of Review ENGOs, Envirolegals, and Conservative/Market Oriented Orgs noted previously in this Report received Government Funding totalling approximately \$2.1 billion, \$7.8 million, and \$39.3 million respectively.
- 70) The allocation of Federal, Provincial and Municipal Government funding does not agree to total Government funding for the Period of Review, as a breakdown of Government funding was often not available prior to 2003.
- 71) Deloitte was instructed by the Inquiry to review whether Federal Government Funding of ENGOs, Envirolegals, and Conservative/Market Oriented Orgs, specifically noted in this Report, has changed over the Period of Review. Based on Deloitte's review and the availability of information in respect of Federal Government Funding, Federal Government Funding has increased since 2004 (the earliest period for which such information is available) with a substantial increase in Federal Government Funding to ENGOs since 2015 as reflected in Table 10²⁸ below:

Table 10

Organizations	2004 - 2014	2015 - 2019	Total Federal Funding
ENGOs			
[REDACTED]	7,950,602	40,334,156	48,284,758
[REDACTED]	2,518,944	8,581,661	11,100,605
[REDACTED]	3,280,796	205,765,534	209,046,330
Tides Canada Initiatives Society	367,605	4,767,303	5,134,908
World Wildlife Fund Canada	453,650	14,091,969	14,545,619
International Institute for Sustainable Development	2,137,000	8,951,156	11,088,156
[REDACTED]	1,667,218	12,757,962	14,425,180
David Suzuki Foundation	-	379,021	379,021
[REDACTED]	1,026,550	18,479,832	19,506,382
Greenpeace	100,000	-	100,000
[REDACTED]	8,659,562	18,044,552	26,704,114
[REDACTED]	-	5,000,000	5,000,000
[REDACTED]	1,266,007	3,160,478	4,426,485
[REDACTED]	-	3,451	3,451
The Pembina Institute	-	5,774,010	5,774,010
[REDACTED]	217,038	12,465,758	12,682,796
[REDACTED]	3,052,300	7,214,629	10,266,929
[REDACTED]	474,500	127,232	601,732
Equiterre	-	-	-
[REDACTED]	7,898,259	340,157	8,238,416
Sierra Club of British Columbia	-	13,450	13,450
Raincoast Conservation Foundation	83,790	6,086,861	6,170,651
Sierra Club Canada Foundation	290,662	107,421	398,083
[REDACTED]	-	56,907	56,907
[REDACTED]	-	3,766	3,766
Dogwood	-	51,155	51,155
Total ENGOs	41,444,483	372,558,420	414,002,903
Envirolegals			
EcoJustice Canada	-	3,095	3,095
West Coast Environmental Law Association	-	30,281	30,281
Total Envirolegals	-	33,376	33,376

²⁸ Information included in Table 10 has been obtained from Open Government Funding Portal. Deloitte was unable to reconcile Federal Funding reported to various CRA returns. Refer to Appendix C for further details.

Table 11

	Recipient Country					Grand Total
	Belgium	Canada	England	Peru	United States	
Grants directly related to Alberta Resource Development Opposition	74,180	14,603,176	134,821	2,499	22,719,275	37,533,952
Grants indirectly related to Alberta Resource Development Opposition	-	2,245,739	-	-	19,072,927	21,318,665
Total	74,180	16,848,915	134,821	2,499	41,792,202	58,852,617
Total Number of Recipients	1	72	2	1	62	138

- 78) Over the Period of Review, Deloitte found grant evidence that indicates:
- between \$37.5 million and \$58.9 million was directed to Alberta Resource Development Opposition;
 - Foundations provided approximately \$16.8 million to Canadian ENGOs and \$41.8 million to United States ENGOs;
 - 47 Foundations appear to have provided funding for Alberta Resource Development Opposition;
 - It appears that 138 ENGOs were recipients of funding for Alberta Resource Development Opposition, 72 in Canada, 62 in the United States, two (2) in England, one (1) in Belgium and one (1) in Peru.
- 79) Additional ENGOs appear to have supported or have been participants in some fashion in opposing the development of Alberta's oil and gas industry as noted below, although Deloitte was unable to trace any specific funding to those ENGOs.
- 80) Attached as Appendix "F" is an "Open Letter to Leading North American Companies on Tar Sands - an Extreme Dirty Fuel Source"²⁹. The letter states, *inter alia*, that the undersigned organizations are writing to urge the letter recipients to distance their organizations from the "Tar Sands".
- 81) There are 58 organizations listed at the bottom of the letter as the undersigned. Of these 58, Deloitte was unable to trace any Alberta Resource Development Opposition funding to 38 of the listed organizations.
- 82) As such, based on Deloitte's findings, it appears that more than 200 organizations were either recipients of Alberta Resource Development Opposition funding (138 ENGOs) or funders of Alberta Resource Development Opposition (47 Foundations) or participated in some fashion in opposition to the development of Alberta's oil and gas industry (38 ENGOs).
- 83) The calculation of a range of funds available for Alberta Resource Development Opposition is a result of the various descriptions used by the Foundations in advancing the grants. Numerous grants made by the Foundations specifically included the words "Tar Sands" or "Oil Sands" in the grant description. However, many of the grants made by the Foundations did not specifically include those words, but did include wording such as dirty fuels, dirty fuels and pipelines, tanker ban and pipelines, etc. and those grants were provided to recipients who were active in opposing the development of Alberta's oil and

²⁹ http://www.sierraclub.org/pressroom/downloads/Tar%20Sands_letter-0701.pdf

gas industry. Moreover, certain grants made by the Foundations provided lengthy grant descriptions including additional environmental or climate initiatives in addition to “Tar Sands” and consequently it was not possible to determine the specific “Tar Sands” portion of the amount of the grant.

- 84) Table **11** above reflects the quantum of funding provided by Foundations to ENGOs and Envirolegals in respect of Alberta Resource Development Opposition. However, through the course of Deloitte’s review, records reviewed by Deloitte (and included within Appendix “A”) suggests the amounts attributable to opposing the development of Alberta’s oil and gas resources are greater than the amounts reflected in Table **11** as discussed below.
- 85) Stand.earth (formerly ForestEthics), a United States based ENGO, was both a recipient of funds and a participant in Alberta Resource Development Opposition (more specific details of which are noted below). Stand Environmental Society (“**Stand Environmental**”), is a related Canadian entity of Stand.earth incorporated in British Columbia in 2012.
- 86) Pursuant to Deloitte’s review of the Foundation grants made to Stand.earth, it appears Foundations provided Stand.earth approximately \$2.3 million for Alberta Resource Development Opposition.
- 87) Stand.earth’s IRS tax returns, for the period 2008 to 2018 and Stand Environmental’s CRA tax returns for 2016 and 2017 (the only year’s Stand Environmental’s tax returns are available), indicate that those two organizations spent approximately US\$13.6 million on Climate Campaigns including opposition to Alberta’s oil and gas industry. The IRS tax returns suggest that amounts spent by Stand.earth in opposition to Alberta’s oil and gas industry was significantly greater than the \$2.3 million traced by Deloitte to Stand.earth.
- 88) Because of resource and information limitations, Deloitte did not or could not conduct a detailed review of each United States ENGO (or each First Nation or United Kingdom organization) involved in Alberta Resource Development Opposition to attempt to compare funding received to amounts spent (or verify funding based on the veracity of certain statements made).
- 89) If Stand.earth is an indication of how certain United States ENGOs were involved in opposition to Alberta’s oil and gas industry, a review of such expenses, if made available to the Inquiry, could result in the identification of additional funding used in Alberta Resource Development Opposition over those amounts reflected in Table **11**.
- 90) The list of the Foundations, ENGOs and Envirolegals that appeared to be involved in Alberta Resource Development Opposition and the Foundation amounts granted is attached as Schedule “**10**”.
- 91) Deloitte was instructed by the Inquiry to provide illustrative examples of the activities of four (4) ENGOs who appeared to be involved in opposing the development of Alberta’s oil and gas industry. Based on the Inquiry’s instructions the four (4) ENGOs, one (1) in the United States, one (1) in Alberta, one (1) in British Columbia, and one (1) that appears to be politically oriented (located in British Columbia) were selected.

Stand.earth

- 92) Stand.earth is a 501(c)(3) not-for-profit tax-exempt organization based in California. Stand.earth was formerly known as ForestEthics until it changed its name in March 2016³⁰. Open source documentation indicates that ForestEthics was co-founded by Michael Marx and Tzeporah Berman.³¹ Stand.earth’s Canadian related entity, Stand Environmental, was

³⁰ Stand.earth 2017 Financial Statements

³¹ <https://corpethics.org/about/> and <http://www.tzeporahberman.com/biography.html>

incorporated in British Columbia in 2012 under the *Societies Act of British Columbia*. Stand.earth states that Stand Environmental is not a registered charity in Canada to allow for direct advocacy.³²

- 93) Stand.earth reported total program expenditures of approximately US\$33.9 million for the Period of Review. There is no information available prior to 2003 and the latest information available as at October 31, 2020 is for the year ended December 31, 2018.
- 94) Based on Stand.earth's filed IRS tax returns, its largest program expenditures for the Period of Review were Climate Campaigns, Boreal Forest Campaign, the BC Forests Campaign and Healthy Forest Campaigns.
- 95) Stand.earth's filed IRS tax returns and Stand Environmental's filed CRA tax returns indicated that the Climate Campaigns included their participation in Alberta Resource Development Opposition and that those two organizations spent approximately US\$13.6 million on Climate Campaigns for the period 2008 to 2018.
- 96) It appears Stand.earth's participation in opposing Alberta's oil and gas industry commenced in 2008. Schedule 'O' of Stand.earth's IRS tax returns do not always delineate the quantum of funds spent on Alberta Resource Development Opposition and other Climate Campaigns but do specifically state the following:
- i. *"Specifically, our work will focus on stopping the worst projects – Alberta Tar Sands....." – 2008 Tax Return;*
 - ii. *"By stigmatizing "dirty" sources of energy, we can make it difficult to finance and sell these products....." – 2008 Tax Return;*
 - iii. *"The key elements of our successes to date – communications, corporate engagement, government and industry negotiations, coalition building and grassroots organizing...." – 2009 Tax Return;*
 - iv. *"ForestEthics' Climate Campaigns made major advances in 2010. The Tar Sands Campaign has built momentum in slowing the growth of Alberta's Tar Sands, the world's largest fossil-fuel project. In 2010 we led 17 companies to reduce their use of Tar Sands...." – 2010 Tax Return;*
 - v. *"....we advanced our campaign to halt the Enbridge Northern Gateway Pipelines, which in December helped secure the introduction of new legislation in the Canadian Parliament to ban oil tankers on the North British Columbia (BC) Coast" – 2010 Tax Return;*
 - vi. *".....our campaign to block the Enbridge Northern gateway pipeline reached a critical turning point. After securing the introduction of legislation calling for a tanker ban on [the] BC Coast, we amplified the opposition of First Nations and other communities, including by organizing a series of flights over the pipeline route for First Nations members..." – 2011 Tax Return;*
 - vii. *"Our Tar Sands Campaign surpassed all of its goals in 2012....In the last six months of 2012, we amassed more than 25,000 new supporters for this campaign and helped organize the largest act of Canadian civil disobedience in the history of the pipeline fight" – 2012 Tax Return;*
 - viii. *"This international, multi-pronged approach is focused on curtailing or stopping various modes of Tar Sands transportation (pipelines, tanker traffic, and oil-by-rail)" – 2013 Tax Return; and*
 - ix. *"In the U.S. and Canada, this campaign is making progress in halting the expansion of Canada's Tar Sands development, a climate change exacerbating*

³² <https://www.stand.earth/about/financials>

project and one rife with human rights abuses, water and air pollution, and elimination of forest habitat. This international, multi-pronged approach is focused on curtailing or stopping various modes of Tar Sands transportation (pipelines, tanker traffic, and oil-by-rail). This work is supported and bolstered by sustained pressure on both corporations and government.” – 2015 Tax Return.

- 97) Organizational summaries of Stand.earth, Stand Environmental and certain financial information is attached as Schedule “11”.

Pembina Institute for Appropriate Development (“Pembina Institute”)

- 98) Pembina Institute is a Canadian Registered Charity based in Calgary, Alberta. Pembina Institute has a related organization, the Pembina Foundation for Environmental Research and Education (the “**Pembina Foundation**”). The Pembina Foundation was previously known as the GAIA Foundation for Earth Education (“**GAIA**”)³³. On January 1, 2019 the Pembina Institute and the Pembina Foundation merged into a single organization³⁴ and are hereinafter collectively referred to as “**Pembina**”.
- 99) Pembina is referred to as a participating organization named in the Tar Sands Documentation which is included in Appendix “A”.
- 100) The Pembina Institute’s charity tax returns were filed with CRA for the Period of Review (the 2000 tax return was not available to Deloitte). Those filed tax returns reflect minor amounts of Foreign Funding received in 2014, 2015 and 2016 totalling approximately \$157,000.
- 101) CRA tax returns for the Pembina Foundation are not available to Deloitte as it was not a registered charity prior to 2019. Our review of the FDO website indicates that the Pembina Foundation, over the Period of Review, received significant Foreign Funding from Foundations totalling in excess of \$7.5 million.
- 102) The descriptions of the United States Foundation grants to Pembina or the Pembina Foundation contain language that funds were provided in respect of Alberta Resource Development Opposition. A summary of selected grants made to the Pembina Foundation are noted below:
- i. 2006 and 2007 - US\$50,000 (total US\$100,000) grant from The Rockefeller Brothers – “To prevent development of pipeline and tanker port that endangers the Great Bear Rainforest protected area”;
 - ii. 2011 - US\$159,949 grant from the Tides Foundation – “Research, education, and outreach on climate/oilsands related issues”;
 - iii. 2012 - \$US404,533 grant from the Oak Foundation – “Oil Sands Campaign Core Support”;
 - iv. 2012 - US\$225,000 grant from the Tides Foundation – “to advance policy improvements, the narrative that oilsands expansion is problematic, land use decisions that slow expansion, and improved climate policy. This grant is also to provide regular briefings to the Tar Sands Group and broaden the base of key influencers, as outlined in your proposal”;
 - v. 2013 - \$US280,000 grant from the Tides Foundation – “Research, education and organizing on dirty fuels and pipelines”;
 - vi. 2013 - US\$55,000 grant from the Tides Foundation – “This four-month grant is for your organization’s work for further raising awareness of the negative impacts of the

³³ https://www.pembina.org/reports/GAIAReport_2005.pdf

³⁴ <http://www.pembinafoundation.org/>

tar sands economy, for participating in conversation with Province of Alberta about water land and air regulatory reform, technical support to tar sands campaign partner, and for participation in the Shell JRPs and preparation for the Tech Frontier JRP"; and

vii. 2014 and 2015 – grants over the two (2) year period totalling \$223,595 from the Tides Foundation – "Research, education and organizing on dirty fuels and pipelines".

- 103) For completeness of its review of the Pembina Foundation, Deloitte found evidence that the organization also receives domestic funding to support its position in respect of Alberta's energy industry. In 2019, The Trottier Foundation, of Montreal, Quebec, provided the Pembina Foundation \$150,000 to *"support Pembina's communication capabilities, in response to being targeted as an enemy of Alberta's energy industry"*³⁵.
- 104) An organizational summary of Pembina including financial information is attached as Schedule "5.15".

Tides/Makeway

- 105) Tides/Makeway is a registered charity based in Vancouver, British Columbia. Tides/Makeway worked with the Tides Foundation in the United States to establish an international gift matching program to facilitate cross-border philanthropy known as the Tides Canada Foundation Exchange Fund (the "**Exchange Fund**").³⁶
- 106) From the description of the Exchange Fund referred to on the Tides/Makeway website, Deloitte understands it was applicable on either side of the United States/Canadian border and was designed such that donors on either side of the border would receive a charitable tax receipt for its donation even though the donor's charitable destination was to a foreign recipient. We understand that United States donors could provide funds to the Tides Foundation in the United States in support of a Canadian charity. Canadian donors could provide funds to Tides/Makeway in support of a United States charity. Effectively the funds were matched in each country through the Exchange Fund. Both the United States donor and the Canadian donor would receive a charitable receipt for tax purposes even though such receipt is not available for direct foreign charity donations. Tides/Makeway indicated that it enabled more than \$40 million in charitable gifts using this mechanism.³⁷ Deloitte understands the Exchange Fund was discontinued in 2016.³⁸
- 107) It appears Tides/Makeway was a participant in opposing Alberta's oil and gas industry through the Exchange Fund. Donations through the Exchange Fund are not publicly available. The Krause Materials did contain certain grant award correspondence from the Tides Foundation for 2013; however, Deloitte was unable to independently verify the letters as those letters are no longer available on Tides/Makeway's website³⁹. A summary of 2013 grants noted in the Tides Foundation correspondence using the Exchange Fund in connection with Alberta Resource Development Opposition are noted below:
- i. \$35,000 grant to West Coast Environmental Law Research Foundation – "...to provide legal strategies and communication support for First Nations to constrain tar sands development";

³⁵ <https://www.trottierfoundation.com/2019-grants>

³⁶ Tides_Info_for_US_donors.pdf

³⁷ Ibid

³⁸ <https://www.canadiancharitylaw.ca/blog/tides-canada-closing-international-donation-matching-system-with-tides-us-f/>

³⁹ The Krause Materials included 91 Tides Foundation grant letters to numerous recipients. Krause advised that the letters were obtained through an online search of the Tides Foundation website. Deloitte has been unable to independently verify the source of the letters as those letters are no longer available on Tides/Makeway's website.

- ii. \$15,000 grant to Environmental Defence Canada – “to co-sponsor a series of concerts aimed at engaging and educating a wider audience about the risks of tar sands expansion”;
 - iii. \$20,000 grant to Ecojustice – [for] “Ecojustice’s 2013 Tar Sands Legal Strategy”; and
 - iv. \$15,000 grant to Sierra Club of British Columbia Foundation for – “its Our Coast, Our Call: Mobilizing and Strengthening Opposition to Tanker Expansion on the BC Coast Project”.
- 108) Copies of the aforementioned letters are attached as Appendix “G”.
- 109) The Krause Materials also included 2013 Tides Foundation correspondence addressed directly to Canadian ENGOs that were participants in Alberta Resource Development Opposition which are noted below:
- i. \$90,000 grant to Greenpeace Canada – *“for your organization’s events that show opposition to pipelines and tar sands expansion... and for continued work to expose the nefarious work of industry and government in order to expand the tar sands”*;
 - ii. \$75,000 grant to Equiterre – *“for your organization to educate the public on Line 9 and Energy East, participate in the regulatory process for Line 9, and assist with promoting the Tar Sands Reality Check in Quebec....”*;
 - iii. \$212,500 grant to Environmental Defence Canada Inc. – *“for your organization’s efforts towards outreach and education on Line 9 and Energy East pipelines; ongoing promotion of Tar Sands Reality Check; leading government relations in Ottawa....and supporting the work of allies, as outlined in your proposal”*;
 - iv. \$100,000 grant to Greenpeace Canada – *“for your organization’s continued outreach and education on pipelines, tar sands mines, and pipeline safety regulations, as outlined in your proposal”*;
 - v. \$25,000 grant to Dogwood Initiative – *“for your organization to cultivate widespread public opposition to tar sands oil tankers and pipeline proposals in British Columbia”*;
 - vi. \$55,000 grant to 850450 Alberta Ltd. – *“for your organization’s efforts to build the case for rejecting Shell and Teck Frontier mines...use legal tools to increase regulations; work with groups in Europe to support the Fuel Quality Directive (FQD); and build public opposition to the tar sands and pipelines, as outlined in your proposal”*; and
 - vii. \$40,000 to the Polaris Institute – *“for Indigenous Tar Sands Campaign’s support of various First Nations-led events across the country and for building opposition to Line 9 in Ontario, as outlined in your proposal”*.
- 110) Copies of the aforementioned letters are attached as Appendix “H”.
- 111) Based on Deloitte’s review, it found evidence of the establishment of a Tar Sands Campaign Fund at the Tides Foundation. For example, a review of Envirolegal Ecojustice’s Victories Report for 2012 indicates it received more than \$100,000 from “Tar Sands Campaign Fund of Tides Foundation”⁴⁰

⁴⁰ https://ecojustice.ca/wp-content/uploads/2014/11/ecojustice_VR_2012_FINAL.pdf?x64512

Dogwood BC

- 112) Dogwood BC is a not-for-profit organization located in Victoria, British Columbia. Since 2007 Dogwood reports it has helped prevent the expansion of carbon pollution and oil tanker traffic on the West Coast and is best known for the No Tankers Campaign.⁴¹
- 113) A review of Dogwood BC's annual reports suggests the organization, *inter alia*, focusses on political suasion. For example, Dogwood BC notes in its 2015 annual report that:
- i. "At the end of this fiscal year Dogwood Initiative had 119 local teams knocking on doors and working the phones in 37 provincial ridings across British Columbia"; and
 - ii. "Supporters who got a live call from a Dogwood volunteer in the final days of the campaign had a voter turnout of 82%".
- 114) Dogwood BC's annual reports for subsequent years contain similar language in connection with its political activities.⁴²
- 115) As a not-for-profit organization, Dogwood BC's tax returns are not publicly available. However, the Krause Materials, the Other Sourced Materials and information sourced by Deloitte indicated that Dogwood BC received Foreign Funding from nine (9) Foundations totalling approximately \$3.4 million.
- 116) An organizational summary of Dogwood BC including certain financial information and Foreign Funding grants received is attached as Schedule "5.31".

CONCLUSION

- 117) Deloitte's review of the Krause Materials, the Other Sourced Materials and the information independently located from public sources in Canada and the United States (including CRA tax filings, IRS tax filings, Blumbergs, FDO, Foundation websites, ENGO websites, annual reports, etc.) indicated that the charity sectors in Canada and especially in the United States are immense.
- 118) Deloitte's analysis of the various materials indicates findings of significant Foreign Funding flows into Canada from the United States and that the philanthropic community in the United States also funds United States ENGOs on account of Canadian based environmental initiatives.
- 119) Subject to the restrictions, limitations and assumptions noted in the Report in addition to those set out in Appendix "C" and in consideration of the difficulties in determining the ultimate destination of the funds and the specific purpose of some of the funding, Deloitte's findings are that the amount of Foreign Funding provided by foreign organizations in respect of Canadian based environmental initiatives is approximately \$1.28 billion over the Period of Review when including conservation initiatives as reflected in Table 12.

⁴¹ <https://dogwoodbc.ca/about-2/history/>

⁴² <https://dogwoodbc.ca/reports-and-resources/>

Table 12

	2003 – 2008 ⁴³	2009 – 2019	Total Foreign Funding
ENGO's	119,265,669	778,253,099	897,518,768 ⁴⁴
Envirolegals	3,254,442	18,283,606	21,538,048 ⁴⁵
Foreign Funding for Alberta Resource Development Opposition received by other Canadian organizations	-	6,073,734	6,073,734 ⁴⁶
Subtotal	122,520,111	802,610,440	925,130,551
Foreign Funding for Canadian based environmental initiatives received by other foreign organizations	87,874,718	264,618,227	352,492,945 ⁴⁷
Total	210,394,828	1,067,228,667	1,277,623,495

- 120) In respect of Foreign Funding that appears to be directed in opposition to the development of Alberta's oil and gas industry, the Krause Materials, the Other Sourced Materials and the information independently sourced by Deloitte, all reveal that numerous organizations received Foreign Funding and/or participated in Alberta Resource Development Opposition in both Canada and the United States, and Europe (the European specifics of which were not subject to verification). Deloitte's findings indicate that numerous organizations (Foundations, Canadian ENGOs, United States ENGOs, Envirolegals, United Kingdom organizations, and European organizations) have received funding in connection with Alberta Resource Development Opposition such that total Foreign Funding in respect thereof appears to range between \$37.5 million and \$58.9 million over the Period of Review.

Yours truly,



Robert J. Taylor FCA, FCPA
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DELOITTE FORENSIC INC.

⁴³ Pursuant to FDO for the period 2003 to 2008.

⁴⁴ See Table 4 of this Report.

⁴⁵ See Table 5 of this Report.

⁴⁶ Other Canadian organizations that received foreign funding not included in Table 4 and Table 5

⁴⁷ Pursuant to FDO for the period 2003 to 2019.