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Knights of Columbus key contributor against same-sex marriage

Joshua J. McElwee | Oct. 19, 2012

The Knights of Columbus, the U.S. Catholic fraternal organization known for its wide-ranging charitable work and parish fish fries, has been a significant contributor to political efforts opposing same-sex marriage across the country, according to a study commissioned by a coalition of Catholic groups that support same-sex marriage.

Since 2005, the Knights of Columbus has provided "$6.25 million directly to anti-marriage equality efforts" and has additionally provided about $9.6 million "for broader efforts ... to discriminate against gay or lesbian couples in the name of religious freedom," says the report, released Thursday.

Earlier this year, a coalition called Equally Blessed commissioned a study of the Knights' tax filings, annual statements and other public documents between 2005 and 2012. The result is a 37-page report [1], "The Strong Right Arm of the Bishops: The Knights of Columbus and Anti-Marriage Equality Funding."

Since 2005, several million dollars have gone from the Knights directly to organizations involved with state ballot initiatives on same-sex marriage, says the coalition, which is made up of Catholic groups Call To Action, DignityUSA, Fortunate Families, and New Ways Ministry.

The report also states that the Knights have yet to file their 2011 tax return because they asked for an extension of the April deadline, so the total sum for donations could be higher.

While many of the findings detailed in Thursday's report have been reported previously, the report for the first time lays out the Knights' contributions on the state level in a way that indicates how the organization has dedicated its resources to the effort over the better part of the last decade. Where possible, *NCR* has verified the figures in the report.

The Knights have also donated more than $1.1 million to the U.S. bishops' Subcommittee for the Promotion and Defense of Marriage, which was first announced in 2008 [2] as an ad hoc "joined effort" between the Knights and the bishops' conference, the report states.

Among other findings in the report, verified through public records:

- The Knights' first public donations to efforts to oppose same-sex marriage noted in the report came in 2005, when it directed $100,000 through the Kansas City, Kan., archdiocese to a corporation supporting a Kansas state constitutional amendment to ban same-sex marriage, according to the group's tax filings and political donation records [3].

  According to those records, the $100,000 accounted for over 74 percent of the total raised by the main group supporting the measure, which passed by a 70 percent margin.

- The Knights' donations to groups opposing same-sex marriage totaled at least $2.28 million in 2008, according to an annual report [4] attributed to the group's national leader, Carl Anderson.

Included in those donations were about $1.1 million in support of a California ballot measure known as Proposition 8 that outlawed same-sex marriage in the state after it had been allowed by the state's Supreme Court; and $515,000 to the National Organization for Marriage, the main political group supporting the proposition.

While Proposition 8 passed in 2008 by about 52 percent, it was ruled to violate the U.S. Constitution's right to due process in federal district court in 2010, a ruling a federal appeals court upheld in 2012. Other donations from the Knights that year went to efforts to oppose same-sex marriage in Connecticut ($275,000), Arizona ($100,000) and Florida ($200,000).

- In 2009, the Knights again donated about $1.43 million to the National Organization for Marriage and donated $418,000 to the U.S. bishops' committee ad hoc committee, according to that year's annual report [5].

- In 2010, the Knights donated almost $750,000 to groups fighting same-sex marriage measures, including a reported $722,150 to the U.S. bishops' ad hoc committee, according to tax filings [6].

- In 2012, the group has given at least $100,000 to the Minnesota Catholic Conference's fund to fight a ballot measure in that state, which is also on the ballot this November. According to public records [7], the Knights' donations are the second largest to the fund after a $650,000 donation by the St. Paul and Minneapolis archdiocese.

- According to public records, the Knights have also given at least $250,000 apiece to two organizations opposing same-sex marriage in Washington state [8] and Maryland [9], where the matter is also on the ballot in November.

The Equally Blessed group criticizes the Knights' donations to the U.S. Conference of Catholic Bishops as "essentially untraceable."

"Since the USCCB is part of the Catholic Church and does not have to report its charitable contributions, money given to the USCCB's anti-marriage equality efforts is essentially untraceable unless it shows up in specific state-level reporting requirements," the report states.

"This is especially important because it makes it difficult to ascertain how much the church has invested in influencing voters in Washington, Maryland, Maine and Minnesota, where marriage equality-related initiatives are on the ballot in November 2012," the report says.

One tax lawyer noted for his work on nonprofit tax law told *NCR* it is unclear whether the Knights' donations might affect their status as a tax-exempt organization. The Knights' national organization, which reported total assets of some $16.9 billion in 2010, is classified as a "fraternal beneficiary society" by the Internal Revenue Service.

"There's not much guidance on what it means to be a fraternal organization and what activities are appropriate and in what amounts," said Marcus Owens, a former employee of the exempt organizations division at the IRS who is now a lawyer for the Washington-based Caplin & Drysdale law firm, which Owens said has represented the Knights in the past.

The lack of guidance on the matter, Owens said, suggests the IRS would judge political contributions by whether the "purpose of the particular political act was somehow related to the interests of the members of the fraternal organization" and whether the political activity "didn't swallow all of the activities of the organization."

The IRS, however, could also decide that a tax could apply on the organization's political contributions, Owens said. In that case, he said, the tax would be assessed on either the organization's net investment income for the appropriate filing year or the amount spent on the political activity, whichever was lesser.

"Let's say that the Knights give $10 million in one year," Owens said. "They'd be taxed at the corporate income tax rates for that $10 million as a political gift."

According to the report and public records, the Knights also made significant contributions between 2006-2010 to a number of right-leaning advocacy groups.

Some of the largest contributions during that period -- totaling at least $1.2 million, according to tax filings -- went to the Becket Fund for Religious Liberty, a nonprofit law firm known for its efforts to spearhead legal challenges to the Obama administration's mandate requiring health insurance providers to cover contraceptive services.

The U.S. bishops' conference also has ties to the Becket Fund. Its associate general secretary and general counsel, Anthony Picarello Jr., previously worked at the fund for seven years before joining the conference in 2007.

In a statement to the media Thursday, the Knights of Columbus responded to the Equally Blessed report by saying its funding of measures to oppose same-sex marriage represents a small fraction of its spending.

"The Knights of Columbus supports Catholic Social Teaching and the bishops of the Catholic Church, and some resources have long been dedicated to promoting that teaching on moral issues," the statement says.

"This report mentions $6.2 million donated by the Knights over the past seven years, during which time we also donated more than $1 billion to charitable causes, with more than $225 million of that coming from our Supreme Office."

The report on the Knights was issued the same day a federal appeals court in Manhattan, N.Y., struck down the federal ban on same-sex marriage, making it the second appeals court this year to reject the contested Defense of Marriage Act.

That act, signed into law by President Bill Clinton in 1996, denies federal recognition of same-sex marriages and allows states to refuse to recognize same-sex marriages conducted in other states.

Thursday's decision by the Manhattan federal court, which follows a decision by a federal appeals court in Boston, sets the stage for the U.S. Supreme Court to take up the matter in the next year.

The Equally Blessed report was funded by contributions from the coalition's four organizations, the Human Rights Campaign and several individual donors, according to a press release.

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