EDITOR'S NOTE: This document has been modified since its original publication to correct minor grammatical and formatting errors. The original version can be found at https://www.brookings.edu/wp-content/uploads/2016/08/20160811_eo_brookings_nyt_response2.pdf

New York Times Allegations and Our Response

A message from Strobe Talbott, President of Brookings

The Brookings Institution is a public policy research organization committed to seeking solutions to problems facing society. Our core mission is to serve the public good. In order to fulfill that task and generate solutions that have impact, we often work with diverse segments of society that have a stake in its welfare — government, academe, philanthropies, civic leaders, and the private sector.

Given our overarching goal of improving the governance of communities at all levels, we are all the more conscious of our obligation to improve our own governance, including the terms of our relationships with donors. To that end, we welcome engagement with the media and other consumers of our products, including when they have constructive criticisms and suggestions. In responding to feedback, we strive to meet the highest standards of transparency and accountability.

It is in this spirit that on behalf of Brookings, I am responding to the *New York Times* articles from earlier this week ("Researchers or Corporate Allies?" on August 7, 2016 and "Think Tank Scholar or Corporate Consultant?" on August 8, 2016) that questioned the integrity of our work funded by corporations. While the reporters raised some valid questions, the overall picture they draw is tendentious. In the detailed response to the articles below, we deal with both aspects of the *Times'* coverage.

Public policy research and journalism have in common some core principles, including a commitment to objectivity, a respect for facts, and an open mind. The two articles do not reflect those principles. The reporters spent more than seven months on the story, poring over a massive volume of internal documentation (most that they obtained on their own, some that Brookings provided), and our senior management spent many hours cooperating with their inquiry.

The reporters are, of course, entitled to their opinions. But they had clearly made up their minds about conflicts of interest between think tanks and the corporate world before they sought our views and responses. In the interviews and in the resulting articles, it was apparent that the reporters were determined to bend their story to support a misguided accusation that Brookings, along with similar organizations, is promoting corporate, commercial interests rather than furthering the public good. They disregarded or slanted evidence that did not conform to this preconceived conclusion. That is the opposite of objectivity.

The reporters could have shed constructive light on an important challenge of the day: donor relations in all non-profit sectors — from think tanks and universities to arts, social service, and humanitarian organizations — have become increasingly complicated in an era of largely restricted grant-making. As we noted in an article published in February by the *Chronicle of Philanthropy*, “today’s philanthropic environment calls for a new, forceful agreement between donors and non-profits that clarifies and fortifies the boundary of the no-go zone.”

The headline of the first *Times* article asserts that think tanks are “blurring the line” between business and research, thereby contaminating the latter. In our discussions and correspondence with the *Times*, we demonstrated to the reporters a clear line does exist — namely, the distinction between a corporate donor’s *business* interests in a community (i.e., its for-profit activities) and its *societal* interests (i.e., its commitment to use its influence and its investments to advance the social, civic, economic, environmental, and cultural interests of the community as a whole). The former is entirely a corporate undertaking, in which Brookings has neither interest nor expertise, while the latter is exactly where we contribute — individually and, more importantly, as a catalyst that brings diverse sectors together into networks of stakeholders who share a commitment to improving their communities.

All stakeholders have interests — or what the reporters referred to as “agendas.” Our interest is to gather the facts, listen to knowledgeable parties, analyze the situation, and try to come up with solutions that benefit the community as a whole.

The *Times*, both in its interviews with us and in its articles, not only rejected this distinction — it dismissed our view of its importance. Again, the reporters are free to take issue with our understanding of our own work. But it is hard to see how their long and detailed articles can avoid addressing a fundamental precept of the institution they are reporting on.

Another commonality between journalism and public policy research is independence. It is at the core of both professions’ reputation for quality and integrity, which, of course, go hand in hand. Our donors and the public, including the reporters and columnists who turn to us for help in their work, expect us to meet our own standard.

With that obligation always in mind, we have instituted strong policies that are regularly reviewed and updated as we strive to ensure transparency, accountability, and the avoidance of conflicts of interest. Given the complicated world in which we live and the breadth of policy challenges to address, we do not claim a perfect record. As we acknowledged to the lead reporter, there have been instances when we should have done better. Indeed, in the cases the *Times* identified, we had already taken corrective measures — including updating our policies and procedures — by the time he came to see us. The articles presented these anomalous missteps as examples of standard practice.

All of us at the Brookings Institution, along with many of our colleagues in similar organizations, not only expect public scrutiny, we regard it as an important check on what we do, how we do it, and how our work is perceived. Think tanks, along with the news industry, are going through a period of disruptive change in the political, economic, and social environment — as well as, in our case, the philanthropic one. As we adjust to these new realities and complexities, we do our best to be at our best. And when we fall short, we try hard to fix the problem and apply the lessons moving forward. In light of the values we share, we hope that the *Times* and its readers will take seriously our side of what we regard as their flawed story.

Brookings maintains strict policies to ensure the independence of our research

NYT Allegation: "… in the chase for funds, think tanks are pushing agendas important to corporate donors, at times blurring the line between researchers and lobbyists. And they are doing so while reaping the benefits of their tax-exempt status, sometimes without disclosing their connections to corporate interests."

BROOKINGS RESPONSE: Over its one-hundred-year history, Brookings has sought to build a reputation for independent, in-depth, policy-relevant research. Brookings does not lobby Congress. It does seek to advance the public good by improving governance through advising policy-makers and informing the public.

All Brookings scholars, exercising their right to academic freedom, decide which policy issues they will research and how they will contribute to the public policy debate. Corporations and other donors do not determine what the scholars study, which scholars conduct the research, what methodology is employed, or what conclusions are reached.

To ensure that the independence of Brookings's research is preserved, the Institution has developed strict policies, which it regularly updates, to deal with a changing and competitive funding environment. Those policies include a requirement for full transparency of the sources of all donations, which can be found in the annual report and on the Brookings website.

Brookings has five research programs that cover the breadth of policy issues, both domestic and foreign. The *New York Times* reporters, Mr. Lipton and Ms. Williams, chose to focus on the Metropolitan Policy Program (Metro) because they managed to obtain thousands of pages of its internal documents. For two decades Metro scholars have worked at the local level to provide a public good in urban areas: helping these communities improve infrastructure, economic growth, innovation, and job-generation. To maximize the impact of its data-driven research, Metro works with all stakeholders, including local governments, community leaders, media, academe, NGOs, and philanthropies. Corporations are a vital component of that network because of their ability to invest in local communities and create jobs.

Years before most communities were focused on attacking economic disparities in our cities, Brookings's Metropolitan Policy Program helped Minneapolis-St. Paul (MSP) understand the depth of our problem and how to attack it. Because of Brookings' clear-eyed analysis and guidance, we built a consensus among leaders that our Number 1 civic goal should be closing economic, academic, and racial gaps. Today I work to close our region's opportunity gaps for children of color, in large part, because Brooking's Metropolitan Policy Program first showed me there is no greater issue for Minneapolis-St. Paul.

RT Rybak, Former Executive Director, GenerationNext, President and CEO, Minneapolis Foundation

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The *New York Times* cherry-picked and misrepresented views of independent legal experts who contradicted their claims

NYT Allegation: "Donations from the corporations to Brookings are tax exempt based on the premise that the think tank's work benefits the public good, not a company's bottom line. But two lawyers who specialize in nonprofit law — Miranda Perry Fleischer, a professor at the University of San Diego School of Law, and Clifford Perlman, a partner at a New York-based firm — said Brookings's agreements raised questions. 'Tax deductions are subsidies that are paid for by all taxpayers,' Ms. Fleischer said. 'And the reason the subsidy is provided is that the charitable organization is supposed to be doing something for the public good, not that specifically benefits the private individual or corporation in the form of providing them goods or services.'"

<u>BROOKINGS RESPONSE</u>: Brookings, like every other public charity, ranging from museums to colleges to orchestras, is responsible for ensuring that it accepts and spends the grants, donations, and contributions it receives in a manner consistent with the law, its charitable purpose and mission and, in the case of grants, the donor's intent. This is consistent with Brookings's overall mission of serving the public good.

Brookings does not engage in fee-for-service consultancy, and produces no proprietary research. Unlike a fee-for-service arrangement, all of its research products are made publicly available. This is evidenced by the corpus of our work itself, which consists of hundreds of thousands of pages of articles, books, papers, reports, and data, almost all of which is made freely available on our website to anyone who chooses to use it.

The Metro program in particular provides an important public good, evidenced by the results on the ground in the communities where the program has had a demonstrable positive impact in terms of helping cities grow, innovate, and generate jobs.

In the process of reporting this story, Mr. Lipton alleged that Brookings had engaged in tax improprieties. Brookings takes its obligations as a non-profit, charitable organization very seriously, and to make sure that Brookings had not acted improperly, we engaged a leading nonprofit tax specialist, Douglas Varley of Caplin and Drysdale, LLP, a prominent tax law firm that had no previous relationship with Brookings. In their published report, Mr. Lipton and Ms. Williams present Mr. Varley as "one of our lawyers," failing to mention the fact that he was an outside expert with no previous association with Brookings, something which we repeatedly emphasized to Mr. Lipton. After reviewing the documents provided by the *New York Times*, as well as interviewing key Brookings personnel, Mr. Varley and his colleague Sharon P. Want concluded:

> *Based on our review and the analysis presented below, it is our opinion that, given the applicable legal standards, Brookings has reported the payments from Hitachi, JPMorgan Chase and Lennar appropriately on its Form 990.*

Despite the fact that it was provided to them on several occasions, Mr. Lipton and Ms. Williams chose to cherry pick from Mr. Varley's judgment and avoided quoting that sentence in their piece, presumably because it would have put to rest the "questions" that their legal experts claimed their reporting raised about Brookings's tax status. Nor did they interview Mr. Varley, which could have clarified any questions about his relationship with Brookings.

Further, because Mr. Lipton made the same charge about our relationships with KKR and Microsoft, we asked our external auditors, RSM, a leading auditing and tax consultant, to examine those relationships in particular. They concluded:

> *After review of the contents of the Form 990, its instructions and other regulatory guidance, we are confident that The Brookings Institution's Form 990 has been prepared and presented fairly in all material respects pursuant to those instructions and regulatory guidance.*

We furnished this judgment to Mr. Lipton, but he chose not to refer to it in his story.

Finally, we checked with Mr. Perlman, one of the two lawyers Mr. Lipton and Ms. Williams rely on for the claim that Brookings's agreements "raised questions." He told us that the article mischaracterizes the overall tone and conclusions of their conversations. Mr. Perlman does not recall which Brookings documents he reviewed and does not believe he used the word "questionable" to describe them.

The *New York Times* misrepresented the facts about branding Brookings's Global Cities Initiative (GCI)

NYT Allegation: "…think tanks have frequently become vehicles for corporate influence and branding campaigns… The think tanks also help donors promote their corporate brands, as Brookings does with JPMorgan Chase…."

<u>BROOKINGS RESPONSE</u>: Brookings maintains strict policies to ensure the independence of its research — both in how it is conducted and how it is shared publicly. Brookings prohibits the use of corporate logos at its events, specifically to avoid the appearance that we are advertising for corporate sponsors. Mr. Lipton and Ms. Williams cite the Global Cities Initiative (GCI), a joint project between Brookings and JPMorgan

Chase, as an example of Brookings promoting the JPMorgan Chase brand. On the contrary, Brookings was promoting the Global Cities Initiative, a branded effort, which Mr. Lipton and Ms. Williams consistently and incorrectly conflated with promoting JPMorgan Chase. In fact, as we explained to Mr. Lipton, the only logo used at GCI events is the one designed for the Global Cities Initiative itself — it is not the JPMorgan Chase logo (see photo). Nevertheless, we highlight the relationship with JPMorgan Chase in related materials precisely to make clear its role as the donor.

The *New York Times* presented a misstep as if it were standard procedure

NYT Allegation: "Brookings, as it sought an additional $50,000 from Lennar in 2014, said it was prepared to 'use our convening power, research expertise, network connections and knowledge of innovative practices to help further drive the ultimate impact and success' of Lennar's project and to 'provide public validation of San Francisco's efforts through national and local media coverage…. Lennar joined Brookings's Metropolitan Leadership Council, established for the program's top donors, in July 2010. That month, the company won approval to redevelop Hunters Point in San Francisco, turning the area into a more than 700-acre mix of housing, education and commercial development. Brookings would later name the project one of the three most 'transformative investments in the United States.'"

BROOKINGS RESPONSE: Brookings's relationship with Lennar is governed by the Institution's donor policies, which are designed to ensure quality and independence. In reviewing the record, Brookings acknowledged to Mr. Lipton that some language in the final memorandum of understanding with Lennar in January 2014 was inappropriate since it gave the impression that Brookings scholars were providing public validation of the project in return for receiving funding for their work.

In this instance, Brookings chose to feature the Hunters Point Shipyard project due to its merits, as part of a broader strategy to identify and publicly validate the best practices of innovation districts. The project is one of the largest urban regeneration projects in the United States and its practices were judged to be highly relevant to similar revitalization efforts underway elsewhere. This project reflects key attributes, such as a strong focus on affordable housing and social equity, critical to emerging trends in innovation districts.

Brookings is not alone in this assessment. The Hunters Point Shipyard Project enjoys strong support from federal, state, and local governments and has been recognized by regional and national organizations for the quality of its design and scale of its ambitions.[1] And Lennar had already established its reputation for innovation — on community benefit agreements[2], affordable housing commitments[3], and mixed use design — before it provided funding to Brookings.

[1] "2012 NATIONAL PLANNING EXCELLENCE AWARDS: HARD-WON VICTORY: Candlestick Point-Hunters Point Shipyard Phase II EIR" American Planning Association, 2012; Kristy Wang "At Last, Thousands of New Housing Units on the Way in SF" SPUR, December 2014.; Jeffrey Betcher, "Bayview Hunters Point: NEN Comeback Neighborhood-winner?" *Bayview Footprints,* December 2015; "Straight Talk with Kofi Bonner" Urban Land Institute, April 2013.
[2] "Hunters Point Shipyard/Candlestick Point Core Community Benefits Agreement" juliangross.net, May 30, 2008; Gross, Julian "A CBA for San Francisco's Hunter Point". Community Benefits Agreements, June 11, 2008.
[3] "About HOPE SF: Development Plan" http://hope-sf.org/development-plan.php, 2013.

Brookings highlighted the Hunters Point Shipyard at a 2011 private conference on how to support the development of large-scale infrastructure projects (e.g., transformative investments) in the absence of federal action. Brookings sought applications from dozens of cities for case studies to feature. The City and County of San Francisco, the San Francisco Redevelopment Agency, and Lennar submitted an application on Hunters Point. The project was assessed along with a large number of other projects submitted in response to Brookings's request, which was sent to a broad network of public, private, and nonprofit organizations. Brookings scholars selected the Hunters Point project and two others to highlight at the conference because each offered valuable lessons for other projects around the country. In retrospect, the fact that Lennar was a donor to Brookings created a perception of a conflict of interest. In this case, Brookings scholars should have found some independent method for validating their selections. Nevertheless, we believe that by objective standards, the Hunters Point Shipyard Project merited the attention it was given.

Despite Mr. Lipton's and Ms. Williams' claims, Bruce Katz and other Brookings scholars did not make appearances alongside Mr. Bonner, Lennar's President, for the purposes of promoting the project to government officials and business leaders, or otherwise improperly help Lennar promote the Hunters Point Shipyard Project. Nor has Brookings ever arranged meetings with government officials for Lennar. *Forecast SF* and other events at which Brookings scholars appeared alongside Lennar executives were public events at which Brookings scholars discussed their innovation districts research. In San Francisco in particular, it would be impossible to have a conversation on innovation districts and not reference Hunters Point, one of the largest innovation district redevelopment projects in the world. Again, to avoid the appearance of conflict of interest, the funding relationship between Lennar and Brookings should have been disclosed, as Brookings policies now require.

Metro scholars regularly speak about innovative projects that offer the best real-world solutions, whether or not any of its donors are involved. For example, Brookings has praised Chattanooga's downtown innovation district,[4] commending it for its strong culture of collaboration and well-executed place-making efforts. Brookings does not receive funds from any source in Chattanooga.

MIPIM (Marché International des Professionnels d'Immobilier), the international real estate conference in Cannes that the reporters reference, presented an opportunity to share Brookings's innovation districts research with relevant stakeholders, city leaders, and developers from around the world. A Brookings scholar presented our innovation districts research on a panel during which Brookings's funding relationship with Lennar was clearly disclosed, in accordance with the Institution's strict disclosure rules.

Because we believe in the need to avoid even the perception of a conflict of interest and the need for greater oversight, Brookings updated its policies and vetting procedures in 2015, before Mr. Lipton showed us the internal documents he had obtained.

[4] Bruce Katz, "An innovation district grows in Chattanooga" *The Brookings Institution,* September 29, 2015.

In early 2015, Chattanooga leveraged our Gigabit infrastructure, strong public/private partnerships, and a thriving startup community to establish the first Innovation District in a mid-sized city. Not only were research and visits from Brookings instrumental in the creation of our Innovation District, their continued collaboration will help us maximize our strengths as the District continues to grow. The Brookings Institution has the research to help cities create the right conditions to grow talent, generate jobs, and drive economic activity, and their expertise is pivotal for any city looking to compete in the new innovation economy.
Andy Berke, Mayor of Chattanooga

The *New York Times* is wrong: The Metropolitan Policy Program (Metro) never received funding from SunStreet Energy

NYT Allegation: "At least some of the $400,000 Lennar has donated to Brookings since 2010 has come from its SunStreet Energy division, which sells rooftop solar systems, at the same time that Brookings's metropolitan program has published research on the rooftop solar industry."

BROOKINGS RESPONSE: The Brookings Metropolitan Policy Program (Metro) never received funding from SunStreet Energy. The company's only gift to Brookings was made in January 2016 as a $50,000 general support gift to the Governance Studies program. The Metro scholars who have worked on rooftop solar issues have no relationship—funding or otherwise—with SunStreet Energy, derived no benefit from the contribution, and were unaware of its existence in a different program at Brookings.

Brookings implemented new conflict of interest policies in 2015

NYT Allegation: "And Brookings went further. It named Kofi Bonner, the Lennar executive in charge of the San Francisco development, as a senior fellow — an enviable credential he used to advance the company's efforts. 'He would be a trusted adviser,' an internal Brookings memo said in 2014 as the think tank sought one $100,000 donation from Lennar."

BROOKINGS RESPONSE: Kofi Bonner served as a Non-Resident Senior Fellow at Brookings. That one-year appointment was not renewed due to concerns about an appearance of a conflict of interest. Mr. Lipton and Ms. Williams incorrectly identified Kofi Bonner as a "Senior Fellow" — a designation used for full-time scholars at the Institution. Bonner was appointed as a Non-Resident Senior Fellow so that Brookings could draw upon his expertise and trusted advice to inform Brookings's evolving work on innovation districts, especially in areas where the Hunters Point Shipyard was charting new ground.

Our research programs regularly establish affiliations with outside experts who have specialized knowledge and experience, often appointing them as non-resident affiliates because of their substantive expertise and ongoing involvement with a particular research project. These experts are drawn from academia, other think tanks, the non-profit sector, and the for-profit sector.

Kofi Bonner is a nationally-respected urban developer with masters' degrees in urban planning and architecture from the University of California Berkeley and experience as a senior official in the city governments of Oakland and San Francisco. He was eminently qualified to be appointed as a Non-Resident Senior Fellow[5] and did not need a title or a platform at Brookings to be a credible voice on these subjects.

Importantly, Mr. Lipton and Ms. Williams did not produce any evidence to indicate that Mr. Bonner used his platform at Brookings to advance the interests of Lennar. He appeared as an expert panelist at a single Brookings event on June 9, 2014, for the launch of *The Rise of Innovation Districts* white paper. Bruce Katz communicated Lennar's financial support at that event, along with the other donors to Metro's Innovation Districts Initiative.[6]

Nearly a year ago, Brookings recognized that non-resident affiliates who are engaged in other paid activities posed a particular challenge for the maintenance of the Institution's standard of independence. Brookings established a Conflicts of Interest Committee that developed and promulgated additional rules in late 2015 for non-resident scholars designed to avoid any conflict of interest or the appearance of a conflict of interest. This ongoing process of self-examination and scrutiny is led by Brookings senior management in recognition of its importance to the Institution's reputation.

Brookings does not lobby or request meetings with government officials on behalf of donors

NYT Allegation: "Thousands of pages of internal memos and confidential correspondence between Brookings and other donors — like JPMorgan Chase, the nation's largest bank; K.K.R., the global investment firm; Microsoft, the software giant; and Hitachi, the Japanese conglomerate — show that financial support often came with assurances from Brookings that it would provide 'donation benefits,' including setting up events featuring corporate executives with government officials, according to documents obtained by The New York Times."

BROOKINGS RESPONSE: As an important part of its contribution to the public policy debate, Brookings convenes hundreds of events a year, where its scholars are joined by outside experts, including government officials and individuals from the private sector, to discuss their ideas and share their expertise and experience with a wider audience. These events are designed to be public education forums, usually with broad audiences from inside and outside the policy-making community. Like many members of the general public, donors are routinely invited to these events. However, Brookings's rules prohibit any donor from using such events to promote its brands or products.

It is important to note that Brookings does not lobby or request meetings with government officials on behalf of donors. Engagement of Brookings scholars with

[5] "Straight Talk with Kofi Bonner" Urban Land Institute, April 15, 2013.
[6] "The Rise of Innovation Districts-Presentation by Bruce Katz", Brookings Institution Event, June 9, 2016, minute 8.56.

government officials is explicitly for the purpose of informing their understanding of policy so that they can pursue the shared objective of improving governance. During meetings with government officials, Brookings scholars share data, non-partisan research and analysis, information, and ideas, but are prohibited from endorsing or advocating for any specific legislation.

Nonprofit and charitable organizations in the United States routinely provide “donor benefits,” often listing them in brochures designed to attract funding (e.g. universities offer access to tickets or exclusive events, museums provide preferential treatment to members, giving them special access to exhibitions). The benefits Brookings offers its donors are no different. They do not constitute a “fee-for-service” arrangement and therefore have no impact on the independence of the scholars’ research, which is all made available to the public. Mr. Lipton and Ms. Williams provide no evidence to the contrary.

Brookings’s scholars—not donors—always have the final say in their analysis, judgement and recommendations

NYT Allegation: “The likely conclusions of some think tank reports, documents show, are discussed with donors — or even potential ones — before the research is complete. Drafts of the studies have been shared with donors whose opinions have then helped shape final reports.”

BROOKINGS RESPONSE: Brookings scholars do not share their research drafts with donors in order to help corporate lobbying efforts. Moreover, all gift agreements signed by the Brookings Institution have clear and robust language protecting the independence of our scholars, regardless of the desire of the donor. As can be seen in the documents the *New York Times* has posted, Brookings uses the following language in gift agreements with donors:

> *Brookings scholars, in conformity with the Institution’s mission of developing independent, nonpartisan analysis and recommendations that reflect objective and rigorous scholarship, will make the final determinations regarding the scholarly activities supported by [the gift/grant], including the research agenda, content, product, outcomes, use and distribution of resulting publications, and selection of personnel associated with the projects supported by [the gift/grant]. Brookings scholars and staff will at no time lobby or otherwise promote the interests of any donor.*

In the course of their research, Brookings scholars engage with a broad range of people with specific expertise in the areas they are researching, including stakeholders, policy makers, other scholars and, in some cases, donors. Brookings’s scholars always have the final say in what is published, in terms of their analysis, judgement and recommendations. Mr. Lipton and Ms. Williams produce no evidence that their sweeping allegation applied to any of Brookings’s work.

Working with Brookings was a critical experience for our organization. Their questions were hard and their examination of our story in a greater context was rigorous. We were working in our own region and getting results in our efforts to welcome new immigrants and transform troubled neighborhoods, but Brookings made us consider success in a larger context. We spent a year answering their questions and came away with a new and broader understanding of what works here and why. This understanding has shaped our decisions about where to go next. We have clarity that makes us focused and formidable.
Angela Blanchard, President and CEO, Neighborhood Centers Inc.

Brookings's policies require disclosure of donors who participate in its events

NYT Allegation: "The files included company priorities and a tally of donations. General Electric wanted to fund work on rail networks and clean energy programs — both critical parts of its business — and Brookings then featured G.E. executives, joined by officials from the White House and Congress, at events that focused on these industries."

BROOKINGS REPONSE: For many years, the Metro Program has conducted research on sustainable growth, transportation infrastructure, and the clean economy. General Electric supported this independent research, along with the Nathan Cummings Foundation, Living Cities, Inc., and the Surdna Foundation. Brookings will occasionally invite corporate experts to appear on panels, as long as their relationship to Brookings, if any, is disclosed at the event. In July 2011, because of his expertise, a G.E. official appeared on a panel at the public release of Metro's report, *Sizing the Clean Economy*. General Electric's funding relationship was clearly disclosed at that event.[7] The official's participation reflected Brookings scholars' view of the critical role the private sector needs to play in advancing the transition to a clean economy. As noted earlier, Brookings's policies and procedures requiring the disclosure of donors at events have become even stricter since 2011.

The *New York Times* is wrong in its insinuation that Brookings appointed a lobbyist to cultivate corporations

NYT Allegation: "In 2004, Brookings established its Metropolitan Policy Program, devised to stimulate economic growth in cities. As the country was emerging from recession, Brookings bolstered its ties to corporate donors in 2010 by naming Marek Gootman, a lobbyist from Patton Boggs, as its first director of strategic partnerships. He was assigned to work with 'a national network of elected, business and civic leaders engaged in city and metropolitan area policy development and implementation.'"

[7] Minute 5:30 "Sizing the Clean Economy: A National and Regional Green Jobs Assessment" Brookings event, July 14, 2011.

BROOKINGS RESPONSE: Mr. Lipton and Ms. Williams are simply wrong in their assertion that Brookings Metro Program created a new position to bolster ties to corporate donors. The strategic partnerships position was specifically created to help build its network of public, civic, and private leaders in cities. This appointee is not a lobbyist. Mr. Lipton and Mrs. Williams take what is an entirely legitimate engagement with the private sector and imply that Brookings is serving the business interests of corporate donors or somehow lobbying on their behalf because of the previous employment history of one of its staff members. This provides a good example of the way the reporters use innuendo—in this case guilt by association—to promote their predetermined agenda.

Brookings Metro serves as a bridge between stakeholders not as a promoter of corporate investments

NYT Allegation: "K.K.R., after starting special funds around 2010 to invest in real estate and other infrastructure projects, donated $450,000 to Brookings, some of it as the institution agreed to set up meetings for a top K.K.R. executive with community leaders in Philadelphia and Detroit, where the company was considering real estate projects. Brookings separately produced a report, published on K.K.R.'s website, promoting one of the company's infrastructure projects in New Jersey, after the company executive suggested such a piece.

BROOKINGS RESPONSE: The building of productive, inclusive cities is dependent on close, collaborative relationships across sectors and the public/private financing of individual projects. As part of its long history of working with local public, private, civic, university and community leaders in cities across the United States, Metro staff routinely act as connectors between leaders of these groups so that they can share best practices and build networks. Whether they are donors has no impact. Metro serves as a bridge between leaders who share different perspectives and travel in different local, national and global circles. In the end, local leaders decide which financial institutions to work with and financial institutions determine which projects are worthy of investment. Brookings has nothing to do with that process.

Research focused on public-private partnerships has been a focal point for Metro's Infrastructure Initiative for many years, long before KKR became a donor to Brookings.[8] The article published by KKR's Global Institute was not aimed to promote a KKR project. Rather, it was a study that brought together the expertise of Metro scholars and KKR experts in the field. The paper was intended to benefit local communities by reaching audiences through KKR's networks. It was also made broadly available to the public.

[8] Here are three examples, among many, of Brookings publications focused on PPPs: Promises and Pitfalls in Public-Private Partnerships for Transportation by Robert Puentes (July 2009), Moving Forward on Public Private Partnerships: U.S. and International Experience with PPP Units by Emilia Istrate and Robert Puentes (December 2011), Private Capital, Public Good: Drivers of Successful Infrastructure Public-Private Partnerships by Patrick Sabol and Robert Puentes (December 2014).

Brookings did not promote Hitachi's interests

NYT Allegation: "Hitachi has been another large donor to the metropolitan program, giving a total of $1.8 million to Brookings over the last decade, according to Brookings documents. The think tank reviewed the company's corporate marketing and sales strategy targeting the United States, an internal memo shows. Brookings also organized public events that featured top Obama administration officials and allowed Hitachi executives to promote their products."

BROOKINGS RESPONSE: Brookings reviews research papers and analysis for numerous stakeholders, whether they are donors or not. This was not a special benefit for Hitachi. Brookings experts routinely share their perspectives on important public policy issues, such as the rise of technologically-enabled "smart cities," with public and private stakeholders alike. Consistent with that approach, the Metro Program contributed its expertise in reviewing a draft of a Hitachi white paper on smart cities, but Brookings had no further role in the publication or dissemination of Hitachi's paper. In fact, the Metro Program's own conclusions on aspects of "smart cities" ran contrary to Hitachi's own interests. As two Metro scholars, among others, have argued, "Our technology-first approach has failed the city of the future. [By] focusing on the cutting-edge technologies themselves and relying on private companies to move forward, we have lost sight of what we even want our cities to achieve with all that tech." [9]

In asserting that Brookings organized public events to benefit Hitachi, the article links to a Hitachi-produced summary of a 2012 conference hosted by Hitachi, in which Brookings and the American Association for the Advancement of Science (AAAS) participated and organized panels. Representatives of Hitachi, Brookings, AAAS, and many governmental organizations, including the Obama administration, participated as experts to discuss important public policy issues surrounding water challenges in shale gas production and in cities. The conference included discussion of a wide variety of products and projects, well beyond those in which Hitachi had a direct interest.

> *Our partnership with Brookings has accelerated the economic development of Louisville, including strategies that have expanded the scope and inclusiveness of our efforts. Our strategies on innovation and globalization have been strongly influenced by Brookings' research and are fundamental to the transition that is well underway with our city's economy.*
> **Greg Fischer, Mayor of Louisville**

[9] See Adie Tomer and Robert Puentes (http://www.wired.com/2014/04/heres-the-right-way-to-build-the-futuristic-cities-of-our-dreams/); Amy Liu and Robert Puentes also argued: "A technology-first approach to smart city development, without a clear map of a city's future direction, will often lead to new technology that will fail to result in sustained, community-wide change." (https://www.brookings.edu/opinions/delivering-on-the-promise-of-indias-smart-cities/); and Shamika Ravi and Robert Puentes argued: "From the perspective of individual private firms, a smart city is often whatever that firm happens to be selling." (http://www.livemint.com/Opinion/ODk7o20KushKMFEptnlMdN/Uniqueness-of-Indias-smart-cities.html)

The *New York Times* misconstrued the goals of the Global Cities Initiative; Brookings did not promote JPMorgan Chase's business lines

NYT Allegation: "When JPMorgan offered a major donation to the metropolitan program in 2011, Brookings created the Global Cities Initiative, complete with a new logo that called it a 'joint project of Brookings and JPMorgan Chase.' The project was premised on a common interest between the bank and the think tank. Brookings wanted to promote economic growth in cities by encouraging international trade, and JPMorgan wanted to gain new business by offering loans to companies in the same markets. In contract documents, Brookings emphasized that it would control the conclusions of its reports and said it would 'not directly or indirectly communicate with any party' to help get JPMorgan business."

BROOKINGS RESPONSE: Mr. Lipton and Ms. Williams misconstrue the goals of the Global Cities Initiative (GCI) and the structure of this joint project between Brookings and JPMorgan Chase (JPMC). GCI is designed to advance the economic objectives of local and regional communities, not those of any corporation. GCI grew out of work at the Metro Program that pre-dates JPMC involvement. The Metro Program had conducted research about the importance of exports as a source of economic growth for U.S. metropolitan areas in the wake of the Great Recession. With support from the Rockefeller Foundation, the Metro Program launched export-planning efforts in 12 U.S. metro areas in 2010. JPMC's gift enabled Brookings to deepen and broaden its research, outreach, and impact through the formal Global Cities Initiative, whose purpose was to find solutions to the challenges of economic growth in some 28 cities across the United States. Mr. Lipton and Ms. Williams produce no evidence that GCI activities in these 28 cities in any way helped the efforts of JPMorgan Chase to gain new business in these "markets." That was certainly not their purpose.

The *New York Times* reporters cherry-picked sentences from draft documents and failed to report the strict guidelines for promoting the Global Cities Initiative

NYT Allegation: "At the same time, hundreds of pages of memos—status reports to JPMorgan, internal reports by Brookings staff to prepare for meetings with top bank executives, and formal documents soliciting more money—make clear that Brookings saw the Global Cities Initiative as a branding effort that could help JPMorgan bolster its standing in cities."

BROOKINGS RESPONSE: Mr. Lipton and Ms. Williams have selected a few sentences from internal draft working documents, often reflecting early brainstorming sessions, that yield an inaccurate picture of the goals and activities of the Global Cities Initiative. Brookings established the Global Cities Initiative (GCI) to provide a source of practical ideas for how city leaders could grow their economies by actively engaging in the global marketplace. That is the mission that underpins the hundreds of research reports that Brookings has produced, and the scores of meetings that GCI convened in the United States and around the world to help city leaders learn about the research and consider adopting its recommendations.

Brookings produced GCI branding and communications guidelines and GCI communications policies specifically to protect the independence of the project and ensure GCI research—not JPMC products—were accurately and appropriately positioned. Here is a sample of the guidelines:

> *JPMorgan Chase advertising about GCI can promote GCI but not JPMorgan Chase. For example, JPMorgan Chase can run ads that use the GCI logo, but the ads cannot also use the JPMorgan Chase name or logo except to communicate that JPMorgan Chase paid for the ad or that JPMorgan Chase funds GCI.*
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> *Brookings cannot include quotes from JPMorgan Chase employees or representatives in press releases about research.*

Year in and year out, Brookings has served civic leaders in Greater Cleveland as a clear-eyed and challenging thought partner. They provide sometimes painful, sometimes encouraging, but always objective and helpful assessments of what is important to our economic health, how our community measures up, and where we might go. This has resulted in tangible cross-sector initiatives ranging from improving manufacturing competitiveness, pursuing smarter land use, fostering innovation, and addressing economic polarization. Brookings is the bridge from national theory to on-the-ground realities.
Brad Whitehead, President, Fund for Our Economic Future

Brookings has developed strict rules on disclosure of potential scholar conflicts of interest

NYT Allegation: The second story by Mr. Lipton and Ms. Williams, published in the New York Times on August 9, 2016, focuses on think tank scholars whom they allege have conflicts of interest. They cite two Brookings scholars in that regard.

BROOKINGS RESPONSE: The individuals named in the *New York Times* story are no longer affiliated with Brookings. The Brookings Committee on Conflicts of Interest promulgated strict rules for disclosure of scholar conflicts of interest earlier this year to avoid a conflict or the perception of a conflict of interest. Our Conflict of Interest Policy and other ongoing efforts to ensure our independence are robust and enforced. The policy and summaries can be found here (www.brookings.edu).