

FRIENDS of the BARNES FOUNDATION

P. O. Box 35 Merion Station, PA 19066 www.barnesfriends.org

FOR IMMEDIATE RELEASE

March 29, 2007

Contact: Nancy Herman at 610-667-0281 or to barnesfriends@comcast.net

Friends of the Barnes Seek Background on Move from Pew Head

(MERION, March 29, 2007) Friends of the Barnes Foundation wants to shed light on the background of the planned move of the Barnes Foundation from Merion to Philadelphia. The group also wants to let the public know what the tax-exempt status of The Pew Charitable Trusts has to do with the matter. To achieve these goals, the organization working to preserve the Barnes Foundation in Merion is turning for information directly to those responsible for the planned move. In a letter addressed to Rebecca Rimel, President and Chief Executive Officer of the Pew Charitable Trusts, Friends member Walter Herman asks whether Rimel or other Pew associates or associates from the Annenberg or Lenfest Foundations had discussions with public officials regarding funding for the Barnes Foundation or Lincoln University. The inquiry stems from the discovery of state appropriations of \$107 million to support the Barnes move from Merion to Philadelphia in October 2002 -- more than two years prior to the court ruling that gave permission to the Barnes board to move the art collection. The court only learned of the state appropriation when informed by the Friends of the Barnes in October 2006.

The text of the letter follows:

March 29, 2007

Ms. Rebecca Rimel
President and Member of the Board
The Pew Charitable Trusts
One Commerce Square
2005 Market Street, Suite 1700
Philadelphia, PA 19103-7077

Re: Request for Information on Legislative and Lobbying Activities
by Foundation employees and agents

Dear Ms. Rimel:

According to various public pronouncements, The Pew Charitable Trusts became a “public charity” on January 1, 2004.

When you were interviewed for a November 13, 2003 article in The Chronicle of Philanthropy about the shift in status you stated, “it will be business as usual. We’re not looking for any radical change in the short term, but we are always searching for more efficiency, more flexibility, and that’s what this offers.” The article then proceeds to state that:

Among Pew’s first acts as a charity, according to Ms. Rimel, will be to set up a fund to attract donations for the Barnes Foundation, a financially troubled museum with a world-class art collection that is seeking money and court approval to move to a more visible location in Philadelphia. As a charity, Pew will have far fewer restrictions that it does as a foundation on its ability to accept and administer donations from other sources.

Totally aside from the fact that the Barnes is not a museum, it seems clear that you and the Pew Charitable Trusts are relying on future fund raising from other donors in conjunction with the Barnes move in order to be a qualified “public charity.” Moreover it seems clear to us that as a possible recipient of state funds, your goal with respect to the Barnes is not “all about giving the public access to truly spectacular art,” as you have stated, but about receiving adequate funding from disparate sources to qualify or remain qualified as a “public charity.” Pursuant to the Internal Revenue Code, your organization must be publicly supported, receiving from the government or from the general public at least one-third of your total support. Any public money, as well as money received by your acting as a conduit for private funds and funds of other foundations, would help you toward this goal.

While a “public charity” does not have the lobbying restrictions to which “private foundations” are subject, the fact is that the strict proscription on lobbying was applicable to the Pew Charitable Trusts prior to January 1, 2004. Moreover, in its Form 990's as filed, your organization specifically asserted that it did nothing in the way of legislative activity or lobbying, checking off the applicable box.

It has come to our attention that the Commonwealth of Pennsylvania's capital budget for 2001-02 came to contain \$7 million for restoration, stabilization and site enhancement for the Barnes Foundation and another \$100 million for design and construction of a museum facility in Philadelphia. A review of the legislative history indicates that this was not contained in the original bill. Rather, the \$7 million was inserted on or about June 26, 2002 and the \$100 million was inserted on or about October 8, 2002. One of the sponsors seems to have been Senator Vincent Fumo, who after his indictment, recently resigned from his position with a law firm that has been prominent with respect to representation of, and membership on the Barnes Foundation board. With subsequent votes by the full Senate and the House, the Governor signed the bill on October 30, 2002. It is inconceivable to us that this idea to originate these appropriations rested solely with members of the General Assembly without discussion with others.

We would appreciate your providing us with a statement as to whether you or any other board members, employees, or agents of The Pew Charitable Trusts had any discussions with any public officials on the local and state level, specifically with respect to these budget items or other monetary support with respect to the Barnes Foundation prior to your organization having become a "public charity." This would include any discussions with public officials, including the Attorney General of Pennsylvania on the subject of greater state funding for Lincoln University. If this is the case, then in each instance please provide the name of the person or persons representing your foundation, as well as the public official, the date, and a summary of the discussion that took place. In the event that there are any writings memorializing these contacts, we would appreciate your supplying them. Further, if you are aware of any similar activity that took place with respect to your joint venture partners, the Annenberg Foundation and the Lenfest Foundation, or other parties for that matter, please so advise us of the particulars.

The favor or your reply is requested within two weeks of the date of this letter.

Very truly yours,

Walter Herman M.D.
for the Friends of the Barnes Foundation