

Competitive Enterprise Institute

The Competitive Enterprise Institute (CEI) is an advocacy group based in Washington DC. It calls itself "a non-profit, non-partisan research and advocacy institute dedicated to the principles of free enterprise and limited government." More often than not, that research and advocacy supports the lobbying positions held by its corporate and philanthropic funders.

Scaife Funding

In CEI's fiscal year October 2007 through September 2008 annual filing to the IRS, it reported raising \$5.2 million in individual grants and contributions, without specifying the actual sources of revenue.

http://dynamodata.fdncenter.org/990_pdf_archive/521/521351785/521351785_200809_990.pdf

Of that amount, the Sarah Scaife Foundation reports it gave \$350,000 to CEI in calendar year 2008. From 2003-2008, CEI received \$1.625 million from Scaife. The Sarah Scaife Foundation, run by Richard Scaife, is financed by the Mellon industrial, oil, and banking fortune. **One of the Scaife family's prized possessions was Gulf Oil, which merged with Standard Oil of California in 1984.**

Exxon Funding

Exxon ended its funding of CEI in 2005 but from 2003 through 2005 it gave \$800,000 to CEI.

"...(CEI), which widely publicizes its belief that the Earth is not warming cataclysmically because of the burning of oil and coal, says Exxon Mobil is a 'major donor,' largely as a result of its effort to push that position. 'I think what attracted them to us was our position on global warming,' said Sam Kaman, CEI's general counsel. 'And we hope to get support from other industries that agree with us.'" (Washington Post, 2/10/07, "Exxon Mobil Warming up to Warming Issue.")

Fourteen Percent of Budget Just Two Sources

In some years, Sarah Safe Foundation and Exxon were two of CEI's largest contributors. In its 2004 fiscal year, for example, CEI reported receiving \$3.2 million in grants and individual support, with \$270,000 of that coming from Exxon and \$150,000 from Safe – in other words, 14% of its budget came from just Safe and Exxon.

Exxon was not the only oil company funder of CEI. In past years it took money from Amoco, Texaco and three foundations linked to David and Charles Koch, co-owners of independent oil company, Koch Industries. <http://legacy.library.ucsf.edu/cgi/getdoc?tid=jot72e00&fmt=pdf&ref=results>

Denying Climate Science

In 2006, CEI aired two TV ads on what it called “global warming alarmism and the call by some environmental groups and politicians to reduce fossil fuel and carbon dioxide emissions.” The ad was released to coincide with Al Gore’s movie on global warming, “An Inconvenient Truth.” The CEI news release regarding the ad concludes: “The campaign to limit carbon dioxide emissions ... is nothing short of an attempt to suppress energy use, which in turn would be economically devastating—all to avert an alleged catastrophe whose scientific basis is dubious.” http://www.treehugger.com/files/2006/05/battle_of_the_c.php

Front for Big Pharma

Climate science is not the only issue where corporate funding seems to help determine CEI’s policy position. In 2008 CEI received a \$30,000 grant from the Eli Lilly and Company Foundation whose purpose was “Re-Legitimizing the Pharmaceutical Industry.” (2008 IRS 990, Eli Lilly Foundation)

In 2009 CEI took a strong stance against an FDA and Justice Department crackdown on drug company promotion of off-label uses of their products. (CEI News Release, 9/4/2009) Earlier that year, CEI’s benefactor, Eli Lilly, had to pay \$1.4 billion to settle civil and criminal charges relating to the practice with regard to its anti-psychotic drug Zyprexa. And after the FDA warned Lilly and other drugmakers about their use of internet advertising via sponsored links that lacked full information about risks, CEI came out with a report defending the practice and accusing the FDA of being wedded to a “1960s approach” to the issue. <http://cei.org/news-release/2009/08/20/institute-urges-fda-get-real-internet-drug-advertising>

Front for Big Auto

CEI has been an aggressive lobbyist against fuel efficiency standards. It has also taken large sums from the auto industry. From 2004-2006 it received \$135,000 from Chrysler’s Foundation for its campaign, “Death by Regulation.” Between 2003 and 2008 it received \$245,000 in general support from General Motors.

Tobacco connections

The Competitive Enterprise Institute has a long track record of taking tobacco money and working against tobacco regulation. It fought the landmark federal lawsuit against tobacco companies, joined the battle against second hand smoke regulation and opposed the regulation of tobacco by the FDA. CEI President Fred Smith has long-time connections to tobacco issues and funding over the years, as this [2000 letter](#) from Smith to RJ Reynolds shows. Another high profile individual in the fight against tobacco regulation is CEI adjunct scholar and “junk science” critic [Steve Milloy](#). Although the money trail to tobacco has dried up in recent years, CEI continues to fight for tobacco causes and still is in a [legal battle](#) against the government over its landmark tobacco industry settlement in 1998.

CEI: Less Government Except When...

“The Competitive Enterprise Institute is a public interest group dedicated to free enterprise and limited government.” (cei.org) But when doing the bidding for corporate interests, CEI sometimes finds the need to support government regulation, even if it can’t bring itself to use the words. In the wake of the BP oil explosion, “Myron Ebell of the conservative Competitive Enterprise Institute, which usually rails against too much government intervention into business, spoke last week of the need for "more scrutiny of the industry" and regulations. That way drilling can continue.” (Memphis Commercial Appeal, May 9, 2010, “Game Changer...”)

Similarly, because CEI raises money from drug companies, it has consistently fought against importation of less expensive prescription medicine from Canada and elsewhere, even though it is adamantly opposed to high tariffs or import restrictions on other goods. (Maine Sunday Telegram, January 9, 2005, “New Salvo in Fight over Drug Imports”)