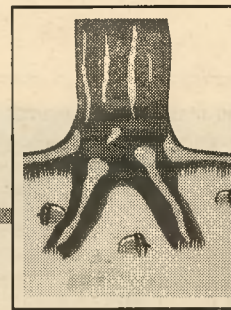


The average salary for U.S. foundation chief executives is \$97,400, according to a survey by The Council on Foundations.



Scrutinizing sources

## ACLU flap raises issue of tobacco taint

The American Civil Liberties Union's acceptance of \$500,000 in donations from Philip Morris USA has revived questions on whether tobacco industry contributions influence the agenda of nonprofits. Heads of North Carolina foundations created by tobacco fortunes say the issue has seldom been raised by their grantees, but many foundation heads are sensitive to public perceptions about tobacco money.

BY BARBARA SOLOW

The American Civil Liberties Union is fending off criticism that more than \$500,000 in gifts from Philip Morris USA has influenced its nonprofit lobbying agenda.

A report published in July by the Advocacy Institute in Washington claims that the cigarette company's donations to the ACLU led to the organization's lobbying in favor of tobacco advertising and smokers' rights.

The claim has resurrected questions about whether there is a taint to tobacco money.

In North Carolina - the center of the tobacco industry and of foundations built on tobacco fortunes - the answer is mixed.

### ETHICS

While leaders of Tar Heel foundations with historic ties to tobacco say they have experienced few if any questions about the source of their grants, some tobacco company donations have caused controversy.

Morton Mintz, author of the report on the ACLU for the nonprofit Advocacy Institute, says that in taking tobacco money, "the ACLU is not motivated by financial impropriety, of which there is no trace, but by absolutism" about defending corporate speech.

Local and national ACLU leaders say that tobacco industry donations have not affected the organization's lobbying activities.

"Our position on tobacco advertising long preceded any contribu-

Look for **TOBACCO**, page 23

"Heavenly design"

## Giving away millions for anonymous donors

After more than two decades at Duke University, the last 10 heading its huge capital campaign, Joel Fleishman has a new job. As president of Atlantic Philanthropic Service Co. in New York, he'll be advising a group of anonymous donors who together give away an estimated \$50 million a year. The new job marks the culmination of a career that has included university teaching, fund-raising and administration, as well as foundation and for-profit board work.

BY TODD COHEN

Maimonides, the 10th century Jewish philosopher, believed anonymous giving to be one of the highest forms of charity.

Ten centuries later, Joel Fleishman is getting a chance to put Maimonides' philosophy into practice.

Fleishman, who for 22 years at Duke University has taught, been an administrator and raised hundreds of millions of dollars for endowments, last month embarked on a new job that is a culmination of his career in philanthropy.

Fleishman is the new president of Atlantic Philanthropic Service Co. in New York. The for-profit consulting firm advises anonymous clients on

how to give away their money. Fleishman will have a big say in how an estimated \$50 million or so is given away each year - the equivalent of what some of the biggest foundations give away - but without the institutional duties that a foundation president has.

"It is a heavenly design," he says. It was the anonymity of APS that helped Fleishman decide to take his new job.

Fleishman, a Fayetteville native, has worn many hats in his career - including writing a wine column for Vanity Fair magazine - and has been described as Duke's "franchise" player.

He has been considered in the past for the top job at numerous universities. He twice declined the presidency of Brandeis University, for example, and was a finalist for the job of chancellor at the University of North Carolina at Chapel Hill.

And he recently was considered for the presidency of two universities at the same time he was talking with APS.

The APS job, he says, was attractive for a variety of reasons. First, he will spend his time scouting for the best targets for his clients' dollars without being burdened with the significant duties that go with running a large institution.

Second, he will be able to continue teaching at Duke. He'll teach one course once a week each spring. Next spring, he'll teach a course in philanthropy and voluntarism.

Third, he'll be free from having to raise money for the first time in a decade.

"I was getting into a fund-raising rut," he says. "It was really getting to the point where friends of mine were sort of nervous every time I called them up. I was sort of tired of that. I want to have some friends left."

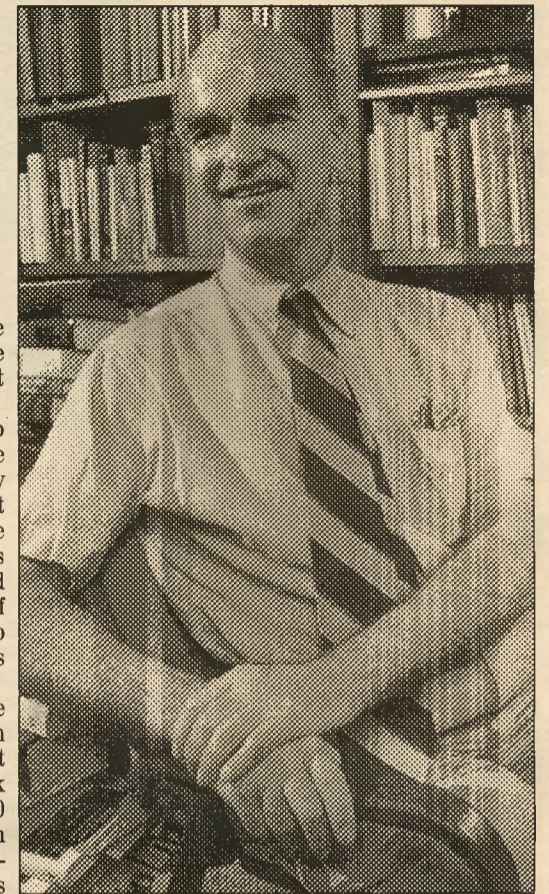
Fourth, he'll have time to write again. In fact, he spent the past year finishing a book he actually began 10 years ago. His work on the book came to a virtual halt when he was named to head Duke's capital campaign. Two publishers have expressed interest in publishing the book, which examines ethics in politics, both for officeholders and for citizens.

Finally, he'll be able to practice philanthropy anonymously, and enjoy charity for its own sake.

"It's pure, 100 percent unadulterated fun."

Fleishman will be missed at Duke, where he's worn several big hats.

After earning a bachelor's degree in history, a master's degree in



Citing Maimonides, Joel Fleishman says anonymous giving is one of the highest forms of charity.

Photo by Rob Cross

drama and a law degree at UNC-Chapel Hill, Fleishman earned a master's of law at Yale Law School and worked there briefly before becoming legal assistant to then-Gov. Terry Sanford.

After Sanford left office in 1965, Fleishman returned to Yale, where he taught and worked as an administrator, including a job as assistant to then-President Kingman Brewster.

Look for **FLEISHMAN**, page 7

Advising deep pockets

## New York consulting firm operates anonymously

American Philanthropic Service Co. advises 11 clients on how to give away their money. While annual giving by those clients is believed to be in the range of \$50 million, their identities are not known, and very little is known about APS.

BY TODD COHEN

The biggest U.S. foundations dispense the fruits of the titans of American industry, sowing dollars earned by the likes of Ford, Kellogg, Lilly, Rockefeller, Mellon and Duke.

And their largesse is huge. Grants made by the Ford Founda-

tion, which is the biggest foundation, totalled \$240.9 million in 1991. The W.K. Kellogg Foundation, the second-largest, gave away \$153.9 million. And the \$1.2 billion-asset Duke Endowment in Charlotte, the 13th-largest foundation, gave away \$48.3 million, according to Foundation Giving, the annual yearbook of The Foundation Center in New York.

Not mentioned in the yearbook is an organization that's believed to give away in the range of \$50 million a year. It's not an oversight: The source of that charity simply is not known. The benefactors prefer it that way. They want to be anonymous.

The anonymous donors are clients of American Philanthropic Service Co. in New York. The 11-

year-old, for-profit fundraising consulting company, which is known as APS, advises 11 clients on giving away their money. The gifts are made anonymously, through checks drawn on the clients' banks.

And the gifts are huge, although APS and Joel Fleishman, the consulting company's new

We pride ourselves on being energetic, listening, going around... and really casting a very broad net.

JOEL FLEISHMAN  
APS President

president, won't disclose details. "We don't consider unsolicited proposals and we really don't want people out of the blue to come in with proposals" Fleishman says. "We pride ourselves on being energetic, listening, going around...and really casting a very broad net. What we don't want to do is to violate the confidentiality of our relationship with our donors. It makes it extremely difficult for us to operate in an anonymous fashion if there's a figure floating around."

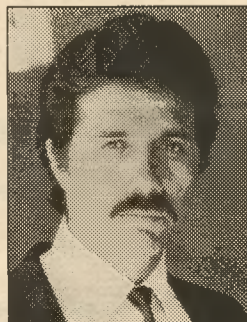
Beyond the lack of public information about the magnitude of giving by APS, precious little else is known about the company. Virtually nothing

Look for **FOUNDATION**, page 7

### BRIEFLY

#### Degree program in philanthropy

The Indiana University Center on Philanthropy is launching the nation's first master's degree program devoted to the study of philanthropy. The new graduate program will be offered at Indiana University-Purdue University Indianapolis beginning this fall.



Edward James Olmos

#### Conference focuses on LA riots

Riot-related problems in Los Angeles will be the focus of a conference this month for U.S. community foundations. More than 500 are expected to attend The Fall Conference for Community Foundations Oct. 6-8 in Los Angeles, including actor Edward James Olmos.

#### Player family gives to college

The Richard L. Player family of Fayetteville pledged \$100,000 to Methodist College for construction of a golf and tennis learning center. The new building will honor Richard S. Player, Sr., a real estate developer and golf enthusiast.

#### Reynolds Trust awards grant

Life Plan Trust in Raleigh received a \$100,000 three-year grant from the Kate B. Reynolds Charitable Trust for programs to help families caring for members with mental illnesses and disabilities. The grant will support staff and free seminars for Winston-Salem residents.

#### Gala honors foundation leader

Cynthia Dole, founder of the Foundation of Greater Greensboro, was honored last month by the Greater Greensboro Builders Association at a gala evening on the shore of Lake Jeanette. Proceeds from the event will go to the foundation's Housing Fund.