



A leading think tank brokered access to ministers for US donors looking to influence Brexit

The Institute of Economic Affairs arranged meetings with ministers for US donors

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Britain's most prominent free-market think tank is offering to broker access to senior politicians for foreign donors seeking to influence the course of Brexit, an undercover *Unearthed* investigation has found.

The head of the Institute of Economic Affairs (IEA) boasted about setting up meetings with Brexiteer MPs, a government minister and senior trade officials for US visitors who had agreed to raise money for the IEA's work pushing for a US-UK free trade deal.

The visitors, who met politicians including the then Brexit minister Steve Baker in May, came from an Oklahoma think tank which has promised to raise donations for the IEA, including from American farming interests who are keen to ensure the UK drops EU-level regulations after Brexit.

US officials have said they will insist that any US-UK free trade deal allows controversial US agricultural products such as chlorine-washed chicken and hormone-injected beef to be sold in UK supermarkets.

IEA director general Mark Littlewood also told an undercover reporter, posing as a representative of a US agribusiness investor, that becoming a donor would allow his client to attend "intimate" private dinners and lunches, at which attendees "get to know cabinet ministers on first name terms".

Shadow Cabinet minister Jon Trickett said: "When big money uses

underhand ways to influence political decisions, it's difficult to avoid the conclusion that democracy is being severely undermined."

Trickett has now written to the Charity Commission claiming the IEA may have breached charity law by acting politically and calling for an inquiry.

The investigation also revealed:

- An undercover reporter was offered the possibility of attending a private dinner with environment secretary Michael Gove, if they funded a £42,500 IEA report on innovation in agriculture after Brexit.
- The IEA has set up a secretive funding channel for money from Oklahoma to fund its controversial trade team, including from agribusiness interests.
- The IEA is quietly soliciting funding for its reports from donors who also have vested commercial interests in the subject matter, and confirmed it would approach alcohol companies to fund work on drink pricing.
- A former Charity Commission board member says the investigation suggests the IEA is "masquerading as an educational venture" and potentially breaking charity rules.

The IEA has been criticised for refusing to disclose its donors. Monitoring organisation [Transparify](#) describes its funding as "highly opaque". However, it is a high-profile voice in the UK media: Littlewood told Unearthed's undercover reporter that while the IEA's turnover is £2.5m, it punches above its weight in terms of prominence through "a pretty substantial media effort".

Littlewood said: "Our advertising value equivalent on the media last calendar year was £66m."

Although it took [no official position](#) on the EU referendum, the IEA has moved to the forefront of the push for a hard Brexit, hiring controversial trade adviser Shanker Singham in March.

This month, supporters of a deregulatory Brexit had a setback when the prime minister unveiled proposals at Chequers that ruled out any reduction in agricultural standards after Brexit. But the Chequers deal has met furious resistance and resignations, including the departure of three Brexiteer ministers – Boris Johnson, David Davis and his deputy Steve Baker.

It also prompted a parliamentary backlash from the European Research Group (ERG), the powerful hard-Brexit faction led by Jacob Rees-Mogg. Singham, who is in close contact with the ERG, [praised Davis' resignation](#) in an article in the Telegraph.

Political access

Littlewood told an undercover reporter that Singham was "unbelievably well connected" to Brexiteer cabinet ministers including trade secretary Liam Fox, Michael Gove and former foreign secretary Boris Johnson and would be able to introduce the ministers to the prospective US agribusiness donor.

? What is the IEA?

The Institute of Economic Affairs is one of the UK's oldest and most high-profile free market think tanks. Established in 1955 by Antony Fisher, who made his fortune importing battery farming to the UK, it champions shrinking the state and reducing regulations, arguing against regulation of **tax havens** and **fast food**, and for **privatisation of childcare** and **the NHS**, as well as becoming key proponents of a hard Brexit in which the UK **drops EU-style regulations**. Its director-general, Mark Littlewood, is ranked as **one of the UK's most influential conservative figures**, and the IEA estimates its spokespeople appear in the UK media five times a day on average.



Singham was “writing Gove and Johnson’s script” on leaving the customs union, Littlewood claimed. He also confirmed a **Mail on Sunday report** from last November that Singham drafted a letter from the pair to the prime minister insisting she stick to a hard-Brexit course. At the time, Gove claimed not to remember whether Singham had written the letter.

Littlewood said Singham and his team speak with Gove “every three or four days, along with David Davis, Boris Johnson, Liam Fox”.

Labour’s Jon Trickett said: “It is deeply worrying that senior Conservative politicians appear willing to engage in unaccountable back room discussions on issues that are critical to the British people.”

Singham’s contact with Steve Baker, the former DExEU minister, has come under particular scrutiny after **BuzzFeed reported** Baker had failed to declare frequent meetings with the adviser. Baker told BuzzFeed they had not discussed government business so there was no requirement to register the meetings.

Littlewood told the undercover *Unearthed* reporter he had been used as a “slight shill” to hide some of Singham’s meetings with Baker, attending meetings alongside Singham so the minister could officially record visits as “Mark Littlewood and staff”.

A spokeswoman for the IEA said of Littlewood’s comments on hiding meetings with Baker: “We do not recognise this version of events”, adding that ministers should register meetings they attend transparently.

The IEA’s spokeswoman said the charity takes “no corporate view” on Brexit.

She said: “[W]e would point out that Shanker Singham is clearly not ‘writing Gove’s script’ given the significant divergence in their opinions. At the time of writing it looks as if the UK is headed towards a customs union on goods – this is quite clearly different from the unilateral free trade policy which we believe to be optimal.”

A spokesman for Gove told *Unearthed*: “Food safety and animal welfare standards will not be weakened after Brexit.

“We will never be swayed on this. There will be no chlorinated chicken entering the UK and we will retain the precautionary principle. That position won’t change whatever any think tank recommends.”

‘Speculate to accumulate’

Earlier this year, Littlewood set off on what he described as a “lucrative” tour of the US, aiming to raise funds for Singham’s trade team.

At a February meeting in Florida, Littlewood made a “plea” for donations to the IEA’s new trade unit, explaining it would “have as its top priority pushing for US-UK free trade.” The following month, Singham moved with three of his staff from the Legatum Institute, another think tank, to the IEA.

The IEA’s spokeswoman said it was “categorically untrue” that Littlewood had fundraised from US donors for Singham’s team, explaining: “The IEA’s trade team did not start working at the IEA until late March.”

Separately she said that Littlewood had solicited donations to support the US-UK trade deal but added these came from individuals rather than businesses.

On the trip, Littlewood also formed a partnership with an Oklahoma-based think tank, the E Foundation, which includes a plan to channel cash from US farming donors to support Singham’s work.

The CEO of the E Foundation, Michael Carnuccio, told an undercover reporter that funding Singham’s work offered foreign donors a way to influence Brexit. Singham’s access and influence was part of his appeal to potential US donors to the IEA, he added.

In May, Singham arranged for Carnuccio and an Oklahoma beef and petrochemicals tycoon named Tucker Link to meet then Brexit minister Steve Baker at the IEA’s offices. The visitors also met Jacob Rees-Mogg at a meeting in parliament of the ERG, and senior officials at the Foreign Office and the Department for International Trade.





Join the conversation



Discussing the trip with the undercover reporter, Littlewood confirmed Carnuccio was raising money for the IEA. “We haven’t seen a cent of it yet – we quite often... we speculate to accumulate,” he said. “So with Oklahoma and [Carnuccio] and Tucker coming over we wanted to show what we thought was possible.

“It was almost like a trial run: the fact that we were able to get them in to see four members of the House of Lords, five MPs for lunch, Jacob Rees-Mogg and the European Research Group.”

An aide to Baker said: “Any suggestion – or implication of the same – that Mr Baker would attend meetings because ‘access’ to him was being sold is entirely false.”

She added: “On the occasion you refer to, Mr Baker met US Republicans in his political capacity to discuss trade relations between the two countries.”

Singham told the undercover *Unearthed* reporter that if the supposed US agribusiness funded his work, he would also be happy to “show them round” in the UK.

“[I]f they think there is something worth doing, then we’d agree that we would do something and they would fund and support our trade work in some way, and if it’s a donation of X to our trade team so that they, so we can do more work on the US-UK [free trade agreement] then absolutely, when they came over we’d show them round and, you know, decide on a body of work going forward.”

The IEA’s spokeswoman said: “[W]e have received no money to support our trade or Brexit work from any foreign business to date. Given our strict protocols we see no reason however why we should not.”

She described *Unearthed*’s evidence that the IEA is fundraising from agribusiness donors who stand to benefit from deregulation as “tendentious and unfair”. She added: “The prospective donors are businesses who stand to benefit from free and open trade in accordance with UK regulations which should be in line with sound science and democratic accountability. UK businesses and consumers will also benefit from this.”

The E Foundation issued a statement: “The conversations supported the E Foundation’s purpose to explore global business and research opportunities. The informal conversation enlightened us on possible mutually beneficial endeavours in the future between [the] United Kingdom and Oklahoma. Any suggestions the conversations were about something other than constructive business and research pursuits would be completely misguided.”

Intimate dinners

Littlewood also revealed the IEA hosts intimate dinners at its London headquarters at which leading politicians are matched with “five or six donors who have an interest in the area” and “two or three journalists”, although the meals are off the record. Donors can “get to know cabinet ministers on first name terms”, Littlewood said.

At the dinners, he said, “Everybody gets to know each other... it’s an opportunity for you to say, ‘Minister, I’m really keen to bend your ear about beef from the west coast of the USA... Can I send you a note about it? Can I speak to one of your policy advisors about it?’ All of these conversations are happening because we facilitate them.”

Littlewood said the IEA is not a lobbying organisation, describing the charity as a “great facilitator” for business to connect with senior politicians.

An IEA spokeswoman said there is “nothing untoward” about the IEA’s contact with senior politicians, adding: “We do not act in donors’ interests, except to the extent that they have an interest in pursuing free trade and free markets. We put people in touch where we feel there is a genuine interest on both sides.”

But Sir Alistair Graham, the former head of the committee on standards in public life, told *Unearthed*: “It is disturbing to see that such a respected think tank as the IEA are seeking donations for access to lobby ministers at private lunches or dinners.”

Charity rules

Fundraising from donors who stand to profit from the IEA’s policy recommendations may contradict assurances it gave to the Charity Commission. In 2016, after a complaint by former Charity Commission board member Andrew Purkis about its lack of transparency, the trustees told the regulator the “only sponsored research IEA accepts is from individuals or trusts who do not have a vested commercial interest in the topic under discussion.”

The IEA also assured the commission that “companies donate money to the IEA for their own reasons and the IEA’s role is to ensure that it is ‘blind’ to these reasons... and no company is able to guide IEA’s research conclusions.”

But Littlewood told *Unearthed*’s undercover reporter that the IEA is happy to solicit research funding from companies with commercial interests in the research subject they are planning to cover. “To give you an example,” he said, “we would take money from alcohol companies – we would go to alcohol companies and say we want to write about the cost of living being too high and actually alcohol consumption is not costing the National Health Service as much money as they often complain”.

There are also concerns that the IEA’s push for a Brexit that allows the UK to reduce regulations and sign a sweeping US-UK trade deal amounts to a political campaign.

As an educational charity, the IEA is able to accept tax-free donations but must abide by Charity Commission requirements to be politically impartial, balanced and neutral in how it presents information and stick to its charitable object of education.

In written guidance the charity commission notes that “Raising people’s awareness of an issue to build support for a campaign is not educating them about this issue as the aim is to gain their support.”



Yet Littlewood told an undercover *Unearthed* reporter: “Our principal campaign is on trade arrangements and free trade.”

“We’ll either win or lose in 12 months,” he added.

In a later meeting, Littlewood revealed the think tank’s work on post-Brexit agriculture is pursuing a specific policy goal: “The key point underlying all of this is that we’ve got to get away from the precautionary principle”, he said, referring to the cautious approach to risk that underpins European environmental regulation.

Labour’s Jon Trickett said: “The system is clearly not working if a registered charity, supposedly prohibited in law from having a political purpose, uses foreign money to lobby politicians to support its extreme political agenda.”

Purkis, the former Charity Commission board member, told *Unearthed* he had raised concerns with the regulator three times about whether the IEA is breaching charity rules. He said: “Running a campaign for a particular kind of trade deal in a controversial political context... is contrary to all Charity Commission guidance on what an educational charity may or may not do.

“Accepting that the purpose of the IEA is educational, the harm is that a campaign which is not designed to improve public levels of information, not balanced and neutrally presented, and which actually has a specific policy goal which is motivating it... something is masquerading as an educational venture is actually a political venture.”

The IEA maintains it “has no corporate view” and “does not undertake campaigns”. A spokeswoman said: “A free trade agreement between the UK and US is not in itself a controversial proposition and is in fact government policy.” She added “The stakes of the Brexit process are high, in our opinion, and our work focuses around a Brexit that delivers free trade and open markets, in line with the IEA’s principles and charitable objectives.”

The IEA were approached for comment on this story, however following publication they released a further statement. [Click here to read in full.](#)

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