

## Written Testimony

### To the House Ways and Means Committee

Rep. Jason Smith, chairman

House Committee on Ways and Means — Hearing on Foreign Influence in American Nonprofits

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### I. Opening Statement: The Public Trust and the Charitable Bargain

Chairman, Ranking Member, and Members of the Committee:

Thank you for the opportunity to submit written testimony.

America’s nonprofit system rests on a public bargain: tax exemption in exchange for service to the common good. From the creation of the charitable deduction in 1917 through the codification of Section 501(c)(3) in 1954, Congress never intended tax-exempt entities to function as political machines, foreign proxies, or infrastructure for domestic destabilization. That activity was understood as political, regulatory, or criminal—not charitable.

What NCRI will show in this testimony is that this bargain has broken down in a systematic way. Rather than isolated misconduct, it is a structural failure in how tax-exempt status, donor-advised funds, public grants, and disclosure regimes interact—creating pathways for foreign-aligned influence to disrupt American society under the protections of the tax code.

### II. The Structural Failure: How the System Is Exploited

Across multiple investigations, NCRI has identified three recurring mechanisms that enable foreign influence within U.S. nonprofit infrastructure:

1. **Funding opacity:** donor-advised funds, fiscal sponsorships, and public grants can obscure origin, destination, and use of funds.
2. **Organizational porosity:** the functional separation between 501(c)(3) charities and 501(c)(4) political organizations is often nominal rather than operational.
3. **Outcome substitution:** influence migrates into litigation, protest mobilization, ballot campaigns, media ecosystems, and education—domains with weaker disclosure and enforcement.

The following case studies illustrate this failure at different stages of maturity.

### III. Case Study One: CAIR and CAIR Action — From Foreign Funding to Public Capture and Unlicensed National Political Activity

The Council on American-Islamic Relations (CAIR) presents itself as an American civil-rights organization founded to combat discrimination and promote civic engagement. Public reporting, court records, and government filings, however, show that for years CAIR and its affiliated entities relied

heavily on funding from foreign governments and foreign-linked donors, including Saudi Arabia, Qatar, and the United Arab Emirates—states with direct strategic interests in U.S. foreign and domestic policy.<sup>1,2,3</sup> As scrutiny of these relationships increased, CAIR’s funding profile shifted.

Since approximately 2022, American taxpayers have become the primary source of financial support for significant portions of the CAIR ecosystem through state and federal grant programs.<sup>4</sup> This transition did not resolve oversight risks; instead, it introduced a second vulnerability: the substitution of foreign funding with public funds, often accompanied by weak transparency and limited downstream accountability.

NCRI’s investigation into CAIR-California (CAIR-CA) together with the Intelligent Advocacy Network (IAN), identified substantial discrepancies in the administration of public grant programs, most notably the Afghan Legal Services Project.<sup>5</sup> These included major shortfalls between promised and delivered services, internal recycling of funds back to CAIR-controlled entities, and failures to clearly account for millions of dollars in remaining grant funds. These issues are now the subject of active federal and state oversight and investigative activity.

CAIR Action, CAIR’s affiliated 501(c)(4) political organization, illustrates how these risks extend beyond charitable activity into electoral and legislative influence. NCRI and IAN found that CAIR Action operates as a national political-solicitation and voter-mobilization enterprise while lacking required registrations, solicitation licenses, and basic business authorization in jurisdictions where it publicly claims activity.<sup>6</sup>

The practical consequence is that CAIR Action has been able to raise money, support candidates, issue endorsements, and mobilize voters across multiple states while operating largely outside standard state-level regulatory and disclosure frameworks. This absence of registration and licensing does not merely represent technical noncompliance; it materially limits public visibility into the organization’s finances, donors, and expenditures, creating a national political operation with minimal effective oversight.

Critically, CAIR Action is not meaningfully separable from CAIR National. NCRI and IAN document extensive overlap in leadership, governance, communications infrastructure, and operational resources between the 501(c)(3) and the 501(c)(4). This organizational porosity raises questions about improper coordination, including whether charitable resources or public funds indirectly support political activity prohibited under the tax code.

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<sup>1</sup> *United States v. Holy Land Foundation*, 5th Cir. (2009).

<sup>2</sup> *Council On American-Islamic Relations Action Network, Inc., et al v. Gaubatz*. Case #: 1:09-cv-02030-CKK. U.S. District Court for the District of Columbia. U.S. CAIR Exhibit 10.

<sup>3</sup> P. David Gaubatz, Sperry, P., & Council On American-Islamic Relations. (2009). *Muslim Mafia: Inside the Secret Underworld that’s Conspiring to Islamize America*. WND Books.

<sup>4</sup> California State Controller’s Office, *OpenFi\$Cal*, grant disbursement records for Council on American-Islamic Relations—California (2022–2024), <https://fiscal.ca.gov>

<sup>5</sup> Network Contagion Research Institute & Intelligent Advocacy Network, *On Intifada and Tax Reform: The Radical Agenda of CAIR-California* at Findings 1–3 (Nov. 2025). <https://networkcontagion.us/reports/on-intifada-and-tax-reform-how-federal-funds-bankroll-cairs-radical-agenda-in-california/>

<sup>6</sup> Network Contagion Research Institute & Intelligent Advocacy Network, *Foreign Lines of Influence: CAIR Action’s Unlicensed National Political Operation and Indicators of Turkish State Alignment* (Dec. 2025). <https://networkcontagion.us/reports/foreign-lines-of-influencecair-actions-unlicensed-national-politicaloperation-and-indicators-of-turkishstate-alignment/>

Overlaying these domestic compliance failures is a pattern of foreign-state alignment indicators that heightens risk. NCRI documents repeated partnerships, sponsorships, and media engagements involving Turkish state-linked institutions, including appearances by senior CAIR figures on Turkey’s state-run international broadcaster and programming conducted at facilities operated by the Turkish government. Technical indicators also show CAIR Action’s official communications infrastructure routing through Turkey-linked systems. While these factors alone do not establish direction or control by a foreign government, they materially elevate foreign-influence concerns when combined with unlicensed national political activity.

Taken together, CAIR and CAIR Action illustrate a mature form of nonprofit capture: foreign funding builds the network; public funding sustains it; political activity migrates across tax classifications; and regulatory gaps leave both finances and influence operations opaque. This case demonstrates how the current 501(c)(3)/(c)(4) framework can be exploited to produce national-scale political influence without the transparency and oversight Congress intended.

#### **IV. Case Study Two: Neville Roy Singham — Donor-Advised Funds as a Foreign-Aligned Influence and Disruption Pipeline**

Neville Roy Singham is not merely a wealthy political donor; he represents a distinct and unusually consequential threat vector within the nonprofit system. As documented by the *New York Times*, Singham is a U.S.-born technology entrepreneur who relocated himself and his fortune to the People’s Republic of China, where he has operated in close proximity to Chinese Communist Party–aligned media and propaganda institutions.<sup>7</sup> Singham has participated in CCP propaganda trainings, shared office space with Chinese state media in Shanghai, and coordinated messaging with PRC-aligned outlets, while simultaneously financing U.S.-based nonprofit activity designed to shape domestic political discourse.

What makes the Singham case uniquely dangerous is the funding architecture. Singham exploited donor-advised funds—most prominently the Goldman Sachs Philanthropy Fund—to move extraordinarily large sums of money through U.S. tax-exempt infrastructure while severing traceability between donor intent, intermediary control, and downstream political activity. Public filings show that nearly \$100 million flowed from this single donor vehicle into a small number of interlinked nonprofit entities, creating an opaque but highly centralized influence pipeline.<sup>8</sup>

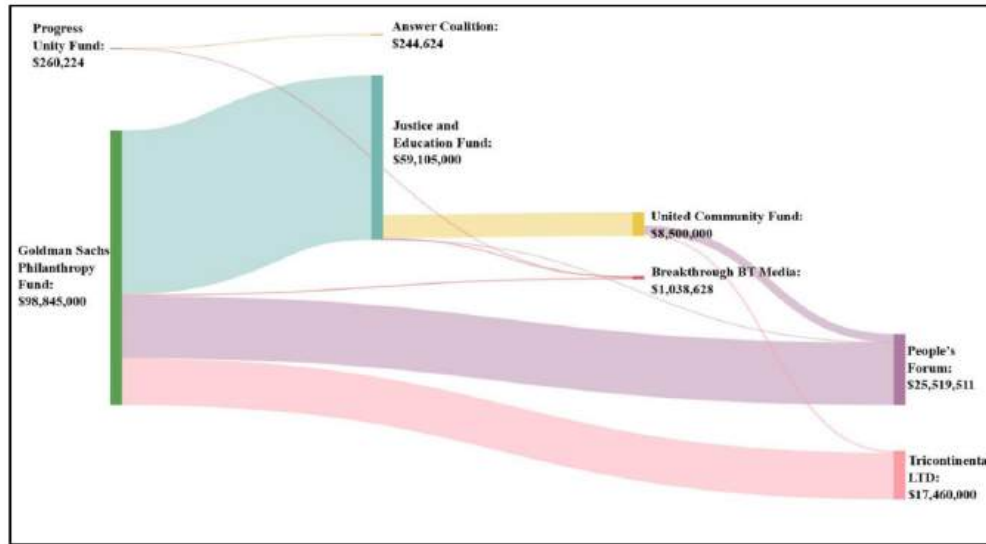
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<sup>7</sup> Hvistendahl, Fahrenthold, Chutel, & Jhaveri. (2023, August 5). A Global Web of Chinese Propaganda Leads to a U.S. Tech Mogul. *The New York Times*.

<https://www.nytimes.com/2023/08/05/world/europe/neville-roy-singham-china-propaganda.html>

<sup>8</sup> Network Contagion Research Institute, *Contagious Disruption: How CCP Influence and Radical Ideologies Threaten Critical Infrastructure and Campuses Across the United States* (May 2024)

<https://networkcontagion.us/reports/ccp-influence-and-radical-ideologies/>



**Figure 1. Donor-Advised Fund–Enabled Influence Flow in the Singham Network.** Funds originating in the Goldman Sachs Philanthropy Fund were routed through intermediary entities such as the Justice and Education Fund and the United Community Fund, before being disbursed to operational nodes including the People’s Forum, BreakThrough News, the ANSWER Coalition, and Tricontinental. The structure shows how donor-advised funds can serve as a political laundering mechanism to mask donor identity, obscure coordination, and enable large-scale political influence under tax-exempt protections.

The downstream effects of this architecture are concrete and severe. NCRI’s investigation finds that the Singham-financed network functions as an integrated system, with distinct organizations performing specialized roles:

- **Mobilization and direct action:** Groups such as the ANSWER Coalition and allied protest organizations coordinate mass demonstrations and infrastructure-disruptive activity, including road blockades, port shutdowns, and occupation of public facilities.
- **Training and coordination:** The People’s Forum in New York operates as a physical and ideological hub, providing space, instruction, and logistical coordination for activists, including those engaged in escalatory protest tactics.
- **Media and narrative amplification:** BreakThrough News functions as the network’s communications arm, producing professionalized content that amplifies regime-aligned narratives, legitimizes violent or disruptive activity, and hosts figures affiliated with U.S.-designated foreign terrorist organizations.
- **Financial and legal shielding:** Shell nonprofits, including the Justice and Education Fund, move money, absorb legal risk, and insulate operational entities from donor scrutiny and enforcement.

Rather than confine itself to expressive protest, there have been repeated episodes in which Singham-aligned organizations targeted critical American infrastructure and civic life. These include coordinated efforts to block access to major U.S. airports, shut down ports of entry, occupy bridges and transportation corridors, vandalize federal property, and disrupt national holiday commerce. These actions are not symbolic; they are operational and impose real costs on public safety, emergency access, and economic activity.

Equally concerning is the network’s documented engagement with extremist and terrorist-linked actors. BreakThrough News has hosted and fundraised with individuals affiliated with U.S.-designated terrorist

organizations, including the Popular Front for the Liberation of Palestine (PFLP) and Hezbollah-linked media figures. Such activity raises serious questions about material support, coordination, and adequacy of existing nonprofit oversight mechanisms.

Despite the scale, coordination, and foreign alignment of this activity, none of the core entities in the Singham network have registered under the Foreign Agents Registration Act. This absence of registration is not a technical oversight; it is a structural vulnerability. By exploiting donor-advised funds and tax-exempt intermediaries, Singham constructed a repeatable capacity to manufacture, amplify, and sustain domestic unrest—while remaining largely insulated from the disclosure regimes that govern conventional political actors.

In sum, the Singham case demonstrates how the nonprofit system can be weaponized at scale. A single foreign-aligned financier used U.S. tax law not to support charity, but to build a domestic influence and disruption infrastructure whose reach, durability, and opacity far exceed what Congress contemplated when it created the donor-advised fund system.

### **V. Case Study Three: MECA — Terror-Linked Fiscal Conduits and Ideological Laundering into U.S. Classrooms**

The Middle East Children’s Alliance (MECA) represents the end-stage risk created by nonprofit opacity: the laundering of foreign-aligned and extremist ideology into American civil society—specifically into publicly funded education—under the cover of humanitarian legitimacy and tax-exempt status.<sup>9</sup>

MECA is a California-based 501(c)(3) that presents itself as a humanitarian charity devoted to the welfare of children in Gaza and the West Bank. Publicly available IRS filings, open-source records, and investigative reporting, however, document that MECA has transferred substantial sums to entities identified by the U.S. Agency for International Development and European governments as fronts or affiliates of the Popular Front for the Liberation of Palestine (PFLP), a U.S.-designated Foreign Terrorist Organization.

NCRI’s investigation finds that MECA’s Gaza programming leadership maintains longstanding institutional and personal ties to PFLP-linked organizations, including the Union of Health Work Committees (UHC), which USAID identified as a PFLP front as early as 1993.<sup>10</sup> MECA’s financial support has not only flowed to multiple Gaza-based entities that operate as part of the PFLP’s social and political infrastructure, but has also sponsored camps in the West Bank and Gaza that regularly glorify intifada and indoctrinate children.

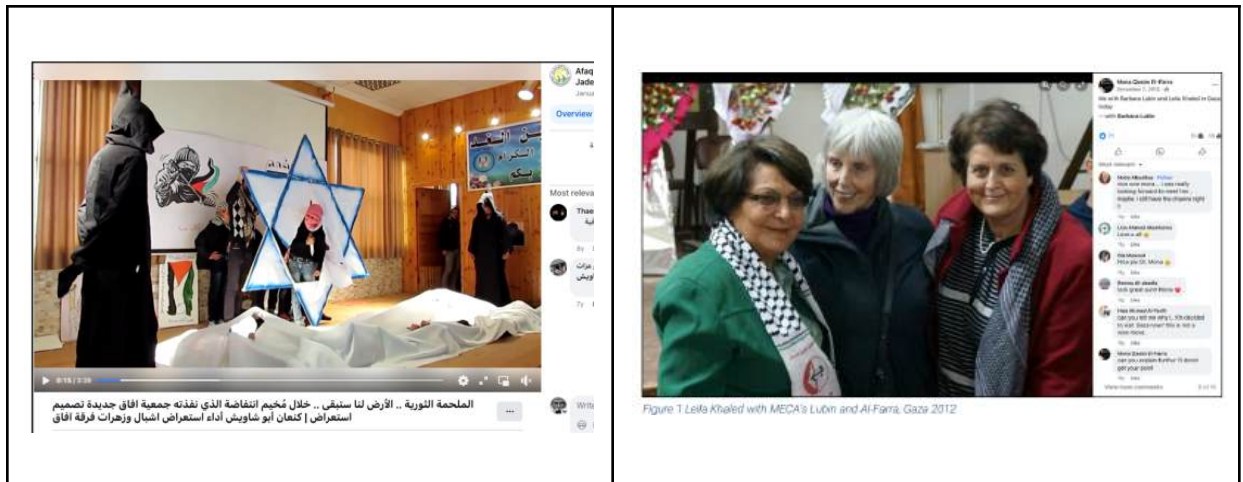
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<sup>9</sup> Network Contagion Research Institute, *Middle East Children’s Alliance (MECA) Counter-Terrorism Brief* (Apr. 2024)

<https://networkcontagion.us/reports/4-7-25-middle-east-childrens-alliance-meca-counter-terrorism-brief/>

<sup>10</sup> NGO Monitor; 1993 USAID-engaged audit identifying the Union of Health Work Committees (UHC) as a PFLP-affiliated organization.

<https://ngo-monitor.org/reports/union-of-health-work-committees-ties-to-the-pflp-terror-group/>



**Figure 2. MECA-Funded Extremist-Linked Programming and Leadership Ties.**

*Left: Children’s programming in Gaza funded by MECA-supported partner organizations depicting militant and antisemitic symbolism. Right: MECA Executive Director Barbara Lubin and Gaza programming director Dr. Mona El-Farra photographed with Leila Khaled, a senior PFLP operative, during a 2012 visit. These images illustrate how MECA’s tax-exempt funds support programming and networks linked to a U.S.-designated terrorist organization.*

The risk posed by MECA extends beyond foreign transfer activity: NCRI has documented MECA’s role in developing and disseminating the *Teach Palestine* curriculum, a suite of instructional materials distributed to U.S. K–12 educators through mainstream education platforms, including Rethinking Schools and the Zinn Education Project.<sup>11</sup> These platforms claim reach to more than 160,000 teachers nationwide.

The curriculum materials produced or promoted by MECA reframe mass-casualty violence as political resistance, describe the October 7 massacre of civilians as the actions of “fighters angry at Israel,” and systematically omit or sanitize the role of designated terrorist organizations.<sup>12</sup> In doing so, they transform geopolitical propaganda into pedagogical content delivered under the imprimatur of charitable legitimacy and social-justice education. When extremist-affiliated foreign actors cannot directly access U.S. classrooms, nonprofit intermediaries can provide a laundering mechanism that converts ideology into curriculum and advocacy into education.

MECA illustrates the terminal point of nonprofit capture. Foreign-aligned funds and personnel move through tax-exempt channels into extremist-linked entities abroad; ideological content is refined and legitimized through U.S. nonprofits; and that content is then delivered into American classrooms using the credibility conferred by charitable status. The threat is no longer abstract; It directly shapes the beliefs of American children using public trust and public resources.

<sup>11</sup> *Teachers smuggle in pro-Palestinian lessons despite official curriculum*, *Washington Examiner* (Sept. 28, 2025),

<https://www.washingtonexaminer.com/news/3826546/teachers-smuggle-pro-palestinian-lessons-despite-official-curriculum/>

<sup>12</sup> *Teach Palestine Curriculum* factsheet (StandWithUs, Feb. 2025), documenting that the materials rationalize the October 7 attack by describing participants as “fighters ... angry about how Israel has been treating people in Gaza.”

[https://standwithus.com/wp-content/uploads/2025/02/Factsheet\\_-\\_Teach-Palestine-Curriculum.pdf](https://standwithus.com/wp-content/uploads/2025/02/Factsheet_-_Teach-Palestine-Curriculum.pdf)

## VI. Case Study Four: DSA — Foreign-Facilitated Alignment and Domestic Operational Activation

This testimony does not allege that the Democratic Socialists of America (DSA) received direct foreign funding. It documents a distinct and increasingly consequential threat vector: the combination of foreign-facilitated access, in-kind benefits, narrative synchronization, and **domestic operational activation** directed at U.S. enforcement institutions.

As detailed in NCRI’s prior reporting, DSA has conducted repeated, organized delegations to Venezuela, Cuba, and the People’s Republic of China since 2021, often with facilitation or authorization by foreign governments.<sup>13</sup> These delegations involved credentialed election observation, high-level access to regime officials, and apparent in-kind benefits such as lodging, transportation, and logistical support—benefits that constitute things of value under federal disclosure law. Despite these activities and the subsequent political advocacy they produced, DSA has not registered under the Foreign Agents Registration Act.

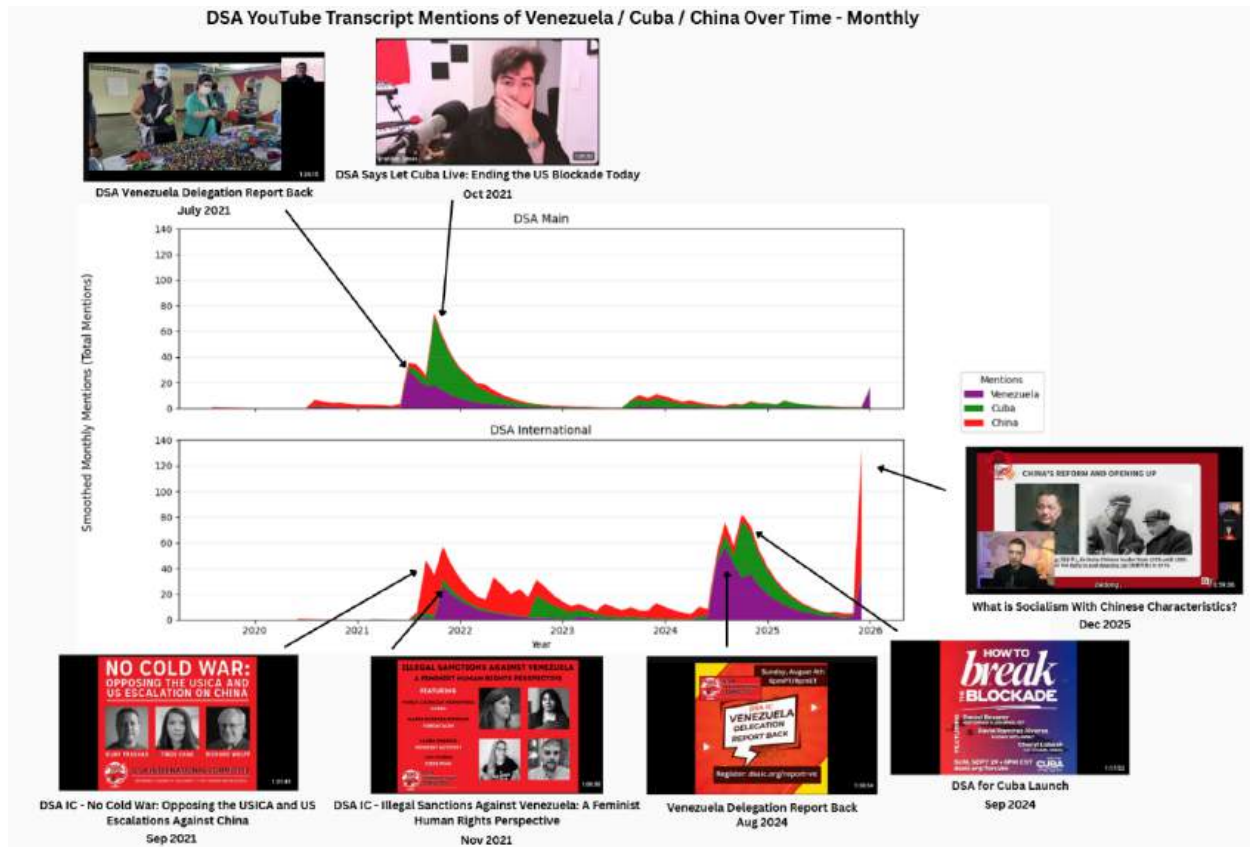
What distinguishes the current phase of DSA activity is the **clear operational translation** of this foreign-aligned narrative into coordinated domestic action. NCRI has documented DSA chapters play a central organizing role in nationwide anti-ICE protests following enforcement actions by the U.S. government.<sup>14</sup> These demonstrations—spanning major cities including San Francisco, Los Angeles, New York, and others—were not framed as isolated immigration protests. Instead, they explicitly linked domestic law-enforcement activity to U.S. foreign policy toward Venezuela, Cuba, and China, using shared slogans such as “No ICE, No War,” “Hands Off Venezuela,” and “ICE Out for Good.”

This pattern reflects a consistent **anti-legitimacy and moralized resistance framing** applied across both foreign and domestic contexts. NCRI’s analysis finds that the same narrative structures used by DSA to defend sanctioned authoritarian regimes abroad are redeployed to delegitimize U.S. enforcement institutions at home, particularly Immigration and Customs Enforcement and the Department of Homeland Security. Large-language-model-based classification of DSA-affiliated texts shows dominant blame attribution toward U.S. institutions across ICE-related activism and foreign-policy solidarity content, indicating convergence rather than issue-specific framing.

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<sup>13</sup> Network Contagion Research Institute, *Democratic Socialists Of America: Policy Advocacy And Narrative Convergence With Hostile Foreign States* (Jan. 2026)  
<https://networkcontagion.us/reports/democratic-socialists-of-america-policy-advocacy-and-narrative-convergence-with-hostile-foreign-states/>

<sup>14</sup> Network Contagion Research Institute, *Democratic Socialists of America: Policy, Advocacy, and Narrative Convergence with Hostile Foreign States* (Jan. 2026)  
[https://networkcontagion.us/wp-content/uploads/Democratic-Socialists-of-America\\_-\\_Policy-Advocacy-and-Narrative-Convergence-with-Hostile-Foreign-States.pdf](https://networkcontagion.us/wp-content/uploads/Democratic-Socialists-of-America_-_Policy-Advocacy-and-Narrative-Convergence-with-Hostile-Foreign-States.pdf)



**Figure 3. Event-driven amplification of authoritarian-aligned narratives in DSA media.** *Monthly smoothed mentions of Venezuela, Cuba, and China in DSA YouTube transcripts. DSA’s discourse concerning these regimes is not continuous or organically sustained, but instead exhibits sharp, time-bounded spikes—corresponding closely with foreign delegations, election observation missions, and sanctions-related campaigns—followed by rapid decay.*

DSA-affiliated mobilizations have produced mass demonstrations, infrastructure disruptions, and coordinated pressure campaigns aimed at constraining the ability of U.S. agencies to execute lawful enforcement. By framing domestic enforcement as an extension of foreign “imperialism,” these actions functionally undermine public legitimacy for core state functions while advancing policy objectives that align with the interests of hostile or authoritarian regimes.

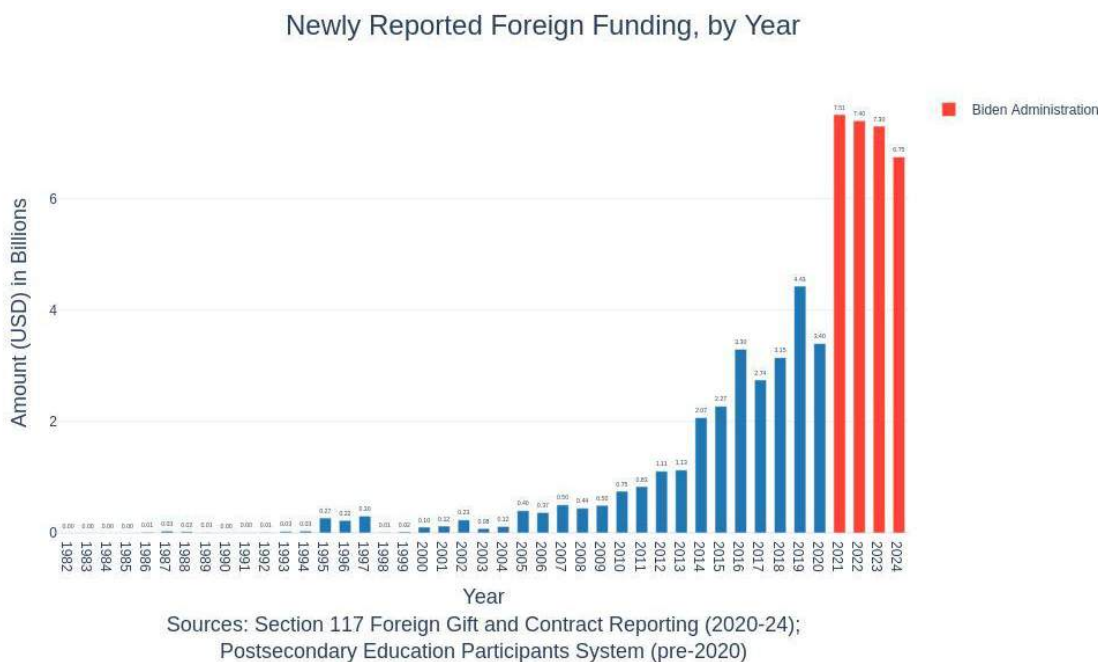
Through access, legitimacy, narrative synchronization, and disciplined domestic mobilization, the DSA translates and orgs like it place foreign-aligned narratives into **operational pressure against U.S. institutions**, while remaining largely outside existing disclosure and compliance frameworks.

### VIII. Universities — Foreign Funding Surge, Disclosure Gaps, and the Need for a Deterrent

Throughout the Biden Administration alone, reported foreign funding to U.S. colleges and universities approximately doubled, representing the single largest four-year surge in foreign capital ever recorded in

American higher education.<sup>15</sup> This increase is not incremental; it is structural. Newly reported Section 117 disclosures show that levels of foreign gifts and contracts that took decades to accumulate were matched—or exceeded—within a single presidential term.

American colleges and universities function as high-legitimacy amplification nodes: they combine public trust, federal funding eligibility, and global partnerships, while historically operating under weak disclosure and enforcement regimes for foreign gifts. This combination creates a persistent vulnerability to foreign influence.



**Figure 4. Newly reported foreign funding to U.S. colleges and universities by year.** *Reported foreign gifts and contracts nearly doubled during the Biden administration (2021–2024) compared to prior years, reflecting a sharp acceleration in disclosed foreign capital inflows to higher education.*

**Key empirical findings** drawn from government investigations and independent research include:

- **Scale and underreporting:** Billions of dollars in foreign gifts and contracts flowed to U.S. universities over the past decade without required disclosure under Section 117 of the Higher Education Act. Federal investigations uncovered more than \$6.5 billion in previously unreported foreign funding by 2020 alone.
- **Source concentration:** A disproportionate share of undisclosed or weakly disclosed funding originated from authoritarian regimes, including Qatar and China.
- **Downstream effects:** Peer-reviewed research finds strong associations between foreign funding from authoritarian or OIC-member states and erosion of campus free-speech norms, increased deplatforming, and elevated antisemitic incidents, with spillover effects into surrounding communities.<sup>16</sup>

<sup>15</sup> Network Contagion Research Institute, *The Corruption of the American Mind: How Foreign Funding in U.S. Higher Education by Authoritarian Regimes, Widely Undisclosed, Predicts Erosion of Democratic Norms and Antisemitic Incidents on Campus* (Nov. 2023)

<https://networkcontagion.us/reports/11-6-23-the-corruption-of-the-american-mind/>

<sup>16</sup> Bass et al. (2024), *Frontiers in Social Psychology*, <https://doi.org/10.3389/frsps.2024.1408913>

In response to congressional scrutiny, the Department of Education recently launched a **new, centralized foreign-gift disclosure portal**, intended to modernize reporting and improve transparency.<sup>17</sup> This is a necessary step, but a reporting portal cannot close the gap when penalties are still weak, compliance incentives are minimal, and enforcement is episodic.

The remaining vulnerability is structural: universities that fail to disclose foreign funding face limited consequences, while institutions that comply bear administrative costs without competitive protection. This imbalance undermines deterrence and encourages continued noncompliance.

For that reason, NCRI urges Congress to close the gap by advancing and to facilitate passing the **Deterrent Act through the Senate**, which would strengthen disclosure requirements, raise penalties for noncompliance, and align incentives so that transparency is no longer optional. Absent meaningful deterrence, foreign funding will continue to move through higher education with inadequate visibility, leaving universities—intentionally or not—as force multipliers for foreign influence campaigns.

### **VIII. Conclusion: A Single Structural Failure, Seen in Four Forms**

Taken together, these case studies describe a single structural failure in the nonprofit and disclosure regime—one that manifests differently as it matures and moves across institutional domains.

- **CAIR / CAIR Action** demonstrates how foreign-aligned networks can transition into publicly funded, unlicensed national political operations, operating across the 501(c)(3)/(c)(4) boundary with minimal transparency or oversight.
- **Neville Roy Singham** shows how donor-advised funds and tax-exempt intermediaries can be used to construct a durable, centrally financed influence and disruption infrastructure while obscuring donor control and downstream coordination.
- **MECA** illustrates the end-stage risk of nonprofit capture: the laundering of extremist-aligned ideology into American civil society and K–12 classrooms under the legitimacy of humanitarian charity and tax exemption.
- **The Democratic Socialists of America (DSA)** demonstrates that foreign influence does not require direct funding at all. Through foreign-facilitated access, in-kind benefits, and time-locked domestic advocacy, organizations can align with hostile or authoritarian regimes while evading existing disclosure frameworks.

This ecosystem functions as a closed-loop influence system: Singham-aligned organizations finance MECA; MECA radicalizes youth-facing educational content; DSA operationalizes these narratives through campus recruitment and protest infrastructure; CAIR provides legal services and public advocacy to campus disruptors; and universities confer legitimacy, scale, and institutional protection—creating a self-reinforcing threat surface that **outpaces existing oversight mechanisms**.

These cases are not ideological critiques; they are evidence of a systemic compliance failure driven by **slow detection and weak deterrence**. This Committee has jurisdiction over the tax and disclosure rules that make these pathways possible, and absent **\*\*faster detection and meaningful deterrence—including passage of the Deterrent Act—\*\***foreign-aligned funding and influence will continue to flow through tax-exempt institutions with inadequate visibility and accountability.

Thank you for the opportunity to submit this testimony. I look forward to your questions.

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<sup>17</sup> <https://www.foreignfundinghighered.gov/>