

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2001

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2001, or tax year beginning **APR 26, 2001**, and ending **DEC 31, 2001**

G Check all that apply: Initial return, Final return, Amended return, Address change, Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization FOUNDATION FOR THE DEFENSE OF DEMOCRACIES, INC	A Employer identification number 13-4174402
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 1020 19TH STREET, NW, SUITE 340	B Telephone number 215-542-1222
	City or town, state and ZIP code WASHINGTON, DC 20036	C if exemption application is pending check here <input type="checkbox"/> D 1 Foreign organizations check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A) check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 519,895. (Part I, column (d) must be on cash basis)		

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</i>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants etc received Check <input type="checkbox"/> if the foundation is not required to attach Sch B	1,122,523.			
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	7,216.	7,216.	7,216.	
4 Dividends and interest from securities				
5a Gross rents				
b (Net rental income or loss)				
6 Net gain or loss from sale of assets not on line 10				
7 Gross sales price for all assets on line 6a				
8 Capital gain net income (from Part IV line 2)		0.		
9 Net short-term capital gain			0.	
10a Income modifications				
b Less: Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total: Add lines 1 through 11	1,129,739.	7,216.	7,216.	
Operating and Administrative Expenses				
13 Compensation of officers directors trustees etc	57,692.	0.	0.	57,692.
14 Other employee salaries and wages	10,049.	0.	0.	10,049.
15 Pension plans, employee benefits	812.	0.	0.	812.
16a Legal fees				
b Accounting fees				
c Other professional fees				
17 Interest				
18 Taxes				
19 Depreciation and depletion	574.	0.	0.	
20 Occupancy				
21 Travel conferences, and meetings				
22 Printing and publications				
23 Other expenses STMT 1	543,709.	0.	0.	543,709.
24 Total operating and administrative expenses Add lines 13 through 23	612,836.	0.	0.	612,262.
25 Contributions, gifts grants paid				
26 Total expenses and disbursements Add lines 24 and 25	612,836.	0.	0.	612,262.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	516,903.			
b Net investment income (if negative enter 0-)		7,216.		
c Adjusted net income (if negative enter 0-)			7,216.	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		105,100.	105,100.
	2 Savings and temporary cash investments		368,716.	368,716.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis				
Less accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis	37,464.			
Less accumulated depreciation	STMT 2 574.		36,890.	
15 Other assets (describe SECURITY DEPOSIT)		0.	9,189.	
16 Total assets (to be completed by all filers)		0.	519,895.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe STATEMENT 3)		0.	2,992.
23 Total liabilities (add lines 17 through 22)		0.	2,992.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted		516,903.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances		0.	516,903.	
31 Total liabilities and net assets/fund balances		0.	519,895.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	0.
2 Enter amount from Part I, line 27a	2	516,903.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	516,903.
5 Decreases not included in line 2 (itemize)	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	516,903.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock 200 shs MLC Co)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo day yr)	(d) Date sold (mo day, yr)
1a				
b	NONE			
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

N/A

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2000			
1999			
1998			
1997			
1996			

2 Total of line 1, column (d)

2

3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

4 Enter the net value of noncharitable-use assets for 2001 from Part X line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

FOUNDATION FOR THE DEFENSE OF
DEMOCRACIES, INC

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I line 27b	1	144.
c	All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3	Add lines 1 and 2	3	144.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0.
5	Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-	5	144.
6	Credits/Payments		
6a	2001 estimated tax payments and 2000 overpayment credited to 2001		
6b	Exempt foreign organizations - tax withheld at source		
6c	Tax paid with application for extension of time to file (Form 8868)		
6d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d	7	0.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	144.
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2002 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9	X	
10	X	
11	X	

1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities

1c Did the organization file Form 1120-POL for this year?

2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
(1) On the organization ▶ \$ 0. (2) On organization managers ▶ \$ 0.

3 Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers ▶ \$ 0.

2 Has the organization engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities

3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes

4a Did the organization have unrelated business gross income of \$1 000 or more during the year?

4b If "Yes," has it filed a tax return on Form 990-T for this year? N/A

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either
• By language in the governing instrument or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the organization have at least \$5,000 in assets at any time during the year?
If "Yes," complete Part II, col (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶
NEW YORK

8b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2001 or the taxable year beginning in 2001 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? SEE STATEMENT 4
If "Yes," attach a schedule listing their names and addresses

11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
Web site address ▶ WWW.DEFENDEMOCRACY.ORG

12 The books are in care of ▶ MANAGEMENT Telephone no ▶ 215-542-1222
Located at ▶ 1020 19TH STREET, N.W. SUITE 340, WASHINGTON, DC ZIP+4 ▶ 20036

13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year ▶ 13 | N/A

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

Table with columns for question descriptions and Yes/No checkboxes. Rows include questions 1a through 6b regarding organizational activities, disqualifications, and tax compliance.

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5		57,692.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1) If none, enter "NONE "

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ▶ 0

3 Five highest-paid independent contractors for professional services If none, enter "NONE "

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 TO CONDUCT RESEARCH AND PROVIDE EDUCATION ON INTERNATIONAL TERRORISM.	612,262.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	N/A	
2		
3	All other program-related investments See instructions	
Total Add lines 1 through 3		0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc purposes		
a	Average monthly fair market value of securities	1a	0.
b	Average of monthly cash balances	1b	506,742.
c	Fair market value of all other assets	1c	0.
d	Total (add lines 1a, b, and c)	1d	506,742.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	506,742.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	7,601.
5	Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	499,141.
6	Minimum investment return Enter 5% of line 5	6	24,957.

Part XI Distributable Amount (see instructions) (Section 4942(i)(3) and (i)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1	Minimum investment return from Part X line 6	1	
2a	Tax on investment income for 2001 from Part VI line 5	2a	
b	Income tax for 2001 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1	3	
4a	Recoveries of amounts treated as qualifying distributions	4a	
b	Income distributions from section 4947(a)(2) trusts	4b	
c	Add lines 4a and 4b	4c	
5	Add lines 3 and 4c	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	612,262.
b	Program-related investments - Total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc purposes	2	37,464.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	649,726.
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	649,726.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2000	(c) 2000	(d) 2001
1 Distributable amount for 2001 from Part XI, line 7				0.
2 Undistributed income if any as of the end of 2000				
a Enter amount for 2000 only			0.	
b Total for prior years 19__ 19__ ,19__		0.		
3 Excess distributions carryover, if any to 2001				
a From 1996				
b From 1997				
c From 1998				
d From 1999				
e From 2000				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2001 from Part XII, line 4 ▶ \$ <u>N/A</u>				
a Applied to 2000, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2001 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2001 (If an amount appears in column (d) the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f 4c and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2000 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2001 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2002				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1996 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2002 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 1997				
b Excess from 1998				
c Excess from 1999				
d Excess from 2000				
e Excess from 2001				

Part XIV Private Operating Foundations (see instructions and Part VII A, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2001, enter the date of the ruling

7-10-02

4942(j)(3) or 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year				(e) Total
	(a) 2001	(b) 2000	Prior 3 years		
			(c) 1999	(d) 1998	
b 85% of line 2a	7,216.	0.	0.	0.	7,216.
c Qualifying distributions from Part XII, line 4 for each year listed	6,134.	0.	0.	0.	6,134.
d Amounts included in line 2c not used directly for active conduct of exempt activities	649,726.	0.	0.	0.	649,726.
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0.	0.	0.	0.	0.
3 Complete 3a b or c for the alternative test relied upon	649,726.	0.	0.	0.	649,726.
a "Assets" alternative test - enter					
(1) Value of all assets	519,895.				519,895.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)	46,653.				46,653.
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)) or royalties)	16,638.	0.	0.	0.	16,638.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization	1,122,523.				1,122,523.
(4) Gross investment income	112,250.				112,250.
					0.
	7,216.				7,216.

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 26 of the instructions.)

1 Information Regarding Foundation Managers

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

CLIFFORD D. MAY

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc , Programs

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the organization makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a <i>Paid during the year</i></p> <p>NONE</p>				
Total				0.
<p>b <i>Approved for future payment</i></p> <p>NONE</p>				
Total				0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue, 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments (Amount: 7,216), 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate, 6 Net rental income or (loss) from personal property, 7 Other investment income, 8 Gain or (loss) from sales of assets other than inventory, 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue, 12 Subtotal (Amount: 0), 13 Total (Amount: 7,216).

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No, Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). The table contains multiple empty rows for reporting.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

Table with 3 columns: Question, Yes, No. Rows include questions about transfers of cash/assets, other transactions, and sharing of facilities.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers transactions and sharing arrangements.

2a Is the organization directly or indirectly affiliated with, or related to one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature section containing signatures of officer/trustee and preparer, dates, titles, and firm information for Goldenberg Rosenthal, LLP.

Schedule B
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

FOUNDATION FOR THE DEFENSE OF
DEMOCRACIES, INC

Employer identification number

13-4174402

Organization type (check one)

Filers of

Section

Form 990 or 990 EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule** (**Note** Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions)

General Rule-

For organizations filing Form 990, 990 EZ, or 990 PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules-

For a section 501(c)(3) organization filing Form 990 or Form 990 EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990 EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990 EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization

FOUNDATION FOR THE DEFENSE OF
DEMOCRACIES, INC

Employer identification number

13-4174402

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CLARIDGE, INC 1170 PEEL STREET, SUITE 800 MONTREAL, QUEBEC 143 B4P2	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	EDGAR M. BRONFMAN 375 PARK AVENUE NEW YORK, NY 10152	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	ABRAMSON FAMILY FOUNDATION 376 REGATTA DRIVE JUPITER, FL 33477	\$ 222,523.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4	THE R. & M. RUBIN CHARITABLE FOUNDATION 200 S. BROAD STREET PHILADELPHIA, PA 19102	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5	LYNN JOSEY SCHUSTERMAN REVOCABLE TRUST 4011 SOUTH YORKTOWN PLACE TULSA, OK 74105-3412	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6	JUDY & MICHAEL STEINHARDT FOUNDATION 650 MADISON AVENUE, 17TH FLOOR NEW YORK, NY 10158	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization FOUNDATION FOR THE DEFENSE OF DEMOCRACIES, INC	Employer identification number 13-4174402
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Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	BARRACK FOUNDATION 3300 TWO COMMERCE SQUARE, 2001 MARKET STREET PHILADELPHIA, PA 19103	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8	BERNARD MARCUS 2455 PACES FERRY ROAD ATLANTA, GA 30339	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9	FELICIA AND JOE WEBER 1912 MONTREAL ROAD TUCKER, GA 30084	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
10	PETER MAY 280 PARK AVENUE NEW YORK, NY 10017	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	FAX & POSTAGE MACHINES	110601SL	SL	5.00	16	605.			605.			20.
2	CANNON COPIER	111501SL	SL	5.00	16	6,065.			6,065.			152.
3	TELEPHONE EQUIPMENT	112801SL	SL	5.00	16	6,085.			6,085.			101.
4	TVS, VCR, STEREO	113001SL	SL	5.00	16	359.			359.			6.
5	TVS	121701SL	SL	55.00	16	444.			444.			4.
6	COMPUTER (NIR BOMS)	092501SL	SL	5.00	16	1,857.			1,857.			93.
7	PRINTER	110701SL	SL	5.00	16	1,926.			1,926.			64.
8	COMPUTER EQUIPMENT	110801SL	SL	3.00	16	149.			149.			12.
9	COMPUTERS	113001SL	SL	5.00	16	7,313.			7,313.			122.
10	PH 1 DC OFFICES	123101SL	SL	7.00	16	3,147.			3,147.			0.
11	WORKSTATIONS	123101SL	SL	7.00	16	1,400.			1,400.			0.
12	DC OFFICES	123101SL	SL	7.00	16	8,114.			8,114.			0.
*	TOTAL 990-PF PG 1 DEPR					37,464.		0.	37,464.	0.	0.	574.

FORM 990-PF OTHER EXPENSES STATEMENT 1

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES	5,833.	0.	0.	5,833.
TELEPHONE	1,394.	0.	0.	1,394.
PROGRAM OPERATIONS	199,616.	0.	0.	199,616.
CONSULTING	8,000.	0.	0.	8,000.
OFFICE EXPENSE	14,057.	0.	0.	14,057.
DUES AND SUBSCRIPTIONS	301.	0.	0.	301.
PROMOTIONAL EXPENSES	314,508.	0.	0.	314,508.
TO FORM 990-PF, PG 1, LN 23	543,709.	0.	0.	543,709.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 2

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FAX & POSTAGE MACHINES	605.	20.	585.
CANNON COPIER	6,065.	152.	5,913.
TELEPHONE EQUIPMENT	6,085.	101.	5,984.
TVS, VCR, STEREO	359.	6.	353.
TVS	444.	4.	440.
COMPUTER (NIR BOMS)	1,857.	93.	1,764.
PRINTER	1,926.	64.	1,862.
COMPUTER EQUIPMENT	149.	12.	137.
COMPUTERS	7,313.	122.	7,191.
PH 1 DC OFFICES	3,147.	0.	3,147.
2 WORKSTATIONS	1,400.	0.	1,400.
DC OFFICES	8,114.	0.	8,114.
TOTAL TO FM 990-PF, PART II, LN 14	37,464.	574.	36,890.

FORM 990-PF OTHER LIABILITIES STATEMENT 3

DESCRIPTION	AMOUNT
PAYROLL TAXES PAYABLE	2,992.
TOTAL TO FORM 990-PF, PART II, LINE 22, COLUMN B	2,992.

FOUNDATION FOR THE DEFENSE OF DEMOCRACIE

13-4174402

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 4
PART VII-A, LINE 10

NAME OF CONTRIBUTOR	ADDRESS
CLARIDGE, INC.	1170 PEEL STREET, STE 800, MONTREAL, QUEBEC 143 B4P2
EDGAR M. BRONFMAN	375 PARK AVENUE, NEW YORK, NY 10152
ABRAMSON FAMILY FOUNDATION	376 REGATTA DRIVE, JUPITER, FL 33477
THE R. & M. RUBIN CHARITABLE FOUNDATION	200 S. BROAD STREET, PHILADELPHIA, PA 19102
LYNN JOSEY SCHUSTERMAN REVOCABLE TRUST	4011 SOUTH YORKTOWN PLACE, TULSA, OK 74105
JUDY & MICHAEL STEINHARDT FOUNDATION	650 MADISON AVENUE, 17TH FL, NEW YORK, NY 10158
BARRACK FOUNDATION	3300 TWO COMMERCE SQ, 2001 MARKET ST, PHILA, PA 19103
BERNARD MARCUS	2455 PACES FERRY ROAD, ATLANTA, GA 30339
FELICIA & JOE WEBER	1912 MONTREAL ROAD, TUCKER, GA 30084
PETER MAY	280 PARK AVENUE, NEW YORK, NY 10117

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 5

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JACK KEMP 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	CHAIRMAN 1	0.	0.	0.
CLIFFORD D. MAY 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	PRESIDENT 35	57,692.	0.	0.
JOSEPH M. YOHLIN 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	SECRETARY & TREASURER 10	0.	0.	0.
LEONARD ABRAMSON 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 25	0.	0.	0.
LEONARD BARRACK 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.

• FOUNDATION FOR THE DEFENSE OF DEMOCRACIE

13-4174402

EDGAR BRONFMAN 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
STEVEN FORBES 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
DR. JEANE KIRKPATRICK 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
FRANK LAUTENBERG 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
BERNARD MARCUS 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
PETER MAY 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
LEWIS S. RANIERI 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
RONALD RUBIN 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
LYNN SCHUSTERMAN 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
JEFFREY R. SOLOMON 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
MICHAEL STEINHARDT 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
JOSEPH WEBER 1020 19TH STREET, NW, SUITE 340 WASHINGTON, DC 20036	DIRECTOR 0	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		<u>57,692.</u>	<u>0.</u>	<u>0.</u>

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Note Do not complete **Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization FOUNDATION FOR THE DEFENSE OF DEMOCRACIES, INC	Employer identification number 13-4174402
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions 1020 19TH STREET, NW, SUITE 340	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WASHINGTON, DC 20036	

Check type of return to be filed (file a separate application for each return)

- | | | |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990 T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990 EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990 PF | <input type="checkbox"/> Form 1041 A | <input type="checkbox"/> Form 8870 |

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 month, for **990-T corporation**) extension of time until **AUGUST 15, 2002** to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year _____ or
 ▶ tax year beginning **APR 26, 2001**, and ending **DEC 31, 2001**

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990 BL, 990 PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 0.

c Balance Due Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ _____ Title ▶ _____ Date ▶ _____