

A Closer Look at Philanthropy and the Kemper Museum Controversy

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Blair Schulman , October 9, 2019

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The history of charitable donation philanthropy in the United States is a mixed bag; either a sincere altruistic gesture (Pioneering American philanthropist Andrew Carnegie said: “The man who dies rich dies disgraced.”) or burnishing tarnished names with extravagant public giving. The Sackler family of Purdue Pharma falls into the latter. As the world’s wealth softly targets cultural institutions, Sackler, et al. are one of many examples in the way an artistically-minded public is responding to philanthropy.

One of the nation’s most recognized philanthropic legacies started as America’s largest tobacco monopoly. North Carolinian Buck Duke controlled 90 percent of the country’s tobacco market around 1890 before being forced to split up the company, thanks to the Sherman Anti-Trust Act. Before then, Duke had already begun to diversify his monopolistic fortune into hydroelectric power, known today as Duke Energy. He also gave a substantial sum to Trinity College, who thanked him by changing the school’s name to Duke University. When he died, his fortune passed onto his wife, who quadrupled her inheritance to almost \$250 million. When she died, her only child, Doris, quintupled that fortune and with no progeny, was all given to charity, including The Doris Duke Charitable Foundation. A billion-dollar foundation built on squeezing out competitors, controlling pricing, cigarette addiction, and a century of lung cancer. How do you reconcile your appreciation for NPR or the cultural institutions that have teamed up with the foundation? How outraged are you willing to be?

Now, to turn locally. The Kemper family is known in Kansas City for their philanthropy. Throughout the years, the name has remained in good stead, that is until recently when calls for the Kemper Museum’s Trustee, Mariner Kemper, were made for him to step down, due to an alleged connection to US Immigration and Customs Enforcement (otherwise known as ICE). The federal agency’s

aggressive tactics and use of private data have made them the face of this current administration's nationalist xenophobia, espousing a denial of fundamental human rights and our nation's foundation on being a melting pot.

Protesting the Kemper Museum is seen in the community as a tricky proposition. Many enjoy and rely on this cultural institution. The original story, published in another arts publication, took cues from Fang Collective, whose mission "leads direct action campaigns to create a more just world, working across issues to bring communities together to enact powerful change." The story implies Kemper Museum and UMB Financial behave as dual entities because both institutions are founded by members of the Kemper family.



The connection here is Mariner Kemper, son of R. Crosby Kemper Jr. and Mary "Bebe" Hunt, founders of Kemper Museum, is a Board Trustee of the museum as well as CEO of UMB Financial. Calls for his removal at the museum – but not at the bank – are at the heart of these protests.

UMB Financial was named Trustee of a bond issued to the Central Falls Detention Facility Corporation (CFDFC) as a result of a default on the Wyatt Detention Center, a for-profit prison that had recently held detainees requested by ICE. A March 2019 article in the Providence (RI) Journal tells readers, "A modification agreement...was signed January 9 between the Department of Justice and the prison, stating that ICE requested the use of 225 beds in support of the Southwest Border Zero Tolerance Initiative...A lawyer for the detention center said in an earlier statement that the city was informed of the decision in January." The desire to create a for-profit prison set itself up for this humanitarian crisis.

Through email communication with the Kemper Museum and UMB Financial, Informality helps to clarify the gaps in this story. The relationship with the Kemper Museum and UMB Financial is tenuous, at best. Through email exchanges, Stephanie Hague, SVP, Manager of External Communication and Content of UMB Financial, tells Informality, "UMB was not involved in the bond sale. The bonds were issued in 2005...the amount of the bond issuance is \$106,380,000... by

Central Falls Detention Facility Corporation (CFDFC), which is a special purpose corporation established by the City of Central Falls (RI). The City of Central Falls, through the corporation, operates the Wyatt Detention Facility.”

In 2009, Wyatt defaulted on its payments, triggering an automatic lawsuit built into the sale of the bonds, years before UMB had any interaction with the suit. Says Hague, “The majority bondholders appointed UMB as Trustee in 2017. UMB’s tasks as Trustee... explicitly include bringing a legal action (lawsuit) against any party to enforce the rights of the Bondholders. In simple terms, the Trustee protects the bondholders’ interests. UMB is contractually obligated to enforce the rights of the bondholders. Given UMB’s agreement, the company is legally bound to continue acting in its role as a bond trustee. That obligation runs to 2035.”

Says Kansas City artist Jose Faus, “My concern is not the nuance of the law, but that one hand promotes and celebrates the highest aspirations and expressions that, as a society, we are capable of through the arts... and then in the same embrace engages in the trade of people without a consideration of the moral and legal issues involved when a person’s freedom is in the balance... equity and the extension of human decency should be guiding principles if commerce is to be considered a noble choice, as the ruling class insists and profits from.”

Faus continues, “Yet they are qualities that are nuisances when it comes to the practice of commerce. One can hide behind all the minutiae of words. However, there is something perverse in supporting a situation where the one hand invites and welcomes a group of people into its halls, while another arm supports and profits from a system that seeks to label them as parasites, and imprisons them. I only ask that the institution consider that in its balance sheets, regardless of how minimal their investment.”

Faus makes an excellent point. However, UMB Financial didn’t sell the bond to the detention center. They don’t own it, and they cannot enforce what happens with the obligation. UMB Financial was appointed fiduciary (a legal interest to act in the best interest of another) to oversee the lawsuit agreed to written in the purchase of the bonds. It’s automatic, similarly to when you buy a car; don’t make payments, and one day a tow truck shows up.

On September 12, an article in the Providence (RI) Journal notes that a “forbearance agreement” between Wyatt and UMB Bank National Association leaves open the possibility of a sale of the facility. Debt and solvency issues seem to be among the primary reasons for the return of ICE detainees. Hauge replies, “As bond trustee, UMB does not have any say or direction in the operations of the facility, nor does it have any operational control or management authority over the facility.”

Seen through the optics of economics, it isn’t difficult to see this bond issuance has been a pretty lousy investment. Major banks are now coming into an agreement over the investment value of the private prison system altogether.

From an arts and culture perspective, the effects are being felt locally, adversely affecting an institution that has provided Kansas Citians with free exhibitions and programming, exhibiting work that often touches on difficult and topical subjects. However, the human rights aspect of the bond is

by far the most egregious, with the city of Central Falls, Rhode Island having to answer for their investment.

This state of affairs speaks to Faus' remarks about the private prison system. It is an abrogation of the government's social contract with its citizens. It also extends beyond the specific legalese and financial responsibilities in question with this controversy.

The protestors in Rhode Island are demanding immediate change at the Wyatt Detention Center. Based on this information, with more available through news reports from the New England press, the problem is the facility itself and its years of mismanagement. It appears ICE is using this weakness to push for the housing of detainees at Wyatt because the for-profit facility must make payments on its obligation.

With Mariner Kemper, the lone connection between this facility and the museum, one must look at the entirety of UMB's relationship to business and their philanthropy if they are to be held accountable. Hague tells Informality, "In 2018 and 2019, the UMB Charity Event Committee approved requests for sponsorship of the Kemper Gala at the \$5,000 level. UMB donated \$2.4 million in 2018 to philanthropic activities across our eight-state footprint." Informality is unaware of any demonstrations where UMB has made these other philanthropic donations. One can further examine the Kemper Museum's annual support here. The higher brackets of the museum's funding come from various Foundations and Charitable Trusts of the extended Kemper family. Still, the lion's share of its philanthropy given in smaller increments is by local individuals and companies.

Is protesting the Kemper Museum the real solution, or is this a more significant call to investigate the relationship between the arts and the philanthropic community?

An anonymous letter from an employee of the Kemper Museum was sent directly to Fang Collective, but not to any other media outlets, although protesters have said there has been a lack of local media coverage. The employee who wrote this letter says they feel unsafe in the museum environment; being asked to toe the line about the entirety of this controversy. Based on the contents of the message and that this person continues to work at the museum, tell us the internal conflict between employees and management remains. Informality has not been able to locate the letter writer.

Conversely, Kemper Museum Communications Director Breeze Richardson tells Informality, "As a Museum, we encourage discussion – among ourselves and with our community. Since this began, we have worked to drive an open dialogue, understanding there are a lot of different points of view and that not everyone agrees." Sounding like standard PR, Kemper Museum nonetheless allows protesters on its property and has gone further to bridge the gap.

Kansas City musician Mikal Shapiro tells Informality via email exchange, "After reading news on the problematic relationship between UMB and an ICE... in particular, the bank's CEO Mariner Kemper and his presence on the board, along with seeing my friends protest outside the building to try to raise awareness locally (none of the local media outlets were covering it)–I was inspired to take action."

"I had booked a musical engagement over the summer to play on September 19 at the museum for their "Songwriter Series" curated by musician Hermon Mehari. At first, I thought to cancel my gig in solidarity with the protesters. Then it dawned on me that I could leverage my gig to increase the visibility of the matter by inviting people to collaborate — mostly Latinx poets, artists and musician friends of mine—some who were involved in the original organizing."

"In short, I used the opportunity to amplify the protest inside, literally, on a microphone."

When asked what involvement the Kemper Museum had in the structure, if any, Shapiro replied, "They (Kemper Museum) hired me to play for 2 hours, supplied a PA, and paid me \$250. That check, along with audience donations, raised \$338 towards a legal fund for deportees. Thanks, Kemper!"

Shapiro concludes, "We have to stop being complicit to the complexities of oppression buried in the paperwork. No one should make money off human suffering. It's worse if you do it with one hand while cradling your conscience with the other."

It shows the Kemper Museum making an effort to cooperate with protesters, continuing to pay those who are in solidarity with protesters and are also willing to accept payment from the museum. The action taken here, seen on both sides, returns us to the central complaint.

UMB Financial CEO and museum Trustee Mariner Kemper tells Informality through third-party email communication, "My role as Chairman and CEO of UMB Financial and my role as a Trustee of the Kemper Museum are not related and do not influence each other."

There are two ways one could take this: one way is he serves as CEO of a bank whose responsibility is essentially babysitting someone else's mess (Wyatt Detention Center). UMB Financial is part of a larger entity that has shareholders and other board members participating in decision making. His role at UMB is not autonomous. Secondly, he is a Board Trustee of a cultural institution that benefits the community. His part, also not independent, although his last name is over the door, is just one of the many faces of fundraising for the museum. In corporate America, it is not uncommon for executives to sit on the boards of cultural institutions (often tied in by their philanthropy). We do not have to like it, but there it is.

Further to this point, how communities parse their philanthropy will serve to dictate future giving by individual donors. The community members who provide amounts under six figures are often the bread and butter of these institutions. Without them, it leaves open substantial giving from corporations to fill the void, giving them a more significant say in the content.

One has to decide how deep to go regarding the truth about American philanthropy. How do we activate accountability without disarming the institutions that can support it? How angry are we willing to be over this type of giving, who is giving it, and whom we see as representative? That is a decision local protesters and allies need to consider. The focus on responsibility must remain directed where change is decided, for this instance, toward a for-profit prison in Central Falls, Rhode Island.

This conversation is a start to begin a larger one. What role do we want the origins of funding to play? How does capital impact decisions in otherwise socially conscious and often seemingly leftist art institutions? Should we zoom out of our scope in the art world and begin to join people in other

spheres who are trying to dismantle oppressive institutions like private prisons systems that support ICE? While we question our relationship to philanthropy, let us also examine how closely such giving hews to the justice and morality of significant organizations that directly affect our citizens, including the American incarceration system.

