

## The Clinton Foundation

*A cauldron of conflicts and cronyism*

By Barbara Joanna Lucas

**Summary:** *The former first family's philanthropy has always been a vehicle to promote the careers of the Clintons. It does some good things that help people but in recent years it has functioned more like an unofficial campaign headquarters for Hillary Clinton's 2016 presidential bid. And if there is one thing the Clintons are good at, it's getting paid. The Clintons said the charity would not accept donations from foreign governments while Mrs. Clinton served as Secretary of State. They must have been crossing their fingers behind their backs because it was recently revealed that the Clinton Foundation accepted millions of dollars from foreign governments during Mrs. Clinton's tenure at the State Department. Making matters worse, Hillary Clinton's cavalier approach to U.S. national security has also spilled over into her family's foundation – and a new book called “the most anticipated and feared book of a presidential cycle still in its infancy” is to be published this month. The Clinton Foundation may soon dominate news cycles, but not the way the Clintons wanted.*

**T**he Obama White House has had little to say about Hillary Clinton's egregious violation of her agreement with the Obama administration, even though it is President Barack Obama who should be offended most by the broken pledge.



Hillary and Bill Clinton

Before Obama even took office, the Clinton Foundation's chairman of the board, Bruce Lindsey, signed a Memorandum of Understanding on Dec. 12, 2008 with Valerie Jarrett, then co-chair of President-elect Obama's transition team. The document provided that “During any service by Senator Clinton as Secretary of State, the Foundation will publish annually the names of all new contributors.” We now know that the foundation cast aside its promise to make timely disclosure of donations it took in from foreign sources.

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# FoundationWatch

And in recent days Reuters discovered that the Clinton Foundation filed incorrect Form 990 disclosures with the IRS. All nonprofits have to file the document once a year, after which it becomes publicly available. As a result of Reuters reporting, the Clinton Foundation admitted that its IRS filings from 2010 through 2012 and those of its Clinton Health Access Initiative (CHAI) from 2012 and 2013 are not accurate. The foundation does not rule out the possibility of revisiting its IRS filings going back 15 years.

According to Reuters, “[f]or three years in a row beginning in 2010, the Clinton Foundation reported to the IRS that it received zero in funds from foreign and U.S. governments, a dramatic fall-off from the tens of millions of dollars in foreign government contributions reported in preceding years.” It’s suspicious to say the least.

Shortly after the recent revelations of foreign money pouring into the Bill, Hillary, and Chelsea Clinton Foundation came reports of the e-mail flap. Are the matters linked? Well, the public cannot know if the potential conflicts regarding foreign donors and State

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Department business would be spelled out in the 30,000 e-mails that were deleted. It’s possible Hillary Clinton was telling the truth when she said all of those deleted e-mail messages were about weddings and yoga. But with the e-mails gone, it’s unknowable, while Hillary is asking us to trust and not verify.

The memorandum further asserted that the State Department would review any paid speeches by the secretary’s husband. The Obama transition team at the time said in a statement, “We believe the agreement with the Clinton Foundation meets our goals of transparency and goes above and beyond in preventing conflicts.”

The agreement itself may have met those goals—if only the foundation had abided by it.

## **Foreign Donors**

While Hillary Clinton served as Secretary of State, the governments of Kuwait, Qatar, Oman, Australia, Norway, Algeria, and the Dominican Republic all lavished millions of dollars on the Clinton Foundation. While acting coy when questioned about most of these, the Clinton Foundation has admitted it should have sought approval from the State Department before accepting \$500,000 from the government of Algeria. Whoops.

For the entirety of the Clinton Foundation’s existence, foreign donors made up one-third of all donors giving more than \$1 million and made up more than half of donors who gave \$5 million or more (*Washington Post*, February 18, 2015).

In fact, Bill Clinton even saw the foreign donations from shady countries as a positive. “I think it is a good thing—for example, the U.A.E. gave us money,” the former president said of the United Arab Emirates. “Do we agree with everything they do? No. But they are helping us fight ISIS, and they built a great university with NYU, open to people

around the world. And they have helped us support the work that this foundation does. ... Do I agree with all the foreign policy of Saudi Arabia? No.” (*New York Times*, March 20, 2015).

In late March, Republican National Committee Chairman Reince Priebus sent a letter to Jarrett, now a White House Senior Adviser. Among the questions in the letter were (1) “At what point did the Administration become aware that the MOU and the process of vetting Clinton Foundation donors were flawed?” (2) “What did the White House do, if anything, to mitigate issues with the Clinton Foundation’s donors?” (3) “Was the White House aware that the MOU was insufficient while Clinton was serving as Secretary of State? If so, were any addendums added to supplement the MOU?” (4) “Was there any independent audit or verification that the Clinton Foundation was abiding by the MOU’s Donor Disclosure provisions?” (5) “Were foreign governments that contributed to the Clinton Foundation given special treatment or consideration by the White House?” (6) “If the White House had been aware of the violations, would the Clinton Foundation or Secretary Clinton have been reprimanded in some fashion for their actions?”

“The public deserves detailed answers to these questions. I request a response to each in writing,” the RNC chairman continued. “The MOU was billed to the public and Congress as a pledge toward transparency and the avoidance of conflicts of interest. The American people deserve to know whether it was nothing more than a memorandum between parties that had no real interest in either of these goals.”

For its part, the White House had little to say when asked whether the foundation was getting money from foreign governments. “I’m certainly not going to have a response to them from here, but I think that was a letter that they sent to the State Department?” White House spokesman Josh Earnest told the

press. “You mentioned both the contents of the letter describing the Clinton Foundation and the actions of the Secretary of State at the State Department. So, I wouldn’t anticipate a response from here.”

When a journalist responded, “But it was the White House that was supposed to have the agreement overseeing it,” Earnest said, “Well again, for questions about actions by the Clinton Foundation I’d direct you to the foundation that does very important work around the world, but I don’t have a reaction to the letter.”

It’s no surprise that a Democratic administration would not be eager to criticize the party’s presumptive presidential nominee. But what’s clear is that typical Clinton corruption became an Obama administration problem thanks to a family that prefers to explain things after the fact rather than ask permission before acting.

And much more potentially damning evidence is on its way.

As the *New York Times* reported last month, *Clinton Cash: The Untold Story of How and Why Foreign Governments and Businesses Helped Make Bill and Hillary Rich*, by acclaimed best-selling author Peter Schweizer is scheduled to be published May 5. The book, “a 186-page investigation of donations made to the Clinton Foundation by foreign entities—is proving the most anticipated and feared book of a presidential cycle still in its infancy,” according to the newspaper.

Sen. Rand Paul (R-Ky.), now a declared presidential candidate, said the book contains “big news” that will “shock people” and make voters “question” Mrs. Clinton’s candidacy. The volume “asserts that foreign entities who made payments to the Clinton Foundation and to Mr. Clinton through high speaking fees received favors from Mrs. Clinton’s State Department in return,” the *Times* reports.

“We will see a pattern of financial transactions involving the Clintons that occurred contemporaneous with favorable U.S. policy decisions benefiting those providing the funds,” Schweizer writes.

Paid by radical billionaire George Soros, the leftists at the Center for American Progress and Media Matters for America are doing their best to smear Schweizer, who serves as president of the Government Accountability Institute. That nonprofit declares on its website that its mission is “to investigate and expose crony capitalism, misuse of taxpayer monies, and other governmental corruption or malfeasance.” Schweizer was previously a consultant to NBC News and the William J. Casey Research Fellow at the prestigious Hoover Institution.

After admitting he hadn’t read the book, Media Matters founder David Brock, a former Clinton detractor turned Clinton booster, slammed *Clinton Cash* on MSNBC’s “Morning Joe” show. “I think this is a political put-up job, and I can smell it from a mile away,” Brock said. That was too much for the show’s co-hosts, Joe Scarborough and Mika Brzezinski, who then cross-examined Brock on whether it’s fair to consider if the book might contain information about the alleged reciprocal relationship between the Clinton Foundation and the State Department. Brock said it’s a non-issue because Mrs. Clinton handed over 55,000 pages of her emails from her time in the Obama administration.

Brzezinski interjected, “That’s not the question,” indicating she was referring to the 30,000 emails Clinton admitted were deleted. “There’s no answer, is there?” Brzezinski asked. Brock was dismissive of the female journalist, replying that the pages of emails that the State Department will eventually release will throw light on Clinton’s official duties.

“No, David,” Brzezinski said. “That’s the way the law works, Mika,” Brock replied, saying that individual government agencies are allowed to decide how their records should be archived.

Brzezinski bristled at that answer and said angrily, “No, actually, David, you don’t have to give me a lesson on the regulations of the State Department.”

The Center for American Progress, founded by Hillary Clinton 2016 campaign manager John Podesta (who was also White House Chief of Staff for President Bill Clinton), attacked the book in a ThinkProgress blog post by Aviva Shen. Shen doesn’t write much worth reading but she does point out that the evidence in the book wouldn’t be enough to convict the Clintons in court, a fact conceded by the book’s author.

## Other Shady Sources

Foreign donors aren’t the only shady sources of funds for the organization. Denise Rich—ex-wife of billionaire fugitive Marc Rich charged with wire fraud, tax fraud, tax evasion, and other felonies—gave the foundation \$450,000. Bill Clinton gave a presidential pardon to Marc Rich on his last day in office.

George Soros’s Soros Foundation, the European arm of the radical left-wing billionaire’s Open Society Institute, has also donated.

In December 2008, the Clinton Foundation reported it received between \$1 million and \$5 million from Issam Fares, the former deputy prime minister of Lebanon and now chairman of the Wedge Group, an investment firm in Houston. Fares was also a supporter of Hezbollah and of President Bashar Assad in Syria.

The foundation received between \$1 million and \$5 million from Friends of Saudi Arabia, a pro-Saudi advocacy group in the United States. The foundation also received

between \$1 million and \$5 million from Sheikh Zayed bin Sultan Al Nahyan, who served as president of the United Arab Emirates from 1971-2004. In 1999, his family set up the Zayed Center for Coordination and Follow-Up, which became a haven for anti-Israel sentiment, terrorist sympathizers, and Holocaust deniers (DiscoverTheNetworks.org).

The Soros-funded Tides Foundation, which mostly acts as a pass-through organization that draws a curtain over ties between donors and various left-wing causes that receive their money, doled out \$48,500 to the Clinton Foundation in 2013, another \$12,000 to the Clinton Health Access Initiative, and another \$3,000 to the foundation in 2012; as well as \$19,000 to the Clinton Global Initiative in 2011 and \$5,000 to the foundation in 2009 (WND, March 9, 2015; for more on the Tides Foundation, see *Foundation Watch*, October 2010).

Alarming, the Clinton Foundation worked with the now-defunct Association of Community Organizations for Reform Now, better known as ACORN. The foundation in 2006 used ACORN to try to persuade residents of the Gulf Coast to sign up for the earned income tax credit (EITC) after Hurricane Katrina.

“For victims of Katrina, EITC is a powerful tool to help rebuild lives in the short-term and realize big dreams in the long-term,” Bill Clinton said in a statement announcing the partnership. “We can put more money in people’s pockets today, simply by spreading the word about this credit and helping families with tax preparation. We’re focusing on those who lost so much after Hurricane Katrina, because this credit can be the difference between financial hardship and rebuilding a better life.”

ACORN president Maude Hurd said in the same announcement: “EITC gives low income people in our communities what

they need most—the resources to take care of their families and better their lives. This year, Katrina survivors are in special need of both good information about the EITC and the funds to help rebuild their lives. We are extremely pleased that we can work with the Clinton Foundation to help displaced families across the country.”

## Bill’s Big Speaking Gigs

Under the same Memorandum of Understanding with the Obama transition team, a designated ethics official from the State Department’s legal office was to review any “potential or actual conflict of interest” for Secretary Clinton regarding her family’s interests.

Bill Clinton delivered 215 paid speeches across the world while his wife served as Secretary of State, earning \$48 million for the foundation and other Clinton family interests. For each of these speeches, he received an “ethical waiver” from the State Department, whether the speech was in the United States or overseas, or sponsored by a U.S. or foreign corporation.

The department run by his wife did not find a single instance where an international speech and consulting work was a conflict—not even one—according to the government watchdog group Judicial Watch, which obtained this information through a Freedom of Information Act lawsuit seeking ethics reviews and related documents.

As Hillary was in charge of running America’s foreign policy, Bill was giving high-dollar speeches in China, Russia, Saudi Arabia, Egypt, United Arab Emirates, Central America, Turkey, Thailand, Taiwan, India, and the Cayman Islands, according to Judicial Watch. Certainly some of these should have raised eyebrows by reviewers at the State Department, considering tenuous U.S. relations with Russia and China. And the fact that the list of donors includes Muslim nations that are known for mistreating women, ought to

set off the hypocrisy alarm bells because Mrs. Clinton has long positioned herself as a champion of women’s rights.

The *New York Times* also reports when she was at the State Department, Hillary okayed a financial transaction that handed control over 20 percent of America’s strategically important uranium resources to Russia after investors gave money to Bill and large donations to the Clinton Foundation. This matters because uranium is needed to make nuclear weapons and America only has an estimated 20 percent of the uranium it needs.

From 2005 through 2011 investors in Uranium One, a shady Canadian company, reportedly gave money to the Clinton Foundation. In 2010 Bill accepted \$500,000 from an investment bank to give a single speech in Russia. Uranium One stock carried a “buy” rating with the bank, which had links to the Russian government. Eventually the Kremlin assumed 100 percent control over Uranium One through a subsidiary of Rosatom, a state corporation owned by the Russian government.

Then there are the massive financial institutions sponsoring the speeches that would certainly have an interest in currying favor with the Department of State. These sponsors included Goldman Sachs, Bank of America, Deutsche Bank, and American Express. Other sectors sponsoring international speeches included major players in the energy, automotive, casino, hotel, real estate, technology, media, and health care industries, according to Judicial Watch.

Another sponsor was Renaissance Capital in June 2010, where the former president talked in Moscow about the theme of “Russia and the Commonwealth of Independent States: Going Global.” This was in the middle of Hillary’s “reset button” approach to U.S.-Russia relations. The investment bank was focused on Russia, Ukraine, Kazakhstan, and sub-Saharan Africa (*Washington Examiner*, July 30, 2014).

For Clinton's speech to a UBS Wealth Management event in April 2012 in Chicago, the State Department characterized it as "approximately 300-400 ultra-high net worth clients, prospective clients, and UBS Financial Advisers."

Two years earlier, Clinton spoke at the Mohegan Sun Casino in Connecticut, which the State Department review characterized as "a private speech of up to 350 friends and patrons of Mohegan Sun.... The event will not be open to the public. The event will not be publicly advertised."

Another event reveals how in tune the Clintons are with the supposed plight of "income inequality" and the poor: Clinton spoke in October 2011 at a San Francisco event for the Wells Fargo Private Bank and the Wells Fargo Family Wealth Group, whose clients, State Department documents explain, "have at least \$5 million and \$50 million in assets respectively."

The documents obtained by Judicial Watch show the State Department also approved a consulting gig for Clinton with Teneo Strategy, a company headed by Clinton Foundation adviser Doug Band, with offices in Dubai, London, Dublin, Hong Kong, Brussels, and Beijing. After taking some heat over Teneo's ties to the failed investment firm MF Global, the Clintons ended the deal after just eight months.

Teneo Strategy brings up another aspect that complicates the whole Clinton Foundation-State Department nexus, which is Huma Abedin, better known to some as Mrs. Anthony Weiner. Abedin served under the Secretary of State as deputy chief of staff from January 2009 to June 2012, at which point she became a senior adviser and a "special government employee" that would be allowed to represent individual clients and have outside employment. She was a "special government employee" until February 2013. During that time, Abedin did not disclose what type of

work she did for Teneo Strategy (*New York Times*, Aug. 13, 2013).

"So we know that the Obama administration's judgment as to what constitutes a 'conflict of interest' is skewed, to put it nicely," Judicial Watch said in a press release about its findings.

Apparently, some in the State Department may agree with Judicial Watch. On April 10, the department's inspector general announced he was launching an investigation into Abedin's irregular employment arrangements.

## National Security Concerns

But as evidence continues to accumulate that Clinton's cavalier approach to state secrets may have put U.S. national security in jeopardy, the shady background of Abedin, who has known ties to the Egypt-based Muslim Brotherhood, is barely acknowledged on Capitol Hill. And it's not clear that it will ever come up. After several Republican lawmakers publicly raised concerns about Abedin in 2012, Sen. John McCain (R-Ariz.) was enraged.

"These sinister accusations rest solely on a few unspecified and unsubstantiated associations of members of Huma's family, none of which have been shown to harm or threaten the United States in any way," the senator said. "These attacks on Huma have no logic, no basis and no merit. And they need to stop now."

It is a matter of public record that Huma's mother, Saleha Mahmood Abedin, is a co-founder of the Muslim Sisterhood, a pro-Sharia organization consisting of the wives of some of the highest-ranking leaders in the Muslim Brotherhood. Egyptian opposition newspaper *Al-Liwa Al-Arabi* reports that Muslim Sisterhood members: "smuggle secret documents"; "spread the Brotherhood's ideology by infiltrating universities, schools and homes"; "fulfill the interests of

the Brotherhood"; and "organiz[e] projects which will penetrate [the Brotherhood's] prohibited ideology into the decision-making in the West ... under the guise of 'general needs of women.'" Nagla Ali Mahmoud, wife of Mohammed Morsi, the Islamist who was elected president of Egypt in June 2012 and then deposed, is a member of the Muslim Sisterhood. Mrs. Abedin is editor-in-chief of the notoriously pro-Islamist *Journal of Muslim Minority Affairs*. From 1996 to 2008, Abedin worked as assistant editor of the *Journal*. (FrontPageMag.com, March 31, 2015)

And the Clinton Foundation has some explaining to do after one of its former employees received a sentence of life imprisonment in Egypt after being convicted of sedition. In 2012 Gehad el-Haddad, "divided his time between volunteering for the Muslim Brotherhood and heading the Cairo office of the Clinton Climate Initiative, but later that year began to work full time for the Muslim Brotherhood." (EgyptIndependent, July 31, 2012) Appropriately, the name *Gehad* can also be spelled *Jihad*.

A month after Haddad left the Clinton Foundation job for a position with then-Egyptian President Mohamed Morsi, a Muslim Brotherhood standard-bearer, the Clinton Global Initiative invited Morsi to deliver a major address. Morsi calls Jews "bloodsuckers" and "the descendants of apes and pigs." After Morsi was overthrown, in 2013 Haddad was arrested in Egypt for inciting violence. Haddad was given a life sentence on April 11 of this year, according to the Muslim Brotherhood's official English language website. (Ikhwanweb.com, April 13, 2015)

## Ethics Reviews

All of the State Department's ethics decisions were sent to Hillary's top adviser Cheryl Mills, a longtime Clinton confidante, who before serving as counselor and chief of staff for Hillary at the State Department

was a former deputy White House chief of staff for Bill.

The Foundation identified Mills as one its three directors when applying for nonprofit status in Florida in June 2009. That came five months after Mills began serving as Hillary Clinton's chief of staff at State. Mills was also listed as a director in Clinton Foundation filings in 2010, 2011 and 2012, or basically for the duration of Clinton's tenure at the State Department, the Washington Free Beacon reported.

George W. Bush's White House ethics counsel Richard Painter told the Free Beacon that such an arrangement is questionable. "It would be highly problematic if she was a director of the foundation and she was participating in State Department decisions that could have a financial benefit to the foundation," Painter said. "If you did do something that had a direct and predictable financial benefit for the foundation, you get into criminal statutes" (Washington Free Beacon, April 1, 2015).

Another conservative watchdog group, Freedom Watch (run by Judicial Watch founder Larry Klayman) is actually suing in federal court, alleging the Clintons and their foundation of "systematically and continuously ... conducted a corrupt enterprise" over 10 years. The civil suit was filed under the Racketeer Influenced and Corrupt Organization Act, or RICO, in U.S. District Court for the Southern District of Florida, where Freedom Watch is located (*The Hill*, March 25, 2015).

The lawsuit alleges that while serving as Secretary of State, Clinton withheld documents requested under FOIA regarding State Department waivers given to business and individuals doing business with Iran. The Freedom Watch lawsuit further alleges the Clintons actually sold access to U.S. government officials in return for donations to the

Clinton Foundation. The lawsuit said this was obscured from the public by Mrs. Clinton's use of a private email server to conduct official government business.

## Spanning the Globe

The Clinton Foundation has \$277.8 million in assets. It took in \$144.3 million and doled out \$8.8 million in fiscal year 2013. FoundationSearch ranks it 472nd in the Top 10,000 U.S. Foundations by Assets and 4th in Top Foundations by Assets for Arkansas.

The organization was established in 2001 shortly after the Clintons moved out of the White House. The stated goal was to "alleviate poverty, improve global health, strengthen economies, and protect the environment." It has multiple sub-organizations, most notably the Clinton Global Initiative. The Foundation has 350 employees in 180 countries.

The organization says its mission is "to strengthen the capacity of people in the United States and throughout the world to meet the challenges of global interdependence. To advance this mission, the Clinton Foundation has developed programs and partnerships in the following areas: Health Security with a focus on HIV/AIDS; Economic Empowerment; Leadership Development and Citizen Service; Racial, Ethnic and Religious Reconciliation."

The Clinton Global Initiative, often called CGI, was established in 2005 as a nonprofit and is known for elaborate annual summits that every four years include speeches from both presidential candidates. Gene Sperling, an economic adviser for both Clinton and Obama, is the chairman of the CGI Education Working Group. Former Clinton National Security Council staffer Gayle Smith heads up

the CGI Poverty Alleviation Working Group. Former Clinton National Economic Council deputy director Thomas Kalil is chairman of the CGI Global Health Working Group.

The annual conference has included Clinton's Vice President Al Gore, even though the two are said to have a strained relationship. Others attending are Archbishop Desmond Tutu, Evangelical Environmental Network president Jim Ball, media moguls Rupert Murdoch and Ted Turner, current and former world leaders and Hollywood A-listers such as Brad Pitt and Angelina Jolie and others. It also draws corporate elites from most of the major *Fortune* 500 companies and calls on them to buy sponsorships starting at \$250,000 and up to subsidize the foundation's various worthy causes.

Another subgroup is the Clinton Health Access Initiative, which is in the center of the foreign donations controversy. The CHAI was established in 2002 to help fight HIV/AIDS, malaria, tuberculosis, and other diseases in the developing world. The health initiative was started by Clinton inner-circle member Ira C. Magaziner, who was the chief strategist behind the failed HillaryCare initiative (*New York Times*, Aug. 13, 2013).

Reuters first reported in mid-March that CHAI confirmed that it had not released a complete list of donors since 2010. Mrs. Clinton had pledged to the Obama administration that the State Department would be able to review all proposed new or increased contributions to the CHAI by foreign governments, but while she served in the Obama administration, CHAI received millions in new or increased payments from seven separate foreign governments with no review. Five of the governments began donating to the

foundation after Hillary became Secretary of State, while two more at least doubled their contributions. CHAI admitted only that it should have informed the State Department of a \$340,000 contribution from Switzerland (Reuters, March 19, 2015).

The other donor-governments were Great Britain, Australia, Swaziland, Papua New Guinea, Sweden, and Rwanda.

The Clinton Climate Initiative was established in 2006; it pushes climate alarmism and promotes energy retrofits for homes and businesses, and various alternative energy schemes. On a front that should please First Lady Michelle Obama, there is the Alliance for a Healthy Generation, which is fighting childhood obesity, supporting healthy schools programs, and attempting to curb junk food in vending machines. The Clinton Economic Opportunity Initiative was set up in 2002 to promote economic progress in the United States by helping “individuals become more financially stable and businesses in underserved communities to grow.” The Clinton Development Initiative was set up in 2005 to promote mostly development in Africa (DiscoverTheNetworks.org).

## Financial Mess

Bill Clinton never tires of reminding the public that he was the last president to sign a balanced federal budget. But the financial management of the foundation is less than exemplary, as the *New York Times* reported in August 2013.

The foundation ran deficits in 2007 and 2008 because it faced competition—Hillary Clinton’s presidential campaign. That may very well repeat itself over the next two years. The foundation had multi-million-dollar shortfalls several other years as well. The *Times* reported that in 2012, the Clinton

Foundation raked in \$214 million but still ran a shortfall of \$8 million.

The *Times* reported that the organization staff was concerned it was too reliant on Bill Clinton for buck raking, and so pulled in Hillary and Chelsea with a goal of raising the endowment to \$250 million.

As the latest Clinton campaign competes with the foundation for funds, it’s worth realizing how much duplication exists between the two. The headline of a recent column by the *Wall Street Journal*’s Kimberly Strassel summed it up: “The Clinton Foundation Super PAC. It’s past time to drop the fiction that the Clinton Foundation is a charity.”

“Most family charities exist to allow self-made Americans to disperse their good fortune to philanthropic causes,” Strassel wrote. “The Clinton Foundation exists to allow the nation’s most powerful couple to use their not-so-subtle persuasion to exact global tribute for a fund that promotes the Clintons.”

The *Washington Post* reported that Clinton fundraiser Susie Tompkins Buell, a member of George Soros’s shadowy billionaires’ club known as the Democracy Alliance, donated \$10 million to the Clinton Foundation (for more on the Democracy Alliance, see *Foundation Watch*, October 2014). In February, the foundation’s chief development officer, Dennis Cheng, resigned to be a fundraiser for Hillary’s 2016 campaign. And in March of this year the *Wall Street Journal* reported that Donna Shalala, one of the more controversial members of Bill Clinton’s cabinet, will take over as CEO of the foundation later this year when her tenure as president of Miami University ends. When she served as Health and Human Services Secretary, Shalala, a longtime Clinton loyalist, “thought it was a mistake to run the effort to overhaul the U.S. health-care system from the White House, and she opposed Mr. Clinton’s decision to sign a sweeping welfare law.” After defend-

ing President Clinton when “allegations of an affair with intern Monica Lewinsky surfaced,” she later “dressed him down in front of the cabinet” after Clinton “admitted that he had had an improper relationship” with Lewinsky.

It should be said that the Clinton Foundation has done some legitimate charitable work. Still, so much of the foundation seems like little more than a cauldron of conflicts and cronyism. Even if we assume the motives of the foundation’s founders are completely selfless, the organization has functioned to keep the Clintons relevant after leaving the White House. That has helped lead to greater millions in speech fees and jet setting and mingling with the hottest in Hollywood and smartest corporate titans.

There is nothing wrong with any of that, so long as the Clintons do it on their time. The problem—not a new one—is that the Clintons seem entirely oblivious to the problems of entangling public service with personal profit. Given their past lack of accountability, one might ask, Why should they?

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**Terrence Scanlon, President**

# PhilanthropyNotes

President **Obama** and first lady **Michelle Obama** donated \$70,712 to charitable causes in 2014, 14.8 percent of their reported income of \$477,383, the *Washington Post* reports. The largest donation (\$22,012) went to Rockville, Md.-based **Fisher House Foundation**, which provides inexpensive housing for the families of military personnel undergoing medical treatment. Vice President **Joe Biden** and his wife, **Jill Biden**, gave a comparatively paltry \$7,380 (1.9 percent) last year on total income of \$388,844.

**AARP**'s charitable arm, **AARP Foundation**, recently took in a three-year \$3 million federal grant from the taxpayer-supported **Corporation for National and Community Service (CNCS)**. The funds come out of CNCS's **Social Innovation Fund**, a community organizing slush fund that the **Obama** administration uses to enrich its left-wing friends and allies in the nonprofit community. The \$3 million that AARP will allocate to subgrantees is earmarked for the Women's Economic Stability Initiative, or WESI, an "economic stability" program aimed at low-income women ages 50 to 64 in select Southern and Southwestern states. Whether the program actually accomplishes anything, much of the government money is likely to end up in the hands of left-wing community organizers. Since 2001, AARP Foundation has received close to \$1 billion in federal grants, according to USAspending.gov.

After years of not making profit, *National Review* has decided to formally incorporate as a nonprofit, editor **Rich Lowry** announced. "The advantage of the move is that all the generous people who give us their support every year will now be able to give tax-deductible contributions, and that we will be able to do more fundraising, in keeping with our goals to keep growing in the years ahead." The magazine will soon merge with its nonprofit sister organization, **National Review Institute**, and a few months later a unified *National Review* will emerge as a nonprofit corporation. "We want to go out and tap the conservative philanthropic community to get even bigger and better," Lowry said.

## Goldman Sachs WATCH

Goldman Sachs does a terrible job managing mutual funds, a *New York Times* analysis revealed. The review determined that most mutual funds run by Goldman Sachs, Morgan Stanley, JPMorgan Chase and Wells Fargo "have underperformed their basic benchmarks over the last 10 years." Goldman's performance was the worst. "Just 12 percent of its mutual funds did better than an analyst-assigned benchmark during a 10-year period. That compared to 25 percent of mutual funds at Wells Fargo, 31 percent at JPMorgan Chase and 38 percent at Morgan Stanley." In addition, Goldman's average annual fees were the second-highest among the banks, weighing in at 1.2 percent. Morgan Stanley was even more fee-happy, topping the list because it charges 1.24 percent.