

Clinton's Wall Street Pal to Serve Out Prison Term

Posted By [Bill McMorris](#) On April 21, 2015 @ 12:00 pm In [Politics](#) | [No Comments](#)

Rajat K. Gupta, a former Goldman Sachs executive and Clinton ally, will have to serve out his two-year insider trading sentence after the Supreme Court refused to hear his case on Monday.

Gupta was convicted of insider trading after providing illegal information to the hedge fund billionaire Raj Rajaratnam. The 2012 conviction sidelined one of the Democratic Party's biggest contributors; the Center for Responsive Politics described Gupta as one of the "most active as donors in the 2008 cycle." He and his wife Anita gave the Democratic Congressional Campaign Committee \$30,000 between 2006 and 2008.

"Gupta maxed out on his individual contributions to President [Barack Obama](#)'s general election campaign and donated another \$2,500 to his Victory Fund, while his wife gave \$4,600 to Sen. [Hillary Clinton](#)'s presidential bid—half of which had to be returned after she failed to advance to the general election," a [2012 CRP blog post](#) says.

The Guptas poured their money into more than just political campaigns. The couple also gave between \$10,001 and \$25,000 to the Clinton Foundation. It is unclear whether that donation occurred before or after his 2010 arrest.

"This is news to me and I don't have any comment about it," Gupta attorney Seth Waxman of Wilmer Cutler Pickering Hale and Dorr LLP said of the donations.

Neither the Clinton Global Initiative, nor the Clinton Foundation returned requests for comment.

Before his arrest, Gupta was a top player in Democratic circles with close personal ties to the Clintons. He served as global managing director of consulting giant McKinsey & Company from 1994 to 2003 before the company's board removed him from the position and reduced his role to senior partner. On his way out the door he presented a 23-year-old [Oxford graduate with no experience a six-figure consulting job](#).

"He was very proud of saying 'I hired Chelsea Clinton—I hired Hillary Clinton's daughter,'" a [neighbor told Anita Raghavan](#), author of [The Billionaire's Apprentice](#), an in-depth look of the \$20-million insider trading ring.

Gupta also presented Bill Clinton with opportunities to cash in on their relationship. Gupta and Anil Kumar, a fellow McKinsey consultant who later testified against Gupta, set up a [separate consultancy in their wives' names without McKinsey's knowledge](#) in 2001. They received 200,000 stock options from the tech company InfoGroup Inc. for advising its CEO, Vinod Gupta, who was Consul to Bermuda under Clinton.

Clinton was also improperly given 100,000 stock options as part of the deal though he never exercised them, according to an [SEC investigation](#) into Vinod Gupta's misuse of company dollars. Additionally, Clinton received \$3.3 million from 2002 to 2008 for advising Vinod Gupta and enjoyed the use of company jets for the entire Clinton family.

"Former President Clinton and his family, and other prominent individuals made improper, personal use of the Company's private jets, and Vinod Gupta did not reimburse the Company," the [SEC complaint said](#). "The consulting agreements executed between the Company and former President Clinton in 2002 and 2005 were without any consideration to the Company, and the agreements were arranged without Board or Committee approval."

Vinod Gupta was forced to pay \$9 million back to the company and later paid the SEC [\\$7.4 million](#) to settle the case. Despite the fines, he contributed between \$1,000,001 and \$5,000,000 to the Clinton Foundation. Records indicate that he has given as recently as 2014.

Clinton's ties to Rajat Gupta extend beyond business into philanthropy. Gupta started the American India Foundation (AIF) in 2001 at the ["urging of Bill Clinton,"](#) and the charity is now a [member of the](#)

[Clinton Global Initiative](#). The former president serves as honorary chair of AIF and its signature fellowship bears his name.

"AIF's William J. Clinton Fellowship for Service in India provides a select group of young Americans and Indians the opportunity to work with non-governmental organizations and social enterprises for 10 months, in order to accelerate impact for marginalized and underprivileged communities in India," [the website says](#).

AIF is now a major partner of the Clinton Foundation, pledging in 2005 to [raise \\$4 million annually](#) to help "eradicate poverty in India." Lata Krishnan, a co-founder of AIF, has also given the Clinton Foundation between \$100,001 and \$250,000.

Gupta's co-conspirator, the hedge fund honcho Raj Rajaratnam, was also a major player in AIF's work with the Clinton Foundation. Rajaratnam, a former AIF board member, [pledged \\$15 million](#) over three years to support AIF's anti-AIDs campaign under the Clinton Global Initiative umbrella.

Rajaratnam was a loyal Clinton ally before his arrest, having contributed to Hillary's Senate campaigns, as well as those of Sen. Chuck Schumer (D., N.Y.). He maxed out his donations to Hillary Clinton's 2008 run and did not raise funds for President Obama until she had dropped out of the race.

"He was big with Hillary," a [Democratic fundraiser told ABC News in 2009](#) following Rajaratnam's indictment.

Rajaratnam is serving an 11-year prison sentence stemming from his 2010 conviction. Gupta is expected to be released from prison in March 2016, just six months before the presidential election.

Article printed from Washington Free Beacon: <http://freebeacon.com>

URL to article: <http://freebeacon.com/politics/clintons-wall-street-pal-to-serve-out-prison-term/>

Copyright © 2012 Washington Free Beacon. All rights reserved.