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Clinton Foundation admits 'mistakes' in not disclosing millions in suspicious donations - as watchdog labels the powerful family's charity a 'slush fund'

- Acting Clinton Foundation CEO Maura Pally said 'Yes, we made mistakes'
- Fund 'mistakenly combined' government grants and other donations
- Foundation faces criticism after report it received millions from executive who sold uranium company to Russia in State Department-approved deal
- Pally said Canadian law prevented its partner from disclosing the donation
- Took in \$140million in 2013 and spent on \$84.6 million on payroll and operations and just \$9million on direct aid

By Associated Press and Daily Mail Reporter

Published: 15:56 EST, 26 April 2015 | Updated: 02:09 EST, 27 April 2015

The acting chief executive of the Clinton Foundation acknowledged that the global philanthropy made mistakes in how it disclosed its donors amid growing scrutiny as Hillary Rodham Clinton opens her presidential campaign.

The fund had been facing allegations of improper behavior after reports surfaced about undisclosed donations from foreign governments and a donor who was selling his uranium company to a Russian state agency at the same time the State Department had to approve the sale.

Acting CEO Maura Pally defended the foundation's work and reaffirmed its commitment to transparency, describing its policies on donor disclosure and contributions from foreign governments as 'stronger than ever.'

However, the tempered apology came the same day that a government watchdog said that the charity seemed like a 'slush fund' for one of America's most powerful political families.



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The acting CEO of the Clinton Foundation apologized after Hillary Clinton's presidential candidacy put it under intense scrutiny for undisclosed donations. Above, Clinton speaks at a foundation event in December



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Maura Pally (left) said that money received from a businessman when he was seeking State Department approval for selling his company to Russia (right) could not be disclosed under Canadian law

Pally said the foundation expected to refile some of its tax forms, following a voluntary external review, because it had 'mistakenly combined' government grants and donations.

She said the foundation would 'remedy' any errors but stressed the total revenue was reported accurately and that grants were properly broken out on audited statements on its website.

'Yes, we made mistakes, as many organizations of our size do, but we are acting quickly to remedy them, and have taken steps to ensure they don't happen in the future,' she said.

Pally also described the foundation's work with the Clinton Giustra Enterprise Partnership, which she said received funding from a separate organization in Canada.

The partnership received more than \$2million in donations from the Canadian chairman of Uranium One, Ian Telfer, when it was being sold to Russian state atomic agency Rosatom.

Telfer's donations, given by his own foundation, came at the same time as the State Department, then headed by Secretary of State Hillary Clinton, helped approve the sale.

The transaction, which followed Bill Clinton helping businessman Frank Giustra secure some of the Kazakh uranium sites also being sold, needed to be vetted by a government committee because it gave one-fifth of US uranium production into foreign hands.

Pally's blog post said that the Giustra partnership does not disclose its donors because under Canadian law they are not disclosed without prior permission from each donor.

'This is hardly an effort on our part to avoid transparency,' she said.

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The apology said that Uranium One Chairman Ian Telfer's donations to a foundation partnership with Frank Giustra (right) would have needed prior permission to be disclosed. Above, Giustra and Bill Clinton



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A non-profit rating agency has placed the Clinton Foundation on a watch list. Above, the New York Times's David Leonhardt (left), philanthropist Melinda Gates (center) and **Hillary Clinton**

Despite the apology, a fellow at the nonpartisan government watchdog Sunlight Foundation questioned the foundation and the Clintons' association with it, according to the New York Post.

'It seems like the Clinton Foundation operates as a slush fund for the Clintons,' Sunlight's Bill Allison said.

The Clinton Foundation is said to have taken more than \$140million in grants and pledges in 2013, spending \$84.6 million on 'functional expenses' including payroll and just \$9million on direct aid.

The foundation, which was also placed on a watch list by the non-profit rating organization Charity Navigator, said that the excess money is in pledges rather than hard assets.

Though the rating organization said it 'takes no position on allegations made or issues raised by third parties' it said on its website that it 'has determined that the nature of this/these issue(s) warrants highlighting the information available so that donors are aware of the issues in question'.

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Charity Navigator also refused to rate the foundation, citing insufficient methods to gauge its 'atypical business model'.

Since announcing her run for president, Clinton has sought to dismiss questions about financial support of her family charity and allegations of undue influence as 'distractions and attacks' by Republicans seeking to discredit her.

Pally said 'So yes, we made mistakes, as many organizations of our size do, but we are acting quickly to remedy them, and have taken steps to ensure they don't happen in the future'.

The philanthropy was started in 2001 by former President Bill Clinton.

Bill Clinton and daughter Chelsea will be starting a nine-day trip to Africa on Wednesday to highlight the group's work on issues such as economic growth and empowerment, climate change and empowering women and girls.

Read more:

- A Commitment to Honesty, Transparency, and Accountability | Clinton Foundation
- Charity watchdog: Clinton Foundation a 'slush fund' | New York Post



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