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Clinton Foundation 'fraud began with exploiting earthquake'

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Former President Bill Clinton (Creative Commons)

NEW YORK – Former President Bill Clinton developed a methodology of exploiting epidemics and natural disasters to raise hundreds of millions in “charitable donations” that in a relaxed regulatory environment could be diverted to personal gain, funding Hillary Clinton’s political campaigns and supporting Democratic Party causes, charges Wall Street analyst Charles Ortel, who has conducted an in-depth investigation of the foundation’s finances.

Ortel points to Bill Clinton’s involvement with the American India Foundation, which the former president co-founded in 2001 with Rajat Kumar Gupta, the India-born philanthropist who headed the international management consultancy firm McKinsey & Company.

Gupta is now in prison for criminal insider trading.

“The Clinton Foundation financial fraud began with the illegal disaster relief efforts started in February 2001, when Clinton started chasing donations for Gujarat, India, without IRS authorization and subsequently substantial funds went missing, diverted from helping disaster victims by a bevy of scoundrels, including Rajat Gupta, now incarcerated,” Ortel wrote in a new report.

Find out who the true Hillary is in “Hillary Unhinged: In Her Own Words,” the raw and humorous collection of quotes that pitilessly underscores her hypocrisy and endless pandering

As WND has reported since last spring, Ortel has accused the Clinton Foundation of illegally enriching its namesakes, Bill, Hillary and Chelsea Clinton.

In September, WND reported Ortel’s conclusion that the Clinton Foundation’s solicitation of “charitable donations” to fight HIV/AIDS in Third World countries traces back to a conversation Bill Clinton had with Nelson Mandela in 2002. However, the Clinton Foundation did not receive IRS tax-exempt authorization to fight HIV/AIDS until eight years later.

Ortel is finalizing additional reports that show the Clinton Foundation illegally exploiting natural

disasters, including fighting HIV/AIDS internationally, beginning July 2002; tsunami relief in January 2005; Hurricane Katrina in August 2005; and Haiti, beginning in 2009.

"All years from 2001 onward when the Clinton Foundation operated are not audited as required, so it is difficult to be precise, but total Clinton Foundation fraud runs to hundreds of millions of dollars," Ortel now estimates, "with diversions for political purposes and personal enrichment likely to exceed \$200 million."

He said the American India Foundation has been operating flagrantly in violation of state, federal and foreign laws since inception in 2001.

The origin of Bill Clinton's involvement with what has evolved into the American India Foundation can be traced to the earthquake that hit Gujarat, India, in 2001, killing an estimated 20,000 people, injuring another 166,000 and destroying more than 1 million homes. Property damage was estimated at some \$4.5 billion, on Jan. 26, 2001, six days after President George W. Bush took office.

'Clinton, Clinton!'

"Thousands of people, precariously balanced on mountains of rubble in this earthquake-ravaged town, chanted "Clinton, Clinton!" as the former president toured the ruins today, solemnly laying roses in a lane where 150 schoolchildren were buried alive when the ground shook on Jan. 26," the New York Times reported April 5, 2001.

"Bill Clinton, with his scandal-tinged exit from office, may elicit an exhausted sigh from many Americans, but here he still draws adoring throngs of ordinary Indians a year after he became the first American president to visit this country of one billion people in 22 years," New York Times reporter Celia W. Dugger continued.

"And he basked in their affection today on the first full day of a week-long visit that will also take him to Bombay, Calcutta and New Delhi," the newspaper continued. "At the devastated villages and towns he visited, Mr. Clinton ardently declared, "I intend to come back to India for the rest of my life.'"

The Times noted that Clinton was then visiting India as the chairman of the new American India Foundation, commenting that wealthy Indian-American entrepreneurs, executives and doctors formed AIF.

"They have set themselves a goal of raising \$50 million to rebuild 100 of the 1,000 villages that were more than 50 percent destroyed by the earthquake here in the western state of Gujarat," the New York Times said. "So far, they said they had collected more than \$8 million."

But Ortel said AIF has been a fraud from its inception.

Instead of a charity, legally constituted and validly pursuing authorized tax-exempt purposes, it has been a false front that attracts donations, allows unknown sums to be diverted and then manufactures deductions for cronies," Ortel charged.

"Trustees and those involved include a star-studded cross-section of the elite in America, and not just immigrants from India," Ortel noted. "How could such a mess happen and then remain unprosecuted for so long?"

'A lifeline from India'

The New York Times further reported that the co-founders who first met with Clinton in February 2001 to establish the American India Foundation were Rajat Gupta, then managing director of McKinsey, and Victor J. Menezes, president and CEO of Citibank.

"The senior vice-chairman of Citigroup recalls receiving a phone call from Bill Clinton soon after the Gujarat earthquake," [the Times of India reported](#) Aug. 24, 2003, chronicling Clinton's seminal role in the creation of the American India Foundation. "Clinton asked him to help galvanize the Indian-American community to aid victims of the disaster."

The Times of India said Menezes "promptly made a couple of calls to his friends and the first meeting of the American India Foundation was held at the Citigroup Centre in New York."

Menezes said Clinton is "incredibly focused on building a bridge between the US and India, and the non-resident Indian community in the US."

Ortel noted that Clinton's departure from the White House was "one of the low points in his life and in the history of the U.S. presidency, marked by the pardon Clinton gave on Jan. 20, 2001 to notorious tax evader and fugitive Marc Rich, the five-year suspension of his license to practice law and \$25,000 fine imposed by the Circuit court of Pulaski County, Arkansas, on Clinton to avoid disbarment for having lied under oath in the Monica Lewinsky scandal."

He also made a payment of more than \$850,000 to settle the sexual harassment lawsuit filed against him by Paula Jones.

"Then, amidst mounting turmoil, a lifeline of sorts appeared in the devastating earthquake that struck in Gujarat," Ortel said. "With countless dead and wounded in one of the most impoverished states within India, Bill Clinton had a new cause to mount that might turn attention away from U.S. political woes of his own making."

Bill Clinton: honorary AIF chairman

Despite the prominent role Clinton has played in India earthquake disaster relief fundraising since 2001, Ortel noted the Clinton Foundation financial reports and regulatory filings are absent the required detail concerning "charitable donations," payments supposedly made to relief efforts in

India, and omit proper audits, prepared by competent and independent accounting firms.

"The Clinton Foundation purposefully has omitted discussion of Bill Clinton's prominent role creating AIF early in 2001, typically referring to him only as 'Honorary Chairman' of the AIF," Ortel said. "Yet trustees and donors to AIF certainly boast of their connections to Clinton all over the World Wide Web, and likely use these inside and outside the United States to project power."

After an extensive examination of AIF audited financial statements and regulatory filings in the United States, Ortel charged that the AIF federal and state regulatory filings "are missing or riddled with errors since inception in 2001, going forward to today."

"There is no evidence in Clinton Foundation public filings that Bill Clinton or the Clinton Foundation had IRS approval and legal authority to conduct earthquake relief efforts targeting victims in India starting in 2001," Ortel further alleged.

"And there is no evidence that Bill Clinton or the Clinton Foundation had authority in key U.S. states to solicit for donations from the general public, yet they certainly did so, as the public record is amply clear," he continued.

Ortel said Bill Clinton "certainly is and was a person 'in position to exercise significant influence' over the American India Foundation from February 2001 to present."

"However, Bill Clinton's role as 'Honorary Chairman' to the AIF was never declared on Clinton Foundation 990s from 2001 forward, despite IRS regulations requiring the disclosure of affiliated charitable activities on properly prepared and filed 990s."

\$1 billion raised

Numerous published reports indicate Clinton was instrumental in raising "charitable donations" to provide relief to the victims of the 2001 earthquake in India.

Clinton, on pages 133-134 of his 2007 book "Giving," relates how he called Indian Prime Minister Atal Bihari Vajpayee in the aftermath of the earthquake to see if he could help encourage Indian-born U.S. residents to donate to the reconstruction and relief efforts.

"The AIF quickly raised more than \$4 million for relief, reconstruction, and rehabilitation," Clinton wrote, noting most of that money came from the United States.

"The success in Gujarat convinced the AIF leaders to continue their work," Clinton continued.

"They have now raised more than \$37 million from thousands of donors, the vast majority of them Indian Americans. Their funds have been distributed by sixty NGOs working on education, HIV/AIDS, and women's empowerment."

"The AIF was formed in 2001 to raise funds for relief and rehabilitation of the Gujarat earthquake

victims," noted a [Copal Partners 2006 research report giving AIF a "good" donation recommendation](#).

"It was established under leadership of the former US (United States) president Bill Clinton after discussions with Rajat Gupta, the former McKinsey & Co. Managing Director, and Victor Menezes, the Chairman and CEO of Citibank," the Copal Partners report continued. "[T]hese well-established figures exercised their influence to raise funds with the aim of addressing the crisis created by the earthquake in Gujarat.

"In January 2002, AIF expanded its focus from rehabilitation in Gujarat to accelerating social and economic change throughout India," Copal Partners stressed.

The report described AIF as "a secular, non- partisan, non-profit, and non-governmental organization that is registered in the United States."

"In the five years since its existence, AIF has raised over \$30 million (Rs 1,380 million) from individuals, corporations, and other sources across the United States," the research report continued.

In stark contrast, published reports suggest the AIF has raised more than \$1 billion with Bill Clinton's assistance to aid victims of the 2001 Gujarat earthquake.

"Gupta co-founded the American India Foundation in 2001, following the devastating earthquakes in Gujarat which killed 20,000 people and left more than half a million people homeless," [India West reported Nov. 1, 2014](#).

"Gupta and AIF co-founders President Bill Clinton, former vice chair of Citigroup Victor Menezes, venture capitalist Lata Krishnan, and former Citibank senior executive Pradeep Kashyap raised more than \$1 billion to assist victims of the earthquake," India West continued.

On June 17, 2014, [Forbes reported](#) Rajat Gupta reported to the federal prison camp at Devens Federal Medical Center in Ayer, Massachusetts, to begin serving a two-year term for insider trading, which may help explain why the Clinton Foundation has boasted less in recent years of the enthusiastic support Clinton provided to Gupta in the wake of the 2001 earthquake.

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