



NEWS

Charity watchdog: Clinton Foundation a 'slush fund'

By Isabel Vincent

April 26, 2015 | 7:47am



The Clinton family discusses the Clinton Global Initiative.

Photo: Reuters

The **Clinton Foundation's** finances are so messy that the nation's most influential charity watchdog put it on its "watch list" of problematic nonprofits last month.

The Clinton family's mega-charity took in more than \$140 million in grants and pledges in 2013 but spent just \$9 million on direct aid.

The group spent the bulk of its windfall on administration, travel, and salaries and bonuses, with the fattest payouts going to family friends.

On its 2013 tax forms, the most recent available, the foundation claimed it spent \$30 million on payroll and employee benefits; \$8.7 million in rent and office expenses; \$9.2 million on "conferences, conventions and meetings"; \$8 million on fundraising; and nearly \$8.5 million on travel. None of the Clintons is on the payroll, but they do enjoy first-class flights paid for by the foundation.

In all, the group reported \$84.6 million in "functional expenses" on its 2013 tax return and had more than \$64 million left over — money the organization has said represents pledges rather than actual cash on hand.

Some of the tens of millions in administrative costs finance more than 2,000 employees, including aid workers and health professionals around the world.

But that's still far below the 75 percent rate of spending that nonprofit experts say a good charity should spend on its mission.

Charity Navigator, which rates nonprofits, recently refused to rate the Clinton Foundation because its "atypical business model . . . doesn't meet our criteria."

Charity Navigator put the foundation on its "watch list," which warns potential donors about investing in problematic charities. The 23 charities on the list include the **Rev. Al Sharpton's** troubled **National Action Network**, which is cited for failing to pay payroll taxes for several years.

Other nonprofit experts are asking hard questions about the Clinton Foundation's tax filings in the wake of recent reports that the Clintons traded influence for donations.

"It seems like the Clinton Foundation operates as a slush fund for the Clintons," said Bill Allison, a senior fellow at the Sunlight Foundation, a government watchdog group where progressive Democrat and Fordham Law professor Zephyr Teachout was once an organizing director.

In July 2013, Eric Braverman, a friend of **Chelsea Clinton** from when they both worked at McKinsey & Co., took over as CEO of the Clinton Foundation. He took home nearly \$275,000 in salary, benefits and a housing allowance from the nonprofit for just five months' work in 2013, tax filings show. Less than a year later, his salary increased to \$395,000, according to a report in **Politico**.

Braverman abruptly left the foundation earlier this year, after a falling-out with the old Clinton guard over reforms he wanted to impose at the charity, **Politico** reported. Last month, Donna Shalala, a former secretary of health and human services under **President Clinton**, was hired to replace Braverman.

Nine other executives received salaries over \$100,000 in 2013, tax filings show.

The nonprofit came under fire last week following reports that **Hillary Clinton**, while she was secretary of state, signed off on a deal that allowed a Russian government enterprise to control one-fifth of all uranium producing capacity in the United States. Rosatom, the Russian company, acquired a Canadian firm controlled by Frank Giustra, a friend of Bill Clinton's and member of the foundation board, who has pledged over \$130 million to the Clinton family charity.

The group also failed to disclose millions of dollars it received in foreign donations from 2010 to 2012 and is hurriedly refiled five years' worth of tax returns after reporters raised questions about the discrepancies in its filings last week.

An accountant for the Clinton Foundation did not return The Post's calls seeking clarification on its expenses Friday, and a spokesperson for the group refused comment.

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