



## Seven ways the Clinton Foundation failed to meet its transparency promises



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Getty Images

**Hillary Clinton** made sweeping promises about transparency at her family's foundation before she was confirmed in 2009 as President Obama's secretary of State.

At the time, Clinton was under pressure from senators in both parties and even the White House to agree to be transparent given the potential for ethical concerns with the Clinton Foundation, which has accepted donations or entered into charitable partnerships with foreign and corporate interests.

During her **confirmation hearing**, the Clinton Foundation was mentioned 62 times as senators worried that foreign governments could use donations to the foundation to curry favor with the Clinton State Department.

Clinton said at the hearing that "all contributors will be disclosed," and pointed to a **memorandum of understanding** co-signed in December 2008 between the foundation and the transition team of then president-elect **Barack Obama** that pledged unprecedented transparency into her family's sprawling organization.

Some of Clinton's transparency promises ended up not being kept.

The failures were sometimes complicated – in one example a foreign country's laws hampered the foundation's ability to reveal names of donors. Nonetheless, these controversies are now returning to haunt Clinton as November's election draws near.

Here are seven ways in which the foundation fell short on its transparency pledges.

### 1. The Clinton Health Access Initiative didn't disclose its donors annually.

The office of then president-elect Obama was sufficiently worried about the Clinton Foundation's continued acceptance of foreign donations that on December 16, 2008, prior to Clinton's confirmation hearings, it co-signed a **memorandum of understanding** in which the foundation agreed to a number of transparency measures.

The document – signed by top Obama adviser Valerie Jarrett and Bruce Lindsey, the then-CEO of the Clinton Foundation – promised that any new foreign donations into the foundation or the material increase of existing foreign donors would be disclosed during Clinton's tenure as secretary of State.

As Reuters **revealed** last year, officials at the Clinton Health Access Initiative (CHAI) — an HIV/AIDS-focused non-profit that falls under the Clinton Foundation's umbrella — admitted they failed to uphold these commitments during Clinton's entire tenure, from 2009 to 2013.

"Not doing so was an oversight which we made up for this year," said CHAI spokeswoman Maura Daley in a statement to Reuters.

Asked by The Hill to explain these transparency failures in more detail, the Clinton Foundation did not respond.

### 2. The Clinton Health Access Initiative didn't submit foreign government donations to State Department ethics officials for review.

Another Clinton Foundation promise designed to reassure the Obama administration was a pledge that prospective foreign donations would be submitted to State Department ethics officials for review.

The relevant section of the signed memorandum reads: "Should an existing contributing country elect to increase materially its commitment, or should a new contributor country elect to support CHAI, the Foundation will share such countries and the circumstances of the anticipated contribution with the State Department designated agency ethics official for review, and as appropriate, the State Department's designated agency ethics official will submit the matter for review by a designated official in the White House Counsel's Office."

But it was here that the foundation failed most blatantly to uphold the transparency assurances provided by Clinton during her confirmation hearing.

In April 2015, Daley **admitted** to the Boston Globe that the organization never submitted information on any foreign donations for State Department review during Clinton's tenure from 2009 to 2013.

As the Globe documented, "among the foreign governments that started giving money to the charity while Clinton was secretary of state were Rwanda, Sweden, Papua New Guinea, and Flanders."

Daley told the Globe that the charity didn't view Flanders as a "foreign government" because it is part of Belgium.

Daley further told the Globe that the Clinton charity viewed most of these foreign donor disclosures as unnecessary, because the tens of millions of dollars being transferred were simply passing through the charity to fund existing projects.

Daley did, however, concede to the Globe that the failure to report a new donation by the Swiss government was an "oversight".

### **3. The Clinton Foundation didn't disclose a new \$500,000 donation in 2010 from the Algerian government**

While the foundation did disclose a large number of its foreign donors, there were several controversial failures that have caused political headaches for Clinton during her race for the White House.

One of the big ones is Algeria.

Clinton Foundation officials **admitted** last year to the Washington Post that they didn't disclose a \$500,000 donation from the Algerian government in 2010.

The Algerian donation – which the foundation officials said was for Haiti earthquake relief – carried further implications because, as the Post noted, it came at a time when Algeria was lobbying U.S. government officials in a bid to improve U.S.-Algerian relations and the country's image on human rights.

Asked to explain the Algerian oversight, Clinton Foundation officials pointed The Hill to the foundation's public statement, which acknowledges the mistake. The foundation said that immediately following the Haitian earthquake, the Embassy of Algeria made an "unsolicited" donation to the foundation's relief fund.

"This was a one-time, specific donation to help Haiti and Algeria had not donated to the Clinton Foundation before and has not since," the foundation added in its statement.

### **4. The Clinton Foundation didn't disclose \$2.35 million of donations from a family foundation linked to a company with business before Clinton's State Department.**

A second high-profile and controversial example of the alleged overlap between the Clinton Foundation and the Clinton State Department involved a Canadian company, Uranium One, which was taken over by the Russian atomic energy agency, Rosatom, in a lucrative deal.

Because Uranium One controlled uranium mining stakes that were considered strategic assets, including substantial stakes on U.S. soil, the Russian takeover had to be approved by a number of U.S. government agencies including Clinton's State Department.

Sparked by the investigations of conservative journalist Peter Schweizer — whose anti-Clinton work has been partly funded by Robert Mercer, a leading Trump donor and hedge fund billionaire — The New York Times published a **report** in April 2015 that revealed an undisclosed flow of some \$2.35 million to the Clinton Foundation from a family foundation linked to the chairman of Uranium One.

This \$2.35 million flowed to the Clinton Foundation over the same period that Uranium One was trying to convince U.S. government agencies, including Clinton's State Department, to approve the Russian takeover.

Responding to the Times report, Clinton spokesman Brian Fallon rejected the idea that Clinton had weighed in to help a foundation donor, emphasizing that numerous United States agencies, as well as the Canadian government, had to sign off on that deal.

Fallon added that no one "has ever produced a shred of evidence supporting the theory that Hillary Clinton ever took action as secretary of State to support the interests of donors to the Clinton Foundation."

### **5. The Clinton Foundation was late in disclosing millions of dollars in speaking fees.**

In May 2015, the Clinton Foundation **revealed** that it had taken millions of dollars in previously undisclosed fees pumped into the organization as a result of speeches given by Bill, Hillary, and Chelsea Clinton.

The speaking fees, reported on the foundation website in broad ranges, show that corporations from China, Qatar, and Korea, all gave money to the Clinton Foundation. The Thai government's Ministry of Energy also paid between \$250,000 and \$500,000 for a speech by **Bill Clinton**.

Asked to explain why it failed to reveal such payments before 2015, Clinton Foundation officials pointed The Hill to the foundation's standard public explanation that describes the speech income as different from donations for disclosure purposes.

"This revenue is different from donations, as the money results from a contracted service that is provided to these organizations," the

foundation states. "The hosts of these events do not receive a charitable tax deduction for this payment.

"As part of our commitment to transparency, the Foundation last year began breaking out all revenue from speeches that was directed to the Foundation, by event host and the amount of the payment. These payments had previously been reported on the Foundation's Forms 990."

#### **6. The Clinton Foundation hasn't revealed all of the sources of money transferred from a Canadian charity.**

Some of the transparency failures of the Clinton Foundation could be seen as at least partly beyond its control, thanks to foreign laws governing charitable contributions.

Listed in the most elite group of donors to the Clinton Foundation – the **\$25 million and above category** – is a Canadian-registered charity named the **Clinton Giustra Enterprise Partnership**.

The charity, which has sent untold sums of money to the foundation, is a partnership between Bill Clinton and his close friend, the Canadian mining magnate Frank Giustra.

But beyond knowing that the CGEP has given more than \$25 million to the Clinton Foundation, the public has a limited idea of which foreign individuals or entities wired the money in the first place.

The CGEP team explains the legal reasons why donors' names are kept hidden from public view.

"Under Canadian laws and charitable best practices, charitable donors have a right to privacy," the CGEP website states.

Bending to media pressure, however, the partnership has voluntarily **revealed** 30 names, which it claims cover the majority of donors who have given more than \$100,000.

#### **7. Exact donation amounts and dates are unknown.**

A challenge for anyone trying to scrutinize the list of Clinton Foundation donors is that the organization reports the money in broad ranges and doesn't provide the dates when the donations were given.

Though opaque, this transparency failure cannot be described as a violation of a promise. The 2008 memorandum is so vaguely worded – "the Foundation will publish its contributors" – that any fair reading of the document would allow for the foundation to reveal its contributors in the vague way seen on the website.

But the practical result is that the public is left without crucial information on the foundation's donors.

For example, the most elite donor section on the Clinton Foundation website shows entities that have given more than \$25 million. But there is no upper ceiling on these contributions. The public doesn't know from the disclosure whether the amount given was \$25 million or \$100 million, for example.

The second highest level leaves a gap of \$15 million between the smallest and largest donations. By leaving such a broad range, the Clinton Foundation is failing to show the public whether the Kingdom of Saudi Arabia has been more or less financially important to the foundation than the Kingdom of Norway.

Asked to explain its broad donor ranges and lack of dates, a Clinton Foundation official told The Hill, "One would be hard pressed to find another global charity that lists over 330,000 donors publicly on its website.

"This one of the most comprehensive accounting of donors of any operating foundation in the world, and we update this listing quarterly."

*Allie Bice and Sarah Mearhoff contributed reporting.*

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