



Clinton Foundation Fallout

As Hillary Clinton Prepares For A Day Of CGI Events, A Look At How The Clinton Foundation Might Hinder Her 2016 Campaign

Today, Hillary Clinton Is Scheduled To Make Remarks At Two Different Events At The 2013 Clinton Global Initiative Annual Meeting. (Clinton Global Initiative [Website](#), Accessed 9/24/13)

CLINTON'S FOUNDATION MAY BECOME A BURDEN FOR HER 2016 HOPES

The Clinton Foundation Has Become "A Sprawling Concern, Supervised By A Rotating Board Of Old Clinton Hands, Vulnerable To Distraction And Threatened By Conflicts Of Interest." "Soon after the 10th anniversary of the foundation bearing his name, Bill Clinton met with a small group of aides and two lawyers from Simpson Thacher & Bartlett. Two weeks of interviews with Clinton Foundation executives and former employees had led the lawyers to some unsettling conclusions. The review echoed criticism of Mr. Clinton's early years in the White House: For all of its successes, the Clinton Foundation had become a sprawling concern, supervised by a rotating board of old Clinton hands, vulnerable to distraction and threatened by conflicts of interest." (Nicholas Confessore and Amy Chozick, "Unease At Clinton Foundation Over Finances And Ambitions," [The New York Times](#), 8/13/13)

After "More Than A Year Of Internal Debate" The Efforts Of The Clinton Foundation Are "Taking On New Urgency" As It Becomes The "Nerve Center Of Hillary Rodham Clinton's Increasingly Busy Public Life." "The review set off more than a year of internal debate, and spurred an evolution in the organization that included Mr. Clinton's daughter, Chelsea, taking on a dominant new role as the family grappled with the question of whether the foundation — and its globe-spanning efforts to combat AIDS, obesity and poverty — would survive its founder. Now those efforts are taking on new urgency. In the coming weeks, the foundation, long Mr. Clinton's domain since its formation in 2001, will become the nerve center of Hillary Rodham Clinton's increasingly busy public life." (Nicholas Confessore and Amy Chozick, "Unease At Clinton Foundation Over Finances And Ambitions," [The New York Times](#), 8/13/13)

"Efforts To Insulate The Foundation From Potential Conflicts Have Highlighted Just How Difficult It Can Be To Disentangle The Clintons' Charity Work From Mr. Clinton's Moneymaking Ventures And Mrs. Clinton's Political Future." "And efforts to insulate the foundation from potential conflicts have highlighted just how difficult it can be to disentangle the Clintons' charity work from Mr. Clinton's moneymaking ventures and Mrs. Clinton's political future, according to interviews with more than two dozen former and current foundation employees, donors and advisers to the family. Nearly all of them declined to speak for attribution, citing their unwillingness to alienate the Clinton family." (Nicholas Confessore and Amy Chozick, "Unease At Clinton Foundation Over Finances And Ambitions," [The New York Times](#), 8/13/13)

The New York Times: Between 2007 And 2008, The Clinton Foundation Racked Up A \$40 Million Deficit. “Yet the foundation’s expansion has also been accompanied by financial problems. In 2007 and 2008, the foundation also found itself competing against Mrs. Clinton’s presidential campaign for donors amid a recession. Millions of dollars in contributions intended to seed an endowment were diverted to other programs, creating tension between Mr. Magaziner and Mr. Band. The foundation piled up a \$40 million deficit during those two years, according to tax returns.” (Nicholas Confessore and Amy Chozick, “Unease At Clinton Foundation Over Finances And Ambitions,” [The New York Times](#), 8/13/13)

- **Since 2003, The Clinton Foundation Has Engaged In “High-Flying Ways” And Spent More Than \$50 Million On Travel Expenses Alone.** “Bill Clinton’s foundation has spent more than \$50 million on travel expenses since 2003, an analysis of the non-profit’s tax forms reveal. The web of foundations run by the former president spent an eye-opening \$12.1 million on travel in 2011 alone, according to an internal audit conducted by foundation accountants. ... The sky-high travel costs come after a report revealed some of the foundation’s high-flying ways, including letting actress Natalie Portman fly first class with her pooch to a foundation event.” (Geoff Earle, “Bill Clinton Foundation Has Spent More Than \$50M On Travel Expenses,” [New York Post](#), 8/20/13)

Some Clinton Associates Are Causing Headaches By Cashing In On Their Influence

“Inside The Clinton Circle, Longtime Aide And Founder Of Teneo Holdings Doug Band, Is The “Subject Of Considerable Angst” For His Leveraging Of His Ties To The Clintons To Expand His Business And His Role At The Clinton Foundation. “Inside the realm known as Clintonland, he is the subject of considerable angst. There are those who worry about the overlap between his work for the Clinton Global Initiative—which he conceived and helped run for six years—and his energetic efforts to expand Teneo’s client base. And there are those who worry about how some of the messier aspects of the charity’s operations could create trouble for Hillary Clinton, who has made the family foundation her base as she contemplates a presidential run. But the real cause for these anxieties runs deeper. At its heart, the unease with Band reflects an unease with the phenomenon of post-presidential Clintonism itself.” (Alec McGillis, “Scandal At Clinton Inc.,” [The New Republic](#), 9/22/13)

- **A Former White House Colleague, On Band’s Roll With Clinton: “He Was A Gatekeeper Who Charged Tolls.”** “Band explained that the company should pay a certain sum to Clinton’s speaker’s agency and ideally contribute a certain sum to CGI or the foundation. Of course, he told the associate, the company should ‘also pay you for having made that happen’—as if that were simply the way things were done. ‘Doug has always been reasonably commercial, let’s just say,’ says his former White House colleague. ‘He was a gatekeeper who charged tolls.’” (Alec McGillis, “Scandal At Clinton Inc.,” [The New Republic](#), 9/22/13)

Band’s Business Is “Essentially A P.R. Firm That Is Able To Charge Above-Market Rates” Because Of Band’s Access To Clinton. “Of course, it was only natural that Band would tap his existing network. What is striking is the extent to which Teneo’s business model depends on his relationship with Clinton. Band’s former White House colleague says Teneo is essentially a p.r. firm that is able to charge above-market rates because it persuades executives that Band and the ties he brings are an essential service. ‘If they were paying \$25,000 or \$40,000 a month for p.r., then \$100,000 a month, from the eyes of the CEO, ... it’s not going to crush him,’ says the former colleague. (According to The New York Times, Teneo’s monthly fees can be as high as \$250,000.) The longtime Clinton associate says that Band’s pitch to clients was that he was ‘able to fly around [with Clinton] and decide who flies around with him. ... The whole thing is resting on his access.’” (Alec McGillis, “Scandal At Clinton Inc.,” [The New Republic](#), 9/22/13)

In 2009, When Band's Family Wanted To Purchase Option On A Sarasota Post Office Building And The Owners Wanted A Higher Price Than They Were Willing To Pay, Band Called Clinton Ally And Member Of The Postal Service Board Alan Kessler. "One stark example came in 2009, when the U.S. Postal Service exercised a purchase option on the Sarasota post office building, which was owned by Band's father and another family. The owners refused to sell, arguing that the price should be higher than the \$825,000 the Post Office had offered. Then, Band placed a phone call to Alan Kessler, a longtime Clinton ally and a member of the Postal Service Board of Governors." (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)

- **Kessler Urged Postal Service Officials To Pay More For The Building.** "According to the Postal Service inspector general and documents I obtained under a Freedom of Information request, Kessler urged top Postal Service officials to pay more for the building." (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)
- **Postal Service General Counsel Mary Anne Gibbons Told Investigators That Kessler Said "Band Had White House Connections And "Could Run Up To Capitol Hill And Thwart The Postal Service."** "Postal Service General Counsel Mary Anne Gibbons recalled to investigators that Kessler told her Band had White House connections and 'could run up to Capitol Hill and thwart the Postal Service.' A colleague of Band's in Clinton's post-presidential office whose name was redacted from documents also contacted Gibbons, clearly signaling where the overture was coming from: 'I work for President Clinton. His Counselor, Doug Band, asked that I set up a call with you ...'" (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)
- **"After The Inspector General Found That Kessler Had Failed To Uphold His Duty To The Postal Service, Kessler Resigned In July 2011. Nevertheless, In Order To Curb Its Legal Costs, The Postal Service Settled The Sale With The Two Families For \$1.06 Million."** (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)

"The Biggest Question Among Hillary's Circle Concerns Huma Abedin," Longtime Aide And Current Chief Of Clinton's "Transition Office." "The biggest question among Hillary's circle concerns Huma Abedin, currently chief of Hillary's 'transition office' and formerly her deputy chief of staff in the State Department. Abedin began as an intern for the First Lady in 1996, when she was 20 years old, and is, of course, married to former congressman and mayoral candidate Anthony Weiner, of sexting infamy." (Joe Hagan, "Hillary In Midair," [New York Magazine](#), 9/22/13)

- **"In The Midst Of Her Husband's Scandal," Abedin Moved Back To New York And Took Work With Band's Teneo Holdings, Giving "Hillary Cover While Also Keeping Abedin Plugged In."** "In the midst of her husband's scandal, Abedin stepped down from her full-time job for a consulting contract and moved back to New York to take work with Teneo Holdings, a consulting firm and investment bank run by Bill Clinton's longtime consigliere, Doug Band. This gave Hillary cover while also keeping Abedin plugged in." (Joe Hagan, "Hillary In Midair," [New York Magazine](#), 9/22/13)
- **Clinton Insider, On Abedin's Dual Role: "It's Business As Usual."** "'It's business as usual,' says a Clinton insider. 'Keep your circle of advisers small, and then you structure things in a way that makes it economically possible for your close advisers to sustain themselves.'" (Joe Hagan, "Hillary In Midair," [New York Magazine](#), 9/22/13)

While Clintonworld Cashed In, Controversial Figures Have Gotten Close To The Foundation

In September 2005, Canadian Mining Financier Frank Giustra Brought Bill Clinton To A Meeting In Kazakhstan With President Nursultan A. Nazarbayev. "Late on Sept. 6, 2005, a private plane carrying

the Canadian mining financier Frank Giustra touched down in Almaty, a ruggedly picturesque city in southeast Kazakhstan. Several hundred miles to the west a fortune awaited: highly coveted deposits of uranium that could fuel nuclear reactors around the world. And Mr. Giustra was in hot pursuit of an exclusive deal to tap them. Unlike more established competitors, Mr. Giustra was a newcomer to uranium mining in Kazakhstan, a former Soviet republic. But what his fledgling company lacked in experience, it made up for in connections. Accompanying Mr. Giustra on his luxuriously appointed MD-87 jet that day was a former president of the United States, Bill Clinton. Upon landing on the first stop of a three-country philanthropic tour, the two men were whisked off to share a sumptuous midnight banquet with Kazakhstan's president, Nursultan A. Nazarbayev, whose 19-year stranglehold on the country has all but quashed political dissent." (Jo Becker and Don Van Natta, "After Mining Deal, Financier Donated To Clinton," [The New York Times](#), 1/31/08)

- **Giustra Had A History Of Making "His Luxury Jet Available To Clinton And Band."** "There was Canadian businessman Frank Giustra, who often made his luxury jet available to Clinton and Band. In 2005, Giustra and Clinton overlapped on a visit to Kazakhstan, and at a dinner, Clinton praised the country's autocratic ruler, Nursultan A. Nazarbayev." (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)
- **Undercutting American Foreign Policy And Criticism Of Kazakhstan's Human Rights Record By Hillary Clinton, Among Others, Bill Clinton "Expressed Enthusiastic Support" For Nazarbayev.** "Mr. Nazarbayev walked away from the table with a propaganda coup, after Mr. Clinton expressed enthusiastic support for the Kazakh leader's bid to head an international organization that monitors elections and supports democracy. Mr. Clinton's public declaration undercut both American foreign policy and sharp criticism of Kazakhstan's poor human rights record by, among others, Mr. Clinton's wife, Senator Hillary Rodham Clinton of New York." (Jo Becker and Don Van Natta, "After Mining Deal, Financier Donated To Clinton," [The New York Times](#), 1/31/08)
- **Within Two Days, Giustra Had Secured An Agreement With Kazakhstan For The Right To Buy Into Uranium Projects Controlled By State-Owned Kazatomprom In A "Monster Deal" That "Stunned The Mining Industry."** "Within two days, corporate records show that Mr. Giustra also came up a winner when his company signed preliminary agreements giving it the right to buy into three uranium projects controlled by Kazakhstan's state-owned uranium agency, Kazatomprom. The monster deal stunned the mining industry, turning an unknown shell company into one of the world's largest uranium producers in a transaction ultimately worth tens of millions of dollars to Mr. Giustra, analysts said." (Jo Becker and Don Van Natta, "After Mining Deal, Financier Donated To Clinton," [The New York Times](#), 1/31/08)
- **"In Early 2006, Giustra Donated \$31.3 Million To The Foundation, Followed By Another \$100 Million Pledge. (He Also 'Co-Produced' Clinton's Sixtieth Birthday Party In Toronto, Which Raised Another \$21 Million.)"** (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)

"There Was London Businessman Victor Dahdaleh, Who Touted Clinton As A Close Friend And Gave The Foundation Around \$5 Million In 2010." (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)

- **"The Next Year, British Authorities Charged Him With Bribing A Bahraini Company, For As Much As \$9.5 Million. (The Trial Has Been Delayed Until November.)"** (Alec McGillis, "Scandal At Clinton Inc.," [The New Republic](#), 9/22/13)

In 2005 Band Connected Italian Businessman Raffaello Follieri To Clinton Ally And Businessman Ron Burkle Who "Gave His Company More Than \$100 Million To Invest In Joint Ventures." "In 2005, however, a former assistant introduced Mr. Follieri to Aldo Civico, director of the Center for

International Conflict Resolution at Columbia University. Mr. Civico, in turn, put him in touch with an official at the Clinton Foundation. At an April 12, 2005, meeting at the Palace Hotel, Mr. Follieri met Douglas Band, an adviser to Mr. Clinton, and Mr. Burkle. Afterward, Mr. Follieri agreed to fly to Los Angeles for more discussions with Mr. Burkle; through him, he moved into a Park Avenue office affiliated with Mr. Burkle's Yucaipa Companies. Mr. Burkle gave his company more than \$100 million to invest in joint ventures." " (Christine Haughney, "Italian Developer Pleads To Fraud," [The New York Times](#), 9/11/08)

- **"Later, Mr. Band Helped Mr. Follieri Secure Several Million Dollars More From Michael Cooper, A Toronto Real-Estate Executive And Supporter Of Mr. Clinton's Humanitarian Initiatives."** (John R. Emshwiller And Gabriel Kahn, "How Bill Clinton's Aide Facilitated A Messy Deal," [The Wall Street Journal](#), 9/26/07)
- **"Mr. Band Received \$400,000 From Mr. Follieri For Arranging That Deal. Mr. Band's Connection To Mr. Follieri Was Reported In Il Sole/24 Ore, An Italian Newspaper."** (John R. Emshwiller And Gabriel Kahn, "How Bill Clinton's Aide Facilitated A Messy Deal," [The Wall Street Journal](#), 9/26/07)
- **In September 2008, Follieri Plead Guilty To 14 Counts Of Fraud, Money Laundering, And Conspiracy.** "An Italian businessman who parlayed claims of Vatican ties into financial backing from the billionaire Ron Burkle, social links to former President Bill Clinton and a highly publicized romance with the movie actress Anne Hathaway, watched his ambitions come to an end on Wednesday when he pleaded guilty to fraud. Appearing in Federal District Court in Manhattan, the businessman, Raffaello Follieri, 30, pleaded guilty to 14 counts of wire fraud, money laundering and conspiracy. He had used his contacts to attract investors to real estate ventures." (Christine Haughney, "Italian Developer Pleads To Fraud," [The New York Times](#), 9/11/08)
- **Follieri Used Investors Money To Finance His Lavish Lifestyle.** "In the indictment, prosecutors accused Mr. Follieri, the chairman and chief executive of the Follieri Group, of getting millions of dollars from investors by claiming that his connections with the Vatican allowed him to buy church properties at below-market prices and redevelop them for 'socially responsible' purposes. Mr. Follieri had no special rights in terms of buying properties but was simply competing against other bidders, the indictment said. Instead, the government said, he used money he received from investors to finance a lavish lifestyle including a \$37,000-a-month apartment, meals and clothing. The charges accused him of misusing more than \$2 million." (Christine Haughney, "Italian Developer Pleads To Fraud," [The New York Times](#), 9/11/08)