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Clinton Foundation Benefits And Hillary Drones, What Difference Does It Make?

As [emails about drone strikes deepen Hillary's private server investigation](#), even the [White House admits that the FBI probe is a criminal investigation](#). Gee, were those supposed to be confidential? Well, at least everyone in Chappaqua will respect that. Despite her presumptive nominee status, that has to hurt. And there are new allegations of Clinton Foundation shenanigans too. In this case, it was Bill profiting from the for-profit Laureate Education.

There are allegations in [Peter Schweizer's book "Clinton Cash"](#) that Hillary's State Department funneled at least \$55 million to that same Laureate Education Inc. If you think all this is just a coincidence, you might want to invest in Whitewater. It turns out that Laureate donated between \$1 million and \$5 million to [the Clinton Foundation](#). That does not prove it was just a business deal, but it doesn't look good, particularly paired with other dubious trades.



So what if the Clinton Foundation [arranged a \\$2 million pledge to a firm owned by Bill's 'friend'](#)? Such deals may conceivably be explainable, but was it truly arms' length and devoid of private inurement? The IRS calls it private inurement when private parties (especially founders) receive benefits that should be treated as income. As with that private email server, the line between personal benefit and the public can blur. Even without knowing how the Clintons got from point A to point B, they were "dead broke" on leaving the White House.

Their finances since exploded, with well over \$100 million in earnings since that time and a vast net worth. Part of it comes from [speeches that no one is talking about](#). Still, numerous claims say the [Clinton Foundation helped Clinton friends](#). However, the 'in exchange for what' part has been slow going. The law is very clear that the Clinton Foundation *must* benefit the *public* interest. The charity must operate *exclusively* for charitable purposes, and cannot benefit the founders or other private parties.

The Clintons play the charity game cleverly, with money, power and influence. They may even have selected which monies they want taxed to themselves, and which to 'assign' to their charity. It is not clear exactly how much they have personally benefited, and not just with private travel and other perks. [The New York Times reported](#) on the Foundation's unsettling handling of speeches. For example, former President Clinton repeatedly turned down Czech model Petra Nemcova's Happy Hearts Fund event before she was prompted to offer the foundation \$500,000 for appearing.

This kind of [cash deal has been called 'distasteful.'](#) And there are far bigger speech irregularities. The Washington Post [reported](#) the long list of Clinton speeches with fees ranging from \$10,000 to \$1 million. Belatedly, the Foundation later provided [a list of speeches](#), pledging continued updates. The Republican National Committee has even asked the [IRS to audit the charity's finances](#) over failing to amend and failing to report donations from foreign governments. It's a little confusing, like having multiple email devices.

Upon becoming Secretary of State, Mrs. Clinton promised that the Foundation would stop accepting donations from foreign governments. Thus, extensive donations by foreign governments while Mrs. Clinton was Secretary of State are especially hard to explain. The Foundation downplayed the errors, noting that the dollars from government sources were noted in the organization's annual audited financial reports posted on its website.

House Republicans formally asked the IRS to review whether the Clinton Foundation is complying with the rules governing its tax-exempt status. The Clintons have not defined [how they decide to designate](#) speaking fees as income or charity work. For tax purposes, who should be treated as the recipient of that money? Mrs. Clinton's financial disclosure forms show that she [reported](#) personal income of more than \$11 million for 51 speeches in 13 months.

The [list](#) shows the Clintons turning over \$12 million to \$26 million. Even charities that are as big and powerful as the Clinton Foundation may need some cleaning up. Last year, [Republicans asked the IRS to audit the Clinton Foundation](#), but that is a long shot. Maybe [Hillary's 'what difference does it](#)

[make' comment](#) applies here too.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.