



## FALSE PHILANTHROPY

# Summary Review of Selected Intentionally False Representations in Clinton Foundation Public Filings

### Volume 3: Executive Summary--Introduction and Overview

#### Important Disclaimer

Information concerning the Bill, Hillary & Chelsea Clinton Foundation (the “Clinton Foundation”) that is analyzed in the First Interim Report (the “First Foundation Report”), the Second Interim Report (the “Second Foundation Report”), and supporting Exhibits is derived primarily from publicly available primary and secondary sources. No attempt has been made to verify the accuracy of underlying source material; however, every reasonable effort has been made to direct readers to public filings and other documents evaluated and mentioned in the First Foundation Report, the Second Foundation Report, and these Exhibits. The analysis contained herein, together with accompanying Tables, Exhibits, and Appendices, does not constitute expert advice of any kind, whether legal, financial, accounting, policy, or otherwise. Readers are urged to evaluate relevant publicly available facts about the Clinton Foundation, in appropriate context, and to form their own independently derived conclusions. For the convenience of readers, an Appendix will be furnished that contains Selected Caveats, Qualifications, and Definitions used and applied in materials analyzing the Clinton Foundation, its constituent elements, and affiliates.

by

Charles K. Ortel

[www.charlesortel.com](http://www.charlesortel.com)

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## Understanding the Clinton Foundation Public Record in Proper Context: 1997 to Present

To informed analysts, the Clinton Foundation appears to be a rogue charity that has neither been organized nor operated lawfully from inception in October 1997 to date--as you will grow to realize, it is a case study in international charity fraud, of mammoth proportions.

In particular, the Clinton Foundation has never been validly authorized to pursue tax-exempt purposes other than as a presidential archive and research facility based in Little Rock, Arkansas. Moreover, its operations have never been controlled by independent trustees and its financial results have never been properly audited by independent accountants.

In contrast to this stark reality, Bill Clinton recently continued a long pattern of dissembling, likening himself to Robin Hood and dismissing critics of his “philanthropic” post-presidency, despite mounting concerns over perceived conflicts of interest and irregularities.

<http://thehill.com/blogs/ballot-box/294526-bill-clinton-compares-himself-foundation-to-robin-hood>

Normally, evaluating the efficacy of a charity objectively is performed looking closely into hard facts only--specifically, determining whether monies spent upon “program service expenditures” actually have furthered the limited, authorized “tax-exempt purposes” of entities such as the Bill, Hillary, and Chelsea Clinton Foundation, its subsidiaries, its joint ventures, and its affiliates (together, the “Clinton Charity Network”).

But, popular former presidents of the United States retain “bully pulpits” from which they certainly can spin sweet-sounding themes to a general audience and media that is not sufficiently acquainted with the strict laws and regulations that do, in fact, tether trustees of a tax-exempt organization to following only a mission that has been validly pre-approved by the Internal Revenue Service, on the basis of a complete and truthful application.

This Executive Summary carries forward a process of demonstrating that the Clinton Foundation illegally veered from its IRS-authorized mission within days of

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Bill Clinton's departure from the White House in January 2001, using publicly available information which, in certain cases, has been purposefully omitted or obscured in disclosures offered through the Clinton Foundation website, its principal public portal.

## Getting to Reality

The question of whether a federally authorized nonprofit corporation has been validly organized and operated is a question of fact, best answered through close review of the record.

Without having access to helpful corroborative materials (including board minutes, donor solicitation presentations, after-action reports to donors, management representation letters to accountants, internal memoranda, and communications with key counterparties), this Executive Summary previews 40 detailed Exhibits that dissect portions of the public record concerning activities of the Clinton Charity Network.

Determined review of these 40 Exhibits that deal primarily with the period 23 October 1997 (when the Clinton Foundation was organized) through 2011 (when attempts to re-organize the Clinton Foundation were most active) demonstrates beyond reasonable doubt that the Clinton Charity Network was neither organized nor operated lawfully.

As the following IRS publication states clearly, a nonprofit corporation must pass both an "organizational test" and an "operational test" to be legitimately exempt from federal income taxes.

### "The Dual Test: Organized and Operated"

1. IRC 501(c)(3) requires an organization to be both "organized" and "operated" exclusively for one or more IRC 501(c)(3) purposes. If the organization fails either the organizational test or the operational test, it is not exempt. Reg. 1.501(c)(3)-1(a)(1).
2. The organizational test concerns the organization's articles of organization or comparable governing document. The operational test concerns the organization's activities. A deficiency in an organization's governing document cannot be cured by the organization's actual operations. Likewise, an organization whose activities are not within the statute will not qualify for exemption by virtue of a well written charter. Reg. 1.501(c)(3)-1(b)(1)(iv)."

[https://www.irs.gov/irm/part7/irm\\_07-025-003.html#d0e10](https://www.irs.gov/irm/part7/irm_07-025-003.html#d0e10)

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The Clinton Foundation and each part of the Clinton Charity Network fails either the organizational test, the operational test, or both of these tests.

The consequences for failing to meet either the organizational test or the operational test are severe.

In normal circumstances, a charity would have its tax-exempt status revoked retroactively.

The “charity” would then have to refile its tax returns and pay corporate income taxes upon any profits earned from the date its authorization is revoked, forward to the present.

Donors who took tax deductions in the relevant time periods would owe personal income taxes on contributions they had made.

And, a raft of criminal as well as civil sanctions would likely ensue, whose financial consequences might, or might not be mitigated by insurance.

Additional details concerning revocation and concerning how the IRS regulates charities is found below in IRS Publication 557: Tax-Exempt Status for Your Organization:

<https://www.irs.gov/pub/irs-pdf/p557.pdf>

## What the Public Record Reveals about Clinton Foundation Entities

To understand the full extent of illegal activities involving Clinton Foundation entities and personnel, you must resist unvetted words and numbers published in press releases, marketing brochures, and filings to state, federal, and foreign governments, the latter having been submitted under penalties of perjury.

Instead, you must concentrate upon “stubborn facts”--information whose veracity you can confirm, for yourself.

Though allies of the Clinton family, and some extended family members believe otherwise, in truth:

“...whatever may be our wishes, our inclinations, or the dictates of our passions, you cannot alter the state of facts and evidence.”

What does available evidence reveal about the scale and scope of frauds committed and ongoing by the Clinton Foundation Charity Network?

### A Preview of Certain Detailed Exhibits

Starting late on 7 September 2016, and continuing regularly thereafter, at least 40 detailed Exhibits will be published on [www.charlesortel.com](http://www.charlesortel.com).

As a preview of the extensive analysis contained in these Exhibits, a summary of some of the subjects considered is presented below--these Exhibits document an escalating pattern of lawlessness and suggest that trustees of entities in the Clinton Charity Network exhibited gross negligence and reckless disregard in performance of their solemn duties.

#### Exhibit 1: Fundraising Activities in the Name of the Clinton Foundation--October 1997 through January 2001

During the period when the Clinton Foundation existed, while Bill Clinton served as president, records show clearly that the authorized tax-exempt purposes were restricted to operating a presidential archive and related research facility, and soliciting capital funds for an endowment.

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This Exhibit analyzes trends and anomalies found in federal and state tax filings and registration statements for the Clinton Foundation for calendar years 1997 through 2000.

Exhibit 2: Fundraising Activities in the Name of the Clinton Foundation for the William J. Clinton Peace Centre in Enniskillen, Northern Ireland, Starting After 1998

While Bill Clinton was president, and afterwards, efforts proceeded to raise money for an entity based in the United Kingdom that was never validly registered in the United States as a tax-exempt organization.

This Exhibit analyzes defects in various governmental filings that failed adequately to explain roles of persons affiliated with the Clinton Foundation in fundraising efforts.

Exhibit 3: Undisclosed Administrative Proceedings Against Persons Who Executed Significant Influence over Clinton Foundation Activities

Starting in 2001, after Bill Clinton surrendered his licenses to practice law, the Clinton Foundation submitted numerous registrations to U.S. states and may have submitted similar registrations internationally.

Starting in 2002, Ira Magaziner became involved carrying out activities in connection with the Clinton Foundation.

This Exhibit explains failures by the Clinton Foundation to disclose relevant administrative proceedings involving Bill Clinton, Ira Magaziner, and others in connection with registrations submitted to government authorities under penalties of perjury.

Exhibit 4: Fundraising Activities in the Name of the Clinton Foundation for the William J. Clinton Scholars Program of the American University in Dubai, Starting after 2000

Beginning after 2000, certain individuals became involved soliciting funds to support the activities of American University in Dubai.

This Exhibit explores failures of Clinton Foundation entities to report related-party activities involving key principals connected to this University and to its sponsors.

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Exhibit 5: Undisclosed Activities in the Name of the American India Foundation Allegedly Providing Earthquake Relief in Gujarat, India Starting in January 2001

Starting late in January 2001, Bill Clinton and others became involved with a nominally tax-exempt organization that was illegally organized and has been illegally operating ever since, inside the United States and internationally.

This Exhibit explains, in summary terms, defects in Clinton Foundation and in American India Foundation disclosures, including failures to disclose material related party transactions and relationships.

Exhibit 6: Undisclosed Activities Working with MindSpirit LLC, Rajat Gupta and InfoUSA After January 2001

Late in January 2001, a legal entity was created through which compensation and expense reimbursements may have been later routed for the benefit of Bill, Hillary, or Chelsea Clinton up through 2008.

This Exhibit explains the known history of this legal entity and examines certain publicly available disclosures that are omitted from Clinton Foundation filings for 2001 through 2008.

Exhibit 7: Undisclosed Activities Organizing, Helping to Operate, and Fundraising for International Aids Trust Starting Around January 2001

Starting in January 2001, Bill Clinton and certain other associates connected to the Clinton Foundation became involved with another nominally tax-exempt organization that was illegally organized and has been illegally operating ever since, inside the United States and internationally.

This Exhibit explains, in summary terms, defects in Clinton Foundation and in International AIDS Trust disclosures, including failures to disclose material related party transactions and relationships.

### Exhibit 8: Undisclosed Activities in the Name of the Clinton Foundation Allegedly Fighting HIV/AIDS Internationally Starting in July 2002

By their own admission, Bill Clinton and Ira Magaziner allegedly began soliciting funds inside and outside the United States in the name of the Clinton Foundation. to “fight HIV/AIDS internationally” around the time that an AIDS conference concluded in Barcelona, Spain.

This Exhibit chronicles certain known and substantial activities beyond those specifically authorized by the I.R.S. that appear to have taken place between July 2002 and March 2004.

### Exhibit 9: Undisclosed Activities Working with Ron Burkle and Yucaipa Companies Starting in 2002

Bill Clinton and certain of his associates became involved in substantial for-profit activities with Mr. Burkle, Yucaipa, and its principal investors.

This Exhibit explains the known history of these joint activities and examines certain publicly available disclosures that are omitted from Clinton Foundation filings.

### Exhibit 10: False and Materially Misleading Organization and Operation of Clinton Foundation HIV/AIDS Initiative, Inc. (“Old CHAI”), Starting in March 2004

Old CHAI was organized as an Arkansas nonprofit corporation on 24 March 2004; subsequently in April 2004, an application on Form 1023 to obtain Federal tax exemption for Old CHAI may have been filed.

This Exhibit examines defects in the organization of Old CHAI and potential defects in Old CHAI’s application for Federal tax exemption.

### Exhibit 11: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2003 and Prior Years

During 2004, trustees of the Clinton Foundation filed reports and registration statements with numerous governments concerning 2003.

This Exhibit concentrates upon defects in the 2003 reports but also examines and explains defects in reports filed for calendar years 2001 and 2002.

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Exhibit 12: False and Materially Misleading Accounting for Construction of the Presidential Library and for a Donation to the National Archives and Records Administration on 18 November 2004

Accounting work product concerning the principal period (2000 to 2004) when planning and construction occurred is purposefully omitted from the Clinton Foundation website.

This Exhibit analyzes these accounting statements (obtained from another reliable source) and documents obtained from the Federal Government that expose material irregularities in accounting for the core authorized activities of the Clinton Foundation.

Exhibit 13: False and Materially Misleading Accounting for Loans Secured During 2004 to Fund Construction of the Little Rock, Arkansas Complex

During 2004, trustees of the Clinton Foundation sourced substantial borrowed sums to complete construction and to fund operations,

This Exhibit examines the basis upon which these sums were obtained and explains material errors in accounting work product prepared during 2005, 2006, and afterwards concerning these suspect transactions.

Exhibit 14: Illegal Operation and False, Materially Misleading Disclosures Concerning Old CHAI During 2005

During 2005, trustees of the Clinton Foundation caused an Annual Report on Form 990 to be filed concerning purported results of Old CHAI in 2004--a copy of this report may not have been filed in each legal jurisdiction where it should have been filed.

This Exhibit examines defects in the Old CHAI and Clinton Foundation IRS forms for 2004, as well as defects in certain state registration forms.

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Exhibit 15: Fundraising Operations in the Name of the Clinton Foundation Allegedly Providing Tsunami Relief Starting in January 2005

Starting after the massive Tsunami that ravaged vast swaths of Asia and caused billions of dollars in damages, Bill Clinton joined with George H.W. Bush to solicit funds and provide disaster relief.

This Exhibit discusses defects in public filings of the Clinton Foundation and related entities concerning these fundraising and charity efforts.

Exhibit 16: Unauthorized and Illegal Operation of Alliance for a Healthier Generation (“Old AHG”) Starting in May 2005

During 2005, the Clinton Foundation formed a joint venture association with the American Heart Association, in theory, to promote efforts to reduce obesity.

This Exhibit examines defects in public filings of the Clinton Foundation and affiliated entities from 2005 forward to 2009.

Exhibit 17: Unauthorized and Illegal Operation of Bush-Clinton Katrina Fund (“BCKF”) Starting in August 2005

Starting in 2005, the Clinton Foundation formed a joint venture charity with other parties to provide disaster relief to victims of Hurricane Katrina.

This Exhibit examines defects in public filings of the Clinton Foundation and BCKF from 2005 forward to 2008.

Exhibit 18: Unauthorized and Illegal Operation of Clinton Global Initiative (“Old CGI”) Starting by September 2005

During 2005, the Clinton Foundation formed a convening activity to promote charitable good works globally.

This Exhibit examines defects in public filings of the Clinton Foundation concerning this convening activity from 2005 forward to 2009.

### Exhibit 19: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2004 and Prior Years

During 2005, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2004, that remain uncorrected, and should be amended.

### Exhibit 20: Arrangement of “Sham” Merger of Old CHAI into the Clinton Foundation Effective 31 December 2005

Starting in 2005, trustees of the Clinton Foundation attempted, illegally, to structure a merger with Old CHAI that they falsely claimed became effective on 31 December 2005.

This Exhibit examines the background and traces the known timeline for this sham transaction inside and outside the United States, using documents that purposefully have been omitted from Clinton Foundation filings.

### Exhibit 21: Unauthorized and Illegal Operation of Clinton Hunter Development Initiative Starting in 2006

During 2006, a nonprofit corporation was illegally organized in Scotland as a joint venture with the Clinton Foundation..

This Exhibit examines failures of the Clinton Foundation to register this joint venture in numerous legal jurisdictions as well as defects in Clinton Foundation filings concerning this venture for 2006 through 2010.

### Exhibit 22: Unauthorized and Illegal Operation of Clinton Climate Initiative (“CCI”) Starting in August 2006

During 2006, CCI began to operate as an “implementing partner” in connection with various initiatives that were, in theory, to “fight climate change”, even though CCI was not organized as a legal entity and even though the Clinton Foundation was not validly authorized to carry out these purposes.

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This Exhibit examines defects in Clinton Foundation filings concerning CCI from 2006 through 2011.

Exhibit 23: Deceptive Procurement of Strategic Partnership with UNITAID by September 2006

Starting before UNITAID was legally organized in Switzerland, trustees of the Clinton Foundation and certain other parties worked to structure a long-term partnership wherein hundreds of millions of dollars in donations was illegally channelled towards the Clinton Charity Network under false pretenses.

This Exhibit examines the evolution of UNITAID and of this partnership through 31 December 2009.

Exhibit 24: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2005 and Prior Years

During 2006, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2005, that remain uncorrected, and should be amended.

Exhibit 25: Unauthorized and Illegal Operation of Clinton-Giustra Sustainable Growth Initiative ("CGSGI"), Starting in June 2007

During 2007, a nonprofit corporation was illegally organized in Canada as a joint venture between Canadian persons and the Clinton Foundation. According to published reports, the Clinton Foundation has operated this joint venture under an agency agreement that is purposefully omitted from the Clinton Foundation website.

This Exhibit examines failures of the Clinton Foundation to register this joint venture in numerous legal jurisdictions as well as defects in Clinton Foundation filings concerning this venture for 2007 through 2010.

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Exhibit 26: Unauthorized and Illegal Operation of William J. Clinton Foundation, UK Starting in July 2007

During 2007, a nonprofit corporation was illegally organized in the U.K., ostensibly to engage in fundraising.

This Exhibit examines defects in the organization documents that are purposefully omitted from the Clinton Foundation website, and implications of these defects upon other parts of the Clinton Charity Network.

Exhibit 27: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2006 and Prior Years

During 2007, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2006, that remain uncorrected, and should be amended.

Exhibit 28: Unauthorized and Illegal Operation of Gulf Coast Recovery Fund (“GCRF”) Starting September 2008

Starting in 2008, Bill Clinton became involved with disaster relief efforts to ameliorate conditions on the U.S. Gulf Coast, following a hurricane and storm surge there.

This Exhibit examines defects in filings pertaining to this relief effort and related defects in Clinton Foundation filings.

Exhibit 29: Deceptive Procurement of a Memorandum of Understanding (“MOU”) with President Obama’s Transition Team Starting in November 2008

Starting after the 2008 presidential election, a set of legal documents was negotiated between the Clinton Foundation and representatives of the incoming Obama Administration that sought to regulate potential conflicts of interest once Hillary Clinton was confirmed as U.S. Secretary of State.

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This Exhibit examines the known chronology of events surrounding negotiation and execution of the MOU, in light of certain information that has come to light concerning the legal status and financial condition of the Clinton Foundation in November 2008 through January 2009.

Exhibit 30: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2007 and Prior Years

During 2008 and 2009, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2007, that remain uncorrected, and should be amended.

Exhibit 31: Unauthorized and Illegal Operation of William J. Clinton Foundation Corporation (Florida) Starting in June 2009

After Bill Clinton was appointed Special UN Envoy to Haiti, a new and nominally non-profit corporation was established as a domestic Florida entity, whose name was similar but not identical to the parent Clinton Foundation.

This Exhibit examines certain events and related party transactions connected to this entity and to other Clinton Foundation entities and affiliates that are improperly disclosed or omitted from Clinton Foundation filings in 2009 and 2010.

Exhibit 32: Unauthorized and Illegal Operation of Clinton Global Initiative, Inc. ("New CGI") Starting in September 2009

Even though New CGI clearly succeeded to the activities of Old CGI during 2010, trustees of the Clinton Foundation caused a false and materially misleading application on Form 1023 to be submitted to the I.R.S. alleging the opposite was the case.

This Exhibit explains key defects in the New CGI IRS application and filings relating primarily to 2009 and 2010.

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Exhibit 33: Unauthorized and Illegal Operation of Clinton Health Access Initiative, Inc. (“New CHAI”) Starting in September 2009

Even though New CHAI clearly succeeded to the activities of Old CHAI during 2010, trustees of the Clinton Foundation caused a false and materially misleading application on Form 1023 to be submitted to the I.R.S. alleging the opposite was the case.

This Exhibit explains key defects in the New CHAI IRS application and filings relating primarily to 2010.

Exhibit 34: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2008 and Prior Years

During 2009, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2008, that remain uncorrected, and should be amended.

Exhibit 35: Unauthorized and Illegal Operation of Clinton-Bush Haiti Fund (“CBHF”) Starting in January 2010

Following an earthquake that devastated Haiti, CBHF was established and authorized as a federally tax-exempt organization on the basis of a false and materially misleading application to the IRS on Form 1023.

This Exhibit examines the CBHF Annual Report on Form 990 for 2010 as well as the original and amended Clinton Foundation 990s for 2010 and explains numerous material discrepancies and defects in these filings.

Exhibit 36: Unauthorized and Illegal Operation of Alliance for a Healthier Generation, Inc. (“New AHG”) Starting in February 2010

Even though New AHG clearly succeeded to the activities of Old AHG during 2010, trustees of the Clinton Foundation caused a false and materially misleading application on Form 1023 to be submitted to the I.R.S. alleging the opposite was the case.

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This Exhibit explains key defects in the New CHAI IRS application and filings relating primarily to 2010.

Exhibit 37: Undisclosed Activities Working with Laureate Education Starting in 2010

During 2010, Bill Clinton entered into a long-term contract with Laureate to serve, on a part-time basis, as Chancellor.

Starting around 2007, Laureate (a for-profit enterprise) had entered into a joint venture relationship with Clinton Global Initiative to operate CGI-University.

This Exhibit discusses numerous defects in Clinton Foundation filings for multiple years, concentrating upon 2010, that still fail to disclose substantial and seemingly unjustified compensation paid to Bill Clinton by Laureate.

Exhibit 38: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2009 and Prior Years

During 2010, trustees of the Clinton Foundation caused a raft of filings to be submitted to federal and state authorities inside the United States and to authorities in numerous foreign countries.

This Exhibit explains key defects in selected filings relating to 2009, that remain uncorrected, and should be amended.

Exhibit 39: Unauthorized and Illegal Operation of Clinton Health Access Initiative-UK Starting in November 2011

As the Clinton Foundation and other affiliates were completing tax filings relating to calendar year 2010, certain individuals organized a corporation under UK law to carry out health-related activities and to solicit donations.

This Exhibit explains why the UK filings did not properly explain disqualifying factors in the backgrounds of individuals concerned, as well as in the history of Clinton Foundation operations in the UK, and elsewhere.

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## Exhibit 40: Submission of False and Materially Misleading Disclosures to Government Authorities Concerning 2010 and Prior Years

On 16 November 2015, the Clinton Foundation and its outside legal counsel made a variety of claims concerning certain amended IRS tax filings submitted for 2010 and subsequent years. In brief, the Foundation and Kathy Keneally, a lawyer with DLA Piper, asserted that Clinton Foundation entities were not technically required to correct any previous IRS filings, but that they had done so as part of special efforts to go beyond basic requirements.

In a letter dated 16 November 2015, Clinton Foundation President Donna E. Shalala essentially claimed that voluntary restatements of IRS Forms concerning 2010 (and subsequent years) had cleared up questions posed by many about historical filings of the Clinton Charity Network.

[https://www.clintonfoundation.org/sites/default/files/donnashalala\\_990letter.pdf](https://www.clintonfoundation.org/sites/default/files/donnashalala_990letter.pdf)

The letter submitted by President Shalala was, in theory, supported by a “Fact Sheet” that suggested work performed by an outside legal firm and an outside accounting firm “independently” confirmed key claims.

<https://www.clintonfoundation.org/sites/default/files/form990factsheet.pdf>

Though no documentary evidence was included in the “Fact Sheet”, the following, noteworthy passage was included:

“This quote is attributable to Kathy Keneally:

**‘I advised the Foundation that it had no legal obligation to file amended returns. I also advised the Foundation, as I would advise any client, that if it decided to file amended returns, those amended returns should correct any and all errors. The Foundation voluntarily undertook a thorough review of the returns for those years in which the line on the return concerning government grants was left blank. Foremost, we found nothing to suggest that the Foundation intended to conceal the receipt of government grants, which the Foundation reports on its website. Because foundations, like people, make mistakes, and because return preparers may differ on how best to present information, the review identified other items that the Foundation has decided to clarify or to correct. It is important to note that the review affirmed that the overall financial information — assets, liabilities and net assets — as they appear in Part I lines 20–22 were correct on the original returns and have not changed on the amended returns. The Foundation’s decision to file amended returns reflects an extraordinary commitment to disclosure and thoroughness.’”**

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Statements made in the letter (by President Shalala) and in the Fact Sheet (attributed to Ms. Keneally) do not square with the known public record from 23 October 1997 through 2011.

This Exhibit, together with Exhibits 1 through 39, explores and then rebuts these claims. In addition, this Exhibit explains why all outstanding filings covering the period 23 October 1997 through 31 December 2010 will need to be corrected and replaced with alternative filings.

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## Considering the Foregoing Facts

When it comes to examining the Clinton Foundation, few in the mainstream media concentrate upon facts discussed above, in full knowledge of relevant laws and regulations.

A recent example, is Paul Krugman's latest opinion piece in entitled "Hillary Gets Gored", in which he implores:

"So I would urge journalists to ask whether they are reporting facts or simply engaging in innuendo, and urge the public to read with a critical eye. If reports about a candidate talk about how something "raises questions," creates "shadows," or anything similar, be aware that these are all too often weasel words used to create the impression of wrongdoing out of thin air."

<http://www.nytimes.com/2016/09/05/opinion/hillary-clinton-gets-gored.html>

Relying, in part, upon the spurious "analysis" of an organization called Charity Watch that gave the Clinton Foundation its highest rating amidst multiple unresolved investigations, and ignoring potential conflicts of interest, Mr. Krugman feigns umbrage at those who might still criticize the Clintons for their "philanthropy".

<http://dailycaller.com/2016/09/01/clinton-foundation-does-out-favors-gets-four-star-rating-in-return-on-charity-website/>

As Mr. Krugman and others will learn over the course of coming weeks should they study details, the Clinton Foundation is, in fact, part of a network of "false-front" charities--these entities are illegally organized and have been operating in violation of state, federal, and foreign laws, starting by 1997.

The scope and scale of illegal activities carried out by trustees, executives, significant donors, and professional advisors in the names of Clinton Foundation entities are only evident when you consider abundant information in the public domain and then read the body of laws that serves as a framework for regulating charities and their solicitation efforts.

All told, declared donations to Clinton Foundation entities from 1997 through 2014 are greater than \$2 billion; but this vast amount is likely a pittance when compared to sums sent to affiliated "charities" and relief efforts around the world.

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Though required by strict laws, no part of the Clinton Charity Network (including affiliates and joint ventures) has ever procured a comprehensive, independent, and compliant audit of its financial results.

No part of the Clinton Charity Network is controlled by experienced and independent trustees who can defend against conflicts of interest--in consequence Clinton charities regularly are used illegally to create substantial "private gain", and to advance the political interests of the Clinton wing of the Democratic Party.

Individuals, corporations, and professional firms have never made complete disclosures of "related party transactions", so the public does not yet have a full understanding of the magnitude of frauds and other illegal acts perpetrated in the guise of charity by the Clinton Charity Network.

Unless and until an independent conservator is appointed by the Arkansas State Attorney General, the public will not know the true dimensions of a fraud that started in Bill Clinton's home state and in Washington, D.C., then metastasized, and spread around the world.

An educated guess, based upon ongoing analysis of the public record begun in February 2015, is that the Clinton Foundation entities are part of a network that has defrauded donors and created illegal private gains of approximately \$100 billion in combined magnitude, and possibly more, since 23 October 1997.

Yet, governments that are charged with protecting the public from harm caused by an illegal charity network operated in the names of a prominent political family have, until recently, failed to hold Bill, Hillary, and Chelsea Clinton and their associates to account.

We can surmise why the Clinton Foundation was allowed to flout applicable laws while Bill Clinton served as president of the United States.

Why was the Clinton Charity Network allowed to expand the scope of its illegal activities between 20 January 2001 and 20 January 2009, when George W. Bush served as president?

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Why has the administration of Barack Obama allowed the Clinton Charity Fraud Network to grow even more, in bold violation of state, federal, and foreign laws from 20 January 2009 to present?

Why did Valerie Jarrett and the Obama Administration bother with the pretense of signing a legal document, late in 2008, purporting to regulate potential conflicts of interest between Hillary Clinton in her role as Secretary of State, and the Clinton Foundation, when this document was false, misleading, incomplete, and manifestly unenforceable?

Why is the IRS still resisting full-scale audits of the Clinton Charity Network?

<http://www.breitbart.com/big-government/2015/03/16/with-so-many-red-flags-why-isnt-the-irs-auditing-the-clinton-foundation/>

The answer is surprising and simple--once again, Americans and regulators around the world appear to have fallen victim to the "Big Lie" strategy.

### **It is Too Easy to be Badly Wrong**

Students of history will remember these words--others must also read them carefully:

**"...in the big lie there is always a certain force of credibility, because the broad masses of a nation are always more easily corrupted in the deeper strata of their emotional nature than consciously or voluntarily; and thus in the primitive simplicity of their minds they more readily fall victims to the big lie than the small lie, since they themselves often tell small lies, in little matters but would be ashamed to resort to large-scale falsehoods. It would never come into their minds to fabricate colossal untruths, and they would not believe that others could have the impudence to distort the truths so infamously. Even though the facts which prove this to be so may be brought clearly to their minds, they will still doubt and never will continue to think there may be some other explanation. For the grossly impudent lie always leaves traces behind it, even after it has been nailed down, a fact which is known to all expert liars in this world and to all who conspire together in the art of lying."**

Why have so many smart and informed people around the world failed to engage critical thinking, and failed to subject Clinton Foundation assertions to rigorous, objective inquiry?

Most of us are trusting souls, particularly so when we consider claims made by establishment figures who tout resumes of accomplishment, assembled over decades.

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Just when we should be cynical, we are not cynical enough.

Until we ask tough questions and evaluate answers critically, we will not grasp essential truths, broadly in life, and narrowly when it comes to assessing whether Clinton Foundation efforts have “done more good than harm,” or whether Clinton Foundation entities actually are “charities” at all.

One modern father of scientific inquiry provides advice all of us should now follow:

**“If a man will begin with certainties, he shall end in doubts; but if he will be content to begin with doubts, he will end in certainties.”**

This man, Francis Bacon, also noted that “truth will sooner come from error than from confusion”.

To see the Clinton Foundation network of entities for what they are, you must question the public record being fully aware of how fraudsters can corrupt charities.

### **False Philanthropy: “Robin Hood in Reverse”**

In many ways, a false-front charity seems a “perfect” vehicle for fraud.

Who would ever imagine that a charity would be used to profit from the misery of others?

“Preposterous,” you say?

The general public and government authorities are not sufficiently suspicious and equipped to bring all charities into strict compliance with applicable laws.

In the United States alone, there are more than 1 million tax-exempt organizations--the Internal Revenues Service and U.S. State governments are too stretched to investigate and police more than a small number of cases annually. These authorities have particularly limited capabilities to regulate charities that operate and solicit internationally, as Clinton Foundation entities have done for years.

Limited capabilities for effective oversight by government authorities open boundless opportunities for charity fraud.

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An organization is created, but it does not register truthfully or in each jurisdiction where it operates--so, it slips through regulatory cracks.

Trustees are selected , but they are not independent or even disposed to carry out their duties---in many cases, they are central actors in the fraud.

An accounting firm is chosen, but the professionals doing the work agree to look the other way, and perform only perfunctory checks instead of the rigorous ones that are required under applicable laws and regulations.

Marketing campaigns begin, in many cases using the internet and a variety of names including that of the actual “charity”, but also using myriad addresses.

Donations flow towards the charity, particularly if the causes sound appealing and the people supposedly involved seem credible.

The most devious step in charity fraud is the next one--corrupt operators siphon off as much of the incoming flows as they believe they can get away with. The balance, less sums diverted and/or stolen, is “declared” as incoming contributions.

Then, if corrupt operators choose to compound their felonies, they can arrange for a charity to claim it paid inflated sums to crooked third parties (including other illegally organized and operated “charities”.) and then siphon off more money.

It takes a special band of brigands to divert sums from needy souls for private gain and for political benefit.

Yet, a vast record already in the public domain suggests this is exactly what members of the extended Clinton family and their associates have done for nearly 20 years, hiding their rampant criminality in plain sight.

At present, the IRS is, at best, stalled while a bitterly divided political system awaits the outcome of a pivotal national election.

For the Clinton Charity Network to be brought and then held to account, the American public and citizens in other countries where taxpayer funds have been improperly solicited and deployed must raise their voices in a true “call and commitment to action”.

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Charity fraud on international scale, led by persons who must know better, should not stand unprosecuted.

Will it?

You can make the crucial difference.

Raise your voice.

Contact government officials now who have not yet done enough to regulate the rogue Clinton Charity Network.

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