

# The Cold Clinton Reality

## Why isn't the IRS investigating the Clinton Foundation?

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Main Street Columnist Bill McGurn on how the former president used his foundation as a vehicle for personal enrichment. Photo credit: Zuma Press.

Hillary and Bill Clinton are asking for a third term in the White House, and voters who want to know what this portends should examine the 12-page memo written by a Clinton insider that was hacked and published Wednesday by WikiLeaks. This is the cold, hard reality of the Clinton political-business model.

Longtime Clinton aide Doug Band wrote the memo in 2011 to justify himself to lawyers at Simpson, Thacher & Bartlett who were reviewing his role and conducting a governance review of the Clinton Foundation at the insistence of Chelsea Clinton. In an email two weeks earlier, also published on WikiLeaks, Ms. Clinton said her father had been told that Mr. Band's firm Teneo was "hustling" business at the Clinton Global Initiative, a regular gathering of the wealthy and powerful that is ostensibly about charitable activity.

Poor innocent Chelsea. Bill and Hillary must never have told her what business they're in. If she had known, she would never have hired a blue-chip law firm to sweep through the hallways of the Clinton Foundation searching for conflicts of interest. Instead of questioning Mr. Band's compensation, she would have pleaded with him never to reveal the particulars of his job in writing.

But she didn't, and so Mr. Band went ahead and described the "unorthodox

nature” of his work while emphasizing his determination to help “protect the 501(c)3 status of the Foundation.” That’s the part of the tax code that has allowed the Clinton Foundation to remain tax-exempt on the premise that it is dedicated to serving humanity.

Mr. Band graciously copied John Podesta, then adviser to the board, who would eventually become Hillary’s campaign chief. His helpful reply was to suggest that Mr. Band “strip the defensive stuff out” and later “go through the details and how they have helped WJC” [ William Jefferson Clinton].

The Band memo reveals exactly what critics of the Clintons have long said: They make little distinction between the private and public aspects of their lives, between the pursuit of personal enrichment, the operation of a nonprofit, and participation in U.S. politics.

Mr. Band writes that he and his colleague Justin Cooper “have, for the past ten years, served as the primary contact and point of management for President Clinton’s activities—which span from political activity (e.g., campaigning on behalf of candidates for elected office), to business activity (e.g., providing advisory services to business entities with which he has a consulting arrangement), to Foundation activity.”

This excerpt and all the potential conflicts it describes, plus Chelsea’s warning about business “hustling” at foundation events, would seem more than ample cause to trigger an IRS audit of the foundation. For that matter, why aren’t the IRS and prosecutors already on the case? Any normal foundation has to keep records to show it is separating its nonprofit activity from any for-profit business.

Mr. Band’s memo confirms that donors were not seeking merely to help the sick and the poor. He explains that the Clinton Foundation had “engaged an array of fundraising consultants” over the past decade but “these engagements have not resulted in significant new dollars for the Foundation.” In other words, it wasn’t working as a conventional charity.

Mr. Band then explains how he and his Teneo partner Declan Kelly had to carry the fundraising load, and did so by packaging foundation solicitations with other services such as a meeting with Bill Clinton, \$450,000 speeches or strategic advice. Many of the donations, from U.S. companies like [Coca-Cola](#) and [Dow Chemical](#) and foreign firms like UBS and [Barclays](#), occurred while [Hillary Clinton](#) was Secretary of State.

Why exactly were donors writing checks? The Band memo makes clear that donations untied to additional Clinton or Teneo services weren't all that appealing to potential supporters. This is significant, because the large grant-making foundations in the U.S. are almost entirely run by Clinton voters. So you know they weren't turned off by the brand name. They'd contribute more if they thought they were also buying goodwill and influence with a current Secretary of State and a potential future President.

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We don't applaud WikiLeaks or the theft of information, and these hacks deserve a firm U.S. government response. But the emails are public and they will confirm for many Americans their worst suspicions about the people who run their government.

It's also worth noting that in the vast digital trove of Mr. Podesta's stolen emails we haven't noticed emails from Mrs. Clinton. Perhaps they don't exist. But American voters shouldn't worry merely about the emails released before the election. What emails or memos exist that these hackers, Russian or not, could be withholding for leverage after the election with another President Clinton?

The Clinton campaign has suggested that [Donald Trump](#) has praised [Vladimir Putin](#) because the Russian has something on the Republican. The question is what do any number of possible bad actors know about Bill and Hillary Clinton's mixing of business, charity and politics?