

# Clinton foundation received up to \$81m from clients of controversial HSBC bank

Leaked files reveal identities of wealthy donors with accounts in Geneva  
Donors gave as much as \$81m to Bill, Hillary and Chelsea Clinton Foundation  
Hillary Clinton expected to make inequality a key issue of any 2016 campaign



**Paul Lewis in New York and James Ball in London**

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The charitable foundation run by Hillary Clinton and her family has received as much as \$81m from wealthy international donors who were clients of HSBC's controversial Swiss bank.

Leaked files from HSBC's Swiss banking division reveal the identities of seven donors to the Bill, Hillary and Chelsea Clinton Foundation with accounts in Geneva.

They include Frank Giustra, a Canadian mining magnate and one of the foundation's biggest financial backers, and Richard Caring, the British retail magnate who, the bank's internal records show, used his tax-free Geneva account to transfer \$1m into the New York-based foundation.

Hillary Clinton has expressed concern over growing economic inequality in the US and is expected to make the issue a cornerstone of her widely anticipated presidential campaign in 2016. However, political observers are increasingly asking whether the former secretary of state's focus on wealth inequality sits uncomfortably with the close relationships she and her husband have nurtured with some of the world's richest individuals.

Giustra's Swiss HSBC account, created in 2002, contained up to \$10m in the 2006-2007 period. Lawyers for the mining magnate said that he held the account for investment purposes, and that it was in compliance with Canadian laws that required disclosure of foreign assets.

Caring was legitimately permitted to keep his assets offshore by a hereditary quirk of UK tax law, under which he is registered as "non-domiciled", courtesy of his Italian-American father. The HSBC records suggest Caring's \$1m donation was paid in return for former president Bill Clinton's attendance at a lavish costume charity ball organised by Caring in St Petersburg, Russia.

Another Clinton foundation donor who had a HSBC account in the tax haven is Jeffrey Epstein, the hedge fund manager and convicted sex offender who once flew the former president on his private jet for charity events in Africa.

The identities of Clinton supporters who banked with HSBC in Geneva are contained in internal bank data leaked by a HSBC computer expert turned whistleblower, Hervé Falciani.

The leaked files have now been obtained through an international collaboration of news outlets, including the Guardian, the French daily Le Monde, CBS's 60 Minutes and the Washington-based International Consortium of Investigative Journalists.

It is not unlawful for US or other non-Swiss citizens to hold accounts in Geneva and there is no evidence any of the Clinton donors with Geneva accounts evaded tax. However, Switzerland's secretive banking laws have for years made it a destination for the super-rich.

### **\$1m transfer**

Under US charity law, the non-profit, which was founded by the former president in 2001 as the the William J Clinton Foundation, is not required to disclose the identity of its donors.

However, in late 2008, amid concern over potential conflicts of interest for Hillary Clinton, who was on course to become President Barack Obama's secretary of state, the foundation launched a public database of its donors along with a rough estimate of the sums they have given.

It reveals seven foundation benefactors linked to HSBC bank accounts in Geneva, who have donated, in total, as much as \$81m.

In a statement, the nonprofit, which was renamed the Bill, Hillary and Chelsea Clinton Foundation in 2013, said its commitment to donor transparency goes significantly beyond what is required by US law.

"We are a philanthropy through and through, and we take pride in our programs, our efficiency, and our transparency, and we rely on donors to help fund our work, including support of enterprise partnerships in South America that are creating jobs; efforts to improve access to early childhood education in the US; and development programs for small-holder farmers in Africa," said Craig Minassian, chief communications officer for the Clinton Foundation.

"The Clinton Foundation has strong donor integrity and transparency practices that go well beyond what is required of US charities, including the full disclosure of all of our donors. The contributions of these donors are helping improve the lives of millions of people across the world."

Minassian did not comment specifically on the foundation's receipt of \$1m from Caring in in December 2005, a donation made in return for Bill Clinton's attendance, the previous month, at the lavish charity ball in Russia.

Caring arranged for 18th century Russian costumes, borrowed from the Hermitage Museum, to be tailor-fitted for each guest at the event at Catherine the Great's Winter Palace. Photographs from the event in November 2005 show Bill Clinton, dressed as a Russian general, partying with other VIP guests such as Elizabeth Hurley. Entertainment was provided by Tina Turner and Elton John.

Caring guaranteed funds were raised for the British children's charity NSPCC and also, courtesy of his personal transfer from the HSBC account in Geneva, the Clinton foundation.

HSBC notes on Caring's accounts contain an instruction to "transfer [\$1m] to Bill Clinton's Foundation as a contribution following his involvement in the Charity Function [Caring] organised at the end of November".

### **Global elites**

It is not against US law or charity regulation to accept donations from non-US citizens, or from overseas accounts, but the Swiss ties of some high-profile donors arguably contradict stances taken by the Clintons and others on the broad issue of taxation of the rich.

“One of the issues that I have been preaching about around the world is collecting taxes in an equitable manner, especially from the elites in every country,” Hillary Clinton told audience of the Clinton Global Initiative in 2012, when she was still secretary of state. “It is a fact that around the world, the elites of every country are making money. There are rich people everywhere. And yet they do not contribute to the growth of their own countries. They don’t invest in public schools, in public hospitals, in other kinds of development internally.”

She added: “And so it means - for leaders - telling powerful people things they don’t want to hear.”

A spokesperson for Hillary Clinton declined to comment about her family foundation’s receipt of money from donors with accounts in Geneva.

It is unclear whether the foundation has ever questioned the offshore status of supporters, although foundation officials stress they thoroughly vet contributors regardless of where the donation originated from.

Giustra, the Canadian billionaire who made his fortune funding mining operations, is one of the foundation’s most generous supporters.

The total sum donated by Giustra is unknown but could be significantly more than the minimum \$50m the foundation indicates comes from his foundations, including the Vancouver-based Radcliffe Foundation.

He is on the record as having donated \$31.1m to the foundation in 2007 and, later that year, pledged a \$100m commitment to tackling poverty in conjunction with the Clinton foundation. Giustra’s generosity has earned him unique access to Bill Clinton, making him one of an elite handful of philanthropists who have accompanied the former president for overseas charity events.

Another is Epstein, the wealthy financier who was jailed for 13 months in 2008 for soliciting sex with underage girls. The HSBC files show Epstein connected to several Geneva accounts, one of which was in his own name and contained \$3.5m.

He gave \$25,000 to the Clinton charity in July 2006, the year after he was arrested following a complaint he sexually abused a 14-year-old teenager in Florida, according to tax disclosures from Epstein’s New York-based nonprofit, the COUQ Foundation.

Epstein, who reportedly keeps much of his wealth in the US Virgin Islands, where he owns a private island, did not respond to multiple requests for comment about his HSBC Geneva accounts.

Other HSBC Geneva clients who donated \$1m or more to the Clinton foundation include ex-Formula One racing driver Michael Schumacher, billionaire businessman Eli Broad, and the French hedge-fund manager Arpad Busson.

Schumacher has been a resident in Switzerland for around 20 years. A year before his recent ski accident, which left him with serious head injuries, Schumacher told a reporter that he and other rich foreigners would leave Switzerland if the country halted its tax privileges.

Broad did not respond to multiple requests for comment. Lawyers for Busson said he had been a

Swiss resident for most of his life until 1996, and retains business interest in the country.

Another client of HSBC Geneva to donate to the Clinton foundation is Denise Rich, the ex-wife of the late billionaire and commodities trader Marc Rich, who fled to Switzerland in 1983 after being indicted by US authorities for tax evasion, fraud and racketeering. Mark Rich was controversially granted a presidential pardon by Bill Clinton just hours before the former president left office in 2001.

Denise Rich contributed as much as \$500,000 to the Clinton foundation. Now 70, she is reported to have recently renounced her US citizenship, becoming tax-resident in Austria. She did not respond to multiple requests for comment.

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