Forbes



Robert W. Wood THE TAX LAWYER

TAXES 6/03/2015

Next, Maybe FIFA Head Should Run The Clinton Foundation

After winning re-election as the most powerful man in soccer, FIFA President Sepp Blatter resigned. He had just won a fifth four-year term, but he clearly has some legal exposure. And where better to get some cover than with the best spin-masters of them all? Given what is now being called the FIFA-Clinton method, it is worth asking just how deep the connections in this rarefied seven figure 'contribution' world may go.

The Clinton Foundation has been roiled by controversy. From tax returns that omitted tens of millions of dollars in ethically challenged foreign contributions, to the Foundation's website that we were quickly told *did* list them, but then *also* turned out not to. From high administrative and travel costs for the Clinton family, to sweetheart media coverage.

Only others end up looking bad, like George Stephanopoulos, who forget to mention his own contributions while he was grilling others about theirs. It ties nicely into Mrs. Clinton's extraordinary ease and grace in not deigning to talk about any of this. As a candidate for President, she is as slick as Rev. Al Sharpton. She glides above it all.



She did not have anything to do with that Foundation, which sounds a little like her husband's famous line, 'I did not have sexual relations with that woman.' She says none of this influenced her job as Secretary of State. Just look at her emails. Oh, those were just personal and were deleted.

She only used that personal email server so she could carry one device. It was just about convenience. What, Mrs. Clinton had four devices? Oops. She resigned from the Foundation's board after she officially announced her Presidential run. And the past is the past. What difference would it make? Upon becoming Secretary of State, Mrs. Clinton promised that the Foundation would stop accepting donations from foreign governments. Oops. The acting CEO of the Foundation, posted a statement acknowledging the tax errors.

Extensive donations by foreign governments while Mrs. Clinton was Secretary of State are hard to explain. Keeping the embarrassing and conflict-triggering gifts quiet is harder still. Like that private email server. Even if there wasn't any sleight of hand, it sure looks bad. 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.

Oops, not true, it turned out. There was an ethics agreement signed with the Obama administration in 2008 to limit such contributions. House Republicans formally asked the IRS to review whether the Clinton Foundation is complying with the rules governing its tax-exempt status. The letter was signed by Marsha Blackburn and 51 other House Republicans, and comes on the heels of a flurry of reports and speculation about the Foundation's international fundraising. Blackburn asked the IRS to respond within 30 days.

But is the IRS going to take any action? It hardly seems likely. Besides, an IRS spokesman has already said that the IRS does not comment on individual tax cases. More broadly, there is no reason to believe that the IRS will probe much of anything. Lois Lerner ran the tax exempt organizations wing of the IRS, but she evidently focused on what she thought were bad conservative causes.

The Clinton Foundation is a charity, but seems inextricably entwined with politics, State Department personal emails, and speech-making. There have been many "oops" moments from the Foundation, including statements that it would amend at least the three years of its taxes when Mrs. Clinton was Secretary of State. That belated announcement came only after it was reported that the Foundation had gross errors in its filings.

It failed to separately disclose the millions of dollars in government funding it received during Mrs. Clinton's State Department–private email–years. Of course, those private emails were just for convenience. And now there is an operative banned from the State Department. Just <u>who is Sidney</u> <u>Blumenthal</u>, you might ask? Just an old friend, so why not use yet another private email account? Now that he stepped down from FIFA, perhaps there is an opening for Mr. Blatter too? For alerts to future tax articles, follow me at Forbes.com. Email me at <u>Wood@WoodLLP.com</u>. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.