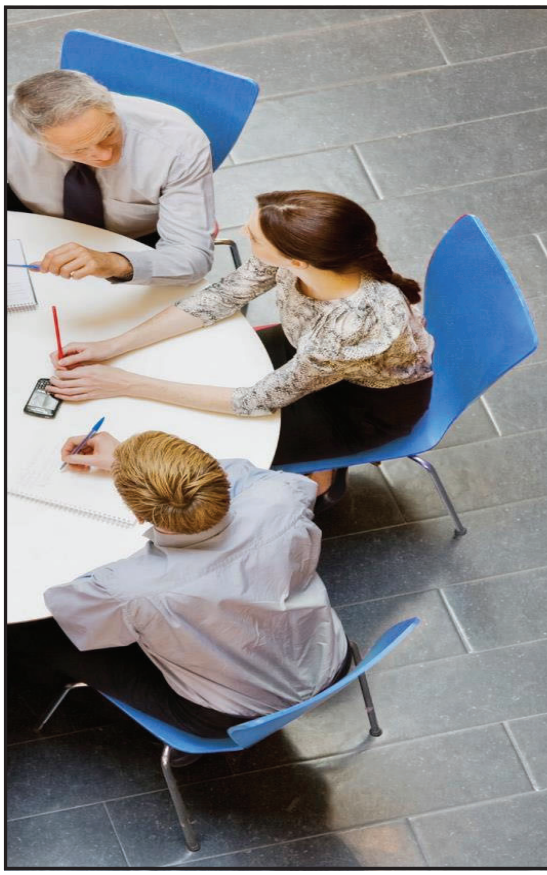


"Office Hours" - Key Issues and Questions Facing Private Foundations

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Notice

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Foundations in the Headlines

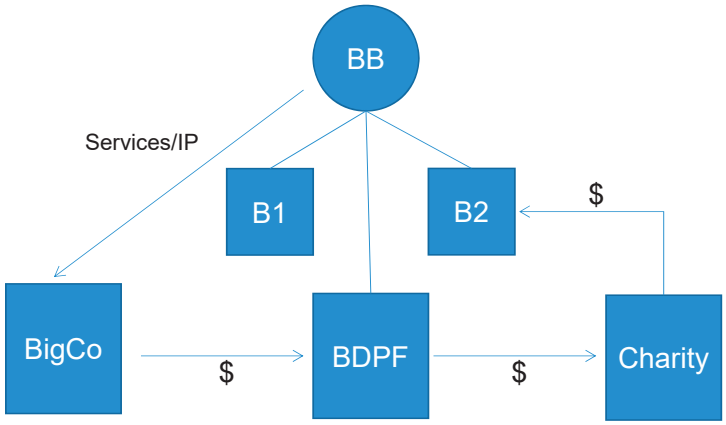
BBPF in Trouble: State AG Investigating

- Several years ago, Big Businessman (BB) created a private foundation (BBPF), a private non-operating foundation. After a few substantial donations early on, BB stopped contributing. For the last 10 years, BBPF has been funded primarily by contributions from others, often with whom BB has had business dealings.
- For example, BigCo Media gave BBPF $150,000 after BB agreed to appear on a TV show produced by BigCo.
- Between $500,000 and $1 million is raised and given to a wide variety of charities annually, much of it to charities that pay significant amounts to hold fundraising events at BB hotel, owned by BB's family.

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Big Businessman PF



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PF to Dissolve Amid State AG Investigation

- State AG investigation found "improper and extensive political activity, repeated and willful self-dealing transactions, and failure to follow basic fiduciary obligations or to implement even elementary corporate formalities required by law."
- While BB ran for public office, BB's political committee directed which charities would receive funds from BBPF. BB would announce the grantees at campaign rallies and present the grantees with donation checks bearing BB's campaign slogan.
- State AG alleged that BBPF's board had not met since 1999.
- Four of the five board members were BB family members; unrelated board member wasn't aware he was a board member.

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