

NONPROFITS: GENERAL INFORMATION

# Putin's Pals & Western Philanthropy

3.09.22 | Linda J. Rosenthal, JD



Amidst the horror of the Russian invasion of Ukraine are side stories that have grabbed media attention.

Last week, it was the <u>global hunt for the mega-yachts</u> of the oligarchs, newly subject to confiscation under various sanctions schemes. Of course, we all knew that the <u>post-Soviet billionaires</u> appreciate and enjoy the material comforts and lifestyle of the West. In addition to gobbling up luxury residences (floating or on dry land), they jet set around the world, visiting their <u>children at</u> top American and European schools and schmoozing with the capitalist elites.

This week, the "new" story is that Putin's cronies are deeply enmeshed in the philanthropy of the West. Russian oligarchs have donated millions to U.S. charities, museums and universities, analysis shows (March 7, 2022) Peter Whoriskey, The Washington Post.

Similarly, see: What 4 Billionaires With Russia Ties Have Donated to American Colleges (March 4, 2022) Nell Gluckman and Dan Bauman, The Chronicle of Higher Education and Mayo Clinic among organizations scrutinized for Russian donations (March 7, 2022) Molly Gamble, Becker's Hospital Review ["Mayo Clinic is among the organizations named in a new report examining the relationship between U.S. institutions and charitable contributions from Russian oligarchs, The Washington Post reported"].

Certainly, this is important information, but neither that "report" nor the underlying data are new. It's from an analysis published about eighteen months ago, in October 2020, by the Anti-Corruption Data Collective, a "group of academics, data analysts and policy advocates working to expose transnational corruption."

Titled America's Cultural Institutions are Quietly Fueled by Russian Corruption, (October 30, 2020), the study by Casey Michel and GWU political science professor David Szakoniy can be found at the group's website as well as at foreignpolicy.com.



It's long been an open secret that, since the fall of the Soviet Union in 1989, the top Russian oligarchs have been sprinkling donations throughout the charitable sector, mostly in the United States, the U.K., and Europe. Indeed, the Washington Post story on March 7th opens by telling us that "Russian oligarch Vladimir Potanin was a high-profile benefactor of the Solomon R. Guggenheim Museum of Art in New York until last week when he resigned from the board."

Potanin is hardly the only billionaire with Kremlin ties with his name on buildings and seats on multiple prestigious charity boards.

So most of the recent protestations of surprise and outrage ring about as true as <u>Casablanca's</u>
Captain Louis Renault declaring: "I'm shocked, shocked to find that gambling is going on in here!"

What *is* new, however, is how dramatically world events have progressed. Russia is now a pariah, committing war crimes. The oligarchs who hadn't already been sanctioned by the U.S. or other nations are now – or soon will be – swept up under those bans.

What's different is that we are all suddenly paying close attention. Charitable institutions and elites are rushing to disengage and to cut ties altogether. In New York, for instance, Carnegie Hall has <a href="https://halted.concerts">halted concerts</a> by conductor Valery Gergiev and pianist Denis Matsuev, and the Metropolitan Opera has said it will "not engage pro-Putin artists." Its star Russian diva, Anna Netrebko, will likely not ever return.

### Millions of Dollars

In <u>Monday's article</u> in the Washington Post, journalist Peter Whoriskey writes: "American philanthropies, museums and universities have accepted millions of dollars from tycoons aligned with Russian President Vladimir Putin, including several who are the targets of Western sanctions, according to an analysis by anti-corruption researchers."

He adds: "Among the many beneficiaries are such storied institutions as New York's Museum of Modern Art, the Massachusetts Institute of Technology, the Mayo Clinic and the Guggenheim Museum, the research shows — a reflection of how deeply money from Russian oligarchs has penetrated American society."

That's correct as far as it goes, but the Anti-Corruption Data Collective researchers referenced in that story made clear in their October 2020 findings that the scope and extent of these "philanthropists" burrowing into the West's charitable institutions was more substantial than previously thought or reported.

And the generosity has come with complications: "By some counts, <u>nearly a dozen oligarchs</u> landed in the crosshairs of Special Counsel Robert Mueller's investigation into Russia's interference in the 2016 election, with several more coming under scrutiny during [the] recent impeachment saga." At least "seven of these post-Soviet oligarchs connected to election-interference efforts have donated between \$372 million and \$435 million to more than 200 of the most prestigious non-profit institutions in the U.S. over the past two decades."



Among those quoted by Peter Whoriskey in the current Washington Post article is Ilya Zaslavskiy, team member of the Anti-Corruption Data Collective. A Russian-born researcher and activist, Mr. Zaslavskiy explains: "As the oligarchs rose to power after the collapse of the Soviet Union in the 1990s, many made these donations to get a foot in the door in American society. The donations were like an entrance ticket to the Western establishment."

"Stalin," he adds, "could not dream of getting such influence in broad daylight."

Also quoted in the March 7th Washington Post article is GWU political science professor David Szakoniy, co-author of the Data Collective's report. Some of the oligarchs "have used extensive philanthropic contributions to "help launder their reputations and integrate themselves socially and financially in the West." These "contributions to charity and cultural institutions are done in hopes that Western society will look past questions about where their money comes from."

#### Hair On Fire

While lots of people with serious concerns about this "penetration" were running around with their (collective) hair on fire, too many charitable institutions were falling short in their oversight responsibilities. "In most of these cases," explains Mr. Zaslovskiy, "the due diligence has been quite superficial and did not take into account the critical articles and findings by Russian journalists and activists."

In those same years, the public have been treated to delightful media coverage of this issue with articles like: Oligarchs, as U.S. Arts Patrons, Present a Softer Image of Russia (October 6, 2019)

Graham Bowley, The New York Times and the companion piece the same day, Six Russians Whose Money Has Made Art and Friends in the West ["These men, personally or through foundations or companies they control, have given to arts organizations in the West and sponsored events that celebrate Russian culture abroad...."].

## Why Now?

So why is the story of the Russian oligarchs' deep involvement with Western philanthropy this week's new hot item?

"As the world condemns the Russian invasion of Ukraine, the data [referenced in the <u>Washington</u> <u>Post March 7th article</u>] "could amplify demands for Americans to disavow donors aligned with Putin."

The current upheaval in Ukraine has turned everything upside down. Suddenly, there is new scrutiny and outright hostility towards any and all things Putin, including his oligarch pals. The sanctions schemes are now being taken seriously. Russia is ever more isolated; even Starbucks and Coca-Cola have disengaged in the last 24 hours!

People around the world, including those connected with the charitable sector, are now starting to understand that a sanctioned (or likely to be sanctioned) oligarch is a hot potato to be tossed aside as quickly as possible.

## **Action Demanded**



Just a day or so ahead of the Washington Post article, a coalition of "representatives of Ukrainian, Belarusian, Czech, Slovak, Lithuanian, US, UK and anti-Putin Russian civil society and academia" issued a no-holds-barred petition: <u>Ban Kremlin agents and toxic Russian propaganda</u> (March 5, 2022), <u>ANTAC news (antac.org.ua)</u>

In this "Appeal to Western Academic and Cultural Institutions," the signers demand that Western institutions cut ties with Russians aligned with Vladimir Putin. "The West is finally waking up to the fascistic and inhumane nature of Vladimir Putin's regime. A global effort is now underway to end the Kremlin's exploitation, under the cover of cultural contacts, of free access to the economic and cultural structures of democratic countries for its own agenda."

Accordingly, "... the time has come for academic and cultural institutions to do the same, to both support the victim of this aggression and to counter the Putin regime's pervasive toxic propaganda."

The signers "strongly urge all Western institutions to halt all forms of cooperation with [named] Kremlin-connected entities and sponsors.

What follows are pages of particularized demands related to Western institutions. By way of example, the long list begins:

- New York University to rename the Jordan Center for the Advanced Study of Russia and drop any cooperation with the Kremlin oligarch Boris Jordan who was involved in the suppression of free media in Russia;
- Harvard University, Yale University, the Council on Foreign Relations, the New York Academy of Sciences, Tel Aviv University and other institutions in the US and around the world to rename programs and buildings named after Kremlin oligarch Len Blavatnik who derives massive insider benefits from Putin's regime, suppresses free speech, cooperates with corrupt Russian officials, and funds Russian entertainment propaganda outlets in Russia and anti-Ukrainian propaganda films worldwide;..."

It's a compelling road map for action.

#### Conclusion

This is a rapidly developing and critically important story that we'll follow and discuss.

Of course, the inevitable oligarch-rehabilitation push is already well under way: see, for instance: <u>'War can never be the answer': Russia's wealthy elite speak out against Putin's invasion</u> (March 2, 2022) Karen Gilchrist, cnbc.com.

- Linda J. Rosenthal, J.D., FPLG Information & Research Director