

United States Senate

WASHINGTON, D.C. 20510

December 18, 2008

The Honorable [REDACTED]
United States Senate
Washington, DC 20510

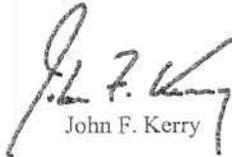
Dear Senator [REDACTED]

Yesterday, our offices received from the Obama-Biden Presidential Transition Team ("transition team") the Memorandum of Understanding (MoU) entered into by the William J. Clinton Foundation and the Office of the President-Elect on December 12, 2008. This MoU is designed to establish greater transparency and predictability with regard to the activities of the Clinton Foundation in the context of Senator Clinton's service as Secretary of State. We suggested that the MoU should be shared with all members of the Senate Foreign Relations Committee at the earliest date possible. The transition team agreed and asked us to forward it to you.

The MoU is effective as of the date of signature by the aforementioned parties. If Senator Clinton is confirmed by the Senate, the MoU will continue until she ceases to serve as the Secretary of State.

If you have any questions, please contact Frank Lowenstein and Michael Mattler of our respective staffs. They can provide further background or put you in touch with the appropriate members of the transition team.

Sincerely,


John F. Kerry


Richard G. Lugar

MEMORANDUM OF UNDERSTANDING

December 12, 2008

This **Agreement** ("Agreement") is dated as of this 12th day of December, 2008 and entered into by and between the William J. Clinton Foundation (the Foundation), an Arkansas not-for-profit corporation, located at 1200 President Clinton Avenue, Little Rock, Arkansas (hereinafter referred to as "the Foundation"), and the Office of the President-Elect, a 501(c)(4) entity, located at 451 6th St., NW, Washington, DC (hereinafter referred to as "PTT").

WHEREAS, in considering Senator Clinton's potential service as Secretary of State, the Parties seek to ensure that the Foundation may continue its important philanthropic activities around the world, which do valuable and critical work in areas such as HIV/AIDS, climate change and economic development.

WHEREAS, the Parties also seek to ensure that the activities of the Foundation, however beneficial, do not create conflicts or the appearance of conflicts for Senator Clinton as Secretary of State.

WHEREAS the Parties have agreed to a set of protocols that would apply to the Foundation's activities to supplement any existing State Department protocols for managing conflicts of interests, and the appearance of conflicts of interest, as determined by the State Department's designated agency ethics official.

WHEREAS, the Parties seek to memorialize the mutually agreeable protocols related to the activities of the Foundation during the period in which Senator Hillary Clinton serves in the Obama Administration.

NOW, THEREFORE, it is hereby agreed as follows:

I. Background on the Clinton Foundation

A single entity, the William J. Clinton Foundation, is a 501(c)(3) charitable organization comprised of the Presidential Library and seven initiatives: the Clinton HIV/AIDS Initiative ("CHAI"), the Clinton Climate Initiative ("CCI"), the Clinton Hunter Development Initiative ("CHDI"), the Clinton Giustra Sustainable Growth Initiative ("CGSGI"), the Clinton Economic Opportunity Initiative ("CEO"), the Alliance for a Healthier Generation ("AHG"), and the Clinton Global Initiative ("CGI").

Over the past eight years, the Foundation has grown into a global nongovernmental organization with 1,100 staff and volunteers in more than 40 countries and with offices in New York, New York, Little Rock, Arkansas, Boston, Massachusetts, and other cities around the world. The Foundation, working in collaboration with governments and other partners, makes a significant impact in the lives of hundred of millions of people around the world: 1.4 million people living with HIV/AIDS now have access to lifesaving drugs

because of the CHAI; more than 1,100 cities have access to affordable, clean-energy products through CCI's purchasing alliance; CGI members have made over 1,000 commitments to impact more than 200 million lives in 100 countries; over 1,000 schools in the United States are receiving hands-on assistance to promote healthier learning environments through AGH; through a partnership between CEO and Inc. magazine, inner city businesses are matched with successful business leaders to provide entrepreneur mentoring; and CHDI and CGSGI are fostering sustainable development in Africa and Latin America.

Like many 501(c)(3) entities, the Foundation has provided each donor with the freedom to decide whether to publicize their contribution. Since its inception, Foundation supporters therefore have contributed with the expectation that their contributions are private unless they choose to share them.

Presidential Library

The William J. Clinton Presidential Library in Little Rock, Arkansas, opened its doors to the public in November 2004. Since then, more than one million visitors from all 50 states and from around the world have visited the Library. The facility features exhibits chronicling President Clinton's administration and presidency. In addition, the Library hosts a number of special events and exhibits each year. The Library has also fostered an unprecedented economic revitalization in downtown Little Rock, helping to bring over \$2.0 billion in public and private economic development. The Clinton Presidential Library has been awarded the platinum LEED (Leadership in Energy and Environmental Design) certification, making it the only federally maintained facility to receive this recognition.

Clinton HIV/AIDS Initiative

CHAI is helping to turn the tide of the global pandemic by working with partner governments and other NGOs to establish integrated care, treatment and prevention programs. Over 70 countries have access to medicine and diagnostics at reduced CHAI prices through its Procurement Consortium program. CHAI has staff on the ground in more than 20 countries, working with host governments to help them scale up care and treatment. CHAI's efforts are helping to create and improve overall health systems by lowering the cost of essential tests and treatments, bringing HIV/AIDS care to vulnerable populations, building human resource capacity, and providing targeted assistance where it is needed most.

CHAI's work is made possible, in part, by the dedicated governments around the world who are contributing to the global fight against HIV/AIDS and supporting CHAI's efforts, including Australia, Ireland, Great Britain, Sweden, Canada, France, Denmark, Norway and the Dominican Republic (COPRESIDIA) as well as the countries who support UNITAID, a consortium of more than 20 countries – including France, Brazil, Norway, Chile, Great Britain – that funds the purchase of drugs to fight HIV/AIDS.

malaria and tuberculosis in developing countries. UNITAID contracts with the Clinton Foundation for the purchase of pediatric and "second-line" AIDS drugs.

Clinton Global Initiative

CGI is an annual meeting in New York that brings together global leaders, businesses and other potential donors, and NGOs to address critical global challenges, including poverty alleviation, climate change, global health, and education. CGI emphasizes results. Each CGI member is asked to make a Commitment to Action. Commitments vary in duration and reflect investments of time, expertise, and/or resources in the form of grants, commercial or social investments, program expenditures and in-kind contributions. Since its inception in 2005, CGI members have made over 1,200 "Commitments to Action" raising \$46 billion for public, commercial, and charitable entities and causes to improve the lives of more than 200 million in over 150 countries. CGI is funded by conference sponsorship fees and attendance fees. In addition to the annual meeting, CGI hosts a college and university conference and an annual international conference.

Clinton Climate Initiative

Launched in 2006, CCI is committed to making a practical, measurable and significant contribution to the battle against global warming. Working with 40 of the world's largest cities, CCI is assisting its partner cities to reduce their greenhouse gas emissions through a variety of large scale programs including its Energy Efficiency Building Retrofit Program, which is working with major cities, U.S. colleges and universities, and private business to retrofit hundreds of million of square feet of public and private buildings. In addition, CCI has created a purchasing alliance, allowing more than 1,100 cities to have access to affordable energy-efficient products and has developed along with Microsoft, and other partners emission tracking tools to track progress and share best practices. The only government donor to CCI is Australia.

Clinton Giustra Sustainable Growth Initiative

CGSGI works with the mining industry, local and national governments, and other non-governmental organizations to enable sustainable growth in countries where the mining sector plays a significant role. It is funded primarily by significant commitments from Frank Giustra, Carlos Slim, Lukas Lundin and various mining-related entities.

Clinton Hunter Development Initiative

Funded by Sir Tom Hunter, a Scottish entrepreneur, the Clinton Hunter Development Initiative is committed to investing \$100 million over ten years to provide sustainable economic development in Rwanda and Malawi. In both Rwanda and Malawi, the British Department for International Development and CHDI are joint participants in certain projects.

Clinton Economic Opportunity Initiative

CEO's mission is to help individuals and families succeed and businesses grow. The initiative began in 2002 with the Harlem Small Business program, which provided local businesses with pro bono consulting service. This effort later grew to support community-based programs helping eligible working people access the Earned Income Tax Credit. Today, CEO is focused on helping people access mainstream financial services and facilitating business-to-business public service through entrepreneur mentoring.

Alliance for a Healthier Generation

The Alliance for a Healthier Generation, a partnership with the American Heart Association, is working nationwide to combat childhood obesity in the United States and inspire all young Americans to develop lifelong healthy habits. The Alliance applies a comprehensive approach through its Healthy Schools Program, its Kids' Movement initiative, its Industry initiative and its Health Care initiative to reach children in their schools, communities, homes, and doctor's offices to stop childhood obesity before it starts.

II. Agreements Related to Clinton Foundation

Publication of Foundation Contributors. In anticipation of Senator Clinton's nomination and confirmation as Secretary of State, the Foundation will publish its contributors this year. During any service by Senator Clinton as Secretary of State, the Foundation will publish annually the names of new contributors.

Operation of CGI. Should Senator Clinton be confirmed as Secretary of State, the Foundation will incorporate CGI as a separate entity from the Foundation. President Clinton will continue in his role as principal host and be identified as CGI's Founding Chairman, but he will not serve as an officer or director of the newly established entity or otherwise serve as a fiduciary on behalf of CGI. President Clinton personally will not solicit funds. President Clinton will continue to send invitation letters to potential attendees and guests of CGI; however, he will no longer send sponsorship letters (which seek contributions to CGI). Apart for attendance fees for CGI, CGI will not accept contributions from foreign governments. CGI also will suspend plans for CGI-International events outside the United States during any service by Senator Clinton at the State Department.

Operation of CHAI. Should Senator Clinton be confirmed as Secretary of State, the Foundation will continue to perform its HIV/AIDS support activities on behalf of existing foreign country contributors and in fulfillment of existing and on-going commitments. Should an existing contributing country elect to increase materially its commitment, or should a new contributor country elect to support CHAI, the Foundation will share such countries and the circumstances of the anticipated contribution with the State Department designated agency ethics official for review, and as appropriate, the State Department's

designated agency ethics official will submit the matter for review by a designated official in the White House Counsel's Office. In the event the State Department or White House has concerns about a proposed contribution that are related to Senator Clinton's service as Secretary of State, those concerns will be conveyed to her and to the Clinton Foundation for appropriate action. For purposes of this paragraph, an agency or department of a foreign country, as well as a government-owned corporation, will be treated as a foreign country.

Operation of CCI, CGSGI and CHDI. Should Senator Clinton be confirmed as Secretary of State, the same protocols outlined for CHAI with respect to foreign country contributors in this MOU will apply for CCI, CGSGI and CHDI.

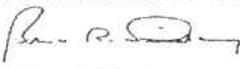
III. Term and General Applicability Principles

Term. This MOU will be effective as of the date of signature by the Parties and shall continue until Senator Clinton, should she be confirmed by the Senate, ceases to serve as Secretary of State.

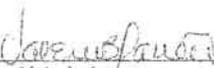
Entire Agreement. This MOU is the entire agreement between the Parties and it supersedes any other correspondence, memoranda, or agreements, warranties, or representations, whether written or oral.

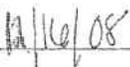
General Applicability. Pursuant to the established protocols of the State Department, should Senator Clinton be confirmed as Secretary of State, the designated agency ethics official will review and advise her with respect to any activity that may be imputed under 18 U.S.C 208, or any other applicable law or regulation, to her as a potential or actual conflict of interest. Apart from the agreements set forth in this MOU, only limitations of general applicability to all 501(c)(3) entities, should such restrictions be promulgated, will be applicable to the Foundation.

WILLIAM J. CLINTON FOUNDATION

By: 
Bruce R. Lindsey
Chief Executive Officer

OBAMA PRESIDENTIAL TRANSITION FOUNDATION

By: 
Valerie Jarrett
Co-Chair of the Obama-Biden Presidential Transition Team
Office of the President-Elect

Date: 



United States Senate
WASHINGTON, D. C. 20510-3204

January 5, 2009

VIA HAND DELIVERY

Mr. James H. Thessin
Deputy Legal Adviser and
Designated Agency Ethics Official
U.S. Department of State
Washington, D.C. 20520-6310

Subject: Ethics Undertakings

Dear Mr. Thessin:

I am committed to the highest standards of ethical conduct for government officials. If confirmed as Secretary of State, as required by 18 U.S.C. §208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I currently hold and will continue to hold my position with The Clinton Family Foundation, which maintains all of its assets in cash. If confirmed as Secretary of State, I will not participate personally and substantially in any particular matter that has a direct and predictable effect upon this foundation, unless I first obtain a written waiver or qualify for a regulatory exemption.

My husband founded The William J. Clinton Foundation. Although neither my husband nor I has any financial interest in or fiduciary role with The William J. Clinton Foundation (or The Clinton Global Initiative), my husband has been active with this not-for-profit organization since its inception. For the duration of my appointment as Secretary if I am confirmed, I will not participate personally and substantially in any particular matter involving specific parties in which The William J. Clinton Foundation (or The Clinton Global Initiative) is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse speaks, writes and consults for compensation. If confirmed, as required by 18 U.S.C. §208(a), I will not participate personally and substantially in any particular matter that has a

direct and predictable effect upon his compensation from persons or entities that pay him, unless I first obtain a written waiver pursuant to 18 U.S.C. §208(b)(1) or qualify for a regulatory exemption pursuant to 18 U.S.C. §208(b)(2). In addition, I will not participate personally and substantially in any particular matter involving specific parties in which a client of my spouse is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). I understand that, for purposes of this commitment, a "client" of my spouse is anyone with whom he has a contract for his consulting services and anyone with whom he is negotiating for such a contract.

To avoid even the appearance of a conflict, my husband and I are also voluntarily taking steps that go above and beyond the requirements of the law and ethics regulations with respect to his personal income earned from speeches and consulting as well as with respect to the William J. Clinton Foundation and its initiatives. As these steps go beyond the requirements of the law and the ethics regulations, these additional steps are outlined separately in the attached MOU between the Clinton Foundation and the Office of the President-Elect and the attached letter from my husband's counsel, David Kendall. I understand that you intend to assess the facts and circumstances of the additional voluntary measures outlined in the MOU and attached letter – specifically reviewing potential speech hosts, business entities, and certain country contributions to the Foundation – in the context of the standards and the procedures of 5 C.F.R. § 2635.502 to determine whether an appearance of a conflict may exist, in consultation with the White House as appropriate. I ask that you advise me on applicable steps that may avoid any actual or apparent conflicts of interest.

I currently am associated with three federal political organizations, HillPAC, a multicandidate political committee of which I am Honorary Chair, and my two principal campaign committees, Friends of Hillary, which was formed to support my Senate elections, and Hillary Clinton for President, which was formed to support my presidential campaign. All three committees are registered with and report to the Federal Election Commission ("FEC"). If confirmed as Secretary of State, HillPAC will cease to be active and will terminate, by filing the appropriate termination report with the FEC, as soon as practicable. If confirmed, Friends of Hillary will become dormant; any funds associated with this entity will only be used during my service as Secretary of State for expenditures related to maintaining it and meeting any FEC requirements, including ongoing reporting requirements. Hillary Clinton for President will continue to exist to engage in activities necessary to retire any outstanding debt. To the extent required for these purposes, it will make expenditures to maintain it, retire its debt, and meet any FEC requirements, including ongoing reporting requirements. During my tenure as Secretary of State, I will not participate in the operation or decision-making of these three entities, and I personally will not solicit, accept or receive funds for them and will not use their funds to engage in any partisan political activities.

Finally, I will recuse myself from participation on a case by case basis in any particular matter in which, in my judgment, I determine that a reasonable person with knowledge of the relevant facts would question my impartiality, unless I have been authorized to participate under 5 CFR,

Part 2635, Subpart E. I ask that you also bring to my attention any matters that in your judgment could give rise to a conflict of interest or an appearance of a conflict of interest and that you advise me on applicable steps that may be appropriate to avoid such conflicts.

Sincerely,

Hillary Rodham Clinton
Hillary Rodham Clinton

LAW OFFICES
WILLIAMS & CONNOLLY LLP

725 TWELFTH STREET, N.W.

WASHINGTON, D. C. 20005-5901

(202) 434-5000

FAX (202) 434-5029

EDWARD BENNETT WILLIAMS (1920-1986)
PAUL R. CONNOLLY (1923-1978)

DAVID E. KENDALL
(202) 434-5145
dkendall@wc.com

January 5, 2009

VIA HAND DELIVERY

James H. Thessin, Esq.
Deputy Legal Advisor and
Designated Agency Ethics Official
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

RELEASED IN FULL

REVIEW AUTHORITY:
Frank Tumminia,
Senior Reviewer

Subject: Voluntary Agreements

Dear Mr. Thessin:

I am writing to describe the voluntary steps, above and beyond the requirements of law and ethics regulations, that President Clinton intends to take to assist Senator Clinton to avoid even the appearance of a conflict of interest with her duties as Secretary of State should she be confirmed. This letter sets forth these voluntary steps and confirms the protocols that we understand that the State Department intends to follow to address them.

President Clinton's Earned Income

Since leaving office, President Clinton has earned income giving speeches in the United States and around the world, writing books, and engaging in two business relationships—a consultancy with InfoUSA and a partnership and consultancy with certain Yucaipa entities, both of which ended in 2007. All of President Clinton's post-presidency sources of income, including from paid speeches and business relationships, have been publicly reported on Senator Clinton's annual public financial disclosure form. Over the course of their collective years in public service, the Clintons also have publicly released 30 years of tax returns.

Speech Income

Should Senator Clinton be confirmed as Secretary of State, President Clinton will provide to you or the agency ethics official you designate ("you") the identities of

REVIEW AUTHORITY: Frank Tumminia, Senior Reviewer

WILLIAMS & CONNOLLY LLP
James H. Thessin, Esq.
January 5, 2009
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host(s) (the entity that pay the speaker's fee) of proposed paid speeches, so that the Department of State ("Department"), in consultation with the White House as appropriate, may conduct a review for any real or apparent conflicts of interest with the duties of the Secretary of State.

To ensure timely consideration of any conflict of interest regarding proposed speech hosts, President Clinton's Office will seek to provide the names of proposed hosts no later than 14 days before a proposed speech. I understand that the Department will seek to conduct its review within five (5) days of any submission.

Consulting Income

Should Senator Clinton be confirmed as Secretary of State, President Clinton also will identify to you the entities with which he proposes to enter into consulting arrangements, so that the Department, in consultation with the White House as appropriate, may conduct a review for any real or apparent conflicts of interest with the duties of the Secretary.

The William J. Clinton Foundation

President Clinton founded The William J. Clinton Foundation (the Foundation). Neither he nor Senator Clinton has any financial interest in or fiduciary role with the Foundation. To help ensure, however, that the Foundation's activities do not create the appearance of a conflict of interest with the duties of the Secretary, the Foundation has entered into the attached Memorandum of Understanding (MOU) with the Office of the President-elect. It is my understanding that, pursuant to the terms of the MOU, you will review the contributions of countries that elect to increase materially their commitments to the Foundation, or are new contributing countries, to the Clinton HIV/AIDS Initiative, the Clinton Climate Initiative, the Clinton Giustra Sustainable Growth Initiative, and the Clinton Hunter Development Initiative.

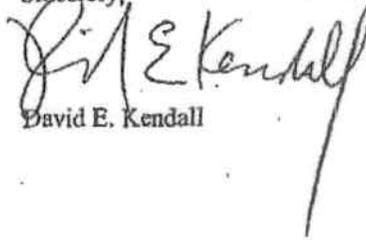
Department Review

I understand that you intend to assess the facts and circumstances of the voluntary measures outlined in this letter and in the MOU—specifically, reviewing potential speech hosts, business entities, and certain country contributions to the Foundation—in the context of the standards and the procedures of 5 C.F.R. 2635.502, which addresses impartiality in performing official duties and specifically appearances of conflicts of interest. I understand you may consult, as appropriate, with the White House Counsel's Office in the event a proposed action raises conflicts concerns, and that you will advise the Secretary, President Clinton's office, and the Foundation as warranted, on applicable steps that may be taken to avoid conflicts of interest.

WILLIAMS & CONNOLLY LLP
James H. Thessin, Esq.
January 5, 2009
Page 3

We appreciate your attention and guidance in these matters.

Sincerely,



David E. Kendall

Attachment