

**REMARKS OF WILLIAM ROBERTSON  
CENTER FOR EXCELLENCE IN HIGHER EDUCATION  
DONOR INTENT CONFERENCE  
WASHINGTON, DC  
DECEMBER 6, 2007**

**THANKS RON AND GOOD MORNING.**

**BEFORE I GET STARTED, I WANTED TO TAKE A  
MINUTE TO THANK THE CENTER FOR EXCELLENCE  
IN HIGHER EDUCATION FOR HOSTING TODAY'S  
PROGRAM. ALTHOUGH THIS IS ... OR SHOULD BE ...  
A TOPIC OF INTEREST TO EVERYONE IN THIS ROOM,  
I ALSO WANT TO THANK EACH OF YOU FOR TAKING  
THE TIME TO BE HERE.**

**AS MANY OF YOU MAY KNOW, MY FAMILY IS  
ENGAGED IN A HEATED LAWSUIT AGAINST  
PRINCETON UNIVERSITY, A LAWSUIT WHICH IS**

**SHAPING UP TO BE THE LARGEST “DONOR INTENT”  
LAWSUIT IN AMERICAN HISTORY.**

**BEFORE I GET INTO THE NITTY GRITTY DETAILS OF  
THE CONTROVERSY, I WANT TO TELL YOU BRIEFLY  
ABOUT MY PARENTS’ GIFT ... WHY THEY GAVE IT ...  
WHO THEY GAVE IT TO ... AND WHAT THE GIFT WAS  
INTENDED TO ACCOMPLISH.**

**IN 1961, THE SAME YEAR PRESIDENT KENNEDY SAID  
IN HIS INAUGURAL ADDRESS (QUOTE) ‘ASK NOT  
WHAT YOUR COUNTRY CAN DO FOR YOU, ASK WHAT  
YOU CAN DO FOR YOUR COUNTRY,’ MY MOTHER AND  
FATHER DONATED APPROXIMATELY 35 MILLION  
DOLLARS IN STOCK TO ESTABLISH A CHARITABLE  
FOUNDATION. FOR THE RECORD: THAT  
FOUNDATION’S ENDOWMENT TODAY IS WORTH  
NEARLY 900 MILLION DOLLARS.**

**THE SOLE MISSION OF THE FOUNDATION WAS TO  
STRENGTHEN THE UNITED STATES GOVERNMENT BY  
PREPARING GRADUATE STUDENTS AT PRINCETON'S  
WOODROW WILSON SCHOOL OF PUBLIC AND  
INTERNATIONAL AFFAIRS FOR FEDERAL  
GOVERNMENT CAREERS IN FOREIGN POLICY AND  
INTERNATIONAL AFFAIRS.**

**MY FATHER – WHO GRADUATED FROM PRINCETON  
IN 1926 – AND MOTHER ESTABLISHED THIS  
FOUNDATION FOR TWO REASONS.**

**BEFORE I DISCUSS THOSE REASONS, LET ME BRIEFLY  
STRESS SOMETHING IMPORTANT HERE. THEIR GIFT  
WAS TO A FOUNDATION, KNOWN AT THE TIME AS  
“FOUNDATION X,” BECAUSE MY PARENTS WISHED TO  
REMAIN ANONYMOUS. THE MONEY WAS NOT GIVEN**

**TO PRINCETON, DESPITE WHAT THE UNIVERSITY CONTINUES TO CLAIM. PREVIOUSLY, MY PARENTS HAD DONATED A SUBSTANTIAL AMOUNT OF MONEY DIRECTLY TO THE UNIVERSITY. THEY MADE AN IMPORTANT AND DELIBERATE EXCEPTION IN THIS CASE ... DONATING THE MONEY INSTEAD TO A SEPARATELY INCORPORATED CHARITABLE FOUNDATION, WITH ITS OWN CHARTER AND MISSION.**

**THE PURPOSE OF THE GIFT WAS TWO-FOLD. FIRST – AND I’M TAKING THIS DIRECTLY FROM THE FOUNDATION’S ARTICLES OF INCORPORATION – THEY WISHED TO INCREASE THE FEDERAL GOVERNMENT’S (AND I QUOTE) “ABILITY AND DETERMINATION TO DEFEND AND EXTEND FREEDOM THROUGHOUT THE WORLD.” WHEN YOU LOOK AT WHAT WE AS A COUNTRY HAVE BEEN**

**THROUGH TOGETHER SINCE SEPT. 11 ... AND WITH EVERYTHING THAT IS GOING ON IN PLACES LIKE IRAQ, PAKISTAN, VENEZUELA, AND CHINA, MY GUESS IS THAT ALL OF US IN THIS ROOM WOULD AGREE THIS IS AN IMPORTANT GOAL AND THAT THE NEEDS OF THE FEDERAL GOVERNMENT IN THIS AREA HAVE NEVER BEEN GREATER.**

**THE OTHER REASON FOR THE GIFT IS THAT MY FATHER LOVED PRINCETON, AND TOOK GREAT PRIDE IN THE FACT THAT HIS ALMA MATER WOULD BE THE INSTRUMENTALITY THAT WOULD CARRY OUT THE PURPOSE OF HIS IMPORTANT GIFT.**

**TO MAKE A LONG STORY SHORT, THE PROGRAM HAS NOT TURNED OUT AS INTENDED. ALMOST FROM THE BEGINNING, I'M SAD TO REPORT, PRINCETON SEEMED MORE INTERESTED IN THE USE OF MY**

**PARENTS' MONEY THAN IN THE MISSION OF THE  
ROBERTSON FOUNDATION. SINCE 1961, THE  
UNIVERSITY HAS SPENT MORE THAN \$375 MILLION  
OF THE FOUNDATION'S MONEY. BUT IT HAS PAID  
LITTLE MORE THAN LIP SERVICE TO THE  
FOUNDATION'S MISSION. MOREOVER, THE  
UNIVERSITY HAS DELIBERATELY – ON NUMEROUS  
OCCASIONS –DIVERTED LARGE SUMS OF MONEY  
FROM THE FOUNDATION TO PAY FOR SALARIES,  
PROGRAMS, ACTIVITIES AND EVEN REAL ESTATE  
AND BUILDING PROJECTS THAT HAVE LITTLE OR NO  
CONNECTION TO THE PURPOSE OF THE GIFT. TO  
ADD INSULT TO INJURY, THEY DELIBERATELY  
DECEIVED THE BOARD AND THE ROBERTSON  
FAMILY ABOUT WHAT THEY WERE UP TO WITH THE  
FOUNDATION'S FUNDS.**

**AS EARLY AS THE 1960S, MY FATHER BEGAN VOICING CONCERNS OVER THE FACT THAT FEW GRADUATES OF THE WILSON SCHOOL WERE GOING INTO GOVERNMENT SERVICE.**

**FOR YEARS, THE UNIVERSITY PROMISED TO DO BETTER, BUT IT NEVER DID. AND AFTER MY FATHER'S DEATH IN 1981, THEY STOPPED EVEN PRETENDING TO CARE. INSTEAD, THEY SET OUT TO "BROADEN" THE MISSION SO IT WAS NEARLY UNRECOGNIZABLE, USING THE TERM "PUBLIC SERVICE" TO REPLACE GOVERNMENT SERVICE, AND EVEN EXPANDING THE DEFINITION OF PUBLIC SERVICE TO INCLUDE WORK IN THE NONPROFIT SECTOR, JOURNALISM AND EVEN INTERNATIONAL BANKING.**

**WHILE THERE ARE CLEARLY IMPORTANT NEEDS IN THESE SECTORS, THAT'S NOT WHY MY PARENTS DONATED THE MONEY.**

**TWO EVENTS FINALLY CONVINCED US THAT LEGAL ACTION WAS NECESSARY. FIRST, IN 2001, PRINCETON WITHDREW \$22 MILLION FROM THE FOUNDATION TO PAY FOR A NEW BUILDING WITHOUT NOTIFYING THE THREE FAMILY MEMBERS SERVING ON THE ROBERTSON FOUNDATION'S BOARD.**

**THEN, TO MAKE MATTERS WORSE, THEY TOLD US THAT THEY PLANNED TO HAND OVER CONTROL OF THE ROBERTSON FOUNDATION'S ENDOWMENT TO THE PRINCETON INVESTMENT COMPANY, WHICH MANAGES THE UNIVERSITY'S ENDOWMENT. THEY DID THIS KNOWING FULL WELL THAT MY PARENTS SET UP THE FOUNDATION AS A SEPARATE ENTITY**

**AND HAD MADE IT 100 PERCENT CLEAR THAT THEY  
DIDN'T WANT THE FOUNDATION'S FUNDS  
COMMINGLED WITH THE UNIVERSITY'S.**

**DESPITE THE FILING OF THE LAWSUIT AND THE  
UNANIMOUS OBJECTIONS OF THE FAMILY, THEY  
WENT AHEAD AND DID THIS ANWAY.**

**THROUGH YEARS OF DISCOVERY AND DEPOSITIONS,  
OUR ATTORNEYS HAVE FOUND THAT NOT ONLY DID  
PRINCETON IGNORE THE MISSION, THEY ALSO  
SYSTEMATICALLY AND PURPOSEFULLY DIVERTED  
MORE THAN 200 MILLION DOLLARS TO PROGRAMS,  
RESEARCH, FACULTY, AND OTHER PROJECTS THAT  
HAVE NOTHING TO DO WITH THE ROBERTSON  
FOUNDATION'S MISSION. THEY'VE RETURNED  
ABOUT TEN MILLION DOLLARS TO THE FOUNDATION  
ALREADY, FALSELY CALLING THE MISSPENDING**

**“CLERICAL ERRORS,” BUT THAT IS MERELY A DROP  
IN THE BUCKET.**

**AS MANY OF YOU HAVE PROBABLY HEARD, OUR  
CASE JUST MOVED ONE STEP CLOSER TO TRIAL.  
AT THE END OF OCTOBER, NEW JERSEY SUPERIOR  
COURT JUDGE NEIL SHUSTER ISSUED RULINGS ON  
VARIOUS PRE-TRIAL MOTIONS.**

**I’D LIKE TO GIVE YOU A BRIEF OVERVIEW OF WHAT  
JUDGE SHUSTER SAID ON THE KEY QUESTIONS  
BEFORE THE COURT.**

**IN ONE KEY MOTION, PRINCETON HAD CALLED ON  
THE COURT TO BACK THE UNIVERSITY’S POSITION  
THAT IT WAS THE ‘SOLE BENEFICIARY’ OF MY  
PARENT’S GIFT AND THAT, AS SOLE BENEFICIARY,**

**THE UNIVERSITY HAS BROAD DISCRETION TO USE  
THE FUNDS AS IT SEES FIT.**

**THE JUDGE DENIED THIS MOTION.**

**ANOTHER IMPORTANT RULING WAS RELATED TO  
PRINCETON'S REMARKABLE POSITION THAT IT  
OWED NO FIDUCIARY DUTIES TO THE FOUNDATION.**

**JUDGE SHUSTER MINCED NO WORDS REGARDING  
PRINCETON'S OBLIGATION TO BE A FAITHFUL  
FIDUCIARY AND TO USE THE ROBERTSON  
FOUNDATION FUNDS ONLY FOR THE PURPOSE FOR  
WHICH THEY WERE GIVEN. HE SAID QUOTE "THE  
UNIVERSITY NOT ONLY OWES THE [ROBERTSON]  
FOUNDATION A DUTY OF CARE TO APPOINT  
'COMPETENT' PERSONS TO SERVE ON THE  
FOUNDATION BOARD, BUT ALSO A DUTY TO ENSURE  
THAT SUCH APPOINTMENTS WILL SERVE TO CARRY**

**OUT THE FOUNDATION’S MISSION, RATHER THAN SERVING THE UNIVERSITY’S INTERESTS OUTSIDE OF THE FOUNDATION’S MISSION.” AND IN A PASSAGE THAT I AM SURE SENDS SHIVERS DOWN THE SPINES OF PRINCETON’S TOP BRASS, AND ONE WHICH SHOULD KEEP THEM UP NIGHTS, JUDGE SHUSTER NOTED THAT “THE UNIVERSITY ALSO HAS A DUTY OF DISCLOSURE TO PROVIDE THE FOUNDATION BOARD WITH MATERIAL INFORMATION CONCERNING THE TRANSACTIONS AT ISSUE, SO THE FOUNDATION BOARD CAN MAKE AN INDEPENDENT DETERMINATION AS TO WHETHER CERTAIN EXPENDITURES APPROPRIATELY FALL WITHIN THE FOUNDATION’S MISSION. IT WOULD BE AN ACT OF DISLOYALTY TO ACTIVELY OR PURPOSEFULLY CONCEAL OR PREVENT THE DISSEMINATION OF MATERIAL INFORMATION TO THE FOUNDATION BOARD, WHICH MAY REVEAL THAT A CERTAIN**

**EXPENDITURE WOULD NOT APPROPRIATELY  
WARRANT REIMBURSEMENT.”**

**THE JUDGE’S RULING ON A MOTION INVOLVING THE  
TAKEOVER OF THE ROBERTSON FOUNDATION  
ENDOWMENT BY THE PRINCETON INVESTMENT  
COMPANY IS ALSO WORTH NOTING, BECAUSE IT  
PROVIDES INSIGHT INTO THE JUDGE’S VIEWS ON  
WHETHER THE UNIVERSITY HAS ACTED AS A  
FAITHFUL FIDUCIARY.**

**IN THE MOTION, PRINCETON HAD ASKED THE COURT  
TO RULE THAT THE TAKEOVER OF THE  
ENDOWMENT WAS ABOVE BOARD AND PROPER.**

**THE UNIVERSITY INSISTED THAT THE EVIDENCE  
SHOWED IT ACTED IN GOOD FAITH, BUT THE COURT  
FOUND OTHERWISE.**

**IN REJECTING PRINCETON’S MOTION, JUDGE SHUSTER WROTE QUOTE “THE OVERALL PROCESS IN ARRIVING AT” THE PRINCO DECISION IS (AND I QUOTE) “SURROUNDED BY AN AURA OF POTENTIAL ‘DIVIDED LOYALTIES.’”**

**HE ALSO OBSERVED (AND I QUOTE AGAIN) “... THERE ARE ‘GENUINE ISSUES OF MATERIAL FACT AS TO WHETHER THE ENTIRE DECISION TO RETAIN PRINCO FROM START TO FINISH, AND THE BOARD’S DECISION-MAKING IS TAINTED.’”**

**TO END, THE JUDGE MADE IT CLEAR THAT THE COURT HAS BROAD DISCRETION TO REMEDY FINDINGS OF WRONGDOING AND EVEN TO SEVER THE RELATIONSHIP BETWEEN THE FOUNDATION AND THE UNIVERSITY.**

**HE SAID, HOWEVER, THAT HE WOULD ONLY MAKE SUCH A DECISION UNDER ‘THE MOST EGREGIOUS AND NEFARIOUS OF CIRCUMSTANCES.’**

**WITH ALL THE EXTREMELY DAMAGING EVIDENCE WE HAVE UNCOVERED, WE HAVE NO DOUBT HE WILL FIND THE UNIVERSITY’S ACTIONS BOTH EGREGIOUS AND NEFARIOUS.**

**WHEN THAT HAPPENS, WE HOPE THE JUDGE WILL GRANT US THE REMEDY WE SEEK; NAMELY, SEVERING PRINCETON’S CONNECTION TO THE ROBERTSON FOUNDATION AND ORDERING THE UNIVERSITY TO REPAY TO THE FOUNDATION ALL THE MONEY IT HAS IMPROPERLY DIVERTED TO OTHER PROGRAMS, AS WELL AS APPROPRIATE**

**INVESTMENT RETURNS ON THE WRONGFULLY SPENT FUNDS.**

**THIS MONEY COULD THEN BE USED TO SUPPORT PROGRAMS AT OTHER COLLEGES AND UNIVERSITIES INTERESTED IN THE ROBERTSON FOUNDATION'S CRITICAL FOREIGN POLICY MISSION.**

**THANK YOU FOR YOUR KIND ATTENTION. I LOOK FORWARD TO TALKING WITH YOU LATER.**