



CEO, McKesson Corporation



CEO, Deere & Company



President, Carrefour China



CEO, J.P. Morgan Chase



Business News

[Print](#) [E-mail story](#) [Most e-mailed](#) [Change text size](#)

advertisement

Gates Foundation to keep its investment approach

The philanthropy's CEO, responding to a Times investigation, maintains that divesting from businesses that harm society would make little difference.

By Charles Piller, Times Staff Writer
January 14, 2007

Related Stories

- [A contradiction at the Gates Foundation](#)

Despite recent statements that it planned several changes, the Bill & Melinda Gates Foundation will keep its current approach to investing its endowment, Patty Stonesifer, its chief executive, says.

It would be naive, Stonesifer said in a letter published today on the editorial page of the Los Angeles Times, to think that changing the foundation's investment policy could stop the human suffering blamed on the practices of companies in which it invests billions of dollars.

Stonesifer wrote in response to an investigative series published by The Times last Sunday and Monday that showed that the Gates Foundation, founded by the chairman of Microsoft Corp., reaps vast financial gains from investments in companies that contribute to the human suffering in health, housing and social welfare that the foundation is trying to alleviate.

During the investigation and throughout a succession of statements last week, the foundation would not answer questions from The Times about its investment policies. Instead, it responded in an interview with the Seattle Times and in two statements on its website, saying that it would consider changes in its investment practices.

The Seattle newspaper reported that Cheryl Scott, chief operating officer of the foundation, told one of its reporters that the foundation would, for the first time, conduct a methodical review of its investments to determine whether it should divest from companies doing harm.

The foundation's first statement on its website, written by Scott, said it would continue a regular review of its approach to investments, and added: "We will review other strategies that can fulfill a social responsibility role ... [and] formalize the process by which Bill and Melinda Gates analyze and review these issues."

The foundation's second website statement, also written by Scott, replaced the first. It said the foundation's investment team would enforce its regular investment exceptions, now limited to tobacco firms, and "consider whether there are other exceptions."

In today's letter to the Los Angeles Times, however, Stonesifer said that none of this signaled a change in the foundation's practices. "The stories you told of people who are suffering touched us all," she said. "But it is naive to suggest that an individual stockholder can stop that suffering. Changes in our investment practices would have little or no impact on these issues."

She accused The Times of implying that the foundation had made "secret investments."

"We have always been open about the investments we make," Stonesifer wrote.

In an explanation of how it conducted its investigation, published along with its series, The Times said the foundation did not provide details for about \$4.3 billion of investments it characterizes as loans.

In a check of the foundation's financial statements, including its tax returns, The Times found no information about these loans, other than their amount.

charles.piller@latimes.com

MORE NEWS

- [Grand Avenue project gets approval](#)
- [Villaraigosa pledges citywide Wi-Fi](#)
- [Charge cards for illegal immigrants?](#)
- [Teachers union aims to reduce class size](#)



"Romantic Destinations" on tomorrow's agenda? Get prepared for Valentine's Day at [Your Scene](#).

[Submit your photo now >>](#)

More Business News

- [Banking on illegal immigrants](#)
- [Jewelry companies look for values in valuables](#)
- [SBA chief working to reform agency](#)

[Most Viewed](#) [Most E-mailed](#) [Related News](#)

- [Senate agrees to move '08 vote to Feb.](#)
- ['Love contract'? It's office policy](#)
- ['Extremely remote' odds for Kidd deal](#)
- [N. Korea nuclear pact marks major shift for Bush](#)
- [No kidding, Lakers have big problems](#)

[All most viewed >](#)

advertisement

HOME
[MyLATimes](#) [New Site Map](#)

Business
Advertising
Money & Investing
Technology
Video Games
Work & Career
Business Tools
Investor Tips & Tools
Law Resources
Money Library
Money Q & A
Consumer Rates
Press Releases

NEWS
[California](#) | [Local National](#)
[World](#)
[Entertainment News](#)
[Business](#)
[Sports](#)
[Politics](#)
[Opinion](#)
[Columnists](#)
[Print Edition](#)

[Calendarlive](#)
[Travel](#)
[West Magazine](#)
[House & Garden](#)
[Health](#)
[Food](#)
[L.A. Wheels](#)
[Obituaries](#)
[Crossword, Sudoku](#)
[All Sections](#)
[Corrections](#)

BUY, SELL & MORE
[Jobs](#)
[Cars](#)
[Real Estate](#)
[Apartments](#)
[Personals](#)
[Deals at Local Stores](#)
[Coupons](#)
[Newspaper Ads](#)

PLACE AN AD
[Media Kit](#)

MEMBER SERVICES
[Log Out](#)
[Help](#)
[Contact Us](#)
[L.A. Times Archives](#)
[Customized News](#)
[E-mail Newsletters](#)

HOME DELIVERY
[Customer Support](#)
[Subscribe to L.A. Times](#)

LOCAL ADS [Buy a link](#)