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Koret Foundation sued by founder's widow over charity's gifts

By Phillip Matier and Andrew Ross Updated 2:17 pm, Wednesday, October 8, 2014



IMAGE 1 OF 3

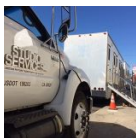
Susan Koret, widow of the Koret Foundation founder.

The prestigious **Koret Foundation** is at the center of a scathing lawsuit in which the founder's widow claims longtime board president and Peninsula real estate magnate **Tad Taube** used the \$500 million charity as a personal piggy bank.

Taube funneled millions of dollars from the charity to promote himself and conservative causes at odds with the foundation's "core mission" of helping the poor, says the suit filed by **Susan Koret** on Tuesday in San Francisco Superior Court.

Koret says Taube has created a "rubber-stamp" board to approve funding causes that would have her late husband, **Joe Koret**, "turning over in his grave."

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No sooner was the suit filed, however, than the Koret Foundation shot back with a countersuit seeking to remove **Susan Koret** — the founder's second wife, who has a lifetime appointment to the eight-member board — for "incompetence" and breach of duty.

"Susan was a housekeeper to **Joe Koret** and his first wife, **Stephanie**, and was only married to him for a brief period," said Koret Foundation spokesman **Nate Ballard**. "Susan is an incompetent director who lacks even a basic understanding of the foundation and its operations."

Susan Koret married Joe after his first wife's death in 1978. They were together until he died in 1982.

The Koret Foundation has been a source of major charitable donations since Joe Koret,



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who made his fortune in the clothing industry, founded it in 1979. Its stated mission: To help the poor and Jewish causes in the Bay Area and Israel.

Beneficiaries have included everyone from the San Francisco Zoo and Palace of **Fine Arts** to UCSF. Board members have included some of the Bay Area's most prominent Jewish leaders — **Bernard Osher**, **Richard Blum** and the late **Warren Hellman** among them.

Taube, 83, himself a refugee from the Nazis who became Joe Koret's main financier, has made a name for himself in recent years as a Stanford and Hoover Institution benefactor. Lately, he's burnished his international reputation with both his own and the Koret Foundation's support for the \$200 million Museum of the History of Polish Jews in Warsaw, which opens this month.

Of the \$64 million given out by the Koret charity from 2010 to 2012, Susan Koret's suit claims, nearly 60 percent was spent on causes tied closely to Taube and his board supporters.

The grants include more than \$4 million to **Stanford University** and the conservative Hoover Institution, plus \$3.2 million to right-wing political causes — including \$1 million for the Taube-conceived American Values Initiative at Hoover, where both Taube and Koret Executive Director **Jeffrey Farber** are on the board.

Other conservative and libertarian recipients of Koret cash, according to the suit: \$180,000 to the **Federalist Society**, \$80,000 to the **David Horowitz** Freedom Center, \$16,000 to the **Ayn Rand** Institute, \$10,000 to Students for Liberty and \$4,000 to the **National Taxpayers Union Foundation**, once run by **Grover Norquist**.

The suit also claims that Taube:

- Spent \$80,000 for a mural inside the Koret Foundation's new San Francisco headquarters that features him front and center alongside the founder.
- "Squelched" a \$35,000 contract for a book about the life of Joe and **Stephanie Koret** because it "was not about him."
- Insisted his name go before the Koret Foundation's on the sign for the **UCSF/Gladstone Huntington Disease Center**, even though the foundation gave twice as much money toward its construction as he did.

Ballard declined to address specifics, but said "all the allegations are bogus" and pointed out that Susan Koret "voted with the board members 95 percent of the time." The foundation's countersuit also says she has become an "increasingly disruptive and unproductive force" on the board.

Susan Koret's suit asks that Taube be forced to repay millions of dollars to the foundation and that he and five other directors be bounced from the board.

Susan Koret's attorney, **Rob Bunzel**, said she simply wants the foundation to follow her late husband's philosophy of helping the poor.

"That has always been her mantra," Bunzel said.

Rough ride: As if things weren't rough enough for San Francisco Fire Chief **Joanne Hayes-White**, she wound up taking a dunk in the bay the other day during a test run of three amphibious vehicles.

The chief's bay bath happened Thursday morning when Salesforce chief **Marc Benioff** invited her, Police Chief **Greg Suhr** and representatives

of the **National Park Service** to test out \$40,000-plus Quadskis he's offering to the city and feds as a gift.

The tech titan keeps an amphibious vehicle for recreational purposes at his home in Hawaii, and he thought San Francisco and the Park Service might be able to use one to help out with water rescues.

With police and fire crews standing by, Benioff hopped aboard a yellow ATV, Suhr a black one and Hayes-White a red one for a bit of testing. Once in the water, each was able to fold the device's wheels and take off on jet-powered water skis, with Hayes-White getting as far as the Golden Gate Bridge.

On the way back, Hayes-White's ATV flipped when it hit choppy water, pitching the chief into the drink.

"I'm sure you heard I almost drowned — it was not nearly as dramatic as that," Hayes-White tells us.

The moderately banged-up ATV is now at the **Fire Department**'s central maintenance shop, awaiting repairs by one of Benioff's mechanics.

San Francisco Chronicle columnists **Phillip Matier** and **Andrew Ross** appear Sundays, Mondays and Wednesdays. Matier can be seen on the KPIX TV morning and evening news. He can also be heard on KCBS radio Monday through Friday at 7:50 a.m. and 5:50 p.m. Got a tip? Call (415) 777-8815, or e-mail matierandross@sfgate.com. Twitter: @matierandross