

MIT's Reception of Unethical Donations from Jeffrey Epstein and his Foundation

Voldemort's Money: Donations From "He Who Must Not be Named"

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Summary

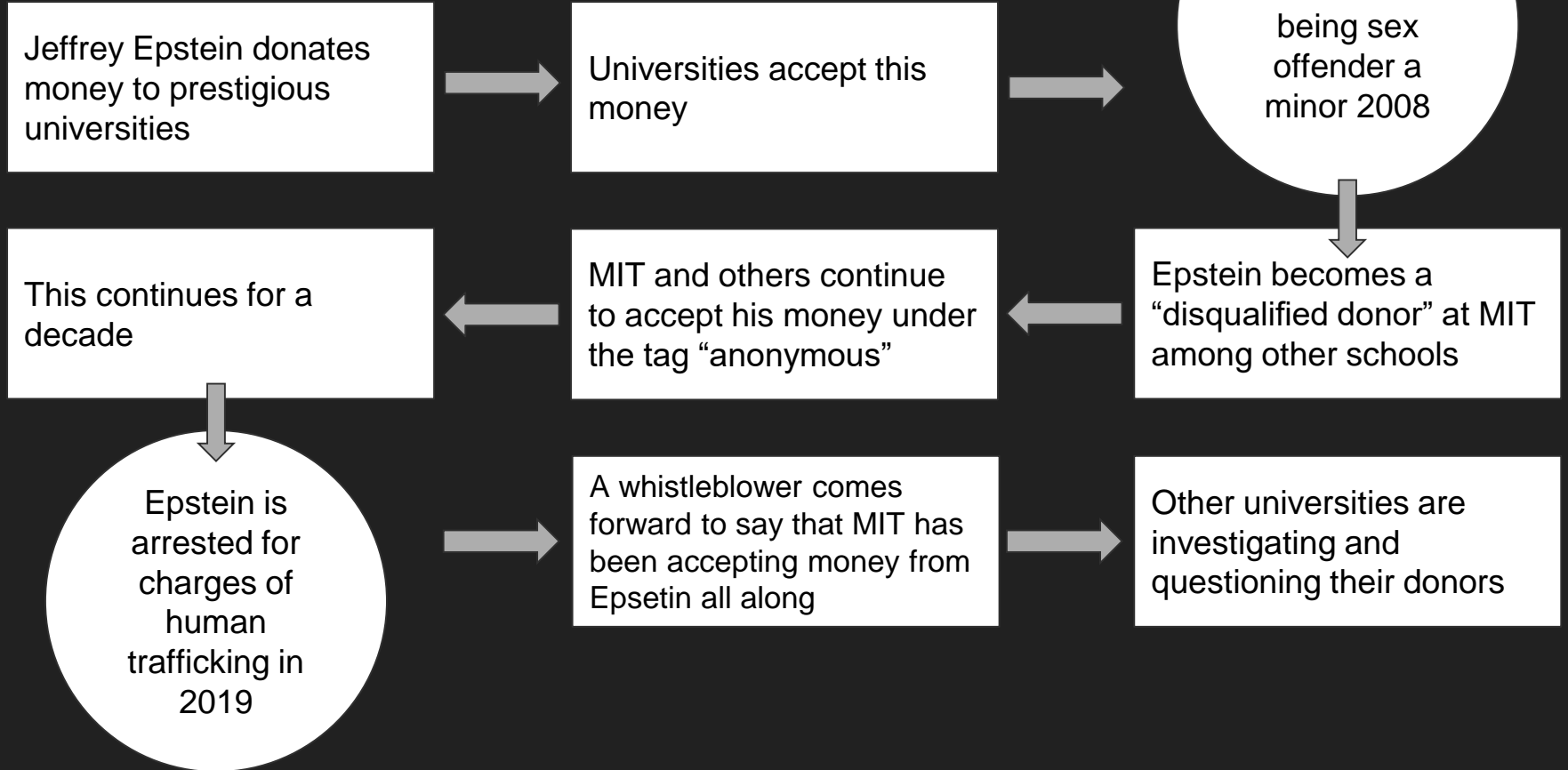
This case study reviews the unethical practices of Joi Ito, the director of the MIT Media Lab, as he accepted and sought donations from Jeffrey Epstein, the financier and convicted sex offender, who was on the blacklist at MIT's donor database. Ito concealed the lab's relationship with Epstein and refused to report the real numbers to the university and the public. When the evidence was revealed by the whistle-blower and published in the magazine, Ito resigned from all positions at MIT. In response to the scandal, Rafael Reif, the president of MIT, apologized of such oversight and announced that the MIT's General Counsel would work with the outside law firm to investigate this case.

WGBH News: The MIT-Epstein Story Spurs A Debate About Dirty Money In Philanthropy.



Retrieved from <https://www.youtube.com/watch?v=Hrnd4dm6eew&feature=youtu.be>

Facts



Compliance

MIT had put Jeffrey Epstein on the disqualified donor list but took money from him anyway.

Depending on MIT's policies this may not be illegal but it is immoral.



Individual Responsibility



Sige Swenson



Joi Ito



Peter Cohen



MIT Media Lab Employees



Jeffrey Epstein



MIT University

Organizational Responsibility

Epstein was on the disqualified donor list but they chose to ignore that.

His donations were made anonymous and those who were aware of what was happening were the ones who made the donations anonymous (those who should have caught the ethical issue were the ones perpetuating it).

The employees who had some idea what was happening chose to ignore it

Although Epstein came to the Media Lab and the employees discussed potentially freeing the female “assistants” who accompanied him everywhere, should the employees feel that the women were there against their will, they continued to accept money from them and work for those who orchestrated the donations.

Systemic Responsibility

“Colonization of Academia”

- The research that this money funds doesn't even make it to the public sometimes because those funding it have opposing interests and refuse to let the research go public
- It has become about fame and making more money not the actual research and advancements to academia

“Whitewashing of Donors”

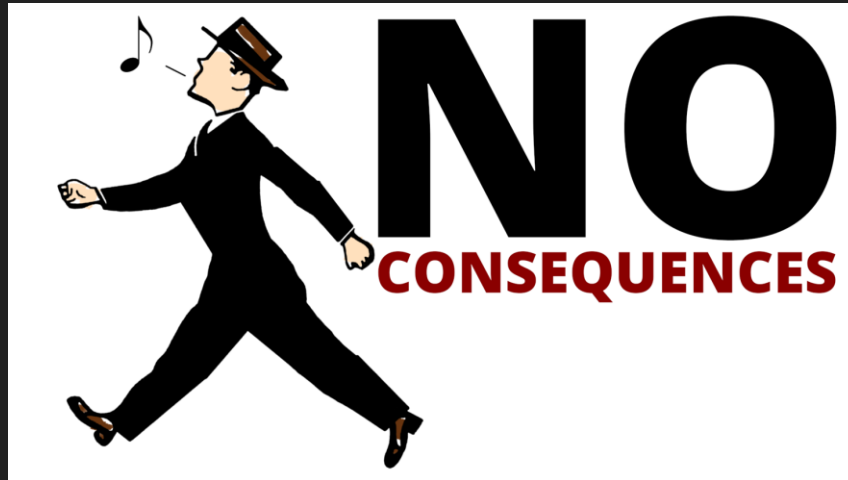
- If large donors have a negative track record the university fails to acknowledge it and instead focus on the donations they have made pushing the negative track record under the rug and allowing the donor to distance themselves from their negative image due to the university's praise

This is not just about Harvard or MIT, this happens at universities across the country.

Even more so with the prestigious and well known universities.

(ironically the richest schools who need the donations the least)

Stakeholders Analysis



Unfortunately there are very few consequences...

What the university did will be uncovered, they will make an apology but shortly later no one will fault the university or instigate a deeper investigation and the donor's negative reputation will fade and they will be remembered by their donation to the university and those the donor harmed in the process and the reason they had a negative reputation will become forgotten or discredited.

Alternative Solutions

In order for this situation to not be repeated, the way that academic institutions are viewed must change and the way donations and donors are portrayed must also be changed



Since this seems unlikely in the near future, little can be done in order to remedy this situation or prevent it from happening again

Questions

1. Should the portrayal of Swenson as being “brave” in whistleblowing after Epstein was arrested be challenged? Would her act justify her past work at the Media Lab for violating her professional ethics?
2. Do you see changes in the nature of funding of prestigious institutions to change anytime in the near future and if so how or how not?
3. Should the money that Epstein donated be given to charity?
4. According to Swenson’s interview, there was a lot of female staff at the support level but not at the leadership level. As Epstein’s convict was sex-related, would the course of action change if there were more females in the top level at Media Lab?

References

<https://www.councilofnonprofits.org/tools-resources/ethical-fundraising>

<https://afpglobal.org/ethics/code-ethical-standards>

<https://www.fundraisingregulator.org.uk/code>