

May 6, 2026

Sent via email

Attorney General Rob Bonta
Office of the Attorney General
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550

Subject: Ongoing Concerns Regarding Protecting OpenAI Foundation's Charitable Assets

Dear Attorney General Bonta:

We are writing to again express our concern about OpenAI's ongoing misuse of charitable assets, and to respectfully ask you to exercise your authority over these assets to ensure they are rightfully accounted for and properly managed, under independent oversight, in accordance with the law. We believe that the issues we raised in our original administrative petition (dated 4/9/25) and our subsequent letters to your office (dated 6/26/25 and 9/17/25), have not been adequately addressed by the MoU entered into by your office and OpenAI in October 2025¹. Since then, new evidence has come to light which reinforces our coalition's concerns about the ongoing stewardship of OpenAI's charitable assets. We have outlined those concerns below.

In addition, despite its recommitment to prioritize the nonprofit's mission over profit, OpenAI has demonstrated a pattern of behavior over the last six months that raises questions about how that mission is being protected. They have entered into a partnership with the Defense Department to develop autonomous weapons and mass surveillance systems to be used on American citizens²; they are under criminal investigation in the State of Florida for ChatGPT's role in a fatal shooting at Florida State University³; and they have sought to undermine attempts to create safety standards around AI that would protect children from harm⁴ and society from catastrophic impacts of AI⁵.

As a result of this pattern of troubling behavior and the new evidence that has emerged since the MoU was signed, we believe there is sufficient reason to revisit the question of whether OpenAI's charitable assets and nonprofit mission are sufficiently protected. We respectfully ask that you:

- Conduct an independent, third-party valuation of the nonprofit's assets and ensure the nonprofit is allocated what it is owed in light of its current structure and in advance of its planned initial public offering.
- Evaluate if the OpenAI Foundation's current governance structure and adherence to its commitments in the MoU sufficiently safeguard against conflicts and provide independent oversight of the nonprofit assets.

Continued Concerns Regarding OpenAI's Governance Structures and Compliance with the Law

OpenAI was formed as a nonprofit corporation with federal tax-exemption pursuant to section 501(c)(3) of the Internal Revenue Code, and its assets are legally bound by a charitable trust—meaning they must serve the purpose for which those

¹ Available at <https://oag.ca.gov/system/files/attachments/press-docs/Final%20Executed%20MOU%20Between%20OpenAI%20and%20California%20AG%20re%20Notice%20of%20Conditions%20of%20Non-Objection%20%2810.27.2025%29%20%28Signed%20by%20OpenAI%29%20%28Signed%20by%20CA%20DOJ%29.pdf>.

² OpenAI, "Our Agreement with the Department of War," OpenAI, March 2, 2026, <https://openai.com/index/our-agreement-with-the-department-of-war/>.

³ James Uthmeier, "Attorney General James Uthmeier Launches Criminal Investigation into OpenAI, ChatGPT," Office of the Florida Attorney General, April 21, 2026, <https://www.myfloridalegal.com/newsrelease/attorney-general-james-uthmeier-launches-criminal-investigation-openai-chatgpt>.

⁴ Emily Shugerman, "Kids Groups Say They Didn't Know OpenAI Was Behind Their Child Safety Coalition," *San Francisco Standard*, April 1, 2026, <https://sfstandard.com/2026/04/01/openai-ai-kids-safety-coalition/>.

⁵ Vittoria Elliott, "OpenAI Backs Bill That Would Limit Liability for AI-Enabled Mass Deaths or Financial Disasters," *Wired*, April 10, 2026, <https://www.wired.com/story/openai-backs-bill-exempt-ai-firms-model-harm-lawsuits/>.

charitable donations were given. To fulfill this obligation, OpenAI's governance must meet two core responsibilities: first, to ensure that its charitable assets are used and distributed solely to advance its charitable purpose, free from conflicts of interest; and second, to oversee the development of artificial intelligence in a manner consistent with its charitable mission. OpenAI's current governance practices and planned IPO are not consistent with these obligations.

OpenAI's assets must be fully accounted for to ensure that the assets of the nonprofit are not being diverted from their intended charitable purpose to support the growth of the for-profit entity.

A charitable trust is “a fiduciary relationship with respect to property arising as a result of a manifestation of an intention to create [the charitable trust], and subjecting the person by whom the property is held to equitable duties to deal with the property for a charitable purpose.”⁶ The Attorney General has the authority to investigate charitable organizations to verify that the purposes of the trust are being carried out, and can enforce compliance with the statute by instituting judicial proceedings⁷. Furthermore, the Attorney General or a person with a reversionary, contractual, or property interest in the assets subject to a charitable trust may bring an action to enjoin, correct, obtain damages for, or otherwise remedy a breach of a charitable trust⁸.

Under this authority, we ask your Office to confirm whether the nonprofit's assets held in trust have, in fact, remained dedicated to the charitable purposes for which they were originally donated. We are sure you are aware that until recently, OpenAI's stated mission was to “build general-purpose artificial intelligence (AI) that *safely* benefits humanity, *unconstrained by a need to generate financial return*. . . . [O]ur goal is to develop and responsibly deploy safe AI technology, ensuring that its benefits are as widely and evenly distributed as possible⁹” (emphasis added). Yet just prior to the recapitalization, OpenAI removed all references to safety and the lack of import of financial returns¹⁰. Safety had always expressly been part of OpenAI's mission until that point—meaning that donations were made in furtherance of that safety-oriented purpose. By changing its mission, OpenAI has opened the door to future (and possibly present¹¹) diversion of charitable assets towards purposes contrary to their charitable purpose, which would be in contravention of the intent of its donors.

We believe it is your duty to ensure an independent valuation is performed of the nonprofit's charitable assets especially in light of the upcoming IPO. The only sure way to ensure the nonprofit's assets have been properly accounted for and utilized is by conducting an independent valuation. But despite our previous requests for such a valuation, it remains unclear whether such a valuation was performed. It remains similarly unclear whether, if such a valuation was conducted, that valuation informed OpenAI's recapitalization to ensure the nonprofit's charitable assets remain dedicated to its charitable purpose. If one or both of the foregoing has not occurred, then the nonprofit may be due significantly more than what it was allocated in the recapitalization. Even if a prior valuation was completed, as OpenAI prepares for an IPO, it is crucial that there be accurate accounting of the current value of the nonprofit's assets. As fiduciaries of the nonprofit, the board has a responsibility to ensure that the assets continue to be used for the purpose for which they were donated. As the relevant oversight authority, your Office is uniquely positioned to ensure that these assets are not invested at high risk to the nonprofit to make more money for investors, and to ensure they are used consistently with OpenAI's stated charitable purposes.

⁶ *Hardman v. Feinstein*, 195 Cal. App. 3d 157, 161 (1987) (quoting Restatement 2d Trusts § 348).

⁷ Gov't Code §§ 12588, 12591.

⁸ Corp. Code § 5142.

⁹ OpenAI Inc.'s 2023 Form 990 (filed Nov. 13, 2024),

<https://projects.propublica.org/nonprofits/organizations/810861541/202413189349309791/full>.

¹⁰ Catherina Gioino, *OpenAI changed its mission statement 6 times in 9 years. It finally removed the word “safely” as a core value when it restructured into a for-profit*, *Fortune* (Feb. 23, 2026), <https://fortune.com/2026/02/23/openai-mission-statement-changed-restructuring-forprofit-business/>. OpenAI's mission statement as of recapitalization read: “OpenAI[]'s mission is to ensure that artificial general intelligence benefits all of humanity.” OpenAI Inc.'s 2024 Form 990 (filed Nov. 17, 2025), <https://projects.propublica.org/nonprofits/organizations/810861541/202513219349328476/full>.

¹¹ We also note that the Safety and Security Committee has not demonstrated its commitment to following through on making OpenAI's products safer, consistent with its former charitable purpose or sections 9 through 11 of the MOU. See, e.g., Chris Vallance & Laura Cress, *OpenAI changes deal with US military after backlash*, *BBC* (Mar. 3, 2026), <https://www.bbc.com/news/articles/c3rz1nd0egro>; Ryan Patrick Jones & Diana Novak Jones, *Families of Canadian mass shooting victims sue OpenAI, CEO Altman in US court*, *Reuters* (Apr. 29, 2026), <https://www.reuters.com/world/families-canadian-mass-shooting-victims-sue-openai-ceo-altman-us-court-2026-04-29/>; Emily Birnbaum, *OpenAI, Meta Targeted in AI Child Safety Bill Senate Panel Backs*, *Bloomberg* (Apr. 30, 2026), <https://www.bloomberg.com/news/articles/2026-04-30/openai-meta-targeted-in-ai-child-safety-bill-senate-panel-backs>.

We urge you to exercise your oversight authority to ensure that OpenAI's assets continue to be used for public benefit and not diverted to private gain on an ongoing basis.

OpenAI may not have sufficient safeguards in place to prevent conflicts of interest, private inurement, and self-dealing.

Only a "Corporation[], and any community chest, fund, or foundation, organized and operated exclusively for . . . charitable [purposes] . . . *no part of the net earnings of which inures to the benefit of any private shareholder or individual . . .*" is exempt from taxation under section 501(c) of the Internal Revenue Code (emphasis added). Federal regulations further clarify that an organization is *not* organized or operated exclusively for its charitable purpose *unless* it serves a public, rather than private, interest. 26 CFR § 1.501(c)(3)-1(d)(1)(ii) (emphasis added).

Adopting and enforcing a robust conflict of interest policy helps protect a nonprofit from running afoul of these foundational principles. Furthermore, OpenAI is obligated under the MoU to maintain "robust corporate governance guidelines and conflict of interest policies" across the entire OpenAI enterprise.

Despite the foregoing, a concerning pattern of activity has come to light during the *Musk v. Altman* case—which raise significant questions as to whether the representations in the MoU were, in fact, full and complete¹². Your Office's agreement to OpenAI's recapitalization was conditioned on the representation that "no facts material to the Attorney General's review [were] excluded[.]" Yet discovery in *Musk v. Altman* reveals repeated statements evidencing intent to alter OpenAI's structure to the benefit of private parties.

As early as 2017, while documenting his thoughts regarding OpenAI's structure in his personal records, Greg Brockman pondered the question, "[f]inancially, what will take me to \$1B?" Such considerations must have informed the position that he "[could not] say that we are committed to the non-profit" and "[didn't] want to say that we're committed [to the non-profit]." Indeed, Brockman ultimately documented a "plan" in his personal records that "it would be nice to be making [] billions" and explained that "we've been thinking that maybe we should flip to a for profit."¹³ Upon Elon Musk's resignation from the OpenAI board of directors in 2018, OpenAI began building out its for-profit ventures in earnest.

OpenAI's subsequent business relationship with Microsoft raises red flags as well. In fact, when Sam Altman shared the plan to launch a new AI commercial venture, Microsoft's Chief Technology Officer sent an internal email wondering whether major OpenAI donors were aware of such plans, opining that he "c[ouldn't] imagine [the donors] funded an open effort to concentrate [machine learning] talent so that [OpenAI] could then go build a closed, for profit thing on its back."¹⁴ Later on, when Altman discussed OpenAI's potential restructuring with Microsoft, he framed it as "address[ing] some of the challenges" posed by a nonprofit owning an LLC "as [OpenAI] become[s] a more commercial effort." One of the objectives of restructuring was to "[r]emove [the] Nonprofit from formal control to mitigate private benefit risk."¹⁵

Even if your Office was aware of these concerning statements prior to signing the MoU with OpenAI, subsequent incidents demonstrate that OpenAI leadership has continued to engage in transactions benefiting corporate insiders. For example, Altman recently asked OpenAI to lead a funding round for Helion—a company that does not "represent[] a core business for OpenAI."¹⁶ Altman derives much of his net worth from Helion, and he is one of the company's largest investors. If Altman's proposal had gone through, the value of Helion would have increased substantially.

Although OpenAI rejected his efforts towards investment, OpenAI did ultimately enter into a contract with the company to purchase a significant amount of its product—a product which did not even exist at the time the contract was executed. It seems Helion went on to leverage this contract with OpenAI as it sought to raise hundreds of millions of dollars from other investors, further enriching Altman.

¹² *Musk v. Altman, et al.*, Case No. 4:24-cv-4722 (N.D. Cal.).

¹³ Order Denying OpenAI Defs.' Mot. Summ. J., Dkt. 390 at 4-5.

¹⁴ *Id.* at 6-7.

¹⁵ *Id.* at 8.

¹⁶ Berber Jin, *Sam Altman's Side Hustles Blur the Line Between OpenAI's Interests and His Own*, WSJ (Apr. 16, 2026), <https://www.wsj.com/tech/ai/chatgpt-openai-ipo-altman-029ae6d5>.

Additionally, since the MoU was signed, OpenAI announced a set of “frontier partners” that includes Sierra, the AI startup co-founded by OpenAI chair Bret Taylor.¹⁷ We strongly caution against deferring to Taylor’s statements that he will recuse himself “whenever there is a potential for overlap” between OpenAI and Sierra—statements made two years prior to this partnership¹⁸. His continued role on the OpenAI board is in contrast to previous directors, e.g. Reid Hoffman who resigned from the board due to his desire to invest in companies using OpenAI’s software, citing conflict of interest concerns.¹⁹

The lack of transparency regarding OpenAI’s insider transactions also means there is a lack of public accountability. In light of the foregoing, one thing is clear: OpenAI and its directors have every incentive to engage in acts that benefit private interests, to the detriment of the nonprofit’s mission. We therefore urge your Office to exercise its oversight authority, pursuant to California Government Code section 12588, to ensure that OpenAI’s conflict of interest policy is strictly enforced, particularly in deals involving entities in which OpenAI’s directors have financial interests in on an ongoing basis²⁰.

The current board structure does not have sufficient safeguards to preserve independent board oversight

The MoU between your Office and OpenAI has minimal safeguards against overlap between the nonprofit and for-profit public benefit corporation (the “PBC”): the director serving as Chair of the nonprofit’s Safety and Security Committee cannot be a director of the PBC board, and at least one additional nonprofit director must serve exclusively on the nonprofit’s board²¹. But notably, the remainder of both the nonprofit’s and PBC’s boards can be comprised of the same individuals. These overlapping boards would be able to vote in a bloc to advance their own interests, regardless of the two non-overlapping nonprofit directors. To make matters worse, the PBC’s own board is responsible for determining whether its directors have a relationship or interest that could compromise their judgment²². Leaving that determination in the PBC’s own hands is akin to the fox guarding the henhouse.

Additionally, the *Musk v. Altman* lawsuit has shed great light on the extensive involvement that Microsoft—a for-profit partner and investor in OpenAI—had over the dissolution of the nonprofit’s original board and the selection of its new board members who ultimately rehired Altman as CEO after the original board fired him for, in part, not being honest about his numerous conflicts of interest. Text messages between Altman, Satya Nadella (Microsoft’s CEO), and Kevin Scott (Microsoft’s CTO) reveal Altman asked Nadella and Scott for approval of potential new board members, to which Scott replies “strong no” to at least one potential board member²³. This begs the question: can a board hand-picked by Microsoft operate with independence and maintain the board members’ fiduciary duties to the nonprofit? We are of the position that the answer to that question is no—and your Office is in the best position to rectify that.

The MoU between your office and OpenAI states:

Based on the Information and documents provided by OpenAI, in reliance on the Representations above and including that the Recapitalization is fair or reasonable from a financial point of view to the NFP, and conditioned upon and subject to (a) the non-occurrence of any material change to OpenAI’s business, condition, operations, or otherwise, that would require the Information provided to be updated, (b) no facts material to the Attorney General’s review having been excluded in the Information, and (c) the approval of the Recapitalization by the NFP Board, the Attorney General shall not object to the Recapitalization.

We ask that you, based on the evidence that has come to light over the last six months, evaluate if OpenAI has withheld “facts material to the Attorney General’s review.” Furthermore, we ask you to investigate whether the implementation of

¹⁷ *Introducing OpenAI Frontier*, OpenAI (Feb. 5, 2026), <https://openai.com/index/introducing-openai-frontier/>.

¹⁸ Kylie Robison, *OpenAI Chair Bret Taylor says he’ll recuse himself ‘whenever there is a potential for overlap’ with his new AI startup Sierra*, Fortune (Feb. 13, 2024), <https://fortune.com/2024/02/13/openai-chair-bret-taylor-interview-promises-recuse-whenever-potential-overlap-ai-startup-sierra/>.

¹⁹ Kif Leswing, *Reid Hoffman steps down from OpenAI board to avoid potential conflicts of interest*, CNBC (Mar. 3, 2023), <https://www.cnbc.com/2023/03/03/reid-hoffman-steps-down-from-openai-board-to-avoid-potential-conflicts.html>

²⁰ “The Attorney General may investigate transactions and relationships of corporations and trustees subject to this article for the purpose of ascertaining whether or not the purposes of the corporation or trust are being carried out in accordance with the terms and provisions of the articles of incorporation or other instrument. The Attorney General may require any [corporate representative] to appear . . . to give information under oath . . .” Gov’t Code § 12588.

²¹ MoU §§ 10, 14.

²² MoU § 15.

²³ Notice of Public Filing of Unsealed Documents, Dkt. 391-51 at 2.

OpenAI's board structure—of both the nonprofit and the PBC—have been consistent with the letter and spirit of the MoU your Office signed, and has provided sufficient protection of the charitable assets upon which OpenAI was formed. This would require your office to revisit OpenAI's structure and demand true independent governance over the nonprofit assets, including by bringing litigation to require OpenAI Foundation to recompose its board into a majority of independent directors, selected through an independent mechanism.

We are deeply grateful for your leadership on this issue and respectfully request a meeting with you to discuss these concerns further.

Sincerely,

The EyesOnOpenAI Coalition

Members can be found here: <https://www.eyesonopenai.org/coalition>