



WHO IS CATHERINE REYNOLDS?

Philanthropist Battles Smithsonian Over A \$38 Million Donation

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Who is Catherine Reynolds and why has she been giving away millions of dollars?

When Correspondent Mike Wallace first reported this story last December, her foundation had just announced it was giving its biggest donation yet - \$100 million - to the Kennedy Center for the Performing Arts. It was accompanied by a standing ovation led by President George W. Bush.

That was a far different reaction from three years ago, when she tried to give a mere \$38 million to the Smithsonian Institution to create an exhibit there to honor American heroes.

She was accused of trying to buy her way into the upper reaches of Washington society - and, worse, of trying to buy herself a piece of the sacred Smithsonian.

Who is this multi-millionaire whose ambitions are hardly modest? Catherine Reynolds was center stage last summer in Dublin, Ireland, at an event she called the International Achievement Summit.

Under heavy security, presidents and prime ministers, past and present from around the world arrived - Ehud Barak, Benazir Bhutto, Mikhail Gorbachev and Hamid Karzai from Afghanistan.

But the spotlight was never far from Reynolds, the biggest sponsor of this event, sandwiched between rock star Bono and Bill Clinton.

It's called the Academy of Achievement, a non-profit organization created to introduce impressionable students to real-life role models.

Two hundred graduate students from more than 40 countries were flown to Ireland to spend the weekend with a virtual who's who of top achievers.

Academy members, and there are more than 1,000 of them on their Web site, include Nobel Prize winners, presidents, scientists, astronauts, sports heroes, authors, entertainment figures - even a few journalists, including Wallace.

Although Reynolds is front and center, the CEO of the Academy of Achievement is her husband, Wayne Reynolds. His father created the academy more than 40 years ago.

"We know we change lives with this. We know we touch the souls of young people," says Reynolds. So how did a girl from a working-class family in Jacksonville, Fla., wind up surrounded by world leaders and Oscar-winning actors?

Her unlikely success story began with a struggling student loan business.

"When I started there, it was bankrupt, technically bankrupt," she says.

But Reynolds, a certified public accountant at the time, was brought in to try to save the company. And she did. And when the financial services giant Wells Fargo bought it 12 years later, her share of the sale was reported to be close to \$100 million.

"I didn't marry money. I didn't inherit money. I actually made it," she says.

The rest of the money generated by that once-bankrupt company - almost \$500 million - went into a charitable foundation that bears her name.

And it didn't take long before the Catherine B. Reynolds Foundation began handing out millions of dollars to fund exhibits at the National Gallery of Art, and performances at the Kennedy Center.

But behind her back, certain elements in Washington society were furious at the VIP treatment that she and her husband, Wayne, were getting.

"The society writers from The Washington Post said to me, 'Cathy has unnerved Washington society, because these people used to write checks for \$1,000, \$500, sit in the front row, bask in their celebrity,'" says Wayne Reynolds. "She said, 'Wait a minute. Let's elevate everything. I'll give \$50,000. Let's make a difference here.' And they're like, 'Oh, my gosh.'"

"Well, we also believe that the people that give the largest donation should sit in the front row," adds Reynolds. "I mean, I know that's a novel thought, but, you know, we thought that should happen."

How does she handle the talk about how she's tried to buy her way into Washington celebrity?

"I appreciate the sense that I'm the new kid on the block, but I gotta tell you, the people that are saying these things, they don't know me," she says. "As you well know, Wayne and I know heads of countries. We know Nobel Prize winners." And that is what gave Reynolds the idea for her biggest donation yet. Why not showcase the life stories of those Nobel Prize winners and achievers at the Smithsonian - where young people could be inspired, not just once a year, but every day?

A Hall of Achievement.

"Well, I think it's a very good idea to have a Hall of Achievement, especially if I'm in it," says Pulitzer Prize-winning author Frank McCourt, who was at the Dublin summit. He's just the sort of achiever the Reynolds had in mind.

Does he think she's a social climber?

"Well, that's what they said in the old days, in the 19th century about the robber barons. They had to buy their way into society," says McCourt. "Andrew Carnegie and the Vanderbilts and the Rockefellers - they all did that and they were resisted. They were nouveau riche in the beginning, and I suppose Cathy would be regarded as nouveau riche. But she has a heart of gold."

And when Reynolds announced her \$38 million gift to the Smithsonian, her critics had a field day. She says she was blindsided by the criticism: "I really think it's sort of a sad thing that this gift, which was really meant to be about inspiring and educating young people, has turned into such a controversy, and so misrepresented."

The problem came from the fact that Reynolds wanted to do more than simply hand over a check. She thought that the Smithsonian's National Museum of American History - where visitors can see Judy Garland's shoes from "The Wizard of Oz," Teddy Roosevelt's stuffed bear, Julia Child's kitchen and Abe Lincoln's famous stovepipe hat - should do more.

"Do you see a story about who any individual is? I mean, you see their stuff. You'll see their hat, but do you know who they are? Do you know what books inspired them? Do you know what passion and perseverance they had to have about whatever it was they accomplished to be in the American History Museum," asks Reynolds.

"In our opinion, our humble, humble opinion, there was a place, or should have been a place there, to highlight individuals as opposed to things." But Dr. Eric Foner, professor of history at Columbia University, believes that some curators were afraid that this was going to become simply a celebrity exhibit. Foner was on a commission appointed by the Smithsonian to look into a variety of problems at the museum, including the controversy over Reynolds' donation.

"I would say to Ms. Reynolds that her willingness to donate money to promote the public awareness of American history is to be commended, but it doesn't mean that the Smithsonian has to simply accept fully her vision of how American history ought to be presented because she's giving money," says Foner.

"I had a very clear contract," says Reynolds. "This isn't, 'Let me give you \$38 million, and then let's talk about what we're gonna do with it.'"

The fact is, Reynolds did have a signed contract that gave her, in effect, the right to help decide what would be in the exhibit she was sponsoring. But when they learned about that, more than 70 curators and historians at the museum fired off an angry letter of protest.

"I read where one Smithsonian curator said, 'How dare her come in and tell us what to do in our museum,'" says Reynolds. "Well, that's no more his museum than it's my museum. I mean, this is America's museum. And shame on me for thinking what a great place to showcase current-day heroes and role models for young people."

"The curators, I think, were put off by what apparently was just an off-handed remark," says Foner. "Ms. Reynolds was asked, 'Well, who would you like to have in this exhibit?' And she mentioned Oprah Winfrey and a couple of people, and it sort of seemed like she was just talking about an exhibit of contemporary celebrities."

But Reynolds and her husband, Wayne, insist the curators were opposed to any exhibit honoring individuals, no matter who they were.

"The curators would say to us, 'Well, this is just a hall of big egos,'" says Reynolds.

"We were told that the heritage of individual accomplishment in America is meaningless - that individuals never mattered in American history, but only social movements mattered, that only institutions mattered," adds her husband, Wayne.

In fact, Reynolds said that many times, curators refused to work on their project.

"I've never met people like this who said individuals never mattered in history," says Wayne Reynolds. "My whole career, my whole life, Cathy's whole life is based on one person can make a difference in America." Ralph Nader, also an Academy of Achievement member, says he doesn't understand why everyone's making such a fuss over the exhibit that the Reynolds were trying to create.

"The Smithsonian takes a lot of money from big corporations who have certain strings attached to their exhibitions," says Nader. "And nothing is made of it."

In fact, Nader says the real scandal is that the Smithsonian has sold out to corporate America.

"There's been more criticism of Catherine Reynolds than all these corporate contributors and donors and concessionaires that are commercializing the Smithsonian as never before," says Nader.

But there are corporate sponsors all over the Smithsonian Museum. The flag is sponsored by Ralph Lauren. The IMAX Theater was just renamed the Lockheed Martin Theater. The Insect Zoo is named after the founder of Orkin Pest Control.

Doesn't that upset the sensibilities of the curators?

"I think it should upset the sensibilities of anybody, but the Smithsonian leadership will say, 'Look, if Congress gave us enough money to do this, we wouldn't have to go out and raise all this private funding,'" says Foner. "And if private funders give money, they're gonna want to have their name up there."

But Catherine Reynolds finally decided she wasn't going to take it anymore and she withdrew her \$38 million gift.

Why did she finally decide to take back the money?

"That was really painful. We had worked for a year and a half, trying to make it work," says Reynolds.

Of course, 60 Minutes wanted the Smithsonian to tell us how all of this went so terribly wrong - and why the curators were so opposed to her exhibit. But no one there would talk to us.

They wouldn't talk to the Reynolds either.

"We're not trying to, quote, unquote, hijack the Smithsonian," says Reynolds. "We're not trying to tell this Pollyannish view of history. We just want to do an exhibition. We want to help you, we want to fund it."

When we last talked to Reynolds, we asked her about a rumor – that she was going to give a huge amount to the Kennedy Center - that was then floating around Washington.

But at the time, Reynolds said she didn't want to talk about it: "I don't want to, because it's not done. They may want to do something, we may want to, and ... and after they see this, nobody may want to take our money. We'll call, we'll be begging people, 'Please.'"

Since this report first aired, Reynolds has been busy giving away more money. In addition to that \$100 million donation to the Kennedy Center, her foundation is sponsoring a series a major exhibitions at the National Gallery of Art – and is providing hundreds of scholarships for inner city students in Washington D.C.

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