Harvard left in the lurch over Ellison donation

By Andrew Jack in London

Harvard University has been left in the lurch by Larry Ellison, chairman of software group Oracle, who has failed to make good on a $1.3bn (£811m, €822m) donation 10 months after academics believed they could count on the money.

The Ellison Institute for World Health, which was gearing up to employ 130 staff by the summer of 2007, has been put on hold. Twenty research fellows and five top academics had been all but appointed, while three senior managerial staff who had been hired have now been dismissed.

The delays come amid uncertainty at Harvard following the imminent resignation of Larry Summers, its president, although fundraising during his leadership fell to a 16-year low in 2005.

The planned Ellison Institute, which was to study and disseminate ways to assess health policies around the world, would have marked a big increase in philanthropic support by Mr Ellison, estimated by Forbes to be the world’s 15th richest man with $16bn in net assets.

It would also have marked Mr Ellison’s second foray into global health, an area of increasing interest to wealthy businessmen led by Bill Gates, the head of Microsoft, who last week said he would step down in 2008 to devote himself principally to philanthropy.

Prof Christopher Murray, head of Harvard’s Global Health Initiative, who was set to run the new institute, confirmed yesterday that he was still awaiting $115m first promised by Mr Ellison in March 2005 and set to be paid last September. He said: “I remain hopeful that Ellison will follow through on his commitments.”

Individuals involved in the discussions say Mr Ellison first offered $100m in December 2004 in talks with Prof Murray, and then increased that sum to $115m after conversations with Mr Summers.

But, after exchanging draft contracts, drafting a press release and saying the money would arrive in days, Mr Ellison’s advisers last autumn began linking payment to final settlement of an insider trading suit brought by Oracle shareholders, which was to include a substantial donation to charity. Mr Summers and others have been unable to discuss the matter with him since November.

The idea was to spend the money over three years, after which Mr Ellison said if he was satisfied he would donate a further $500m over the following decade with the aim of building a sustainable centre to study effective approaches to health.

A spokesman for Mr Ellison at Oracle refused to comment yesterday.

Additional reporting by Rebecca Knight