



FOR IMMEDIATE RELEASE
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Los Angeles, CA -- Statement from LatinoProsperity on the OpenAI Foundation Announcement

Today's [announcement](#) from OpenAI is deeply troubling. Rather than restoring integrity and public accountability, the newly proposed “OpenAI Foundation” structure doubles down on a failed model—one in which a nonprofit nominally exists to serve the public interest but in practice operates under the direction of its for-profit counterpart. This precedent, if left unchecked, effectively greenlights nonprofits to monetize charitable assets with minimal regulatory scrutiny.

Under this arrangement, OpenAI Foundation will hold both a significant equity stake in OpenAI's for-profit arm and formal control through its charter rights. Yet, since the November 2023 leadership crisis, there has been no credible evidence that the nonprofit has exercised any real oversight. Instead, every major decision—particularly the aggressive release of untested and potentially harmful technologies—has reflected the priorities of the for-profit enterprise.

From the rushed rollout of the Sora 2 video generator to the reckless introduction of ChatGPT features that can produce explicit content, OpenAI continues to put speed and profit ahead of safety and societal well-being. The organization's record over the past two years demonstrates that its “safety-first” commitments exist only on paper.

In reality, the new “OpenAI Foundation” appears designed to function as a corporate foundation, performing limited philanthropic or technical work that ultimately reinforces OpenAI For-profit's commercial ambitions. That is the inverse of how the original OpenAI structure was intended to operate. The for-profit subsidiary was meant to advance the mission of the nonprofit—not control it.

This arrangement carries two serious harms.

First, it diverts vast charitable assets—valued at over \$130 billion—toward private gain under the guise of a public mission. That is an abuse of the charitable form.

Second, it further entrenches a leadership structure that is unaccountable both to shareholders and to the public, as the foundation's supposed control rights are likely to remain dormant while management consolidates unchecked authority.

LatinoProsperity stands with those calling for stronger public oversight of this arrangement. The attorneys general of California and Delaware have both the duty and the authority to act. They should dissolve the current OpenAI nonprofit and ensure that its charitable assets—including its equity interest and controlling stake in the for-profit—are reallocated to new, independent organizations committed to advancing safety, transparency, and the public good.

Artificial intelligence holds enormous potential for inclusive prosperity, but only if the institutions that govern it serve humanity—not shareholders. The path forward requires transparency, accountability, and the courage to disentangle the public interest from private control.

