

To: The University Senate
From: David Sanders
Subject: Resolution regarding David Malpass
Disposition: University Senate for Discussion and Adoption

Rationale: [The November 7, 2023 press release](#) announcing the appointment of David Malpass as the Distinguished Fellow of International Finance at the Mitchell E. Daniels, Jr. School of Business and as the Inaugural Fellow of Global Business and Infrastructure at Purdue@DC described him as a “leading economist on Wall Street.” and provided an uninformative recitation of his actual responsibilities.[1] The announcement presented a highly incomplete version of his career.

Mr. Malpass has a history of poor fiscal judgement. Mr. Malpass worked at Bear Stearns for 6 years, and was its chief economist—having misread the effects of the housing/credit market—[when Bear Stearns went bankrupt in the 2008 financial crisis](#).[2] In addition to his work at Bear Stearns, Mr. Malpass was Senior Economic Adviser to Donald Trump during his Presidential campaign, authoring the article, “[Why This Economy Needs Trump](#),” which advocated for the federal-debt-exploding Trump-era tax cuts.[3]

Mr. Malpass is not representative of Purdue values. As Republican candidate for United States Senator, he, when questioned, [was against gays serving openly in the United States military](#).[4]

Mr. Malpass has demonstrated questionable business ethics. [He has been creditably accused of having a family member benefit from nepotism](#). World Bank staff were apparently told to give preferential treatment to Robert Malpass, son of David Malpass, when the latter was serving in the Trump Treasury Department. They were encouraged by a senior manager to curry favor with Robert Malpass; the staff referred to 22-year-old Robert Malpass as a “prince” and “important little fellow,” who could go “running to daddy” if things went wrong. Robert had joined the World Bank’s IFC division in July 2018 as a research analyst. The then 22-year-old had just completed his bachelor’s degree in economics.[5] We do not want the graduates of the Daniels School of Business to think that such behavior is acceptable for a Purdue graduate.

Similarly, Mr. Malpass has failed to take seriously a corporate culture of sexual harassment where he was in charge. In a [recent report](#), it was revealed that when David Malpass was the President of the World Bank, there was a coverup of a sexual abuse scandal at an institution funded by the World Bank and retaliation against a World Bank whistleblower.[6] Members of Congress are now investigating this case. There was also an earlier [sexual-harassment coverup scandal](#) at the World Bank that spanned the Presidency of Malpass, in addition to that of earlier World Bank Presidents.[7]

In addition, Mr. Malpass doubts the science of climate change. The revelation that Mr. Malpass was as a climate-change denier led to his premature resignation from the Presidency of the World Bank. When asked directly, “Do you accept the scientific consensus that the man-made burning of fossil fuels is rapidly and dangerously warming the planet?” he responded, [“I don't even know—I'm not a scientist.”](#) He later retreated from this position.[8] However, this was not the first time that [Malpass had hedged on climate change](#) and will be unlikely to be the last.[9]

Given such a record, it is unclear why Purdue University wanted to give such a prestigious position to a person with such a questionable portfolio. We can only assume then that his employment at Purdue is a form of political cronyism.

[1] “Former World Bank president to join Purdue University and its Daniels School of Business.” 7 November 2023.
<https://www.purdue.edu/newsroom/releases/2023/Q4/former-world-bank-president-to-join-purdue-university-and-its-daniels-school-of-business.html>

[2] Matthew Yglesias. “Trump’s hiring the Bear Stearns economist who promised the economy was fine right before it went bankrupt.” *Vox.com*, 15 March 2107.
<https://www.vox.com/2017/3/15/14596938/david-malpass-treasury>

[3] David Malpass. “Opinion: Why this Economy Needs Donald Trump.” *New York Times*, 1 September 2016.
<https://www.nytimes.com/2016/09/01/opinion/why-this-economy-needs-donald-trump.html>

[4] “Republican Challengers Slam Gillibrand for ‘Pandering to Special Interests’ on Don’t Ask, Don’t Tell.” YouTube, 2010.
<https://www.youtube.com/watch?app=desktop&v=V7SThG8lfVg>

[5] Kalyeena Makortoff. “World Bank staff were told to give special treatment to son of Trump official.” *The Guardian*, 12 April 2023.
<https://www.theguardian.com/business/2023/apr/12/world-bank-staff-son-of-trump-official-david-malpass>

[6] Ryan Grim and Neha Wadekar. “Whistleblower: The World Bank Helped Cover Up Child Sex Abuse by a Chain of For-Profit Schools It Funded.” *The Intercept*, 17 October 2023. <https://theintercept.com/2023/10/17/world-bank-whistleblower-bridge-international/>

[7] Santiago Pérez. “World Bank Mishandled Sexual-Harassment Claims, Internal Tribunal Says.” *Wall Street Journal*, 18 October 2021. <https://www.wsj.com/articles/world-bank-mishandled-sexual-harassment-claims-internal-tribunal-says-11634554802>

[8] David Gelles. Tweet, 20 September 2022. <https://twitter.com/dgelles/status/1572336049136828420>

[9] Alan Rappeport and Lisa Friedman. “Trump’s World Bank Nominee Tries to Distance Himself from the President.” *New York Times*, 13 March 2019. <https://www.nytimes.com/2019/03/13/us/politics/david-malpass-world-bank.html>

Proposal:

The Purdue University Senate calls upon Daniels School of Business Dean James Bullard and President Mung Chiang to urge Mr. Malpass to step down from this unnecessary, ill-defined, and political-featherbedding position at Purdue University and, if he does not do so, that the offer from Purdue University be withdrawn.