



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

TO: Reporters and Editors  
RE: New IRS Enforcement Effort, Tax-Exempt Organizations  
DA: Tuesday, August 10, 2004

Sen. Chuck Grassley, Chairman of the Senate Committee on Finance, issued the following comment regarding the announcement made today by the Internal Revenue Service regarding a new enforcement effort to identify and halt abuses by tax-exempt organizations that pay excessive compensation and benefits to their officers and other insiders.

Sen. Grassley held a June 22 hearing to expose unscrupulous behavior by some tax-exempt organizations. Along with the hearing, he released a staff discussion paper which identifies legislative reforms he is considering. That document can be accessed at <http://finance.senate.gov/hearings/testimony/2004test/062204stfdis.pdf>.

The following comment is from Sen. Grassley.

"For too long the IRS has been the dog that doesn't bark when it comes to tax-exempt organizations. So it's good to see the IRS pay more attention to this neglected area. That said, given the weak regulations and guidance that exist today, what's actually legal when it comes to executive compensation and insider deals is likely to be surprising. The closer we look at charities in our Finance Committee investigation, the stronger the case gets for meaningful legislative reforms that shut down exorbitant pay for charity executives and sweetheart deals for insiders."