

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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Contact: Jill Kozeny, 202/224-1308
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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: United Way resignation
Da: Friday, Sept. 6, 2002

Sen. Chuck Grassley, ranking member of the Committee on Finance, last month asked the national United Way to explain how it ensures chapter integrity and the Washington, D.C.-area chapter to explain how it manages donations. Grassley's inquiry came after allegations of financial mismanagement at the Washington, D.C.-area chapter. He asked for a response by Sept. 23. Grassley's letter to the United Way followed his ongoing correspondence with the American Red Cross, which has been criticized for its delivery of Sept. 11 relief and its chapter management. Grassley also worked to include greater reporting or "sunshine" provisions in the charitable giving bill passed by the Finance Committee in June. Grassley made the following comment on the resignation of Norman O. Taylor, the chief executive officer of the United Way of the National Capital Area.

"I appreciate that the United Way of the National Capital Area has finally taken steps to become more accountable to the donating public. The resignation of its chief executive officer, Norman O. Taylor, is more than a symbolic gesture. For more than nine months, the chapter has been swamped with allegations of mismanagement, misuse of funds, and inflated fund-raising totals. Perhaps worse from a management perspective, the chapter has failed to respond to basic information requests from its own board of directors who tried to get to the bottom of these allegations. With new management, I believe the chapter has the opportunity to institute change for the better. New management can restore public confidence.

"The CEO's resignation, however, doesn't fix the chapter's problems. This chapter is the Office of Personnel Management's primary partner in the Combined Federal Campaign, which allows federal workers around the country and abroad to deduct money from their paycheck to go directly to a charity of their choice on the 'CFC' list. In light of the serious ethical problems that continue to exist at the chapter, I believe this relationship needs a second look. I'm in discussions with OPM and the chapter's parent organization, the United Way of America, to see what OPM can do to ensure that this worthy effort meets the highest standards of accountability and transparency. Federal workers and the beneficiaries of the CFC charities deserve that.

"It's come to my attention that employees of the United Way of the National Capital Area who have related information about this chapter's mismanagement may have been fired for this reason alone. Clearly, this isn't a reason to terminate anyone's employment. I think exactly the opposite is true. I've always supported people courageous enough to report misdeeds to improve their organization. I urge the chapter to re-examine the employment status of each and every employee who may have been terminated for this reason."

