

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

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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: GAO report on charities' response to Sept. 11
Da: Monday, Dec. 23, 2002

Sen. Chuck Grassley, incoming chairman of the Committee on Finance, last year asked the General Accounting Office (GAO) to examine charities' response to Sept. 11. The GAO has completed its report, "September 11/More Effective Collaboration Could Enhance Charitable Organizations' Contributions in Disasters." Grassley made the following comment on the report.

"Charities played a huge role in helping the survivors of this tragedy. Their work was valuable to survivors, both financially and emotionally. With hundreds of charities collecting funds for the survivors, it's no surprise that they varied greatly in the way they raised and distributed money. Although no one knows the total extent of fraud, the GAO reports that charities and state attorneys general worked to minimize opportunities for fraud. I hope that since most Sept. 11 dollars have been distributed, charities and state officials will look for any lapses that might allow fraud in future relief efforts.

"Charities can learn many lessons from the events of Sept. 11. I agree with GAO's recommendations to improve charitable aid in any future disasters. These include having the Federal Emergency Management Agency form a working group to improve charities' coordination after disasters. That step makes sense. By working together to pool information and resources, I believe charities can do an even better job at helping those in need.

"Congress' role in charitable oversight is to make sure charities are accountable for the big tax breaks they receive. Toward that end, I worked to include sunshine provisions in the charitable giving bill that was pending in the last Congress. When Congress takes up charitable giving incentives again, and the tax provisions go through the Finance Committee, I plan to work on the same sunshine provisions. Giving to a charity isn't a frivolous act. People think hard about how much they can afford and where their money will do the most good. Charities should treat them accordingly. The more transparency from charities to potential donors, the better. Transparency instills public confidence. That's the case whether people are donating money in response to a tragedy, during the holiday season, or just out of general regard for others."