



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Wednesday, Jan. 14, 2004

## Records Sought About Tax-exempt Organizations for Committee's Terror Finance Probe

WASHINGTON — Sen. Chuck Grassley, chairman of the Committee on Finance, and Sen. Max Baucus, ranking member, have asked for information about tax-exempt organizations in connection with a committee investigation into terrorism financing. The Committee on Finance has jurisdiction over tax matters in the Senate.

A copy of the letter follows here.

December 22, 2003

The Honorable Mark Everson  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Via mail and telefax (202) 622-4733

Dear Commissioner Everson:

The purpose of this letter is to inquire about and conduct oversight on the issue of organizations, particularly tax-exempt organizations such as charities and foundations, which finance terrorism and perpetuate violence.

Many of these groups not only enjoy tax-exempt status, but their reputations as charities and foundations often allows them to escape scrutiny, making it easier to hide and move their funds to other groups and individuals who threaten our national security. This support for the machinery of terrorism not only violates the law and tax regulations, but it violates the trust that citizens have in the large majority of charities, foundations and other groups that do good works in the United States.

Government officials, investigations by federal agencies and the Congress, and other reports have identified the crucial role that charities and foundations play in terror financing. While much attention has been paid to where their money ends up, the source of their funds is equally important.

Often these groups are nothing more than shell companies for the same small group of people, moving funds from one charity to the next charity to hide the trail. These groups also receive donations from foreign sources, including countries the government has identified as having a significant problem with terrorism. The federal government and the Congress have identified several countries – some of which, ostensibly, are our allies – particularly in the Middle East, as a primary source of funds for charities and foundations that are under investigation or have fallen under suspicion for terrorist financing.

The Senate Finance Committee retains exclusive jurisdiction over tax matters in the Senate. We have a responsibility to carry out oversight to ensure charities, foundations and other groups are abiding by the laws and regulations, to examine their source of funds, and to ensure government agencies, including the IRS, are policing them and enforcing the law efficiently and effectively.

We ask that you provide copies of all IRS materials -including information protected by Section 6103 of the Internal Revenue Code -for the attached list of charities, foundations, other tax exempt organizations, and other groups. The material should include Form 990s and Form 990 PFs, including the donors list for both types; Form 1023s, the charities' applications for tax exempt status, and any and all materials from examinations, audits and other investigations, including criminal investigations. Pursuant to Internal Revenue Code section 6103(f)(4), Chairman Grassley hereby authorizes the following Finance Committee staff – Dean Zerbe, John Drake, Pat Heck and Matt Stokes – to review this information.

We would appreciate receiving this material no later than Friday, February 20,2004. Please have IRS officials contact our staff to arrange the details of delivery. We thank you in advance for your cooperation.

Sincerely,

Charles E. Grassley  
Chairman

Max Baucus  
Ranking Member

Attachment

Charities, Foundations, Other Tax-Exempt Organizations, and Other Groups

All charities, foundations and tax-exempt organizations, groups or entities who have been designated or listed by the Treasury Department's Office of Foreign Assets Control (OFAC) from September 11, 2001 to today.

The SAAR Foundation and all members and related entities  
Global Relief Foundation (GRF)  
Benevolence International Foundation (BIF)

Muslim Arab Youth Association (MAYA)  
Muslim Student Association  
Islamic Association for Palestine  
Holy Land Foundation for Relief and Development (HLF)  
Muslim World League  
International Islamic Relief Organization (IIRO) or Internal Relief Organization (IRO)  
Al Haramain Foundation  
Alavi Foundation  
Institute of Islamic and Arabic Science in America (IIASA)  
Islamic Assembly of North American  
Help the Needy  
Islamic Circle of North America (ICNA)  
Islamic Foundation of America  
United Association for Studies and Research (USAR)  
Solidarity International and/or Solidarity USA  
Kind Hearts  
Islamic American Relief Agency and/or Islamic African Relief Agency  
Islamic Society of North America  
International Islamic Relief Organization  
World Assembly of Muslim Youth  
Rabita Trust  
Human Appeal International

Some of the charities, foundations, other tax-exempt organizations or groups listed above may be included in the first category of entities listed or designated by OFAC. You do not need to provide duplicate records for these entities.