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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

October 7, 2009

RUSSELL SULLIVAN, STAFF DIRECTOR
KOLAN DAVIS, REPUBLICAN STAFF DIRECTOR AND CHIEF COUNSEL

Peter Orszag, Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Orszag:

I am writing to express my concern about federal agencies' processes and procedures for awarding grants, particularly as they relate to grants to the Association of Community Organizations for Reform Now (ACORN) and all of its related entities. In 2006 and 2007, ACORN stated to me that it did not receive government funds. Yet, many of its related entities did receive grants or contracts from the federal government.

I was troubled to learn that one related entity, ACORN Institute, just last month received an almost \$1 million grant for fire prevention as part of the Federal Emergency Management Agency's (FEMA) Fire Prevention and Safety Grants Program. According to FEMA's "Official Site for Assistance to Firefighters Grant Program", <http://www.firegrantsupport.com/fps/award/08/> this grant is listed as being for fire prevention.


On its 2006 and 2007 Forms 990, The ACORN Institute stated the following as its Primary Exempt Purpose: "To provide information concerning rights and opportunities and training concerning how to act upon information concerning rights and opportunities in low income communities". On the same forms, it stated the following under Program Service Accomplishments: "Amounts collected were used for outreach with lower income youth to encourage community involvement and exercise of voting rights." It would appear from these statements that the ACORN Institute is not involved in fire prevention or safety. Since all other recipients of these grants appear to be nonprofits involved in fire prevention and safety research, state and local government entities, or fire departments, I would like to understand how the ACORN Institute was awarded this grant. Please provide copies of all correspondence between FEMA and the ACORN Institute, including the Institute's application and all e-mails, as well as documentation explaining FEMA's reasons for awarding this grant.

In addition, please provide a list of all federal grants and contracts, including the amount and purpose of the grants and contracts, awarded to ACORN and all related entities for the past three fiscal years. Entities include, but are not limited to, those in the attached spreadsheet.

Finally, given that both the Internal Revenue Service and the Census Bureau have severed ties with ACORN, I would expect that all federal agencies are following suit. Please indicate what guidance has been provided to all other federal agencies regarding existing and future grants to, and contracts with, ACORN and its related entities.

Please provide responses in electronic format by October 23, 2009. Please contact my staff to receive an electronic copy of the spreadsheet. You can reach them at (202) 224-4515.

Sincerely,

A handwritten signature in black ink that reads "Chuck Grassley". The signature is written in a cursive style with a large, prominent "C" and "G".

Chuck Grassley
Ranking Member

