

For Immediate Release
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Senators work to establish accountability for young people, taxpayers

Raise questions about executive pay, perks and lobbying of nonprofit Boys & Girls Clubs of America

WASHINGTON --- Senators Chuck Grassley, Tom Coburn, Jon Kyl and John Cornyn have asked executives for the Boys & Girls Club of America to account for high salaries, perks, executive retirement plans and lobbying expenses consuming federal dollars intended to provide positive alternatives for kids, especially in areas where young people often are at home without adult care and supervision. The Boys & Girls Club of America is the umbrella group for hundreds of boys and girls clubs nationwide.

Information obtained from a publicly available IRS filing required of tax-exempt organizations indicates that the president of the national organization, which is headquartered in Atlanta, received more than \$900,000 in compensation in 2008, even while local boys and girls clubs nationwide close their doors due to budget shortfalls.

In a letter sent today to the Chairman of the Club's board of governors, the senators said they were compelled to ask questions "when it appears that ... funds are not reaching the intended beneficiaries, in this case, the youth of this country." In response to questions that Coburn raised during a meeting of the Judiciary Committee in January, the national organization provided information that the senators sending this week's letter raised further questions and concerns, along with the revenue statement in the IRS filing.

The senators said their questions about a top-heavy organization demonstrating questionable management of hundreds of millions in taxpayer dollars and charitable donations, as well as a lack of support for local chapters and affiliates, are urgent in the face of pending legislation that would reauthorize and redirect the use of taxpayer dollars for the Boys & Girls Clubs.

A Senate bill, S.2924, which has been approved by the Judiciary Committee, would recast a federal grant program established in 1998 from its original purpose of providing seed money to start boys and girls clubs in needy neighborhoods to providing a steady stream of funding for the national organization. The legislation also would remove the original congressional requirement that the national organization extend services and open clubs for young people in public housing projects and distressed areas.

Already, according to the tax information reviewed by the senators, federal funds appear to comprise almost 40 percent of the Boys & Girls Clubs' revenues.

Grassley, Coburn, Kyl and Cornyn said they want more information from the national organization about program accomplishments, compensation and governance, revenue, expenses, investments and other activities in order to determine necessary changes to the pending bill. "it

is a matter of transparency and accountability in the use of taxpayer dollars and program integrity for the young Americans who are supposed to benefit from these resources.”

The senators’ letter is posted with this news release at <http://finance.senate.gov>. The response from the Office of Government Relations for the Boys and Girls Club of America to the questions Coburn asked in January is also posted. Grassley has conducted extensive oversight of tax-exempt organizations and tax policy governing the sector.