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U.S. Chamber Watch

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After evidence of illegal activity surfaces...

U.S. CHAMBER WATCH CALLS FOR IRS INVESTIGATION OF U.S. CHAMBER FOR NEARLY \$20 MILLION TAX FRAUD

NY Times reports U.S. Chamber may have illegally used millions in charitable money from AIG group to fund political campaigns

U.S. Chamber Watch: "The face of American business shouldn't be a corrupt one"

Washington, DC-As reported today in the [New York Times](#), U.S. Chamber Watch, a nonprofit organization dedicated to exposing the agenda and activity of the U.S. Chamber of Commerce, has filed an IRS complaint charging the Chamber with illegally laundering more than \$18 million from insurance giant AIG's charitable foundation (run by former Chairman and CEO Hank Greenberg) to the U.S. Chamber's political coffers. Documents filed with the government indicate that the money intended for charity work was used instead to fund AIG and the U.S. Chamber's campaign to fight corporate accountability laws and re-elect President Bush.

"The U.S. Chamber is willing to skirt the law to advance its agenda on behalf of corrupt CEOs," said U.S. Chamber Watch spokeswoman Christy Setzer. "This is an enormous black eye for an organization that is supposed to represent the best of American business. The IRS should investigate immediately to ensure that the face of American business isn't a corrupt one.

"Meanwhile, the Chamber needs to answer some troubling questions: What was the charitable purpose of the more than \$18 million the Chamber took from Hank Greenberg's Starr Foundation? Who were the charitable beneficiaries?"

The complaint, which was delivered Friday to the IRS, states in part:

Based on US Chamber Watch's research, it appears that charitable funds were transferred by the AIG-affiliated Starr Foundation to the NCF [National Chamber Foundation, the US Chamber's c3 organization] and then to the CCUSA [the US Chamber of Commerce, a c6 organization] to support the CCUSA's lobbying and electoral agenda - an agenda that appears to have benefited AIG. These transfers were made while then AIG CEO and Chairman Maurice ("Hank") Greenberg was also Chairman of the Starr Foundation Board, a member of the CCUSA Board, and a member of the Institute for Legal Reform Board (ILR), which is affiliated with the CCUSA. The evidence indicates that the Starr Foundation grants were taxable expenditures; the NCF transfers to CCUSA were likewise taxable and the Government should recover appropriate tax payments from both organizations. Finally, because the NCF transfers constituted a major portion of NCF's activities for the period in question, NCF's status as a charitable organization should be retroactively revoked.

"Last year, the U.S. Chamber spent more on politics than either the Republican National Committee or the Democratic National Committee. Yet today, they have fewer restrictions than ever before to reveal their political spending or who's funding their agenda," continued Setzer. "Today's news that the U.S. Chamber is willing to break the law to do the dirty work of corrupt CEOs like AIG's Hank Greenberg powerfully

demonstrates the need to investigate the Chamber's shady business practices and shine a light on who they're really working for."

The U.S. Chamber has vociferously fought political disclosure laws such as the DISCLOSE Act. At the same time, they've committed to spend an unprecedented \$75 million in the November mid-term elections. Already, their political work has gotten them in to hot water with some Chamber members. Earlier this week, the California Chamber's endorsement of gubernatorial candidate Meg Whitman caused two prominent Chamber members-the president of the University of California and the chancellor of the California community college system-to resign in protest. In other states, the Chamber has run into problems as their false attack ads have been challenged.

The full legal complaint and more background materials can be found on the U.S. Chamber Watch website at www.fixtheuschamber.org.

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