February 14, 2018

Chairman Kevin Brady  
Committee on Ways and Means  
1102 Longworth HOB  
Washington, DC 20515

Ranking Member Richard Neal  
House Committee on Ways and Means  
1139E Longworth HOB  
Washington, DC 20515

Chairman Trey Gowdy  
Committee on Oversight & Govt. Reform  
2157 Rayburn HOB  
Washington, DC 20515

Ranking Member Elijah Cummings  
Committee on Oversight & Govt. Reform  
2471 Rayburn HOB  
Washington, DC 20515

Dear Chairmen Brady and Gowdy, and Ranking Members Neal and Cummings:

For many years, I have been very supportive of non-profit organizations that raise funds to help our heroes, America’s veterans. A multitude of veterans-focused charities do amazing work supporting those who’ve worn the uniform and their families. They deserve our full praise and support. Unfortunately, in recent years a number of high profile cases have been reported showing how leaders of some charities that claim to help veterans are abusing their tax-exempt status, misusing fiduciary and trust money, enriching themselves and their fundraisers, and doing very little if anything to actually help veterans. For example:

- In 2016, CNN reported that the National Vietnam Veterans Foundation raised over $25 million over a four-year period, nearly all of which was spent on telemarketers and fundraisers, and less than 2% for veterans’ charitable causes. The president of the foundation was convicted of wire fraud for his role in misleading the charity’s donors and misusing the charity’s money. According to court documents filed by the U.S. Attorney’s office for the District of Columbia, the president used the charity’s funds to pay women to have sex with him in his Rolls Royce.

- In 2017, an investigation by the Center for Public Integrity found that telemarketers were raising millions for the Center for American Homeless Veterans, but keeping nine out every ten dollars raised. Most of the remaining money was paid to the head of the organization. “Veterans themselves received scraps.”

- In 2016, the Associated Press reported that the executive director of the Armed Forces Foundation was indicted on federal charges related to defrauding donors and misappropriating more than $600,000 for her personal use.

- In 2012, CNN reported that the Disabled Veterans National Foundation had raised over $55 million since 2007, with almost none of the money being provided to American veterans.
These are but a few examples of what may be a more widespread problem. Daniel Borochoff, president of the independent charity-rating group CharityWatch, said this: “Up to $2 billion is raised in the name of veterans in this country and it’s so sad that a great deal of it’s wasted. Hundreds of millions of dollars of charitable contributions intended to help veterans is being squandered and wasted by opportunists and by individuals and companies that see it as a profit-making opportunity.”

I am sure you would agree with me that such behavior is unacceptable. Congress should not sit on the sidelines while unscrupulous individuals abuse their tax-exempt status, fleece donors, and take advantage of the men and women who have served our great nation and their families. I encourage your committees to utilize the resources at their disposal to conduct vigorous oversight of this issue, including holding public hearings. As part of that investigation, the House should examine whether the laws on the books are sufficient, or whether additional measures are necessary.

The House has an obligation to stand up for America’s veterans, the donors who contribute to their cause, and the many upstanding charitable organizations who do outstanding work for them. Investigating the bad actors and exploring improvements that could be made to weed them out is the least we can do.

Thank you for consideration of this request. I look forward to your response.

Sincerely,

Walter B. Jones
Member of Congress