



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: American University's reforms
Da: Friday, May 19, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, has been asking questions about American University's board governance as part of his review of tax-exempt organizations' practices. He made the following comment on the reforms announced at American University today.

"I'm interested in hearing from students, faculty and university supporters on what they think of the reforms. Adding students and faculty to the board could be a very positive step. But it's important that their representation is meaningful and not just window-dressing. For example, will they be made to leave the room when important issues are being discussed? On the board's withholding of documents I requested, attorney-client privilege can be overused. I don't expect anyone to divulge the university's legal strategy. But I do expect the release of information that would answer basic questions, such as the basis for decisions by the board of a congressionally chartered university for being so generous with university funds to an outgoing president who appeared to have abused his position. Attorney-client privilege shouldn't be an all-purpose shield against transparency."