



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 response to Chairman Grassley  
Da: Friday, Dec. 2, 2005

Sen. Chuck Grassley, chairman of the Committee on Finance, yesterday received a written response from American University as he requested in an Oct. 27 letter. He made the following comment on the status of his oversight regarding American University.

“My Finance Committee staff has met with students, faculty, alumni, and former board members about the American University board’s decisions regarding then-president Benjamin Ladner’s compensation and severance package. In these meetings, they have expressed strong concern about whether the current board members are capable of moving American University forward. Based on these conversations, and on information received by the committee since I began my investigation in October, my oversight of American University now will be focused on whether the current board members have performed their duties and responsibilities to the standard of what should be expected for such a major university. In my charitable oversight, I’ve found again and again that board governance is vital to whether a charity is successful or not. I’m looking at legislative reforms that will encourage and empower boards to have more oversight of their operations. The best way to avoid problems like Benjamin Ladner’s excessive compensation and severance is for boards to know that the buck stops with them.”

American University’s response to Chairman Grassley will be posted today at [finance.senate.gov](http://finance.senate.gov) under Grassley press releases.