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March 18, 2016

VIA ELECTRONIC TRANSMISSION

Mr. Anthony Odierno
Chairman
Wounded Warrior Project
4899 Belfort Road, Suite 300
Jacksonville, Florida 32256

Dear Mr. Odierno:

Recent news reports cite a multitude of questionable spending practices within the Wounded Warrior Project (WWP).¹ The spending practices appear to conflict with the stated mission of WWP to aid our nation's veterans. Prior to his departure from the WWP, my staff met with then WWP Chief Executive Officer, Mr. Steven Nardizzi, to discuss these reports. In that meeting, we were assured that WWP was allocating its donation income appropriately towards serving veterans. However, significant questions remain as to whether or not WWP is properly performing its side of the bargain for veterans and taxpayers alike.²

The WWP is a registered 501(c)(3) nonprofit organization whose stated purpose is to "raise awareness and to enlist the public's aid for the needs of injured service members, to help injured servicemen and women aid and assist each other, and to provide unique, direct programs and services to meet their needs."³ The WWP receives a wide-range of support from the public as evidenced by the substantial amount of donations, \$300 million in 2014 alone.⁴ Supporters include corporations as well as the donating public with many donating \$19 a month.⁵ People

¹ See Dave Philipps, *Wounded Warrior Project Spends Lavishly on Itself, Insiders Say*, N.Y. TIMES, Jan. 27, 2016, available at <http://www.nytimes.com/2016/01/28/us/wounded-warrior-project-spends-lavishly-on-itself-ex-employees-say.html>; Jason Dearen, *Wounded Warrior fires execs over spending accusations*, ASSOCIATED PRESS, Mar. 11, 2015, available at <http://bigstory.ap.org/article/3f264a3d77034354847a800c1d06e719/wounded-warrior-fires-execs-over-spending-accusations>.

² Chip Reid & Jennifer Janish, *Wounded Warrior Project execs fired*, CBS NEWS, Mar. 10, 2016, available at <http://www.cbsnews.com/news/wounded-warrior-project-ceo-and-coo-fired/>.

³ Wounded Warrior Project, *To Honor and Empower Wounded Warriors*, available at <http://www.woundedwarriorproject.org/mission.aspx> (last visited Mar. 11, 2016).

⁴ Reid, *supra* note 2.

⁵ *Id.*

have placed a significant amount of trust in you to operate efficiently and faithfully on behalf of our veteran population. Donors include a child who donated a piggy bank, and a woman who wanted to donate part of her son's life insurance after he was killed in Afghanistan.⁶

Despite this important mission and touching public support, a January 27, 2016, *New York Times* article reported that the WWP spends only sixty-percent of these donations on veterans.⁷ According to the *Times* and other news sources, WWP spent \$124 million on overhead costs in 2014, forty percent of its income.⁸ These overhead costs included \$26 million on conferences for employees,⁹ a \$970,000 annual staff meeting,¹⁰ business-class plane tickets including a \$7,000 plane ticket to Germany,¹¹ and \$500-per-night hotel rooms.¹² In addition, reports indicate a climate of hostility to employees who speak out against such lavish spending, many of whom are veterans themselves.¹³ If true, these allegations are a breach of faith with donors, taxpayers, and, more importantly, veterans.

As you know, 501(c)(3) organizations are tax exempt. As such, the WWP has a tremendous responsibility to operate efficiently and to make the most out of the money that it receives from the donating public. The WWP is in service to our nation's most venerated and often times most vulnerable citizens, many of whom return from active duty without financial security and with various physical and mental health related issues. Accordingly, the WWP has a duty to be as open and transparent as possible.

In light of these recent news reports, please answer the following:

1. WWP's Form 990 from tax year 2013 indicates approximately \$26 million was spent on conferences. Please list all conferences, including the date, location, number of attendees, category of attendees (staff, speaker, non-staff veterans, etc.), and purpose. Please provide a similar list for tax year 2014.
2. For those conferences, list all speakers who appeared and the total amount of fees paid to them including incidental costs such as travel, lodging, and food.
3. Please provide a detailed breakdown of the 80.6 percent of donations which the WWP claims are spent on programs and services for veterans.
4. Please provide a copy of WWP's whistleblower and retaliation policy.

⁶ Philipps, *supra* note 1.

⁷ *Id.*

⁸ *Id.*

⁹ Associated Press, *supra* note 1.

¹⁰ *Id.*

¹¹ Philipps, *supra* note 1.

¹² *Id.*

¹³ *Id.*

5. Please provide a list of all first-class and business class travel ticket purchases and the total dollar amount from 2010 to the present.
6. The *New York Times* reported the following, “The organization has also spent hundreds of thousands of dollars in recent years on public relations and lobbying campaigns to deflect criticism of its spending and to fight legislative efforts to restrict how much nonprofits spend on overhead” and “[i]n 2014, the Wounded Warrior Project lobbied in California and Florida to fight proposals that would have required nonprofits to increase financial transparency. Both bills passed in amended forms that did not significantly affect the charity...”¹⁴
 - a. Please describe in detail why the WWP engaged in lobbying efforts to allegedly fight legislative efforts to restrict the allowable amount nonprofits could spend on overhead and increase financial transparency.
 - b. Please list the total amount of money WWP spent on the aforementioned lobbying efforts.
7. Please provide the total amount spent on public relations firm Edelman since 2014 and please describe the services performed for these payments.
8. According to WWP’s 2013 tax returns, it paid the Charity Defense Council \$150,000 and the former WWP CEO sits on its board. Please describe the relationship that exists between the WWP and Charity Defense Council and how that relationship supports WWP’s mission. In addition, please provide the total amount of funds that WWP has provided to the Charity Defense Council and how much it plans to donate in the future.

In addition to the above, I request that you schedule a briefing with my staff to review your answers and to discuss WWP’s plan for the way forward. Thank you in advance for your cooperation with this request. Please number your responses according to their corresponding questions and respond no later than April 4, 2016. If you have any questions, please contact Josh Flynn-Brown of my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

¹⁴ Philipps, *supra* note 1.