



September 10, 2010

Bay Area Clinic Under IRS Scrutiny

Recently, a non-profit, Planned Parenthood Golden Gate changed its name to Golden Gate Community Health because all its Bay area clinics were expelled as an affiliate from the national Planned Parenthood Organization due to administrative and financial problems. This, coupled with an official complaint lodged with the IRS by a former employee, has aroused the suspicion of the IRS which is looking into the accounts of Golden Gate Community. At the same time, Golden Gate themselves have initiated an audit of its accounts by appointing a forensic accountant.

Officials of the new entity sought to play down the investigation and change of name of the organization. Golden Gate's interim chief executive reiterated that the organization remains the same albeit under a different name. In fact, Golden Gate will continue to operate its seven clinics in five Bay Area counties. Meanwhile, neighboring Planned Parenthood affiliates are scrambling to open new clinics in the same counties.

The investigation by the IRS is being conducted by the agency's criminal division who interviewed the complainant at the Oakland Field Office. The complainant told the IRS he lodged his complaint because he was concerned about the financial relationship between the organization and its political arm, and also about its accounting practices. The informant declined to be named for fear of how it might affect his future job prospects.

The IRS has remained mum about details of their actions and did not confirm that an official investigation has been launched citing their practice of not giving details of how they take action on whatever information they receive from the public.

Meanwhile, Golden Gate Interim chief executive, Therese Wilson who took over in January, said the IRS criminal division has not contacted her over this matter. Ms. Wilson confirmed that the organization had brought in forensic accountants to evaluate its accounts in March this year to detect any financial mismanagement or impropriety. While Ms. Wilson firmly reiterated that no evidence of impropriety has been found, she did admit that the accountants discovered some 'inaccurate information'. The work of the forensic accountants has thus far covered only until the tax year of 2008-9.

Ms. Wilson stated that the nonprofit will no longer run its one satellite health center, which had been offering limited services two days a week at Good Samaritan Family Resource Center in San Francisco, Ms. Wilson said. But where Golden Gate ceases its activities, other affiliates come in to start theirs. Planned Parenthood Shasta-Diablo, an affiliate based in Concord, will begin operating a satellite health center in San Francisco twice a week.