

United States Senate

WASHINGTON, DC 20510

August 28, 2025

The Honorable Pamela Bondi
Attorney General
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

The Honorable Scott Bessent
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Attorney General Bondi and Secretary Bessent:

I write to urge you to revoke the tax-exempt status of so-called “hometown associations” tied to the Chinese Communist Party (CCP) and to investigate their leaders for potential violations of the Foreign Agents Registration Act (FARA).

Under U.S. tax code, non-profits can only maintain their tax-exempt status if the organization “does not participate in, or intervene in... any political campaign on behalf of (or in opposition to) any candidate for public office.” Under FARA, all persons in the United States acting as agents of foreign principals are required to disclose their status and activities as a foreign agent to the Department of Justice (DOJ).

As you may know, many Chinese community “hometown associations,” ostensibly meant to provide Chinese immigrants in the United States a venue to build community with others from their home regions, have been coopted by the CCP. Often registered as non-profits, many of these groups now work to surveil and control the Chinese diaspora on behalf of the Communist Party and to use that network to influence U.S. political leaders toward CCP objectives.

Recent reporting has revealed widespread and blatant violations of federal tax law by these hometown associations. According to the New York Times, at least 19 hometown associations in New York City (NYC) with close ties to the CCP have ignored the non-profit ban on political activities and lied on their forms to the Internal Revenue Service (IRS). Earlier this year, over a dozen hometown associations, six of which were tax-exempt non-profits, hosted a fundraising dinner for a NYC City Council candidate. The Chairman of a non-profit association claimed that he was mobilizing all the group’s 2,000 members to vote for another municipal candidate.

These groups regularly engage in activities that likely violate FARA, including close coordination with PRC officials and deliberately promoting the CCP’s agenda. There are reportedly at least 53 hometown associations in NYC with CCP ties that are “openly promoting Beijing’s political agenda, meeting in China with party members or extensively interacting with the Chinese consulate.” These associations held at least 35 events in the past decade overseen by PRC consulate officials, which included oaths to advance China’s claims on Taiwan and to achieve the “great rejuvenation” of China. One NYC City Council member closely tied to these

groups has appeared alongside Chinese consulate officials thirty times in the past two years.

Several hometown associations have also engaged in direct political activity at the request of the Chinese government. When one Tiananmen Square protestor became a candidate for NYC political office, the PRC consulate directed association leaders to stop him. When a New York State Senator attended a reception with the Taiwanese President, the hometown associations met with the Chinese consulate and soon after united to boycott her candidacy. Other hometown associations have set up secret CCP police stations on their premises or organized groups that have harassed and assaulted anti-CCP dissidents and protestors. One hometown association member—a former senior aide to New York Governor Kathy Hochul—has already been charged with acting as an unregistered agent of the PRC.

These activities all strongly suggest that many hometown associations are directly controlled by the CCP and are acting as unregistered foreign agents. It is unacceptable that so many of these organizations are not only advancing the interests of America's greatest adversary, but that they are abusing the U.S. tax code to get special privileges in the process.

I urge you to strip hometown associations who have engaged in prohibited political activity, or are clearly controlled by the CCP, of their tax-exempt status. Exemption from federal taxes is a privilege, not a right. This privilege is certainly not meant for organizations that blatantly violate federal law and undermine U.S. national security.

I further urge you to conduct a full investigation of all PRC hometown associations for potential FARA violations and to bring to justice all those guilty of acting as unregistered agents of the Chinese Communist Party. Whatever their original purpose, many of these hometown associations have long since ceased to serve their communities and instead serve the People's Republic of China. It is imperative that the U.S. government hold these groups accountable.

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Banks". The signature is fluid and cursive, with the first name "Jim" and last name "Banks" clearly distinguishable.

Jim Banks
United States Senator