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Senator Cotton Urges IRS Review of CAIR's Nonprofit Status, Citing Alleged Links to Hamas

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Senator Tom Cotton, a Republican from Arkansas, has called on the Internal Revenue Service (IRS) to strip the nonprofit status of the Council on American-Islamic Relations (CAIR), citing its alleged connections to terrorist organizations like Hamas and the Muslim Brotherhood. In a letter to the IRS, Cotton highlighted CAIR's designation as an unindicted co-conspirator in the Holy Land Foundation (HLF) case, the largest terrorism-financing prosecution in U.S. history. The Justice Department found HLF provided approximately

\$12.4 million to Hamas, a designated foreign terrorist organization, leading to convictions on 31 counts, including conspiracy to provide material support and money laundering, per the Department of Justice (DOJ).

Cotton emphasized that CAIR was listed as a member of the Muslim Brotherhood's Palestine Committee in the HLF case, though CAIR's subsequent attempt to remove its name from the list failed. "The IRS has broad authority to examine whether an entity's operations align with its exempt purpose. Tax-exempt status is a privilege, not a right, and it should not subsidize organizations with links to terrorism," Cotton wrote, as reported by Fox News Digital. The senator's request reflects concerns that CAIR's activities may not align with the requirements for tax-exempt status under IRS regulations, given the documented ties to groups involved in terrorism financing.

CAIR responded by dismissing Cotton's claims as "debunked conspiracy theories," comparing his request to McCarthy-era tactics. "We are an independent American civil rights organization that has spent over thirty years defending the Constitution, countering anti-Muslim bigotry, and opposing injustice here and abroad, including discrimination, hate crimes, terrorism, ethnic cleansing, and genocide," CAIR stated to Fox News Digital. The organization asserted it condemned the October 7, 2023, Hamas attacks on Israeli civilians and criticized Israel's actions in Gaza, claiming, "This is called moral consistency. Senator Cotton should try it."

The controversy intensified after CAIR's National Executive Director, Nihad Awad, made remarks following the October 7 attacks, stating he was "happy to see" Palestinians "breaking the siege" and asserting Gaza's right to self-defense while denying Israel's, per Fox News Digital. The Biden administration, through spokesperson Andrew Bates, condemned Awad's "shocking, antisemitic statements in the strongest terms," as quoted by The New York Times. The Anti-Defamation League (ADL), an organization combating hate, also criticized Awad for comments on U.S. and Israeli strikes on Iran's nuclear sites, including his claim that "Netanyahu calls the shots. Trump pretends to be in charge." Additionally, Hussam Ayloush, head of CAIR's Los Angeles chapter, referred to Congress and the White House as "Israeli-occupied territories," drawing further ADL rebuke.

Cotton's letter underscores ongoing scrutiny of CAIR's activities, particularly its nonprofit status, which grants tax exemptions under Section 501(c)(3) of the IRS code. The HLF case, concluded in 2008, exposed financial networks supporting Hamas, raising questions about associated organizations. CAIR maintains its mission is civil rights advocacy, but critics,

including Cotton, argue its ties and rhetoric warrant investigation. The IRS has not publicly responded to Cotton's request, and no formal action against CAIR's status has been announced. The debate reflects broader tensions over national security, free speech, and the oversight of nonprofit organizations with controversial affiliations.