

# American Board of Internal Medicine (ABIM) Tax Discrepancies Evidence Packet

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## **BACKGROUND:**

- The American Board of Internal Medicine (ABIM) is a private corporation exempt from federal income tax under section 501(c)(3) according to Title 26 of the United States Code.
- The ABIM was founded in 1936 in Des Moines, Iowa (domicile state) and has its home office at 510 Walnut Street, Suite 1700, Philadelphia, PA 19106-3699.
- The ABIM receives over 97% of its revenue from practicing physicians and receives no industry funding.
- The ABIM confers its “certification” to nearly one quarter of all U.S. physicians intended to denote a level of competency above and beyond a state’s medical license.
- The ABIM is the largest of 24 subsidiary member-boards of the American Board of Medical Specialties (ABMS), a 501(c)(6) Business League
- The ABIM operates on a July-June fiscal year.



## **BACKGROUND:**

- From 1936 through 1986, the ABIM issued life-time certification to its physician diplomates that passed their examination requirement.
- After 1990, ABIM changed its policy: lifetime certification was no longer recognized as valid by the ABMS and its 24-member boards (including the ABIM) and only issued time-limited certificates after 1990. Repeat testing, later trademarked as “Maintenance of Certification<sup>®</sup> (MOC<sup>®</sup>) by the ABMS) was required every 10 years or a physician’s initial certification would be rendered invalid.
- Older physicians certified before 1990 were exempted from this rule change and did not have to be subjected to recurrent life-long recertification requirements.



## **BACKGROUND:**

- On October 17, 1989, the ABIM created the ABIM Foundation in Philadelphia, Pennsylvania, but never disclosed this entity to its physician diplomates. (Source: Pennsylvania Department of State Business Filing Entity History, accessed 12/2/2014)
- From 1990 through 1999, over \$55 million was secretly transferred from the ABIM to the ABIM Foundation.
- In 1999, the ABIM Foundation was announced to physician diplomates and carried assets of \$59,618,428 (Source: ABIM Foundation 1998 Form 990)
- In December, 2007, the ABIM Foundation purchased a \$2.3 million luxury condominium complete with a chauffeur-driven Mercedes S-class town car.

# Funding of ABIM Foundation from ABIM Diplomate Test Fees

*“ABIM initially transferred \$5 million to the Foundation in 1990. Over nearly 20 years (between 1990 and 2008), approximately **\$56 million** was transferred by ABIM to the ABIM Foundation. There have been no transfers since 2008.”<sup>1</sup>*

Fact Check:

**Form 990** Return of Organization Exempt From Income Tax **1998**

Under section 501(c)(3) of the Internal Revenue Code (except those that have limited liability or private inurement) or section 4947(a)(2) (nonexempt charitable trust)

Name of the organization: **ABIM FOUNDATION**

Address: **510 WALNUT STREET, SUITE 1700**

City or town, state or county, and ZIP+4: **PHILADELPHIA, PA 19106**

Employer identification number: **23-2585181**

Section 501(c)(3) exempt organizations and 4947(a)(2) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, grants, and similar amounts received: **5,000,000.**

2 Other revenue (describe): **27,626,217.**

3 Total revenue (sum of lines 1 and 2): **32,626,217.**

4 Program service revenue (including government fees and contracts (from Part VII, line 4))

5 Membership dues and assessments

6 Interest on savings and temporary cash investments

7 Dividends and interest from securities

8 Gross rents

9 Less: real estate expenses

10 Net rental income or (loss) (subtract line 9 from line 8)

11 Other investment income (describe)

12 Total revenue (sum of lines 1, 2, 3, 4, 5, 6, 7, 9, 10, and 11): **32,626,217.**

13 Total expenses (from line 14, column (C))

14 Management and general (from line 14, column (C))

15 Payments to affiliates (attach schedule)

16 Total expenses (sum of lines 13, 14, and 15): **19,215,048.**

17 Net assets or fund balances at beginning of year (from line 20, column (A))

18 Net assets or fund balances at end of year (from lines 12, 13, and 16): **59,618,428.**

19 Change in net assets or fund balances (subtract line 17 from line 18): **27,626,217.**

FY 1999 Fund balance **\$59,618,428**

Additional Funds Transferred:\*

FY 2000: \$3,300,000

FY 2001: \$1,600,000

FY 2002: \$1,000,000

FY 2006: \$7,000,000

FY 2007: \$6,000,000

Total ACTUALLY Transferred: **\$78,518,428**

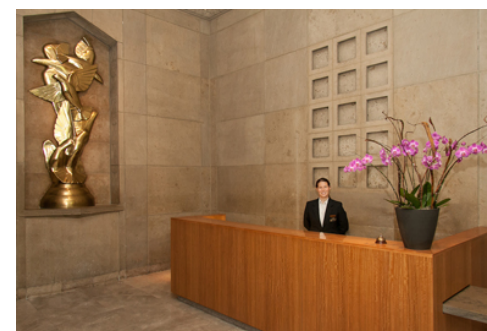
<sup>1</sup>ABIM Foundation.org Finances webpage, accessed 6 Oct 2017

\* Source: IRS Form 990s

# ABIM Foundation's \$2.3 million Luxury Condominium\*



Chauffeur-driven  
BMW 7-series  
Town Car



Concierge Service

\*Unit #11NW, 210 West Washington Square, Philadelphia, PA 19106  
Purchased Dec 2007

Who stayed there?

Investment or perk?

Under pressure, sold at loss for \$1.65M 6/21/2016

efile GRAPHIC print - DO NOT PROCESS As Filed Data - DLN: 93490131000089

TY 2007 Land etc. Schedule

Name: ABIM FOUNDATION

EIN: 23-2585181

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
computer equipment	33,784	27,871	5,913
furniture	107,794	22,387	85,407
Condominium	2,356,267	47,215	2,309,052
Furniture - artwork	6,955		6,955

# ABIM Foundation Off-Shores Diplomat Fees to Cayman Islands - 2014

ABIM Foundation FY 2015 Offshore Investments*			
Date	Fund - Cayman Islands		Amount
1/1/14	Aurelius Capital International Ltd Cayman		\$640,710
9/1/14	Aurelius Capital International Ltd Cayman		\$118,650
7/1/14	Azentus Global Opportunities Fund Ltd Cayman		\$228,486
8/1/14	Fort Warren Opportunities Offshore Fund Ltd Cayman		\$830,550
7/1/14	Hudson Bay International Fund Cayman		\$711,900
6/1/14	Landsdowne UK Equity Fund Ltd Cayman		\$237,300
2/1/14	Windacre Partnership International Fund Ltd Cayman		\$1,186,500
10/1/14	Soroban Cayman Opporunities Fund Ltd		\$593,250
9/1/14	Rimrock High Income Plus (Cayman) Fund Ltd		\$711,900
7/1/14	Carrhae Capital Long Fund Ltd		\$783,090
	TOTAL:		\$6,042,336
	Dublin, Ireland Investments		
5/1/14	Palestra Capital Offshore Fund Ltd Cayman		\$474,600
GRAND TOTAL OFFSHORE INVESTMENTS FY 2015			\$6,516,936
* Source: IRS Form 990			

# Tax Form Discrepancies

## ABIM Foundation Form 990 - 2015

- No disclosure of Cayman Investments made in 2014



# ABIM Bylaws Changed 1998

## Okay for ABIM Board to Have Unlimited Conflicts

### REVISED BYLAWS OF THE AMERICAN BOARD OF INTERNAL MEDICINE

(Revised October 6, 1998)

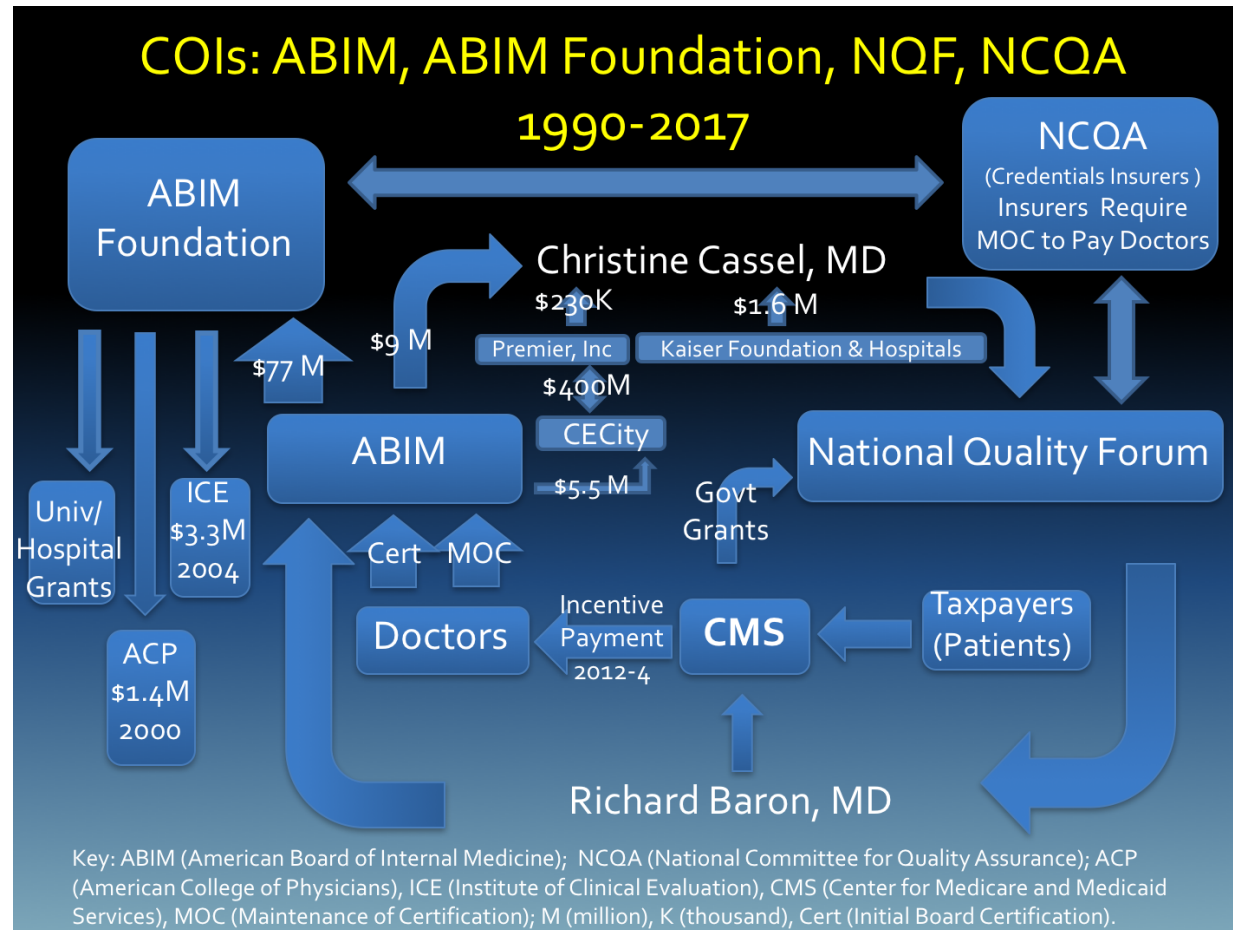
#### ARTICLE I

##### OFFICES

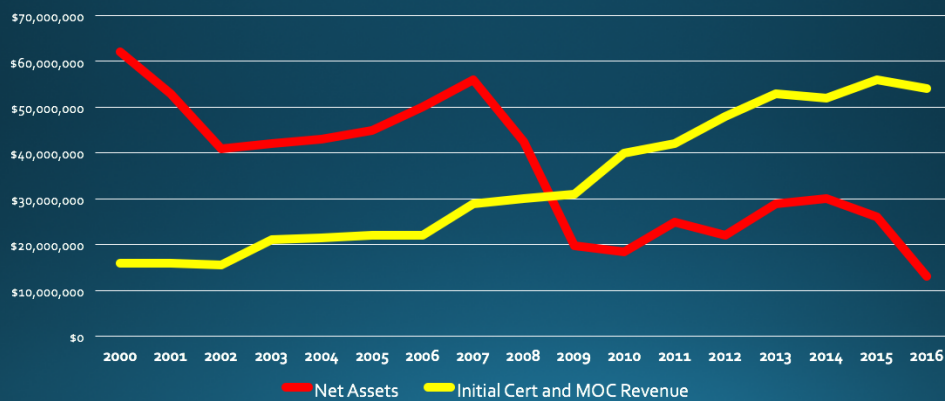
**Section 1-1.** The registered office of The American Board of Internal Medicine, hereinafter referred to as "the Board", shall be in the City of Des Moines, Iowa. The principal office of the Board shall be located in the City of Philadelphia, Commonwealth of Pennsylvania. The Board may have such other offices as the affairs of the Board may require from time to time.

**Section 9-5.** The Board may accept gifts, grants, devices or bequests of funds or any other property from any public or governmental body or any private person, including private and public foundations, corporations and individuals, for its corporate purposes.

# Numerous Financial Conflicts of Interest Exist with MOC®



## ABIM/ABIM Foundation Ongoing Fiscal Deterioration



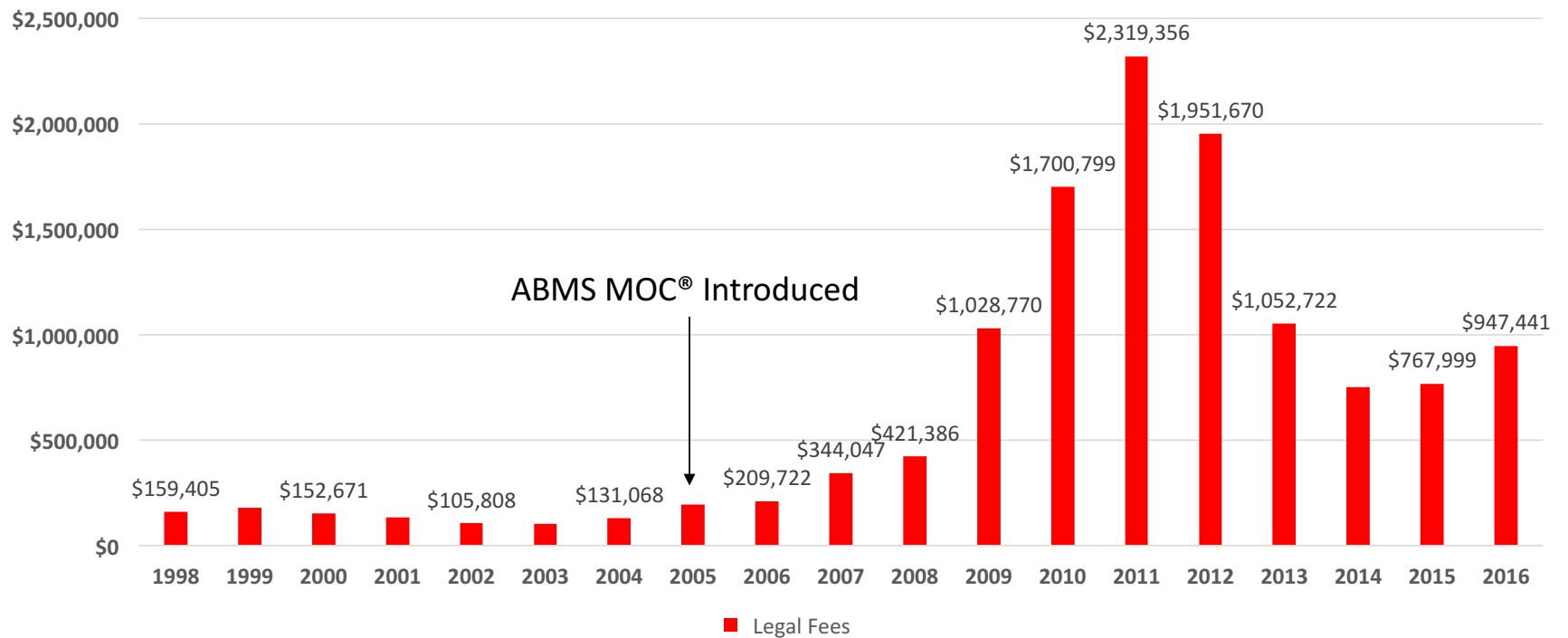
## ABIM/ABIM Foundation's Ongoing Financial Deterioration

June 30,	Fund Balance (Net Assets)			Revenue
	ABIM	Foundation	Consolidated	
1997	(3,003,107)	38,254,872	35,251,765	
1998	(558,511)	46,247,684	45,689,173	16,233,484
1999	(5,575,747)	59,618,428	54,042,681	12,135,650
2000	(7,119,341)	69,101,955	61,982,614	16,224,212
2001	(8,571,467)	62,580,553	54,009,086	16,539,381
2002	(10,762,954)	52,811,298	42,048,344	15,444,106
2003	(10,930,327)	54,569,335	43,639,008	22,163,746
2004	(13,456,921)	58,635,505	45,178,584	22,983,476
2005	(13,185,617)	59,939,815	46,754,198	23,541,275
2006	(11,814,547)	63,386,683	51,572,136	25,381,025
2007	(21,503,839)	78,833,665	57,329,826	25,892,598
2008	(31,443,856)	75,990,203	44,546,347	30,193,842
2009	(36,475,782)	57,586,843	21,111,061	32,463,536
2010	(40,906,833)	61,015,875	20,109,042	39,547,253
2011	(43,661,272)	71,006,681	27,345,409	44,725,517
2012	(45,394,162)	68,871,666	23,477,504	48,215,609
2013	(43,150,390)	73,841,719	30,691,329	53,912,942
2014	(47,886,654)	79,409,497	31,522,843	53,308,149
2015	(50,642,980)	77,255,188	26,612,208	56,592,968
2016	(57,568,475)	71,194,870	13,626,395	54,449,060
				581,578,695

Physicians have paid over \$581 million to ABIM and only \$13.6 million remain  
Just 23% of revenue used for physician testing

Source: ABIM and ABIM Foundation Form 990s and Consolidated Financial Statements

# ABIM's Mounting Legal Fees



# ABIM Officer, Director, Trustee, or Key Employee Compensation 2015\*

Schedule J (Form 990) 2015 **THE AMERICAN BOARD OF INTERNAL MEDICINE 39-0866228** Page 2

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(ii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) RICHARD J. BARON PRESIDENT ABIM Foundation	(i)	450,615.	87,756.	3,539.	55,292.	39,910.	637,112.	
	(ii)	150,205.	29,252.	1,180.	18,430.	13,304.	212,371.	
(2) VINCENT MANDES SENIOR VICE PRESIDENT/CFO	(i)	239,320.	53,385.	30,780.	0.	38,520.	362,005.	
	(ii)	26,591.	5,932.	3,420.	0.	4,280.	40,223.	
(3) REBECCA LIPNER SVP, ASSESSMENT AND RESEARCH	(i)	290,120.	61,272.	32,682.	0.	53,267.	437,341.	
	(ii)	0.	0.	0.	0.	0.	0.	
(4) FURMAN McDONALD SVP, ACADEMIC AND MEDICAL AFFAIRS	(i)	263,505.	52,000.	15,162.	0.	38,082.	368,749.	
	(ii)	0.	0.	0.	0.	0.	0.	
(5) PAUL PONIATOWSKI VP, TEST DEVELOPMENT	(i)	223,000.	48,110.	34,027.	0.	59,589.	364,726.	
	(ii)	0.	0.	0.	0.	0.	0.	
(6) NKANTA HINES SVP, OPERATIONS	(i)	262,812.	50,000.	0.	0.	45,950.	358,762.	
	(ii)	0.	0.	0.	0.	0.	0.	
(7) LORIE SLASS SVP, COMMUNICATIONS	(i)	221,312.	47,053.	10,179.	0.	69,185.	347,729.	
	(ii)	0.	0.	0.	0.	0.	0.	
(8) ROBERT HARACE SVP, CIO	(i)	186,317.	38,760.	30,169.	0.	62,090.	317,336.	
	(ii)	0.	0.	0.	0.	0.	0.	
(9) SUZANNE BIERMILLER CHIEF OF STAFF	(i)	220,485.	44,000.	15,861.	0.	13,506.	293,852.	
	(ii)	0.	0.	0.	0.	0.	0.	
(10) LESLIE TUCKER VP, POLICY	(i)	179,546.	32,892.	35,770.	0.	43,162.	291,370.	
	(ii)	0.	0.	0.	0.	0.	0.	
(11) ROBIN GUILLE VP, RESEARCH AND INNOVATIONS	(i)	151,175.	34,925.	33,075.	0.	51,193.	270,368.	
	(ii)	0.	0.	0.	0.	0.	0.	
(12) LORNA LYNN VP, MEDICAL EDUCATION RESEARCH	(i)	231,276.	750.	261.	0.	36,542.	268,829.	
	(ii)	0.	0.	0.	0.	0.	0.	
(13) LOUIS GROSS VP, PSYCHOMETRICS	(i)	155,020.	34,924.	34,074.	0.	26,352.	250,370.	
	(ii)	0.	0.	0.	0.	0.	0.	
(14) FRANK MARZULLO SENIOR DIRECTOR, STRATEGY, PLANNING	(i)	157,123.	0.	21,934.	0.	51,879.	230,936.	
	(ii)	0.	0.	0.	0.	0.	0.	
(15) JEFFREY MILLER SENIOR DIRECTOR, APPLICATIONS DEVELOPMENT	(i)	155,767.	0.	18,000.	0.	56,555.	230,322.	
	(ii)	0.	0.	0.	0.	0.	0.	
	(i)							
	(ii)							

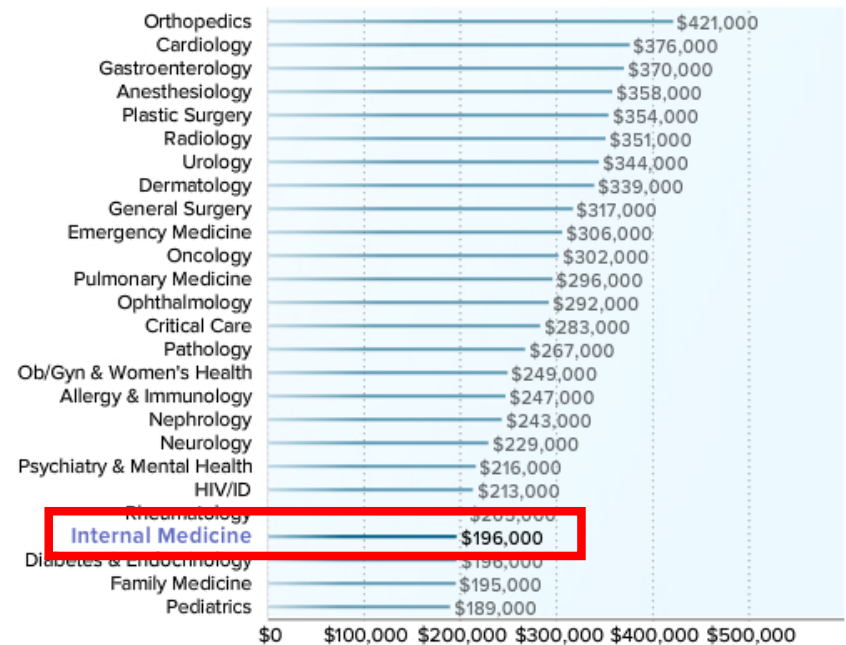
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31

Schedule J (Form 990) 2015

# Average US Internist Compensation 2015\*\*

## How Much Do Internists Earn?



\*\* Medscape Internist Compensation Report 2015

\* Reference: ABIM FY2016 IRS Form 990

# Tax Form Discrepancies

## The ABIM Foundation

- In 2008, the IRS changed Form 990 to include additional filing information, including the organization's domicile state and date of formation.  
([https://www.irs.gov/pub/irs-tege/990\\_whatnew\\_purpose.pdf](https://www.irs.gov/pub/irs-tege/990_whatnew_purpose.pdf))
- ABIM Foundation misreported its state and/or date of domicile for six years

### ABIM Foundation Reported Year of Formation and State of Legal Domicile Years Prior to 06-30-09 to Year Ending June 30, 2015

Form 990 Tax Year Ending	Reported Year of Formation	Reported State of Legal Domicile
Prior to 06-30-09	Not Required by IRS	
06-30-09	1999	Iowa
06-30-10	1999	Iowa
06-30-11	1999	Iowa
06-30-12	1999	Iowa
06-30-13	1999	Iowa
06-30-14	1999	Pennsylvania
06-30-15	1989	Pennsylvania

Source: ABIM Foundation IRS Form 990

Business Name History	
Name	Name Type
ABIM FOUNDATION	Current Name
Non-Profit (Non Stock) - Domestic - Information	
Entity Number:	1531129
Status:	Active
Entity Creation Date:	10/17/1989
State of Business:	PA
Registered Office Address:	510 WALNUT ST STE 1700 PHILADELPHIA PA 19106-3699 Philadelphia

Source: Pennsylvania Department of State Business Entity Filing History Pulled 08-30-14



# Tax Form Discrepancies

## The ABIM Foundation

Similar misinformation  
appeared on ABIM  
Foundation's website.



\*Source: The Internet Archive

<https://web.archive.org/web/20141127195454/>

<http://abimfoundation.org/About-Us.aspx>

ABIM Foundation website "About Us" web page  
27 Nov 2014\*

# Tax Form Discrepancies

## ABIM Politics/Unreported Lobbying Expenses



American Board  
of Internal Medicine®

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**Christine K. Cassel, MD, Appointed to President Obama's Council of Advisors on Science and Technology**

Philadelphia, PA April 27, 2009 Today, the White House announced the appointment of Christine K. Cassel, MD, President and CEO of the American Board of Internal Medicine to President Barack Obama's Council of Advisors on Science and Technology (PCAST). Dr. Cassel joins 19 other scientists and engineers on the council to advise the President's efforts to have science inform the administration's decisions related to policy and research.

"I am honored to join such an illustrious group of scientists and I am proud to be part of this effort that embraces the advances that science can offer to our world," said Christine K. Cassel, MD. "As someone who cares deeply about the future of health care in this country, I believe needed health care reforms can be aided – and should be driven – by scientific and clinical evidence to benefit patients. I look forward to giving voice to the practical applications of the use of this information to practicing clinicians."

Dr. Cassel is a leading expert in geriatric medicine, medical ethics and quality of care. Board certified in both internal medicine and geriatric medicine, Dr. Cassel is an active scholar and lecturer. She is the author or co-author of 14 books and more than 150 journal articles on geriatric medicine, aging, bioethics and health policy. She chaired influential IOM reports on end-of-life care and public health and served on the committee that authored the Quality Chasm report. Her most recent book is *Medicare Matters: What Geriatric Medicine Can Teach American Health Care*.

PCAST consists of 20 of the nation's leading scientists and engineers. They will advise the President and Vice President directly to help the administration formulate policy in the many areas where understanding of science, technology and innovation are key to forming responsible and effective policy.

PCAST will be co-chaired by John Holdren (Assistant to the President for Science and Technology and Director of the White House Office of Science and Technology Policy), Eric Lander (Director of the Broad Institute and one of the principal leaders of the Human Genome Project) and Harold Varma (President and CEO of Memorial Sloan-Kettering Cancer Center, former head of the National Institutes of Health and a Nobel laureate).

In addition to serving on PCAST, Dr. Cassel is a representative to the National Quality Forum's National Priorities Partnership, a member of the Commonwealth Fund's Commission on a High Performance Health System and the Institute of Medicine Committee for Comparative Effectiveness Research Priorities. She was appointed by President Clinton to serve on the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry, and has been central to other national leadership efforts to further quality of care.

For media inquiries, contact Lorie Sless at 215-399-4005 or [press@abim.org](mailto:press@abim.org).

**ABIM Board Certified Doctors Make a Difference**  
Internists and subspecialists who earn and maintain board certification from the American Board of Internal Medicine (ABIM) differentiate themselves every day through their specialized knowledge and commitment to continual learning in service of their patients. Established as an independent nonprofit more than 50 years ago, ABIM continues to be driven by doctors who want to achieve higher standards for better care in a rapidly changing world. Visit [ABIM's blog](#) to learn more and follow ABIM on [Facebook](#) and [Twitter](#). ABIM is a member of the [American Board of Medical Specialties](#).

Clerk of the House of Representatives  
Legislative Resource Center  
B-106 Cannon Building  
Washington, DC 20515  
<http://lobbyingdisclosure.house.gov>

Secretary of the Senate  
Office of Public Records  
212 Hart Building  
Washington, DC 20510  
<http://www.senate.gov/lobby>

1. Effective Date of Registration  
Senate Identification

04/27/2009  
84859

2. House Identification

35547

3. Registrant

Organization

Jennings Policy Strategies

Address

401 9th Street, NW

Address2

Suite 770

City

Washington

State

DC

Zip

20004

Country

4. Principal place of business (if different than line 3)

City

State

Zip

Country

5. Contact name and telephone number

Contact

Mr. CHRIS JENNINGS

Telephone

2028799344

E-mail

CCJ@JENNINGS-PS.COM

6. General description of registrant's business or activities

Health care policy consulting

7. Client name

American Board of Internal Medicine

Address

210 Walnut Street

Christine Cassel, MD, President and CEO of the ABIM, appointed to President Barack Obama's Council of Advisors on Science and Technology (PCAST) the same day the ABIM employs the unreported lobbying firm Jennings Policy Strategies. Jennings Policy Strategies is listed as "consultant" on Fiscal Year 2012 (2011 Form 990) tax forms while Form 990 lobbying line item left blank.



# Tax Form Discrepancies

## ABIM Form 990 – 2010: Disclosed Lobbyist as “Consultant”

<b>Section B. Independent Contractors</b>		
<b>1</b> Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
(A) Name and business address	(B) Description of services	(C) Compensation
BALLARD SPAHR ANDREWS & INGERSOLL 1735 MARKET ST PHILADELPHIA, PA 19103	LEGAL SERVICES	1,811,815
CECITY 285 WATERFORD DR HOMESTEAD, PA 15120	SOFTWARE SERVICES	1,217,800
LIQUID HUB PO BOX 62064 BALTIMORE, MD 21264	CONSULTING SERVICES	598,816
VIRTUS TECHNOLOGY PARTNERS LLC BOX 512613 PHILADELPHIA, PA 19175	SOFTWARE SERVICES	299,171
JENNINGS POLICY STRATEGIES INC 1301 PENNSYLVANIA AVENUE NW SUITE WASHINGTON, DC 20004	CONSULTING SERVICES	120,000
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶6		

Form **990** (2010)

# Tax Form Discrepancies

## ABIM Lobbying

Form 990 (2013) THE AMERICAN BOARD OF INTERNAL MEDICINE 39-0866228 Page 3

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to		X

Form 990 (2013) THE AMERICAN BOARD OF INTERNAL MEDICINE 39-0866228 Page 10

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,058,860.	3,470,378.	1,588,482.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	16,596,637.	11,385,293.	5,211,344.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,061,036.	1,413,871.	647,165.	
9 Other employee benefits	2,790,428.	1,914,234.	876,194.	
10 Payroll taxes	1,506,155.	1,033,222.	472,933.	
11 Fees for services (non-employees):				
a Management				
b Legal	725,653.	497,798.	227,855.	
c Accounting	96,285.	66,051.	30,234.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	3,427,749.	2,351,436.	1,076,313.	

Source: ABIM 2013 Form 990

## American Board of Internal Medicine

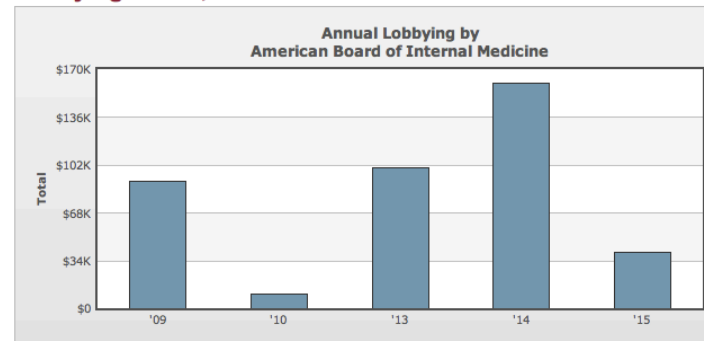
Summary Totals Recipients Congressional Committees Lobbying News

Search for an organization:

Enter at least 3 characters



### Lobbying Totals, 1998-2014



See full lobbying profile for American Board of Internal Medicine

We follow the money. You make it possible.

Thanks to support from individuals like yourself, our work makes possible the daily examination of the industries, organizations and individuals trying to influence the democratic process.

Make a Donation Today

Source: Center for Responsible Politics <http://www.opensecrets.org>

# Tax Form Discrepancies

## ABIM Signature Line / Auditor

Part II Signature Block				
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
Sign Here	***** Signature of officer		2013-03-06 Date	
	CHRISTINE CASSEL MD SNR VP & CFO Type or print name and title			
Paid Preparer's Use Only	Preparer's signature	CHRISTOPHER M PEKULA	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4	MCGLADREY LLP 751 ARBOR WAY SUITE 200 BLUE BELL, PA 19422		Preparer's taxpayer identification number (see instructions) P00734965
	EIN ▶ 42-0714325		Phone no ▶ (215) 641-8600	
May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
For Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form 990 (2011)				

ABIM 2011 Form 990 listing Christine Cassel, MD as “Snr VP & CFO” when she was President and CEO of the Organization.

McGladrey LLP, ABIM’s long-term auditor, had serious accounting deficiencies in 2012 review by the Public Company Accounting Oversight Board  
([https://pcaobus.org//Inspections/Reports/Documents/2014\\_McGladrey\\_LL.P.pdf](https://pcaobus.org//Inspections/Reports/Documents/2014_McGladrey_LL.P.pdf) )

# ABIM Tax Form Discrepancies

## Where Did the Money Go?

Section B. Independent Contractors		
1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.		
(A) Name and business address	(B) Description of services	(C) Compensation
BALLARD SPAHR ANDREWS & INGERSOLL 1735 MARKET ST PHILADELPHIA, PA 19103	LEGAL SERVICES	2,287,145
CECITY 285 WATERFORD DR HOMESTEAD, PA 15120	SOFTWARE SERVICES	1,112,600
LIQUD HUB PO BOX 6064 BALTIMORE, MD 21264	CONSULTING SERVICES	736,105
RSM MCGILADREY INC 5155 PAYSPIRE CIRCLE CHICAGO, IL 60674	ACCOUNTING/CONSULTING	361,753
VIRTUS TECHNOLOGY PARTNERS LLC BOX 512613 PHILADELPHIA, PA 19175	SOFTWARE SERVICES	273,958
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		10

Form 990 (2011)

Form 990 (2011) Page 10

### Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D). Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	4,577,033	3,098,651	1,478,382	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages.	14,024,151	9,494,350	4,529,801	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).	2,012,315	1,362,337	649,978	
9 Other employee benefits.	2,119,665	1,435,013	684,652	
10 Payroll taxes.	1,204,717	815,593	389,124	
11 Fees for services (non-employees).				
a Management.				
b Legal.	1,886,145	1,276,920	609,225	
c Accounting.	107,240	72,601	34,639	
d Lobbying.				
e Professional fundraising. See Part IV, line 17.				
f Investment management fees.	8,181		8,181	

ABIM Form 990 - 2011

2011 Form 990:  
Legal  
\$2,287,145 versus \$1,886,145  
(Difference: \$401,000)  
Accounting  
\$361,753 versus \$107,240  
(Difference: \$254,153)

2012 Form 990:  
Legal  
\$2,249,239 versus \$1,026,406  
(Difference: \$1,222,833)  
Accounting  
\$348,139 versus \$88,625  
(Difference: \$259,514)

Section B. Independent Contractors		
1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.		
(A) Name and business address	(B) Description of services	(C) Compensation
BALLARD SPAHR ANDREWS & INGERSOLL 1735 MARKET ST PHILADELPHIA PA 19103	LEGAL SERVICES	2,249,239
LIQUD HUB PO BOX 62064 BALTIMORE MD 21264	CONSULTING SERVICES	2,218,032
CECITY 285 WATERFORD DR HOMESTEAD PA 15120	SOFTWARE SERVICES	1,378,138
RSM MCGILADREY INC 5155 PAYSPIRE CIRCLE CHICAGO IL 60674	ACCOUNTING/CONSULTING	348,139
VIRTUS TECHNOLOGY PARTNERS LLC BOX 512613 PHILADELPHIA PA 19175	SOFTWARE SERVICES	315,707
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		14

Form 990 (2012)

Form 990 (2012) Page 10

### Part IX Statement of Functional Expenses

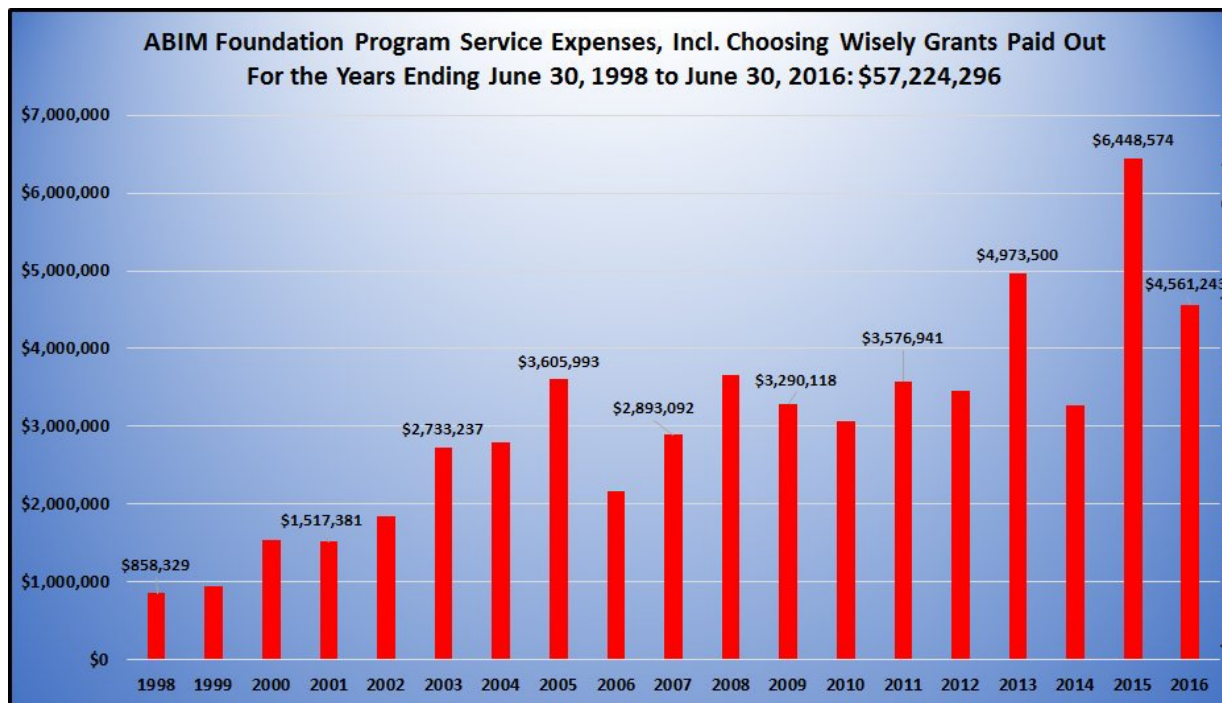
Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A). Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	3,783,385	2,573,837	1,209,548	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7 Other salaries and wages.	15,927,181	10,835,261	5,091,920	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,032,504	1,382,713	649,791	
9 Other employee benefits.	2,418,202	1,645,103	773,099	
10 Payroll taxes.	1,305,700	888,268	417,432	
11 Fees for services (non-employees).				
a Management.				
b Legal.	1,026,406	698,264	328,142	
c Accounting.	88,625	60,292	28,333	
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.	5,210		5,210	

ABIM Form 990 - 2012

# ABIM Foundation

## Money Laundering?



Program Revenue: \$0

# Tax Discrepancies

## ABIM Fails to Allow Independent Audit

- American Medical Association's House of Delegates Passed Resolution 607 requesting AMA to perform independent audit of ABIM in June 2016. (Available at: <https://assets.ama-assn.org/sub/meeting/documents/i16-resolution-607.pdf> )
- ABIM's President and CEO responded to AMA and referred ABIM diplomates to the ABIM's Consolidated Financial Statement and IRS Form 990's for clarification. (Letter of response available at <http://www.medtees.com/content/ABIMresponsetoAMA.pdf> )

# Practicing US Physician Demand

- Since formal efforts to resolve the concerns of the ABIM's activities have failed with the American Medical Association and tax fraud appears rampant, practicing US physician diplomates of the ABIM request an investigation by the Internal Revenue Service and the Department of Justice into the financial and political activities of the American Board of Internal Medicine, their board of directors, and affiliated organizations, including, but not limited to, the American Board of Medical Specialties.