

Diversity, Money are Key Issues with Khan's St. Louis Rams Bid

Now that Shahid Khan has signed off on a deal to purchase majority ownership of the Rams, it will be fascinating to watch how the NFL receives him.

If approved by NFL owners, Khan would become the first minority owner in control of a franchise in league history.

Khan, born in Pakistan, came to the U.S. in 1967 at age 16. He became a U.S. citizen, was educated at the University of Illinois, built a hugely successful auto-parts manufacturing company, raised a family and has lived in central Illinois for 40 years.

But we're reminded that the NFL is a private club, with only 32 lead owners/members. That point was underlined in a story that appeared in Saturday's Post-Dispatch.

This passage caught my attention: "As one observer familiar with the process emphasized, it's more than just a matter of money. Using the analogy of an exclusive tennis club, the observer said, 'Do you like him enough to invite him to join your club? And if so, can he afford to pay the dues?'"

I think it's ridiculous that we're even having this discussion. But Khan's application certainly will be a matter of keen interest for those who want to see if the NFL is truly inclusive at the highest level.

I believe NFL Commissioner Roger Goodell is a man of integrity. I would be absolutely shocked if Khan is treated less than fairly by the NFL or the owners. And if Khan's finances check out, he should be fine. (More on that later.) I would think the NFL would be proud to open the doors to its inner sanctum to Khan — an ambitious, self-made man who represents the American dream.

After all, Goodell spoke out against popular radio talk-show host Rush Limbaugh when Limbaugh briefly partnered with Dave Checketts in a bid to buy the Rams.

Indianapolis Colts owner Jim Irsay also denounced Limbaugh; Irsay

happens to be a member of the NFL Finance Committee, which will review Khan.

After taking Limbaugh to task for making "divisive" comments, Goodell was challenged by a member of Congress during an appearance on Capitol Hill.

Goodell responded, in part, with this: "The NFL is about bringing people together, it's about unity and that we do not — we do not move toward divisive actions. And, in fact, our teams, I think, have demonstrated that both on and off the field. Nothing brings a team and a community together better than the NFL."

The NFL received a "B" — its best grade ever — in the 2009 Race and Gender Report Card issued by the Institute for Diversity and Ethics in Sport (TIDES). The NFL had five minority general managers and six minority head coaches in 2009. But in its report, TIDES also pointed out that "no person of color has ever held majority ownership of an NFL team." And according to TIDES, no minority person ever has served as the president or chief executive officer of an NFL team.

Will Khan be deemed acceptable? We would think so. In his news conference during Super Bowl week, Goodell addressed a question about the Rams' future in St. Louis.

"We want to be in St. Louis," Goodell said.

And so does Khan. So he should be a plus for league stability.

But Khan shouldn't expect a free pass.

He'll be subjected to the same financial scrutiny as any ownership applicant. And the NFL doesn't fool around. The NFL wants to see the money to make sure a new owner has sufficient wealth to run a franchise. If anything is out of line, the NFL will play hardball.

I was covering the Dallas Cowboys for the Dallas Morning News when Jerry Jones bought the franchise, and he went through a difficult process to gain approval. On multiple occasions Jones was ordered to make changes in his deal, and his entrance to the NFL club was delayed.

If Khan has any legitimate financial weakness, the league will find it. So if he lacks sufficient wealth, I wouldn't expect the NFL to wave him

in.

Khan also is embroiled in a tax dispute with the Internal Revenue Service. The IRS disallowed some tax shelters utilized by Khan and asked him to pay more taxes. Khan gave the IRS an additional \$68 million but is appealing the decision. And he is suing the financial advisers who set up the tax shelters.

This wasn't, and isn't, a criminal matter. It's just a beef over a rather large tax bill.

Khan is haggling with the IRS — does it get any more "American" than that? And are we to believe that no NFL owner, at any time, has sparred with the IRS? Please. Heck, even the league has scrapped with the IRS.

The NFL is a tax-exempt organization. (Yes, really.) A few years ago the IRS proposed new rules to require the NFL and many other tax-exempt entities to disclose more information, including salaries of "key employees."

The NFL resisted and asked Congress for an exception. Ultimately, the NFL did comply with the IRS request.

And the NFL isn't exactly opposed to tax shelters, either.

To raise money for stadium projects, NFL teams have generated millions of dollars by selling personal seat licenses to fans. NFL teams use the money to contribute to the cost of building a new stadium. But the teams do not pay taxes on the PSL sales. According to the New Orleans Times-Picayune, the deals are structured so the PSL money is collected through tax-exempt government agencies.

Peter Flaherty is the president of the National Legal and Policy Center, which wants the IRS to revoke certain tax exemptions. Including this one.

"Is this a legitimate tax-exempt purpose? I don't think so," Flaherty told the Times-Picayune. "Joe Six-Pack doesn't think so."

If Khan likes tax shelters, then he should fit right in with the NFL.

On his nationally syndicated radio program, Limbaugh mentioned Khan's purchase of the Rams.

"Congratulations to him," Limbaugh said. "He says he's a big Rams fan. He goes to the Edward Jones Dome constantly and appears to want to be a pretty hands-on owner, from what we've been able to figure out."

Judging by those words, Rush Limbaugh seemingly approves of Shad Khan as the Rams owner.

Will the NFL?

This will be very interesting, indeed.

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