
From: Fish David L
Sent: Tuesday, February 07, 2012 11:17 AM
To: Paz Holly O
Subject: FW: R & A Priorities
Attachments: Advocacy Orgs_Cincinnati.xls

From: Thomas Cindy M
Sent: Thursday, November 03, 2011 10:12 PM
To: Lerner Lois G
Cc: Fish David L
Subject: RE: R & A Priorities

For EO Determinations, there aren't any significant volumes of work that D.C. has pushed to us that are better suited for EOT. We had issues with certain types of cases in the past such as set asides, voter registration, and [REDACTED] cases. However, we've worked through these issues. (b)(3)6103

The backlog of work involves advocacy organizations. As of about a month ago, there were 161 of these cases sitting idle and we probably have more by now. The control dates for these cases go back to the end of 2009 and all through 2010. We've been waiting for EO in D.C. to get us a guidance/reference document with lessons learned from the c4 and c3 cases they worked and coordinated with Judy Kindell and Counsel. We're getting calls from POAs wanting to know who has put the halt on working these cases and threatening to contact their Congressional offices. Just today, I instructed one of my managers to get an additional information letter out to one of these organizations --- if nothing else to buy time so he didn't contact his Congressional Office. Soon, we're going to start getting TAO's from TAS or declaratory judgment cases filed ---- then, I guess everyone will decide its time to start moving the cases when we have mounds of additional paperwork to process along with the cases (adding even more work for us to do) .

Another area we'd like to see finalized is the guide sheets for Rev. Proc. 96-10 and integrated auxiliary cases. We don't have a backlog of these cases, but we need these documents finalized in order to finalize our IRM so that all the EO Determinations employees have a document where they can go to get procedural information for cases --- will save time and will improve consistency in casework/quality. Also related to this, you sent an email requiring that we send cases to D.C. for review when an organization is asking to be exempt from Form 990 filing requirements by virtue of Rev. Procs. 95-48, 96-10, and integrated auxiliary. If the guidesheets can be finalized, perhaps we wouldn't need to send these cases any longer, which would save time for all involved.

Other than this, it is the group ruling cases and auto revocation cases/issues that we're trying to get through:

A. Regarding the group ruling cases, we spend a lot of clerical time completing research for each sub to see if they are in status 97. And, QA seems to believe that we should be getting documents and checking the website for each sub, which isn't how group ruling cases were ever intended to be worked. All group ruling cases are mandatory review and the group working these cases were doing what QA required; otherwise, they couldn't get the cases closed. I instructed the group to stop doing these things and to follow Rev. Proc. 80-27, and advised that these issues would need to be elevated to the Acting Director, EO R&A to get resolved. We are checking to see whether the subs are in status 97 and will continue to do so until instructed otherwise.

B. Regarding the auto revocation cases, we're working through them and elevating new issues as they come up. Other than cases with lien and/or assessment issues, I'm not aware of us holding any cases waiting for guidance.

The real area of concern in EO Determinations (other than the advocacy cases) is with our Processing Section. They are swamped with correspondence on auto revocation issues; processing cases where organizations submitted a \$100 user

fee and don't meet the requirements such as PFs, unincorporated organizations that incorporated somewhere along the way, and others that have too much income to meet the transitional rules under Notice 2011-43; completing IDRS research for numerous cases to determine whether the application is from an organization that was auto revoked; and, preparing closing letters/documents for all EO cases in Cincinnati now that specialists are on TEDS and can't complete this work (timing issue with TEDS and EDS); processing suspense cases; processing Accelerated Processing cases, etc.

If you need additional information, please let me know.

From: Lerner Lois G
Sent: Thursday, November 03, 2011 7:13 PM
To: Fish David L; Seto Michael C; Thomas Cindy M; Abner Donna J; Kindell Judith E; Light Sharon P
Cc: Paz Holly O
Subject: R & A Priorities

I'm getting a little nervous about the amount we have on our plate and how we are handling. I know everyone is working hard and juggling, but I am wondering whether the juggling decisions are being made holistically enough. We have only so many resources and things will probably get worse going forward. I worry that decisions about how to use the resources are being made without all the information. A couple things have come up through press accounts and practitioner comments that lead me to believe we should be making prioritization decisions based on EO as a whole, not in our own stovepipes. Something that may not seem important in Cincinnati, may be crucial in DC. Similarly, DC may be prioritizing its work based on what is sitting in DC when something sitting in Cincinnati should be the focus of DC work. And, in both cases, the hold up might really relate to something sitting in Counsel that we need to move forward.

To get a better handle on this and help you with prioritizing, I'm going to need some reports from you.

Judy and Sharon--a list of all projects you are working on, including work that others are doing and you are overseeing, as well as estimated timeframes for completion if you have them and any barriers to completion.

Cindy and Donna--lists of backlogs of any specific type of cases and what is contributing to the backlog--i.e.--are you waiting for assistance from R & A, are you focusing on something else that impacts your ability to get this piece done. Also, are there kinds of cases that DC has pushed to Cincinnati, but in hindsight, may be better suited to DC

David/Mike--Holly left me a list of cases that are in Counsel. If it needs to be updated please do that--David--I forwarded it last night. I also need a list of everything else we have sent to Counsel and similar information as is in the case list, such as how long it has been there and, if you know, what might be the hang up. Please include things formally at Counsel, as well as things we've asked for informally. If it is informal, can I get who we're dealing with. I'd also like some sense of the inventory that doesn't fall within these categories that looks like it could be problematic--might need to go to Counsel or a category of cases that isn't moving

I'm sure there will be more, but this will give us a good start. I'd like the information by COB next Wednesday please.

Lois G. Lerner
Director of Exempt Organizations

