Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: March 21, 2011	

CASE NAME: (1) (b)(3)/6103 (501(c)(3) applicant), (2) (b)(3)/6103 6103(501(c)(4) applicant), (3) (b)(3)/6103 (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103 **POA:** 6103	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers	Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Organization (1) – (b)(3)/6103
Organization (2) – (b)(3)/6103
Organization (3) – (b)(3)/6103
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) (b)(3)/6103 (b)(3)/6103 Organization 3 (b)(3)/6103 (b)(3)/6103 Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** March 31 , 2011 Submit Revised Date.

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: March 21, 2011	

NR; partially (b)(3)/6103 Non-c4 Sensitive Case Report

NR; partially (b)(3)/6103 Non-c4 Sensitive Case Report

NR; (b)(3)/6103 Non-c4 Sensitive Case Report

NR; (b)(3)/6103 Non-c4 Sensitive Case Report

NR; (b)(3)/6103 Non-c4, Non-application Sensitive Case Report

NR; (b)(3)/6103 Non-c4 Sensitive Case Report

NR; (b)(3)/6103 Non-c4 Sensitive Case Report

CASE NAME: (1) [redacted] NR; 6103 (501(c)(3) applicant), (2) [redacted] 6103 6103 (501(c)(4) applicant), (3) [redacted] NR; 6103 (501(c)(3) applicant) **TIN/EIN:** [redacted] NR; 6103 **POA:** [redacted] NR; 6103	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities.

Organization (1) – [redacted] NR; 6103
Organization (2) – additional development letter re: activities is being drafted.
Organization (3) – [redacted] NR; 6103
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Issue development letters before end of April. [redacted] NR	**ESTIMATED CLOSURE DATE:** July 31 , 2011

NR	
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: April 25, 2011	

EO Technical
Significant Case Report
(April 30, 2011)

- ***22 open SCs***

A. Open SCs:

	Name of Org/Group	Group #/Manager	EIN	Received	Issue	Tax Law Specialist	Estimated Completion Date	Status/Next action	Being Elevated to TEGE Commissioner This Month
1.	6103 and 6103 6103	T2/Ron Shoemaker	6103 and 6103	(b)(3) 6103(a)	Whether a tea party organization meets the requirements under section 501(c)(3) and is not involved in political intervention. Whether organization is conducting excessive political activity to deny exemption under section 501(c)(4)	Chip Hull	(b)(3) 6103(a)	(b)(3)\6103; (b)(5) AC WP	(b)(3) 6103(a)
2.	(b)(3)\6103; (b)(5) AC; non-responsive								
3.	6103	T1/Steven Grodnitzky	6103	6103	6103	Justin Lowe	6103	(b)(3)6103; (b)(5) AC	6103

								(b)(3)6103; (b)(5) AC	
4.	6103	T1/ Steven Grodnitzky	6103	6103	6103	Justin Lowe	6103	(b)(3)/6103; (b)(5) AC WP	6103
5.	6103	T1/ Steven Grodnitzky	6103	6103	6103	Siri Buller	6103	(b)(3)/6103	(b)(3)/6103

6.

7.

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8.

9.

(b)(3)\6103; (b)(5) AC WP; non-responsive

10.

11.

[redacted]

b(3)\6103; (b)(5) AC WP; non-responsive

	[redacted]
12.	
13.	
14.	*b(3)\6103; (b)(5) AC WP; non-responsive*
15.	

16.

17.

b(3)\6103; (b)(5) AC; non-responsive

18.

19.

20.

21.

b(3)\6103; (b)(5) AC; non-responsive

22. I

B. (b)(3)/6103

EO Technical
Significant Case Report
(April 30, 2011)

- ***22 open SCs***

A. Open SCs:

	Name of Org/Group	Group #/Manager	EIN	Received	Issue	Tax Law Specialist	Estimated Completion Date	Status/Next action	Being Elevated to TEGE Commissioner This Month
1.	6103 and 6103 6103	T2/Ron Shoemaker	6103 and 6103	(b)(3) 6103(a)	Whether a tea party organization meets the requirements under section 501(c)(3) and is not involved in political intervention. Whether organization is conducting excessive political activity to deny exemption under section 501(c)(4)	Chip Hull	(b)(3) 6103(a)	(b)(3)6103; (b)(5) AC WP	(b)(3) 6103(a)
2.	(b)(3)6103; (b)(5) AC; non-responsive								
3.	6103	T1/Steven Grodnitzky	6103	6103	6103	Justin Lowe	6103	(b)(3)6103; (b)(5) AC	(b)(3)/6103

								(b)(3)/6103; (b)(5) AC	
4.	6103	T1/ Steven Grodnitzky	6103	6103	6103	Justin Lowe	6103	(b)(3)6103; (b)(5) AC WP	6103
5.	6103	T1/ Steven Grodnitzky	6103	6103	6103	Siri Buller	6103	6103	6103

6.

7.

8.

(b)(3)\6103; (b)(5) AC WP; non-responsive

9.

10. (b)(3)\6103; (b)(5) AC WP; non-responsive

11.

12.

13.

14.

(b)(3)\6103; (b)(5) AC WP; non-responsive

15.

16.

17.

18.

19.

(b)(3)\6103; (b)(5) AC; non-responsive

20.

21.

(b)(3)\6103; (b)(5) AC; non-responsive

22.

B. (b)(3)/6103

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities, then forward to Chief Council.

Organization (1) – [redacted].
Organization (2) – [redacted]
Organization (3) – [redacted]

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
[redacted] NR; 6103 [redacted] NR; 6103 [redacted] NR; 6103 [redacted] NR [redacted]	July 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: May 17, 2011	

CASE NAME: (1) [redacted] NR; 6103 (501(c)(3) applicant), (2) [redacted] 6103 6103 (501(c)(4) applicant), (3) [redacted] NR; 6103 (501(c)(3) applicant) **TIN/EIN:** [redacted] NR; 6103 **POA:** [redacted] NR; 6103	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**

SENSITIVE CASE CRITERIA:

Likely to attract media or Congressional attention
Unique or novel issue
Affects large number of taxpayers
Potentially involves large dollars ($10M or greater)
Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities, then forward to Chief Council.

Organization (1) – [redacted] NR; 6103
Organization (2) – [redacted] NR; 6103 [redacted]
Organization (3) – [redacted] NR; 6103 [redacted]

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (2) – [redacted] NR; 6103 [redacted] NR; 6103 Organization (3) [redacted] NR; 6103 [redacted] NR [redacted]	July 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: July 22, 2011	

EO Technical
Significant Case Report
(July 31, 2011)

- ***21 open SCs***

A. Open SCs:

	Name of Org/Group	Group #/Manager	EIN	Received	Issue	Tax Law Specialist	Estimated Completion Date	Status/Next action	Being Elevated to TEGE Commissioner This Month
1.	6103 and 6103.	T2/Ron Shoemaker	6103 and 6103	(b)(3) 6103(a)	Whether a tea party organization meets the requirements under section 501(c)(3) and is not involved in political intervention. Whether organization is conducting excessive political activity to deny exemption under section 501(c)(4)	Chip Hull	(b)(3) 6103(a)	(b)(3)/6103; (b)(5) AC WP	(b)(3) 6103(a)
2.	(b)(3)/6103 and non-responsive								

								(b)(3)\6103; non-responsive	
3.	(b)(3)/6103	P2 Andy Megosh	(b)(3)/6103	(b)(3)/6103	(b)(3)/6103	Justin Lowe	(b)(3)/6103	(b)(3)/6103 and partially (b)(5) AC	Yes
4.	(b)(3)/6103	P2/ Andy Megosh	(b)(3)/6103	6103	(b)(3)/6103	Justin Lowe	6103	(b)(3)6103; (b)(5) AC WP	6103

6103

(b)(3)6103; (b)(5) AC WP

5.

6.

7.

8.

(b)(3)/6103; (b)(5) AC; non-responsive

9.	[redacted]

(b)(3)/6103; (b)(5) AC; non-responsive

10.

11.

12.

13.

[redacted]

(b)(3)/6103; (b)(5) AC; non-responsive

14.

15.

[redacted]

(b)(3)/6103; (b)(5) AC; non-responsive

16.

17. *(b)(3)/6103; (b)(5) AC; non-responsive*

18.

19.

20.

(b)(3)/6103; (b)(5) AC; non-responsive

21.

(b)(3)/6103; non-responsive

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2). Case returned to EOT for
Additional development.
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* [redacted] *non-responsive* [redacted] *non-responsive* [redacted]	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: August 17, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive Organization 2's case has been returned to EOT in order to prepare another development letter. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2).
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* [redacted] *non-responsive* [redacted] *non-responsive* [redacted]	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: October 19, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive Organization 2's case has been returned to EOT in order to prepare another development letter. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2).
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* [redacted] *non-responsive* [redacted] *non-responsive* [redacted]	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: October 19, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103, (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive EOT is preparing a third development letter to send to Organization 2. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding a number of applications from these types of organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but requested copies of them. The issue with Organization 2 and 3 is whether these organizations are involved in political campaign intervention or, alternatively, in nonexempt political activity. (b)(3)/6103; non-responsive

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – Third development letter has been prepared and being reviewed.
Organization (3) – (b)(3)/6103; non-responsive
Coordination between HQ and EOD is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in.

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) & Organization (3) – Third development letters being prepared and reviewed for each. [redacted] *non-responsive*	**ESTIMATED CLOSURE DATE:** December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: November 15, 2011	

non-responsive Non-c4 Sensitive Case Report

non-responsive; Non-c4 Sensitive Case Report

non-responsive; (b)(3)/6103 Non-c4, non-application, Sensitive Case Report

non-responsive; (b)(3)/6103; non-C4, Non-application, Sensitive Case Report

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – [redacted]
Organization (2) – [redacted]
Organization (3) – [redacted]

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) [redacted] Organization 3 [redacted] Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** January 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: November 18, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

non-responsive; partially (b)(3)/6103 Non-c4 Sensitive Case Report

non-responsive; partially (b)(3)/6103; Non-c4 Sensitive Case Report

non-responsive; (b)(3)/6103 Non-c4 Sensitive Case Report

non-responsive; (b)(3)/6103; Non-c4 Sensitive Case Report

non-responsive; (b)(3)/6103 Non-c4, non-application, Sensitive Case Report

non-responsive; (b)(3)/6103 Non-c4 Sensitive Case Report

From: Seto Michael C
Sent: Wednesday, February 02, 2011 10:19 AM
To: Paz Holly O
Cc: Trilli Darla J
Subject: RE: SCR Table for Jan. 2011

I think they maybe the heath cases relating to ACA. I will check with Rob, David and Mike Repass on these cases.

From: Paz Holly O
Sent: Wednesday, February 02, 2011 11:08 AM
To: Seto Michael C
Cc: Trilli Darla J
Subject: RE: SCR Table for Jan. 2011

No problem. Trying to stave off any issues. So, in summary:

Tea Party needs to go to Judy, then Counsel (we were already planning on going to Judy and guess we'll do Counsel too)

6103 - proposed needs to go to Counsel then get briefed to Lois

Lois also needs briefings when we are ready to move forward on any newspaper cases and any of Jacki's Israel cases and 6103

Question: "Case involving healthcare reconciliation Act needs to be briefed up to my level please" which ones are these?

From: Seto Michael C
Sent: Wednesday, February 02, 2011 11:05 AM
To: Paz Holly O
Subject: RE: SCR Table for Jan. 2011

Thanks for responding . . . just got out of the manager meeting.

From: Paz Holly O
Sent: Wednesday, February 02, 2011 11:02 AM
To: Lerner Lois G; Seto Michael C
Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E
Subject: RE: SCR Table for Jan. 2011

Tea Party - Cases in Determs are being supervised by Chip Hull at each step - he reviews info from TPs, correspondence to TPs, etc. No decisions are going out of Cincy until we go all the way through the process with the c3 and c4 cases here. I believe the c4 will be ready to go over to Judy soon.

HMO case ((b)(3)/6103) - (b)(3)/6103

(b)(3)/6103

(b)(3)/61...-I will reach out to Phil to see if Nan has seen it. She was involved in the past but I don't know about recently.

On (b)(3)/6103, proposed denials typically do not go to Counsel. Proposed denial goes out, we have conference, then final adverse goes to Counsel before that goes out. We can alter that in this case and brief you after we have Counsel's thoughts.

6103 was not elevated at Mike Daly's direction. He had us elevate it twice after the litigation commenced but said not to continue after that unless we are changing course on the application front and going forward with processing it.

(b)(3)/6103 (6103) - Our general criteria as to whether or not to elevate an SCR to Sarah/Joseph and on up is to only elevate when there has been action. 6103 was elevated this month because it was just received. We will now begin to review the 1023 but won't have anything to report for sometime. We will elevate again once we have staked out a position and are seeking executive concurrence.

We (Mike and I) keep track of whether estimated completion dates are being moved by means of a track changes version of the spread sheet. When next steps are not reflected as met by the estimated time, we follow up with the appropriate managers or Counsel to determine the cause for the delay and agree on a due date.

From: Lerner Lois G
Sent: Tuesday, February 01, 2011 6:28 PM
To: Seto Michael C
Cc: Paz Holly O; Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E
Subject: RE: SCR Table for Jan. 2011

Thanks--a couple comments

1. Tea Party Matter very dangerous. This could be the vehicle to go to court on the issue of whether Citizen's United overturning the ban on corporate spending applies to tax exempt rules. Counsel and Judy Kindell need to be in on this one please needs to be in this. Cincy should probably NOT have these cases--Holly please see what exactly they have please.

2. We need to push for the next Counsel meeting re: the HMO case Justin has. Reach out and see if we can set it up.

3. (b)(3)/6103--has that gone to Nan Marks? It says Counsel, but we'll need her on board. In all cases where it says Counsel, I need to know at what level please.

4. I assume the proposed denial of the religious or will go to Counsel before it goes out and I will be briefed?

5. I think no should be yes on the elevated to TEGE Commissioner slot for the Jon Waddel case that's in litigation--she is well aware.

6. Case involving healthcare reconciliation Act needs to be briefed up to my level please.
7. SAME WITH THE NEWSPAPER CASES--NO GOING OUT WITHOUT BRIEFING UP PLEASE.

8. (b)(3)/6103 cases involving settlements in Israel should be briefed up also.

9. 6103 case--why "yes-for this month only" in TEGE Commissioner block?

Also, please make sure estimated due dates and next step dates are after the date you send these. On a couple of these I can't tell whether stuff happened recently or not.

Question--if you have an estimated due date and the person doesn't make it, how is that reflected? My concern is that when Exam first did these, they just changed the date so we always looked current, rather than providing a history of what occurred. perhaps it would help to sit down with me and Sue Lehman--she helped develop the report they now use.

From: Seto Michael C
Sent: Tuesday, February 01, 2011 5:33 PM
To: Lerner Lois G
Cc: Paz Holly O; Trilli Darla J; Douglas Akaisha; Letourneau Diane L
Subject: SCR Table for Jan. 2011

Here is the Jan. SCR summary.

From: Seto Michael C
Sent: Wednesday, February 02, 2011 10:23 AM
To: Paz Holly O; Lerner Lois G
Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E; Light Sharon P
Subject: RE: SCR Table for Jan. 2011

ok

From: Paz Holly O
Sent: Wednesday, February 02, 2011 11:22 AM
To: Seto Michael C; Lerner Lois G
Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E; Light Sharon P
Subject: RE: SCR Table for Jan. 2011

We can also modify the heading re: Commissioner elevation to be more clear - what it is intended to capture is whether it is being elevated in the current month.

From: Seto Michael C
Sent: Wednesday, February 02, 2011 11:21 AM
To: Lerner Lois G; Paz Holly O
Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E; Light Sharon P
Subject: RE: SCR Table for Jan. 2011

We can modify the report to include a running history of the item.

From: Lerner Lois G
Sent: Wednesday, February 02, 2011 11:17 AM
To: Paz Holly O; Seto Michael C
Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E; Light Sharon P
Subject: RE: SCR Table for Jan. 2011

Thanks--even if we go with a 4 on the Tea Party cases, they may want to argue they should be 3s, so it would be great if we can get there without saying the only reason they don't get a 3 is political activity.

I'll get with Nan Marks on the (b)(3)/6103 piece.

I'm just antsy on the churchy stuff--Judy--thoughts on whether we should go to Counsel early on this--seems to me we may want to answer all questions they may have earlier rather than later, but I may be being too touchy. I'll defer to you and Judy.

(b)(3)/6103--I thought the elevated to TEGE Commish related to whether we ever had--that's why I asked. Perhaps the block is wrong--maybe what we need is some notation that the issue is one we would elevate?

I hear you about you and Mike keeping track, but I would like a running history. that's the only way I can speak to what we're doing and progress in a larger way. Plus we've learned from Exam--if they know I'm looking, they don't want to have to explain--so they move things along. the 'clean" sheet doesn't give me any sense unless I go back to previous SCRs.

I've added Sharon so she can see what kinds of things I'm interested in.

Lois G. Lerner
Director, Exempt Organizations

From: Paz Holly O
Sent: Wednesday, February 02, 2011 11:02 AM
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Cc: Trilli Darla J; Douglas Akaisha; Letourneau Diane L; Kindell Judith E
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HMO case ([redacted] (b)(3)/6103 [redacted]) - [redacted]

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To: Seto Michael C

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Sent: Tuesday, February 01, 2011 5:33 PM
To: Lerner Lois G
Cc: Paz Holly O; Trilli Darla J; Douglas Akaisha; Letourneau Diane L
Subject: SCR Table for Jan. 2011

Here is the Jan. SCR summary.

From: Paz Holly O
Sent: Thursday, April 07, 2011 10:37 AM
To: Kindell Judith E; Lerner Lois G
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige
Subject: RE: sensitive (c)(3) and (c)(4) applications

Correction - I just checked with Cindy and we now have 102 Tea Party cases in Determs.

From: Paz Holly O
Sent: Thursday, April 07, 2011 10:26 AM
To: Kindell Judith E; Lerner Lois G
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige
Subject: RE: sensitive (c)(3) and (c)(4) applications

The last information I have is that there are approx. 40 Tea Party cases in Determs. With so many EOT and Guidance folks tied up with ACA (cases and Guidance) and the possibility looming that we may have to work reinstatement cases up here to prevent a backlog in Determs, I have serious reservations about our ability to work all of the Tea Party cases out of this office.

From: Kindell Judith E
Sent: Thursday, April 07, 2011 10:16 AM
To: Lerner Lois G; Paz Holly O
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige
Subject: sensitive (c)(3) and (c)(4) applications

I just spoke with Chip Hull and Elizabeth Kastenberg about two cases they have that are related to the Tea Party - one a (c)(3) application and the other a (c)(4) application. I recommended that they develop the private benefit argument further and that they coordinate with Counsel. They also mentioned that there are a number of other (c)(3) and (c)(4) applications of orgs related to the Tea Party that are currently in Cincinnati. Apparently the plan had been to send one of each to DC to develop a position to be applied to the others. Given the sensitivity of the issue and the need (I believe) to coordinate with Counsel, I think it would be beneficial to have the other cases worked in DC as well. I understand that there may be TAS inquiries on some of the cases.

From: Paz Holly O
Sent: Thursday, April 07, 2011 2:02 PM
To: Lerner Lois G; Kindell Judith E
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige
Subject: Re: sensitive (c)(3) and (c)(4) applications

They are currently being assigned to one group. They consult with Chip on all development. They have been told not to issue determs until we work through the test cases we have here.
------Original Message------
From: Lerner Lois G
To: Paz Holly O
To: Kindell Judith E
Cc: Light Sharon P
Cc: Letourneau Diane L
Cc: Neuhart Paige
Subject: RE: sensitive (c)(3) and (c)(4) applications
Sent: Apr 7, 2011 1:47 PM

yes but these could blow up like crazy if the Determs folks let one out incorrectly--think [redacted] (b)(3); 6103. Can Cindy have all of them assigned to one or two folks who don't make a move without Counsel/Judy involvement?

Lois G. Lerner
Director, Exempt Organizations

From: Paz Holly O
Sent: Thursday, April 07, 2011 10:26 AM
To: Kindell Judith E; Lerner Lois G
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige
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From: Kindell Judith E
Sent: Thursday, April 07, 2011 10:16 AM
To: Lerner Lois G; Paz Holly O
Cc: Light Sharon P; Letourneau Diane L; Neuhart Paige

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------Original Message Truncated------

Sent from my BlackBerry Wireless Device

From: Lerner Lois G
Sent: Friday, May 27, 2011 5:05 PM
To: Seto Michael C; Paz Holly O
Cc: Thomas Cindy M
Subject: FW: Advocacy org enclosure

Lois G. Lerner
Director, Exempt Organizations

From: Lerner Lois G
Sent: Thursday, May 26, 2011 7:02 PM
To: Williams Grant; Lemons Terry L
Cc: Kindell Judith E
Subject: RE: Advocacy org enclosure

Got it--thanks

Lois G. Lerner
Director, Exempt Organizations

From: Williams Grant
Sent: Wednesday, May 25, 2011 3:31 PM
To: Lerner Lois G; Lemons Terry L
Cc: Kindell Judith E
Subject: RE: Advocacy org enclosure

Sorry, Lois -- the link is still working for me -- I'll try pasting it in here again:

http://www.bloomberg.com/news/2011-05-19/secret-donors-multiply-in-u-s-with-finances-dwarfing-watergate.html

If it still doesn't work, I'm thinking you could also find the story via Google if you searched for "secret donors" and "charles babcock" and bloomberg.

Thanks,

Grant

Grant Williams

IRS National Media Relations
(202) 622-4000

From: Lerner Lois G
Sent: Wednesday, May 25, 2011 3:15 PM
To: Williams Grant; Lemons Terry L
Cc: Kindell Judith E
Subject: RE: Advocacy org enclosure

Thanks--I tried to get to the link you sent, but it just said error page??

Lois G. Lerner
Director, Exempt Organizations

From: Williams Grant
Sent: Wednesday, May 25, 2011 3:13 PM
To: Lerner Lois G; Lemons Terry L
Cc: Zarin Roberta B; Grant Joseph H; Flax Nikole C; Miller Steven T; Keith Frank; Lipold John A; Patterson Dean J; Kindell Judith E
Subject: RE: Advocacy org enclosure

Thank you very much, Lois, for all you said in your e-mail message. We're getting the document you sent us off to the Bloomberg folks. The May 19 Bloomberg story does shed some light on what Mr. Babcock and his colleagues have been and continue to be interested in, including how organizations handle the "no" box on applications for exemptions.

Grant

Grant Williams
IRS National Media Relations
(202) 622-4000

From: Lerner Lois G
Sent: Wednesday, May 25, 2011 2:50 PM
To: Williams Grant; Lemons Terry L
Cc: Zarin Roberta B; Grant Joseph H; Flax Nikole C; Miller Steven T; Keith Frank; Lipold John A; Patterson Dean J; Kindell Judith E
Subject: RE: Advocacy org enclosure

Sorry--I wasn't intending to tell him this was an enclosure in the letter--my point was that the language in the doc I sent you has been cleared at a high level in IRS. This wasn't the letter--this was an enclosure we developed for circumstances as this one, where we wanted to have a ready response doc. As to his questions 2 and 3 regarding penalties for not answering the question on the 1024 correctly, I'm not planning on addressing that

other than to say the forms are signed under penalties of perjury and that orgs.that are audited and determined not to be exempt have their exemptions revoked and they have to pay appropriate taxes and penalties. Judy is working on a piece relating to the application/non-application questions, which will address those points also. Once he's read the stuff, if he still wants to talk, let us know and we can set it up--I think it's me with Judy

Lois G. Lerner
Director, Exempt Organizations

From: Williams Grant
Sent: Wednesday, May 25, 2011 2:41 PM
To: Lerner Lois G; Lemons Terry L
Cc: Zarin Roberta B; Grant Joseph H; Flax Nikole C; Miller Steven T; Keith Frank; Lipold John A; Patterson Dean J
Subject: RE: Advocacy org enclosure

Just FYI -- last month, in response to questions from Bloomberg about the status of the Baucus letter, we told Bloomberg that the IRS had no immediate comment and that, for further information, Bloomberg should contact the Senator's office.

Bloomberg (including reporter Charles Babcock) eventually wrote the following story on May 19: "Secret Donors Multiply in U.S. Election Spending": http://www.bloomberg.com/news/2011-05-19/secret-donors-multiply-in-u-s-with-finances-dwarfing-watergate.html

The story uses part of our response along with a quote from an unnamed Senate Finance Committee aide that the Baucus staff and the IRS were "still talking."

Grant

From: Lerner Lois G
Sent: Wednesday, May 25, 2011 2:03 PM
To: Lemons Terry L
Cc: Zarin Roberta B; Grant Joseph H; Flax Nikole C; Miller Steven T; Keith Frank; Lipold John A; Williams Grant
Subject: FW: Advocacy org enclosure

OK--Attached is a tutorial, which is pretty much what we put in the Baucus letter earlier this year so it has been scrubbed. It is a good start on educating him on his issues. More to come.

Lois G. Lerner
Director, Exempt Organizations

From: Paz Holly O
Sent: Tuesday, October 04, 2011 7:14 AM
To: Lerner Lois G
Subject: FW: EO Determination Commitmen

Another thought for a substitute commitment - what about something re: the review of Quality processes in an attempt to improve efficiency. We're going to do it anyway. Do you think we could sell that? Ultimately, I do think the changes we have in mind will improve both Quality's work product and the time it takes them to do it.

From: Thomas Cindy M
Sent: Monday, October 03, 2011 9:53 PM
To: Lerner Lois G
Cc: Paz Holly O
Subject: RE: EO Determination Commitmen

I don't feel comfortable with this for a few reasons:

1. We don't know what we have in our inventory right now. For example, 155 of our old cases are advocacy organizations. We're waiting for guidance to be able to work them. By the time they get closed, all of them will be over 270 days.

2. Often times, older cases are the denials or other mandatory review cases. These cases sit in the Quality Office for a period of time before we get them returned. That ticks away days that we don't have control over.

3. We have no idea how many auto revocation cases we're going to get in. It is a matter of where we want to focus resources. If we get swamped, I personally think it is better to be caught up on screening them so we know what bucket they go in and what we have to deal with. By having them screened quickly, x% of customers will be satisfied because they timely get service rather than having a lower % all unhappy. If they're not screened quickly, it also creates more calls for the Toll-Free Section, TAS, Congressionals, etc. Screening these cases would be at the expense of allowing full-development cases to sit a little longer.

4. The commitment doesn't take into consideration the number of days we have to wait for customers to respond to us, or are we going to be permitted to subtract all the days we're waiting for a response from the customer?

NOTE: As we continue to lose specialists and don't have hiring authority, something is going to suffer. Do you want us to focus on screening or full development? Our customer dissatisfaction rate is currently at 6% and the lowest it has been. Why do we want to mess with something that has been working? Also, it isn't like we are being taken to court by tons of organizations for declaratory judgment. When I last looked at the customer satisfaction surveys, customers actually were understanding and okay with it sometimes taking longer to work cases. Their dissatisfaction stemmed from lack of communication because they just wanted to know that their case hadn't fallen in a black hole. We revised our IRM to include timeframes and NTEU was briefed on 9/21. We're waiting for NTEU to provide concerns so that we can start the negotiation process. The revisions to the IRM include keeping the customer informed. Also, I believe that when we have a number of cases sitting idle where we are waiting for guidance (such as the advocacy cases) we should be sending a status letter to the applicants to keep them informed. That would improve customer satisfaction.

As for what we could offer instead -- for this commitment, I have nothing to offer other than to say pick something else.

From: Lerner Lois G
Sent: Monday, October 03, 2011 6:49 PM

To: Paz Holly O; Thomas Cindy M
Subject: FW: EO Determination Commitmen

I'm pushing back, but may need to do something like this--thoughts about whether it makes sense and what we could offer instead?

Lois G. Lerner
Director of Exempt Organizations

From: Medina Moises C
Sent: Monday, October 03, 2011 12:36 PM
To: Lerner Lois G
Cc: Paz Holly O; Khakoo Imraan G; Grant Joseph H
Subject: EO Determination Commitmen

Hi Lois,

For FY 2012 to Sarah/Joseph's commitments, we are considering adding a commitment to reduce the # of EO Determination cases over 270 days old by 5 % by 4th quarter. Imraan says that 5% equals to approximately 100 cases less. Is the 5% doable... are you comfortable with it?

Moises

From: Thomas Cindy M
Sent: Tuesday, October 04, 2011 7:36 AM
To: Paz Holly O
Subject: RE: EO Determination Commitmen

I'm not sure what you have in mind re: hours per case goal. But, if it is something to the effect of reducing overall hours or hours charged to specific types of cases, in my opinion that is worse than the 5% goal for cases over 270 days. I believe our hours per case have went up because of the manner in which we now process suspense cases (more hours per individual case but fewer total hours) and because of computer issues (TEDS as well as other server problems, etc.). We've had a lot of computer problems this past year. Whenever there is a TEDS reboot, there are problems with slowness, etc., that users are experiencing before a decision is made to reboot. Then, users need to get offline, back on, etc. All of this takes time that is added to cases. These things are out of our control as well.

From: Paz Holly O
Sent: Tuesday, October 04, 2011 8:12 AM
To: Thomas Cindy M; Lerner Lois G
Subject: RE: EO Determination Commitmen

I agree with Cindy. Generally, I think it is very dangerous to focus a goal on a specific set of cases and this group in particular as a large portion of the time is out of our control - it is with the TP, EO Tech, Counsel, Quality. The old cases are old for the most part for a good reason - these cases are often our most difficult. I think the 6th floor is looking at the numbers and thinking 5% is about 100 cases and that's not much. I disagree. A reduction in the age of one-hundred of our hardest cases would be extremely difficult to achieve. I think we would be setting ourselves up for failure and, as Cindy said, doing so at the expense of other parts of the determ program. If we must commit to some "improvement" in the determs case age, I would advocate for some overall timeliness or hours per case goal. I'm not wild about that either though because as we all know, we are going to have less people in FY 12 and less people inevitably means some amount less product.

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Subject: RE: EO Determination Commitmen

I don't feel comfortable with this for a few reasons:

1. We don't know what we have in our inventory right now. For example, 155 of our old cases are advocacy organizations. We're waiting for guidance to be able to work them. By the time they get closed, all of them will be over 270 days.

2. Often times, older cases are the denials or other mandatory review cases. These cases sit in the Quality Office for a period of time before we get them returned. That ticks away days that we don't have control over.

3. We have no idea how many auto revocation cases we're going to get in. It is a matter of where we want to focus resources. If we get swamped, I personally think it is better to be caught up on screening them so we know what bucket they go in and what we have to deal with. By having them screened quickly, x% of customers will be satisfied because they timely get service rather than having a lower % all unhappy. If they're not screened quickly, it also creates more calls for the Toll-Free Section, TAS, Congressionals, etc. Screening these cases would be at the expense of allowing full-development cases to sit a little longer.

4. The commitment doesn't take into consideration the number of days we have to wait for customers to respond to us, or are we going to be permitted to subtract all the days we're waiting for a response from the customer?

NOTE: As we continue to lose specialists and don't have hiring authority, something is going to suffer. Do you want us to focus on screening or full development? Our customer dissatisfaction rate is currently at 6% and the lowest it has been. Why do we want to mess with something that has been working? Also, it isn't like we are being taken to court by tons of organizations for declaratory judgment. When I last looked at the customer satisfaction surveys, customers actually were understanding and okay with it sometimes taking longer to work cases. Their dissatisfaction stemmed from lack of communication because they just wanted to know that their case hadn't fallen in a black hole. We revised our IRM to include timeframes and NTEU was briefed on 9/21. We're waiting for NTEU to provide concerns so that we can start the negotiation process. The revisions to the IRM include keeping the customer informed. Also, I believe that when we have a number of cases sitting idle where we are waiting for guidance (such as the advocacy cases) we should be sending a status letter to the applicants to keep them informed. That would improve customer satisfaction.

As for what we could offer instead -- for this commitment, I have nothing to offer other than to say pick something else.

From: Lerner Lois G
Sent: Monday, October 03, 2011 6:49 PM
To: Paz Holly O; Thomas Cindy M
Subject: FW: EO Determination Commitmen

I'm pushing back, but may need to do something like this--thoughts about whether it makes sense and what we could offer instead?

Lois G. Lerner
Director of Exempt Organizations

From: Medina Moises C
Sent: Monday, October 03, 2011 12:36 PM
To: Lerner Lois G
Cc: Paz Holly O; Khakoo Imraan G; Grant Joseph H
Subject: EO Determination Commitmen

Hi Lois,

For FY 2012 to Sarah/Joseph's commitments, we are considering adding a commitment to reduce the # of EO Determination cases over 270 days old by 5 % by 4th quarter. Imraan says that 5% equals to approximately 100 cases less. Is the 5% doable... are you comfortable with it?

Moises

From: Lerner Lois G
Sent: Wednesday, October 05, 2011 4:29 PM
To: Thomas Cindy M
Cc: Paz Holly O
Subject: RE: EO Determination Commitmen

We're going to get one that relates to analyzing the process to see if we can find reasons for the lower closures--we've done most of it already

Lois G. Lerner
Director of Exempt Organizations

From: Thomas Cindy M
Sent: Monday, October 03, 2011 9:53 PM
To: Lerner Lois G
Cc: Paz Holly O
Subject: RE: EO Determination Commitmen

I don't feel comfortable with this for a few reasons:

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Subject: FW: EO Determination Commitmen

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Director of Exempt Organizations

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To: Lerner Lois G
Cc: Paz Holly O; Khakoo Imraan G; Grant Joseph H
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Moises

6103

6103

6103

Issue Name	Issue Description	Issue Number	Alerts (Year and number)	Disposition of Emerging Issue	Current Status (Opened or closed)
Current Political Issues	Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, $ocial economic reform / movement. **Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.**	EI-1	x	Forward case to Group 7822. Stephen Seok is the coordinator.	Open

Issue Name	Brief Issue Description	Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
Group Rulings	Cases that involve group rulings, whether parent applying for; or subordinate leaving a group ruling need to be worked in Group 7829. The only exception is cases that have been auto revoked..	5	Forward case to Group 7829	Open - 8/25/11

Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
Open Source Software	These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however; fees are charged for technical support by the for-profit.	1	x	Elevate case to your manager for contact with EO Tech- Peter Holiat	Open
Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
Fire Fighter Organizations	Fire Fighter organizations located in 6. will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).	Open - 3/29/11

Background on Determinations Process

Upon receipt, exemption applications accompanied by the required user fee are initially separated into four categories: (1) those that can be approved immediately based on the information submitted, (2) those that need minor additional information to be resolved, (3) those that are submitted on obsolete forms or do not include the items specified on the Procedural Checklist (at http://www.irs.gov/pub/irs-tege/f1023_procedural_checklist_0606.pdf), and (4) those that require development.

If an application falls within one of the first three categories, the applicant will receive either its determination letter or a request for additional information, via phone, fax, or letter, within approximately 90 days of the date the application was submitted.

Applications falling within the fourth category must be assigned to an EO agent for further development. Due to staffing levels, applications falling into this category cannot always immediately be assigned. These applications can experience some "wait time" before assignment to an agent. The number of applications awaiting assignment to EO agents has increased due, in part, to the influx of applications from large organizations seeking to have their exempt status retroactively reinstated after being automatically revoked pursuant to the Pension Protection Act of 2006 for failure to file annual information returns/notices for three consecutive years.

Development Process for (c)(4) Organizations

Exemption from federal income tax is a considerable benefit, with commensurate cost to the federal fisc. Organizations applying for recognition of exemption have the burden of demonstrating that they meet all of the applicable requirements. Courts often phrase this requirement as tax-exemption is not a right, but rather a matter of legislative grace that must be strictly construed. *See, e.g. Mutual Aid Ass'n of Church of the Brethren v. U.S.*, 759 F.2d 792 (Kan. 1985).

If an organization does not provide sufficient detail in its application, the IRS will correspond with the organization to secure enough facts to make a determination. Ordinarily, applicants who receive a request for additional information are given two weeks to respond. However, if they need additional time, extensions of the deadline are readily granted.

In order to qualify under section 501(c)(4), an organization must be primarily engaged in *activities* that further its exempt purpose. Thus, an organization cannot merely state its goals, it must also describe its activities in sufficient detail to demonstrate that it is primarily engaged in activities that further exempt purposes and are not furthering non-exempt purposes.

Organizations that intend to further "social welfare" in general, or conduct educational activities outside the context of a traditional school, may often receive requests for additional information because these are broad concepts and it is easy for the organization to speak in generalities that do not provide the specific facts needed to make a determination. This is particularly true for organizations engaging in advocacy activities. While these activities may be educational or constitute the promotion of social welfare, in order to do so they must include a full and fair exposition of the facts surrounding the issue and not include inflammatory or derogatory language. In addition, organizations would need to demonstrate that their primary activities are not furthering private interests and do not constitute support or opposition of candidates for public office.

When making these determinations, the IRS's decision must be based solely on the information in the application file, which consists of documents that have been seen by both the applicant and the IRS in the application process. Thus, if an organization has a website or conducts social media activities, the IRS will often ask for a copy of those materials so that they can be included in the application file. Because these types of activities often change frequently, it is important for the file to have a hard copy so that all parties can reference the same content.

If some time has passed since an organization's application was filed, it is also common for the IRS to request an updated description of activities. In order to help the organization provide the facts and details needed, we will often ask basic who/what/when/where/why questions.

Providing benefits to a select group of people, such as members of the organization, does not further 501(c)(4) purposes. The organization must benefit the community as a whole. Therefore, if an organization has members, the IRS will often ask questions to determine whether membership is essentially open to every one in the community or is restrictive. Knowing who the organization's members are helps to make this determination.

Public seminars, workshops or speeches are significant parts of an organization's activities, therefore it is important for the IRS to understand those activities and whether they are furthering exempt purposes. In order to gather all of the relevant facts, rather than requiring an organization to describe everything that transpired at an event the IRS will often simply ask for copies of the materials used in the event and descriptions of the persons conducting the event.

Finally, if an organization plans to conduct election-related activities or attempt to influence legislation, the IRS will typically ask for more information about those activities. Supporting or opposing candidates for public office does not further 501(c)(4) purposes and an organization applying for recognition of 501(c)(4) status should be conducting only a limited amount of this activity. In addition,

attempts to influence legislation, depending upon when they are conducted and how they relate to the organization's overall activities, can sometimes resemble candidate support or opposition. In order for the IRS to determine whether these activities further exempt purposes, such as through nonpartisan education, or constitute candidate support or opposition, it must be able to consider all of the relevant facts and circumstances and with therefore often ask additional questions in this area.

Disclosure

Case Timelines

(b)(3)/6103

CASE NAME: (1) non-responsive; (b)(3)/6103 (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) non-responsive; (b)(3)/6103 (501(c)(3) applicant) **TIN/EIN:** non-responsive; (b)(3)/6103 **POA:** non-res...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers	Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

Organization 1 and 3 [redacted] non-responsive; (b)(3)/6103 [redacted]. These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding a number of applications from these types of organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but requested copies of them.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – non-responsive; (b)(3)/6103

Organization (2) – Met with Chief Council on August 10, 2011 to discuss further development. [redacted] non-responsive; (b)(3)/6103 [redacted]

Organization (3) – non-responsive; (b)(3)/6103

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in. EOT will

continue to assist EOD with development of these cases.	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): non-responsive/(b)(3)/6103 non-responsive/(b)(3)/6103 non-responsive/(b)(3)/6103 non-responsive	**ESTIMATED CLOSURE DATE:** May 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: February 21, 2012	

From: Lerner Lois G
Sent: Thursday, March 08, 2012 11:24 AM
To: Paz Holly O
Subject: FW: Draft of Advocacy Org Guide Sheet

Lois G. Lerner
Director of Exempt Organizations

From: Miller Thomas J
Sent: Thursday, March 08, 2012 11:13 AM
To: Lerner Lois G
Subject: RE: Draft of Advocacy Org Guide Sheet

Also, it does not cover section 6033(e), which disallows the section 162 deduction for the portion of dues paid to certain 501(c)(4), 501(c)(5) agricultural and horticultural organizations, and 501(c)(6) organizations that are used for lobbying or political activities. One of the more Rube Goldberg-esque sections of the IRC, section 6033(e) was added in 1993, effective for years beginning after 12/31/1993, to prevent taxpayers from circumventing section 162(e)(1), which disallows the business expense deduction for lobbying or political expenditures, by conducting those activities indirectly through a trade association. The provision is not an answer to all the recent problems, by any means, as the provisions apply to "dues," but it is an area agents have found noncompliance over the years.

TM

Thomas J. Miller
Technical Advisor
Exempt Organizations Rulings & Agreements
Phone: 202-283-9472
Fax: 202-283-8937

From: Lerner Lois G
Sent: Wednesday, March 07, 2012 5:56 PM
To: Miller Thomas J
Subject: FW: Draft of Advocacy Org Guide Sheet

I think we probably need something from this and what Counsel did--theirs is great if you are a lawyer, not so great if you are a Determs RA or a small all volunteer org.

Lois G. Lerner
Director of Exempt Organizations

From: Paz Holly O
Sent: Friday, February 24, 2012 11:09 AM
To: Spellmann Don R
Cc: Lerner Lois G; Kindell Judith E
Subject: FW: Draft of Advocacy Org Guide Sheet

Don,

Here is the document for review.

Thanks,

Holly

From: Goehausen Hilary
Sent: Monday, November 21, 2011 9:45 AM
To: Ardoin Elizabeth A; Elliot-Moore Donna
Cc: Seto Michael C
Subject: Draft of Advocacy Org Guide Sheet

Hi Liz and Donna,

Attached please find a draft copy of the guidesheet we have been putting together on advocacy organizations. I hope you find it helpful for your cases.

Thanks,
Hilary

Hilary Goehausen
Tax Law Specialist
Exempt Organizations
Technical Group 1
1111 Constitution Ave., NW
Washington, D.C. 20224
p: 202.283.8915
f: 202.283.8937
Hilary.Goehausen@irs.gov

From: Lerner Lois G
Sent: Monday, March 12, 2012 4:41 PM
To: Flax Nikole C; Paz Holly O
Subject: RE: Follow-up Letter

We're good with the letter--we would prefer 60 days to 90. But mostly we just need to start sending it. Holly will get the stat you asked for from Cindy

Lois G. Lerner
Director of Exempt Organizations

From: Flax Nikole C
Sent: Monday, March 12, 2012 5:29 PM
To: Lerner Lois G; Paz Holly O
Subject: RE: Follow-up Letter

The draft I sent last Thursday is the latest. Let me know if you need me to resend.

How many cases have already been notified that they are in suspense?

From: Lerner Lois G
Sent: Monday, March 12, 2012 5:18 PM
To: Flax Nikole C; Paz Holly O
Subject: Follow-up Letter

Where are we on finalizing the letters to go out to the advocacy groups to let them know they have more time to respond? Has Steve approved a final version? if not, who has the latest? Thanks

Lois G. Lerner
Director of Exempt Organizations

From: Thomas Cindy M
Sent: Tuesday, March 13, 2012 10:34 AM
To: Paz Holly O
Subject: RE: Follow-up Letter

I'd prefer option #1 below. I'm concerned that if we leave them in suspense someone will forget about them and they'll accidentally get closed FTE.

A couple of the organizations asked for 90-day extensions, which is what they'd get during suspense. But, I understand we don't want to go there.

From: Paz Holly O
Sent: Tuesday, March 13, 2012 10:39 AM
To: Thomas Cindy M
Subject: RE: Follow-up Letter
Importance: High

On the 3 cases already put in suspense, Steve Miller wants to give them the same opportunity as those not yet in suspense to have additional time to come in. What's the best way to do that from your perspective: (1) take them out of suspense, give them 60 days to come in, then back in suspense, then 90 days before FTE, (2) tell them they are in suspense but we will take them out if they respond or receive an extension within a certain number of days (more than the 90 they are already getting before FTE because the other orgs essentially get 150 days (60 before suspense plus 90 in suspense before FTE)) or (3) some other approach you can think of?

Also, what length of extensions are people requesting? It would be helpful to have a general sense.

Thanks!

Holly

From: Thomas Cindy M
Sent: Monday, March 12, 2012 5:55 PM
To: Paz Holly O
Subject: RE: Follow-up Letter

I asked Steve for the number as soon as you told us not to suspend or FTE anymore. None were FTE'd yet.

I've been considering leaving these cases in suspense but updating the specialist number back to Steve's group so they don't accidentally get FTE'd. Figured I'd wait for another 30 days to see what happens from your end. We probably have another 80 days before the cases would be FTE'd.

On another note, a couple of these organizations have been asking for very lengthy extensions. I advised Steve that you and Lois have been working with Steve Miller's office on [redacted] (b)(3)/6103 and may be giving a 60 or 90 day extension and then if no response the organization would be put in suspense and given another 90 days before being FTE'd. I assume we'll be able to use that same letter as a template for others???

From: Paz Holly O
Sent: Monday, March 12, 2012 5:43 PM

To: Thomas Cindy M
Subject: RE: Follow-up Letter

That was super fast! Thanks!

From: Thomas Cindy M
Sent: Monday, March 12, 2012 5:42 PM
To: Paz Holly O
Subject: RE: Follow-up Letter

3 were placed in suspense

From: Paz Holly O
Sent: Monday, March 12, 2012 5:39 PM
To: Thomas Cindy M
Subject: FW: Follow-up Letter
Importance: High

Hi Cindy. Can you please let me know how many advocacy orgs were already placed in suspense before we stopped putting them in suspense?

Thanks!

PS - Should have TAS language for you by COB tomorrow. Very sorry for the delay.

From: Flax Nikole C
Sent: Monday, March 12, 2012 5:29 PM
To: Lerner Lois G; Paz Holly O
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Lois G. Lerner
Director of Exempt Organizations

EO Technical
Significant Case Report
(February 29, 2012)

- ***21 open SCs***

A. Open SCs:

	Name of Org/Group	Group #/Manager	EIN	Received	Issue	Tax Law Specialist	Estimated Completion Date	Status/Next action	Being Elevated to TEGE Commissioner This Month
1.	Political Advocacy Organizations [redacted] *b(3)\6103* [redacted]) [redacted] *b(3)\6103*	T1 Steve Grodnitzky	[redacted] *b(3)\6103*	*b(3)\6103*	Whether an organization meets the requirements under section 501(c)(3) and is not involved in political intervention. Whether organization is conducting excessive political activity to deny exemption under section 501(c)(4)	Hilary Goehausen	03/31/2011 (Orig) 05/31/2011 (Rev) 07/31/2011 (Rev) 10/30/2011 (Rev) 12/31/2011 (Rev) 02/29/2012 (Rev) 05/31/2012 (Rev)	[redacted] *b(3)\6103(a)*	No
2.	[redacted] *b(3)\6103; non-responsive*								

b(3)\6103; non-responsive

b(3)\6103; non-responsive

b(3)\6103; non-responsive

b(3)\6103; non-responsive

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b(3)\6103; non-responsive

b(3)\6103; non-responsive

b(3)\6103; non-responsive

b(3)\6103; non-responsive

b(3)\6103; non-responsive

From: Paterson Troy D TIGTA <Troy.Paterson@tigta.treas.gov>
Sent: Monday, April 09, 2012 7:21 PM
To: Lerner Lois G
Cc: Paz Holly O
Subject: RE: A Few items

Lois,

Thanks for keeping me in the loop; I appreciate it. As for the QFR, let me get back with you tomorrow on that. I travelled up to DC late this afternoon and I want to check with our front office tomorrow to see if we have received any congressionals on the subject. As you know, there is a lot going on in this area. We've met with staffers on the subject and I saw something in the press that a letter was sent to our IG; however, I haven't seen anything yet. Also, the 501(c)(4) issue was mentioned in a recent testimony given by the IRS Commissioner and our IG; however, I don't believe we received a QFR or any follow-up on the subject. I'll check and see what we have. Our front office might be responding to similar questions.

Troy

From: Lerner Lois G [mailto:Lois.G.Lerner@irs.gov]
Sent: Monday, April 09, 2012 2:57 PM
To: Paterson Troy D TIGTA
Cc: Paz Holly O
Subject: A Few items
Importance: High

1. We had a nice chat with Tom and Cheryl last week regarding the c4 audit. I sent a follow up indicating that I wanted Holly Paz (Acting Director R & A) to be in Cincinnati when they go out there. We got a message today that they would like to start in Cincy on Monday. Unfortunately, Cindy Thomas will be here next week. So, we'd like to push the Cincinnati meeting out. Holly will get back with Tom, but I just wanted you to know what was happening.

2. We have numerous Congressional on c4 orgs and are responding to those, as well as QFRs to the Commissioner. One QFR reads: " If it should ever dawn on the IG takes with overseeing your agency that the matters about which I have been asking you warrant scrutiny to reassure the public that the IRS is not, once again, being subordinated to partisan political purposes, will you cooperate with reservation and direct every appointee, officials, employee and contractor of your agency to do so as well?"

When answering, how would you want us to deal with the fact that you plan to conduct the c4,5 and 6 audit? We can say nothing--since it may not be officially open and I don't know how public your stuff is until it closes. Let us know. Thanks

Lois G. Lerner
Director of Exempt Organizations

From: Paterson Troy D TIGTA <Troy.Paterson@tigta.treas.gov>
Sent: Wednesday, April 11, 2012 9:07 AM
To: Lerner Lois G
Cc: Paz Holly O
Subject: RE: A Few items

Lois,

I worked with our new executive yesterday and we have received a couple of requests, but they were not from Congress. However, I would not doubt it if we receive a request based on the last meeting we had with staffers.

In response to your QFR below, I would suggest just stating that the TE/GE Division normally cooperates with TIGTA on audits and will continue to do so in the future. I would not mention our upcoming audit. We are currently in planning and have not scoped it out or opened it officially. Therefore, it might be a bit premature to talk about it.

I hope this helps and I apologize for not responding sooner.

Troy

From: Lerner Lois G [mailto:Lois.G.Lerner@irs.gov]
Sent: Monday, April 09, 2012 2:57 PM
To: Paterson Troy D TIGTA
Cc: Paz Holly O
Subject: A Few items
Importance: High

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Lois G. Lerner

Director of Exempt Organizations

501(c)(4) Advocacy Cases Determination Letter Processing Plan

Week One (May 8-11):

A. Case Processing: Because immediate access is possible through TEDs (note we are having difficulty on this not clear how many can be done)--HQ staff who will be involved in the workshop/case processing will work cases from the approximately 70 unassigned cases with the following objectives:

1) Facilitating focused and efficient case resolution by screening the cases and bucketing (after review of application, website, and 990 if any) into: four categories:
   - i) favorable without further development needed
   - ii) insufficient information needs some development—specific areas to be developed should be noted
   - iii) insufficient information needs significant development—general areas to develop should be noted
   - iv) probable adverse---requires appropriate development
2) Identifying potential cases that could be used as workshop examples
3) Identifying recurrent areas of confusion both for workshop examples and for possible taxpayer educational letter

B: Potential Fast Track Categories Developed and staff in Cinncinatti deployed to capture and consolidate those cases.

- i) Cases with taxpayer responses
- ii) Cases represented by a single POA?
- iii) Other?

C: Tools Development:

1) Work with CEO and Forms and Pubs on 501(c)(4) information insert.

Week Two (May 14-18): Field a combined HQ/Cinn team in Cinncinnati to conduct a combined case based workshop and inventory screening exercise.

A. Team Composition:
Focus should be on skilled specialists who can work rapidly and effectively:
(HQ—Justin, Sharon, Hillary, Judy,) (Cinn—Steven, Joseph, Mitch, ???)
(Quality Review

B. Work Plan: The first day and a half will work actual cases on a group basis and include discussion modules on issues with respect to type of political activity, primarily, and private benefit along with focused work on how to focus questions to best elicit the necessary information while minimizing taxpayer burden. The

remainder of the week the team will continue through the pending inventory screening into four categories:

iv) favorable without further development needed—these should be processed and closed by nonteam staff
v) insufficient information needs some development—specific areas to be developed should be noted
vi) insufficient information needs significant development—general areas to develop should be noted
vii) probable adverse---requires appropriate development

Week Three:

A core group should continue to screen the inventory into the four categories until done while some team members move into taxpayer contact on categories ii and iii.

Category four cases are forwarded to headquarters for development on a short term basis and for development of a template letter to be used by Cinncinatti on a longer term basis. Adverse cases to be coordinated with Counsel?

(b)(3)/6103 and partially non-responsive Notes on specific EO applicants

Proposed 501(c)(4) Advocacy Cases Determination Letter Processing Plan (current inventory 278)

Week One (May 8-11):

- Case Processing: Because immediate access is possible through TEDs (note we are having difficulty on this not clear how many can be done)--HQ staff who will be involved in the workshop/case processing are working cases from the approximately 70 unassigned cases with the following objectives:

    - Facilitating focused and efficient case resolution by bucketing (after review of application, website, and 990 if any) into:
      Four categories:
        1. favorable--no further tech development needed
        2. limited development—specific areas to be developed should be noted
        3. significant development—general areas to develop should be noted
        4. probable adverse---requires appropriate development
    - Identifying potential cases for workshop examples
    - Identifying recurrent areas of confusion both for workshop examples

- Training Team
    - Identify members (done)
    - Planning Call (target Thursday)

- Potential Fast Track Categories Developed/Bundled.

    - Cases with taxpayer responses
    - Cases represented by a single POA?
    - Other?

Week Two (May 14-18): Deploy combined HQ/Cinn team in Cinn to conduct combined case based workshop and inventory bucketing exercise.

- Working Team Composition:
  Focus should be on skilled specialists who can work rapidly and effectively.

- Work Plan:

- First day and ½--work actual cases on a group basis and include discussion modules on issues with respect to type of political activity, primarily, and private benefit along with focused work on how to focus questions to best elicit the necessary information while minimizing taxpayer burden.
- The remainder of the week the team will continue through the pending inventory screening into four categories:

  - No further tech development needed—these should be processed and closed by nonteam "closer" staff (some procedural clean up may be needed)
  - Limited development—specific areas to be developed should be noted
  - Significant development—general areas to develop should be noted
  - probable adverse---requires appropriate development

Week Three (May 21-25): Goal—complete the bucketing move some staff into taxpayer contact for cases requiring development.

A core group should continue to screen the inventory into the four categories until done while some team members move into taxpayer contact on categories ii and iii.

Category four cases are forwarded to headquarters for assistance on development and denial

Week Four (May 29-June 1) and following:

Focus on bringing cases requiring development through to successful resolution as quickly as possible consistent with allowing taxpayers any time needed to provide necessary information.

Issue Number	Issue Name	Issue Description	POA	Disposition	Current Status (Open/Closed)			
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]			
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]			
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]			
[redacted]	Potentially Abusive Foreign Foundation	Private foundations with identical tax return descriptions. 5 page tour itineraries, and husband / wife trustees.		[redacted]	[redacted]			
[redacted]	Poor Management Policies	[redacted]		[redacted]	[redacted]			
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]			

6103

Issue Name	Issue Description	Issue Number	Alerts (Year and number)	Disposition of Emerging Issue	Current Status (Opened or closed)
Current Political Issues	Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, $ocial economic reform / movement. **Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.**	EI-1	x	Forward case to Group 7822. Stephen Seok is the coordinator.	Open

Issue Name	Brief Issue Description	Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
Group Rulings	Cases that involve group rulings, whether parent applying for; or subordinate leaving a group ruling need to be worked in Group 7829, unless the type of case is reserved for another group. For those cases that are reserved for other groups, coordination with Group 7829 is required before the case is closed.	5	Forward case to Group 7829	Open - 8/25/11

Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
Open Source Software	These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however; fees are charged for technical support by the for-profit.	1	x	Elevate case to your manager for contact with EO Tech- Peter Holiat	Open
Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
Fire Fighter Organizations	Fire Fighter organizations located in [redacted] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).	Open - 3/29/11

From: Lerner Lois G
Sent: Thursday, May 17, 2012 1:58 PM
To: Paz Holly O; Fish David L
Subject: RE: donor names?

I have gone to Margo Stevens with the question. She understands very well the difference between the right and left sides of the file. She will try to get back to me by Monday. So, I assume then, that we can start getting some of the approvals out early next week?

Lois G. Lerner
Director of Exempt Organizations

From: Paz Holly O
Sent: Thursday, May 17, 2012 2:14 PM
To: Lerner Lois G; Fish David L
Subject: FW: donor names?

FYI

From: Light Sharon P
Sent: Thursday, May 17, 2012 1:30 PM
To: Paz Holly O
Subject: RE: donor names?

Only one that is going forward as "approved" was asked the donor question -- [redacted] (b)(3)/6103. They declined to answer. So no problem there.

Of the others, one did provide donor information although we did not ask. We did ask for information about all sources of revenue, and they provided email records of revenues, mostly donations, over time. It is going forward for focused development. It's the [redacted] (b)(3); 6103. I can put a sticky note on the file noting that donor names are included and to be sure to check on the issue before closing the case. And we can ask Cindy to watch for it, too.

From: Paz Holly O
Sent: Thursday, May 17, 2012 1:05 PM
To: Light Sharon P
Subject: RE: donor names?

We cannot close any of the ones with donor names until we sort this issue out.

From: Light Sharon P
Sent: Thursday, May 17, 2012 1:04 PM
To: Paz Holly O
Subject: RE: donor names?

Don't know. I'll go back and look at the pile I'm giving to Cindy.

I amended the worksheet.

From: Paz Holly O
Sent: Thursday, May 17, 2012 12:50 PM
To: Light Sharon P
Subject: RE: donor names?

Yes, please do. We are going to reach out to Disclosure counsel to see if we cannot disclose it per David's theory. Are any of the 7 favorables from yesterday in this boat?

From: Light Sharon P
Sent: Thursday, May 17, 2012 11:57 AM
To: Paz Holly O
Subject: RE: donor names?

While great minds are weighing this issue, should we note it when we see an answer that includes donor names? There will be other places along the way to catch it but it might not hurt to start identifying them now.

From: Paz Holly O
Sent: Thursday, May 17, 2012 8:42 AM
To: Light Sharon P; Marks Nancy J
Cc: Urban Joseph J; Fish David L
Subject: Re: donor names?

I don't know that we have authority to keep that out. Looping in David and Joe for their thoughts.

Sent from my BlackBerry Wireless Device

From: Light Sharon P
Sent: Thursday, May 17, 2012 08:24 AM
To: Paz Holly O; Marks Nancy J
Subject: donor names?

Some orgs have given us donor names in response to our development letter. What do we do with it? Daniel points out that their disclosure folks may not be the best at understanding the redaction issue here. Left side? Right side?

From: Lerner Lois G
Sent: Thursday, May 17, 2012 4:00 PM
To: Paz Holly O; Marks Nancy J; Kindell Judith E; Light Sharon P; Thomas Cindy M
Subject: RE: potential revised BOLO language

I'm good

Lois G. Lerner
Director of Exempt Organizations

From: Paz Holly O
Sent: Thursday, May 17, 2012 4:59 PM
To: Lerner Lois G; Marks Nancy J; Kindell Judith E; Light Sharon P; Thomas Cindy M
Subject: RE: potential revised BOLO language

I would like your thoughts on the language below. I would like this language to replace the current advocacy org language on the BOLO as well as the separate references to [redacted] (b)(3)/6103 and Occupy groups.

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or excess private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

From: Thomas Cindy M
Sent: Thursday, May 17, 2012 11:48 PM
To: Paz Holly O
Subject: RE: potential revised BOLO language
Attachments: BOLO Spreadsheet 03262012.xls

Importance: High

Holly,

As I was typing the email to staff, I started re-reading the wording and do have a concern because of the "or" in the first sentence. The way it is written it appears as though c4, c5, and c6 organizations with significant private benefit to organizations or individuals would fall in this group which isn't what we want. I provided 2 options below. Please advise if one of these is acceptable. Thanks.

Wording Approved by D.C.

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

My Proposed Wording (Option 1) --- it seems that this would capture all those with significant amounts of political campaign intervention which is what we want.

501(c)(4), 501(c)(5), or 501(c)(6) organizations with indicators of significant amounts of political campaign intervention. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

My Proposed Wording (Option 2) ---- it seems that this would clarify that we're not talking about any c4, c5, or c6 organization with significant private benefit to organizations or individuals but only those involved in significant amounts of political campaign intervention.

501(c)(4), 501(c)(5), or 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or significant amounts of political campaign intervention and private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

From: Paz Holly O
Sent: Thursday, May 17, 2012 11:50 PM
To: Thomas Cindy M
Subject: RE: potential revised BOLO language

Yes, that is correct. Thank you!

From: Thomas Cindy M
Sent: Thursday, May 17, 2012 11:42 PM
To: Paz Holly O
Subject: FW: potential revised BOLO language

Holly,

I'm fine with this wording but want to make sure we're on the same page before I send anything to Tyler. Below is the wording we're going to use for the Emerging Issue description and we'll remove reference to Acorn and Occupy from "Watch List" --- correct?

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

From: Light Sharon P
Sent: Thursday, May 17, 2012 5:54 PM
To: Marks Nancy J; Kindell Judith E; Lerner Lois G; Paz Holly O; Thomas Cindy M
Subject: RE: potential revised BOLO language

Agreed. For screening, I would think you would look for significant amounts of any non-exempt activity. Seems like you'd have to dig in to figure out whether it all amounts to being primary or not.

From: Marks Nancy J
Sent: Thursday, May 17, 2012 5:46 PM
To: Kindell Judith E; Lerner Lois G; Light Sharon P; Paz Holly O; Thomas Cindy M
Subject: RE: potential revised BOLO language

that was my thinking as well

From: Kindell Judith E
Sent: Thursday, May 17, 2012 5:43 PM
To: Lerner Lois G; Marks Nancy J; Light Sharon P; Paz Holly O; Thomas Cindy M
Subject: RE: potential revised BOLO language

I see the rationale for both - but we could argue that we are looking at those that appear to have significant private benefit to determine whether it is excess

---

From: Lerner Lois G
Sent: Thursday, May 17, 2012 5:41 PM
To: Marks Nancy J; Light Sharon P; Kindell Judith E; Paz Holly O; Thomas Cindy M
Subject: RE: potential revised BOLO language

I made the same comment but Holly pointed out that for private benefit--the standard is excess. So, whereas we can say you need significant political activity to look because we are looking at what the primary activity is--I'm not sure we can use other than the standard to describe the private benefit--thoughts?

Lois G. Lerner
Director of Exempt Organizations

From: Marks Nancy J
Sent: Thursday, May 17, 2012 5:23 PM
To: Light Sharon P; Kindell Judith E; Paz Holly O; Lerner Lois G; Thomas Cindy M
Subject: RE: potential revised BOLO language

I think Sharon is right significant is a more helpful guideline although excess is not wrong.

From: Light Sharon P
Sent: Thursday, May 17, 2012 5:11 PM
To: Kindell Judith E; Paz Holly O; Lerner Lois G; Marks Nancy J; Thomas Cindy M
Subject: RE: potential revised BOLO language

I might drop out "excess." I think a significant amount of private benefit makes more sense.

From: Kindell Judith E
Sent: Thursday, May 17, 2012 5:01 PM
To: Paz Holly O; Lerner Lois G; Marks Nancy J; Light Sharon P; Thomas Cindy M
Subject: RE: potential revised BOLO language

Looks fine to me

From: Paz Holly O
Sent: Thursday, May 17, 2012 4:59 PM
To: Lerner Lois G; Marks Nancy J; Kindell Judith E; Light Sharon P; Thomas Cindy M
Subject: RE: potential revised BOLO language

I would like your thoughts on the language below. I would like this language to replace the current advocacy org language on the BOLO as well as the separate references to ACORN successors and Occupy groups.

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or excess private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

6103

6103

6103

Issue Name	Issue Description	Issue Number	Alerts (Year and number)	Disposition of Emerging Issue	Current Status (Opened or closed)
Current Political Issues	Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, $ocial economic reform / movement. **Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.**	EI-1	x	Forward case to Group 7822. Stephen Seok is the coordinator.	Open

Issue Name	Brief Issue Description		Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
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Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
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Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
Fire Fighter Organizations	Fire Fighter organizations located in will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).	Open - 3/29/11

From: Lerner Lois G
Sent: Monday, May 21, 2012 3:23 PM
To: Paz Holly O
Subject: RE: BOLO Spreadsheets

who in EO tech told them to make the change? Let's add that name too

Lois G. Lerner
Director of Exempt Organizations

From: Paz Holly O
Sent: Monday, May 21, 2012 4:20 PM
To: Lerner Lois G
Subject: FW: BOLO Spreadsheets

revised version

From: Lerner Lois G
Sent: Tuesday, May 22, 2012 5:54 PM
To: Flax Nikole C
Cc: Paz Holly O
Subject: FYI

Below is the language we will be using to describe cases that should be sent to the dedicated groups and coordinated with EON Technical.

Lois G. Lerner
Director of Exempt Organizations

From: Paz Holly O
Sent: Tuesday, May 22, 2012 3:38 PM
To: Lerner Lois G
Subject: FW: potential revised BOLO language

Here is a revised version of the new advocacy org BOLO language. It reflects comments from Sharon, Judy, Nan and Cindy:

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention (raising questions as to exempt purpose and/or excess private benefit). Note: advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

Please let me know if you are OK with the new language.

Thanks.

From: Paz Holly O
Sent: Thursday, May 17, 2012 4:59 PM
To: Lerner Lois G; Marks Nancy J; Kindell Judith E; Light Sharon P; Thomas Cindy M
Subject: RE: potential revised BOLO language

I would like your thoughts on the language below. I would like this language to replace the current advocacy org language on the BOLO as well as the separate references to ACORN successors and Occupy groups.

501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention or excess private benefit to organizations or individuals. Note: typical advocacy type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria.

CASE NAME: (1) (b)(3)\6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)\6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)\6103; non-responsive **POA:** (b)(3)\6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities.

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – additional development letter re: activities is being drafted.
Organization (3) – (b)(3)/6103; non-responsive
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Issue development letters before end of April. Continue coordinated review of applications in	**ESTIMATED CLOSURE DATE:** July 31 , 2011

EO Determinations.	
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: April 25, 2011	

CASE NAME: (1) (b)(3)\6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (501(c)(4) applicant), (3) (b)(3)\6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)\6103; non-responsive **POA:** (b)(3)\6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers	Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

These organizations are "advocacy organizations," and although are separately organized, they appear to be part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati has in its inventory a number of applications from these types of organizations that applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations that applied for recognition of exemption under section 501(c)(4) as social welfare organizations.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive

Organization (2) – EOT met with Counsel on August 10, 2011 to discuss further development of the case, and Counsel returned the case to EOT for additional development. (b)(3)/6103; non-responsive

Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities in which these organizations may be engaging. EOT will continue to assist EOD with development of these cases. (b)(3)\6103; non-responsive

[redacted] *(b)(3)\6103; non-responsive* [redacted] *non-responsive* [redacted]	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): [redacted] *(b)(3)\6103; non-responsive* [redacted] *(b)(3)\6103; non-responsive* Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** July 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: April 17, 2012	

CASE NAME: (1) (b)(3)\6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(... (501(c)(4) applicant), (3) (b)(3)\6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)\6103; non-responsive **POA:** (b)(3)\6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2). Case returned to EOT for
Additional development.
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) [redacted] *(b)(3)/6103; non-responsive* [redacted] Continue coordinated review of applications in EO Determinations.	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: August 17, 2011	

CASE NAME: (1) (b)(3)\6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)\6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)\6103; non-responsive **POA:** (b)(3)\6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive EOT issued a second development letter to Organization 2 and is awaiting a response. The issue with Organization 2 is whether it is involved in political campaign intervention or non-exempt political activity. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are followed closely in national newspapers (such as The Washington Post) almost regularly. EOD is holding a number of applications from these types of organizations that have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations that have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations have been recognized under section 501(c)(4). EOT has not seen the case files, but requested copies of them.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive

Organization (2) – Met with Chief Council on August 10, 2011 to discuss further development of Organization (2). Case returned to EOT for additional development. EOT issued a second development letter and is awaiting a response.

Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and EOD is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in. EOT will continue to assist EOD with development of these cases

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3): [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* Continue coordinated review of applications in EO Determinations.	December 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: December 29, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers	Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

[redacted] (b)(3)/6103; non-responsive [redacted] These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding a number of applications from these types of organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but requested copies of them.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive

Organization (2) – Met with Chief Council on August 10, 2011 to discuss further development. [redacted] (b)(3)/6103; non-responsive

Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in. EOT will

continue to assist EOD with development of these cases.	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): *(b)(3)/6103; non-responsive* *(b)(3)/6103; non-responsive* *(b)(3)/6103; non-responsive* Will continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** May 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: February 21, 2012	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are followed closely in national newspapers (such as The Washington Post). Cincinnati is holding a number of applications from these types of organizations that have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations that have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but requested copies of them.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – Met with Chief Council on August 10, 2011 to discuss further development of Organization (2). Case returned to EOT for additional development. (b)(3)/6103; non-responsive
Organization (3) – (b)(3)/6103; non-responsive
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in. EOT will continue to assist EOD with development of these cases

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (2): [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* Continue coordinated review of applications in EO Determinations.	May 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: January 19, 2012	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities, then forward to Chief Council.

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – (b)(3)/6103; non-responsive
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (2) – (b)(3)/6103; non-responsive (b)(3)/6103; no... Organization (3) (b)(3)/6103; non-responsive (b)(3)/6103; non-responsive .Continue coordinated review of applications in EO Determinations.	July 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: July 22, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities, then forward to Chief Council.

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – (b)(3)/6103; non-responsive
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (2) – (b)(3)/6103; non-responsive (b)(3)/6103; no... Organization (3) (b)(3)/6103; non-responsive (b)(3)/6103; non-responsive Continue coordinated review of applications in EO Determinations.	July 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: June **17, 2011**	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers	Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023 (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

These organizations are "advocacy organizations," and although are separately organized, they appear to be part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati has in its inventory a number of applications from these types of organizations that applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations that applied for recognition of exemption under section 501(c)(4) as social welfare organizations.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)/6103; non-responsive

Organization (2) – EOT met with Counsel on August 10, 2011 to discuss further development of the case, and Counsel returned the case to EOT for additional development. (b)(3)/6103; non-responsive

Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities in which these organizations may be engaging. EOT will continue to assist EOD with development of these cases. non-responsive

non-responsive	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): *(b)(3)\6103; non-responsive* *(b)(3)\6103; non-responsive* Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** July 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: March 21, 2012	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with J. Kindell to discuss organizations (2) and (3) and Service position. Ms. Kindell recommended additional development re: activities, then forward to Chief Council.

Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – (b)(3)/6103; non-responsive
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (2) – *(b)(3)/6103; non-responsive* *(b)(3)/6103; ...* Organization (3) *(b)(3)/6103; non-responsive* *(b)(3)/6103; non-responsive* Continue coordinated review of applications in EO Determinations.	July 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: May 17, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive EOT is preparing a third development letter to send to Organization 2. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding a number of applications from these types of organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but requested copies of them. The issue with Organization 2 and 3 is whether these organizations are involved in political campaign intervention or, alternatively, in nonexempt political activity. (b)(3)\6103; non-responsive

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – (b)(3)\6103; non-responsive
Organization (2) – Third development letter has been prepared and being reviewed.
Organization (3) – (b)(3)\6103; non-responsive
Coordination between HQ and EOD is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4). Additionally, EOT reviewed approximately 160 cases from EOD to assist in determining the types of activities these organizations may be engaging in.

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) (b)(3)\6103; non-responsive – Third development letters being prepared and reviewed for each. Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are involved in political activities.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	**MANAGER:** STEVEN GRODNITZKY, SE:T:EO:RA:T:1
DATE: November 15, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

(b)(3)/6103; non-responsive Organization 2's case has been returned to EOT in order to prepare another development letter. (b)(3)/6103; non-responsive These organizations are "advocacy organizations" and although are separately organized, appear to be a part of a larger national political movement that may be involved in political activities. These types of advocacy organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501(c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2).
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) *(b)(3)/6103; non-responsive* *(b)(3)/6103; non-responsive* Continue coordinated review of applications in EO Determinations.	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: October 19, 2011	

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "advocacy organizations" are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "advocacy organizations" are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Met with Chief Council on August 10, 2011 to discuss further development of Organization (2). Case returned to EOT for
Additional development.
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – case returned to EOT for additional information; preparing another development letter.
Organization (3) – (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY:	**ESTIMATED CLOSURE DATE:**
Organization (3) [redacted] *(b)(3)/6103; non-responsive* [redacted] *(b)(3)/6103; non-responsive* Continue coordinated review of applications in EO Determinations.	December 31 , 2011
BARRIERS TO RESOLUTION, IF ANY: Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: September 27, 2011	

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – [redacted]
Organization (2) – [redacted]
Organization (3) – [redacted]
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) [redacted] Organization 3 [redacted] Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** January 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: December 13, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** **X FOLLOW-UP REPORT** ☐ **FINAL REPORT**
SENSITIVE CASE CRITERIA: ☒ Likely to attract media or Congressional attention ☐ Unique or novel issue ☐ Affects large number of taxpayers	☐ Potentially involves large dollars ($10M or greater) ☐ Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Organization (1) – [redacted]
Organization (2) – [redacted]
Organization (3) – [redacted]
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) [redacted] Organization 3 [redacted] Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** March 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:
Concerns whether the organizations are involved in political activities.

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: February 24, 2011	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – [redacted]
Organization (2) – [redacted]
Organization (3) – [redacted]

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) [redacted] Organization 3 [redacted] Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** January 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: November 18, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – [redacted]
Organization (2) – a second development letter is being drafted and will be ready by 11/14/10.
Organization (3) – [redacted]

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Send Organization (2) development letter by 11/14/10. Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** March 31, 2011

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: October 27, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Organization (1) – [redacted]
Organization (2) – a second development letter is being drafted and will be ready by 10/14/10.
Organization (3) – [redacted]
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Send Organization (2) development letter by 10/14/10. Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** December 31, 2010

BARRIERS TO RESOLUTION, IF ANY:
Concerns whether the organizations are involved in political activities.

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: September 22, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] and (2) [redacted] **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☒ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**
SENSITIVE CASE CRITERIA: ☒ Likely to attract media or Congressional attention ☐ Unique or novel issue ☐ Affects large number of taxpayers	☐ Potentially involves large dollars ($10M or greater) ☐ Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national politically convervative movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a daily basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and ten applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that might be "tea party" organizations already have been recognized as exempt under section 501(c)(4), and one as a (c)(3) also may be a tea party case, but EOT is checking the case file in Cincy. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
A development letter has been sent to the 501(c)(3) applicant in EOT, and a development letter to the 501(c)(4) applicant in EOT is being prepared. We will coordinate with Cincinnati regarding the development of the cases in that office.

SIGNIFICANT NEXT STEPS, IF ANY: [redacted] [redacted]	**ESTIMATED CLOSURE DATE:** September 30, 2010

BARRIERS TO RESOLUTION, IF ANY:
Concerns whether the organizations are involved in political activities.

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

DATE: April 19, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

Case Name: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**Tax Periods:** 2009 and forward **Earliest Statute Date:**
Function Reporting: EO R&A **POD:** Washington, D.C.	☐ **Initial Report** ☐ **Follow-up Report** ☐ **Final Report**
Sensitive Case Criteria: ☒ Likely to attract media or Congressional attention ☐ Unique or novel issue ☐ Affects large number of taxpayers	☐ Potentially involves large dollars ($10M or greater) ☐ Other (explain in Case Summary)
Form Type(s): (1) Form 1023. (2) Form 1024	**Start Date:** 04/02/2010
Potential Dollars Involved (If > $10M) : Unknown	**Criminal Referral?** Unknown **If yes, when?** **Freeze Code TC 914 (Yes or No)**

Case or Issue Summary:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

Current Significant Actions on Case:
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – a second development letter is being drafted.
Organization (3) – (b)(3)/6103; non-responsive
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4)..

Significant Next Steps, if any: Send Organization (2) development letter. Continue coordinated review of applications in EO Determinations.	**Estimated Closure Date:** December 31, 2010

Barriers to Resolution, if any:
Concerns whether the organizations are involved in political activities.

Submitted by: Carter C. Hull, SE:T:EO:RA:T:2	**Manager:** Ronald Shoemaker, SE:T:EO:RA:T:2

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

Date: August 18, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**
SENSITIVE CASE CRITERIA: ☒ Likely to attract media or Congressional attention ☐ Unique or novel issue ☐ Affects large number of taxpayers	☐ Potentially involves large dollars ($10M or greater) ☐ Other (explain in Case Summary)
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and ten applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Organization (1) – [redacted]
Organization (2) – a second development letter is being drafted.
Organization (3) – [redacted]

SIGNIFICANT NEXT STEPS, IF ANY: Send Organization (2) development letter. Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** December 31, 2010

BARRIERS TO RESOLUTION, IF ANY:
Concerns whether the organizations are involved in political activities.

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

DATE: July 26, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] and (2) [redacted] **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a daily basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and ten applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that might be "tea party" organizations already have been recognized as exempt under section 501(c)(4). The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

A development letter has been sent to the 501(c)(3) applicant, and a development letter to the 501(c)(4) applicant is being prepared. We will coordinate with Cincinnati regarding the development of the cases in that office. [redacted]

SIGNIFICANT NEXT STEPS, IF ANY: [redacted] **BARRIERS TO RESOLUTION, IF ANY:** Concerns whether the organizations are involved in political activities.	**ESTIMATED CLOSURE DATE:** September 30, 2010

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: June 22, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] and (2) [redacted] **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☒ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

☒ Likely to attract media or Congressional attention
☐ Unique or novel issue
☐ Affects large number of taxpayers
☐ Potentially involves large dollars ($10M or greater)
☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national politically conservative movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a daily basis. Cincinnati has three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and ten applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. There are about ten more other organizations that Cincy is looking at that may be Tea party cases, but are still checking and will get back to us. Two organizations that might be "tea party" organizations already have been recognized as exempt under section 501(c)(4), but they are being checked to ensure that they are actually such cases. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS:

[redacted]

SIGNIFICANT NEXT STEPS, IF ANY: [redacted]	**ESTIMATED CLOSURE DATE:** September 30, 2010

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

DATE: May 24, 2010	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) [redacted] (501(c)(3) applicant), (2) [redacted] (501(c)(4) applicant), (3) [redacted] (501(c)(3) applicant) **TIN/EIN:** [redacted] **POA:** [redacted]	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: EO RA **POD:** Washington, D.C.	☐ **INITIAL REPORT** ☐ **FOLLOW-UP REPORT** ☐ **FINAL REPORT**

SENSITIVE CASE CRITERIA:

- ☒ Likely to attract media or Congressional attention
- ☐ Unique or novel issue
- ☐ Affects large number of taxpayers
- ☐ Potentially involves large dollars ($10M or greater)
- ☐ Other (explain in Case Summary)

FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:

The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:

Organization (1) – [redacted]
Organization (2) – [redacted]
Organization (3) – [redacted]
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) [redacted] Organization 3 [redacted] Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** January 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

TEGE Division Sensitive Case Report

(revised January 2007)

SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: January 24, 2011	

Please note: This Word document is protected to enable the drop-down, text and check boxes. The cells will expand to accommodate text.

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (2) (b)(3)/6103 (b)(... (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) **TIN/EIN:** (b)(3)/6103; non-responsive **POA:** (b)(3)/6...	**TAX PERIODS:** 2009 and forward **EARLIEST STATUTE DATE:**
FUNCTION REPORTING: **POD:** Washington, D.C.	**INITIAL REPORT** **X FOLLOW-UP REPORT** **FINAL REPORT**
SENSITIVE CASE CRITERIA: Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers Potentially involves large dollars ($10M or greater) Other (explain in Case Summary)	
FORM TYPE(S): (1) Form 1023. (2) Form 1024	**START DATE:** 04/02/2010
POTENTIAL DOLLARS INVOLVED (IF > $10M) : Unknown	**CRIMINAL REFERRAL?** Unknown **IF YES, WHEN?** **Freeze Code TC 914 (Yes or No)**

CASE OR ISSUE SUMMARY:
The various "tea party" organizations are separately organized, but appear to be a part of a national political movement that may be involved in political activities. The "tea party" organizations are being followed closely in national newspapers (such as The Washington Post) almost on a regular basis. Cincinnati is holding three applications from organizations which have applied for recognition of exemption under section 501(c)(3) of the Code as educational organizations and approximately twenty-two applications from organizations which have applied for recognition of exemption under section 501c)(4) as social welfare organizations. Two organizations that we believe may be "tea party" organizations already have been recognized as exempt under section 501(c)(4). EOT has not seen the case files, but are requesting copies of them. The issue is whether these organizations are involved in campaign intervention or, alternatively, in nonexempt political activity.

CURRENT SIGNIFICANT ACTIONS ON CASE:
Organization (1) – (b)(3)/6103; non-responsive
Organization (2) – (b)(3)/6103; non-responsive
Organization (3) – (b)(3)/6103; non-responsive
Coordination between HQ and Cincinnati is continuing regarding information letters to applicants for exemption under 501(c)(3) and 501(c)(4).

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2) (b)(3)/6103; non-responsive (b)(3)/6103; non-re... Organization 3 (b)(3)/6103; non-responsive Continue coordinated review of applications in EO Determinations.	**ESTIMATED CLOSURE DATE:** March 31 , 2011

BARRIERS TO RESOLUTION, IF ANY:

Concerns whether the organizations are involved in political activities.	
SUBMITTED BY: Carter C. Hull, SE:T:EO:RA:T:2	**MANAGER:** RONALD SHOEMAKER, SE:T:EO:RA:T:2
DATE: March 21, 2011	

From: Giuliano Matthew L
Sent: Monday, June 25, 2012 12:55 PM
To: Paz Holly O
Cc: Light Sharon P
Subject: RE: draft email re: advocacy case issues

Looks good. Just a couple comments:

In 2, second paragraph, I prefer the option where we just obsolete the first letter, and if there are any questions from it that still need to be answered, we re-ask them in the second letter, along with any additional information requests (i.e., just using the first paragraph).

non-responsive

From: Paz Holly O
Sent: Monday, June 25, 2012 1:42 PM
To: Light Sharon P; Giuliano Matthew L
Subject: draft email re: advocacy case issues

I want to provide some clarification as to certain scenarios that have arisen as folks work the bucket 1 and bucket 2 advocacy cases.

1. Donor names - If we asked an org for donor names and the org provided them, we need to expunge that info from the file and send the applicant a letter to that effect (template letter previously provided). If we asked for the names but the org did not provide them, no need to send the letter re: expunging the file; the favorable can be issued (bucket 1) or a development letter can be sent (bucket 2).

2. Outstanding development letter - (a) If the org was previously sent a development letter and (b) has not yet responded and (c) we are sending a new development letter, we need to call the org before sending the new development letter to explain that we have just completed another review of the file and all we need is x,y, z to be described in letter and they should disregard the old letter (see script previously provided). The new development letter should contain some language to that effect:

> e.g., Please note that we have just completed another review of your request to be recognized as tax-exempt under section 501(c)(4) of the Internal Revenue Code. Based on that review, we concluded that we do not need all of the additional materials previously requested. The information we need is as follows :
>
> or:
>
> Please note that we have just completed another review of your request to be recognized as tax-exempt under section 501(c)(4) of the Internal Revenue Code. Based on that review, we concluded that we do not need all of the additional materials previously requested. We need items #2 and #4 of the letter to you dated February 10, 2012 as well as the following:

non-responsive

4. As we discussed in the training and bucketing, there is no need to engage in extensive development regarding each and every activity that may constitute political campaign intervention. The key question is whether, if those activities were political intervention, does the applicant have sufficient social welfare activity to meet the primary test.

From: Light Sharon P
Sent: Wednesday, June 27, 2012 10:02 PM
To: Paz Holly O
Subject: Re: clarification of various issues regarding advocacy case processing

I think bucket 2 is right. There is more variability in bucket 3 cases. Better not to include those.

Sent using BlackBerry

From: Paz Holly O
Sent: Wednesday, June 27, 2012 10:56 PM
To: Light Sharon P
Subject: FW: clarification of various issues regarding advocacy case processing

How's this on the don't do more research on bucket 2 point:

In the process of bucketing the cases, the bucketers looked at applicants' websites and other publicly available information on the applicants. As this research was conducted just a few weeks ago, there is no need for the individuals drafting development letters to organizations in bucket 2 to conduct additional research.

Should I say bucket 2 and 3? When I discussed with the DC folks, we understood why people might do it for bucket 3 since the bucketers only outlined areas of development not specific questions.

From: Thomas Cindy M
Sent: Wednesday, June 27, 2012 5:31 PM
To: Paz Holly O
Cc: Light Sharon P
Subject: FW: clarification of various issues regarding advocacy case processing
Importance: High

Holly,

I made a couple of changes to the email below. I also recommend that the attached documents be included with the email so that readers have all information in one place.

Question: Don't you want to say something about the bucket 2 cases not needing to be researched since research was already completed? I think that would be good.

From: Paz Holly O
Sent: Wednesday, June 27, 2012 4:35 PM
To: Thomas Cindy M
Cc: Light Sharon P
Subject: clarification of various issues regarding advocacy case processing
Importance: High

Cindy, below is the draft email I mentioned designed to clarify various issues that have arisen regarding the advocacy cases the last few weeks. Please let me know if this makes sense to you. If

it does, please forward it to your people working the advocacy cases. Once you are comfortable with the email, I will send an identical one to the DC people involved in the cases and to Quality. Thanks!

I want to provide some clarification as to certain scenarios that have arisen as folks work the bucket 1 and bucket 2 advocacy cases.

1. Donor names - If we asked an org for donor names and the org provided them, we need to expunge that info from the file and send the applicant a letter to that effect (refer to Attachment 1). If we asked for the names but the org did not provide them, no need to send the letter re: expunging the file; the favorable can be issued (bucket 1) or a development letter can be sent (bucket 2).

2. Outstanding development letter - (a) If the org was previously sent a development letter and (b) has not yet responded and (c) we are sending a new development letter, we need to call the org before sending the new development letter to explain that we have just completed another review of the file and all we need is x,y, z to be described in letter and they should disregard the old letter (refer to Attachment 2 and modify accordingly). The new development letter should contain some language to that effect:

> e.g., Please note that we have just completed another review of your request to be recognized as tax-exempt under section 501(c)(4) of the Internal Revenue Code. Based on that review, we concluded that we do not need all of the additional material previously requested. The information we need is as follows :

non-responsive

4. As we discussed in the training and bucketing, there is no need to engage in extensive development regarding each and every activity that may constitute political campaign intervention. The key question is, if those activities were political intervention, does the applicant have sufficient social welfare activity to meet the primary test.

Recent section 501(c)(4) activity

Legal requirements:

- The law allows section 501(c)(4) organizations to hold themselves out as tax-exempt or to apply for IRS recognition as tax-exempt.
- All section 501(c)(4) organizations must file Form 990 annual information returns.
- To qualify under section 501(c)(4),,organizations must be primarily engaged in the promotion of social welfare, not organized or operated for profit, and the net earnings of which do not inure to the benefit of any private shareholder or individual.
- The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office.
- The regulations do not impose a complete ban on political activity by section 501(c)(4) organizations. A section 501(c)(4) social welfare organization can engage in some political activities as long as it is primarily engaged in activities that promote social welfare. Whether an organization meets the requirements of section 501(c)(4) depends upon all of the facts and circumstances of the particular applicant, and no one factor is determinative.

Background:

- Starting in 2010, EO observed an increase in the number of section 501(c)(3) and section 501(c)(4) determination applications from organizations that appeared to be potentially engaged in political advocacy activities [EO, do we have any data here?]
- EO took steps to coordinate the handling of the cases to ensure consistency. As sometimes happens, however, coordination efforts resulted in some cases being in inventory for a longer time than expected.
- In early 2012, after development letters were sent to some applicant organizations, issues with respect to these cases were brought to the attention of EO management, who requested a status of the inventory.
- After receiving the inventory status, EO management determined that a more refined approach was warranted to ensure more timely and consistent handling of the cases. EO management put together a team of highly experienced technical experts to work with the revenue agents in Cincinnati handling the cases.
- EO now has a process where the revenue agents have direct, real-time access

to technical experts. On section 501(c)(3) and section 501(c)(4) cases where there appears to be potential political intervention, EO staff processing applications consult with tax law specialists on a real-time basis as to whether the facts raise issues of significant potential political intervention, and as to what information is needed to fully develop those issues.

- We have made significant progress on these cases to date.
  - XX total advocacy cases [282]
    - XX (c)(3) cases [83]
    - XX (c)(4) cases [199]
  - More than 50 approvals have been granted to date [XX c3s and XX c4s]
  - Is it correct that there have not been any denials yet? What about the 6103 cases?
  - For many cases updated information requests have been sent to focus on the specific legal issues in question. We are in process of an active back and forth with organizations in those cases where there are questions as to whether the legal requirements for tax exemption are satisfied.

Disclosure of donor names:

- There are instances in which donor names are relevant in the course of the determination process. There is no legal basis for redacting such names from the application file.
- We informed organizations that if they could provide information requested in an alternative manner, they should contact their agent and we would work with them.
- EO Determination staff did ask for donor names in some cases that had applied for c4 status. For cases in which the donor names were not necessary and were not used in making the determination, information was returned to the organizations.
- Do we have a sense of numbers here?

EO Workplan

- Includes two separate projects that could be relevant here (exact language pasted below)

- 501(c)(4), (5) and (6) self-declarers - These groups – social welfare organizations; labor, agricultural and horticultural groups; and business leagues, such as a chamber of commerce – can declare themselves tax-exempt without seeking a determination from the IRS. EO will review organizations to ensure that they have classified themselves correctly and that they are complying with applicable rules. In FY 2012, EO will send a comprehensive questionnaire to organizations based on Form 990 filings to assess compliance in this area.
- Political activity - As in any election year, EO will continue its work to enforce the rules relating to political campaigns and campaign expenditures. In FY 2012, EO will combine what it has learned from past projects on political activities with new information gleaned from the redesigned Form 990 to focus its examination resources on serious allegations of impermissible political intervention. As in the past, information from outside sources about political campaign intervention will be reviewed by a committee of career civil servants. In addition, other potential violations identified through risk modeling of Form 990 data also will be sent to the committee for evaluation. The committee will focus on identifying the cases to refer for examination. EO will further refine its risk models based on the results of examinations. EO will also ensure reporting and payment compliance with section 527(f).

Other issues:

- Response times -- Normal timeline for responding to requests for additional information per IRM is 21 days. We have provided all organizations more time to respond and told them to contact us if they needed additional time.

- TIGTA – looking at consistency in identifying and reviewing applications for tax-exempt status involving political advocacy issues - opening letter June 22, 2012

- BOLO – procedures modified May 17, 2012 to require all changes to receive approval up to level of the Director, EO Determinations.

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- EO now has a process where each revenue agent assigned these cases works

in coordination with a specific technical expert assigned to assist the agent. On section 501(c)(3) and section 501(c)(4) cases where there appears to be potential political intervention, the EO staff member processing the application consults with his or her assigned technical expert on a real-time basis as to whether the facts raise issues of significant potential political intervention, and as to what information is needed to fully develop those issues.

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    - 83 (c)(3) cases
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- We have made significant progress on these cases to date.
  - 320 total advocacy cases
    - 97 (c)(3) cases
    - 223 (c)(4) cases
  - More than 55 approvals have been granted to date [7 c3s and 51 c4s + 15 withdrawals]
  - Is it correct that there have not been any denials yet? What about the 6103 cases?
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    - 223 (c)(4) cases
  - More than 55 approvals have been granted to date [7 c3s and 51 c4s + 15 withdrawals]
  - Is it correct that there have not been any denials yet? What about the [redacted] 6103 cases?
  - For many cases updated information requests have been sent to focus on the specific legal issues in question. We are in process of an active back and forth with organizations in those cases where there are questions as to whether the legal requirements for tax exemption are satisfied.

Disclosure of donor names:

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Recent section 501(c)(4) activity
Draft 7-17-12

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Background:

- Starting in 2010, EO observed an increase in the number of section 501(c)(3) and section 501(c)(4) determination applications from organizations that appeared to be potentially engaged in political advocacy activities

Increase in section 501c4 applications
2008 - 1410
2009 - 1571
2010 - 1591
2011 - 2242
2012 - 1715 (through April 1, 2012)

- EO took steps to coordinate the handling of the cases to ensure consistency. As sometimes happens, however, coordination efforts resulted in some cases being in inventory for a longer time than expected.
- In early 2012, after development letters were sent to some applicant organizations, issues with respect to these cases were brought to the attention of EO management, who requested a status of the inventory.

- After receiving the inventory status, EO management determined that a more refined approach was warranted to ensure more timely and consistent handling of the cases. EO management put together a team of highly experienced technical experts to work with the revenue agents in Cincinnati handling the cases.

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        - **223 (c)(4) cases**
    - More than 55 approvals have been granted to date [7 c3s and **51 c4s** + 15 withdrawals]
    - There have been no denials at this time. (Emerge cases were worked in 2008. Recent activity was revoking the 5 organizations that were wrongly approved.)
    - For many cases updated information requests have been sent to focus on the specific legal issues in question. We are in process of an active back and forth with organizations in those cases where there are questions as to whether the legal requirements for tax exemption are satisfied.

Disclosure of donor names:

- There are instances in which donor names are relevant in the course of the determination process. There is no legal basis for redacting such names from the application file if the information is used in making the determination on the application.

- We informed organizations that if they could provide information requested in an alternative manner, they should contact their agent and we would work with them.

- EO Determinations staff did ask for donor names from some applicants for c4 status. In cases in which the donor names were not used in making the determination, the donor information was expunged from the file.

EO Workplan

- Includes two separate projects that could be relevant here (exact language pasted below)
  - 501(c)(4), (5) and (6) self-declarers - These groups – social welfare organizations; labor, agricultural and horticultural groups; and business leagues, such as a chamber of commerce – can declare themselves tax-exempt without seeking a determination from the IRS. EO will review organizations to ensure that they have classified themselves correctly and that they are complying with applicable rules. In FY 2012, EO will send a comprehensive questionnaire to organizations based on Form 990 filings to assess compliance in this area.
  - Political activity - As in any election year, EO will continue its work to enforce the rules relating to political campaigns and campaign expenditures. In FY 2012, EO will combine what it has learned from past projects on political activities with new information gleaned from the redesigned Form 990 to focus its examination resources on serious allegations of impermissible political intervention. As in the past, information from outside sources about political campaign intervention will be reviewed by a committee of career civil servants. In addition, other potential violations identified through risk modeling of Form 990 data also will be sent to the committee for evaluation. The committee will focus on identifying the cases to refer for examination. EO will further refine its risk models based on the results of examinations. EO will also ensure reporting and payment compliance with section 527(f).

Other issues:

- Response times -- Normal timeline for responding to requests for additional information per IRM is 21 days. We have provided all organizations more time to respond and told them to contact us if they needed additional time.

- TIGTA – looking at consistency in identifying and reviewing applications for tax-exempt status involving political advocacy issues - opening letter June 22, 2012

- BOLO – procedures modified May 17, 2012 to require all changes to receive approval up to level of the Director, EO Determinations.

(b)(3) 6103(a)

Issue Number	Issue Name	Issue Description	FOIA	Disposition	Current Status (Opened or closed)
[redacted]	[redacted]	[redacted]		[redacted]	
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]		[redacted]	[redacted]

Issue Name	Issue Description	Issue Number	Alerts (Year and number)	Disposition of Emerging Issue	Current Status (Opened or closed)
Current Political Issues	Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, $ocial economic reform / movement. **Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.**	EI-1	x	Forward case to Group 7822. Stephen Seok is the coordinator.	Open

Issue Name	Brief Issue Description	Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
Group Rulings	Cases that involve group rulings, whether parent applying for; or subordinate leaving a group ruling need to be worked in Group 7829. The only exception is cases that have been auto revoked..	5	Forward case to Group 7829	Open - 8/25/11

Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
Open Source Software	These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however; fees are charged for technical support by the for-profit.	1	x	Elevate case to your manager for contact with EO Tech- Peter Holiat	Open
Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
Fire Fighter Organizations	Fire Fighter organizations located in [redacted] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).	Open - 3/29/11

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Issue Name	Issue Description	Issue Number	Alerts (Year and number)	Disposition of Emerging Issue	Current Status (Opened or closed)
Advocacy Orgs	Organizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4).	EI-1	x	Forward case to Group 7822. Ron Bell is coordinating cases with EO Tech- Chip Hull.	Open

Issue Name	Brief Issue Description	Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
[redacted]	[redacted]	1	Forward case to Group 7829.	Open - 9/1/10
		2	Forward case to Group 7829	Open
		3	Forward case to Group 7829.	Open - 8/9/10
		4	Forward case to Group 7829	Open - 3/25/11

(b)(3) 6103(a)

Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
Open Source Software	These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however; fees are charged for technical support by the for-profit.	1	x	Elevate case to your manager for contact with EO Tech- Peter Holiat	Open
6103	6103	6103			
6103	6103	6103	6103	6103	6103
6103	6103	6103	6103	6103	6103
Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
6103	6103	6103	6103	6103	6103
6103 6103 6103	6103	6103	6103	6103	6103
Potentially Abusive Family Foundation	Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees.	8	2010- #1	Forward case to Group 7830	Open 11/23/10
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
6103	6103	6103	6103	6103	6103
6103 Fire Fighter Organizations	Fire Fighter organizations located in 6103 will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).	Open - 3/29/11
6103 6103	6103	6103	6103	6103	6103

Item Number	Image Name	Text Description	Title	Comment	Control Seals / Signature Block							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]							
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]							

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Issue Name	Brief Issue Description	Issue Number	Coordinated Actions Taken	Current Status (Opened or closed)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Group Rulings	Cases that involve group rulings, whether parent applying for; or subordinate leaving a group ruling need to be worked in Group 7829. The only exception is cases that have been auto revoked..	5	Forward case to Group 7829	Open - 8/25/11

Issue Name	Watch Issue Description	Issue Number	Alerts (Year and number)	Disposition of Watch Issue	Current Status (Opened or closed)
Open Source Software	These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however; fees are charged for technical support by the for-profit.	1	x	Elevate case to your manager for contact with EO Tech- Peter Holiat	Open
6103 successors	Local chapters of the former 6103 organization have reformed under new names and are requesting exemption under section 501(c)(3). Succession indicators include 6103 and Communities for Change in the name and/or throughout the application.	2	x	Elevate case to your manager for contact with EO Tech - Chip Hull.	Open
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Medical Marijuana	Cases involving Medical Marijuana	5	2010 - #1	Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations.	Open- 7-15-10
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]
Newspaper Entities	Newspapers requesting exemption as educational organizations.	9	2010- #1	Elevate case to your manager to forward to EO Technical.	Open 12/13/10
[redacted]		[redacted]	[redacted]	[redacted]	[redacted]
[redacted] Fire Fighter Organizations	Fire Fighter organizations located in [redacted] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project. [redacted] 6103 [redacted]	11	2011- #1	Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors). [redacted]	Open - 3/29/11 [redacted]

From: Seto Michael C
Sent: Sunday, March 27, 2011 7:16 PM
To: Lieber Theodore R
Subject: FW: Political Cases -- Status?
We will talk on Monday.

From: Seto Michael C
Sent: Sunday, March 27, 2011 7:15 PM
To: Thomas Cindy M
Cc: Paz Holly O; Neuhart Paige
Subject: RE: Political Cases -- Status?

I will get back to you on Monday or Tuesday.

From: Thomas Cindy M
Sent: Thursday, March 24, 2011 4:49 PM
To: Seto Michael C
Cc: Paz Holly O; Neuhart Paige
Subject: RE: Political Cases -- Status?

Mike,

Please provide an update on the tea party cases. Thanks.

From: Thomas Cindy M
Sent: Wednesday, March 02, 2011 1:29 PM
To: Seto Michael C
Cc: Paz Holly O; Neuhart Paige
Subject: FW: Political Cases -- Status?

Hey Mike,

Any update on the tea party cases?

From: Seto Michael C
Sent: Thursday, February 03, 2011 3:50 PM
To: Thomas Cindy M
Subject: RE: Political Cases -- Status?

Hi Cindy,

Here is the status:

The memo recommending approval of c4 is done and will be sent to Judy shortly and thereafter Counsel for review. The c3 application is still being worked on by our TLS. The timeline with the c3 application is near the end of Feb. if not sooner. I think Holly will probably talk to you about these case later.