

Mike

From: Thomas Cindy M
Sent: Friday, January 28, 2011 4:13 PM
To: Seto Michael C
Cc: Paz Holly O
Subject: FW: Political Cases -- Status?
Importance: High

Any update on the tea party cases? TAS has contacted us regarding 1 case.

From: Paz Holly O
Sent: Monday, December 13, 2010 4:54 PM
To: Thomas Cindy M
Cc: Trilli Darla J
Subject: RE: Political Cases -- Status?

We will be going to Judy shortly with the proposal to grant exemption to the c4 applicant we have here; the memo recommending approval of c4 is being finalized this week. The c3 application is not yet ready for discussion with Judy - TP's response to development letter is under review. We expect to move that to Judy sometime in January.

From: Thomas Cindy M
Sent: Monday, December 13, 2010 11:33 AM
To: Paz Holly O
Cc: Trilli Darla J
Subject: FW: Political Cases -- Status?

Holly,

Has there been any update regarding the tea party cases as far as the discussion with Judy Kindell?

From: Thomas Cindy M
Sent: Saturday, November 20, 2010 9:59 AM
To: Camarillo Sharon L; Bowling Steven F
Subject: FW: Political Cases -- Information
Importance: High

Sharon/Steve,

I had a discussion with Holly Paz on Wednesday (11/17) afternoon to again discuss the tea party cases. She advised me that we were sending applicable parts of the application package to EOT along with the additional information letter and that based on this information they are finding that not all of the tea party cases have the same issues. This is why they have not been able to prepare a template letter with additional information questions. EOT is putting together a briefing paper and going to discuss the various issues in these cases with Judy Kindell (Senior Technical Advisor to EO Director). If Judy does not believe they have a basis for denial for the egregious situations, then they will most likely recommend all cases be approved.

In the meantime, the specialist(s) need to continue working the applications as they have and will need to advise applicants that the cases are still under review. If this has not been finalized by 12/13/2010, please follow up with me and I will ask for a status report from Holly. Also, if we are not sending applicable parts of the application package to EOT and are just sending the additional information letter, I need to know so that I can get back with Holly to find out what basis they are using to determine cases are different.

If you have questions/concerns regarding this, please let me know. Thanks.

From: Thomas Cindy M
Sent: Tuesday, October 26, 2010 3:57 PM
To: Paz Holly O
Subject: Political Cases -- Need to Discuss
Importance: High

Holly,

This is a follow up to my voice message. I have a concern with the approach being used to develop the tea party cases we have here in Cincinnati. Apparently, an additional information letter is prepared for each case and the letter is faxed to Chip Hull for him to review. After he reviews, we send out the letter. In some instances, the organizations have responded and we are just "sitting" on these cases. Personally, I don't know why Chip needs to look at each and every additional information letter. It seems to me that if he reviewed a template letter and approved it, we should be good to go. Then, when we get responses, we need to coordinate these cases as a group and not try to work them one by one. Right now, I believe we have approximately 45 or more of these cases.

Should these cases be transferred to EOT? If not, could we schedule some time to discuss the approach that is being used and come up with a process so we can get these cases moving? Thanks.

From: Paz Holly O
Sent: Thursday, April 07, 2011 10:33 AM
To: Seto Michael C
Subject: FW: sensitive (c)(3) and (c)(4) applications
FYI

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 Kastenbergs 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: Kastenberg Elizabeth C
Sent: Friday, April 01, 2011 10:17 AM
To: Shoemaker Ronald J; Hull Carter C; Seto Michael C
Subject: RE: Cases

As mentioned below, I have asked Judy to reschedule the meeting and to review the apps/files as soon as possible.

From: Shoemaker Ronald J
Sent: Friday, April 01, 2011 9:48 AM
To: Kastenberg Elizabeth C; Hull Carter C; Seto Michael C
Subject: RE: Cases

At the meeting with Holly yesterday she asked if we could get this to Judy within two weeks. The problem is that Cincinnati has OARs on the cases being held in Cincinnati - - so there is a need to resolve this as quickly as we can.

Thanks.

From: Kastenberg Elizabeth C
Sent: Friday, April 01, 2011 6:51 AM
To: Hull Carter C; Seto Michael C
Cc: Shoemaker Ronald J
Subject: RE: Cases

Mike,

Chip called me about this. We scheduled a meeting with Judy, but it was for the latter half of April - give her a little time to review, etc. Anyways, I have asked her to expedite her review if possible and have requested that we move the meeting to this Wednesday, April 6.

There are general concerns on the (c)(3), but more specific concerns regarding the (c)(4) application. Using more or less long standing views on (c)(4) and political activities, this applicant would probably be okay. However, there are several recent (I'm talking about within the last 5-10 years) adverse rulings that were issued by EOT on (c)(4)s involved in political activities. These rulings take a very strict and narrow stance on what a (c)(4) can and cannot do regarding political activities. Under those rulings, the current (c)(4) applicant would not get exemption. Because I do not know if and how a more recent favorable ruling would affect PACI and/or if the prior rulings are the "new" standard to view (c)(4)s, we need to discuss this issue with Judy.

I will let you know if I am successful in moving this meeting up to meet your 2 week deadline. If you'd like to discuss in greater detail, let me know.

ECK

From: Hull Carter C
Sent: Thursday, March 31, 2011 4:19 PM
To: Seto Michael C
Cc: Shoemaker Ronald J; Kastenberg Elizabeth C
Subject:

Per your request.

Please note that the memorandum on the (c)(4) application, and the **proposed denial** to the (c)(3) organization HAVE NOT BEEN REVIEWED BEYOND GROUP 2. It is therefore doubtful that either document will remain the same through the various levels of review.

From: Lowe Justin
Sent: Thursday, May 24, 2012 9:21 AM
To: Kindell Judith E
Subject: RE:

Okay, thanks, that makes sense to me!

From: Kindell Judith E
Sent: Thursday, May 24, 2012 10:19 AM
To: Lowe Justin
Subject: RE:

Comfortable? Probably not. Accepting it? Probably, in the absence of anything indicating the forum is structured in a way indicating a bias towards the organization's policy views. In one case I looked at, they were trying to do a non-partisan candidate debate but I never got to the issue that not all candidates attended because the a number of the questions were phrased in a biased manner reflecting the orgs viewpoint. That particular org had enough other activity that did qualify for (c)(4) that I recommended approval - but I did think the candidate debates were intervention.

From: Lowe Justin
Sent: Thursday, May 24, 2012 10:01 AM
To: Kindell Judith E
Subject:

Are we comfortable that a completely nonpartisan candidate forum held by an organization with strong policy views, at which some of those policy views are discussed (among a discussion of a broad spectrum of topics), is good (c)(4) activity?

From: Kindell Judith E
Sent: Tuesday, March 13, 2012 4:06 PM
To: Lerner Lois G; Cook Janine; Paz Holly O; Fish David L; Megosh Andy; Lowe Justin; Brown Susan D; Spellmann Don R; Marshall David L
Subject: FW: voter guide draft
Attachments: Voter Guide Checksheet.doc

After sending over the earlier draft, we thought some more and are proposing restructuring so that the basic guide sheet asks whether the application indicates that the org has done or intends to do the particular activity (such as voter guides), and, if so, directs the agent to the relevant subsidiary checksheet. Here is our take on the voter guides to illustrate what we are thinking about.

From: Kindell Judith E
Sent: Tuesday, March 13, 2012 2:04 PM
To: Lowe Justin; Megosh Andy; Fish David L; Paz Holly O
Subject: voter guide draft

Attached is a draft voter guide checksheet. I basically grabbed the intro text from the 2002 CPE article and did a rough cut on dividing Counsel's questions into factors that tend to show political intervention and those that tend not to. I also added some questions from FS 2006-17 and included that reference rather than RR2007-41 since we didn't actually address voter guides in the rev rul. I'd still like to put something at the end to talk about weighing the factors, but I thought I'd run what I have by you in the meantime.

From: Lerner Lois G
Sent: Wednesday, March 14, 2012 8:45 AM
To: Spellmann Don R; Kindell Judith E; Cook Janine; Paz Holly O; Fish David L; Megosh Andy; Lowe Justin; Brown Susan D; Marshall David L
Subject: RE: voter guide draft

I looked at it last night and have comments--I'll try to meet with my guys and pass them on

Lois G. Lerner

Director of Exempt Organizations

From: Spellmann Don R [<mailto:Don.R.Spellmann@irsounsel.treas.gov>]
Sent: Tuesday, March 13, 2012 7:14 PM
To: Kindell Judith E; Lerner Lois G; Cook Janine; Paz Holly O; Fish David L; Megosh Andy; Lowe Justin; Brown Susan D; Marshall David L
Subject: RE: voter guide draft

Thank you Judy and company for the additional thoughts. We will review and discuss in anticipation of our next meeting.

Don

From: Kindell Judith E [<mailto:Judith.E.Kindell@irs.gov>]
Sent: Tuesday, March 13, 2012 5:06 PM
To: Lerner Lois G; Cook Janine; Paz Holly O; Fish David L; Megosh Andy; Lowe Justin; Brown Susan D; Spellmann Don R; Marshall David L
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From: Paz Holly O
Sent: Tuesday, March 13, 2012 3:46 PM
To: Kindell Judith E; Lowe Justin; Megosh Andy; Fish David L
Subject: RE: voter guide draft

I like this format. My only comment is that we should make it even more explicit right before the questions that they are only to ask for voter guides if the application contains some indication that the org conducts this activity.

I just got an email from Don saying they are done reviewing and ready to talk. I think we should have them look at this before we talk. Could you please send it to them unless someone else on the email has more substantial comments on this than I did?

Thanks!

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From: Paz Holly O
Sent: Tuesday, July 24, 2012 12:54 PM
To: Seidell Thomas F TIGTA; Medina Cheryl J TIGTA
Subject: FW: potential revised BOLO language

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.

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To: Marks Nancy J; Kindell Judith E; Light Sharon P; Paz Holly O; Thomas Cindy M
Subject: RE: potential revised BOLO language

Not sure we want to be in the position of having to "argue" anything. But, I can live with the below--I deleted the excess

Lois G. Lerner
Director of Exempt Organizations

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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: Paz Holly O
Sent: Tuesday, August 14, 2012 3:01 PM
To: Thomas Cindy M
Cc: Light Sharon P
Subject: RE: Advocacy Case, Bucket 3 - 6103

That sounds good. Thanks!

From: Thomas Cindy M
Sent: Tuesday, August 14, 2012 3:46 PM
To: Paz Holly O
Cc: Light Sharon P
Subject: RE: Advocacy Case, Bucket 3 - 6103

I'm fine with what you're suggesting as a general process, and believe that our folks should be elevating through our management channels questions regarding process/procedures and asking D.C. folks only questions they have pertaining to technical issues in the applications they are working.

For the specific case that Janine is working --- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] (b)(3)/6103 [REDACTED]
[REDACTED]
[REDACTED]

I can send something to the specialists working the advocacy cases, along with their manager, explaining who is responsible for what and incorporating your email below. Also, I can send a separate email to Janine and her manager regarding the specific case referenced below. If this is okay with you, let me know.

From: Paz Holly O
Sent: Tuesday, August 14, 2012 2:29 PM
To: Light Sharon P; Thomas Cindy M
Subject: RE: Advocacy Case, Bucket 3 - 6103

I don't know what's best in the specific case given the turnover. As to process, my thinking is that the Deters agent gets and reviews the response and makes a decision based on the response. If the agent feels like another development letter is warranted, they must raise that up (to Sharon and the partnered TLS I would say). I don't want folks sending a series of development letters if not absolutely necessary. If the agent feels like he or she can decide, he or she should go ahead. They can contact the partnered TLS if they have questions or would find it useful to discuss but it would not be required. What do you guys think of that?

From: Light Sharon P
Sent: Tuesday, August 14, 2012 10:54 AM
To: Paz Holly O; Thomas Cindy M
Cc: Goehausen Hilary; Kindell Judith E
Subject: RE: Advocacy Case, Bucket 3 - 6103

Holly and Cindy -- there are two issues below for you.

non-responsive

Two is the specific case described in Janine's email. Cindy --

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

From: Goehausen Hilary

Sent: Tuesday, August 14, 2012 9:59 AM

To: Kindell Judith E; Light Sharon P

Subject: FW: Advocacy Case, Bucket 3 - 6103

Hi,

Janine has asked my input on next steps in the case below. Her manager suggested she follow up with me as to how to proceed, but I'm wondering

nonresponsive

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: Estes Janine L

Sent: Friday, August 10, 2012 3:53 PM

To: Goehausen Hilary

Subject: Advocacy Case, Bucket 3 - 6103

I'm unsure how to proceed with the application for

nonresponsive and (b)(3)/6103

nonresponsive and (b)(3)/6103

Janine L. Estes

**Exempt Organizations,
Determinations, Group 7829**

(b)(6) and (b)(7)(C)

From: Flax Nikole C
Sent: Wednesday, August 22, 2012 7:33 AM
To: Paz Holly O
Subject: TIGTA

From: Lerner Lois G
Sent: Tuesday, May 22, 2012 6:54 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.

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To: Lerner Lois G; Marks Nancy J; Kindell Judith E; Light Sharon P; Thomas Cindy M
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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) <i>non-responsive; (b)(3)/6103</i> (501(c)(3) applicant), (2) <i>(b)(3)/6103</i> <i>(b)(3)...</i> (501(c)(4) applicant), (3) <i>non-responsive; (b)(3)/6103</i> (501(c)(3) applicant) TIN/EIN: <i>non-responsive; (b)(3)/6103</i> POA: <i>non-res...</i>	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 <i>non-responsive; (b)(3)/6103</i> . 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) – <i>non-responsive; (b)(3)/6103</i> . Organization (2) – Met with Chief Council on August 10, 2011 to discuss further development. <i>non-responsive; (b)(3)/6103</i> . Organization (3) – <i>non-responsive; (b)(3)/6103</i> . 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): <i>non-responsive; (b)(3)/6103</i> <i>non-responsive; (b)(3)/6103</i> <i>non-responsive; (b)(3)/6103</i> <i>non-responsive</i>	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 (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 (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	

<div style="background-color: black; color: white; text-align: center; padding: 2px;">non-responsive</div>	
<div style="background-color: black; height: 15px; width: 100%;"></div>	
<div style="background-color: black; color: white; text-align: center; padding: 2px;">non-responsive</div>	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): <div style="background-color: black; color: white; padding: 2px;">(b)(3)/6103; non-responsive</div> <div style="background-color: black; color: white; padding: 2px;">(b)(3)/6103; non-responsive</div> <div style="background-color: black; color: white; padding: 2px;">(b)(3)/6103; non-responsive</div> <div style="background-color: black; color: white; padding: 2px;">non-responsive</div>	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 (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	

<div>(b)(3)/6103; non-responsive</div>	
<div>non-responsive</div>	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): <div>(b)(3)\6103; non-responsive</div> <div>(b)(3)\6103; non-responsive</div> <div>(b)(3)\6103; non-responsive</div>	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	

DATE RECD	TAXPAYER NAME	CONTROL NO	TLS	STATUS CODE
WORK CODE: 21				
04/04/2012	Advocacy Organization Sample Development Letter	243794	Goehausen	03
TOTAL 21 CASES: 1				
TOTAL CASES: 1				

CASE NAME: (1) (b)(3)/6103; non-responsive (501(c)(3) applicant), (b)(3)/6103; non-re... (2) (b)(3)/6103 (501(c)(4) applicant) (b)(3)/6... (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) (b)(3)/6103; non-re... 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) – (b)(3)/6103 501(c)(4) -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) [REDACTED] (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.

[REDACTED]
(b)(3)/6103; non-responsive

[REDACTED]
(b)(3)/6103; non-responsive

EOT is working 9 other advocacy application cases in the office.

SIGNIFICANT NEXT STEPS, IF ANY:

Organization (2): [REDACTED] (b)(3)/6103 –
501(c)(4) - [REDACTED] (b)(3)/6103; non-responsive
[REDACTED] (b)(3)/6103; non-responsive
[REDACTED]

ESTIMATED CLOSURE DATE:

July 31, 2012

BARRIERS TO RESOLUTION, IF ANY:

Concerns are whether the organizations are involved in political activities and substantial private benefit.

SUBMITTED BY: Hilary Goehausen,
SE:T:EO:RA:T:1

MANAGER: STEVEN GRODNITZKY, SE:T:EO:RA:T:1

DATE: June 28, 2012

CASE NAME: (1) (b)(3)/6103 and non-responsive (501(c)(3) applicant), (b)(3)/6103 and non-... (2) (b)(3)/6103 (501(c)(4) applicant) (b)(3)/610... (3) (b)(3)/6103 and non-respo... (501(c)(3) applicant) (b)(3)/6103 and non-... TIN/EIN: (b)(3)/6103 and 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 and non-responsive (b)(3)/6103 and non-responsive Organization (2) – (b)(3)/6103 501(c)(4) -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 and non-responsive (b)(3)/6103 and non-responsive (b)(3)/6103 and non-responsive (b)(3)/6103 and non-responsive	

Organization (3) [REDACTED] (b)(3)/6103 and 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.

[REDACTED]
[REDACTED] (b)(3)/6103 and non-responsive [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] (b)(3)/6103 and non-responsive [REDACTED]
[REDACTED]

EOT is working 9 other advocacy application cases in the office.

SIGNIFICANT NEXT STEPS, IF ANY:

Organization (2): [REDACTED] (b)(3)/6103 –
501(c)(4) - [REDACTED] (b)(3)/6103 and non-responsive
[REDACTED] (b)(3)/6103 and non-responsive
[REDACTED]

ESTIMATED CLOSURE DATE:

July 31, 2012

BARRIERS TO RESOLUTION, IF ANY:

Concerns are whether the organizations are involved in political activities and substantial private benefit.

SUBMITTED BY: Hilary Goehausen,
SE:T:EO:RA:T:1

MANAGER: STEVEN GRODNITZKY, SE:T:EO:RA:T:1

DATE: June 28, 2012

Obtained by Judicial Watch, Inc. via FOIA
TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: [REDACTED] 6103	TAX PERIODS: 2004 to Current
TIN/EIN: 6103	EARLIEST STATUTE DATE:
POA: [REDACTED] 6103	
FUNCTION REPORTING: EO RA	<input type="checkbox"/> INITIAL REPORT
POD: Washington, DC	<input checked="" type="checkbox"/> FOLLOW-UP REPORT
	<input type="checkbox"/> FINAL REPORT
SENSITIVE CASE CRITERIA:	
<input checked="" type="checkbox"/> Likely to attract media or Congressional attention	<input checked="" type="checkbox"/> Potentially involves large dollars (\$10M or greater)
<input checked="" type="checkbox"/> Unique or novel issue	<input type="checkbox"/> Other (explain in Case Summary)
<input checked="" type="checkbox"/> Affects large number of taxpayers	
FORM TYPE(S): 1024	START DATE: 1024 filed in Cincinnati on [REDACTED] 6103 1024 received in EO Technical on 11/9/06
POTENTIAL DOLLARS INVOLVED (IF > \$10M) :	CRIMINAL REFERRAL? [REDACTED] 6103 IF YES, WHEN? Freeze Code TC 914 (Yes or No)
[REDACTED] (b)(3)/6103	
[REDACTED] (b)(3)/6103	
CURRENT SIGNIFICANT ACTIONS ON CASE: [REDACTED] (b)(3)/6103	
SIGNIFICANT NEXT STEPS, IF ANY: Await the GLAM.	ESTIMATED CLOSURE DATE: December 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Litigation hazard issue noted above. [REDACTED] (b)(3)/6103	
SUBMITTED BY: Justin Lowe	MANAGER: ANDY MEGOSH
DATE: September 24, 2012	

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

JW1559-042988

Obtained by Judicial Watch, Inc. via FOIA
TEGE Division Sensitive Case Report
(revised January 2007)

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

JW1559-042989

CASE NAME: A. Cases Pending in EOT: (1) (b)(3)/6103; non-responsive (501)(c)(3) applicant), (b)(3)/6103; non-res... (2) (b)(3)/6103 (501)(c)(4) applicant) (EIN: (b)(3)/6103) (b)(3)/6... (3) (b)(3)/6103; non-responsive (501)(c)(3) applicant) (b)(3)/6103; non-r... B. TAS Pending in EOT: (4) (b)(3)/6103; non-responsive — (b)(3)/6103; non-respon... (5) (b)(3)/6103; non-responsive TIN/EIN: POA: (b)(3)/6103; no...	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 and have also become the subject of congressional inquiries. 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:

A. Applications Pending in EO Technical:

(1) [REDACTED] (b)(3)/6103; non-responsive

(2) (b)(3)/6103 501(c)(4) – [REDACTED] (b)(3)/6103; non-responsive

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

(3) [REDACTED] (b)(3)/6103; non-responsive

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants seeking 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 continues to assist EOD with development of these cases.

B. Technical Assistance Requests (TA) from EO Determinations Pending in EO Technical– See the following two cases below – (b)(3)/6103; non-responsive, and (b)(3)/6103; non-responsive

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

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

(5) [REDACTED] (b)(3)/6103; non-responsive

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

- [REDACTED] non-responsive

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): (b)(3)/6103; non-responsive – (b)(3)/6103; non-responsive Organization (5): (b)(3)/6103; non-responsive – 501(c)(3) - (b)(3)/6103; non-responsive –	ESTIMATED CLOSURE DATE: December 31, 2012
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are primarily involved in political activities and whether substantial private benefit exists.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	MANAGER: STEVE GRODNITZKY, SE:T:EO:RA:T:2
DATE: December 13, 2012	

CASE NAME: A. Cases Pending in EOT: (1) (b)(3)/6103; non-responsive (501)(c)(3) applicant), (b)(3)/6103; non-re... (2) (b)(3)/6103 (501)(c)(4) applicant) (EIN: (b)(3)/6103 (3) (b)(3)/6103; non-responsive (501)(c)(3) applicant) (b)(3)/6103; non-re... B. TAS Pending in EOT: (4) (b)(3)/6103; non-responsive (5) (b)(3)/6103; non-responsive TIN/EIN: POA: (b)(3)/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: 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 and have also become the subject of congressional inquiries. 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.	

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): (b)(3)/6103; non-responsive (b)(3)/6103; non-responsive Organization (5): (b)(3)/6103; non-responsive — 501(c)(3) (b)(3)/6103; non-responsive .	ESTIMATED CLOSURE DATE: May 31, 2013
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are primarily involved in political activities and whether substantial private benefit exists.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	MANAGER: STEVE GRODNITZKY, SE:T:EO:RA:T:2
DATE: January 22, 2013	

CASE NAME: A. Cases Pending in EOT: (1) [REDACTED] (b)(3)/6103; non-responsive (2) [REDACTED] (b)(3)/6103 (3) [REDACTED] (b)(3)/6103; non-responsive B. TAs Pending in EOT: (4) [REDACTED] (b)(3)/6103; non-responsive (5) [REDACTED] (b)(3)/6103; non-responsive TIN/EIN: 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 and have also become the subject of congressional inquiries. 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:

A. Applications Pending in EO Technical:

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

(2) (b)(3)\6103

(b)(3)\6103

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

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

Coordination between HQ and Cincinnati is continuing regarding information letters to applicants seeking 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 continues to assist EOD with development of these cases.

B. Technical Assistance Requests (TA) from EO Determinations Pending in EO Technical– See the following two cases below – (b)(3)/6103; non-responsive and (b)(3)/6103; non-responsive

(4) (b)(3)\6103; non-responsive

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

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

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

• non-responsive

SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): (b)(3)\6103 Organization (5): (b)(3)\6103 501(c)(3) - (b)(3)\6103	ESTIMATED CLOSURE DATE: May 31, 2013
BARRIERS TO RESOLUTION, IF ANY: Concerns are whether the organizations are primarily involved in political activities and whether substantial private benefit exists.	
SUBMITTED BY: Hilary Goehausen, SE:T:EO:RA:T:1	MANAGER: PETER HOLIAT,
DATE: February 19, 2013	

CASE NAME: (1) (b)(3)\6103 (501(c)(3) applicant), (2) (b)(3)\6103 (501(c)(4) applicant), (3) (b)(3)\6103 (501(c)(3) applicant) TIN/EIN: (b)(3)\6103 and (b)(3)\6103 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 <i>non-responsive</i> 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 (b)(3)\6103 <i>non-responsive</i> Organization (3) – (b)(3)\6103 <i>non-responsive</i> 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. [REDACTED]	
[REDACTED] <i>non-responsive</i>	
[REDACTED] <i>non-responsive</i>	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): [REDACTED] [REDACTED] <i>non-responsive</i>	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 23, 2012	

CASE NAME: (1) [REDACTED] (501(c)(3) applicant) (2) [REDACTED] (501(c)(4) applicant) (3) [REDACTED] (501(c)(3) applicant) TIN/EIN: 6103 and 6103 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: 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) – [REDACTED] 6103(a); 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. [REDACTED] [REDACTED] (b)(3) 6103(a) Organization (3) – [REDACTED] 6103(a); 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. [REDACTED]

(b)(3) 6103(a)

EOT is working 7 other advocacy cases in the office.

SIGNIFICANT NEXT STEPS, IF ANY:

Organization (2): [REDACTED] (b)(3) 6103(a)
[REDACTED] (b)(3) 6103(a) 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 23, 2012

From: Shoemaker Ronald J
Sent: Wednesday, January 19, 2011 9:27 AM
To: Buller Siri
Subject: FW: C 4 question
Attachments: c4.pdf; (b)(3)/6103.doc

Siri, could you take this question? Steve has approved your assistance on this.

From: Elliot-Moore Donna
Sent: Wednesday, January 19, 2011 8:38 AM
To: Shoemaker Ronald J
Cc: Farr Teresa
Subject: FW: C 4 question

Ron:

Section 501(c)(4) applications are handled in your group. Would you or someone in your group help Ms. Farr with her questions?

Thanks,

Donna E. Moore
Tax Law Specialist
Rulings and Agreements
Technical Group 3
Phone 202-283-9478
Fax 202-283-9462

From: Farr Teresa
Sent: Wednesday, January 19, 2011 8:34 AM
To: Elliot-Moore Donna
Subject: C 4 question

Donna:

The attached is the page 2 of form 1024 and the first page of the organization's website.. I am concerned about the solicitation of contributions for its PAC on its website and the narrative on Twitter appears be more of a personal opinion rather than factual. I have not sent my 1312 letter yet and wanted your opinion before I do so.

There is a similar named organization (b)(3)/6103 that also comes up when you google my applicant's name. That site and (b)(3)/6103 are inflammatory. The twitter addresses of the two entities are similar.

Other than requesting their method of operations, should I be addressing the PAC issue?

Thanks,
Teresa

Obtained by Judicial Watch, Inc. via FOIA
TEGE Division Sensitive Case Report
(revised January 2007)

CASE NAME: (1) NR; (b)(3)/6103 (501(c)(3) applicant), (2) (b)(3)/6103 (b)(3)... (501(c)(4) applicant), (3) NR; (b)(3)/6103 (501(c)(3) applicant) TIN/EIN: NR; (b)(3)/6103 POA: NR; (b)...	TAX PERIODS: 2009 and forward EARLIEST STATUTE DATE:
FUNCTION REPORTING: EO RA POD: Washington, D.C.	<input type="checkbox"/> INITIAL REPORT <input checked="" type="checkbox"/> FOLLOW-UP REPORT <input type="checkbox"/> FINAL REPORT
SENSITIVE CASE CRITERIA: <input checked="" type="checkbox"/> Likely to attract media or Congressional attention <input type="checkbox"/> Unique or novel issue <input type="checkbox"/> Affects large number of taxpayers <input type="checkbox"/> Potentially involves large dollars (\$10M or greater) <input type="checkbox"/> 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 501(c)(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) – NR; (b)(3)/6103 Organization (2) – NR; (b)(3)/6103 Organization (3) – NR; (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: NR; (b)(3)/6103 NR; (b)(3)/6103 NR	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.

JW1559-043005

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.

JW1559-043006

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 501(c)(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: Issue development letters before end of April. [REDACTED] NR NR	ESTIMATED CLOSURE DATE: 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) NR; 6103 , LLC (501(c)(3) applicant), (2) 6103 6103 (501(c)(4) applicant), (3) NR; 6103 (501(c)(3) applicant) TIN/EIN: NR; 6103 POA: 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: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Likely to attract media or Congressional attention Unique or novel issue Affects large number of taxpayers </div> <div style="width: 45%;"> Potentially involves large dollars (\$10M or greater) Other (explain in Case Summary) </div> </div>	
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 501(c)(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) – NR; 6103 Organization (2) – case returned to EOT for additional information; preparing another development letter. Organization (3) – NR; 6103 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: Organization (3) [REDACTED] NR; 6103 [REDACTED] NR; 6103 [REDACTED] NR [REDACTED] NR [REDACTED]	ESTIMATED CLOSURE DATE: 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)/6103; non-responsive (501(c)(4) applicant), (3) (b)(3)/6103; non-responsive (501(c)(3) applicant) TIN/EIN: (b)(3)/6103; non-responsive POA: (b)(3)/6103; non-responsive	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 "political 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 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: Organization (1) – (b)(3)/6103; non-responsive. Organization (2) – Met with Chief Counsel on August 10, 2011, to discuss further development of the 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: Organization (3) (b)(3)\6103; non-responsive (b)(3)\6103; non-responsive non-responsive non-responsive [REDACTED]	ESTIMATED CLOSURE DATE: 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: 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 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). 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: Organization (3) (b)(3)/6103; non-responsive (b)(3)/6103; non-responsive non-responsive non-responsive [REDACTED]	ESTIMATED CLOSURE DATE: 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	

continue to assist EOD with development of these cases.	
SIGNIFICANT NEXT STEPS, IF ANY: Organization (2): <i>non-responsive; (b)(3)/6103</i> <i>non-responsive; (b)(3)/6103</i> <i>non-responsive; (b)(3)/6103</i> <i>non-responsive</i>	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), (b)(3)\6103; non-res... (2) (b)(3)/6103 (501(c)(4) applicant) (b)(3)\61... (3) (b)(3)\6103; non-responsive (501(c)(3) applicant) (b)(3)\6103; non-re... 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) – (b)(3)/6103 501(c)(4) -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) [REDACTED] (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.

[REDACTED]
(b)(3)/6103; non-responsive

[REDACTED]
(b)(3)/6103; non-responsive

[REDACTED] non-responsive

SIGNIFICANT NEXT STEPS, IF ANY:

Organization (2): [REDACTED] (b)(3)/6103 –
501(c)(4) - [REDACTED] (b)(3)/6103; non-responsive
[REDACTED] (b)(3)/6103; non-responsive
[REDACTED]

ESTIMATED CLOSURE DATE:

July 31, 2012

BARRIERS TO RESOLUTION, IF ANY:

Concerns are whether the organizations are involved in political activities and substantial private benefit.

SUBMITTED BY: Hilary Goehausen,
SE:T:EO:RA:T:1

MANAGER: STEVEN GRODNITZKY, SE:T:EO:RA:T:1

DATE: May 20, 2012

- 1) In your Form 1023 application, you provided the fliers of two types of activities (Constitution education and essay project and workshops on the Constitution). Provide the following information for all the events you have held from inception to the present:
- a) The time, location, and content schedule of each event
 - b) A copy of the handouts you provided to the audience
 - c) Identify the education and workshop materials that instructors used
 - d) The names and credentials of the instructors
 - e) If speeches or forums were conducted in the event, provide detailed contents of the speeches or forums, names of the speakers or panels, and their credentials. If any speakers or panel members were paid, provide the amount paid for each person. If not, please indicate that they volunteered to conduct the event.
 - f) The names of persons from your organization and the amount of time they spent on the event. Indicate the name and amount of time they spent on the event. Indicate the name and amount of compensation that was paid to each person. If no one was paid, indicate this event was conducted by volunteers to each person.
 - g) Indicate the percentage of time and resources you spent on these activities in relation to 100% of all your activities.

Note: You do not need to submit any materials that you already provided with your Form 1023 application. See the attached. They are the ones you already submitted.

- 2) Provide the following information for all the events you will conduct for 2012 and 2013:
- a) The time, location, and content schedule of each event
 - b) Identify handouts you provided to the audience
 - c) Identify workshop materials that instructors will use
 - d) The names and credentials of the instructors
 - e) If speeches or forums will be conducted in the event, provide detailed contents of the speeches or forums, names of the speakers or panels, and their credentials. If any speakers or panel members will be paid, provide the amount will be paid for each person. If not, please indicate they volunteered to conduct the event.
 - f) The names of persons from your organization and the amount of time they will spend on the event. Indicate the name and amount of time they will spend on the event. Indicate the name and amount of compensation that will be paid to each person. If no one will be paid, indicate this event will be conducted by volunteers to each person.
 - g) Indicate the percentage of time and resources you will spend on these activities in relation to 100% of all your activities.
- 3) Provide the following information for your web and internet related activities:

- a) Copies of your current web and internet pages. If you are a membership organization, please include all the pages that are accessible only to your members, .
- b) Indicate the percentage of time and resources you spend on these activities in relation to 100% of all your activities.
- c) Expense amounts incurred for these activities for 2010 and 2011.
- d) Expense amounts to be incurred for these activities for 2012 and 2013.

4) Provide the following for your publishing activities:

- a) Copies of all the publications and/or advertising materials that you have distributed or will distribute.
- b) Indicate the percentage of time and resources you spend on these activities in relation to 100% of all your activities.
- c) Expense amounts incurred for these activities for 2010 and 2011
- d) Expense amounts to be incurred on these activities for 2012 and 2013

5) Have you conducted or will you conduct rallies or exhibitions for or against any public policies, legislations, public officers, political candidates, or like kinds? Provide the following for all the events you have conducted and will conduct for 2012 and 2013:

- a) The time, location, and content schedule of each rally or exhibition
- b) Provide copies of handouts you provided or will provide to the public.
- c) The names of persons from your organization and the amount of time they have spent or will spend on the event. Indicate the name and amount of time they spent on the event. Indicate the name and amount of compensation paid or will be paid to each person. If you did not pay or will not pay anyone, then, indicated the event was or will be conducted by volunteers.
- d) Indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.
- e) Expense amounts incurred for these activities for 2010 and 2011
- f) Expense amounts to be incurred for these activities for 2012 and 2013

If not, please confirm by answering "No" to this question.

6) Have you conducted or will you conduct candidate forums or other events at which candidates running for public offices are invited to speak? If so, provide the following details and nature of the forum including:

- a) The names of candidates invited to participate
- b) the names of the candidates who did participate

- c) The issues that were discussed
- d) The time and location of the event
- e) copies of all handouts provided and distributed at the forum, including any internet or advertising material discussed or used at the forum.
- f) Indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 7) Have any candidates running for public office spoken or will they speak at a function of your organization?

- a) If so, provide the names of the candidates, the functions at which they spoke, any materials distributed or published with regard to their appearance and the event, any video or audio recordings of the event, and a transcript of any speeches given by the candidate(s).
- b) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 8) Have you distributed or will you distribute materials or conduct other communications that are prepared by another organization or person? If so, provide the following:

- a) Copies of materials and contents of communications
- b) When and where the distribution have been conducted or will be conducted?
- c) Who has distributed or will distribute the materials?
- d) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 9) Will you, or have you ever, conducted voter education activities, including voter registration drives, get out to vote drives, or publish or distribute voter guides? If so, provide the following:

- a) What is the location, date and time of the events?
- b) Who on the organization's behalf have conducted or will conduct the voter registration or get out to vote drives?
- c) Provide copies of all materials published or distributed regarding the activities, including copies of any voter guides.
- d) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 10) Have you engaged or will you engage in business dealings with any candidate(s) for public office or an organization associated with the candidate, such as renting office space or providing access to a membership list?

If so, describe the relationship in detail and copies of any contracts or other agreements documenting the business relationship.

If not, please confirm by answering "No" to this question.

- 11) Have you attempted or will you attempt to influence the outcome of specific legislation? If so, provide the following:

- a) Provide copies of all communications, pamphlets, advertisements, and other materials distributed by the organization regarding the legislation.
- b) Provide copies of any radio, television, or internet advertisements relating to your lobbying activities
- c) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 12) Do you directly or indirectly communicate with members of legislative bodies? If so, provide copies of the written communications and contents of other form of communications. Please include the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 13) Are you associated with any other IRC 501(c)(3), 501(c)(4) or 527 organizations? If so, provide the following:

- a) Provide the name, employer identification number, and address of the organizations
- b) Describe in detail the nature of the relationship(s).
- c) Do you work with those organization(s) regularly? Describe the nature of the contacts.
- d) List shared employees, volunteers, resources, office space, etc. with the organization(s).
- e) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If not, please confirm by answering "No" to this question.

- 14) Provide the following for your fundraising activities:

- a) Copies of all solicitations the organization has made regarding fundraising, including fundraising that occurs in an election year and non-election year.
- b) Copies of all documents related to the organization's fundraising events, including pamphlets, flyers, brochures, and webpage solicitations.
- c) How much of your organization's budget is spent on fundraising?
- d) What are the sources of the fundraising expenses?
- e) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

15) If you have conducted or will conduct any activities other than the ones we have already cited, provide answers for the following questions regarding past, present and future activities. If you have not conducted and will not conduct any other activities, please confirm by answering "No" to this question.

- a) What does the activity/service entail?
- b) Who conducts the activity/service?
- c) When and where is the activity/service conducted?
- d) Please indicate the percentage of time and resources you have spent or will spend conducting these activities in relation to 100% of all your activities.

If you have not conducted or will not conduct any activities other than the ones we have already cited, please confirm by answering "No" to this question.

16) Please provide the following information for your board of directors and officers:

- a) Provide all copies of your corporate minutes from inception to the present.
- b) Provide the titles, duties, work hours, and compensation amounts of your board members, officers, and employees. If they only work for a certain time yearly, bi-yearly, or quad-yearly, please provide the periods they had (have) worked and will work. Please identify your volunteers.
- c) If you have a board member or officer who has run or will run for a public office, please describe fully. If none, please confirm by answering "None" to this question.

17) Are you a membership organization? If so, provide the following for your membership:

- a) How many members do you have currently?
- b) What does the memberships consist of? Are they mostly individuals? What is the percentage of the organizational members as they are part of the whole membership?
- c) Provide member application/registration form
- d) Provide membership agreement and rules that governs members.

- e) Provide a membership fee schedule.
- f) What are the membership requirements?
- g) What services and benefits do you provide especially for members only?
- h) What are the roles and duties of your members?
- i) Provide copies of your website that your members can only access.

18) Provide the following information for the income you received and raised for the years from inception to the present. Also, provide the same information for the income you expect to receive and raise for 2012, 2013, and 2014.

a) Donations, contributions, and grant income for each year which includes the following Information:

- The names of the donors, contributors, and grantors. If the donor, contributor, or grantor has run or will run for a public office, identify the office. If not, please confirm by answering this question "No".
- The amounts of each of the donations, contributions, and grants and the dates you received them.
- How did you use these donations, contributions, and grants? Provide the details.

If you did not receive or do not expect to receive any donation, contribution, and grant income, please confirm by answering this question "None received" and/or "None expected".

- b) The amounts of membership income received for each year. If you did not receive or do not expect to receive any membership income, please confirm by answering this question "None received" and/or "None expected".
- c) The amounts of fundraising income received for each year. If you did not receive or do not expect to receive any fundraising income, please confirm by answering this question "None received" and/or "None expected".
- d) The amounts of any other incomes received for each year. If you did not receive or do not expect to receive any other incomes, please confirm by answering this question "None received" and/or "None expected".

NOTE: Please do not attach tax returns or ledgers to respond to the above questions.

19) Provide the following information for the expenses you incurred for the years from inception to the present. Also, provide the same information for the expenses you expect to incur for 2012, 2013, and 2014.

a) Donation, contribution, and grant expenses for each year which includes the following Information:

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- The names of the donees, recipients, and grantees. If the donee, recipient, or grantee has run or will run for a public office, identify the office. If not, please confirm by answering this question "No".
- The amounts of each of the donations, contributions, and grants and the dates you donated, contributed, or granted them.
- The amounts of each of the donations, contributions, and grants and the dates you expect to donate, contribute, or grant them.
- Provide the reasons for issuing the donations, contributions, and grants.

If you did not issue or do not expect to issue receive any donations, contributions, and grants, please confirm by answering this question "None to be provided".

b) Compensation, salary, wage and reimbursement expenses for each year with the following information:

- The names of the payees. If the payee has run or will run for a public office, identify the office. If not, please confirm by answering this question "No".
- The amounts of each payment and the dates you made or expect to make each payment.
- The services the payee provided in return for the payment.
- Provide the reasons for issuing the donations, contributions, and grants?

c) The lists and amounts of any other expenses for each year.

NOTE: Please do not attach tax returns or ledgers to respond to the above questions.

1. Submit copies of emails you sent to educate members about political issues and describe in detail how you encourage members to voice their opinions.
2. Describe in detail your proposed mailings regarding political issues. State whether these mailings are sent only to your members, visitors to your website, or general mass mailings.
3. Provide copies of your web pages.
4. Submit copies of materials from Facebook, Meetup and Twitter.
5. Provide resumes for your board members.

6. You indicated that you are hosting "Meet and greets" and town hall meetings. Therefore, provide copies of literature used to promote these events and a list of candidates and/or elected officials who attended and their political affiliation. Also, provide copies of materials distributed at the event.
7. Explain the criteria you used when selecting individuals for your "Meet and greets".
8. Provide copies of the printed agenda from your meetings and educational events for the past year.
9. Describe in detail your educational events, including topics that you cover, any particular motivational activities, and copies of any publications presented.
10. Provide copies of contracts and agreements that you have as well copies of agreements that you plan to enter in to.
11. Describe in detail your Advocacy Training, and provide copies of any publications concerning such training.
12. Give detailed examples on how you will educate the public concerning key legislation and the positions of political candidates and elected officials on that legislation.
13. Provide a list of speakers and their qualifications for the events you have held in the last year.
14. Provide copies of board meeting minutes since your inception
15. You indicated that you have organized public awareness events including debates, forums and issued related seminars and rallies. Complete the following concerning these events:
 - a. Provide a specific list of events including who participated and the location of the event.
 - b. Provide copies of promotional materials used for each of your events.
 - c. Provide copies of literature handed out at these events.

1. Provide a detailed breakdown of your expenses.
2. Provide copies of all Board meeting minutes to date.

3. You state that you are the “ (b)(3) 6103(a) ” of AAA Council and that you are a (b)(3) 6103(a) throughout State. However, you have not explained in detail what you mean by (b)(3) 6103(a) and (b)(3) 6103(a).” Provide the following information:
 - a. Describe in detail specifically what activities you engage in as an “ (b)(3) 6103(a) ” of the AAA Council.
 - b. Provide copies of any and all materials related to being the “ (b)(3) 6103(a) ” of the AAA Council, including but not limited to any documents, brochures or other resources you have provided to the AAA Council.
 - c. Explain in detail what you mean by “ (b)(3) 6103(a) ” and describe in detail the activities you undertake in this regard and state to what member groups or other organizations you have provided such services.
4. Provide a detailed description of any and all political campaign and/or election activity that you have engaged in to date. In addition, provide the following:
 - a. Copies of any and all materials you have published or distributed, in print, on-line or otherwise, expressing support or opposition to a candidate for public office.
 - b. Copies of any and all materials you have distributed with regards to any political campaign to date.
5. You have indicated that your services include the planning, facilitating, and executing of educational events for BBB Party.
 - a. State whether you have planned, facilitated and/or executed any educational events for BBB Party or any other organization. If so, explain in detail.
 - b. Provide a detailed explanation of the types of educational activities that you engage in or have engaged in to date.
 - c. Describe in detail the content of the educational events that you provide or have provided including copies of any and all materials related to these and any other events, including materials advertising the event, distributed at the event, or otherwise.
 - d. Provide a detailed explanation of any other recipients of such educational activities.
 - e. Explain who within your organization or otherwise undertakes these educational activities, organizes events and programs, and provides the educational content.

6. In your response to our Date letter, you indicated that you had not and would not engage in any type of voter education activities, including candidate forums, get out the vote drives, or voter registration. However, you indicated that you will provide (b)(3) 6103(a)
- (b)(3) 6103(a)
- With regards to your purpose of educating on the process of (b)(3) 6103(a) (b)(3) 6103(a) state whether this is your only activity. If no, describe in detail what other activities you engage in.
 - Provide a detailed explanation of how you educate and who you educate on the process of (b)(3) 6103(a) including whether you educate individuals on (b)(3) 6103(a) in any manner.
 - Provide copies of any and all materials to date that you have published or distributed in any manner related to your educational activities and your activities related to educating on the process of (b)(3) 6103(a) (b)(3) 6103(a)
7. You indicated that you seek to centralize the accounting functions of member groups by providing a central tax-deductible donation vehicle for educational opportunities.
- To date, state what the status of this activity is.
 - Explain in detail what activities you are engaged in or will engage in to undertake this function.
 - Explain who the "member groups" are that you are referring to.
 - Explain why organizations would seek to solicit donations from you as opposed to seeking contributions from the general public for their educational activities?
8. You indicated in your Form 1023, Part Z, question Y, that you will "raise funds to be utilized under a grant process for other organizations. These organizations will apply for grants to complete educational activities with their current organization." With regards to this activity:
- To date, state whether you have raised funds for other organizations. If so, provide a detailed description of the organization and/or individuals that have provided funds, the amount of the funds provided, and if any of the funds have been utilized, including a detailed description of what the funds were utilized for.
 - To date, state whether you have made any grants to other organizations. If so, provide a description of the organization, the amount of money granted, a copy of their grant application, and any other related documents.
 - If you have not made any grants to date, state whether you are currently considering any grant applications. If so, provide a detailed description of the

organization and the activities for which they are seeking grant money, and the amount of the grant requested.

1. Submit your completed financial data for 2010, financial data for 2011 to date, and proposed budgets for the remainder of 2011 and 2012. If you have filed Form 990, Return of Organization Exempt From Income Tax (or any other tax return), for years 2009 or 2010, submit a copy of any such returns.
2. Provide a detailed breakdown of your expenses.
3. Provide a detailed narrative of your activities dating from your letter dated June 8, 2010, including a break down of:
 - d. The amount of time your members and/or volunteers devoted to each activity.
 - e. The amount of financial resources devoted to each activity.
4. In your Form 1024, you indicate that your financial support would be from contributions and sales of merchandise. Submit copies of all solicitations you have made regarding fundraising, copies of all documents relating to your fundraising events (including pamphlets, flyers, brochures, and webpage solicitations), and a statement detailing how much of your budget is spent on fundraising, and the source of your fundraising expenses.
 - f. Regarding your sales of merchandise, provide a detailed list of the items you sell or plan to sell.
5. In your answer to Question 15 on your Form 1024 (whether you have spent or plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization) you stated: "No monies have been spent in the past, but an approximate 20% of (your) budget will be set aside for future considerations." Describe in detail:
 - g. Any and all planned expenditures of money you have set aside for this purpose.
 - h. Any and all expenditures you have made.
6. Regarding your Advocacy Training, you sent us a statement of your goal, your objectives to achieve the goal, Patriot Commitments, ~~aaa~~ Team Policy Statement, and team descriptions.
 - i. Describe in detail any actual training of individuals you perform with regard to the various action teams, including what the training entails, as opposed to informing volunteers of opportunities to participate.
 - j. Provide any and all materials distributed to individuals who participate in the Advocacy Training.

7. You state that a major objective of the CCC Team mission is to inform volunteers of opportunities and to equip them to actively participate in the political process, such as volunteering to help at a Tea Party Rally.

k. Describe in detail what "opportunities" you are referring to and how you inform volunteers.

l. Describe in detail how you equip members of the aaa to participate in the political process

m. Explain in detail how members participate in the political process including but not limited to what type of participation this entails.

8. In describing your Event Rallies you stated that you hosted a question and answer forum with the GOP Primary Candidates for Governor of the state, and that not all GOP candidates attended. You stated that since there was only one candidate in the Democratic primary, there was no comparison to be made in the primary.

n. Describe in detail the GOP Event Rally, including questions asked, and state the reasons you did not have a candidate rally for the lone Democratic candidate.

o. Describe the reasons you needed a majority of the candidates to schedule a forum for the Candidates for Lt. Gov. in the Democratic primary.

p. Provide copies of any materials distributed during the event or related to the event such as materials advertising the event.

9. Provide a copy of each publication of your newsletter, AAA, since April 29, 2010 (except Issue 1, Number 1; Issue 2, Number 5; and Issue 2, Number 7).

10. Provide a copy of each publication of BBB (except Volume 1, No. 8, submitted with your application).

11. In The DDD, Issue 1, Number 1, dated (b)(3) 6103(a) 2010, you state that the mission of the FFF (b)(3) 6103(a)

(b)(3) 6103(a) In the same issue, you stated on page 3 that your action teams will enable you to achieve your principal goal:

(b)(3) 6103(a) In

addition, you state that you will " (b)(3) 6103(a)

q. Describe in detail your activities to attain this goal, and how you achieve such purpose.

r. Provide your definition of (b)(3) 6103(a) and explain in detail how you will effectuate (b)(3) 6103(a).

12. In The bbb, Issue 2, Number 7, dated Date, in GGG on page 9, you stated: (b)(3)/6103

13

(b)(3)/6103

I

- s. Describe in detail how you effectuated your (b)(3) 6103(a) and submit copies of the 10 questions posed to the candidates and their replies.
- t. Submit copies of the pamphlets you printed, explain how they were distributed, and when they were distributed in relation to the election.

13. The letter you published in DDD, Issue A, Number A, dated Date, states on page (b)(3) 6103(a)

(b)(3)/6103

." State the reasons for the list, where it was published, and when and how it was distributed.

- 14. State whether you engage in business dealings with any candidate(s) for public office or an organization associated with the candidate, such as renting office space or providing access to a membership list. If so, describe in relationship in detail, including any contracts or other agreements documenting the business relationship.
- 15. Describe in detail your relationship to the 000 School.
- 16. Provide a copy of the board of directors' meeting minutes from formation to date.
- 17. Provide copies of any other materials, including but not limited to program guides, rules, regulations, and guidelines that will assist us in better understanding you and your activities.

EO Determinations Managers' Meeting Minutes

4/3/2013

Attending:

Cindy Thomas, Jon Waddell, Ken Bibb, Peggy Combs, Vicki Lahey, Bill Angner, Tracy Dornette, Tyler Chumney, Nick Reinhardt (acting for John Shafer), Karen Craig, Karen Allen, Crystal Day, Sonya Adigun, Lynn Brinkley, Stephen Seok, Kevin Phegley

Attending by conference call:

Lois Lerner, Steve Bowling, Lonnie Shankling, Beverly Jefferson-White

Absent:

John Shafer, Jovonnie Lewis, Philip Haley

1. Sequester – Lois Lerner

- A sequester requires a percentage of budget cuts regardless of what the budget is. It's a cut for all programs in the IRS. In TEGE, 91% of the budget is spent on employees.
- The less that is cut means more furlough days. HQ is looking hard to make cuts in different areas to avoid cutting people.
- Heavy travel restrictions – Travel requests has to go to Lois and up the chain. Training that is not virtual isn't happening.
- Contracts – Over the years they had Guidestar translate 990s – there have been cuts in regard to contracts.
- Cash Awards – Non-bargaining unit awards, Special act, and Manager's awards have been suspended. There are discussions with NTEU about awards issue.
- Once cuts have been made, HQ will have an idea on the number of furlough days.
- Employees will get a letter regarding furlough process.
- TEGE is looking in other areas to avoid cutting OT, so we have OT.
- HQ was told to go on with the hiring process except making selections.

2. 501(c)(4) applications, TIGTA – Lois Lerner

- Some (c)(4) organizations have been big players in the election process. There are three times more Congressionals than before per Mike Seto.
- IRS was blamed for either not approving these or not shutting these organizations down.
- GSA fiasco in Las Vegas – highly publicized in newspapers.
- In light of the above, all agencies are taking a close look to avoid things like that from happening.
- Lois gave the following suggestions to stay out of the spotlight
 - a) When traveling, stay at certain hotels (for example - the Radisson instead of Four Seasons).
 - b) Reduce the number of travelers when sending speakers at conferences. For example, consider 1 person to talk about 4 topics instead of 4 people.
 - c) Conferences – this year employees can use tickets given to attend conferences, but they have to travel on their own time.
- Training videos – There has been criticism on dollar amount IRS has spent on videos. Now, we have to go through steps regarding approval for training videos.
- Be concerned and careful with what you say in documents to taxpayers, including e-mail, for the following reasons.

- a) Organizations that disagree with IRS can take documents they received from the IRS and make them public.
- b) Someone in EO Exam was looking at a gift tax issue, and there was a hearing. All documents, including e-mail were requested.
- TIGTA had done an audit on political cases since there were allegations claiming the IRS was biased and politically motivated regarding organizations requesting (c)(4) status (i.e. tea party cases, etc.) You have to think how an outsider would look at how we process a case.
- Political intervention cases involve complex analysis and are not black and white. TIGTA interviewed people in Cincinnati and HQ. TIGTA is making process recommendations.
- The TIGTA draft report for Political Advocacy cases was issued the week of 3/18. Apparently, it has many inaccuracies. Therefore, EO is drafting its own response that will be issued with the TIGTA report. Lois is meeting with TIGTA Thursday to work on draft report.
- One of the recommendations made is to track instances where we need help.
- There is some discomfort on lawyers' part with us saying stuff that is not on Guide Sheet. Guidance is being worked on.
- Determinations is Lois' top priority due to public accessing IRS website and R&A is looking at ways they can be helpful – possibly having people from R&A help.
- There's issues regarding organizations going through TAS.
 - a) Many auto revoked organizations go through TAS, but there's nothing TAS can do about that.
 - b) Many OARs deal with status updates, which isn't practical since agents can look up EDS.
 - c) Expedites – not looked at until Screening
 - d) Lois is thinking about how to efficiently work applications going through TAS and provide better customer service. If you have areas on what to do to improve the process, Lois and Holly Paz will work on something.

3. Acting:

John Shafer is on a cruise, and Nick Reinhardt is acting for Group 7846 for a month.

4. Suitability/Background Checks: due 6/14

- Information is going to be coming out that E-QIP background checks will be completed for BU employees. Section 7114 meetings will need to be held.
- At your 7114 meetings, remind your employees to be honest in their applications rather than to lie their way out of them. (i.e. financial applications). Recommend to your employees to take the time to make sure they are completing the forms accurately.
- If they are uncertain how to answer a question, contact the individual for assistance, or take a conservative approach and disclose as much information as possible.
- If they weren't honest in the past, recommend them to provide supplemental information.
- The forms are official government documents, and providing inaccurate information may lead to disciplinary actions. This puts both the manager and the employee in a very bad position.

5. New LR Specialist assigned to EO R&A, effective now

Betty McClendon – Ph. (312)292-4175

6. SETR

- It is expected that employees will start inputting SETR information on or around 5/8/2013.
- Questions were elevated asking whether employees would get admin. time for inputting data, whether training is going to be provided, and what instructions are going to be issued related to Online 5081 requests for SETR access?
- You should recommend to your employees to take SETR training in ELMS.

7. CENTRA session

- Bill mentioned that another 7114 meeting regarding Debt Collection is also due on 6/14
- Cindy suggested a CENTRA session around the beginning of May, and asked for volunteers. Bill and Jon volunteered.
- Nick will notify Karen Batey, who may be the facilitator.

8. Survey Meetings

- NTEU needs to be invited for any follow-up survey meetings.
- One finding from the survey meetings was that front line employees request to be included in the development of procedures (for example, auto revocation procedures).
- FLMS should ask for employee input in their work group, and then elevate their input/issues.

9. Feedback about, "The Write Stuff"

Positive

The discussion about passive voice v. active voice was informative.

Negative

- It was nothing new.
- Overcommitted – people didn't like getting multiple e-mails, invitations, and how much time was spent.
- ½ of the people couldn't get on CENTRA
- An employee didn't want to attend and received an e-mail asking why.
- Another employee was offended when suggested to take the training based on his educational background.

Cindy suggested that managers have candid discussions with employees in regard to writing.

10. Telework – Steve Bowling

- Discussed Leaders Alert dated 3/12/12 – Teleworkers must complete ELMS training by 7/17/13. We need to strive to have the training completed by 6/17. This is ample time and no reason why it shouldn't be completed by then.
- Course 19413 is recommended for managers that teleworked after October 2012 (approx. 15 min to complete).

- Course 53290 is recommended for both managers and employees that were approved to telework before October 2012 (approx. 5 min to complete).
- Go ahead and take courses 19413 and 53290.
- Course 19393 is recommended for employees that teleworked after October 2012 or did not telework previously.
- Employees can charge 1 hour of Admin. time to complete the Telework training, per Article 50 Section 3C of the union agreement.
- Revised Telework Agreements (Rev. 11/2012) should be requested.
- When approving Telework, make sure that the Telework location is within a 125-mile radius of the employee's assigned POD, per Article 50 Section 1A2 of the union agreement.
- Have employees check their ELMS history to see if they took these courses.

11. Congressional Inquiries – Steve Bowling

- A Tax Law Specialist (TLS) from EO R&A took over Karen Batey's work in relation to media requests and governmental liaison work.
- Specialists and managers may get e-mails or calls inquiring about cases, and they need to be responsive. If not, manager will send an e-mail to Jon or Steve, then Cindy.
- Dave Rifkin is a TLS who works for Andy Megosh. If he can't find information in EDS, he may contact an agent via e-mail about his/her case that happens to be initiated by a congressional inquiry. The TLS would gather information to provide to Legislative Affairs.
- If an agent receives contact directly from anyone in Congress, the agent needs to refer them to Eric Hall in Legislative Affairs. His phone number is (202) 622-4054.
- If an agent has a Congressional case, that agent doesn't have to worry about contacting Dave Rifkin. Work with TAS as usual.
- IRM 7.20.1 will need to be updated to reflect current TAS procedures.

12. Inventory – Classification/IP/Auto Revocation SMEs, etc. (feedback/updates)

- Jon was getting lots of questions on procedures.
- Last week, we went over 1,000 cases in Classification. A lot of them were auto revoked, with 75 – 80 going to IP 44 for lack of agreement to postmark date.
- Working on a few projects (i.e. someone from Peggy's group is going to send out automation letters on these).
- SME meeting on 4/4 to gather feedback and to ensure consistency
- Agents should use uniform work papers – not only for SMEs but also for Processing.
- Changes include CCR entries for 03 process and expedites.
- Grade 12 and 13 agents should classify 3X a week. SMEs are getting fairly overwhelmed.
- Jon requested FLMS to elevate any issues.
- Sonya stated that some agents indicate on the missing information checksheet a refund, then when organizations come back in, more money is needed.
- Jon stated that the checksheet was revised to eliminate user fee refund issue.
- Sonya is looking at the postmark date of cases that submitted applications for Notice 2011-43.

Inventory – Misc.

- Time per case averages to 5.8 for full development cases

- Quality went down – 85.1% now
- We have almost 2,000 more receipts
- Cycle time averages to 152 days
- We have 20,600 more cases this year than last year

13. Form 3198-A issues/recommendations

- It is recommended to use a yellow copy so that it stands out.
- For hybrid automation cases where the form automatically prints on white paper, agents can use a yellow highlighter on pertinent areas.
- Some specialists submit the form with boxes pre-checked.
- The form needs to be on top of the case.
- TC 590s – some agents put those on the 3198-A on cases that don't need one. FLMs should ask agents what their reasons are to get their thought processes.

14. Processing Issues/Recommendations

- Duplicate case files – different people assigned to work on the same organization
 - Ex. One was closed in status 06, the other closed in status 09 – luckily only 1 additional information letter was sent.
- Duplicate flag indicator in TEDS will not let you close case.
- Agents will not notice that there's a duplicate case out there until they get a call from a taxpayer or until the case is ready to be closed.
- On TEDS, there's a related case folder which has other the cases.
- Managers should advise their employees not to remove duplicate indicator flags.
- Someone from Processing, such as Karl, can do a report to identify duplicate cases.
- Nick will set up a query in TEDS.
- Closed cases with incorrect closing document – FLMs like the idea of Processing putting these cases in status 53/73 before giving these cases back to them. Sonya agrees.

15. Organizational Test – Jon Waddell

- SQMP/DQMP cases will be returned when the organizational test wasn't met.
- An "A" case will be established, which is where time will be charged.
- Specialists will be required to contact organizations to secure amendments by sending them a letter with a 90 day due date, follow up when responses aren't received, issue proposed revocation letters, monitor, review protests received, and forward the cases to QA if the protest doesn't change the determination.
- If an organization doesn't respond, the next step will be to send a proposed adverse letter granting the organization 30 days and allowing a 15 day grace period after that to respond.
- If the organization responds, the "A" case will go to QA and Appeals.
- Determination letter does not have to be redacted

16. Auto Revocation

- Organizations auto revoked a second time – approx. 900 organizations and all but 81 were corrected. We're researching these cases to see why they weren't worked as auto revocation cases.
- We have another list of 460 organizations that are growing by 30 to 40 a day. Some of them were auto revoked because they have old EINs and were newly formed. Other cases, it is unclear whether the specialist asked for IDRS research.

Bifurcating cases

- If denying Retroactive Reinstatement (RR), an "A" case will be established. Group 7823 have the A case established by sending a request via e-mail to the Records e-mail box (*TEGE Determinations Processing).
- Group 7823 will then give the "I" case back to the agent for closure with a 3198-A for notification of an A case being established (bifurcation) with case establishment sheet.
- Processing will send out the 947/948 letter and establish the A case with copy of the letter.
- The A case will then go to the agent.
- Tyler is working on RR procedures.
- A different sheet from 3198-A is being considered.
- Kevin indicated that Appeals issues final (supersedes) letter.
- Everything necessary in the A case should be in there – whether copied from the I case or received from the taxpayer.

17. Communications to taxpayers

- If specialists receive calls from taxpayers regarding status updates, they should not tell them they recommended their application for approval and sent it to their manager or QA.
- Peggy has an example where a specialist had a Congressional case and told the organization that the application was recommended for approval. The organization went ahead and conducted fundraising, etc.

18. Group Rulings

If FLMs have any suggestions, let Cindy know.

Date	Document	Contents
3/28/2012	<p>Ltr to Shulman from Rep. Welch (with Braley, Courtney, Deutch, Doggett, Eshoo, Farr, Gutierrez, Valazquez, Ackerman, Blumenauer, Capuano, Cicilline, Cohen, Conyers, Edwards, Ellison, Filner, Miller, Grijalva, Hastings, Hinchey, Jackson, Johnson, Norton, Rangel, Sarbanes, Slaughter, Speier, Van Hollen, Waxman, Yarmouth)</p> <p>(etrak 2012-31070)</p>	<ul style="list-style-type: none"> • Requests that IRS investigate whether any groups qualifying as c4s are improperly engaged in political campaign activity.
3/14/2012	<p>Ltr to Shulman from Sen. Hatch (with Portman, Alexander, Corker, Hutchinson, Cornyn, McConnell, Paul, Roberts, Grassley, Thune, and Kyl)</p> <p>(etrak 2012-30234)</p>	<ul style="list-style-type: none"> • Reports from nonprofit civic organizations in KY, OH, TN, and TX concerning excessive inquiries • Eight questions: <ol style="list-style-type: none"> 1. IRS's process for approval and renewal of a tax-exempt designation under c4? 2. Are all c4 applicants required to provide responses and info beyond Form 1024? If not, when and on what basis? 3. Which IRS officials develop and approve the list of questions and info requests beyond Form 1024? 4. How do additional info requests relate to a specific std of review by the IRS? Are stds published? Do decisions adhere to these stds? 5. Is every c4 applicant required to provide IRS copies of all social media posts, speeches and panel presentations, names and qualifications of speakers, written materials? If not, who has to and on what basis? 6. Provide all correspondence among IRS and with Treasury and the White House about the decision to send letters in 2012 requesting donor info from c4 applicants. 7. What is the typical deadline for responses to additional

		<p>info requests?</p> <ul style="list-style-type: none"> • 8. Provide copies of all IRS inquiries sent to an responses received from Priorities USA.
4/26/2012	<p>Miller response to 3/14/2012 ltr from Hatch, Portman, Alexander, Corker, Hutchinson, Cornyn, McConnell, Paul, Roberts, Grassley, Thune, and Kyl</p> <p>(etrak 2012-30234)</p>	<ul style="list-style-type: none"> • Letter responds to eight questions: • Q1. IRS's process for approval and renewal of a tax-exempt designation under c4? • A1. Provides detailed explanation of process. • Q2. Are all c4 applicants required to provide responses and info beyond Form 1024? If not, when and on what basis? • A2. If the Form 1024 questions are answered with sufficient detail to make a favorable determination, the applicant will not be asked additional questions. If, however, issues remain, then the IRS solicits additional information which vary based on the facts and circumstances. • Q3. Which IRS officials develop and approve the list of questions and info requests beyond Form 1024? • A3. IRM contains general procedures for requesting additional info. EO Rev Agents prepare individualized questions and requests for documents depending on what is necessary to make a determination on the application. • Q4. How do additional info requests relate to a specific std of review by the IRS? Are stds published? Do decisions adhere to these stds? • A4. Refers to response to Q2 and to general procedures in IRM. • Q5. Is every c4 applicant required to provide IRS copies of all social media posts, speeches and panel presentations, names and qualifications of speakers, written materials? If not, who has to and on what basis? • A5. Requests for additional info vary depending on the facts and circumstances. These items are requested when deemed necessary to make a determination. • Q6. Provide all correspondence among IRS and with Treasury and the White House about the decision to send letters in 2012 requesting donor info from c4 applicants. • A6. References responses to previous questions and states that donor info may be made public by operation of statute, not IRS policy or procedure. Inquiries have confirmed that there have been no communications between IRS employees and Treasury or the WH with respect to requests for donor information from any c4 applicants. • Q7. What is the typical deadline for responses to additional info requests? • A7. The IRM provides that applicants have 21 days to respond to requests for additional info. Applicants can request extra time and typically get 60 days. If they need more, they are instructed to talk to their EO rev agent.

		<ul style="list-style-type: none"> • Q8. Provide copies of all IRS inquiries sent to and responses received from Priorities USA. • A8. Sec 6104a permits public disclosure of applications by organizations that have been recognized as exempt. No org with the name Priorities USA has been recognized as exempt.
5/3/2012	<p>Ltr to Shulman from Rep. Camp</p> <p>(etrak2012-31894)</p> <p>**There was no written response; instead, files were made available for inspection</p>	<ul style="list-style-type: none"> • References reports publicizing the IRS targeting certain applicants for tax-exempt org status and extensive correspondence and document requests to certain c4 applicants; audits have spanned years and stalled applications; inquiries are unprecedented and are limited to Tea Party groups • Requested all applications seeking c4 status received by the IRS in the 2010 and 2011 tax years along with files and correspondence related to the consideration and approval of such status • Files should include, but not be limited to: 1) the entity's application for tax-exempt status; 2) correspondence sent by IRS regarding the application; 3) correspondence sent by the taxpayer in response to IRS inquiries; 4) internal IRS records or communications relating to the applicant in question (incl email, notes, and memos); and 5) determination ltrs sent to taxpayers upon approval or denial of tax-exemption and identification of pending tax-exempt determinations
6/13/2012	<p>Miller response to 3/28/2012 letter from Rep. Welch and others</p>	<ul style="list-style-type: none"> • IRS has ongoing programs that review the activities of organizations seeking IRS recognition of tax-exemption under 501(c)(4), as well as organizations operating under that section. Law allows those organizations to self-declare and hold themselves out as tax-exempt. Organizations can also apply for IRS recognition as tax-exempt. • Description of application process • EO reviews referrals from both inside and outside the IRS that allege that a tax-exempt org is in potential noncompliance with the tax laws • In addition to using Form 990 info, IRS has two specific focus areas • First, EO has combined what is has learned from past projects on political activities with new information gleaned from the redesigned Form 990 to develop risk models to help focus its exam resources on serious allegations of impermissible political intervention-this includes c4 orgs • Second, the EO 2012 Work Plan outlines efforts to incorporate info from the Form 990 of c4, c5, and c6 self-declarers; EO will review certain of these orgs to ensure that they have classified themselves correctly and that they are complying with applicable rules; in 2012, EO will send a questionnaire to a group of orgs based on Form 990 filings to

		<ul style="list-style-type: none"> • assess compliance in this area • Designates Jennifer Safavian, Harold Hancock, Jen Acuna Gordon, and Chris Armstrong as his agents to receive returns and return information
6/18/2012	<p>Ltr to Shulman from Sen. Hatch (with Cornyn, Kyl, Alexander, McConnell, Enzi, Paul, Hutchinson, Corker, Thune, and Roberts)</p> <p>(etrak 2012-33220)</p>	<ul style="list-style-type: none"> • References a March 2012 letter with questions about procedures followed in evaluating applications for tax-exempt status and IRS response • Continuing concern about IRS requests for donor information in follow up letters which are part of the application process because follow up letters and taxpayer responses become part of the administrative record that may become available for public review at the IRS national office • Eight questions: <ul style="list-style-type: none"> • 1. Specific statutory authority for requesting donor names? • 2. Is it customary to request this info and the number of requests for each year from 2002-2011? • 3. Is the EO technical office involved in such requests? • 4. Questions about the author, authority for, and privacy considerations relating to information request language on specific Letters 1313 and Letters 2382 • 5. The total number of 1313 and 2382 letters sent in 2011 and 2012? • 6. Does IRS intend to use 1313 and 2382 letters to request donor info going forward? • 7. Is donor info necessary when reviewing tax-exempt applications? If so, how was this determined and are there written standards? Has anyone recommended that Form 1024 be amended? • 8. Does the donor info for someone who gave \$1 meet the relevancy standard?
8/6/2012	<p>Ltr to Shulman from Sen. Hatch (with Grassley, Roberts, Enzi, Cornyn, Thune, McConnell, Alexander, Hutchinson, and Kyl)</p> <p>(etrak 2012-34689)</p>	<ul style="list-style-type: none"> • References IRS letter to private groups suggesting that proposed changes to the 1959 regulations will be considered • Urges IRS to resist allowing the IRS rulemaking process to be subverted to achieve partisan political gains • IRS letter seems to suggest that outside political pressure is triggering IRS's consideration of changes to the law • Concerned that IRS will bypass the normal rulemaking process
9/11/2012	Miller response	<ul style="list-style-type: none"> • Letter responds to eight questions

	<p>to 6/18/2012 ltr from Hatch, Cornyn, Kyl, Alexander, McConnell, Enzi, Paul, Hutchinson, Corker, Thune, and Roberts</p> <p>(etrak 2012-33220)</p>	<ul style="list-style-type: none"> • Q1. Specific statutory authority for requesting donor names? • A1. Regs provide that IRS may require additional info deemed necessary for a proper determination • Q2. Is it customary to request this info and the number of requests for each year from 2002-2011? • A2. Each development ltr is based on the facts and circumstances of the specific application; references response to April 2012 ltr explaining that if Form 1024 is sufficiently detailed, no further questions are asked; IRS systems capture the number of development letters, but not the specific questions asked • Q3. Is the EO technical office involved in such requests? • A3. References response to April 2012 ltr; EO rev agents request info they believe is necessary; an EO rev agent might seek advice from EO Tech staff regarding a particular matter or a case may be referred to EO Tech staff, but EO Tech staff is not involved in all info requests • Q4. Questions about the author, authority for, and privacy considerations relating to information request language on specific Letters 1313 and Letters 2382 • A4. By law, IRS cannot comment about letters sent to specific taxpayers; IRS Office of Privacy was not consulted regarding specific questions • Q5. The total number of 1313 and 2382 letters sent in 2011 and 2012? • A5. IRS systems capture the number of applications approved during the year that received development ltrs, but do not track whether a 1313 or 2382 letter was sent or the specific questions asked in the ltrs • Q6. Does IRS intend to use 1313 and 2382 letters to request donor info going forward? • A6. Explanation of use of letters and situations where donor info may be needed for IRS to make a proper determination, such as issues of inurement or private benefit; accordingly, there may be need for the letter in the future • Q7. Is donor info necessary when reviewing tax-exempt applications? If so, how was this determined and are there written standards? Has anyone recommended that Form 1024 be amended? • A7. Donor info is not necessary in all cases; not aware of any recommendations to amend Form 1024 • Q8. Does the donor info for someone who gave \$1 meet the relevancy standard? • A8. Depends on facts and circumstances
9/21/2012	Ltr to Shulman from Rep. Camp	<ul style="list-style-type: none"> • References an April 2012 ltr (probably the 5/3/2012 ltr) • Designates Mark Epley as his agent to receive returns and

	(etrak 2012-31894)	return information
10/2/2012	Wilkins response to 8/6/2012 ltr from Hatch, Grassley, Roberts, Enzi, Cornyn, Thune, McConnell, Alexander, Hutchinson, and Kyl (etrak 2012-34689)	<ul style="list-style-type: none"> • Short response summarizing the long-standing Treasury regulation process
10/23/2012	Ltr to Shulman from Sen. Levin (etrak 2012-36952)	<ul style="list-style-type: none"> • Refers to 10/17/2012 and 6/4/2012 responses from IRS • Four requests: • 1. Has the IRS asked Americans for Prosperity for a copy of its application? If so, provide a copy. • 2. Has the IRS examined whether or not the following c4 orgs are engaged primarily in the promotion of social welfare? If yes, indicate whether the exam is still pending. A. Crossroads Grassroots Policy Strategies; B. Priorities USA; C. Americans for Prosperity; and D. Patriot Majority USA. • 3. Provide the number of denials of applications since 1/1/2007 referred to in the response to Sen. Levin's letter dated 3/30/2012, and if less than 10, copies of the denials. • 4. How many notices of proposed or final revocations have been issued since 1/1/2007? If less than 10, provide copies. How many c4s have been examined since 1/1/2007 to determine if they are engaged in political activity?
11/23/2012	Miller response to 10/23/2012 ltr from Sen. Levin (etrak 2012-36952)	<ul style="list-style-type: none"> • Response to four: • Q1. Has the IRS asked Americans for Prosperity for a copy of its application? If so, provide a copy. • A1. The IRS has not asked Americans for Prosperity for a copy of its application. Tax exempt orgs must make certain documents, including applications for exemption, available for public inspection upon request. • Q2. Has the IRS examined whether or not the following c4 orgs are engaged primarily in the promotion of social welfare? If yes, indicate whether the exam is still pending. A. Crossroads Grassroots Policy Strategies; B. Priorities USA; C. Americans for Prosperity; and D. Patriot Majority USA. • A2. As stated in the response dated 6/4/2012, sec 6103 prohibits disclosure about specific taxpayers.

[illegible]

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Date	Document	Contents
2/16/2012 (received 2/21/12)	Inquiry Letter from Senate (Bennet, Franken, Merkley, Schumer, Shaheen, Udall, and Whitehouse) to Commissioner Shulman E-trak 2012-29539	<ul style="list-style-type: none"> Is the IRS investigation (or intends to) whether groups designated as “social welfare” organizations, and thus receiving tax and other advantages under 501(c)(4) are improperly engaged in a substantial or even a predominant amount of campaign activity? Non-profit organizations have filed a petition for rulemaking with the IRS to revise existing regulations governing whether an organization that intervenes or participates in elections is entitled to obtain or maintain an exemption from taxation under 501(c)(4)
3/1/2012 (received 3/7/2012)	Inquiry Letter from Chairman Boustany to Commissioner Shulman E-trak 2012-30021	<ul style="list-style-type: none"> Noted that he wrote on 10/6/2011 requesting information about status of various IRS compliance efforts involving tax-exempt sector and issues related to audits of tax-exempt organizations; while awaiting complete response to that letter, he’s since heard that IRS has been questioning new tax-exempt applicants, including grassroots political entities such as Tea Party groups, about their operations and donors In addition to unanswered questions from 10/6/2011 letter, he has additional questions – 7 questions and some with subparts
3/7/2012 (received 3/9/12) ** No response ??	Inquiry Letter from Representative Flores to Commissioner Shulman E-trak 2012-30090	<ul style="list-style-type: none"> Writing in response to IRS document sent to (b)(3)/6103(a) and letter seeks more information relative to that organization’s application for exemption Added details re application date, organization’s actions while waiting for determination, etc.; statement that much of the information IRS is requesting is reasonable, but some is worded overly ambiguously or so onerously that it would be financially impossible to comply, given 23 day response due date Lists 5 specific questions with some subparts
3/8/2012 (received 3/21/12) ** No response – member not in office any	Inquiry Letter from Representative Lungren to Secretary Geithner E-trak 2012-30473	<ul style="list-style-type: none"> Constituent (6103) waited 12 months for IRS to process c3 application IRS said cause for delay was because it doesn’t fit neatly into previously established criteria for c3 exemption and further information is necessary

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longer		<ul style="list-style-type: none"> • Statement that IRS has had adequate time to formulate necessary standards and applicants deserve timely decisions • Request that if constituent qualifies for exemption in another category, we advise them and process the application timely
3/12/2012	<p>Response Letter #1 from TEGE Commissioner (Grant) to Boustany</p> <p>E-trak 2012-30021</p>	<ul style="list-style-type: none"> • Notes that response relates to 10/6/2011 inquiry and supplements 11/18/2011 response and addresses additional issues raised by staff in 12/16/2011 in-person meeting • Provides overview of TE/GE EO Office, including redesign of Form 990, compliance check questionnaire, practice of conducting limited number of follow-up examinations based on questionnaire responses and 990 information, use of project's results to issue formal and informal guidance to exempt organizations, Review of Operations (ROO) office functions • Answered questions, including appropriations data; average length of time for completing examination returns closed in FY2011 is 210 days and average number of days for completing examination returns closed during FY2008-FY2010; use of PIC codes (and list and IRM 4.75.16.9 as enclosures); information about use of Form 990 information including college and university project, Form 990-N mis-filer project, community benefit reviews, c4, c5, and c6 organizations, charitable spending initiative, mutual organizations; IRS actions responding to taxpayer concerns on redesigned Form 990; status relating to auto-revocation list; and information on how IRS is preparing for report required under section 9007(e). • Indicated that we expected to have examination results information shortly and would provide in supplemental response
3/14/2012	<p>Ltr to Shulman from Sen. Hatch (with Portman, Alexander, Corker, Hutchinson, Cornyn, McConnell, Paul, Roberts, Grassley, Thune, and Kyl)</p>	<ul style="list-style-type: none"> • Reports from nonprofit civic organizations in KY, OH, TN, and TX concerning excessive inquiries • Eight questions: • 1. IRS's process for approval and renewal of a tax-exempt designation under c4? • 2. Are all c4 applicants required to provide responses and info beyond Form 1024? If not, when and on what basis? • 3. Which IRS officials develop and approve the list of questions and info requests beyond Form 1024? • 4. How do additional info requests relate to a specific std of

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	(etrak 2012-30234)	<p>review by the IRS? Are stds published? Do decisions adhere to these stds?</p> <ul style="list-style-type: none"> 5. Is every c4 applicant required to provide IRS copies of all social media posts, speeches and panel presentations, names and qualifications of speakers, written materials? If not, who has to and on what basis? 6. Provide all correspondence among IRS and with Treasury and the White House about the decision to send letters in 2012 requesting donor info from c4 applicants. 7. What is the typical deadline for responses to additional info requests? 8. Provide copies of all IRS inquiries sent to an responses received from Priorities USA.
3/15/2012 (received 3/28/12)	Inquiry Letter from Senator Lugar to Legislative Affairs Director (Williams)	<ul style="list-style-type: none"> Constituent inquiry attached (6103) indicating that many Tea Party groups have applied and not heard back within 90 days allowed. Stated that some received “horrendous forms to fill out” while others haven’t had to do so. Assertion is that it appears to be “blatant harassment of only Tea Party groups.”
3/23/2012	Response Letter #2 from TEGE Commissioner (Grant) to Boustany E-trak 2012-30021	<ul style="list-style-type: none"> Provided number of Determination approvals for FY2008-FY2011; number of new applications for tax-exempt status under c3 and c4 for FY2008 through FY2011; explained process for handling tax-exempt status applications; explanation for process R/A uses to seek additional information (references RP 2012-9); noted procedures for requesting additional information (IRM 7.20.2); noted that process for selected applicants for follow-up is not an automated process; chart with total number of applications closed for FY2008-2011 and percentage of applications closed each year through technical screening process; chart with complete information regarding nature of closures for all fully developed determination applications closed during FY2008-2011 Examination results information on listed transaction disclosures discussed in 11/18/2011 response
3/27/2012 (received 3/28/2012)	Inquiry Letter from Chairman Issa and Chairman Jordan to Director EO (Lerner)	<ul style="list-style-type: none"> IRS sent many organizations lengthy and detailed questionnaires asking for information well beyond the scope of typical disclosures required under Form 1024 Acknowledges that IRS should provide appropriate scrutiny but noted that several experts (Marc Owens) suggest that recent IRS questionnaires exceed appropriate scrutiny and that the same criteria should be applied to all organizations

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		<ul style="list-style-type: none"> • States that IRS effort lacks balance, with conservative organizations being the target of IRS's heightened scrutiny (identified Protect-Your Care after <i>Roll Call</i> contacted the organization) • Committee made 7 requests (some with multiple subparts)
3/28/12 (received 4/5/2012)	<p>Inquiry Letter from Representative Marchant to Commissioner Shulman</p> <p>E-trak 2012-30950</p>	<ul style="list-style-type: none"> • Voice concerns over recent inquiries by IRS into tax-exempt status of conservative organizations, including several Tea Party groups across nation • Since the beginning of the year, groups have received numerous lengthy questionnaires and intrusive information demands (membership lists and relationships with candidates for public office); requests appear to violate the First Amendment • Former Office of Chief Counsel lawyer (Jay Sekulow) says that it could take up to 7000 pieces of paper to comply with information requests, which diverts resources away from groups' important work • Actions and intentions of IRS in sending the letters must be explained
3/28/2012	<p>Ltr to Shulman from Rep. Welch (with Braley, Courtney, Deutch, Doggett, Eshoo, Farr, Gutierrez, Valazquez, Ackerman, Blumenauer, Capuano, Cicilline, Cohen, Conyers, Edwards, Ellison, Filner, Miller, Grijalva, Hastings, Hinchey, Jackson, Johnson, Norton, Rangel, Sarbanes, Slaughter, Speier, Van Hollen, Waxman,</p>	<ul style="list-style-type: none"> • Requests that IRS investigate whether any groups qualifying as c4s are improperly engaged in political campaign activity.

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	Yarmouth) (etrak 2012-31070)	
4/23/2012	<p>Inquiry Letter from Representatives (Flores, McClintock, Renacci, Fleming, Huelskamp, Duncan, Manzullo, Lamborn, Barton, Gohmert, Walsh, Harris, Posey, Walberg, Jones, Bartlett, Johnson, Boustany, Lankford, Ross, Bilirakis, Canseco, Westmoreland, Franks, Pompeo, Labrador, Akin, Nunneleo, King, Wilson, Jenkins, Kline, Poe, Black, Bachmann, Nugent, DesJarlais, Goodlatte, Conaway, Kingston, Graves, Mulvaney, Hultgren, Buertke, Landry, Johnson, Tipton, Forbes, Blackburn, Stearns, Marchant, Latta, Gowdy, McCotter, Gosar, Schilling, Woodall, Sothock, Adams, Miller, Mack, Scalise, Roe) to Commissioner Shulman</p> <p>E-trak 2012-31474</p>	<ul style="list-style-type: none"> • Noted that it has been brought to their attention that numerous nonprofit civic organizations across the country have experienced extensive delays and received excessively burdensome information requests in connection with their applications for tax-exempt status; included demands for complete records of every oral statement ever provided by any member of the organization, vague probes into tangential associations with private citizens and excessively long questionnaires all to be returned within unreasonably short time periods; demands go well beyond good-faith due diligence and appear designed to be logistically and financially impossible to comply with • Recent inquiries appear to constitute disparate treatment for no apparent reason other than the political persuasion of applicants • Provide a response demonstrating how these recent requests by IRS are consistent with precedent and supported by law • IRS should refrain from any additional unwarranted and excessive information demands and other dilatory tactics
4/26/2012	Response Letter #3 from TEGE Commissioner (Grant) to Boustany	<ul style="list-style-type: none"> • Provided preliminary information on number of new tax-exempt organizations the IRS has recognized for FY2012 (through April 2012) and number of new applications for c3

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	E-trak 2012-30021	and c4 received since 2008 (including preliminary information for FY2012)
4/26/12	Response Letter from Director EO (Lerner) to Issa E-trak 2012-30672	<ul style="list-style-type: none"> • Notes 4/4/2012 conference call with staff • Clarified that no questionnaires connected to the project mentioned in EO 2012 Work Plan have been sent to any organization; project is still in process and we haven't completed development of questionnaire; project described in work plan relates to organizations that self-declare and hold themselves out as being tax-exempt rather than seeking IRS recognition of exempt status • Conference call clarified that staff inquiring about development letters IRS sends to organizations in ordinary course of application process to make determination • Responded to inquiries, including (1) overview of application process for c4, c5, and c6 organizations (including enclosure describing criteria used to determine appropriate level of experience); (2) average case processing time for determination cases closed in FY2011 was 104 days; (3) reference and enclosure of SOI Table for FY2009-FY2011 data, plus FY 2012 data through date in April 2012 for closed applications and pending applications for c3, c4, c5, and c6; (4) chart reflecting number of applications filed or received for FY2009-FY2011 and for FY2012 to April 2012; (5) chart for fully developed determination applications that closed approved from January 1, 2012 through April 18, 2012; (6) reference to procedures in IRM 7.20.2 and template for seeking additional information; (7) note that we may ask for donor information, such as when application presents possible issues of inurement or private benefit, but that we have advised applicant organizations to contact R/A if they can provide information through alternative means and note that 6104 governs information that must be made public and that 6110 governs disclosure of application denials • Says that we're working on a response to last inquiry – regarding specific information request items and wants authority, rationale, precedent, review standards, and use
4/26/12	Response Letter from DCSE (Miller) to Senators E-trak 2012-29539	<ul style="list-style-type: none"> • IRS has ongoing programs that review the activities of organizations seeking IRS recognition of tax-exemption under 501(c)(4), as well as organizations operating under that section. Law allows those organizations to self-declare and hold themselves out as tax-exempt. Organizations can

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		<p>also apply for IRS recognition as tax-exempt.</p> <ul style="list-style-type: none"> • Discussion of application process, including note that IRS may contact organization to solicit necessary information needed to determine whether organization meets statutory and regulatory requirements • Discussion of examination activities • Regulations – in place since 1959; aware of current public interest; will consider proposed changes
4/26/2012	<p>Miller response to 3/14/2012 ltr from Hatch, Portman, Alexander, Corker, Hutchinson, Cornyn, McConnell, Paul, Roberts, Grassley, Thune, and Kyl</p> <p>(etrak 2012-30234)</p>	<ul style="list-style-type: none"> • Letter responds to eight questions: • Q1. IRS's process for approval and renewal of a tax-exempt designation under c4? • A1. Provides detailed explanation of process. • Q2. Are all c4 applicants required to provide responses and info beyond Form 1024? If not, when and on what basis? • A2. If the Form 1024 questions are answered with sufficient detail to make a favorable determination, the applicant will not be asked additional questions. If, however, issues remain, then the IRS solicits additional information which vary based on the facts and circumstances. • Q3. Which IRS officials develop and approve the list of questions and info requests beyond Form 1024? • A3. IRM contains general procedures for requesting additional info. EO Rev Agents prepare individualized questions and requests for documents depending on what is necessary to make a determination on the application. • Q4. How do additional info requests relate to a specific std of review by the IRS? Are stds published? Do decisions adhere to these stds? • A4. Refers to response to Q2 and to general procedures in IRM. • Q5. Is every c4 applicant required to provide IRS copies of all social media posts, speeches and panel presentations, names and qualifications of speakers, written materials? If not, who has to and on what basis? • A5. Requests for additional info vary depending on the facts and circumstances. These items are requested when deemed necessary to make a determination. • Q6. Provide all correspondence among IRS and with Treasury and the White House about the decision to send letters in 2012 requesting donor info from c4 applicants. • A6. References responses to previous questions and states that donor info may be made public by operation of statute, not IRS policy or procedure. Inquiries have confirmed that

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		<p>there have been no communications between IRS employees and Treasury or the WH with respect to requests for donor information from any c4 applicants.</p> <ul style="list-style-type: none"> • Q7. What is the typical deadline for responses to additional info requests? • A7. The IRM provides that applicants have 21 days to respond to requests for additional info. Applicants can request extra time and typically get 60 days. If they need more, they are instructed to talk to their EO rev agent. • Q8. Provide copies of all IRS inquiries sent to and responses received from Priorities USA. • A8. Sec 6104a permits public disclosure of applications by organizations that have been recognized as exempt. No org with the name Priorities USA has been recognized as exempt.
5/1/2012	Response Letter from Director EO (Lerner) to Representative Lugar	<ul style="list-style-type: none"> • 6103 prohibits disclosure about specific taxpayers • We follow current IRS procedures to ensure that applications for exemptions are timely and fairly processed
5/3/2012	<p>Ltr to Shulman from Rep. Camp</p> <p>(etrak2012-31894)</p> <p>**There was no written response; instead, files were made available for inspection</p>	<ul style="list-style-type: none"> • References reports publicizing the IRS targeting certain applicants for tax-exempt org status and extensive correspondence and document requests to certain c4 applicants; audits have spanned years and stalled applications; inquiries are unprecedented and are limited to Tea Party groups • Requested all applications seeking c4 status received by the IRS in the 2010 and 2011 tax years along with files and correspondence related to the consideration and approval of such status • Files should include, but not be limited to: 1) the entity's application for tax-exempt status; 2) correspondence sent by IRS regarding the application; 3) correspondence sent by the taxpayer in response to IRS inquiries; 4) internal IRS records or communications relating to the applicant in question (incl email, notes, and memos); and 5) determination ltrs sent to taxpayers upon approval or denial of tax-exemption and identification of pending tax-exempt determinations
5/30/2012 (received 6/6/12)	Inquiry Letter from Representative (Lamar Smith) to Commissioner Shulman	<ul style="list-style-type: none"> • Constituent [REDACTED] 6103) and other nonprofit civic organizations have experienced delays and received burdensome information requests in connection with their applications for tax-exempt status. Recent inquiries appear to be beyond scope of what Form 1024 and Schedule B traditionally require.

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	E-trak 2012-32884	<ul style="list-style-type: none"> • Explain how recent requests, like those of constituent, are supported by law.
6/13/2012	Miller response to 3/28/2012 letter from Rep. Welch and others	<ul style="list-style-type: none"> • IRS has ongoing programs that review the activities of organizations seeking IRS recognition of tax-exemption under 501(c)(4), as well as organizations operating under that section. Law allows those organizations to self-declare and hold themselves out as tax-exempt. Organizations can also apply for IRS recognition as tax-exempt. • Description of application process • EO reviews referrals from both inside and outside the IRS that allege that a tax-exempt org is in potential noncompliance with the tax laws • In addition to using Form 990 info, IRS has two specific focus areas • First, EO has combined what is has learned from past projects on political activities with new information gleaned from the redesigned Form 990 to develop risk models to help focus its exam resources on serious allegations of impermissible political intervention-this includes c4 orgs • Second, the EO 2012 Work Plan outlines efforts to incorporate info from the Form 990 of c4, c5, and c6 self-declarers; EO will review certain of these orgs to ensure that they have classified themselves correctly and that they are complying with applicable rules; in 2012, EO will send a questionnaire to a group of orgs based on Form 990 filings to assess compliance in this area • Designates Jennifer Safavian, Harold Hancock, Jen Acuna Gordon, and Chris Armstrong as his agents to receive returns and return information
6/13/2012 (received 6/14/2012)	<p>Inquiry Letter from Senator Levin to Commissioner Shulman</p> <p>E-trak 2012-33118</p>	<ul style="list-style-type: none"> • Trend of using our tax code to limit campaign disclosure is deeply troubling • Referenced 1997 letter from IRS denying tax-exempt status to National Policy Forum (included in his 3/30/2012 letter) and states that letter indicated denial based on fact that organization was engaged in partisan political activity; says that 6/4/2012 Miller response has somewhat weaker interpretation of c4 requirements • Says that message needs to be sent to c4 entities to ensure that they understand that any political activities they undertake must constitute secondary and not primary activity of organization; urges us to remind c4 organizations

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		of this within the next 30 days
6/15/2012	Response Letter from DCSE Miller to Flores, et al. E-trak 2012-31474	<ul style="list-style-type: none"> • Background information on our long-standing system for processing applications for tax-exempt status, including application process, requests for additional information, tools, dialogue, development of administrative record, EO technical law specialists involvement, processing of applications • Note that activity that has recently attracted attention relates to processing of determination letter requests of organizations who sought recognition of tax-exempt status by IRS • Outlines steps EO takes after noticing an increase in similar cases or activities, as was done here after noticing an increase in requests from organizations that appeared to be potentially engaged in political advocacy activities in late 2010, including coordinate of handling of cases to ensure consistency, EO determination agents began working with EO technical tax law experts to develop approaches and materials that could be helpful to agents working cases • Noted that coordination efforts resulted in some cases being in inventory for longer time than expected • Noted that in early 2012, after development letters were sent to some applicant organizations, issues with respect to those cases were brought to the attention of EO management who requested a status of inventory and ensured more timely and consistent handling of the cases • Stated that we've made significant progress on cases to date; number of approvals granted within last month; updated information requests sent to focus on specific legal issues in question in many cases
6/18/2012	Ltr to Shulman from Sen. Hatch (with Cornyn, Kyl, Alexander, McConnell, Enzi, Paul, Hutchinson, Corker, Thune, and Roberts)	<ul style="list-style-type: none"> • References a March 2012 letter with questions about procedures followed in evaluating applications for tax-exempt status and IRS response • Continuing concern about IRS requests for donor information in follow up letters which are part of the application process because follow up letters and taxpayer responses become part of the administrative record that may become available for public review at the IRS national office • Eight questions:

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	(etrak 2012-33220)	<ul style="list-style-type: none"> • 1. Specific statutory authority for requesting donor names? • 2. Is it customary to request this info and the number of requests for each year from 2002-2011? • 3. Is the EO technical office involved in such requests? • 4. Questions about the author, authority for, and privacy considerations relating to information request language on specific Letters 1313 and Letters 2382 • 5. The total number of 1313 and 2382 letters sent in 2011 and 2012? • 6. Does IRS intend to use 1313 and 2382 letters to request donor info going forward? • 7. Is donor info necessary when reviewing tax-exempt applications? If so, how was this determined and are there written standards? Has anyone recommended that Form 1024 be amended? • 8. Does the donor info for someone who gave \$1 meet the relevancy standard?
6/22/2012	<p>Response Letter from TE/GE Commissioner (Grant) to Rep. Smith</p> <p>E-trak 2012-32884</p>	<ul style="list-style-type: none"> • 6103 prohibits disclosure about specific taxpayers • Brief discussion of law regarding application options (self-declare or apply) and mandatory Form 990 filing • Applications are filed with centralized IRS submission processing center and then sent to EO determinations office in Cincinnati for initial technical screening. Experienced revenue agents conduct screening and separate applications into four categories. • Organizations in fourth category (require further development by agent) are sent letters and notified that they will be contacted once application has been assigned. R/A will request additional information and documentation and make a determination. • Description of what is necessary to qualify for exemption as social welfare organization and steps R/A takes in making determination (obtain additional information, IRM template, etc.) • Importance of back and forth dialogue • Tools to promote consistent handling of full development cases • Importance of developing complete administrative record; Appeals review

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		<ul style="list-style-type: none"> • Role of EO Technical tax law specialists
6/22/2012	<p>Response Letter from TE/GE Commissioner to Representative Marchant</p> <p>E-trak 2012-30950</p>	<ul style="list-style-type: none"> • 6103 prohibits disclosure about specific taxpayers • Brief discussion of law regarding application options (self-declare or apply) and mandatory Form 990 filing • Applications are filed with centralized IRS submission processing center and then sent to EO determinations office in Cincinnati for initial technical screening. Experienced revenue agents conduct screening and separate applications into four categories. • Organizations in fourth category (require further development by agent) are sent letters and notified that they will be contacted once application has been assigned. R/A will request additional information and documentation and make a determination. • Description of what is necessary to qualify for exemption as social welfare organization and steps R/A takes in making determination (obtain additional information, IRM template, etc.) • Importance of back and forth dialogue • Tools to promote consistent handling of full development cases • Importance of developing complete administrative record; Appeals review • Role of EO Technical tax law specialists
7/13/2012	<p>Response Letter to Senator Levin from Director EO (Lerner)</p> <p>E-trak 2012-33118</p>	<ul style="list-style-type: none"> • Summary of steps taken to education organizations with enclosures
7/27/2012 (received 7/30/2012)	<p>Inquiry Letter from Chairman Levin to Commissioner Shulman</p> <p>E-trak 2012-34450</p>	<ul style="list-style-type: none"> • Expressing concern about how IRS interprets law regarding extent to which c4 social welfare organizations can engage in partisan political activity; notes that 7/13/2012 response by Lerner to his 6/13/2012 inquiry was unsatisfactory • Says that discussion does not describe initiative to

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		<p>continually inform or actively educate; instead passively making information available</p> <ul style="list-style-type: none"> Seeks answers to 9 questions with subparts
8/6/2012	<p>Ltr to Shulman from Sen. Hatch (with Grassley, Roberts, Enzi, Cornyn, Thune, McConnell, Alexander, Hutchinson, and Kyl)</p> <p>(etrak 2012-34689)</p>	<ul style="list-style-type: none"> References IRS letter to private groups suggesting that proposed changes to the 1959 regulations will be considered Urges IRS to resist allowing the IRS rulemaking process to be subverted to achieve partisan political gains IRS letter seems to suggest that outside political pressure is triggering IRS's consideration of changes to the law Concerned that IRS will bypass the normal rulemaking process
8/24/2012	<p>Response Letter from DCSE Miller to Chairman Levin</p> <p>E-trak 2012-34450</p>	<ul style="list-style-type: none"> Notes that response supplements 6/4/2012 and 7/13/2012 responses Discussion of c4 language re political campaign intervention; explanation of Treasury regulation interpreting "exclusively"; comments around processing time after receiving complaint from public, etc. on potentially impermissible political intervention; FY2011 staffing numbers; discussion of c4 self-declare option and review; process of tracking additional tax for political campaign activities and related questions; identification of how an individual may obtain copies of publicly available Forms 990 or 990-EZ; responses to questions pertaining to specific entities status including identification of 5 organizations that have been recognized as tax exempt; and steps taken to education organizations of tax law requirements
9/11/2012	<p>Miller response to 6/18/2012 ltr from Hatch, Cornyn, Kyl, Alexander, McConnell, Enzi, Paul, Hutchinson, Corker, Thune, and Roberts</p> <p>(etrak 2012-33220)</p>	<ul style="list-style-type: none"> Letter responds to eight questions Q1. Specific statutory authority for requesting donor names? A1. Regs provide that IRS may require additional info deemed necessary for a proper determination Q2. Is it customary to request this info and the number of requests for each year from 2002-2011? A2. Each development ltr is based on the facts and circumstances of the specific application; references response to April 2012 ltr explaining that if Form 1024 is sufficiently detailed, no further questions are asked; IRS systems capture the number of development letters, but not the specific questions asked

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		<ul style="list-style-type: none"> • Q3. Is the EO technical office involved in such requests? • A3. References response to April 2012 ltr; EO rev agents request info they believe is necessary; an EO rev agent might seek advice from EO Tech staff regarding a particular matter or a case may be referred to EO Tech staff, but EO Tech staff is not involved in all info requests • Q4. Questions about the author, authority for, and privacy considerations relating to information request language on specific Letters 1313 and Letters 2382 • A4. By law, IRS cannot comment about letters sent to specific taxpayers; IRS Office of Privacy was not consulted regarding specific questions • Q5. The total number of 1313 and 2382 letters sent in 2011 and 2012? • A5. IRS systems capture the number of applications approved during the year that received development ltrs, but do not track whether a 1313 or 2382 letter was sent or the specific questions asked in the ltrs • Q6. Does IRS intend to use 1313 and 2382 letters to request donor info going forward? • A6. Explanation of use of letters and situations where donor info may be needed for IRS to make a proper determination, such as issues of inurement or private benefit; accordingly, there may be need for the letter in the future • Q7. Is donor info necessary when reviewing tax-exempt applications? If so, how was this determined and are there written standards? Has anyone recommended that Form 1024 be amended? • A7. Donor info is not necessary in all cases; not aware of any recommendations to amend Form 1024 • Q8. Does the donor info for someone who gave \$1 meet the relevancy standard? • A8. Depends on facts and circumstances
9/21/2012	Ltr to Shulman from Rep. Camp (etrak 2012-31894)	<ul style="list-style-type: none"> • References an April 2012 ltr (probably the 5/3/2012 ltr) • Designates Mark Epley as his agent to receive returns and return information
9/27/2012 (received 9/28/2012)	Inquiry Letter from Chairman Levin to Commissioner Shulman E-trak 2012-36251	<ul style="list-style-type: none"> • Raises two questions with subparts; specifically references 4 organizations (Crossroads Grassroots Policy Strategies, Priorities USA, Americans for Prosperity, and Patriot Majority USA)
10/2/2012	Wilkins response to	<ul style="list-style-type: none"> • Short response summarizing the long-standing Treasury

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	8/6/2012 ltr from Hatch, Grassley, Roberts, Enzi, Cornyn, Thune, McConnell, Alexander, Hutchinson, and Kyl (etrak 2012-34689)	regulation process
10/17/2012	Response Letter from DCSE Miller to Chairman Levin E-trak 2012-36251	<ul style="list-style-type: none"> • Response supplements 6/4/2012, 7/13/2012, 8/24/2012, and 9/14/2012 responses • Limited on ability to respond to taxpayer-specific inquiries but provided publicly available portions of applications for Patriot Majority USA and noted that Americans for Prosperity issued favorable determination letter in October 2004 (haven't yet located copy of application file) • State that we have no record of approved application for Crossroads Grassroots Policy Strategies and Priorities USA
10/23/2012	Ltr to Shulman from Sen. Levin (etrak 2012-36952)	<ul style="list-style-type: none"> • Refers to 10/17/2012 and 6/4/2012 responses from IRS • Four requests: • 1. Has the IRS asked Americans for Prosperity for a copy of its application? If so, provide a copy. • 2. Has the IRS examined whether or not the following c4 orgs are engaged primarily in the promotion of social welfare? If yes, indicate whether the exam is still pending. A. Crossroads Grassroots Policy Strategies; B. Priorities USA; C. Americans for Prosperity; and D. Patriot Majority USA. • 3. Provide the number of denials of applications since 1/1/2007 referred to in the response to Sen. Levin's letter dated 3/30/2012, and if less than 10, copies of the denials. • 4. How many notices of proposed or final revocations have been issued since 1/1/2007? If less than 10, provide copies. How many c4s have been examined since 1/1/2007 to determine if they are engaged in political activity?
11/23/2012	Miller response to 10/23/2012 ltr from Sen. Levin (etrak 2012-36952)	<ul style="list-style-type: none"> • Response to four: • Q1. Has the IRS asked Americans for Prosperity for a copy of its application? If so, provide a copy. • A1. The IRS has not asked Americans for Prosperity for a copy of its application. Tax exempt orgs must make certain documents, including applications for exemption, available for public inspection upon request.

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		<ul style="list-style-type: none"> • Q2. Has the IRS examined whether or not the following c4 orgs are engaged primarily in the promotion of social welfare? If yes, indicate whether the exam is still pending. A. Crossroads Grassroots Policy Strategies; B. Priorities USA; C. Americans for Prosperity; and D. Patriot Majority USA. • A2. As stated in the response dated 6/4/2012, sec 6103 prohibits disclosure about specific taxpayers. • Q3. Provide the number of denials of applications since 1/1/2007 referred to in the response to Sen. Levin's letter dated 3/30/2012, and if less than 10, copies of the denials. • A3. As stated in the response dated 6/4/2012, sec 6103 prohibits disclosure about specific taxpayers. If application is ultimately denied, the info will be available for public inspection. Since 1/1/2007, IRS has issued ten adverse determinations to c4 applicants based on conclusion that they did not primarily operate for the promotion of social welfare. Generally, they were primarily engaged to benefit private individuals or interests and/or constituted direct and indirect political campaign intervention for or against political candidates. Redacted determination letters enclosed. • Q4. How many notices of proposed or final revocations have been issued since 1/1/2007? If less than 10, provide copies. How many c4s have been examined since 1/1/2007 to determine if they are engaged in political activity? • A4. IRS issued 42 revocation notices to c4s since 1/1/2007. In addition, IRS issued 18 advisories noting irregularities that could pose a risk to the orgs tax-exempt status. From 1/1/2007 to 9/2012, IRS examined 643 c4 orgs to determine whether they were primarily engaged in social welfare activities. Political activity was one of the issues explored in 22 of the c4 exams.
1/4/2013 (received 1/7/2013)	Inquiry Letter from Chairman Levin to Acting Commissioner & DCSE Miller E-trak 2013-38571	<ul style="list-style-type: none"> • Recognizes 11/23/2012 response to 10/23/2012 Letter • Raises 6 questions with subparts
2/12/2013	Ltr to Miller from Rep. Camp (etrak 2012-31894)	<ul style="list-style-type: none"> • References an April 2012 ltr (probably the 5/3/2012 ltr) • Designates Matthew Hittle as his agent to receive returns and return information

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3/15/2013	Response Letter from DCSE Miller to Chairman Levin	<ul style="list-style-type: none"> • Notes that response supplements 6/4/2012, 7/13/2012, 8/24/2012, 9/14/2012, 10/17/2012, and 11/23/2102 responses • Responds to various inquiries, including difference between revocation notice and adverse determination; discussion of 527 interaction with c4 and discussion around the c4 adverse determination letters and revocation notices; note that 22 of 643 examined c4 organizations had political campaign activity as one of the issues explored during examination; summary of guidance used to determine whether c4 organization primarily engages in exempt activities; summary of procedural guidance used to promote quality and consistency in similar cases; citation to 6103 as prohibiting response about Crossroads Grassroots Policy Strategies; chart differentiating requirements between c3, c4, c6, c6 and 527 provisions; explanation of guide sheet; explanation of differences between RR 2007-41 and RR 2004-6; coordination/tracking/reporting with FEC
5/10/2013	Inquiry Letter from Chairman Boustany to Acting Commissioner Miller E-trak 2013-42583	<ul style="list-style-type: none"> • Notes that Committee has been pursuing an active investigation for more than 1 year into IRS's targeting of conservative groups seeking tax exempt status • References reports detailing Lerner apology • Asks for all communications containing certain words and names/titles of all individuals involved in the discrimination

Janine Estes				
Advocacy Cases Pending Approval of Development Letters				
	Name of Organization	EIN	Sent To	Date Sent
1	b(3)/6103	6103	Hilary Goehausen	1/29/13 *Need approval on 2nd letter Case appears to be adverse. Requested she review response and provide guidance if another additional information request is warranted.
2	6103	6103	Hilary Goehausen	2/8/13 Response contained questionable activities. Requested she review response and provide guidance if another additional information request is warranted.
3	6103	6103	Hilary Goehausen	2/8/13 Case returned on QA memo. QA recommended the case be denied. QA asked I coordinate with EO Tech whether the appropriate determination in this case should be a denial.. Scanned QA memo and sent email requesting she review response and provide guidance.
4	6103	6103	Hilary Goehausen	3/8/13 Received email from Justin Lowe that case should be held. Justin indicated they are working on development questions for a related case that could be applicable for my case as well. Waiting on development questions.
5	6103	b(3)/6103	Justin Lowe	2/5/13
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Hi Troy—

Hope you had an enjoyable holiday. I wanted to touch base with you regarding our preliminary take on your staff's position on the application files they reviewed. I know they have asked for a meeting on the shorter list (cases that were not treated as advocacy cases but your team believes should have been) very soon and have given us a bit more time to look at the longer list (cases that were treated as advocacy cases but your team believes they should not have been). All in all, I believe they are preparing for a meeting with Congressman. Issa, where they may be opining on their preliminary take on the review.

Before my staff meets with yours, I thought I'd give you a heads up on what we're seeing in the event you prefer a "smaller" meeting with Holly and me before the staff talk. In any event, I would request you be on the meeting with the staff, as I intend to attend from our end. As you know, the issues here are very sensitive and I know we both recognize that they are not as black and white as some of the issues we deal with, so I think it is important that higher levels on both sides hear the discussion to ensure the best result.

So, to give you a preview, we generally agree with your findings on the shorter list—that the cases should have been included in the group of advocacy cases. We had not yet had time to do this look, which we did have planned, so thank you for providing the information. We still plan to look to see if there are any root causes that might have led to them not being included, so we can better address the issue, and will keep your staff posted on what we find.

As to the larger list, we have not completed our review, but, we are not in agreement with your staff's findings that the cases we have looked at thus far should not have been included as advocacy cases. We think the "disconnect" may come from a misunderstanding about why cases were added to the advocacy group. Your staff's analysis seems to focus on whether the application explicitly stated that the organization participated or intervened in a political campaign. Because the legal analysis of whether specific advocacy is political intervention requires analyzing all the facts and circumstances surrounding that advocacy in light of the formal guidance provided in this area, we included all organizations indicating they were engaged in advocacy, so that they would be worked by specialists who have a better understanding of the facts and circumstances to be considered, and who would be able to analyze the cases in a consistent manner.

Having said that, we are concerned that your staff's analysis to come up with the two lists is not consistent. Let me cite a couple examples for you to think about. The list your staff provided indicates that "given the lack of specifics in the application about the types of activities the organization has/will conduct to establish its goals," XXXXX should have been included as an advocacy case. On the other hand, after noting that the YYYYYY "had not begun activities at the time of the application, and there is not enough information about the type of activities planned, staff concluded that the organization

should not have been included as an Advocacy case, but sent for general development instead.¹

Another set of cases that puzzles us are ZZZZZ, which your list says should have been included as an advocacy case because it did not respond to question 15 of Form 1024 (Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization?)², and AAAAA, which your list says should not have been considered an advocacy case even though the application responded yes to question 15.

While at the end of the day, there may very well continue to be disagreement on some cases, I think it would be constructive for us to discuss the apparent differences before we put further pen to paper in a more formal way. Let me know your thoughts. I am out of the office Wednesday and Thursday, but can set something up Tuesday or Friday if you'd like.

¹ I think what is missing here is some indication that YYYY was going to do some advocacy? Otherwise they would be correct if we had no reason from the application to think they might do advocacy. Is there something?

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(b)(3)/6103

(b)(3)/6103

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From: Marks Nancy J
Sent: Monday, January 14, 2013 9:35 AM
To: Kindell Judith E; Paz Holly O; Lerner Lois G; Goehausen Hilary
Subject: RE: E-Mail to Troy

I think this looks good (sorry to be slow but Lois your dog went into spam for me). I agree on the comment re "all organizations indicating they were engaged in advocacy" "I'd suggest inserting "potentially problematic" before advocacy since we did try to drop out clean lobbying and clearly minimal for example.

From: Kindell Judith E
Sent: Monday, January 14, 2013 9:44 AM
To: Paz Holly O; Lerner Lois G; Marks Nancy J; Goehausen Hilary
Subject: RE: E-Mail to Troy

I've added the names of the orgs and added a little bit more about the one issue.

From: Paz Holly O
Sent: Monday, January 14, 2013 5:24 AM
To: Kindell Judith E; Nan Marks; Lerner Lois G
Subject: RE: E-Mail to Troy

My suggestions are in the attached. I also included the Congressman's name (Issa) and the language of question 15. Most of my edits are minor but I have one substantive one in paragraph 4.

From: Toby Miles [mailto:(b)(6); (b)(7)(C)]
Sent: Sunday, January 13, 2013 6:45 PM
To: Kindell Judith E; Paz Holly O; Nan Marks; Lerner Lois G
Subject: E-Mail to Troy

Please take a look. i used Judy's email and went from there. There are a few things I need Judy to do--I left names as XXXX, YYYY, ZZZZ and AAA because this isn't secure, so I need you to insert correct names--also see the footnotes and provide the information I asked for. Finally, who ar they preparing to brief--see 1st paragraph and fill in. I welcome any other comments. Am hoping to send the email when I get in after (b)(6); (b)(7)(C) on Monday morning around 11. Thanks

Cook Janine

From: Cook Janine
Sent: Friday, March 02, 2012 3:50 PM
To: Spellmann Don R; Brown Susan D
Subject: RE: Legal Issue o c4 apps

Thanks. Please keep me posted on conversations with client. I don't think we want to proactively at this point mention the query below. thanks.

From: Spellmann Don R
Sent: Friday, March 02, 2012 2:16 PM
To: Brown Susan D; Cook Janine
Subject: FW: Legal Issue o c4 apps
Importance: High

From: Marshall David L
Sent: Friday, March 02, 2012 2:11 PM
To: Spellmann Don R
Subject: RE: Legal Issue o c4 apps
Importance: High

1. This is really internal process over with Lois' shop and not a legal question, though it will have legal implications. I would assume FTE would be appropriate disposition.
2. Apparently no appeal rights where FTE. See Rev. Proc. 2012-2, 2012-2 I.R.B. 267-68. (Appeal rights come with the issuance of a proposed denial).
3. Without adverse can still hold themselves out as c4 because can self-declare. Remember even if final adverse were sent could immediately submit new 1024 and hold itself out as c4 going forward with new tax year beginning date of app.

Query -- rather than close out FTE, do any of the cases have sufficient administrative record to issue proposed adverse?

From: Spellmann Don R
Sent: Friday, March 02, 2012 1:53 PM
To: Marshall David L
Subject: FW: Legal Issue o c4 apps
Importance: High

More on our subject. Do you know the answers off-hand?

From: Lerner Lois G [<mailto:Lois.G.Lerner@irs.gov>]
Sent: Friday, March 02, 2012 1:08 PM
To: Fish David L; Urban Joseph J; Spellmann Don R
Cc: Paz Holly O; Cook Janine; Marx Dawn R

Subject: Legal Issue

Importance: High

We are drafting a letter to send to (c)(4)orgs who haven't responded to our Determ request for additional information. I know we usually put them in suspense for 90 days and wait for a response. If they don't respond, we close the case after 90 days has passed. If they come in with a response before the 90 days are up, we continue to process without any additional User Fee. If they come in after we have closed the case, we require they pay a new user fee. A couple questions--

1. When we close after 90 days, what is the disposition? Is it an FTE?
2. If it is closed FTE, do they have appeal rights?
3. If they are closed this way, can they still hold themselves out as a c4 without going forward further on the application?

What about this is "legal" and what is process? Sort of need this soon please

Lois J. Lerner

Director of Exempt Organizations

Cook Janine

From: Spellmann Don R
Sent: Monday, March 05, 2012 9:40 AM
To: Cook Janine; Brown Susan D
Subject: Re: Lois' Request on C4 Legal Issue

I did speak to David Fish late on Friday. They are good for now. Any questions, please let me know.

From: Fish David L [<mailto:David.L.Fish@irs.gov>]
Sent: Friday, March 02, 2012 3:46 PM
To: Spellmann Don R; Urban Joseph J
Cc: Brown Susan D; Megosh Andy
Subject: RE: Lois' Request on C4 Legal Issue

Can we do this now? Or first thing Monday morning. I only have a few minutes left and it's been a long week.

3-8909 and Andy and Joe can come here if you want.

From: Spellmann Don R [<mailto:Don.R.Spellmann@irs.counsel.treas.gov>]
Sent: Friday, March 02, 2012 2:17 PM
To: Fish David L; Urban Joseph J
Cc: Brown Susan D; Megosh Andy
Subject: RE: Lois' Request on C4 Legal Issue

That's what I'm thinking. I can call you guys around 4 if that's convenient.

From: Fish David L [<mailto:David.L.Fish@irs.gov>]
Sent: Friday, March 02, 2012 2:09 PM
To: Spellmann Don R; Urban Joseph J
Cc: Brown Susan D; Megosh Andy
Subject: RE: Lois' Request on C4 Legal Issue

#3--I think the answer is yes--they can hold themselves out until we go after them and examine them. Does that sound right? I do not believe currently we would (or could) set them up and send them a notice of deficiency after they FTE. I believe the other two questions are our internal procedures.

We can talk or you can leave a message on answering machine if it is relatively simple. I have to finish up the 501(r) phone call this afternoon and then will be gone for about an hour. Or you can try and call Andy or Joe.

From: Spellmann Don R [<mailto:Don.R.Spellmann@irs.counsel.treas.gov>]
Sent: Friday, March 02, 2012 1:59 PM
To: Fish David L; Urban Joseph J
Cc: Brown Susan D
Subject: Lois' Request on C4 Legal Issue
Importance: High

David & Joe,

Please let us know what support we can provide on this.

Don

Don R. Spellmann
Senior Counsel
Office of Division Counsel/
Associate Chief Counsel
(Tax Exempt and Government Entities)
1111 Constitution Avenue, NW, Room 4409
Washington, DC 20224
202-927-6799
202-622-1036 (Fax)

From: Lerner Lois G [<mailto:Lois.G.Lerner@irs.gov>]

Sent: Friday, March 02, 2012 1:08 PM

To: Fish David L; Urban Joseph J; Spellmann Don R

Cc: Paz Holly O; Cook Janine; Marx Dawn R

Subject: Legal Issue

Importance: High

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What about this is "legal" and what is process? Sort of need this soon please

Lois G. Lerner

Director of Exempt Organizations

Filing and Disclosure Rules

I. Tax Exempt Status Application and Annual Information Return Filings

a. § 501(c)(3) Organizations – IRC 501, 508 regs

- A. General rule - Must apply for tax-exempt status recognition, using Form 1023. Treas. Reg. §§ 1.501(a)-1(a)(3); 1.508-1.
- B. Exception - Churches, their integrated auxiliaries, and small organizations (i.e., under \$5,000). IRC § 508(c)(1); Treas. Reg. § 1.508-1(a)(3).

b. § 501(a) Organizations other than § 501(c)(3) – IRC 501, 508 regs

- A. Certain organizations, such as §§ 501(c)(4), may hold themselves out as tax-exempt and are not required to apply for exemption. Treas. Reg. § 1.508-1(a). But generally do apply in order to have reliance on an IRS determination letter, in the event the IRS ever examines the organization.
- B. To apply for recognition from the IRS, such organizations file Form 1024. Treas. Reg. § 1.501(a)-1(a)(3).

c. Form 990 series annual information returns – IRC 6033

- A. General rule - Under § 6033(a)(1), organizations that are exempt from Federal income tax under § 501(a) are generally required to file an annual information return reporting gross income, receipts, disbursements and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe.
- B. Exception - § 6033(a)(3)(B) provides a discretionary exception under which the Secretary may relieve any organization (other than an organization described in § 509(a)(3)) from filing such a return where the Secretary determines that such filing is not necessary to the efficient administration of the internal revenue laws. (i.e., churches, group returns, etc.)

II. Statutory Disclosure Rules

- a. Public disclosure regarding tax exempt organizations, including whether or not donor information is made public, is governed by statute (not by IRS policy or practice).
- b. Public disclosure regarding tax exempt organization filings is principally governed by §§ 6103, 6104 and 6110 of the Internal Revenue Code.

A. IRC 6103 – General Rule

Generally, § 6103 of the Code prohibits the disclosure of information about specific taxpayers unless the disclosure is authorized by a provision of the Code.

990-1047. of disc. -> Andy

(what said publicly) name.
→ ISSA done with authority behind why asking

B. IRC 6104

1. **§ 6104** of the Code requires the IRS to make certain materials available for public inspection, including an organization's approved application for recognition of tax exemption and Form 990 annual information returns.¹
2. **Applications (Forms 1023, 1024) vs. Annual Information Returns (Form 990/990EZ)** - The long-standing statutory requirements regarding exemption applications are separate from those requiring public availability of Form 990 annual information returns.
 - a. **Applications for Tax Exempt Status**
 - i. **General rule** - If the IRS approves an organization's application for tax-exempt status, **§ 6104(a)** requires that the exempt status application materials be made available for public inspection.
 - ii. **Exception** - The only exception to that requirement is found in **§ 6104(a)(1)(D)**, which exempts from disclosure information that the IRS determines relates to any "trade secret, patent, process, style of work, or apparatus of the organization" that would adversely affect the organization or information that could adversely affect national defense.
 - iii. **Exempt status application materials defined** - The term means the application for recognition of exemption under section 501 and any papers submitted in support of the application, and any letter or other document issued by the IRS with respect to the application. See **IRC 6104(a), (d)(5)**.

¹ The disclosure rules have been in place since 1958, and the legislative history provided the following rationale for public disclosure of exemption applications: "[the] committee believes that making these applications available to the public will provide substantial additional aid to the Internal Revenue Service in determining whether organizations are actually operating in the manner in which they have stated in their applications for exemption." H.R. Rep. No. 85-262, at 41-42 (1957). In 1987, Congress added what is now section 6104(d) to the Code, that requires organizations to make their returns available to the public, and in 1996 extended this rule to application materials.

b. Under **§ 6104(b)**, Form 990 annual information returns are also subject to public inspection, with the sole exception of donor information contained in Schedule B of the Form 990. The withholding of names and addresses of donors from public disclosure applies only to Form 990; this exception does not extend to information obtained from exemption applications and supporting materials.²

3. **Note on Form 1024 re: disclosure** – In light of the statutory requirement to make approved applications public, organizations are notified that information they provide will be available for public inspection on page 2 of the Form 1024 instructions. This notice is reiterated in any development letters sent to the (§ 501(c)(4)) organizations. Although the statute requires the administrative record, including the application, supporting documents and correspondence between the applicant and the IRS, be made available for public inspection, the IRS does not affirmatively publish this information. It is available only upon request.

Sub 700

Comment [NLP1]: Only c4s? or all applicants or only all F1024 apps?

C. IRC 6110 – Redacted Denials

Under **§ 6110** of the Code, if the IRS ultimately denies the application for recognition of tax-exempt status, the denial letter and background information will be subject to public inspection, with certain identifying and other information redacted, to assist the public to understand the IRS reasoning while also protecting the identity of the organization and any person identified in the file (including individual donors).

² The withholding exception does not apply to donor information for organizations that file Form 990-PF or to those section 527 organizations that are required to file Form 990 or 990-EZ.

include churches because they generally have no registration or filing requirements.

Put this somewhere else:

The President's 2013 budget for the IRS will advance our efforts, and I respectfully request your support for it. This budget supports our continued emphasis on compliance in the tax-exempt area. For FY 2013, the Administration has requested an 8 percent increase in the IRS budget. The budget includes a 3.2 percent increase for TE/GE (\$8.9 million), with a 2.55 percent increase for our examination program and a 3.76 percent increase for our regulatory budget.

(b)(6)/(b)(7)(C)

General Law Governing 501(c)(3) Organizations

The Internal Revenue Code specifies certain types of organizations that are exempt from federal income tax.¹ The most common are charitable, religious and educational organizations, civic associations, labor organizations, business leagues, social clubs, fraternal organizations, and veterans' organizations.²

Not all non-profit organizations are tax-exempt under federal law.³ To be tax-exempt, the organization must be described in a paragraph of section 501(c).⁴

Section 501(c)(3) organizations (except for churches, their integrated auxiliaries, and small organizations) must also apply to be recognized as tax-exempt.⁵ They do this by filing a Form 1023.⁶

Organizations described in most⁷ other paragraphs of section 501(c) are not required to apply for recognition as tax-exempt, but often do so in order to have reliance that the IRS recognizes them as exempt. These organizations file a Form 1024.⁸

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We consistently receive about 60,000 applications a year for tax-exempt status.

If the IRS approves an application – filed either on Form 1023 or on Form 1024 – it will issue a "ruling letter" or a "determination letter" specifying the Code section under which the organization is exempt from federal income tax.⁹

¹ IRC § 501(a); Treas. Reg. § 1.501(a)

² IRC § 501(c); Treas. Reg. § 1.501(c)(3)-1. *then c(29)-1*

³ Treas. Reg. § 1.501(a)-1(a)(2).

⁴ Treas. Reg. § 1.501(a)-1(a)(1).

⁵ Treas. Reg. §§ 1.501(a)-1(a)(2); 1.508-1(a)(3) *1.508-1(a)(3)*

⁶ Treas. Reg. §§ 1.508-1(a)(2); 1.508-1(a)(3) *1.508-1(a)(2)*

⁷ IRC § 505(c) requires section 501(c)(9) and (17) entities to apply.

⁸ Treas. Reg. § 1.501(a)-1(a)(3).

⁹ Treas. Reg. § 1.501(a)-1(a)(2); Treas. Reg. § 301.6104(a)-1.

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Contributions to section 501(c)(3) organizations are deductible on the donor's federal income tax return, if the donor chooses to itemize deductions.¹⁰ Contributions to most other types of tax-exempt organizations do not qualify for a charitable deduction.¹¹

Section 501(c)(3) organizations are the largest category of exempt organizations. There are two requirements for exemption under section 501(c)(3). The organization must be¹²:

- Organized, and
- Operated exclusively for one or more exempt purposes.

The organizational requirement is that a 501(c)(3) organization must be organized as a nonprofit corporation, trust, or unincorporated association.¹³ In addition, its organizing documents (articles of incorporation, trust documents, articles of association, etc.) must:

- Limit its purpose or purposes to those described in section 501(c)(3),¹⁴
- Align its activities with its exempt purposes,¹⁵ and
- Dedicate its assets only to exempt purposes.¹⁶

Because a 501(c)(3) organization must engage exclusively in activities that accomplish its exempt purposes or purposes, other activities are prohibited or restricted.¹⁷

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A 501(c)(3) organization cannot:

- Participate in political campaigns on behalf of, or in opposition to, any candidate for public office,¹⁸
- Perform lobbying activities as a substantial part of its overall activities,¹⁹
- Allow its earnings to inure to the benefit of any private shareholder or individual,²⁰
- Operate for the benefit of private interests, such as those of its founder, the founder's family, its shareholders, or persons controlled by such interests.²¹

¹⁰ IRC § 170; Treas. Reg. § 1.170-2.

¹¹ Id.

¹² Treas. Reg. § 1.501(c)(3)-1(a).

¹³ 1.501(c)(3)-1(b)

¹⁴ Treas. Reg. § 1.501(c)(3)-1(b)(1).

¹⁵ Id.

¹⁶ Treas. Reg. § 1.501(c)(3)-1(b)(4).

¹⁷ Treas. Reg. § 1.501(c)(3)-1(c)(1).

¹⁸ Treas. Reg. § 1.501(c)(3)-1(b)(3)(ii); § 1.501(c)(3)-1(c)(3).

¹⁹ Treas. Reg. § 1.501(c)(3)-1(b)(3)(i); § 1.501(c)(3)-1(c)(3).

²⁰ Treas. Reg. § 1.501(c)(3)-1(c)(2).

²¹ Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii).

- Operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose,²² or
- Perform activities that are illegal or that violate fundamental public policy.²³

An organization must state one or more exempt purposes in its organizing document.²⁴ Section 501(c)(3) lists the following exempt purposes²⁵:

- Charitable,
- Educational,
- Religious,
- Scientific,
- Literary,
- Fostering national or international amateur sports competition,
- Preventing cruelty to children or animals, or
- Testing for public safety.

Of these, the most common types of 501(c)(3) organizations are charitable, educational, or religious.

Charitable organizations conduct activities that promote any of the following purposes²⁶:

- Relief of the poor, the distressed, or the underprivileged,
- Advancement of religion,
- Advancement of education or science,
- Building or maintaining public buildings, monuments, or works,
- Lessening the burdens of government,
- Reducing neighborhood tensions,
- Helping eliminate prejudice and discrimination,
- Defending human and civil rights, and
- Combating community deterioration and juvenile delinquency.

Educational relates to²⁷:

- The instruction or training of the individual for the purpose of improving or developing his capabilities; or
- The instruction of the public on subjects useful to the individual and beneficial to the community.

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An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of

²² Treas. Reg. § 1.501(c)(3)-1(e).

²³ Bob Jones Case?

²⁴ Treas. Reg. § 1.501(c)(3)-1(b)(1) (i)(a)

²⁵ IRC § 501(c)(3); Treas. Reg. § 1.501(c)(3)-1(d)(1)(i)(a)-(g).

²⁶ Treas. Reg. § 1.501(c)(3)-1(d)(2).

²⁷ Treas. Reg. § 1.501(c)(3)-1(d)(3)(i).

the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion.²⁸

Examples of educational organizations include²⁹:

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- Primary or secondary schools, colleges or professional or trade schools that have a regularly scheduled curriculum, faculty, and enrolled body of students,
- Organizations that conduct public discussion groups, forums, panels, lectures, or other similar programs, and
- Organizations that present a course of instruction by means of correspondence or through the use of electronic devices, means or services.

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Religious organizations include churches and other organizations organized and operated exclusively for religious purposes.³⁰

Deleted: <#>Museums, zoos, planetariums, symphony orchestras, or similar organizations.¶
<#>Non-profit day-care centers, and¶
<#>Youth sports organizations.¶

Public Charity or Private Foundation

Every organization that qualifies as tax exempt under section 501(c)(3) is classified as either a *public charity* or a *private foundation*. Under section 508, organizations, other than churches, certain educational organizations and certain trusts, are automatically classified as private foundations, unless they meet the criteria of a public charity listed in section 509(a).³¹

The primary distinction between a public charity and a private foundation lies in the source of financial support.³² A public charity typically has a broad base of public support, whereas a private foundation generally is supported by just a few individuals, such as members of a family.³³

Whether a 501(c)(3) organization is classified as a public charity or private foundation is important because different tax rules apply to each. For example, the deductibility of contributions to a private foundation is more limited than the deductibility of contributions to a public charity.³⁴ In addition, private foundations are subject to stricter federal regulation and may be subject to excise taxes not imposed on public charities.³⁵

²⁸ Id.

²⁹ Treas. Reg. § 1.501(c)(3)-1(d)(3)(ii).

³⁰ IRC § 501(d).

³¹ Treas. Reg. §§ 1.508-1(b); 1.509(a)-1; 1.509(a)-2.

³² Treas. Reg. § 1.509(a)-3.

³³ Treas. Reg. §§ 1.509(a)-1; 1.509(a)-3.

³⁴ Treas. Reg. § 1.170-2.

³⁵ Chapter 42 of the Code [i.e., IRC §§ 4940-4945].

(31)

IRC 508(b)

4946

IRC § 509(a)(2)

Organizations meeting the definition of public charity under section 509(a) include³⁶:

- Churches,
- Schools,
- Organizations that provide medical or hospital care (including the provision of medical education and, in certain cases, medical research),
- Organizations that receive a substantial part of their support in the form of contributions from publicly supported organizations, governmental units and / or from the general public,
- Organizations that normally receive not more than one-third of their support from gross investment income and after-tax Unrelated Business Income, and more than one-third of their support from gifts, grants, contributions, or membership fees and gross receipts from activities related to their exempt functions,
- Organizations that support one or more of the organizations described above, and have a governance relationship with those organizations (support organizations), and
- Organizations that are organized and operated exclusively for testing for public safety.

To be classified as a public charity solely on the basis of public support, an organization must meet one of the tests set out in the regulations.³⁷ An organization's level of public support is calculated on the basis of a 5-year rolling average, which includes the current tax year and the 4 years preceding the current year.³⁸

Such organizations must continuously seek significant and diversified public support and should carefully monitor their public support calculations to avoid losing their public charity status.

A new 501(c)(3) organization will be classified as a public charity for its first five years if the organization shows it can reasonably expect to be publicly supported.³⁹ After an organization's initial five years, the organization must meet the public support test each year on a 5-year rolling period.⁴⁰

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Beginning with the organization's sixth year – and for all following years – if an organization shows it meets the public support test, it will remain a public charity for that year and the next tax year.

Role of the Internal Revenue Service

³⁶ Treas. Reg. § 1.509(a)-2.

³⁷ IRC § 509(a)(2); Treas. Reg. § 1.509(a)-3.

³⁸ Treas. Reg. § 1.509(a)-3(c).

³⁹ Treas. Reg. § 1.509(a)-3(d).

⁴⁰ Treas. Reg. § 1.509(a)-3(e).

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¹ IRC § 501(a); Treas. Reg. § 1.501(a).

² IRC § 501(c); Treas. Reg. §§ 1.501(c)(3)-1 through 1.501(c)(21)-1.

³ Treas. Reg. § 1.501(a)-1(a)(2).

⁴ Treas. Reg. § 1.501(a)-1(a)(1).

⁵ IRC § 508(c)(1); Treas. Reg. §§ 1.508-1(a)(3).

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⁷ Id.

⁸ IRC § 505(c) requires section 501(c)(9) and (17) entities to apply.

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- Allow its earnings to inure to the benefit of any private shareholder or individual,²¹

¹⁰ Treas. Reg. § 1.501(a)-1(a)(2); Treas. Reg. § 301.6104(a)-1.

¹¹ IRC § 170; Treas. Reg. § 1.170-2.

¹² Id.

¹³ Treas. Reg. § 1.501(c)(3)-1(a).

¹⁴ Treas. Reg. § 1.501(c)(3)-1(b).

¹⁵ Treas. Reg. § 1.501(c)(3)-1(b)(1).

¹⁶ Id.

¹⁷ Treas. Reg. § 1.501(c)(3)-1(b)(4).

¹⁸ Treas. Reg. § 1.501(c)(3)-1(c)(1).

¹⁹ Treas. Reg. § 1.501(c)(3)-1(b)(3)(ii); § 1.501(c)(3)-1(c)(3).

²⁰ Treas. Reg. § 1.501(c)(3)-1(b)(3)(i); § 1.501(c)(3)-1(c)(3).

²¹ Treas. Reg. § 1.501(c)(3)-1(c)(2).

- Operate for the benefit of private interests, such as those of its founder, the founder's family, its shareholders, or persons controlled by such interests,²²
- Operate for the primary purpose of conducting a trade or business that is not related to its exempt purpose,²³ or
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Educational relates to²⁸:

- The instruction or training of the individual for the purpose of improving or developing his capabilities; or

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²² Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii). ✓

²³ Treas. Reg. § 1.501(c)(3)-1(e). ✓

²⁴ Bob Jones case???

²⁵ Treas. Reg. § 1.501(c)(3)-1(b)(1)(i)(a). ✓

²⁶ IRC § 501(c)(3); Treas. Reg. § 1.501(c)(3)-1(d)(1)(i)(a)-(g). *through*

²⁷ Treas. Reg. § 1.501(c)(3)-1(d)(2).

²⁸ Treas. Reg. § 1.501(c)(3)-1(d)(3)(i).

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- The instruction of the public on subjects useful to the individual and beneficial to the community.

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An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts as to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not educational if its principal function is the mere presentation of unsupported opinion.²⁹

Examples of educational organizations include³⁰:

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- Primary or secondary schools, colleges or professional or trade schools that have a regularly scheduled curriculum, faculty, and enrolled body of students,
- Organizations that conduct public discussion groups, forums, panels, lectures, or other similar programs, and
- Organizations that present a course of instruction by means of correspondence or through the use of electronic devices, means or services.

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Deleted: <#>Museums, zoos, planetariums, symphony orchestras, or similar organizations.¶
<#>Non-profit day-care centers, and¶
<#>Youth sports organizations.¶

Religious organizations include churches and other organizations organized and operated exclusively for religious purposes.³¹

Public Charity or Private Foundation

Every organization that qualifies as tax exempt under section 501(c)(3) is classified as either a *public charity* or a *private foundation*. Under section 508, organizations, other than churches, certain educational organizations and certain trusts, are automatically classified as private foundations, unless they meet the criteria of a public charity listed in section 509(a).³²

The primary distinction between a public charity and a private foundation lies in the source of financial support.³³ A public charity typically has a broad base of public support, whereas a private foundation generally is supported by just a few individuals, such as members of a family.³⁴

Whether a 501(c)(3) organization is classified as a public charity or private foundation is important because different tax rules apply to each. For example, the deductibility of contributions to a private foundation is more limited than the deductibility of contributions to a public charity.³⁵ In addition, private foundations

²⁹ Id.

³⁰ Treas. Reg. § 1.501(c)(3)-1(d)(3)(ii).

³¹

³² Treas. Reg. §§ 1.508-1(b); 1.509(a)-1; 1.509(a)-2.

³³ IRC § 509(a)(2); Treas. Reg. § 1.509(a)-3.

³⁴ Treas. Reg. §§ 1.509(a)-1; 1.509(a)-3.

³⁵ Treas. Reg. § 1.170-2.

are subject to stricter federal regulation and may be subject to excise taxes not imposed on public charities.³⁶

Organizations meeting the definition of public charity under section 509(a) include³⁷:

- Churches,
- Schools,
- Organizations that provide medical or hospital care (including the provision of medical education and, in certain cases, medical research),
- Organizations that receive a substantial part of their support in the form of contributions from publicly supported organizations, governmental units and / or from the general public,
- Organizations that normally receive not more than one-third of their support from gross investment income and after-tax Unrelated Business Income, and more than one-third of their support from gifts, grants, contributions, or membership fees and gross receipts from activities related to their exempt functions,
- Organizations that support one or more of the organizations described above, and have a governance relationship with those organizations (support organizations), and
- Organizations that are organized and operated exclusively for testing for public safety.

To be classified as a public charity solely on the basis of public support, an organization must meet one of the tests set out in the regulations.³⁸ An organization's level of public support is calculated on the basis of a 5-year rolling average, which includes the current tax year and the 4 years preceding the current year.³⁹

Such organizations must continuously seek significant and diversified public support and should carefully monitor their public support calculations to avoid losing their public charity status.

Role of the Internal Revenue Service

Congress has established in the tax law certain requirements that organizations must meet to be granted the privilege of tax exemption may do. Tax exemption is granted only for certain defined categories of activity. Those who wish exemption from tax must act within those categories.

The Internal Revenue Service has a balanced program for regulating the charitable sector. Within the IRS, TE/GE has the responsibility to administer and

³⁶ Chapter 42 of the Code [i.e., IRC §§ 4940-4946].

³⁷ Treas. Reg. §§ 1.509(a)-2; 1.509(a)-3.

³⁸ IRC § 509(a)(2); Treas. Reg. § 1.509(a)-3.

³⁹ Treas. Reg. § 1.509(a)-3(c).

Deleted: A new 501(c)(3) organization will be classified as a public charity for its first five years if the organization shows it can reasonably expect to be publicly supported. After an organization's initial five years, the organization must meet the public support test each year on a 5-year rolling period. ¶
¶ Beginning with the organization's sixth year – and for all following years – if an organization shows it meets the public support test, it will remain a public charity for that year and the next tax year. ¶

Consistency in Identifying and Reviewing Applications for Tax-Exempt Status Involving Political

Advocacy Issues

Audit # 201210022

Objective: To interview Exempt Organizations (EO) function management involved in developing the advocacy emerging issue to identify steps taken and develop a timeline of events.

Background: We interviewed EO function officials to understand how applications are processed for organizations seeking tax-exempt status. We learned that there was an increase in the number of organizations applying for Section (§) 501(c)(3) or 501(c)(4) whose applications contained indicators of potentially significant amounts of political campaign intervention. In February 2010, an EO Determinations screener identified a § 501(c)(4) case that he believed was similar to organizations that had recently been the subject of much media attention for purportedly seeking classification as section 501(c)(4) social welfare organizations, but operating like § 527 political organizations. The screener noted that this applicant indicated that it intended to spend a significant amount of its budget on influencing elections. The screener elevated his concerns about this case through the management chain. The EO Determinations Program Manager raised the issue with the Acting Manager of EO Technical who requested that this case be transferred to EO Technical. It is EO Technical's standard practice with emerging issues (including credit counseling and mortgage foreclosure, as well as these advocacy organizations) to work some of the applications in EO Technical in order to get a better sense of the issues. EO Technical is then better able to advise EO Determinations on the processing of such cases and determine the most appropriate form of advice, which may range from verbal or written advice on a particular application or applications to template development letters, template denial letters, guide sheets, etc. In addition to seeking advice from and coordinating with EO Technical, the unusual number of applications with potential political campaign intervention by organization seeking § 501(c)(3) or 501(c)(4) exempt status also prompted the EO function to isolate these types of cases as an emerging issue warranting scrutiny by a particular Determinations group to ensure consistent processing.

In order to help specialists identify cases involving potentially significant political campaign intervention for assignment to a particular Determinations group so that they could be consistently processed in accordance with advice provided by EO Technical, a description was included on the Be On the Lookout (BOLO) list. To ensure consistent treatment of applications, EO Determinations had long been alerting its specialists to emerging issues by sending emails describing particular issues or factual situations warranting additional review or coordinated processing. Because it was difficult to keep track of all of these separate email alerts, EO Determinations staff requested a consolidated list of all such alerts. EO Determinations was developing the Be On the Lookout (BOLO) list in early 2010. The BOLO, which is an Excel spreadsheet, provides a centralized source of regularly updated information to EO Determinations specialists about potentially abusive organizations or fraud issues, issues and cases requiring coordinated processing, emerging issues and issues for which to watch. The BOLO currently includes four tabs: (1) Potential Abusive, (2) Emerging Issues, (3) Coordinated Processing, and (4) Watch List.

The first BOLO list contained the following entry on the Emerging Issues tab: "These case involve various local organizations in the Tea Party¹ movement are applying for exemption under 501(c)(3) or

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Deleted: to aid Revenue Agents in identifying applications submitted by § 501(c)(3), § 501(c)(4), § 501(c)(5), and § 501(c)(6) organizations that should be sent to the specialized Determinations group

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Deleted: ¹ EO Determinations indicates that it used the description "tea party" as a shorthand way of referring to the group of advocacy cases rather than to target any particular group. As a result, cases that did not have "tea party" in their name or application were included in the group of advocacy cases. In this document, "tea party" is used generically to refer to this entire group of advocacy cases except where noted to refer to a specific organization

501(c)(4) [sic].” The language used on the BOLO was selected by Determinations specialists with the involvement of a front-line manager in EO Determinations. At this time, the language was not reviewed or approved by executive management.

In light of a significant jump in the number of advocacy cases, the Acting Director, EO Rulings & Agreements wanted to ensure that EO Determinations was not being over-inclusive in identifying such cases (including organizations that were solely engaged in lobbying or policy education with no apparent political campaign intervention). In addition, in light of the diversity of applications selected under this “tea party” label (e.g., some had “tea party” in their name but others did not, some stated that they were affiliated with the “tea party” movement while others stated they were affiliated with the Democratic or Republican party, etc.), the Acting Director, EO Rulings & Agreements sought clarification as to the criteria being used to identify these cases. In preparation for briefing me, the Acting Director, EO Rulings & Agreements asked the EO Determinations Program Manager what criteria Determinations was using to determine whether a case was a “tea party” case. Because the BOLO only contained a brief reference to “Organizations involved with the Tea Party movement applying for exemption under 501(c)(3) and 501(c)(4)” in June 2011, the EO Determinations Program Manager asked the manager of the screening group what criteria were being used to label “tea party” cases (“Do the applications specify/state ‘tea party’? If not, how do we know applicant is involved with the tea party movement?”). The manager of the screening group responded that, “The following are issues that could indicate a case to be considered a potential ‘tea party’ case and sent to Group #822 for secondary screening. 1. ‘Tea Party’, ‘Patriots’ or ‘9/12 Project’ is referenced in the case file. 2. Issues include government spending, government debt and taxes. 3. Educate the public through advocacy/legislative activities to make America a better place to live. 4. Statements in the case file that are critical of the way the country is being run.”

Deleted: As the number of advocacy cases grew,

As interviews with EO Determinations employees revealed, EO Determinations indicates that it used the description “tea party” as a shorthand way of referring to the group of advocacy cases rather than to target any particular group. As a result, cases that did not have “tea party” in their name or application were included in the group of advocacy cases. In this document and the attached timeline, “tea party” is used generically to refer to this entire group of advocacy cases except where noted to refer to a specific organization.

Deleted: the BOLO description and the above-referenced list of criteria used by EO Determinations to determine which cases fell under the BOLO description were their shorthand way of referring to the group of advocacy cases rather than targeting any particular group. Applications that did not contain these terms, but that contained indicators of potentially significant political campaign intervention, were also referred to the group assigned to work such cases.

Additional information was gathered during fieldwork to develop a timeline of events that chronologically details the evolution of the advocacy emerging issue, including the officials who participated or were informed about key events. This information is summarized in the Results section table below.

Criteria: We reviewed applicable EO Internal Revenue Manuals (IRMs) and supplemental guidance to determine if there are procedures to ensure approval by appropriate management officials when the criteria is revised for emerging issues associated with applications for tax-exempt status. We did not identify any guidelines. Discussions with the EO Director, Rulings and Agreements, confirmed that no written procedures existed prior to May 17, 2012, but controls were subsequently instituted to ensure that any criterion that is established or edited is reviewed and approved at a higher level in the EO function. Moreover, we were informed that EO Determinations began revising IRM 7.20.4 (Emerging Issues) in October 2011, and we were provided with a draft of that IRM section, which contains procedures regarding the BOLO. All affected stakeholders have provided comments on the draft IRM, which are currently being incorporated, and the exhibits to the IRM are under review by the IRS Office of Taxpayer Correspondence. The new IRM section will make clear that all changes to the BOLO must be approved by the Director Rulings and Agreements.

Results: The initial case that started the emerging issue development was identified in February 2010. The EO Determinations office requested assistance from the EO Technical office on how to process the cases. The Acting Manager EO Technical requested that this § 501(c)(4) case be transferred to EO Technical. In May 2010, EO Determinations specialists were told to coordinate "tea party" cases with a particular Determinations group. From April 2010 to October 2010, an EO Technical Tax Law Specialist worked with a Determinations specialist to develop the cases not transferred from Determinations to EO Technical. In October 2010, the Specialist assigned the emerging issue cases stopped processing them pending guidance from the EO Technical office. In June 2011, the EO Director was briefed on the issue, and she raised concerns about the criteria being used to identify the cases and immediately directed that they be revised. The criteria were revised in July 2011. In November 2011, the EO Technical office provided draft guidance for processing the cases to the EO Determinations office. In January 2012, additional information request letters were issued to many of the organizations. This resulted in media and Congressional attention due to the amount and types of information being requested. In May 2012, the Specialists processing the cases received additional training regarding advocacy by § 501(c)(4) organizations. In addition, all cases that had been identified as advocacy cases were reviewed to determine whether they could be closed without further development or with limited further development.

Conclusion: The initial criteria developed by the EO Determinations office referred to Tea Party organizations. In addition, the EO Technical office not more than 20 months (March 2010 – November 2011) to provide written guidance on processing these cases to the EO Determinations office.

EO Comment: Although the second sentence is factually accurate – EO Technical did not provide written guidance for 20 months – it makes it sound as though EO Technical was not providing any guidance during this time period. That is not true. As explained in the Background section, EO Technical was providing guidance on specific cases and was working cases transferred to EO Technical. Those steps were necessary to better determine the appropriate form of advice that would be most useful to EO Determinations.

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Deleted: Specialists
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Deleted: The criteria stated "Tea Party"
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Deleted: A review of all the cases identified to date was also completed to determine if any could be closed.
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Timeline of Events for the Political Advocacy Emerging Issue

Date	Event	Additional Details
February 25, 2010	Determinations screener identified one § 501(c)(4) case that seemed similar to organizations receiving recent media attention for purportedly seeking classification as § 501(c)(4) social welfare organizations, but operating like § 527 political organizations indicating a "high profile" case. Screener noted that the applicant indicated that it intended to spend a significant amount of its budget influencing elections. The screener's manager forwarded the issue up through management to the Acting Manager, EO Technical in Washington, D.C., who requested the case be forwarded to her.	Deleted: related Deleted: to Deleted: Director
March 1, 2010	Screener Manager asked one of his Specialists to search TEDS to identify other Tea Party cases or similar organizations in order to determine the scope of the issue in the determination letter program. Specialist continued to complete searches for additional cases until the precursor to the "BOLO" was issued in May 2010.	As interviews with EO Determinations employees revealed, EO Determinations indicates that it used the description "tea party" as a shorthand way of referring to the group of advocacy cases rather than to target any particular group. This is reflected in the fact that cases that did not have "tea party" in their name or application were included in the group of advocacy cases. Specialist used Tea Party, Patriot, and 9/12 as part of the criteria for these searches. Deleted: the Deleted: initial
March 16-17, 2010	Ten total cases were identified. Acting Manager, EO Technical, requests two more cases be transferred to Washington, D.C. The Screener Group Manager transferred one § 501(c)(3) and one § 501(c)(4) case.	Not all of the ten cases had "tea party" in their name. Deleted: Tea Party Deleted: Director
	The EO Director knew there had been an uptick in the number of advocacy applications, but was not aware of the criteria being used to identify them.	EO Comment: This is incorrect and should be deleted from the timeline. Director EO was not yet aware of the uptick in the number of applications. Deleted: Spring 2010

Date	Event	Additional Details
		She was made aware during the June 2011 briefing.
April 1-2, 2010	New Acting Manager, EO Technical, suggests the need for a Sensitive Case Report on the Tea Party cases. EO Determinations Manager agrees.	Deleted: Director
April 5, 2010	Two Tea Party cases assigned to EO Technical Specialist.	
April 5, 2010	EO Determinations Screener developed list of 18 identified "Tea Party cases" during search of the TEDS. Three had already been approved as tax-exempt.	While the heading of the document listing these 18 cases referred to "Tea Party" cases, not all of the organizations listed had "tea party" in their name. Formatted: Not Highlight
April 19, 2010	First Sensitive Case Report prepared by EO Technical.	Sensitive Case Reports are shared with the Director, EO Rulings & Agreements and a chart summarizing all Sensitive Case Reports is provided to the EO Director Deleted: forwarded Deleted: to
April 25-26, 2010	Determinations Program Manager requests EO Technical contact for Specialist assigned to work other Tea Party cases. Received contacts. EO Technical Specialist sent development letters to one § 501(c)(4) and § 501(c)(3) Tea Party case.	Deleted: Office
May 6, 2010	Prior to the BOLO development, an instruction to coordinate with a particular group all "Tea Party" applications was sent via email.	Deleted: an email was sent to forward Deleted: for additional review by a certain Determinations group
May 17, 2010	Determinations Specialist will send development letters to EO Technical Specialist for review prior to issuance as part of EO Technical's attempt to provide guidance to assist EO Determinations.	
May 26, 2010	EO Technical Specialist closed § 501(c)(3) case as	

Date	Event	Additional Details
	Failure to Establish and requested another § 501(c)(3) case.	
May 27, 2010	EO Technical Specialist began reviewing development letters of EO Determinations Specialist.	
June 14, 2010	EO Technical Specialist received first response from § 501(c)(4) case.	
June 30, 2010	Replacement § 501(c)(3) case assigned to EO Technical Specialist.	Organization did not have "tea party" in its name.
July 2, 2010	A Determinations Specialist identifies a case that appears to have direct links to Tea Parties with possibly 30 state chapters.	EO Comment: Why is this in the timeline? We are unsure of the significance of the event.
July 27, 2010	Prior to the BOLO development, an email was sent updating the description of advocacy applications and providing a coordinator contact for the advocacy cases. Description changed to read, "These case involve various local organizations in the Tea Party movement are applying for exemption under 501(c)(3) or 501(c)(4)."	
August 12, 2010	The Be On the Lookout (BOLO) listing was developed by a Determinations Specialist tasked to create it in order to replace the existing practice of sending separate emails to all Determinations employees as to cases to watch for potentially abusive cases, cases requiring coordinated processing and emerging issues. The political advocacy emerging issue was included on the BOLO. The same description used in the July 2010 email for the advocacy emerging issue was used for this initial BOLO listing.	The language used on the BOLO was selected by Determinations specialists with the involvement of a front-line manager in EO Determinations. This language was not reviewed or approved by executive management.
August 2010	The responsibility for the advocacy emerging issue was moved to a different Determinations group as part of a global group realignment within EO Determinations.	
October 2010	The advocacy cases were transferred to another Determinations Specialist. He did not work on the	Determinations Specialist not sure who told him not

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Date	Event	Additional Details
	cases while waiting for guidance from EO Technical. He received an advocacy tracking sheet from the previous Determinations Specialist responsible for the cases.	to continue working on the cases while waiting for guidance. Per Director, Rulings and Agreements, there was a miscommunication about not working the cases while waiting for guidance. She does not know who told the Specialist not to work the cases.
October 19, 2010	An EO Technical group manager forwarded a memo to the Acting Manager, EO Technical, describing the work completed on the Tea Party cases by EO Technical. Included is a listing of the cases the EO Technical Specialist assisted the Determinations Specialist with.	The listing includes 40 cases - 18 of which do not have "tea party" in their names.
October 26, 2010	EO Determinations Program Manager raises concern to the Manager, EO Technical, with the approach being used to develop the Tea Party cases. Why does the EO Technical Specialist need to review every development letter when a template letter could be approved and used on all the cases?	
November 16, 2010	New coordinator contact for advocacy cases announced.	
November 16-17, 2010	A Determinations group manager raises concern to Determinations Area Manager that they are still waiting for a development letter template from EO Technical for the Tea Party cases. The coordinator has received calls from taxpayers checking on the status of their applications.	
November 17, 2010	EO Determinations Program Manager discussed Tea Party cases with Manager, EO Technical. Review of the cases by the EO Technical Specialist found that not all the cases have the same issues, so a template letter has not been developed.	
December 13, 2010	EO Determinations Program Manager asks Manager, EO Technical, for a status on the tea party cases. The	

Date	Event	Additional Details
	Manager EO Technical, responds that they are going to discuss the cases with the Senior Technical Advisor to the EO Director shortly.	Deleted: Acting
January 28, 2011	EO Determinations Program Manager requests an update on the Tea Party cases from the Acting Manager, EO Technical.	
January 2011	A new person took over the Acting Manager, EO Technical role.	Deleted: Director
February 3, 2011	Acting Manager, EO Technical, provides an update to the EO Determinations Program Manager on the cases being worked by the EO Technical Specialist; letters are being developed and will be reviewed shortly.	
March 2, 2011	A Determinations group manager reminds EO Determinations Program Manager to follow up with EO Technical on the status of the Tea Party cases.	Deleted: G Deleted: M
March 30, 2011	EO Determinations receives Operational Assistance Requests from the Taxpayer Advocate Service office on two cases.	
March 31, 2011	EO Determinations Program Manager states that while waiting for guidance from EO Technical, Determinations Office still needs to work Tea Party cases to the extent possible.	This contradicts the Specialist's statement about not working the cases until guidance received from EO Technical and supports the statement of the Director EO Rulings & Agreements that there was a miscommunication about not working the cases while awaiting guidance. Deleted: .
April 13, 2011	EO Technical met with the EO Director's Senior Technical Advisor to discuss two cases. She made recommendations for case development.	
June 1-2, 2011	Acting Director, Rulings and Agreements, requested criteria used to identify "Tea Party" cases from EO Determinations Manager. EO Determinations Manager requested criteria from Screener Manager.	Deleted: 2 Deleted: This criteria is very different than the Be On The Lookout criteria available at the time.
June 1-6, 2011	As the number of advocacy cases grew, the Acting Director, EO Rulings & Agreements wanted to make	Formatted: Font: Times New Roman, 12 pt

Date	Event	Additional Details
	<p>sure that EO Determinations was not being over-inclusive in identifying such cases (including organizations that were solely engaged in lobbying or policy education with no apparent political campaign intervention). In addition, in light of the diversity of applications selected under this "Tea Party case" label (e.g., some had "tea party" in their name but others did not, some stated in their activities that they were affiliated with the "tea party" movement while others stated they were affiliated with the Democratic or Republican party, etc.), the Acting Director, EO Rulings & Agreements sought clarification as to the criteria being used to identify these cases. In preparation for the briefing with the EO Director, the Acting Director, EO Rulings & Agreements asked the EO Determinations Program Manager what criteria Determinations was using to determine if a case was a "Tea Party case." Because the BOLI only contained a brief reference to "Organizations involved with the Tea Party movement applying for exemption under 501(c)(3) and 501(c)(4)", the EO Determinations Program Manager asked Screener Manager what criteria were being used to label these cases ("Do the applications specify/state 'tea party'? If not, how do we know applicant is involved with the tea party movement?"). Screener Manager provided criteria for identifying potential "tea party" cases to EO Determinations Program Manager ("The following are issues that could indicate a case to be considered a potential 'tea party' case"). Information forwarded to Acting Director, Rulings and Agreements.</p>	
June 6, 2011	EO Determinations Manager refers to the EO Director's inquiry of May 26 th regarding a particular case after the Commissioner, Services and Enforcement, questioned her about it.	
June 6, 2011	Determinations Program Manager mentions that her office needs guidance from EO Technical to ensure consistency.	
June 29, 2011	A briefing was held with the EO Director. The briefing paper noted that EO Determinations was sending cases meeting any of the criteria below to a	The briefing paper for the EO Director was prepared by Tax Law

Deleted: Screener Manager provided criteria for identifying potential "tea party" cases to EO Determinations Manager. Information forwarded to Acting Director, Rulings and Agreements

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Deleted: Acting Director, Rulings and Agreements, commented that the criteria being used to identify "tea party" cases may be resulting in over-inclusion. EO Technical reviewed an application and thinks it is associated with the Republican Party, not the Tea Party.

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Date	Event	Additional Details
	<p>designated group to be worked:</p> <ul style="list-style-type: none"> • "Tea Party," "Patriots" or "9/12 Project" is referenced in the case file. • Issues include government spending, government debt, or taxes. • Education of the public via advocacy / lobbying to "make America a better place to live." • Statements in the case file criticize how the country is being run. <p>There were over 100 advocacy cases identified by this time. It was decided to develop a guide sheet for processing advocacy cases.</p>	<p>Specialists in EO Technical and EO Guidance, and was reviewed by the Acting Manager, EO Technical. The EO Guidance Specialist was the primary author of the briefing paper.</p> <p>During the briefing, the EO Director raised concerns over the language of the BOLO criteria for advocacy cases. The EO Director directed that the criteria immediately be revised to better reflect rules on advocacy.</p> <p>Deleted: immediately asked</p> <p>Deleted: on</p> <p>Deleted: changed</p>
July 5, 2011	Conference call held with EO Technical, EO Director, and EO Determinations Program Manager. They developed new criteria for identifying the cases at issue. Determinations Program Manager made changes to the BOLO. The "issue name" on the BOLO was changed to "advocacy orgs". The "issue description" was changed to "organizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4)."	<p>Deleted: Office</p> <p>Deleted: "tea party"</p> <p>Deleted: Reference to cases also changed to advocacy.</p> <p>Deleted: criterion</p>
July 5, 2011	Washington, D.C. Office will be putting a document together with recommended actions for advocacy cases.	
July 23, 2011	EO Technical assigned new person to coordinate with EO Determinations Office.	
July 24, 2011	Working on the guide sheet when the Acting Manager, EO Technical, and Tax Law Specialists to draft list of things for EO Determinations Specialists to look for when working advocacy cases.	<p>Deleted: Director</p> <p>Deleted: requests</p> <p>Deleted: a</p>
August 4, 2011	EO Rulings and Agreements holds meeting with Chief Counsel so everyone has the latest information on the advocacy issue.	

Date	Event	Additional Details
August 4, 2011	EO Guidance Specialist asks if Counsel will review the check sheet for the advocacy organizations prior to issuance to EO Determinations. Acting Director, Rulings and Agreements, responds that Counsel will review prior to issuance.	
August 10, 2011	EO Technical met with Chief Counsel to discuss two sample cases EO Technical requested from EO Determinations in April and May 2010.	Deleted: requested
September 15, 2011	EO Determinations Program Manager sends a listing of all identified advocacy cases to Acting Director, Rulings and Agreements, so EO Technical can complete a "triage" of the cases on the TEDS. The utility of this triage was limited because the review was conducted through TEDS so the EO Technical specialist did not necessarily have the full application file. An EO Technical Specialist reviews the listing to determine if any could be closed on merit or closed with an adverse determination letter. This "triage" was considered a third screening.	Deleted: Determinations Office Manager
September 21, 2011	Draft guide sheet sent for review and comment to various EO employees in Washington, D.C.	
October 2011	New person took over as Acting Director, Rulings and Agreements.	
October 24, 2011	An EO Technical frontline manager forwarded initial "triage" results of advocacy cases to EO Determinations Office.	Deleted: Specialist
October 25, 2011	Based on the categories and terminology used in the spreadsheet, EO Determinations Program Manager is unclear what Determinations should do with the triage results -- close cases, develop further, etc. Also requests status of guidance from EO Technical.	Deleted: Determinations Office Manager Deleted: , based on the categories and terminology used in the spreadsheet,
October 26, 2011	EO Technical Specialist provided further explanation of the triage results in an email to EO Determinations Program Manager.	Deleted: Determinations Office Manager
October 30, 2011	EO Determinations Program Manager contacts the Acting Manager, EO Technical, asking additional questions regarding the triage results and requesting a status update on the EO Technical guidance for the advocacy cases. The Determinations Program Manager received a call from someone working with	Deleted: Determinations Office Manager Deleted: raising concerns with Deleted: Determinations Office Manager

Date	Event	Additional Details
January 2012	The first batch of letters requesting additional information for applications containing incomplete or missing information were issued by Determinations Specialists based in part on their reading of the draft <i>Advocacy Organizations Guide Sheet</i> issued by EO Technical.	Deleted: using the Deleted: the Headquarters Office
January 2012	Determinations Specialist tasked with performing a secondary screening of identified "advocacy" cases to ensure they were political advocacy, and not just general or lobbying advocacy.	
January 25, 2012	The BOLO criteria was again updated to focus specifically on political advocacy. The criterion was revised as "political action type organizations involved in limiting/expanding government, educating on the Constitution and Bill of Rights, social economic reform/movement." Coordinator contact changed as well.	
February 27, 2012	Advocacy team member asks when he can start issuing development letters on advocacy cases to applicants again.	
February 27, 2012	EO Determinations Program Manager questions why advocacy team members are not issuing development letters. Advocacy team group manager had told team coordinator to stop developing template questions, not development letters. Miscommunication corrected on February 29, 2012.	Deleted: Determinations Office Manager
February 29, 2012	EO Director requests the Acting Director, Rulings and Agreements, develop a letter to clearly inform advocacy applicants what is going to happen if they don't respond to the development letters, and giving them more time for their responses.	
February 29, 2012	EO Director stops any more development letters from being issued on advocacy cases until new guidance is provided to EO Determinations. Acting Director, Rulings and Agreements, discussed with EO Determinations Program Manager, having specialists print out web site information and asking the organizations to verify the information instead of asking for applicants to print out the web sites.	Deleted: Determinations Office Manager
February-March 2012	Numerous news articles begin to be published with	

Date	Event	Additional Details
	affect the approval of tax-exempt status.	<p>"propaganda" activities should be considered part of an organization's social welfare activities in analyzing whether it is primarily engaged in promoting social welfare.</p> <p>Deleted: not Deleted: included in Deleted: an organization's activities as</p>
May 14-15, 2012	Training held in Cincinnati, OH on how to process the advocacy cases. An EO Director's Technical Advisor took over from EO Determinations coordination of the advocacy team.	
May 16, 2012	<p>Review of all advocacy cases begins in Cincinnati, OH. Cases divided into four groups: favorable determination, favorable with limited development, significant development, and probable adverse. This took around three weeks to complete.</p> <p>A worksheet is used to document the reviews.</p>	
May 17, 2012	The Director, Rulings and Agreements, issues memorandum outlining new procedures for updating the BOLO listing. The BOLO criteria was updated again. New criteria reads: "501(c)(3), 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 action (type issues (e.g., lobbying) that are currently listed on the Case Assignment Guide (CAG) do not meet this criteria."	Suggested additions and changes must be approved by the Group Manager of the emerging issues coordinator, the EO Determinations Program Manager, and the Director, Rulings and Agreements.
May 21, 2012	<p>Counsel determines that requested donor information can be destroyed or returned to the applicant if not used to make the final determination of tax-exempt status. It does not need to be kept in the administrative record.</p> <p>A letter will be issued to the organizations informing them that the donor information was destroyed.</p>	
May 24, 2012	A phone call script was developed to inform some organizations that have not responded to additional information requests that it is not necessary to send the requested information and that their applications have been approved. Also, an additional paragraph was	

Date	Event	Additional Details
	developed for the determination letter.	
May 2012	After the review of the advocacy cases was completed, each Determinations Specialist working advocacy cases was assigned an EO Technical employee to work with on the cases. The EO Technical employee is reviewing all development letters prior to issuance. Quality Assurance begins reviewing 100 percent of the cases in each bucket prior to closure. Quality Assurance review shifts from 100% review to sample review once a comfort level with the results of the quality review of each bucket is achieved.	
May 2012	A decision was made to refer cases to the Review of Operations Unit for follow-up if there are indications of political activity, but not enough to prevent approval of tax-exempt status.	
June 4, 2012	Draft letter developed to send to organizations that provided donor information. Letter will inform the organizations that the information was destroyed.	
June 7, 2012	The Director, Rulings and Agreements, provides guidance on how to process the advocacy cases now that they have been reviewed and divided into categories. Any new cases received will go through the same review process prior to assignment.	
July 15, 2012	A new Acting Group Manager is overseeing the advocacy team.	

Formatted: Highlight

Deleted: case files

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Advocacy Apps

Wally - >100 new cases
Increased (C)(3)(C)(4) - advocacy

Some all's approved

Brought up samples

1 proposed favorable C4 to Counsel

1 proposed adverse C3 will go to Counsel

Common theme - advocacy - but not cookie cutter

Want to keep in Ciria

Proposal - ~~Develop~~ Make a list of questions, things to develop

LORS - Had 3 recent denials, sat lots of press

(b)(3)/6103

What do with ones that get C4
(their apps all look the same, one is in limo)

Delegation Order - David Fish can revoke

Have used in post adverse situation - where did not comply on fare - articles defective, etc.

Have an opportunity to come in

Want to pull me issued in April since so recent

Non - if we know about, and cookie cutter, then
not problematic.

1,000 referral letters

Non - something on website?

has - doesn't think can get

post

~~post~~

Steven

Advocacy Org

evenly split between (c)3 + (c)4s. 7-26-11
 many reference "tea party" but on both sides
 not cookie cutter
 & can't go templates

Proposed Plan:

Keep in Conn.
 Have contact here
 Provide list for development
 May send some favorables to ROO to check later.

1. Related matter

(b)(3)/6103

3 denials / 7 had been approved.
 (on (c)(4) b/c private benefit (not b/c political))
 - 1 in April (earliest in 2006)
 & shouldn't have been.

D.O. that lets David Fish ~~revoke~~ revoke them.

- like to revoke the 1 in April
 & possibly the rest (even the older)
 historically used if operations
 defects or exemption

issue of
 difference
 b/c
 are older
 (org been
 active)

1. already in exam. Send the rest
 there? Lois not like that b/c
 creates more work, esp. since
 cookie cutter.

Nan: makes sense to use this tool
 of come to our attention. Can't search
 for them though

J: could be perception issue
 Lois: yes will go up chain 1st.
 Nan: I don't want to create expectation of
 constant - Nan-wo.

pect a lot to come.

(c)(3)s prob. no; (c)(4)s prob. yes.

Can we put anything in: basic stds on irs. gov.?
Lois: Steve prob. say no.

There is a more awareness in Cinn.
that (c)(4)s aren't automatic
after no to (c)(3).

Lois: we should just deny if appl. on its face
has fault (don't develop that).

or just give
(c)(4)
if they
fit

Nan: maybe, but what does
manual say? Do we
need to offer other status?
(ie, (c)(4) if not make (c)(3))?

is fare
better
in
Appeals

Don: change manual?

Nan: maybe just offer possibility
of (c)(4) + invite reapplication?

Lois: also want to change Cinn rule
so (c)(4) status should not
go back to date of formation.
(not go back to before date of appl.)

but they
get proposed
denial
1st

want
off on
this
from
counsel
- not reg'd
by SOG.

Lois: let's
consider
reapplication

prob. better approach
b/c "can't" ask for 2nd use fee. Plus
Cinn. "converts" appl. to (c)(4)

No date
likely Don's Notes From
7/26 meeting

Advocacy Apps

Wally - >100 new cases
Increased COX3X8 (4) - advocacy

Some all's approved

Brought up samples.

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1 proposed adverse C3 will go to Counsel

Common theme - advocacy - but not cookie
cutter

Want to keep in Ciria

Proposal - ~~Develop~~ Make a list of questions,
things to develop

Lors - Had 3 recent denials, setbacks of
press (b)(3)/6103

What do with ones that get C4
(then apps all come the same, one is in them,

Delegation Order - David Fish can
revoke so

Have used in post review situation -
where did not comply on file - articles
defective, etc.

Have an opportunity to come in.

Want to pull me issued in April some
so recent

[Faint, illegible handwritten text, likely bleed-through from the reverse side of the page]

Non - if we know about, and cookie cutter, then
not problematic.

1,000 referral letters

Non - something on website?
has - doesn't think can get ~~past~~ ^{past} Steven M.

Handwritten text, possibly a signature or initials, enclosed in a rectangular box.

(b)(5)/ac Attorney's notes regarding considerations for legal guidance on c4 application processing



