

*United States Senate*

**PERMANENT SUBCOMMITTEE ON INVESTIGATIONS**

*Committee on Homeland Security and Governmental Affairs*

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*Carl Levin, Chairman*

*John McCain, Ranking Minority Member*

**IRS AND TIGTA MANAGEMENT FAILURES  
RELATED TO 501(c)(4) APPLICANTS ENGAGED IN  
CAMPAIGN ACTIVITY**

**MAJORITY STAFF REPORT  
WITH  
MINORITY STAFF DISSENTING VIEWS**

**REPORT EXHIBITS**

**Part 1 OF 10**

**Report Exhibits - Pages 1-194**

**(IRS0000000200 - IRSR00000008000 Series)**

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### IRS AND TIGTA MANAGEMENT FAILURES RELATED TO 501(C)(4) APPLICANTS ENGAGED IN CAMPAIGN ACTIVITY

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|                                   | Treasury Inspector General letter to The Honorable Sander M. Levin, July 19, 2013, regarding TIGTA audit report.   | 1677        |
|                                   | <i>IRS list reveals concerns over Tea Party 'propaganda,'</i> <u>USA Today</u> , September 18, 2013, together with IRS list of Political Advocacy Cases.   | 1680        |
|                                   | <i>Does the IRS really have it in for tea party groups?,</i> <u>The Colorado Independent</u> , March 28, 2012, together with IRS Letter to Waco Tea Party Group and IRS Letter to Progressive Group.                                     | 1696        |

**Marks Nancy J**

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**From:** Thomas Cindy M  
**Sent:** Tuesday, April 17, 2012 8:44 AM  
**To:** Marks Nancy J; Malone Robert; Urban Joseph J; Light Sharon P; Paz Holly O  
**Subject:** FW: Advocacy Org Questions - Shared with Team for Reference  
**Attachments:** QuestionnairesSamples.doc

Attached are sample questions that were shared with team members. These questions were developed based on the Advocacy Organization Guidesheet given to EOD from EOT.

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**From:** Seok Stephen D  
**Sent:** Friday, March 23, 2012 2:07 PM  
**To:** Thomas Cindy M  
**Subject:** ADVOCACY QUESTIONS - REFERENCE  
**Importance:** High

Mrs. Thomas,

Here are the questions distributed to my Team Members just for reference, not as a template.

Thank you,  
Stephen.

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**From:** Thomas Cindy M  
**Sent:** Friday, March 23, 2012 1:47 PM  
**To:** Seok Stephen D  
**Subject:** Advocacy Questions - NEED INFO ASAP  
**Importance:** High

Stephen,

Were the attached questions given out to team members to use? If not, were other questions given to them? If other questions were given to them, please forward those questions to me. If other questions weren't given to them, what was, i.e., just the guide sheet from EOT?

I need this information ASAP. I'm on the phone with Lois Lerner. Thanks

- 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:

- 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.

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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 "educational arm" of AAA Council and that you are a servant to member groups throughout State. However, you have not explained in detail what you mean by "educational arm" and "servant." Provide the following information:
  - a. Describe in detail specifically what activities you engage in as an "educational arm" of the AAA Council.
  - b. Provide copies of any and all materials related to being the "educational arm" 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 "servant" to member groups 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 "specific education on the process of becoming a county precinct member."
  - a. With regards to your purpose of educating on the process of becoming a county precinct member, state whether this is your only activity. If no, describe in detail what other activities you engage in.
  - b. Provide a detailed explanation of how you educate and who you educate on the process of becoming a county precinct member including whether you educate individuals on how to get elected as a county precinct member in any manner.
  - c. 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 becoming a county precinct member.
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.
  - a. To date, state what the status of this activity is.
  - b. Explain in detail what activities you are engaged in or will engage in to undertake this function.
  - c. Explain who the "member groups" are that you are referring to.
  - d. 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:
  - a. 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.
  - b. 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.
  - c. 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.

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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, [REDACTED] 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.

— = Redacted by the Permanent  
Subcommittee on Investigations

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 April 29, 2010, you state that the mission of the FFF Action Team is to organize micro-communities of well-informed citizens and motivate them to actively participation in the political process. In the same issue, you stated on page 3 that your action teams will enable you to achieve your principal goal: "In 2010 elect or retain the maximum number of conservative or moderate Democrats, Republicans, and Independents in Local, State, and Federal elected positions." In addition, you state that you will "expose our wayward politicians and either change their actions, or their careers!"
  - q. Describe in detail your activities to attain this goal, and how you achieve such purpose.
  - r. Provide your definition of "wayward politicians" and explain in detail how you will effectuate a change of their actions or their careers.
12. In The bbb, Issue 2, Number 7, dated Date, in GGG on page 9, you stated: "Bob Young met with HHH, a City Council member, about (your) strategy for the upcoming

election. HHH said that III was much the same as UUU but JJJ's opponent is a big liberal. That would be KKK." You also stated that you "put together 10 questions for the candidates running for City Counsel. They will be e-mailed to candidates and then printed on the pamphlets that we are going to distribute before the election."

- s. Describe in detail how you effectuated your "strategy for the election" 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 19: "LLL is bad for NNN (actually for all the States that voted it in) and we should encourage our Legislators to repeal it. MMM Noon lists all of the NNN Legislators that voted FOR this bad legislation (SB XXX). PPP instigated this bill and Senator introduced the bill in the Legislature." 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 OOO 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.

**Marks Nancy J**

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**From:** Thomas Cindy M  
**Sent:** Tuesday, April 17, 2012 8:44 AM  
**To:** Marks Nancy J; Malone Robert; Urban Joseph J; Light Sharon P; Paz Holly O  
**Subject:** FW: Advocacy Orgs Guidesheet from EOT and Listing of Cases  
**Attachments:** Advocacy Org Guidesheet 11-3-2011 (2).doc; Advocacy Orgs\_Cincinnati.xls

Attached is the Advocacy Organization Guidesheet that we received from EOT, along with the Excel spreadsheet listing cases.

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**From:** Seto Michael C  
**Sent:** Wednesday, November 16, 2011 8:43 AM  
**To:** Fish David L; Thomas Cindy M  
**Cc:** Salins Mary J  
**Subject:** RE: Advocacy Orgs

This is not the correct version that is being circulated. We are working on the revised version that is almost done. We are working on it as fast as we can.

---

**From:** Seto Michael C  
**Sent:** Wednesday, November 16, 2011 8:42 AM  
**To:** Thomas Cindy M; Fish David L  
**Subject:** RE: Advocacy Orgs

Hilary is almost done with the revised spreadsheet. It breaks down the issue in categories so they may be easier to understand. Cindy, I will call you.

---

**From:** Fish David L  
**Sent:** Wednesday, November 16, 2011 8:01 AM  
**To:** Thomas Cindy M  
**Cc:** Seto Michael C; Salins Mary J  
**Subject:** RE: Advocacy Orgs

Forgot something--you need to look at the guidesheet and tell us whether any bits and pieces are salvageable. Judy thought it was not the correct format but you need to tell us what you want it to look like and whether we could use parts of what we have.

This is separate and apart from bucketing the existing cases (which also should be part of that conversation).

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**From:** Fish David L  
**Sent:** Tuesday, November 15, 2011 8:27 PM  
**To:** Thomas Cindy M  
**Cc:** Seto Michael C; Salins Mary J  
**Subject:** RE: Advocacy Orgs

Michael needs to have Justin and Hilary (and Judy) set up a conference call with you ASAP.

**From:** Thomas Cindy M  
**Sent:** Tuesday, November 15, 2011 6:26 PM  
**To:** Fish David L  
**Cc:** Seto Michael C  
**Subject:** FW: Advocacy Orgs  
**Importance:** High

I forwarded the Excel spreadsheet Hilary prepared (Attachment 2) to Judy Kindell earlier today per Lois' instruction.

Regarding the guidesheet ---- we're not doing anything with it at this point. Is that your understanding or should we be taking some action and, if so, what?

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**From:** Thomas Cindy M  
**Sent:** Sunday, November 06, 2011 11:58 PM  
**To:** Seto Michael C  
**Cc:** Fish David L  
**Subject:** FW: Advocacy Orgs - Congressionals Coming! WE NEED TO MOVE ON THIS

Thanks -- I'm going to speak with manager with oversight of these cases and will get back with you.

---

**From:** Seto Michael C  
**Sent:** Sunday, November 06, 2011 8:05 PM  
**To:** Thomas Cindy M  
**Cc:** Fish David L  
**Subject:** RE: Advocacy Orgs - Congressionals Coming! WE NEED TO MOVE ON THIS

Cindy,

I am attaching the draft document for you/staff to look at. When you are ready to give us feedback, let me know and I will set-up a meeting.

---

**From:** Fish David L  
**Sent:** Sunday, November 06, 2011 7:31 PM  
**To:** Seto Michael C; Thomas Cindy M  
**Subject:** RE: Advocacy Orgs - Congressionals Coming! WE NEED TO MOVE ON THIS

Based on feedback received, the document won't work in its present form. I think we need to work with Determs to make it a usable document.

Mike will check with Hilary on clarifying the cases that can be approved, etc.

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**From:** Seto Michael C  
**Sent:** Sunday, November 06, 2011 7:18 PM  
**To:** Thomas Cindy M  
**Cc:** Fish David L  
**Subject:** RE: Advocacy Orgs - Congressionals Coming! WE NEED TO MOVE ON THIS

This is the follow-up on my e-mail I sent to you a few minutes ago. I read through the list, and I like to have Hilary to make the list a bit more clear on which cases need to be developed, the type of development needed, whether a particular case can be approved without further development and whether the organization is not an advocacy organization (therefore not needed to be included on the list).

The check/guide sheet is with David, Tom Miller and Judy Kindell for review. I can send you a draft copy. Let me know. I think we may have to clear the check/guide sheet with Lois, but I will check with David.

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**From:** Thomas Cindy M  
**Sent:** Sunday, October 30, 2011 2:23 PM  
**To:** Seto Michael C  
**Cc:** Fish David L  
**Subject:** FW: Advocacy Orgs - Congressionals Coming! WE NEED TO MOVE ON THIS  
**Importance:** High

Mike,

It was my understanding from Holly that the cases were going to be put into buckets, i.e., those that can be approved as is, those that require additional development, and those that appear to be denials. Based on the email below from Hiliary, it sounds as though all of those with "General Advocacy" only can be approved as is. Is this your understanding? If so, we can go ahead and get those cases approved right away.

I'm not sure what the hold is on the document/guidance EOT is supposed to be providing for us, but I've received a phone call from an individual who was previously an EO Determinations specialist. He is working with one of these organizations [REDACTED] and is threatening to go to his Congressional Office regarding this organization and others. That is only going to create even more work for us and we need to get letters out to these organizations ASAP,

Please let me know when we can expect to get the document from EOT. Thanks.

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**From:** Goehausen Hilary  
**Sent:** Wednesday, October 26, 2011 1:20 PM  
**To:** Thomas Cindy M  
**Cc:** Lieber Theodore R; Seto Michael C  
**Subject:** FW: Advocacy Orgs - Where Do We Stand?  
**Importance:** High

Hi Cindy,

Below are comments that I made explaining some of my notations on the cases in Excel. My understanding from speaking with Mike was that I was to review the cases to determine whether the cases were clearly lobbying or engaging in political campaign activities, or if an organization was not engaged in either and therefore was simply engaging in general advocacy (educational/issue advocacy activities etc). Where I had concerns about whether the c3s and c4s were actually engaging in good c3/c4 activities – and not just making inflammatory, emotionally charged statements without any factual support or educational aspect to their activities – I made notes reflecting such. Where it simply states "general advocacy" or "general advocacy/legislative advocacy" (or lobbying), without comments, those organizations appeared to be fine (no development).

If you would like me to provide a definitive answer on what organizations can go Favorable, I can do that (these would be the cases where I noted "general advocacy." However, many appear to need more information (as noted in the comments in Excel).

- I have marked asterisked (\*) c3's that based on their Form 1023 and/or website are engaging in prohibited political campaign activities.
- I use political activities/political campaign intervention/candidate election activities interchangeably to denote political activities.
- While many of the c4 organizations appear to be engaging in general advocacy (issue advocacy/educational activities), many of these "social welfare activities" may need further development because their websites include substantial inflammatory/strong emotional rhetoric, articles, etc. that really do not appear to be educational in most or any aspect, provide any factual background for the viewpoints expressed, and therefore may not qualify as good c4 activities (promotion of social welfare, common good, etc.). Where there are questions relating to this and concerns about the activities (ie development would be needed), I have made comments.

-- Where I commented that a website needs to be verified means that the org didn't provide their website address on their Form 1023/1024 but I located it during a web search and it would need to be confirmed by the taxpayer.  
-- Where I denoted the activity of the org as "general advocacy," this means I didn't find any indication the org was engaging in political activities or lobbying at all. However, as mentioned above in #3, I made additional notations on such organizations and whether they were even educational, issue advocacy, etc., or whether the activities appear to be propaganda, based on personal emotions, inflammatory, and without any or little factual basis for statements made (ie generally bad c3/c4 activities).

If there are any questions, please let me know. Also, we are in the process of drafting the Advocacy Org Guidesheet and it is circulating for review among our group currently. I don't have a date on when we can get that to you, but will speak with Mike and Justin.

Thanks,  
Hillary

Hilary Goehausen  
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**From:** Thomas Cindy M  
**Sent:** Tuesday, October 25, 2011 7:17 PM  
**To:** Lieber Theodore R; Seto Michael C  
**Subject:** FW: Advocacy Orgs - Where Do We Stand?  
**Importance:** High

Ted/Mike,

Not sure where this leaves us and I'm unclear as to what action is being suggested for some of these cases. Specifically, if the comment indicates "general advocacy," what does that mean --- additional development or what?

Also, where do we stand with the document Justin Lowe or others from D.C. were putting together with lessons learned, suggested developmental questions for those applying under c3 and for those applying under c4, sample denial letter, etc.? We're starting to get a lot of heat from the public on these cases sitting idle and now have Congressionals on some of these. What is the plan of action and estimated completion date? Thanks.

---

**From:** Lieber Theodore R  
**Sent:** Monday, October 24, 2011 1:08 PM  
**To:** Thomas Cindy M  
**Cc:** Seto Michael C  
**Subject:** Advocacy Orgs\_Cincinnati.xls

Attached are Hillary comments from the screened cases.

## Advocacy Organizations Guide Sheet

Many different types of exempt organizations engage in advocacy in compliance with the applicable tax laws. However, it can be challenging to distinguish between permissible and impermissible types of advocacy; analyzing cases involving these issues is extremely fact-intensive.

This guide sheet aids agents working these cases in differentiating between types of advocacy, reminds them of the advocacy rules pertaining to various categories of exempt organizations, and provides a checklist of facts to gather and indicators of various types of advocacy.

### **PART 1: THREE TYPES OF ADVOCACY:**

This guide sheet breaks down the broad concept of advocacy into three categories: political campaign intervention, lobbying, and general advocacy. They are defined as follows.

#### **1) Political Campaign Intervention:**

An organization engages in political campaign intervention when it participates or intervenes in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. This includes attempts to influence political campaigns through both direct and indirect support of, or opposition to, a candidate.

#### **2) Lobbying:**

An organization engages in lobbying, or legislative activities, when it attempts to influence specific legislation by directly contacting members of a legislative body (federal, state, or local), or encouraging the public to contact those members, regarding that legislation. An organization also engages in lobbying when it encourages the public to take a position on a referendum. Lobbying is distinguished from political campaign intervention because lobbying does not involve attempts to influence the election of candidates for public office.

#### **3) General Advocacy:**

An organization engages in general advocacy when it attempts to (1) influence public opinion on issues germane to the organization's exempt purposes, (2) influence non-legislative governing bodies (e.g., the executive branch, regulatory agencies), or (3) encourage voter participation through get out the vote drives, voter guides, and candidate debates in a nonpartisan, neutral manner. General advocacy generally includes all other types of advocacy other than political campaign activity and lobbying.



**Part 2: TYPES OF ADVOCACY ORGANIZATIONS:**

The organizations that most commonly engage in advocacy are 501(c)(3), (4), (5), and (6) organizations and 527 organizations. Below are the rules governing which types of advocacy these organizations can engage in, along with a chart summarizing that information.

**1) IRC 501(c)(3) organizations:**

- Organizations described in 501(c)(3) are organized and operated exclusively for charitable, religious, educational, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.
- They can engage in an insubstantial amount of lobbying.
- They are absolutely prohibited from engaging in any type of political campaign intervention.
- They can engage in an unlimited amount of general advocacy as long as it is educational.

**2) IRC 501(c)(4) organizations:**

- Social welfare organizations described in IRC 501(c)(4) are organized and operated exclusively for the promotion of social welfare, which involves promoting the common good and general welfare of people in the community.
- They can not be operated for profit.
- They can engage in limited political campaign intervention. Political campaign intervention does not further (c)(4) purposes; therefore political campaign activity, along with all other non-(c)(4) activities, cannot make up an organization's primary activities.
- They can engage in lobbying as their primary activity if their legislative activities are related to their specific exempt purposes.
- They can engage in an unlimited amount of general educational advocacy as long as the activities are related to their exempt purposes.

**3) IRC 501(c)(5) organizations:**

- Organizations described in IRC 501(c)(5) must be organized and operated for the purpose of bettering the conditions of those engaged in labor, agricultural, or horticultural pursuits.
- They can engage in unlimited general advocacy.
- They can engage in unlimited lobbying, so long as the lobbying is conducted with regard to issues that are related to their exempt purpose.

- They can engage in limited political campaign intervention. Political campaign intervention does not further (c)(5) purposes; therefore political campaign activity, along with all other non-(c)(5) activities, cannot make up an organization's primary activities.

**4) IRC 501(c)(6) organizations:**

- Business league organizations described in 501(c)(6) are associations of persons with a common business interest and their purposes must be to promote this common interest.
- They can not conduct a regular trade or business for profit.
- They can engage in unlimited general advocacy.
- They can engage in unlimited lobbying, so long as the lobbying is on issues related to their exempt purpose.
- They can engage in limited political campaign intervention. Political campaign intervention does not further (c)(6) purposes; therefore political campaign activity, along with all other non-(c)(6) activities, cannot make up the organization's primary activity.

**5) IRC 527 organizations:**

- Political organizations described in 527 are organized and operated for the primary purpose of engaging in political campaign intervention, including influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individual or electors are selected, nominated, elected, or appointed.
- They can engage in an unlimited amount of political campaign intervention.
- They can engage in lobbying, but would be taxed on that activity.
- They can engage in general advocacy, but would be taxed on that activity.

|  | <b>IRC 501(c)(3)</b>   | <b>IRC 501(c)(4), (c)(5), and (c)(6)</b>   | <b>IRC 527</b>        |
|--|------------------------|--|-----------------------|
| <b>Receive tax-deductible charitable contributions</b> | <b><u>YES</u></b>      | <b><u>NO</u></b>   | <b><u>NO</u></b>      |
| <b>Engage in political campaign intervention</b>       | <b><u>NO</u></b>       | <b><u>LIMITED;</u><br/><b>Must Not Constitute Primary Activity Of Organization</b></b> | <b><u>YES</u></b>     |
| <b>Engage in lobbying</b>                              | <b><u>LIMITED;</u></b> | <b><u>YES;</u></b>   | <b><u>LIMITED</u></b> |

| (i.e. legislative activity)  | Must Not Be Substantial                              | Unlimited Amount If In Furtherance of Exempt Purposes                 |                |
|--|--|---|----------------|
| Engage in general public advocacy not related to legislation or the election of candidates | <u>YES</u> ;<br>Permitted As An Educational Activity | <u>YES</u> ;<br>Unlimited Amount If In Furtherance of Exempt Purposes | <u>LIMITED</u> |

**Part 3: ADVOCACY INDICATORS:**

Distinguishing between types of advocacy requires knowledge of all the pertinent facts and circumstances. Therefore, careful and full development of a case is often required to gather very specific facts. The following are facts about an organization's activities that can be helpful in distinguishing between different types of advocacy:

- What does the organization consider to be its exempt purpose(s)?
  - How much time is devoted to each purpose?
  - How many financial resources are devoted to each purpose?
  - In what order of importance does the organization consider its exempt purpose? From most important to least important?
- What are the sources of the organization's income?
- Does the organization engage in fundraising activities? If so, what are the specific details, including:
  - Copies of all solicitations the organization has made regarding fundraising, including fundraising that occurs in an election year and non-election year.
  - Copies of all documents related to the organization's fundraising events, including pamphlets, flyers, brochures, webpage solicitations.
  - How much of the organization's budget is spent on fundraising? Determine the sources of fundraising expenses.
- How does the organization use its income? Are there detailed break-downs of these expenses?
- How many employees does the organization have? How many volunteers?
  - Are employees full-time, part-time, or seasonal? Explain.
  - If employees are part-time, when did/do they work?
  - If employees are seasonal, during what season (months) did/do they work?
- How many employees and volunteers are/were devoted to each activity of the organization throughout the year?
- How many and what sort of resources are devoted to volunteer activities?
- Does the organization conduct educational events, discussion groups or similar events? If so, what are the specific details, including:
  - Copies of all materials distributed with regards to the event.
  - When have the events taken place or plan to take place?
  - How much of the organization's resources and budget are devoted to these activities? What is the breakdown of expenses?

- Does the organization publish or distribute materials or conduct other communications that are prepared by or reviewed by another organization?
- Is the organization associated with any other IRC 501(c)(3), 501(c)(4) or 527 organizations? If so, describe in detail the nature of the relationship(s).
  - Does the organization work with those organization(s) regularly? Describe the nature of the contacts.
  - Do you share employees, volunteers, resources, office space, etc. with the organization(s)?
- Does the organization conduct candidate forums or other events at which candidates for public office are invited to speak? If so, what are the details, including the nature of the forums, the candidates invited to participate, the candidates that did participate, the issues discussed, the time and location of the event.
  - Are there copies of all materials distributed regarding the forum and provided at the forum, including any internet material discussing or advertising the forum?
- Have any candidates for public office spoken at a function of the organization? If so, what are 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)?
- Does the organization, or has it ever, conducted voter education activities, including voter registration drives, get out the vote drives, or publish or distribute voter guides? If so:
  - What is the location, date and time of the events.
  - Who on the organization's behalf has or will conduct the voter registration or get out the vote drives?
  - How many resources (funds/employees/volunteers) are devoted to the activity?
  - Are there copies of all materials published or distributed regarding the activities, including copies of any voter guides?
- Does the organization 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, what is the relationship in detail and are there any contracts or other agreements documenting the business relationship?
- Does the organization attempt to influence the outcome of specific legislation?
  - Are there copies of all communications, pamphlets, advertisements, and other materials distributed by the organization regarding the legislation?
  - Does the organization conduct media advertisements lobbying for or against legislation? Are there copies of any radio, television, or internet advertisements relating to the organization's lobbying activities?
  - Does the organization directly or indirectly communicate with members of legislative bodies? If so, determine the amount and nature of the communication.

Below are indicators used when determining whether an IRC 501(c)(3), IRC 501(c)(4), (5) or (c)(6), or IRC 527 organization is engaging in (1) political campaign intervention, (2) lobbying (legislative activities), or (3) general advocacy.

**Section I: Political Campaign Intervention**

The following are indicators of political campaign intervention:

|    |  | Yes | No |
|----|--|-----|----|
| A. | <p>Is there a "candidate" for "public office?" This is an individual who:</p> <ul style="list-style-type: none"> <li>• Offers himself, or</li> <li>• Is proposed by others</li> <li>• As a contestant for elective public office, whether national, state, or local public office.</li> </ul> <p>An individual who has not yet announced an intent to seek election to public office may still be considered to have offered himself or herself as a candidate for office. Has the individual taken sufficient steps prior to announcing an intent to seek election, so that he or she may be considered to have offered himself or herself as a candidate for public office?</p> <p>Have others proposed the individual as a candidate for public office, even if the individual has announced an intention of not seeking election to the office? Some action must be taken to make one a candidate, but the action need not be taken by the candidate or require his consent. This would include statements in opposition to a candidate for office, even before that candidate has necessarily declared themselves as a contestant for office.</p> |     |    |
| B. | <p>Is the candidate seeking an office to which he or she must be elected, as opposed to appointed? The political campaign intervention prohibition applies only to campaigns for offices to which a candidate must be elected. Factors indicating an elective public office include:</p> <ul style="list-style-type: none"> <li>• The position was created by statute</li> <li>• The position is continuous</li> <li>• The position is not contractual</li> <li>• The position is for a fixed term of office</li> <li>• The office requires an oath of office</li> </ul>   |     |    |
| C. | <p>Does the organization publish and/or distribute written or printed statements, including communications made on the internet, in favor of or against a candidate for public office? This includes material prepared by the organization itself or by other organizations or individuals. Do materials distributed by the organization encourage members to vote for or against a candidate?</p>   |     |    |
|    | <p>Has the organization criticized or expressed support for a candidate on their website or through links to another website?</p>  |     |    |
|    | <p>Has the organization made oral statements in support of or in opposition</p>  |     |    |

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|    | to a candidate for public office?  |  |  |
|    | <p>Does the organization encourage individuals to vote for or against a particular candidate?</p> <p>Organizations are not prohibited from speaking about moral, social, or economic issues during election periods. However, consider the facts and circumstances to determine whether the organization is surreptitiously intervening in a political campaign under the pretext of speaking to moral, social or economic issues by tying its message to the election in a manner that expresses a preference for a candidate or candidate.</p>   |  |  |
|    | <p>Does the organization reference a candidate by use of "code words" or other references to identify a candidate, such as "Republican," "Democrat," "pro-life," "pro-choice," etc.?</p> <ul style="list-style-type: none"> <li>• Are such references coupled with reasonably overt indications that the organization supports or opposes a particular candidate or candidates in an election?</li> <li>• Does the communication contain a relatively clear directive, based on the facts and circumstances, that enables the recipient to understand the organization's position on a candidate or candidate?</li> </ul>  |  |  |
|    | Has the organization established or does it operate a political action committee (PAC)?  |  |  |
|    | Has the organization made contributions to a political action committee (PAC)?   |  |  |
|    | Does the organization provide or solicit money or other support for a candidate or a political organization?   |  |  |
|    | Does the organization place signs on its property supporting or opposing a candidate?  |  |  |
|    | Does the organization rate candidates, even on a nonpartisan basis?  |  |  |
|    | Have organization leaders made comments in an official publication of the organization or at official functions of the organization indicating support for or opposition to a candidate?   |  |  |
|    | Does the organization conduct business dealings in a manner favoring a candidate or candidates, such as by renting facilities at different rates or providing/denying access to its membership list?   |  |  |
| D. | <p><b>Personal Endorsements:</b> Organization leaders may endorse or oppose a candidate in their personal capacity, and not in their official capacity. The following are indicators that the organization leader is speaking in his or her personal capacity and not in their official capacity:</p> <ul style="list-style-type: none"> <li>• Do the organization leader's statements appear in a publication that is not an official publication of the organization?</li> <li>• Is the ad or publication paid for by the individual himself or herself, and not by the organization?</li> <li>• Is the organization leader's title and affiliation with the organization used for identification purposes only, and not to</li> </ul> |  |  |

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|    | indicate support by the organization?  |  |  |
| E. | <p><b>Candidate Forums:</b> The presentation of public forums for candidates to speak or debate is not in and of itself prohibited political campaign intervention, but may be a permissible method of educating the public (See Rev. Rul. 66-256; Rev. Rul. 74-574; Rev. Rul. 86-95). All the facts and circumstances must be considered and the presence or absence of one factor is not determinative. Consider the following factors when determining whether the forum is operated in a manner that may constitute prohibited campaign intervention or a permissible educational event:</p> <ul style="list-style-type: none"> <li>• Does the organization operate the forum in a manner indicating bias or preference for one candidate or candidates over others, such as through biased questioning?</li> <li>• Has the organization indicated support for or opposition to a candidate (e.g., such as when the candidate is introduced)?</li> <li>• Does the organization invite only candidates who share the same position as the organization to participate?</li> <li>• Does the organization provide an equal opportunity for all candidates to participate?</li> <li>• Does the organization provide equal amounts of time for each candidate to answer questions and express their views?</li> <li>• Are questions prepared and presented by a nonpartisan, independent panel or moderator?</li> <li>• Does the moderator comment on questions or otherwise make comments that imply approval or disapproval of a candidate?</li> <li>• Does the organization make statements that the views expressed are those of the candidates and not of the organization, and/or that the organization does not endorse any candidate or viewpoint?</li> <li>• Do the topics discussed cover a broad range of issues that are of interest to the public?</li> <li>• Are the candidates asked to agree or disagree with positions, agendas, platforms, or statements of the organization, indicating prohibited campaign intervention?</li> </ul> |  |  |
| F. | <p><b>Candidate Appearances:</b> Has a candidate spoken at an official function of the organization in his or her personal capacity or capacity as a political candidate? Depending on the facts and circumstances an organization may invite political candidates to speak at its events without jeopardizing its tax-exempt status (See Rev. Rul. 2007-41). When determining if prohibited political campaign intervention occurred, consider the following:</p> <ul style="list-style-type: none"> <li>• Was the candidate invited to speak at the organization's event in his or her capacity as a political candidate?</li> <li>• Did the organization provide an equal opportunity to participate to political candidates seeking the same office? (Consider the nature of the event, such as if the organization invites one</li> </ul>   |  |  |

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|----|--|--|--|
|    | <p>candidate to speak at a well attended event but invites an opposing candidate to speak at a sparsely attended event. This could constitute prohibited campaign intervention even if the manner of presentation for both speakers is otherwise neutral.)</p> <ul style="list-style-type: none"> <li>• Did the organization indicate support for or opposition to the candidate (including during candidate introductions, communications concerning the candidate's attendance, including any materials distributed during the event)?</li> <li>• Did any political fundraising occur?</li> </ul>  |  |  |
| G. | <p>Did the candidate appear or speak at an organization event in a <b><u>non-candidate capacity?</u></b> (See Rev. Rul. 2007-41) The candidate's presence at a public event, such as a lecture, concert, or worship service does not by itself indicate the organization is engaged in prohibited political campaign intervention. The following factors should be considered when determining if prohibited political intervention occurred:</p> <ul style="list-style-type: none"> <li>• Is the candidate publicly recognized by the organization or a representative of the organization during the event as a candidate for public office?</li> <li>• Did the organization clearly indicate the capacity in which the candidate is appearing and does not mention the individual's political candidacy or the upcoming election in any communications announcing the candidate's attendance at the event?</li> <li>• Is the individual chosen to speak solely for reasons other than his or her candidacy, such as their status as a public figure aside from being a political candidate, the individual currently holds or previously held a public office, is considered an expert in a non-political field, is a celebrity, or has led a distinguished military, legal or public service career.</li> <li>• Has any campaign activity occurred in connection with the candidate's attendance?</li> </ul> |  |  |
| H. | <p><b><u>Voter Guides:</u></b> Certain "voter education" activities conducted in a non-partisan manner may not constitute prohibited political campaign activity, but may be permissible educational activity. The following are indicators that a voter guide constitutes prohibited political campaign activity, and not permissible educational activity:</p> <ul style="list-style-type: none"> <li>• Are incumbents identified as candidates for re-election?</li> <li>• Are incumbents' positions compared to the positions of other candidates or the organization's position in a biased manner?</li> <li>• Is the voting guide distributed close in time to an election?</li> <li>• Is the voting guide primarily concerned with a narrow range of issues of importance to the organization (e.g. such as land conservation or abortion) as opposed to reporting on all legislation voted on by the candidates or of importance to the electorate?</li> </ul>   |  |  |



|    |  |  |  |
|----|--|--|--|
|    | <ul style="list-style-type: none"> <li>• Is the voting guide widely distributed among the electorate during an election campaign as opposed to the organization's membership?</li> <li>• Does the voting guide include only the voting records of candidates for office?</li> <li>• Does the voting guide include the voting records of candidates in a partisan manner, such as by ranking them according to whether their vote aligns with the organization's position on the issue?</li> <li>• Does the voting guide contain editorial comments by the organization?</li> <li>• Does the voting guide contain express or implied approval or disapproval of a candidate's voting record?</li> </ul>   |  |  |
| I. | <p><b>Candidate Questionnaires:</b> Depending on the facts and circumstances a candidate questionnaire published by an organization may constitute permissible educational activity as opposed to prohibited political campaign intervention. The following are indicators that the organization's questionnaires constitute prohibited campaign intervention:</p> <ul style="list-style-type: none"> <li>• Does the candidate questionnaire contain editorial comments by the organization?</li> <li>• Does the candidate questionnaire include only issues of importance to the organization itself and not to the general public?</li> <li>• Does the questionnaire contain express or implied approval or disapproval of candidate responses?</li> </ul> |  |  |

**Section II: Lobbying**

The following factors are indicative of lobbying (i.e. legislative activities):

|    |   | Yes | No |
|----|---|-----|----|
| A. | <p>Is the organization attempting to influence legislation or a legislative proposal?</p> <ul style="list-style-type: none"> <li>• Legislation includes acts, bills, resolutions, referendums, initiatives, legislative confirmation of an appointive office, constitutional amendments by Congress, state legislatures, local councils or similar governing bodies or by the public in a referendum, initiative, constitutional amendment or similar procedure.</li> <li>• Lobbying does not include attempts to influence (1) regulations or (2) administrative matters.</li> </ul> |     |    |
| B. | <p>Is there "action" being taken with reference to the legislation?</p> <ul style="list-style-type: none"> <li>• Action includes introduction, amendment, enactment, defeat, or repeal by legislative bodies or the public.</li> </ul>  |     |    |

|    |  |  |  |
|----|--|--|--|
| C. | <p>Does the organization engage in "direct lobbying?"</p> <ul style="list-style-type: none"> <li>• Is the organization trying to influence legislation by directly contacting members or employees of a legislative body?</li> <li>• Does the organization communicate with government officials or employees who can affect legislation?</li> <li>• Do the communications refer to specific legislation?</li> <li>• Do the communications reflect the organization's specific views on legislation?</li> <li>• Does the organization advocate a position on a specific act, bill, or resolution?</li> </ul>   |  |  |
| D. | <p>Does the organization engage in "indirect" or "grassroots" lobbying:</p> <ul style="list-style-type: none"> <li>• Does the organization attempt to influence legislation by influencing the public's opinion on specific legislation?</li> <li>• Does the communication refer to specific legislation?</li> <li>• Does the communication reflect a view or position on the legislation?</li> <li>• Does the communication to the public include a "call to action" such as providing the address for the legislature, using a petition or tear-off postcard to communicate with the legislature or specifically identifying a legislator who will be voting on the proposed legislation and his or her position on it, or encouraging the public to contact members of a legislative body for purposes of supporting, opposing or proposing legislation?</li> </ul> |  |  |

**Section III: General Advocacy**

The following are indicators of general advocacy:

|    |  | Yes | No |
|----|--|-----|----|
| A. | <ul style="list-style-type: none"> <li>• Is the organization attempting to influence public opinion on issues, rather than attempting to influence the election of candidates for public office or specific legislation?</li> <li>• Is the organization attempting to influence non-legislative governing bodies (e.g., the executive branch, regulators)?</li> <li>• Is the organization engaging in nonpartisan, neutral voter educational activities? These may include get out the vote drives, encouraging voter registration, encouraging voter participation, candidate debates and forums, and the distribution of voter guides if conducted in a nonpartisan and neutral manner. (Refer to the subheads above for criteria when considering whether these voter education activities are conducted in a nonpartisan manner.)</li> </ul> |     |    |
| B. | <p>Does the organization engage in "educational" activities? (See Rev. Proc. 86-43). The term "educational" relates to:</p> <ul style="list-style-type: none"> <li>• The instruction or training of an individual for the purpose of</li> </ul>  |     |    |

|    |  |  |  |
|----|--|--|--|
|    | <p>improving or developing his capabilities, or</p> <ul style="list-style-type: none"> <li>• The instruction of the public on subjects useful to the individual and beneficial to the community.</li> </ul>  |  |  |
|    | <p>Is the organization advocating a particular position or viewpoint? If "Yes" to the following, the activity may qualify as permissible educational activity:</p> <ul style="list-style-type: none"> <li>• Does the organization present a sufficiently full and fair exposition of the pertinent facts that aid the listener or reader in the learning process?</li> <li>• Does the organization provide a factual background for the viewpoint or position being advocated?</li> </ul>  |  |  |
| C. | <p>The organization's presentations should avoid the following factors in order to be considered educational:</p> <ul style="list-style-type: none"> <li>• Do the organization's presentations avoid expressing conclusions more on the basis of strong emotional feelings than of objective evaluations?</li> <li>• Does the organization avoid presenting viewpoints or positions unsupported by facts and this is a significant portion of the organization's communications?</li> <li>• Does the organization avoid presenting facts purporting to support its viewpoints or position made in a distorted manner?</li> <li>• Does the organization avoid making substantial use of inflammatory and/or disparaging terms?</li> </ul> |  |  |

**THESE PAGES  
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BY IRS**

**Advocacy Team Meeting Minutes (12/16/11, 7112B) and Resolution**

Attendees: Steve, Stephen, Ron, Janine, Joseph, Grant, Mitch, Annette, Greg, Elizabeth, Liz  
Absent: Carly, Jodi (on leave)

1) History of Advocacy Cases was briefed by Liz, Ron, and Steve

2) Advocacy Case Briefing by Stephen:

About 172 cases so far and counting  
37 c3 125 c4, no other sections.

Mostly Advocacy with strong or some political activities, at least implied

About 155 cases reviewed by EO Tech: Favorable 13, Denial 13, All others: Development Needed.  
30 Something TEA party, Several 912, Repeal PPACT ( Patient Protection and Affordable Care Act),  
Enact Universal Single-Payer Health Case System, etc.

3) Purpose of Advocacy Team:

Consistent development and determination through team effort  
Thorough development and determination through team effort  
Careful development and determination through team effort

4) Discussion on how we tackle the cases

Control date: General Rule

Cases by Patterns: Specializing similar cases? - Tea Party, c3, c4, 912, general category (not  
belonging to patterned cases), etc.: Will pursue as long as we do not deviate  
from the general rule.

Constant updates on new ideas, questions and cases - All team members, management, QA, EO  
Tech.

- 1) Stephen, Joseph, and Liz will formulate a general template questionnaire from the letters done  
by EOD and EO Tech and it will be done by the Advocacy Team members in the future.
- 2) Once the draft is formulated, it will be emailed to the Advocacy Team members for review and  
input, and will be discussed at a round table style meeting.
- 3) This process will be repeated if needed until finalized.

Case closing: Approval and Denial - coordinated process among team members, coordinator,  
management, QA, and EO Tech - maybe to less degree once all the foundations are established to  
increase efficiency and effectiveness: Further details will be discussed and forthcoming as case  
developments progress.

5) Work Capacity: Team Members Time Allocation Survey - the team members will notify Stephen after a  
discussion with their manager.

6) Case assignment: Questions that have been used so far will be emailed for inquiry letters as a reference:

The various inquiry letters sent out from EO Tech and EOD are attached with those minutes.  
Note: The memorandum for file by Hull Carter (EO Tech) will be emailed to all team members as soon as I image it.

Cases will be assigned this afternoon to those who requested them - I will send an notification email after assignment.

- 7) Research Tools: All cases should be researched in Accurint and the web during the development. For the Team members who do not have Accurint, Accurint ID request form is attached with this memo.

Note: Manager forwards the completed request form to Sandra C Shaw after approval.

**Marks Nancy J**

---

**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.

7/30/2012

IRS0000000492

Smith Lon B

---

**From:** Marshall David L  
**Sent:** Wednesday, June 12, 2013 3:57 PM  
**To:** Smith Lon B  
**Subject:** FW: Case referred from EO

David L. Marshall  
General Attorney, CC:TEGE:EOEG:EO  
IRS, Office of Chief Counsel  
(Tax Exempt & Government Entities)  
1111 Constitution Ave. NW, Room 4409W  
Washington, DC 20224  
Telephone: (202) 622-3871  
Fax: (202) 622-1036

---

**From:** Spellmann Don R  
**Sent:** Thursday, July 28, 2011 9:32 AM  
**To:** Marshall David L; Griffin Kenneth M  
**Cc:** Franklin Amy B  
**Subject:** RE: Case referred from EO

Let's talk about this. But my suggestion from the meeting with Lois is that we go ahead and send it back with the advice that they develop 2010.

EO is in the process of drafting model development letters for the advocacy group applications and will be sending them to us to review. That project seems like a better use of our time and will ensure more quality and consistency with all the cases.

---

**From:** Marshall David L  
**Sent:** Tuesday, July 26, 2011 8:03 PM  
**To:** Griffin Kenneth M  
**Cc:** Franklin Amy B; Spellmann Don R; Marshall David L  
**Subject:** FW: Case referred from EO

Ken:

How do you want one of us (Don, Amy or me) to respond? Or, do you want to respond?

You are the reviewer on this case. I am providing intermediate assistance. Don is involved because of his involvement with the c4 exemption standards project and his litigation experience with c4s.

Don previously met with EO execs on c4 exemption standards and I understand that there was another meeting this week. Amy and I have both been sufficiently busy that we have not turned much attention to the case. We presently are scheduled to talk preliminarily about how to proceed in



processing the case next Wednesday afternoon. We wanted to wait until we heard from Don the results of this week's meeting.

David

David L. Marshall  
General Attorney, CC:TEGE:EOEG:EO  
IRS, Office of Chief Counsel  
(Tax Exempt & Government Entities)  
1111 Constitution Ave. NW, Room 4405  
Washington, DC 20224  
Telephone: (202) 622-3871  
Fax: (202) 622-1036

---

**From:** Franklin Amy B.  
**Sent:** Tuesday, July 26, 2011 5:08 PM  
**To:** Marshall David L; Spellmann Don R  
**Subject:** FW: Case referred from EO

FYI...I have not yet responded. We are essentially at the beginning phase of our review.

---

**From:** Gitterman Janet E [<mailto:Janet.E.Gitterman@irs.gov>]  
**Sent:** Tuesday, July 26, 2011 5:08 PM  
**To:** Franklin Amy B  
**Cc:** Gitterman Janet E  
**Subject:** Case referred from EO

Hi, Amy.

I understand you have the [REDACTED].

Do you have an estimate on timeframe for review by your office?

Janet Gitterman  
Sr. Tax Law Specialist  
SE:T:EO:RA:T:4  
202-283-9458

Advocacy Case Development

Page 1 of 1

[REDACTED]

---

**From:** Hull Carter C  
**Sent:** Monday, August 08, 2011 8:35 AM  
**To:** Lowe Justin  
**Subject:** RE: Advocacy Case Development  
Justin,

My calendar is, surprisingly, clear for Wednesday, August 10. I'll be happy to meet with Don, Dave, and Amy any time on that day.

Chip

---

**From:** Lowe Justin  
**Sent:** Friday, August 05, 2011 8:44 AM  
**To:** Kastenberg Elizabeth C; Shoemaker Ronald J; Goehausen Hilary; Hull Carter C; Megosh Andy  
**Subject:** RE: Advocacy Case Development

I'm free any time that day as well, so whatever works best for you guys.

---

**From:** Spellmann Don R [mailto:Don.R.Spellmann@irs.counsel.treas.gov]  
**Sent:** Thursday, August 04, 2011 9:21 PM  
**To:** Kastenberg Elizabeth C; Lowe Justin; Shoemaker Ronald J; Goehausen Hilary; Hull Carter C; Megosh Andy  
**Cc:** Marshall David L; Franklin Amy B  
**Subject:** Advocacy Case Development

Ladies & Gents,

How is next Wednesday, August 10, for everyone to discuss further development on [REDACTED]  
[REDACTED]

We can do any time that day. Please let us know what time(s) are convenient for you. We'll plan to come to 1750.

Please also advise if you need us to return the copies of the files you sent to us.

Thank you.

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)

6/13/2013

IRS0000001341

File 11 9 10

Tab 1 - TAG

IRS0000001349



File 11 9 10

Tab 2 - TAG Historical

IRS0000001351











File 11 9 10

Tab 3 – Emerging Issues

IRS0000001356

IRS0000001357

| A | B  | C | D    | E | F | G   | H      |
|---|--|---|------|---|---|---|--------|
| 1 | <p>These cases involve a commingled pension trust holding title to a high dollar note receivable secured by real estate. The application appear to be prepared from a template. The fund manager is usually [REDACTED]</p> |   |      |   |   | <p>Any future cases may be closed on merit if applicable. EOT determined these applications qualify under 501(c)(2). A referral was completed to address any EP concerns.</p> | Closed |
| 2 | <p>501(c)(2)</p>   | X |      | X |   | <p>Any cases should be sent to Group 7022. Liz Hofacre is coordinating. These cases are currently being coordinated with EOT.</p>   | Open   |
| 3 | <p>Tea Party applying for exemption under 501(c)(3) or 501(c)(4).</p>  |   | E1-1 | X |   |   |        |

File 11 9 10

Tab 4 – Coordinated Processing

IRS0000001358



File 11 9 10

Tab 5 - Watch List

IRS0000001360

IRS0000001361

|   | A                      | B  | C | D           | E | F  | G            | H |
|---|------------------------|--|---|-------------|---|--|--------------|---|
| 1 | Open Source Software   | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software.           |   | 1x          |   | The is no specific guidance at this point. If you see a case, elevate it to your manager.          | Open         |   |
| 2 | Software               | Organization's setup to electronically exchange healthcare data, called Regional Health Information Organizations (RHIOs), are requesting exemption under 501(c)(3).   |   | 2x          |   | These cases should be transferred to EOT.  | Open         |   |
| 3 | RHIO's                 | [REDACTED]   |   |             |   | [REDACTED]   |              |   |
| 4 | Healthcare legislation | Per Rob Chol email dated April 20, 2010, cases impacted by the Patient Protection and Affordable Care Act (Public Law 111-148) (PPACA) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-162) (HCERA) are being coordinated with EOT. |   | 4/2010 - #1 |   | New applications are subject to secondary screening in Group 7821. Wayne Bothe is the coordinator. | Open-4/20/10 |   |
| 5 | [REDACTED]             | [REDACTED]   |   |             |   | [REDACTED]   |              |   |
| 6 | [REDACTED]             | [REDACTED]   |   |             |   | [REDACTED]   |              |   |









File 06162012

Tab 1 - Potential Abusive Historical

IRS0000001423







File 06162012

Tab 2 – Potential Abusive

IRS0000001427

IRS0000001428

| A | B                          | C   | D          | E                          | F          |
|---|----------------------------|---|------------|----------------------------|------------|
| 1 | [Redacted]                 | [Redacted]  | [Redacted] | [Redacted]                 | [Redacted] |
| 2 | Corporation Sole           | The AOI and application will refer to "corporation sole" or "corporate sole". Form 1023 may show only one person involved with the applicant. Titles like Overseer, Elder, Patriarch, Matrilarch, Administrator, Pastor, etc. The applicant may or may not request church classification.   | [Redacted] | Forward case to Group 7824 | Open       |
| 3 | [Redacted]                 | [Redacted]  | [Redacted] | [Redacted]                 | [Redacted] |
| 4 | Fiduciary Exemption Letter | Determination letter submitted appears questionable. May include incorrect information or may appear invalid due to format, font, etc.  | [Redacted] | Forward case to Group 7824 | Open       |
| 5 | Puerto Rico                | Applicant usually has a Puerto Rico address. Activities involve elderly or low-income housing, operating a school, and head-start programs. The return address on the original or photocopy of the envelope may be [Redacted]. Federal government grants is listed as the primary source of income. Other identifying factors include intention to build a 42 unit facility, no ownership of property, application showing [Redacted] | [Redacted] | [Redacted]                 | [Redacted] |
| 6 | [Redacted]                 | [Redacted]  | [Redacted] | [Redacted]                 | [Redacted] |



IRS0000001429

| A | B   | C  | D          | E                          | F          |
|---|---|--|------------|----------------------------|------------|
| 1 | Charity Owned Life Insurance (CHOLI) or Annuity | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 7 | [REDACTED]                                      | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 8 | Charity Owned Life Insurance (CHOLI) or Annuity | Applicant may show that it is the beneficiary of an insurance policy and/or annuity. Individual loans money (possibly their IRA) to the charity, charity used the money to pay the policy costs/premiums and in turn the charity pays to the donor interest on the loan. May be referred to as a Charity Owned Life Insurance (CHOLI). May be administered by [REDACTED]. [REDACTED] may also be mentioned in the application. Program involves a high value insurance policy, where the applicant will receive 10% of the face value of the insurance if they show that they are 501(c)(3). | [REDACTED] | Forward case to Group 7824 | Open       |
| 9 | [REDACTED]                                      | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |

IRS0000001430

| A  | B                                     | C  | D          | E                           | F          |
|----|---------------------------------------|--|------------|-----------------------------|------------|
| 1  | Trust Name<br>[REDACTED]              | [REDACTED]   | [REDACTED] | [REDACTED]                  | [REDACTED] |
| 10 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                  | [REDACTED] |
| 11 | Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust.   | [REDACTED] | Forward case to Group 7824. | Open       |
| 12 | Pain Management Clinics               | Pain management clinics in [REDACTED] applying for exemption under 501 (c)(3) of the Code. These clinics appear to be involved in abusive schemes as they are forming to avoid state licensing and oversight requirements. | [REDACTED] | Forward case to Group 7824  | Open       |
| 13 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                  | [REDACTED] |
| 14 | [REDACTED] Foundations                | Potentially abusive foundations formed in [REDACTED]. Applicants all have Foundation in their name, requesting 501(c)(2) status, [REDACTED]  | [REDACTED] | Forward case to Group 7824. | Open       |
| 15 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                  | [REDACTED] |
| 16 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                  | [REDACTED] |

IRS0000001431

| A | B          | C          | D          | E          | F          |
|---|------------|------------|------------|------------|------------|
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|   |            |            |            |            |            |
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|   |            |            |            |            |            |
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|   |            |            |            |            |            |

File 06162012

Tab 3 - Emerging Issues

IRS0000001432



File 06162012

Tab 4 - Coordinated Processing

IRS0000001434

IRS0000001435

|   | A             | B   | C          | D                          | E              |
|---|---------------|---|------------|----------------------------|----------------|
| 1 | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 2 | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 3 | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 4 | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 5 | Group Rulings | Cases that involve group rulings, whether parent applying for, or subordinate leaving a group ruling need to be worked in Group 7829. The only exception is cases that have been auto revoked.. | 5          | Forward case to Group 7829 | Open - 8/25/11 |
| 6 |               |   |            |                            |                |

File 06162012

Tab 5 - Watch List

IRS0000001436



IRS0000001437

| A  | B  | C          | D          | E  | F                  |
|----|--|------------|------------|--|--------------------|
| 1  | Open Source Software<br>These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | k          | 2010 - #1  | Elevate case to your manager for contact with E.O. Tech: Peter Hoidal.   | Open -<br>12/13/10 |
| 2  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 3  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 4  | Medical Marijuana  | 6          | 2010 - #1  | Forward case to Group 7688. Daniela Tamayo (Coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open -<br>15-10    |
| 5  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 6  | Newspapers requesting exemption as educational organizations.  | 8          | 2010 - #1  | Elevate case to your manager to forward to E.O. Technical.   | Open -<br>12/13/10 |
| 7  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 8  | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.   | 11         | 2011 - #1  | Elevate case to your manager to forward to Group 7622 for coordination with Judy Hujfeldt or Sharon Light (EO Director's senior team advisors).  | Open -<br>3/29/11  |
| 9  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 10 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |
| 11 | Organizations applying for 501(c)-3 status by providing green energy (electricity/power) to other organizations  | 14         | 2011 - #1  | Coordinate processing with Mich Steele, Group 7622.  | Open -<br>7/11/11  |
| 12 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]         |

IRS0000001438

|    | A          | B          | C          | D          | E          | F          |
|----|------------|------------|------------|------------|------------|------------|
| 1  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 16 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 17 |            |            |            |            |            |            |
| 18 |            |            |            |            |            |            |

File 071112

Tab 1 – Potential Abusive Historical

IRS0000001484



IRS0000001486

|    | A          | B             | C | D | E | F | G | H | J | K | L | M | N | O | P | Q | R | S |
|----|------------|---------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1  | at         | complementary |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 2  | Trust (for |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 3  | Trust)     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 4  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 5  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 6  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 7  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 8  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 9  |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 10 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 11 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 12 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 13 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 14 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 15 |            |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

These trusts are basically IRAs, but all of them have not filed Form 990-PF as they are required to do. Some trusts filed Form 1041 and some did not file Form 1041. The amount of the 1041 was filed.

Form 1041 submitted by various trusts. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not.

Form 1041 submitted by various trusts. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not.

Form 1041 submitted by various trusts. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not. Some trusts filed Form 1041 and some did not.

Questionable financial data.



File 071112

Tab 2 – Potential Abusive

IRS0000001488

IRS0000001489

| A | B                           | C  | D          | E                          | F          |
|---|-----------------------------|--|------------|----------------------------|------------|
| 1 | [REDACTED]                  | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 2 | Corporation Sole            | The AOI and application will refer to "corporation sole" or "corporate sole". Form 1023 may show only one person involved with the applicant. Titles like Overseer, Elder, Patriarch, Matriarch, Administrator, Pastor, etc. The applicant may or may not request church classification.   | [REDACTED] | Forward case to Group 7824 | Open       |
| 3 | [REDACTED]                  | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 4 | Fictitious Exemption Letter | Determination letter submitted appears questionable. May include incorrect information or may appear invalid due to format, font, etc.   | [REDACTED] | Forward case to Group 7824 | Open       |
| 5 | Puerto Rico                 | Applicant usually has a Puerto Rico address. Activities involve elderly or low income housing, operating a school, and head-start programs. The return address on the original or photocopy of the envelope may be [REDACTED]. Federal government grants is listed as the primary source of income. Other identifying factors include intention to build a 42 unit facility, no ownership of property, application showing [REDACTED]. | [REDACTED] | Forward case to Group 7824 | Open       |
| 6 | [REDACTED]                  | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |



IRS0000001490

| 1 | A   | B | C  | D | E                          | F    |
|---|---|---|--|---|----------------------------|------|
|   |   |   |  |   |                            |      |
| 7 |   |   |  |   |                            |      |
| 8 | Charity Owned Life Insurance (CHOLI) or Annuity |   | Applicant may show that it is the beneficiary of an insurance policy and/or annuity. Individual loans money (possibly their IRA) to the charity, charity used the money to pay the policy costs/premiums and in turn the charity pays to the donor interest on the loan. May be referred to as a Charity Owned Life Insurance (CHOLI). May be administered by [redacted] may also be mentioned in the application. Program involves a high value insurance policy, where the applicant will receive 10% of the face value of the insurance if they show that they are 501(c)(3). |   | Forward case to Group 7824 | Open |
| 9 |   |   |  |   |                            |      |

IRS0000001491

| A  | B                                     | C  | D          | E                          | F          |
|----|---------------------------------------|--|------------|----------------------------|------------|
| 1  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 10 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 11 | Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees.   | [REDACTED] | Forward case to Group 7824 | Open       |
| 12 | Pain Management Clinics               | Pain management clinics in [REDACTED] applying for exemption under 501 (c)(3) of the Code. These clinics appear to be involved in abusive schemes as they are forming to avoid state licensing and oversight requirements. | [REDACTED] | Forward case to Group 7824 | Open       |
| 13 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 14 | [REDACTED] Foundations                | Potentially abusive foundations formed in [REDACTED] Applicants all have Foundation in their name, requesting 509(a)(2) status, [REDACTED]   | [REDACTED] | Forward case to Group 7824 | Open       |
| 15 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 16 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED]                 | [REDACTED] |



File 071112

Tab 3 – Emerging Issues

IRS0000001493

IRS0000001494

|   | A                        | B  | C   | D | E                           | F    |
|---|--------------------------|--|-----|---|-----------------------------|------|
| 1 | Current Political Issues | 501(c)(3), 501(c)(4), 501(c)(6), and 501(c)(29) 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. | E-1 | x | Forward case to Group 7822. | Open |
| 2 |                          |  |     |   |                             |      |
| 3 |                          |  |     |   |                             |      |
| 4 |                          |  |     |   |                             |      |

File 071112

Tab 4 – Coordinated Processing

IRS0000001495

IRS0000001496

|    | A             | B   | C          | D                          | E              |
|----|---------------|---|------------|----------------------------|----------------|
| 1  | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 2  | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 3  | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 4  | [REDACTED]    | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 5  | Group Rulings | Cases that involve group rulings, whether parent applying for, or subordinate leaving a group ruling need to be worked in Group 7829. The only exception is cases that have been auto revoked.. | 5          | Forward case to Group 7829 | Open - 8/25/11 |
| 6  |               |   |            |                            |                |
| 7  |               |   |            |                            |                |
| 8  |               |   |            |                            |                |
| 9  |               |   |            |                            |                |
| 10 |               |   |            |                            |                |

File 071112

Tab 5 - Watch List

IRS0000001497



IRS0000001498

| A  | B  | C          | D          | E   | F              |
|----|--|------------|------------|---|----------------|
| 1  | Open Source Software<br>These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1          | x          | Elevate case to your manager for contact with EO Tech- Peter Hollet   | Open-          |
| 2  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 3  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 4  | Cases involving Medical Marijuana  | 5          | 2010-#1    | Forward case to Group 7695, Denise Tamayo (coordinator). Note: the coordinator has permission to clean "exclusively educational" organizations. | Open- 15-10    |
| 5  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 6  | Newspapers requesting exemption as educational organizations.  | 9          | 2010-#1    | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10  |
| 7  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 8  | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.   | 11         | 2011-#1    | Elevate case to your manager to forward to Group 7622 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).  | Open - 3/28/11 |
| 9  | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 10 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 11 | Green Energy Organizations applying for 501C-3 status by providing green energy (electricity/power) to other organizations   | 14         | 2011-#1    | Coordinate processing with Mitch Steele, Group 7627   | Open - 7/11/11 |
| 12 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |

IRS0000001499

|    | A                      | B  | C          | D          | E  | F          |
|----|------------------------|--|------------|------------|--|------------|
| 1  | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] |
| 13 | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] |
| 14 | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] |
| 15 | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] |
| 16 | Paying Network<br>Debt | Organizations formed to pay down the national debt | 26         | 2012 -#1   | Forward case to Group 7&22 to coordinate with EOTIEOG. |            |
| 17 |                        |  |            |            |  |            |

File 02082012

Tab 1 -- Potential Abusive Historical

IRS0000001500

IRS0000001501

|   | A          | B          | C          | D          | E          | F          | G          | H          | I          | J          | K          | L          | M          | N          | O          | P          | Q          | R          |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 2 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 3 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 4 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 5 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 6 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 7 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 8 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

These cases are classified "NEEDS" for all purposes. They are not to be reported. Case work should be 15. Contributions should be reported on Form 1041 and Form 1042. Form 1041 and Form 1042 should be filed with the return.

These cases are classified "NEEDS" for all purposes. They are not to be reported. Case work should be 15. Contributions should be reported on Form 1041 and Form 1042. Form 1041 and Form 1042 should be filed with the return.

These cases are classified "NEEDS" for all purposes. They are not to be reported. Case work should be 15. Contributions should be reported on Form 1041 and Form 1042. Form 1041 and Form 1042 should be filed with the return.

IRS00000001502

| A  | B          | C          | D          | E          | F          | G          | H          | I          | J          | K          | L          | M          | N          | O          | P          | Q          | R          |
|----|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 10 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 11 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 12 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 16 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 17 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 18 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 19 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 20 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

Approved  
Return Form  
1042, The  
Form and appear as follows:  
# 983171

Government Fraud & Tax Evasion  
Investigative - Addressing the  
Investigative and appear as follows:  
You are referred to "See" in 1042

Produce returns

1042 (Schedule B) returns, the return liability  
address. From the returns, the returns liability  
returned by agents was compared with the returns  
and was then compared with the returns  
and was then compared with the returns

File 02082012

Tab 2 - Potential Abusive

IRS0000001503

1RS0000001504

| A | B          | C   | D          | E                          | F          |
|---|------------|---|------------|----------------------------|------------|
| 1 | [REDACTED] | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 2 | [REDACTED] | The AUI and application will refer to "corporation" or "corporation" in Form 1023 may show only one person involved with the applicant. Titles like Overseer, Elder, Patriarch, Meliarch, Administrator, Pastor, etc. The applicant may or may not request church classification. | [REDACTED] | Forward case to Group 7824 | Open       |
| 3 | 1          | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 4 | [REDACTED] | [REDACTED]  | [REDACTED] | Forward case to Group 7824 | Open       |
| 5 | 3          | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED] |
| 6 | 4          | [REDACTED]  | [REDACTED] | Forward case to Group 7824 | Open       |
| 7 | [REDACTED] | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED] |

IRS0000001505

| A  | B                                     | C  | D | E                          | F          |
|----|---------------------------------------|--|---|----------------------------|------------|
| 8  | Life Insurance & Annuity              | <p>[REDACTED]</p> <p>Applicant may apply that is the beneficiary of a term insurance policy under annuity administered by [REDACTED]. Program involves a high value insurance policy also be mentioned in the application. Program involves a high value insurance policy, where the applicant will receive 10% of the face value of the insurance if they show that they are 501(c)(3).</p> |   | [REDACTED]                 | [REDACTED] |
| 9  |                                       | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |
| 10 |                                       | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |
| 11 | Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees.   |   | Forward case to Group 7824 | Open       |
| 12 | Pain Management Clinics               | Pain management clinics in [REDACTED] applying for exemption under 501 (c)(3) of the Code. These clinics appear to be involved in abusive schemes as they are forming to avoid state licensing and oversight requirements.   |   | Forward case to Group 7824 | Open       |
| 13 |                                       | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |
| 14 |                                       | Potentially abusive foundations formed in [REDACTED] states. Foundations in their name, requesting 501(c)(2) status.   |   | Forward case to Group 7824 | Open       |
| 15 | Foundations                           | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |
| 16 |                                       | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |
| 17 |                                       | [REDACTED]   |   | [REDACTED]                 | [REDACTED] |



File 02082012

Tab 3 – Emerging Issues

IRS0000001506

IRS0000001507

| A  | B  | C    | D | E  | F    |
|----|--|------|---|--|------|
| 1  | <p>Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, social economic reform / movement. Note: typical advocacy type issues that are currently listed on the Case Assignment Guide (CAG) do not meet these criteria unless they are also involved in activities described above.</p> | E1-1 | x | Forward case to Group 7822. Stephen Seok is the coordinator. | Open |
| 2  |  |      |   |  |      |
| 3  |  |      |   |  |      |
| 4  |  |      |   |  |      |
| 5  |  |      |   |  |      |
| 6  |  |      |   |  |      |
| 7  |  |      |   |  |      |
| 8  |  |      |   |  |      |
| 9  |  |      |   |  |      |
| 10 |  |      |   |  |      |
| 11 |  |      |   |  |      |

File 02082012

Tab 4 – Coordinated Processing

IRS0000001508

IRS0000001509

| A | B   | C          | D                          | E              |
|---|---|------------|----------------------------|----------------|
| 1 | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 2 | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 3 | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 4 | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 5 | [REDACTED]  | [REDACTED] | [REDACTED]                 | [REDACTED]     |
| 6 | Cases that involve group rulings, whether parent applying for or subordinate<br>leaving a group ruling need to be worked in Group 7828. The only exception is<br>cases that have been auto revoked. | b          | Forward case to Group 7828 | Open - 8/26/11 |
| 7 |   |            |                            |                |
| 8 |   |            |                            |                |
| 9 |   |            |                            |                |

File 02082012

Tab 5 - Watch List

IRSG000001510

IRS0000001611

| A  | B                          | C   | D          | E          | F   |                |
|----|----------------------------|---|------------|------------|---|----------------|
| 1  | Open Source Software       | These organizations are requesting either 501(c)(3) or 501(c)(19) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1          | x          | Elevate case to your manager for contact with EO Tech-Peter Hallat.   | Open           |
| 2  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 3  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 4  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 5  | Medical Marijuana          | Cases involving Medical Marijuana   | 6          | 2010 - #1  | Forward case to Group 7086. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open - 7-18-10 |
| 6  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 7  | Newspaper Entities         | Newspapers requesting exemption as educational organizations.   | 9          | 2010 - #1  | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10  |
| 8  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 9  | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 10 | Fire Fighter Organizations | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the Auto-Retrovocation project.   | 11         | 2011 - #1  | Elevate case to your manager to forward to Group 7022 for coordination with Judy Kinell or Sharon Light (EO Director's senior tech advisors).   | Open - 3/29/11 |
| 11 | [REDACTED]                 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |

File 02082012

Tab 1 – Potential Abusive Historical





| A  | B   | C   | D               | E   | F          | G          | H          | I  | J          | K          | L          | M          | N          | O          | P          | Q          | R          |
|----|-----|-----|-----------------|---|------------|------------|------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 16 | 170 | 170 | Partial capital | <p>Process listed in the word "programmer", Activities appropriate from listed as appropriate party, Activities are not listed and appear as such. Therefore, they are referred to "not" as listed.</p> |            |            |            | <p>Activities listed in the word "programmer", Activities appropriate from listed as appropriate party, Activities are not listed and appear as such. Therefore, they are referred to "not" as listed.</p> |            |            |            | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |            |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    |     |     | [REDACTED]      | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

File 02082012

Tab 5 - Watch List

20120208

| 1  | A                          | B  | C           | D                             | E   | F                                 |
|----|----------------------------|--|-------------|-------------------------------|---|-----------------------------------|
|    | System/Topic               | Organization/Description   | Case Number | AL (5/20/09) or 360 (1/10/09) | Disposition/Action/Lead   | Current Status (Open/Close/Other) |
| 2  | Open Source Software       | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1           | x                             | Elevate case to your manager for contact with EO Tech- Peter Hollet   | Open                              |
| 3  | [REDACTED]                 | [REDACTED]   | [REDACTED]  | [REDACTED]                    | [REDACTED]  | [REDACTED]                        |
| 4  | [REDACTED]                 | [REDACTED]   | [REDACTED]  | [REDACTED]                    | [REDACTED]  | [REDACTED]                        |
| 5  | [REDACTED]                 | [REDACTED]   | [REDACTED]  | [REDACTED]                    | [REDACTED]  | [REDACTED]                        |
| 6  | Medical Marijuana          | Cases involving Medical Marijuana  | 5           | 2010-#1                       | Forward case to Group 7888, Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open-7-15-10                      |
| 7  | [REDACTED]                 | [REDACTED]   | [REDACTED]  | [REDACTED]                    | [REDACTED]  | [REDACTED]                        |
| 8  | Newspaper Entities         | Newspapers requesting exemption as educational organizations.  | 9           | 2010-#1                       | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10                     |
| 9  | [REDACTED]                 | [REDACTED]   | [REDACTED]  | [REDACTED]                    | [REDACTED]  | [REDACTED]                        |
| 10 | Fire Fighter Organizations | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.   | 11          | 2011-#1                       | Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).  | Open - 3/29/11                    |

20120208

| 1  | A<br>Case Name             | B<br>Organizational Description   | C<br>Extra<br>Number | D<br>Date of<br>Initiation | E<br>Disposition/Watch List                          | F<br>Date of<br>Last<br>Update |
|----|----------------------------|---|----------------------|----------------------------|--|--------------------------------|
| 11 | [REDACTED]                 | [REDACTED]  | [REDACTED]           | [REDACTED]                 | [REDACTED]   | [REDACTED]                     |
| 12 | [REDACTED]                 | [REDACTED]  | [REDACTED]           | [REDACTED]                 | [REDACTED]   | [REDACTED]                     |
| 13 | Green Energy Organizations | Organizations applying for 501C-3 status by providing green energy (electricity/power) to other organizations   | 14                   | 2011-#1                    | Coordinate processing with Mitch Steele, Group 7827. | Open - 7/11/11                 |
| 14 | [REDACTED]                 | [REDACTED]  | [REDACTED]           | [REDACTED]                 | [REDACTED]   | [REDACTED]                     |
| 15 | [REDACTED]                 | [REDACTED]  | [REDACTED]           | [REDACTED]                 | [REDACTED]   | [REDACTED]                     |
| 16 | "Occupy" Organizations     | Involve organizations occupying public space protesting in various cities, call people to assemble (people's assemblies) claiming social injustices due to "big-money" influence, claim the democratic process is controlled by wall street/banks/multinational corporations, could be linked globally. Claim to represent the 99% of the public that are interested in separating money from politics and improving the infrastructure to fix everything from healthcare to the economy. | 21                   | 2012 - #1                  | Forward cases to Group 7822.                         | Open 1/25/12                   |

File 081210  
Tab 1 - TAG

IRS0000002503

IR50000002504

20100812

|    | A          | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q |
|----|------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 2  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 3  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 4  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 5  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 6  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 7  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 8  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 9  | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 10 | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 11 | [REDACTED] |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

1. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

2. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

3. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

4. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

5. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

6. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

7. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

8. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

9. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

10. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

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7. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

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9. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

10. The applicant may or may not request formation with the applicant. This Box Contains: (EIA, Part 100, National, and U.S.G.I.S.)

11. All information provided with this report shall be made available to the public through the Freedom of Information Act (FOIA) 5 U.S.C. 552.

File 081210  
Tab 2 - TAG Historical

IRS0000002505





20100812

|    | A   | B             | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|----|-----|---------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1  |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 14 |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 15 |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 16 | 170 | Legislative   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 17 |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 18 | 115 | Common Causes |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 19 |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 20 |     |               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

Common thread is the word "progressives". Activities appear to be toward a new political party. Activities are partisan and appear to be independent. Not in DISBURSED.

Political activities

140 Category: Some activities, 178 entries (40%); 100% of the total. The records are primarily add'l for activities. The records are associated with Headquarters and were received from Area Campaign. Some 100%/100% activities associated therewith.

Applicants submitted Form 1023. Their Progressive Party is active.

IRS0000002507

File 081210  
Tab 3 - Emerging Issues

1RS0000002508

20100812

| A | B   | C          | D          | E          | F  | G          | H          |
|---|---|------------|------------|------------|--|------------|------------|
| 1 | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED] | [REDACTED] |
| 2 | These cases involve a commingled pension trust holding title to a high dollar note receivable secured by real estate. The application appear to be prepared from a template. The fund manager is usually [REDACTED] bank. | X          | X          |            | Any future cases may be closed on merit if applicable. EOT determined these applications qualify under 501(c)(2). A referral was completed to address any EP concerns. | Closed     |            |
| 3 | These case involve various local organizations in the Tea Party movement are applying for exemption under 501(c)(3) or 501(c)(4).   | EI-1       | X          |            | Any cases should be sent to Group 7822. Liz Hofacre is coordinating. These cases are currently being coordinated with EOT.   | Open       |            |

IRS00000002509

File 081210  
Tab 4 -- Coordinated Processing

IR50000002510



File 081210  
Tab 5 - BOLO List

IRS0000002512

IRS0000002513

20100812

| A | B                      | C  | D  | E | F  | G            | H |
|---|------------------------|--|----|---|--|--------------|---|
| 1 | Open Source Software   | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software.           | 1x |   | The is no specific guidance at this point. If you see a case, elevate it to your manager.          | Open         |   |
| 2 | RHIO's                 | Organization's setup to electronically exchange healthcare data, called Regional Health Information Organizations (RHIOs), are requesting exemption under 501(c)(3).   | 2x |   | These cases should be transferred to EOT.  | Open         |   |
| 3 | ACORN successors       | Following the breakup of ACORN   | 3x |   | If you see these cases, they should be sent to the TAG Group.                                      | Open         |   |
| 4 | Healthcare legislation | Per Rob Choi email dated April 20, 2010, cases impacted by the Patient Protection and Affordable Care Act (Public Law 111-148) (PPACA) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) (HCERA) are being coordinated with EOT. | 4x |   | New applications are subject to secondary screening in Group 7821. Wayne Bothe is the coordinator. | Open-4/20/10 |   |
| 5 |                        |  |    |   |  |              |   |
| 6 |                        |  |    |   |  |              |   |
| 7 | Medical Marijuana      | Email dated 7/16/10. Look for cases involving Medical Marijuana  | 7x |   | Forward cases to processing who will forward the cases to Denise Tamayo, group 7888.               | Open-7-16-10 |   |





IRS0000002515

20100812

| A  | B  | C | D | E                              | F  | G                        | H |
|----|--|---|---|--------------------------------|--|--------------------------|---|
| 1  | <p>Email dated 8/12/10. An ACO is an entity created by the Affordable Care Act. These consist of groups of healthcare providers (hospitals and doctors) who have entered into an agreement with Medicare to have Medicare patients assigned to them. The amounts charged to Medicare for the ACO's patients are compared to certain benchmark levels set by Medicare. Medicare pays the ACO a percentage difference of the difference as incentive to cost savings. ACO's are not required to be tax exempt.</p> |   |   | <p>Alert #3<br/>13,8/12/10</p> | <p>These cases should be forwarded to Group<br/>7821</p> | <p>Open-<br/>8/12/10</p> |   |
| 14 | <p>Accountable<br/>Care<br/>Organization<br/>(ACO)</p>   |   |   |                                |  |                          |   |

File 072711  
Tab 1 - TAG

20100727

| A | B                      | C  | D          | E          | F          | G                     | H                   | I            | J                      | K                           | L                  | M                  | N              | O          | P          | Q           |
|---|------------------------|--|------------|------------|------------|-----------------------|---------------------|--------------|------------------------|-----------------------------|--------------------|--------------------|----------------|------------|------------|-------------|
| 1 | 2                      | 3  | 4          | 5          | 6          | 7                     | 8                   | 9            | 10                     | 11                          | 12                 | 13                 | 14             | 15         | 16         | 17          |
|   | Taxpayer Name          | Year   | Event 1    | Event 2    | Event 3    | Taxpayer Name         | Married or Separate | Organization | FDI Subj. Jurisdiction | Transferor Name and Address | Period (Date/Year) | Policy Description | TAG Group Name | Case Class | Category   | Disposition |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | [REDACTED]          | [REDACTED]   | [REDACTED]             | [REDACTED]                  | [REDACTED]         | [REDACTED]         | [REDACTED]     | [REDACTED] | [REDACTED] | [REDACTED]  |
|   | Corporation Code       | <p>Gift or "synthetic sale" Form 1075 may allow only one person involved with the applicant. Table B-10: Charities, IRAs, Partners, Nonprofits, etc. (see also, Part IV, etc.)</p> <p>The applicant may or may not request foundation status as a return.</p>  |            |            |            | Priority status where |                     |              |                        |                             |                    |                    |                |            |            |             |
|   | Section 501(c)(3) Code | <p>For the 2008-2009 tax year, the group manager is that it can be completed through management channels to the applicant directly from a Form 1075 return. (See also, Part IV, etc.)</p> <p>Arbitration is required for the very first business operating a return, and head-of-household. The return address on the original or subsequent of the applicant is that of the applicant's residence.</p> <p>Form 1075 must be filed by the group manager. Donor's tax return must be filed to hold a 501(c)(3) and holding.</p> |            |            |            | Final indicators.     |                     |              |                        |                             |                    |                    |                |            |            |             |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | Not yet determined  |              |                        |                             |                    |                    |                |            |            |             |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | [REDACTED]          | [REDACTED]   | [REDACTED]             | [REDACTED]                  | [REDACTED]         | [REDACTED]         | [REDACTED]     | [REDACTED] | [REDACTED] | [REDACTED]  |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | [REDACTED]          | [REDACTED]   | [REDACTED]             | [REDACTED]                  | [REDACTED]         | [REDACTED]         | [REDACTED]     | [REDACTED] | [REDACTED] | [REDACTED]  |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | [REDACTED]          | [REDACTED]   | [REDACTED]             | [REDACTED]                  | [REDACTED]         | [REDACTED]         | [REDACTED]     | [REDACTED] | [REDACTED] | [REDACTED]  |
|   | [REDACTED]             | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]            | [REDACTED]          | [REDACTED]   | [REDACTED]             | [REDACTED]                  | [REDACTED]         | [REDACTED]         | [REDACTED]     | [REDACTED] | [REDACTED] | [REDACTED]  |



File 072711  
Tab 2 – TAG Historical

20110727

| A | B                  | C          | D          | E          | F          | G                | H                | I                    | J                | K                | L                | M                | N                | O                | P                | Q                | R                |
|---|--------------------|------------|------------|------------|------------|------------------|------------------|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1 | Transaction Name   | Name 1     | Address 1  | Address 2  | Address 3  | Organization (N) | Organization (A) | POA Name and Address | Organization (N) | Organization (A) | Organization (N) | Organization (A) | Organization (N) | Organization (A) | Organization (N) | Organization (A) | Organization (N) |
| 2 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 3 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 4 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 5 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 6 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 7 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 8 | [REDACTED] (Trust) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |
| 9 | [REDACTED]         | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]       | [REDACTED]       | [REDACTED]           | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       | [REDACTED]       |

These items are basically MGT's but all of them have not had Form 990-PF as they are required to do. Some have the Form 991 and some did not. [REDACTED]

20110727

| A  | B                | C                    | D          | E          | F          | G          | H               | I   | J                    | K                      | L                              | M                            | N             | O                      | P          | Q          | R          |
|----|------------------|----------------------|------------|------------|------------|------------|-----------------|---|----------------------|------------------------|--------------------------------|------------------------------|---------------|------------------------|------------|------------|------------|
| 1  | Transaction Name | Issue                | Date       | State 1    | State 2    | State 3    | Tax Law Section | Name(s) of Organization   | POA Name and Address | Payor Name and Address | Payee or Contee (Organization) | Related Organization Code(s) | TAG Code Name | Open Cases Category ID | Tag        | Discussion |            |
| 10 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 11 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 12 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 | 174 Prosepolis   | Political activities | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | Commission should be the most "progressive". Activities appear to lean toward a new political party. Activities are partisan and appear to split-Republican. You are encouraged to "lean" on him. | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 17 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 18 | 165 Case         | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 19 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |
| 20 | [REDACTED]       | [REDACTED]           | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED]      | [REDACTED]  | [REDACTED]           | [REDACTED]             | [REDACTED]                     | [REDACTED]                   | [REDACTED]    | [REDACTED]             | [REDACTED] | [REDACTED] | [REDACTED] |

**File 072711  
Tab 3 – Emerging Issues**



20110727

| 1  | A<br>Issue Name | B<br>Issue Description   | C<br>Issue Number | D<br>Alert (Year and 24 Calendar Days) | E<br>Disposition of Emerging Issue  | F<br>Open/Resolved |
|----|-----------------|--|-------------------|--|---|--------------------|
| 2  | Advocacy Orgs   | Organizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4). | EI-1              | x                                      | Forward case to Group 7822. Ron Bell is coordinating cases with EO Tech- Justin Lowe. | Open               |
| 3  |                 |  |                   |  |   |                    |
| 4  |                 |  |                   |  |   |                    |
| 5  |                 |  |                   |  |   |                    |
| 6  |                 |  |                   |  |   |                    |
| 7  |                 |  |                   |  |   |                    |
| 8  |                 |  |                   |  |   |                    |
| 9  |                 |  |                   |  |   |                    |
| 10 |                 |  |                   |  |   |                    |
| 11 |                 |  |                   |  |   |                    |

**File 072711  
Tab 4 – Coordinated Processing**

20110727

|   | A          | B                       | C            | D                         | E              |
|---|------------|-------------------------|--------------|---------------------------|----------------|
| 1 | Issue Name | Brief Issue Description | Issue Number | Consolidated Action Taken | Current Status |
| 2 | [REDACTED] | [REDACTED]              | [REDACTED]   | [REDACTED]                | [REDACTED]     |
| 3 | [REDACTED] | [REDACTED]              | [REDACTED]   | [REDACTED]                | [REDACTED]     |
| 4 | [REDACTED] | [REDACTED]              | [REDACTED]   | [REDACTED]                | [REDACTED]     |
| 5 | [REDACTED] | [REDACTED]              | [REDACTED]   | [REDACTED]                | [REDACTED]     |
| 6 |            |                         |              |                           |                |

File 072711  
Tab 5 – Watch List

20110727

| A  | B                                     | C          | D          | E  | F              |
|----|---------------------------------------|------------|------------|--|----------------|
| 1  | Open Source Software                  | 1          | x          | Elevate case to your manager for contact with EO Tech- Peter Holist  | Open           |
| 2  | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 3  | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 4  | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 5  | Medical Marijuana                     | 6          | 2010 - #1  | Forward case to Group 7858, Denise Ternayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open - 7-15-10 |
| 6  | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 7  | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 8  | Potentially Abusive Family Foundation | 8          | 2010- #1   | Forward case to Group 7830   | Open 11/23/10  |
| 9  | Newspaper Endites                     | 9          | 2010- #1   | Elevate case to your manager to forward to EO Technical.   | Open 12/13/10  |
| 10 | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 11 | Fire Fighter Organizations            | 11         | 2011- #1   | Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindest or Sharon Light (EO Director's senior tech advisors).   | Open - 3/20/11 |
| 12 | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 13 | [REDACTED]                            | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |

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|    | A                          | B  | C  | D        | E  | F              |
|----|----------------------------|--|----|----------|--|----------------|
| 1  |                            |  |    |          |  |                |
| 14 |                            |  |    |          |  |                |
| 15 | Green Energy Organizations | Organizations applying for 501C-3 status by providing green energy (electricity/power) to other organizations  | 14 | 2011- #1 | Coordinate processing with Mitch Steele, Group 7624. | Open - 7/11/11 |
| 16 | Pain Management Clinics    | Pain management clinics in [redacted] applying for exemption under 501 (c)(3) of the Code. These clinics appear to be involved in abusive schemes as they are forming to avoid state licensing and oversight requirements. | 15 | 2011- #1 | Forward case to Group 7630                           | Open 7/27/11   |

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**From:** Seto Michael C  
**Sent:** Monday, June 27, 2011 8:30 AM  
**To:** Thomas Cindy M  
**Subject:** FW: Briefing Paper on c3/4 Advocacy Orgs.  
**Attachments:** June 29 C3-4 Advocacy Orgs Briefing Paper.doc

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**From:** Lowe Justin  
**Sent:** Monday, June 27, 2011 8:56 AM  
**To:** Paz Holly O  
**Cc:** Seto Michael C; Buller Siri; Hull Carter C; Kastenber Elizabeth C; Goehausen Hilary  
**Subject:** Briefing Paper on c3/4 Advocacy Orgs.

Holly,

Attached is the briefing paper we plan to use at the meeting with Lois on Wednesday afternoon. Please let us know if you have any questions or would like to meet beforehand.

Thanks,

Justin

## Increase in (c)(3)/(c)(4) Advocacy Org. Applications

### **Background:**

- EOD Screening has identified an increase in the number of (c)(3) and (c)(4) applications where organizations are advocating on issues related to government spending, taxes and similar matters. Often there is possible political intervention or excessive lobbying.
- EOD Screening identified this type of case as an emerging issue and began sending cases to a specific group if they meet any of the following criteria:
  - "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 by advocacy/lobbying to "make America a better place to live"
  - Statements in the case file criticize how the country is being run
- Over 100 cases have been identified so far, a mix of (c)(3)s and (c)(4)s. Before this was identified as an emerging issue, two (c)(4) applications were approved.
- Two sample cases were transferred to EOT, a (c)(3) and a (c)(4).
  - The (c)(4) stated it will conduct advocacy and political intervention, but political intervention will be 20% or less of activities. A proposed favorable letter has been sent to Counsel for review.
  - The (c)(3) stated it will conduct "insubstantial" political intervention and it has ties to politically active (c)(4)s and 527s. A proposed denial is being revised by TLS to incorporate the org.'s response to the most recent development letter.
- EOT is assisting EOD by providing technical advice (limited review of application files and editing of development letters).

### **EOD Request:**

- EOD requests guidance in working these cases in order to promote uniform handling and resolution of issues.

### **Options for Next Steps:**

- Assign cases for full development to EOD agents experienced with cases involving possible political intervention. EOT provides guidance when EOD agents have specific questions.
- EOT composes a list of issues or political/lobbying indicators to look for when investigating potential political intervention and excessive lobbying, such as reviewing website content, getting copies of educational and fundraising materials, and close scrutiny of expenditures.
- Establish a formal process similar to that used in healthcare screening where EOT reviews each application on TEDS and highlights issues for development.
- Transfer cases to EOT to be worked.
- Include pattern paragraphs on the political intervention restrictions in all favorable letters.
- Refer the organizations that were granted exemption to the ROO for follow-up.

### **Cautions:**

- These cases and issues receive significant media and congressional attention.
- The determinations process is representational, therefore it is extremely difficult to establish that an organization will intervene in political campaigns at that stage.



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**From:** Seto Michael C  
**Sent:** Sunday, July 24, 2011 10:25 AM  
**To:** Thomas Cindy M  
**Subject:** FW: Drafting the list of items for EOD to look for on Political Advocacy Cases

Hi Cindy,

We will be working on the list.

Mike

---

**From:** Seto Michael C  
**Sent:** Sunday, July 24, 2011 11:22 AM  
**To:** Goehausen Hilary; Lowe Justin  
**Cc:** Ghougasian Laurice A; Megosh Andy; Grodnitzky Steven  
**Subject:** Drafting the list Contact Person for EOD Political Advocacy Cases

Hilary and Justin,

As part of that discussion, we also concluded that we should draft a list of things for EOD agents to look for when working these types of advocacy cases.

Hilary, can you work with Justin, i.e. you draft and Justin reviews. When you both are done, I like to look at it, and your managers (Andy and Laurice/Steve) should also look at it too. Thanks, Mike

---

**From:** Seto Michael C  
**Sent:** Saturday, July 23, 2011 4:58 PM  
**To:** Lowe Justin; Goehausen Hilary; Hull Carter C  
**Cc:** Megosh Andy; Kastenber Elizabeth C; Lieber Theodore R; Salins Mary J; Ghougasian Laurice A; Grodnitzky Steven; Shoemaker Ronald J  
**Subject:** Contact Person for EOD Political Advocacy Cases

Hi Everyone,

Per our discussion several weeks ago, the contact person for EOT for all political advocacy cases pending in EOD is Justin Lowe. Justin will work with Hilary Goehausen and Chip Hull, who are initiators on political advocacy cases pending in EOT. I will notify Cindy. If you have any questions, let me know.

Thanks,

Mike

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**From:** Paz Holly O  
**Sent:** Monday, April 23, 2012 4:03 PM  
**To:** Thomas Cindy M; Abner Donna J  
**Cc:** Neuhart Paige  
**Subject:** RE: Schedule for Next Two Weeks Including Tours and Action Items

Donna,

Sorry for the late notice about the visit. This came up last minute and has moved very quickly. We would like to interview all the folks who had been involved in this bucket of advocacy cases as a group to make folks feel as comfortable as possible. We are tied up tomorrow with other meetings and are leaving Thursday so we will need to get a hour or two of Liz's time on Wednesday. Liz can step out of group meetings with the BPMO for a bit and we'll move any meeting BPMO has with her alone to a different time in the day. We don't need to talk to anyone else in Quality as the focus right now is on a specific group of cases (not advocacy cases in general). We are interested in talking to Liz because she was involved with these specific cases when she was in Determs.

Holly

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**From:** Thomas Cindy M  
**Sent:** Monday, April 23, 2012 8:17 AM  
**To:** Abner Donna J  
**Cc:** Paz Holly O  
**Subject:** RE: Schedule for Next Two Weeks Including Tours and Action Items

Donna,

The discussion and decision for D.C. folks to visit Cincinnati was last minute and plans weren't finalized until late in the week.

As indicated in the email below, Liz Hofacre was the initial coordinator for the advocacy cases and that is why everyone believes it is important that she be included in the discussion. Regarding her participation on 4/25, Holly will need to make the call as to whether it is more important for Liz to meet with the other Advocacy Team members and D.C. on 4/25 for an hour or two or for her to participate in the QA review.

It is my understanding that none of the advocacy cases that were identified as part of the BOLO bucket have been closed, and that one c3 case that is expected to be denied was recently copied and sent to QA, EOT, and EOG. If you have information to the contrary, please let me know. Thanks.

---

**From:** Abner Donna J  
**Sent:** Monday, April 23, 2012 6:51 AM  
**To:** Thomas Cindy M  
**Cc:** Paz Holly O  
**Subject:** FW: Schedule for Next Two Weeks Including Tours and Action Items  
**Importance:** High

Hi Cindy,  
Thanks for passing this along. I did not know Holly and company were coming to Cincinnati. Also, the April 25th date coincides with the date of the QA review in which my folks - including Liz - will be occupied most of the day. Therefore, QA will be available and willing to meet with any of the visitors the 24th or the 26th.

It is also important to note that QA has reviewed some advocacy cases and currently has three under review in EO Technical. A denial for a advocacy/political case was recently publicly posted. It is also important to point out that Liz is not the sole QA reviewer involved in the review of advocacy cases - she has simply been the QA reviewer that has attended most (not all) of the Determ meetings on the topic.

Thanks,  
Donna

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**From:** Thomas Cindy M  
**Sent:** Saturday, April 21, 2012 12:17 AM  
**To:** Abner Donna J  
**Subject:** FW: Schedule for Next Two Weeks Including Tours and Action Items  
**Importance:** High

Donna,

I apologize, I meant to cc: you on the email below. Also, the 5 folks from D.C. want Liz Hofacre to be included with those being interviewed on 4/25 since she was the initial coordinator for these cases and is the QA rep. on the Advocacy Team.

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

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**From:** Thomas Cindy M  
**Sent:** Friday, April 20, 2012 8:50 PM  
**To:** Haley Philip H; Shankling Lonnie; Jefferson-White Beverly J; Lahey Victoria; Lewis Jovonnie; Brinkley Lynn A; Waddell Jon M; Chumney Tyler N; Shafer John H; Bibb Kenneth B; Angner William J; Berry Daniel W; Bowling Steven F; Combs Peggy L; Esrig Bonnie A; Craig Karen K  
**Cc:** Sheer Mary; Beason Carole Tamara  
**Subject:** Schedule for Next Two Weeks Including Tours and Action Items  
**Importance:** High

Because of the hearings involving advocacy cases in which Steve Miller will need to testify, several folks from TEGE Headquarters will be in Cincinnati next week to take a tour of our operations, review advocacy cases, etc., in order to prep Steve for the hearings. While the folks from D.C. are in Cincinnati, they plan to review all of the advocacy cases. A separate email will be sent regarding these cases.

The following week three representatives from TIGTA, along with the Acting Director, EO R&A, will be in Cincinnati to take a tour, etc., and as a separate event the Acting Commissioner, TEGE will be visiting.

Following is a schedule by day for the next two weeks of what will be taking place, where, and who will be involved.

**April 23 - Visitors and Town Hall from 2:30 to 3:00 (Room 5411)**

Holly Paz will hold a short meeting for all agents/managers in Cincinnati that are in the office on this day. Please be certain to pass this information on to specialists in your group. Other folks from TEGE Headquarters will be in Room 7116-D reviewing advocacy cases. Those from TEGE Headquarters who will be in Cincinnati are:

Senior Technical Advisors to Acting Commissioner, TEGE (Rob Malone, Nan Marks, Joe Urban),  
Senior Technical Advisor to Director, EO (Sharon Light),  
Acting Director, EO R&A (Holly Paz)

**April 24 - Tour (CSPC and Room 7106)**

The folks from D.C. and I will be taking a tour of the Cincinnati Submission Processing Center (CSPC) starting at 8 a.m. I expect that we will be back to the Federal Building by approx. 10 a.m. Then, a representative from the Screening Group will be needed to conduct a demo in TEDS of the initial screening process. Also, a representative from Group 7822 will be needed to conduct a demo in TEDS of the actions that take place for cases after the initial screening (e.g., assignment of AP/IP or full development and those steps that follow) with a focus on the advocacy cases. Room 7106 has been reserved for the demos. Those who should be in attendance include Peggy Combs (optional), John Shafer, Steve Bowling, and Tyler Chumney, as well as a representative from the Screening Group who will demo the initial screening process and a representative from Group 7822 who will demo actions taken by an agent for full development cases --- I'd recommend Ron Bell since he was one of the TEDS instructors and was also the advocacy case coordinator when we reached out to EOT for coordination. We can discuss on Monday (4/23).

Following the demos, the folks from D.C. will continue reviewing the advocacy cases in Room 7116-D.

**April 25 - Meeting with those involved with the Advocacy Cases from 9:00 to ? (Room 7106)**

The folks from D.C. would like to have a meeting with Steve Bowling, Tyler Chumney, Ron Bell, and Stephen Seok. This meeting will begin at 9:00 a.m. in Room 7106. After this meeting takes place, the folks from D.C. would like for a few of the agents on the Advocacy Team to join the others. Those who have been identified thus far include Joseph Herr, Liz Hofacre, Mitch Steele, and Carly Young. These folks should plan to come to Room 7112 at approx. 10 a.m. Someone will come to Room 7112 to get them when ready. It is possible that other Advocacy Team members will be added. Therefore, it would be beneficial if all those agents in Cincinnati who are on the Advocacy Team made sure they were in the office and available on 4/25/2012.

Following these meetings, the folks from D.C. will continue reviewing the advocacy cases in Room 7116-D.

**April 26 - Folks from D.C. will continue reviewing the advocacy cases in Room 7116-D and will depart at approx. noon.**

**April 30 - TIGTA visit beginning at 2:30 p.m. (Room 4503)**

Holly Paz and I will meet with TIGTA beginning at 2:30 p.m. We will take them to the Processing Section to look at hard-copy cases. Also, Nick Reinhardt will conduct a TEDS demo beginning after 3 p.m. I've requested Room 7106 for the TEDS demo, but may need to have it in Room 4503.

Those from TIGTA who will be in Cincinnati are:

Michael McGovern  
Cheryl Medina  
Thomas Seidell

**May 1 - Tour (CSPC and Room 7106 or 7108)**

The folks from TIGTA, along with Holly Paz and I, will be taking a tour of the Cincinnati Submission Processing Center (CSPC) starting at 8 a.m. I expect that we will be back to the Federal Building by approx. 10 a.m. Then, a representative from the Screening Group will be needed to conduct a demo in TEDS of the initial screening process. Also, a representative from Group 7822 will be needed to conduct a demo in TEDS of the actions that take place for cases after the initial screening (e.g., assignment of AP/IP or full development and those steps that follow) with a focus on the advocacy cases. Those who should be in attendance include Peggy Combs (optional), John Shafer, Steve Bowling, and Tyler Chumney, as well as a representative from the Screening Group who will demo the initial screening process and a representative from Group 7822 who will demo actions taken by an agent for full development cases --- I'd recommend

Ron Bell since he was one of the TEDS instructors and was also the advocacy case coordinator when we reached out to EOT for coordination. We can discuss on Monday (4/23).

**May 2 - Acting Commissioner, TEGE (Joseph Grant), Director, TEGE Planning (Imraan Khakoo), and Acting Commissioner, TEGE Senior Technical Advisor (Nan Marks) Visit**

|               |                                  |
|---------------|----------------------------------|
| 9:00 - 10:00  | Town Hall Session 1, Room 4519   |
| 10:30 - 11:30 | Town Hall Session 2, Room 4519   |
| 1:00 - 2:00   | Meeting with Managers, Room 7106 |
| 2:15 - 3:00   | Automation Tool Demo, Room 7106  |
| 3:00 - ?      | Meeting with L&E                 |

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**From:** Thomas Cindy M  
**Sent:** Tuesday, July 10, 2012 10:55 AM  
**To:** Ng Faye H; Herr Joseph R; Estes Janine L; Young Carly; Herring Donald Grant; Garuccio Jodi L; Steele Mitchell P  
**Cc:** Bibb Kenneth B; Lahey Victoria; Lewis Jovonnie; Brinkley Lynn A; Waddell Jon M; Berry Daniel W; Combs Peggy L; Esrig Bonnie A; Bowling Steven F; Chumney Tyler N; Bell Ronald D  
**Subject:** Advocacy Cases - Data Needed COB Every Wednesday

Holly Paz and others in D.C. have regular meetings with Steve Miller regarding the political advocacy cases and they typically need data for these meetings because Steve wants to make sure these cases continue to move. So that we don't need to continue to scramble around at the last minute to gather data, please send information to Ron Bell by COB every Wednesday. Specifically,

1. List of cases that have been closed for the week (with all information you have currently been sending as cases are closed -- no need to continue sending as cases are closed),
2. List of cases, along with bucket number, where an initial additional information letter was sent,
3. List of organizations that provided donor information, along with bucket number, where we'll need to send them a letter advising donor information will be expunged from the file (once we get the revised letter from D.C.), and
4. List of organizations, along with bucket number, where the cases need to be updated to status 97 (auto revocation) but are on hold pending decision by D.C.

Faye/Janine -- we also need to know how many bucket 1 cases you still have open, and of this amount how many required development letters, how many are on hold pending decisions about auto revocation, and when you expect the bucket 1 cases to be closed.

If you have any questions/concerns, please elevate them. Thanks.

---

**From:** Thomas Cindy M  
**Sent:** Thursday, July 19, 2012 8:51 PM  
**To:** Paz Holly O  
**Subject:** TIGTA DOCUMENT REQUEST  
**Attachments:** Phone Script favorable advocacy case ( 5 24 12).doc; favorable c4 ltr with educational language re political activity 5 24 12.doc

**Importance:** High

-----Original Message-----

**From:** Thomas Cindy M  
**Sent:** Thursday, May 24, 2012 4:25 PM  
**To:** Bibb Kenneth B  
**Cc:** Adigun Sonya I; Day Crystal B  
**Subject:** Advocacy Cases -- Favorable Closures  
**Importance:** High

Ken,

The wording for the favorable determination letters is attached. Per Steve Miller's request, these cases need to be closed by COB 5/25/2012. If these cases will be taken to Processing to close, please make certain that they know the cases must be closed by COB 5/25/2012. Thanks so much!

-----Original Message-----

**From:** Paz Holly O  
**Sent:** Thursday, May 24, 2012 3:24 PM  
**To:** Thomas Cindy M  
**Subject:** RE: Emailing: Phone Script favorable advocacy case ( 5 24 12).doc, favorable c4 ltr with educational language re political activity 5 24 12.doc

Yes and yes. We call all orgs that got a development letter but have not yet responded and put addendum 1 in their letters. We don't need to call orgs that responded to the development letter(s) or orgs that didn't get a development letters (the newer cases).

Thank you!

-----Original Message-----

**From:** Thomas Cindy M  
**Sent:** Thursday, May 24, 2012 3:06 PM  
**To:** Paz Holly O  
**Subject:** FW: Emailing: Phone Script favorable advocacy case ( 5 24 12).doc, favorable c4 ltr with educational language re political activity 5 24 12.doc

Importance: High

To clarify....

Are we required to call the c4 applicants that received a development letter in all cases where they didn't respond and we're issuing a favorable letter (phone script)? And, we are also required to include the paragraph on the letter for these cases before issuing the letter (favorable c4 ltr with paragraph 1)?

-----Original Message-----

From: Paz Holly O

Sent: Thursday, May 24, 2012 2:50 PM

To: Thomas Cindy M

Subject: Emailing: Phone Script favorable advocacy case ( 5 24 12).doc, favorable c4 ltr with educational language re political activity 5 24 12.doc

Here are the approved phone script and c4 favorable letter. Thank you!



Internal Revenue Service  
P.O. Box 2508  
Cincinnati OH 45201

Department of the Treasury

Date:

Employer Identification Number:

Name of Organization  
Address

Person to Contact and ID Number:

Toll Free Contact Number:

(877) 829-5500

Accounting Period Ending: [8010]

(Variable)

Form 990 Required: [8012]

(Variable)

Effective Date of Exemption: [8013]

(Variable)

Contribution Deductibility: [8014]

(Variable)

Addendum Applies: [8015]

(Variable)

Dear Applicant:

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[1] We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. **Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.**

(Required - Variable)

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[4] Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

(Automatic)

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[5999]

Sincerely,

(Automatic)

---

[8500]

Lois G. Lerner  
Director, Exempt Organizations

(Automatic)

---

[8610] Enclosure: Publication 4221-NC

(Automatic)

**Addendum for Use in Favorable Advocacy Org C4 Cases in Which Applicant Was Sent a Development Letter But Has Not Yet Responded**

Please note that we have just completed another review of your request to be recognized as tax-exempt under section 501(c)(4) of the Internal Revenue Code. Based on that review, we concluded that we do not need the additional materials previously requested because your application and materials provide sufficient information.

**Addendum for Use in ALL Favorable Advocacy Org C4 Cases**

Enclosed with this letter is an educational booklet about the various tax law requirements applicable to section 501(c)(4) organizations. Additional information about these various requirements is available at [www.irs.gov/charities](http://www.irs.gov/charities). For example, as discussed in pages 3-5 of the enclosed Pub 4221-NC, section 501(c)(4) organizations may attempt to influence the selection, nomination, election or appointment of an individual to a federal, state, or local public office (political campaign activity). However, political campaign activity does not further a section 501(c)(4) exempt purpose and, together with all other non-exempt activity, cannot be the organization's primary activity. We hope you will find this information helpful and encourage you to review it carefully.

Script – Phone Calls to Favorable Advocacy Org Cases With Outstanding Development Letter

Hello. My name is \_\_\_\_\_. I am calling about the application for recognition of tax-exempt status submitted by [insert applicant name]. The IRS previously sent you a request for additional information, and I believe we haven't yet received a response. But, we've taken another look at your application and materials, and have concluded that we have sufficient information to make a decision without the requested information. I am pleased to tell you that we have determined that [insert applicant name] qualifies for exemption under 501(c)(4). You should receive your determination letter within two weeks.

IF asked why it took so long:

I'm sorry for the difficulty you have had getting exempt status. We received an increased number of applications for 501(c)(4) status that were different from what we have seen in the past. We needed to understand the activities being conducted so we could make sure that those activities are consistent with what the tax law allows.

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**From:** Thomas Cindy M  
**Sent:** Tuesday, October 30, 2012 9:12 PM  
**To:** Paz Holly O  
**Subject:** Issue from Advocacy Team Meeting Held 10/30/2012

Holly,

I had a meeting with the advocacy team this morning to go over some general inventory information regarding #'s of cases, to discuss the QA process, and to address any of their concerns.

Regarding QA - thus far, 3 cases were returned on checksheets after QA approved the cases. I view these as "advisory" memos. Joseph Herr reviewed all 3 and indicated that it was just "picky" stuff. But, we did ask the specialists to spend a little more time documenting workpapers for these cases.

An issue that was raised that I need to elevate is regarding the bucket 4 cases. Specifically, only a handful of cases are assigned to Mitch and Joseph. They indicated that they don't know what to do when responses are received. Who is their contact? Are they supposed to send copies of responses to the contact in D.C.? If not, what action is required on their part? Also, they are concerned that with the pace that is taking place that they'll be working the bucket 4 cases until they retire (this isn't intended to be a flip comment, but rather a sincere concern). We all understand why several people are reviewing the files, but are certain folks working this exclusively to make sure these cases are moving? I explained to them that when referrals are sent to EO Exam for political type cases a team of 3 review the referral to make the decision as to whether an organization will be audited — again, they do got it. Additionally, I told them I wasn't 100% sure but believe some of the same folks reviewing the bucket 4 cases are the ones who were reviewing the copies of the c4 cases we had to send in response to the Congressional request. Anyway, it would be helpful if a POC was identified for them or if some guidance was provided specifying under which circumstances they need to contact D.C. after receiving responses from the organizations.

NOTE: Joseph is going to start making contact with all the c3 bucket 4 cases to see if they are willing to change to c4 if we determine that c4 is more appropriate.

---

**From:** Medina Cheryl J TIGTA <Cheryl.Medina@tigta.treas.gov>  
**Sent:** Thursday, November 15, 2012 7:11 AM  
**To:** Paz Holly O  
**Subject:** Follow-up to Questions  
**Attachments:** Determinations Research.v.1.xls

Hi Holly,

I am just following up on the status of a couple of requests for information. The first relates to the cases that appear to have been removed from the advocacy inventory and the second is for the missing bucket sheets for one case. (see emails below) Do you know when we will be receiving responses to these requests?

We are also waiting for just a few cases from Cincinnati. The folks there have done a great job of providing us with the case files and any follow-up requests for additional information. We really appreciate all the time and effort this has taken.

Cheryl

---

**From:** Medina Cheryl J TIGTA  
**Sent:** Thursday, November 08, 2012 8:59 AM  
**To:** Paz Holly O  
**Subject:** FW: determs review

Hi Holly,

The attached document is the review completed by Judy Kindell to identify unnecessary questions being asked in the advocacy development letters. We have identified 4 cases (highlighted) that are not included on the May/June 2012 advocacy listing we are using in our review.

What happened to these cases and why would they be removed from the tracking sheet? Are there any other cases that were removed from the advocacy listing? Why and how many?

Thanks for any information you can provide.

Cheryl

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**From:** Paz Holly O [<mailto:Holly.O.Paz@irs.gov>]  
**Sent:** Tuesday, July 24, 2012 7:00 AM  
**To:** Seidell Thomas F TIGTA; Medina Cheryl J TIGTA  
**Subject:** FW: determs review

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**From:** Kindell Judith E  
**Sent:** Wednesday, April 25, 2012 1:31 PM  
**To:** Paz Holly O; Light Sharon P  
**Subject:** determs review

Here is the result of Susan's and my review. We did not see any questions regarding what are book clubs reading - we did see questions regarding what books are you selling.

- A. Requests Names of Donors
- B. Provide a list of all issues that are important to your organization. Indicate your position regarding such issue.
- C. In list of questions soliciting details about activity asked about the following: (1) the roles and activities of audience and participants other than members in the activity and (2) what type of conversations and discussions did your members and participants have during the activity
- D. Asks whether officer, director, etc. has run or will run for public office
- E. Requests political affiliation of officer, director, speakers, candidates supported, etc. or otherwise refers to relationship with identified political party-related organizations
- F. Requests info re employment other than for org, including hours worked
- G. Letter requests information regarding activities of another org -- not just relationship of other org to applicant

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**From:** Paz Holly O [mailto:Holly.O.Paz@irs.gov]  
**Sent:** Thursday, November 08, 2012 9:54 AM  
**To:** Medina Cheryl J TIGTA  
**Subject:** FW: Missing Buckets

Re: [REDACTED]

Here is what I know so far. I will get back to you once I have more information.

---

**From:** Thomas Cindy M  
**Sent:** Thursday, November 08, 2012 12:31 AM  
**To:** Paz Holly O  
**Subject:** RE: Missing Buckets

For this organization, there are 2 cases controlled on EDS:

- one c3 case with an 11/8/2011 control date. It is in the Political Advocacy full development unassigned inventory.
- one c4 case with an 11/16/2011 control date. This case was approved through the IP process -- not by anyone on the advocacy team.

The c3 case is on the Advocacy Tracking Sheet, but doesn't show a bucket and doesn't show that it is assigned to anyone which makes me believe that it is bucket 4 case. I'll try to gather more information regarding this case and will get back with you.

**Screening Workshop  
July 28, 2010**

# Health Care

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**Redacted by the  
Permanent Subcommittee on Investigations**

IRSR0000006675

IRSR0000006676

IRSR0000006677

IRSR0000006678

IRSR0000006679

IRSR0000006680

IRSR0000006681

IRSR0000006682



## **27 Month Deadline Cases**

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- Form 1023 where organization was formed more than 27 months prior to filing for exemption
- Form 1023 Part VII, Item 2 is yes
- Form 1024 Part I, Item 6 is yes
- Except - Churches/Church Related Orgs

# Form 1023

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## Part VII Your History

**2** Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E.

**Yes No**

## Form 1024

---

**6** Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? **Yes No**  
If "Yes," attach an explanation.

## **27 Month Deadline Cases**

---

- Forward Case to Group 7822 for Secondary Screening
- Group 7822 conducts IDRS research and assigns "T" number if appropriate

## Current Activities

---

- Politics



- Look for names like

## Current Activities

---

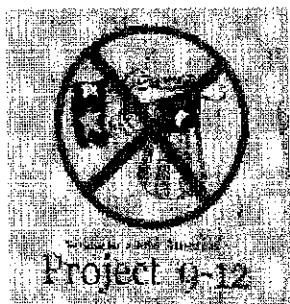
- Tea Party



## Current Activities

---

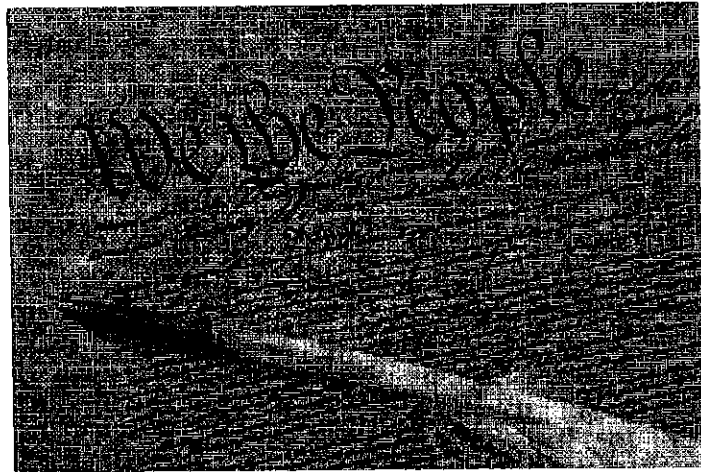
- Patriots
- 9/12 Project
- Emerge



## **Current Activities**

---

- Progressive
- We the People





## **Current Activities**

---

- These organizations may file a Form 1023 or 1024
- Most will file as IRC 501(c)(4)

## **Current Activities**

---

- Concerns: May be more than 50% political, possible PAC (Political Action Committee)

# Disaster Relief

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**Redacted by the  
Permanent Subcommittee on Investigations**

## **POAs to the CAF – Cases in Teds**

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**Redacted by the  
Permanent Subcommittee on Investigations**

# Closing Sheet

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**Redacted by the  
Permanent Subcommittee on Investigations**

## Credit Counseling

---

**Redacted by the  
Permanent Subcommittee on Investigations**

## Tag Cases

---

- New Tag List

---

**From:** Heagney Nancy L  
**Sent:** Thursday, July 29, 2010 2:13 PM  
**To:** Bell Ronald D; Garuccio Jodi L; Hofacre Elizabeth L; Eckard Diane M; Combs Richard A; Schlaack Jr Edward S; Wan Sherry Q; Chumney Tyler N; Kallman Thomas M; McGee John J; Doeker David A; Krebs Shawndea G; Pomerantz Edward J; Perkins Edwina; Dornette Tracy; Bantly Scott P; Young Carly; Garrett April; Hanson Michael J; Bothe Larry W; Condon Michael W; Ludwig Michael A; Chen Julie; Mayi Sirijun; Steele Mitchell P; Herring Donald Grant; McDonald Jacob A; Brown Christopher R; Maloney Susan; Robinson Sheila M; Liggett Yvonne; Cummins Faith E; Gentry Diane M; Luk Zenia; Seok Stephen D; Franczak Cara D; McLaughlin Geraldine R; Laux Joseph J; Sheer Mary; Brandes James A; Lee Winnie; Johnson Felicia; McCoy Joy; Batey Karen A; Kennedy Joseph R; Royce Sherri L; Kowalczyk Chad A; Lahey Victoria; Lawrence Dorothy M; Slaughter David L; Estes Janine L  
**Cc:** Shafer John H; Beckerich Karl J; Monford Rochelle; Muthert Gary A; Schaber Dale T; Vance Roger W; Koester John J; Kiser Joan C; Kitchens Kimberly L; Norton Renee Railey; Sanders Shawntel R; Trimble Del L; Collins Glenn W; Cullen Jeffery A; Yee Elsie S; Yee Ling F; Nicolin Jennifer A; Van Der Sluys Lisa M  
**Subject:** RE: Screening Workshop  
**Attachments:** Screening Workshop July 28 2010 Summary.doc

Here are the Screening Workshop meeting minutes.

Nancy

---

**From:** Heagney Nancy L  
**Sent:** Tuesday, July 27, 2010 6:23 PM  
**To:** Heagney Nancy L; Bell Ronald D; Garuccio Jodi L; Hofacre Elizabeth L; Eckard Diane M; Combs Richard A; Schlaack Jr Edward S; Wan Sherry Q; Chumney Tyler N; Kallman Thomas M; McGee John J; Doeker David A; Krebs Shawndea G; Pomerantz Edward J; Perkins Edwina; Dornette Tracy; Bantly Scott P; Young Carly; Garrett April; Hanson Michael J; Bothe Larry W; Condon Michael W; Ludwig Michael A; Chen Julie; Mayi Sirijun; Steele Mitchell P; Herring Donald Grant; McDonald Jacob A; Brown Christopher R; Maloney Susan; Robinson Sheila M; Liggett Yvonne; Cummins Faith E; Gentry Diane M; Luk Zenia; Seok Stephen D; Franczak Cara D; McLaughlin Geraldine R; Laux Joseph J; Sheer Mary; Brandes James A; Lee Winnie; Johnson Felicia; McCoy Joy; Batey Karen A; Kennedy Joseph R; Royce Sherri L; Kowalczyk Chad A; Lahey Victoria; Lawrence Dorothy M; Slaughter David L; Estes Janine L  
**Cc:** Shafer John H; Beckerich Karl J; Monford Rochelle; Muthert Gary A; Schaber Dale T; Vance Roger W; Koester John J; Kiser Joan C; Kitchens Kimberly L; Norton Renee Railey; Sanders Shawntel R; Trimble Del L; Collins Glenn W; Cullen Jeffery A; Yee Elsie S; Yee Ling F; Nicolin Jennifer A; Van Der Sluys Lisa M  
**Subject:** RE: Screening Workshop

Attached is a handout for the screening workshop and the agenda.

Nancy

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**From:** Heagney Nancy L  
**Sent:** Tuesday, July 20, 2010 2:23 PM  
**To:** Bell Ronald D; Garuccio Jodi L; Hofacre Elizabeth L; Eckard Diane M; Combs Richard A; Schlaack Jr Edward S; Wan Sherry Q; Chumney Tyler N; Kallman Thomas M; McGee John J; Doeker David A; Krebs Shawndea G; Pomerantz Edward J; Perkins Edwina; Dornette Tracy; Bantly Scott P; Young Carly; Garrett April; Hanson Michael J; Bothe Larry W; Condon Michael W; Ludwig Michael A; Chen Julie; Mayi Sirijun; Steele Mitchell P; Herring Donald Grant; McDonald Jacob A; Brown



Christopher R; Maloney Susan; Robinson Sheila M; Liggett Yvonne; Cummins Faith E; Gentry Diane M; Luk Zenia; Seok Stephen D; Franczak Cara D; McLaughlin Geraldine R; Laux Joseph J; Sheer Mary; Brandes James A; Lee Winnie; Johnson Felicia; McCoy Joy; Batey Karen A; Kennedy Joseph R; Royce Sherri L; Kowalczyk Chad A; Lahey Victoria; Lawrence Dorothy M; Slaughter David L; Estes Janine L

**Cc:** Shafer John H; Beckerich Karl J; Monford Rochelle; Muthert Gary A; Schaber Dale T; Vance Roger W; Koester John J; Kiser Joan C; Kitchens Kimberly L; Norton Renee Railey; Sanders Shawntel R; Trimble Del L; Collins Glenn W; Cullen Jeffery A; Yee Elsie S; Yee Ling F; Nicolin Jennifer A; Van Der Sluys Lisa M

**Subject:** Screening Workshop

Good afternoon,

We will have a screening workshop on Wednesday, July 28th at 10:00 a.m. in Room 4519. We do not anticipate this lasting more than a couple of hours. We would appreciate it if you could attend.

Nancy Heagney

Screening Workshop Notes - July 28, 2010

1

Participants included members of the screening group, embedded screeners from Cincinnati, west coast screeners, selected secondary screeners, TE/GE EO Quality Assurance's Staff and Area 1 & 2 Managers. The workshop agenda, PowerPoint and attachments were presented to participants via email.

**Topics and Highlights**

**Opening Statements:** John Shafer

- Welcomed participants.
- Encouraged participants to email topics for inclusion in our next Workshop.
- Current workshop is to provide an update on current issues and concerns.
- Floor was turned over to Presentators. Topics/Presentators follow:

**Healthcare Reform:**

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- 
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Permanent Subcommittee on Investigations**

**Organization filing after 27-Month their Formation:** Glenn W Collins/John Shafer

- Glenn provided a brief summary as to why a secondary screening process was created.
- Pension Protection Act of 2006 created the legal requirement for organizations not required to file Form 990\* to notify the IRS within three years of exemption. Failure to do so creates Automatic Revocation of Exemption.
  - \*This requirement does not include Churches or Church-Related Organizations- and are not subject to the Automatic Revocation.
  - An opportunity for a one-time relief from revocation has been presented.
  - As a result automatic revocations have been delayed until January 2011.
  - Once effective automatic revocations will reflect ST 97.
- Three characteristics were identified that mandates transfer to Group 7822 for Secondary Screening and IDRS research.

**Screening Workshop Notes - July 28, 2010**

2

- The emailed attachment outlines the overall process.
- Glenn deferred additional statements and/or questions to John Shafer on yesterday's developments; how they affect the screening process and timeline.
- Concerns can be directed to Glenn for additional research if necessary.

**Current/Political Activities: Gary Muthert**

- Discussion focused on the political activities of Tea Parties and the like-regardless of the type of application.
- If in doubt Err on the Side of Caution and transfer to 7822.
- Indicated the following names and/or titles were of interest and should be flagged for review:
  - 9/12 Project,
  - Emerge,
  - Progressive
  - We The People,
  - Rally Patriots, and
  - Pink-Slip Program.
- Elizabeth Hofacre, Tea Party Coordinator/Reviewer
  - Re-empathize that applications with Key Names and/or Subjects should be transferred to 7822 for Secondary Screening. Activities must be primary.
  - "Progressive" applications are not considered "Tea Parties"

**Disaster Relief:**

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**Power of Attorneys:**

- 

**Redacted by the  
Permanent Subcommittee on Investigations**

Closing Sheets:

- 
- 

**Redacted by the  
Permanent Subcommittee on Investigations**

Credit Counseling (CC)

- 

**Redacted by the  
Permanent Subcommittee on Investigations**

**TAG**

Jon Waddell

- The New List will be completed and issued this week- approximately 7/30/10.
- Sharing a Drive on the Server has created the delay/dilemma.
- Monthly Emails will restart shortly after the List's distribution.
- Listing will include the following:
  - Touch and Go, Emerging Issues and Issues to Watch For.
  - [REDACTED] Cases\* [REDACTED] considered "Potential Abusive Cases".
  - [REDACTED] Cases [REDACTED] should continue to be sent to TAG Group for re-screening

\* [REDACTED]

**[REDACTED] = Redacted by the Permanent  
Subcommittee on Investigations**

File 02082012

Tab 1 – Potential Abusive Historical



| A  | B          | C            | D  | E   | F          | G          | H          | I          | J          | K          | L          | M          | N          | O          | P          | Q          | R          |  |  |
|----|------------|--------------|--|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|--|
| 9  | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 10 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 11 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 12 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 13 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 16 | 170        | Progressive  | Political activities   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
|    |            |              |  | Comments listed in the report "progressive". Activities appear to lean toward a new political party. Activities are partisan and appear to avoid Republicans. You see references to "Duck" as being |            |            |            |            |            |            |            |            |            |            |            |            |            |  |  |
|    |            |              |  | Comments listed in the report "progressive". Activities appear to lean toward a new political party. Activities are partisan and appear to avoid Republicans. You see references to "Duck" as being |            |            |            |            |            |            |            |            |            |            |            |            |            |  |  |
| 17 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 18 | 185        | Wally Carter | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
|    |            |              | [AU Category] Some address. 178 cases using same address. Presumably was [REDACTED]. Add info label used by agents was coordinated with Headquarters and was received from Area Council. Some [REDACTED] dispatched [REDACTED] who | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 19 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |
| 20 | [REDACTED] | [REDACTED]   | [REDACTED]   | [REDACTED]  | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |  |  |

File 02082012

Tab 5 – Watch List



20120208

|    | A<br>Issue Title           | B<br>Description of Issue/Request  | C<br>Issue Number | D<br>Date (Month, Year) | E<br>Disposition/Action   | F<br>Current Status (Date of Update) |
|----|----------------------------|--|-------------------|-------------------------|---|--------------------------------------|
| 1  | Open Source Software       | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1                 | x                       | Elevate case to your manager for contact with EO Tech- Peter Holat  | Open                                 |
| 2  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 3  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 4  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 5  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 6  | Medical Marijuana          | Cases involving Medical Marijuana  | 5                 | 2010 - #1               | Forward case to Group 7888, Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open - 7-16-10                       |
| 7  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 8  | Newspaper Entities         | Newspapers requesting exemption as educational organizations.  | 9                 | 2010- #1                | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10                        |
| 9  | [REDACTED]                 | [REDACTED]   | [REDACTED]        | [REDACTED]              | [REDACTED]  | [REDACTED]                           |
| 10 | Fire Fighter Organizations | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.   | 11                | 2011- #1                | Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindel or Sharon Light (EO Director's senior tech advisors).   | Open - 3/29/11                       |

20120208

| A         | B   | C           | D                 | E  | F                                 |
|-----------|---|-------------|-------------------|--|-----------------------------------|
| ESOP Name | Description/Preparation   | ESOP Number | Date/Version/Date | Description of Work/Phase                            | Current Status (opened or closed) |
| 1         | [REDACTED]  | [REDACTED]  | [REDACTED]        | [REDACTED]   | [REDACTED]                        |
| 11        | [REDACTED]  | [REDACTED]  | [REDACTED]        | [REDACTED]   | [REDACTED]                        |
| 12        | [REDACTED]  | [REDACTED]  | [REDACTED]        | [REDACTED]   | [REDACTED]                        |
| 13        | Green Energy Organizations<br>Organizations applying for 501C-3 status by providing green energy (electricity/power) to other organizations   | 14          | 2011- #1          | Coordinate processing with Mitch Steele, Group 7827. | Open - 7/11/11                    |
| 14        | [REDACTED]  | [REDACTED]  | [REDACTED]        | [REDACTED]   | [REDACTED]                        |
| 15        | [REDACTED]  | [REDACTED]  | [REDACTED]        | [REDACTED]   | [REDACTED]                        |
| 16        | "Occupy" Organizations<br>Involve organizations occupying public space protesting in various cities, call people to assemble (people's assemblies) claiming social injustices due to "big-money" influence, claim the democratic process is controlled by wall street/banks/multinational corporations, could be linked globally. Claim to represent the 99% of the public that are interested in separating money from politics and improving the infrastructure to fix everything from healthcare to the economy. | 21          | 2012 - #1         | Forward cases to Group 7822.                         | Open 1/25/12                      |

**File 05102011  
Tab 5 – Watch List**

20110510

| 1  | A                                     | B  | C          | D          | E   | F              |
|----|---------------------------------------|--|------------|------------|---|----------------|
| 2  | Open Source Software                  | These organizations are requesting either 501(c)(3) or 501(c)(8) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1          | x          | Elevate case to your manager for contact with EO Tech- Peter Hollet   | Open           |
| 3  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 4  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 5  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 6  | Medical Marijuana                     | Cases Involving Medical Marijuana  | 6          | 2010 - #1  | Forward case to Group 7888, Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open-7-15-10   |
| 7  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 8  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 9  | Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees.   | 6          | 2010 - #1  | Forward case to Group 7830  | Open 11/23/10  |
| 10 | Newspaper Entities                    | Newspapers requesting exemption as educational organizations.  | 9          | 2010 - #1  | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10  |
| 11 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| 12 | Fire Fighter Organizations            | Fire Fighter organizations located in [REDACTED] will be filing for retroactive reinstatement of exempt status due to the RUCS Revocation project  | [REDACTED] | [REDACTED] | Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).  | Open - 3/29/11 |
| 13 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |

IRSR0000006712

20110510

|    | A          | B          | C          | D          | E          | F          |
|----|------------|------------|------------|------------|------------|------------|
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 |            |            |            |            |            |            |
| 16 |            |            |            |            |            |            |
| 17 |            |            |            |            |            |            |
| 18 |            |            |            |            |            |            |
| 19 |            |            |            |            |            |            |
| 20 |            |            |            |            |            |            |
| 21 |            |            |            |            |            |            |
| 22 |            |            |            |            |            |            |
| 23 |            |            |            |            |            |            |
| 24 |            |            |            |            |            |            |
| 25 |            |            |            |            |            |            |
| 26 |            |            |            |            |            |            |
| 27 |            |            |            |            |            |            |
| 28 |            |            |            |            |            |            |

IRSR0000006713

File 062512

Tab 5 – Watch List

20120825

| A                          | B  | C          | D          | E   | F              |
|----------------------------|--|------------|------------|---|----------------|
| 1                          | 2  | 3          | 4          | 5   | 6              |
| Open Source Software       | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1          | x          | Elevate case to your manager for contact with EO Tech-Peter Hollif  | Open           |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| Medical Marijuana          | Cases involving Medical Marijuana  | 5          | 2010 - #1  | Forward case to Group 7886, Denise Tenayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open - 15-10   |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| Newspaper Entities         | Newspapers requesting exemption as educational organizations.  | 9          | 2010 - #1  | Elevate case to your manager to forward to EO Technical.  | Open 12/13/10  |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| Fire Fighter Organizations | Fire Fighter organizations located in [REDACTED] be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.  | 11         | 2011 - #1  | Elevate case to your manager to forward to Group 7822 for coordination with Judy Kindell or Sharon Light (EO Director's senior tech advisors).  | Open - 3/28/11 |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |
| Green Energy Organizations | Organizations applying for 501C-3 status by providing green energy (electricity/power) to other organizations  | 14         | 2011-21    | Coordinate processing with Mitch Steele, Group 7827.  | Open - 7/11/11 |
| [REDACTED]                 | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]  | [REDACTED]     |

IRSR0000006715

20120625

|    | A          | B          | C          | D          | E          | F          |
|----|------------|------------|------------|------------|------------|------------|
|    | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 13 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|    | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 17 |            |            |            |            |            |            |
| 18 |            |            |            |            |            |            |



File 050611  
Tab 5 - Watch List

20110506

| 1  | A                                     | B  | C          | D          | E  | F              |
|----|---------------------------------------|--|------------|------------|--|----------------|
| 1  | Open Source Software                  | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1          | x          | Elevate case to your manager for contact with EO Tech- Peter Hollet  | Open           |
| 2  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 3  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 4  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 5  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 6  | Medical Marijuana                     | Cases involving Medical Marijuana  | 5          | 2010 - #1  | Forward case to Group 7838. Denise Tarmeyo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open - 7-15-10 |
| 7  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 8  | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 9  | Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees.   | 8          | 2010 - #1  | Forward case to Group 7830   | Open 11/23/10  |
| 10 | Newspaper Entities                    | Newspapers requesting exemption as educational organizations.  | 9          | 2010 - #1  | Elevate case to your manager to forward to EO Technical.   | Open 12/13/10  |
| 11 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |
| 12 | Fire Fighter Organizations            | Approximately [REDACTED] Fire Fighter Organizations will be filing for retroactive reinstatement of exempt status due to the Auto-Revocation project.  | 11         | 2011 - #1  | Elevate case to your manager to forward to Group 7822.   | Open - 3/29/11 |
| 13 | [REDACTED]                            | [REDACTED]   | [REDACTED] | [REDACTED] | [REDACTED]   | [REDACTED]     |

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|    | A          | B          | C          | D          | E          | F          |
|----|------------|------------|------------|------------|------------|------------|
| 14 | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| 15 |            |            |            |            |            |            |
| 16 |            |            |            |            |            |            |
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| 28 |            |            |            |            |            |            |

IRSR0000006719



**From:** Light Sharon P  
**Sent:** Saturday, February 04, 2012 1:14 PM  
**To:** Paz Holly O  
**Subject:** Fw: Hello

When you get back, can you find out what's going with the advocacy org determinations? I thought I got them unstuck but I think it's not fixed.

-----  
Sent using BlackBerry

**Redacted by the Permanent Subcommittee on Investigations**

----- Original Message -----

**From:** Douglas Varley [mailto:dvarley@capdale.com]  
**Sent:** Saturday, February 04, 2012 12:55 PM  
**To:** Light Sharon P  
**Subject:** RE: Hello

Hi Sharon: Thanks for checking on this. Did you ever hear anything?  
(Hate to bug you.) I am considering contacting the Taxpayer Advocate on behalf of this client. I have never approached them about an application, but this situation seems pretty extreme. Hope all goes well. [REDACTED]

[REDACTED] Doug

-----Original Message-----

**From:** Light Sharon P [mailto:Sharon.P.Light@irs.gov]  
**Sent:** Friday, January 27, 2012 7:34 PM  
**To:** Douglas Varley  
**Subject:** Hello

I got your voicemail. I've sent an email to check the progress on those determinations. I'm traveling on Monday and Tuesday. I'll be in touch once I get some info.

-----  
Sent using BlackBerry

<-----> To ensure compliance with requirements imposed by the IRS, we inform you that, unless specifically indicated otherwise, any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any tax-related matter addressed herein.

This message is for the use of the intended recipient only. It is from a law firm and may contain information that is privileged and confidential. If you are not the intended recipient any disclosure, copying, future distribution, or use of this communication is prohibited. If you have received this communication in error, please advise us by return e-mail, or if you have received this communication by fax advise us by telephone and delete/destroy the document.

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**From:** Thomas Cindy M <Cindy.M.Thomas@irs.gov>  
**Sent:** Tuesday, July 02, 2013 9:20 AM  
**To:** Schiller Karen M  
**Subject:** FW: TAG info  
**Attachments:** Closures and Open Inventory Breakdown by Group - Draft(1).xls; BOLO Spreadsheet 02 02 11.xls

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**From:** Thomas Cindy M  
**Sent:** Wednesday, March 16, 2011 4:12 PM  
**To:** Paz Holly O  
**Subject:** FW: TAG info

Holly,

Information you requested regarding the TAG group and program was incorporated into the original email below.

As far as Lois' email below dated 3/11/2011, I think it may be unclear to folks that the TAG group is just 1 of 13 EO Determinations groups. The TAG group has designated cases that it works just like the other 12 groups in EO Determinations. In fact, most of the groups have more than one category of cases assigned to them. For example, one group works charter schools and farmers' co-ops, another group works foreclosure assistance/downpayment assistance/credit counseling cases, another group works potential emerging issues and potential auto revocation cases, another carbon credit cases/VEBAs/foreign organizations, and on and on. The reason we took this step was to improve quality, decrease time per case, improve customer satisfaction, and improve employee/manager satisfaction so that everyone did not need to be a technical expert in every area.

If we do away with the TAG group, then every group and every specialist who gets a potential terrorist case (for example) will be coordinating with D.C., every specialist/manager will need to spin his/her wheels figuring out how to coordinate with FIU should a potential fraudulent situation occur, etc. That doesn't seem to be a very efficient process. If we are going to take away the designated cases for that group, then why have a foreclosure assistance group, why have a charter school group, why not spread the tea party cases out to everyone, etc.? I will say, however, that I don't have a problem if a decision is made to not include the TAG group in all the coordination efforts that take place between ATAT, EO Exam, etc. We don't do that with the other types of cases we work. We simply coordinate with EOT and EODQA when we have emerging issues such as tea party cases, or other new issues such as health care, foreclosure assistance, etc.

If you have any questions/concerns regarding the information provided, please let me know. Thanks.

---

**From:** Paz Holly O  
**Sent:** Friday, March 11, 2011 4:57 PM  
**To:** Lerner Lois G; Thomas Cindy M  
**Subject:** Re: TAG

We're prepping for this meeting. Cindy is pulling together a bunch of data I have requested based on conversations you and I had. We will get on your calendar as soon as we have that information ready.

Sent from my BlackBerry Wireless Device

**From:** Lerner Lois G  
**To:** Paz Holly O; Thomas Cindy M  
**Cc:** Downing Nanette M; Letourneau Diane L  
**Sent:** Fri Mar 11 14:15:35 2011  
**Subject:** TAG

I'm sending this so I won't lose the thought. I'd like us to schedule a status on TAG and have a seriously discussion of the pros and cons. In my overall look at processes we've designed over the last several years, I want to better understand its utility and explore whether we should maintain it as is, change it, or get rid of it altogether. No hurry--just don't want it to fall through the cracks.

*Lois J. Lerner*  
Director, Exempt Organizations

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**From:** Paz Holly O  
**Sent:** Friday, February 18, 2011 4:29 PM  
**To:** Thomas Cindy M  
**Subject:** TAG info

The info Lois would like in advance of the meeting about the tag group you and I discussed is:

number of employees in this group:

Total 13 (9 grade 12, 3 grade 13, 1 manager). One of the grade 13 agents serves as an anti-terrorism coordinator/liaison between EO Determinations groups and the Washington Office. Another grade 13 agent serves as a potential fraud and abusive tax avoidance schemes coordinator/liaison between the FIU and EO Determinations groups.

number of cases worked by the group (see attached)\*

average cycle time of cases in this group (see attached)\*

\*The way EDS attributes cases to groups may adversely impact what we are trying to get at here. This is because EDS tracks data by specialist number and not by group number. EDS will move all cases (open or closed) in a specialists number into and out of the TAG group as specialists move in and out. Specifically, anybody that was in the TAG group in 2009 but no longer there, will not have their cases counted for the 2009 closures. Anybody that wasn't in the TAG group then but moved there now, will have there closures from 2009 counted for the TAG group even though they weren't closed by the TAG group.

— = Redacted by the Permanent Subcommittee on Investigations

average age of cases currently open in tag (see attached)

list of categories of cases/issues that are worked in tag:

1. Foreign Conduits: These are cases typically referred to as American Friends Of Orgs. These are domestic organizations set up to provide funding to a particular named foreign organization. We typically find that the vast majority of these organizations involve monies going to [REDACTED] however, the same tax would apply regardless of the country involved.
2. Anti Terrorism Cases: These are domestic applicants with substantial activities in countries of higher risk stipulated by the Country Reports on Terrorism. The category includes not only actual activities but also grant making as well. This category also could include partial name matches against the OFAC List. With name match cases, these applications can also be worked outside of TAG if that is the main issue. However, in those instances, the agent is still required to

— = Redacted by the Permanent Subcommittee on Investigations

complete the Potential Terrorist Connection Checksheet to the Terrorist Coordinator ( ) so the issue can be properly cleared before case closure.

3. Abusive Tax Avoidance Schemes: This category encompasses several case types such as the following:

- TAG #18 (Non Foreign Conduits): Cases involving potential tax avoidance schemes such as inurement of earnings, loans and grants made for non-exempt purposes, attempts to gain church status to avoid property taxes, requests for PF status in an attempt to shelter income (over the past 1-2 years, we have seen relatively few of these applications), etc. These case are traditionally associated with known abusive practioners currently the subject of ATAT Investigations.
- Corporation Soles: These are rarely seen applications(i.e. 1 or 2 per year) but the issue is still current. These applications could be a form of tax avoidance scheme as they typically associated with pastors or religious leaders looking to self-incorporate.
- Abusive Promotions and Promoters: Examples would be [REDACTED], [REDACTED], and other types promotions where multiple applicants are provided with a plan to obtain tax exemption in order to serve their private interests. When identified and developed, many of these applications are denied such as the [REDACTED].
- Referrals from other specialists: Cases assigned to specialists in other determination groups who encounter a situation where the applicant appears to be involved in a potential terrorist situation, potential fraudulent activity, or potential abusive tax avoidance scheme. NOTE: These cases are rarely seen. The determination specialist assigned the case keeps the case and coordinates with the TAG group via a referral form.

4. Fraudulent Determination Letter: These letters are referred to us from the Correspondence Unit or other groups and are coordinated with Lucy Acosta of the FIU for proper coordination of referral (typically CI or SB/SE).

Based on the discussion you and I had the other day, information about how other emerging issues are worked would also be useful.

Most new emerging issues are identified by screeners through the initial screening process, for example tea party cases. When these potential emerging issue cases are identified, they are assigned to the group designated to work emerging issues. The category of cases are included on an Excel spreadsheet we refer to as "Be On the Look Out" (BOLO) under the tab "Emerging Issues." This spreadsheet is also used to identify TAG cases, TAG historical cases, Coordinated Processing cases, and "Watch For" cases. "Watch for" cases are almost always identified by EOT and brought to our attention. The BOLO spreadsheet is disseminated to managers and specialists so that they have a consolidated list to reference and don't need to keep individual emails, etc. We require screeners and specialists to review the BOLO spreadsheet as part of their case review process. The latest BOLO spreadsheet that was disseminated to EO Determinations specialists and managers is attached.

The purpose of assigning emerging issue cases to one designated group is so that: 1) we are consistent in our approach in working these cases, and 2) we can minimize time charges to cases. When we have an emerging issue category, the applications have many similarities. The cases are usually assigned to one or two specialists who can work them in batches because they don't need to spend time familiarizing themselves with the issues, law, etc., and can ask many of the same questions in developmental letters.

The only current open emerging issue category we have are the tea party cases. I believe we have approximately 90 of these applications assigned to one specialist who is coordinating with a TLS in EOT.

Although we verbally communicated the emerging issue process to managers and employees, we are still in the process of developing a referral form and writing formal procedures for processing these type cases so that specialists/managers have a complete understanding of the process. The intent is that when the emerging issue is closed, we will prepare an issue paper that will be maintained in our technical files available to all specialists as a way of transferring knowledge. Also, we will notify employees that the issue has been closed and provide them with the location of the issue paper.

No time yet set for the meeting. Would be great if we could get the info together by mid-March.

Thanks!



Holly



[Redacted]



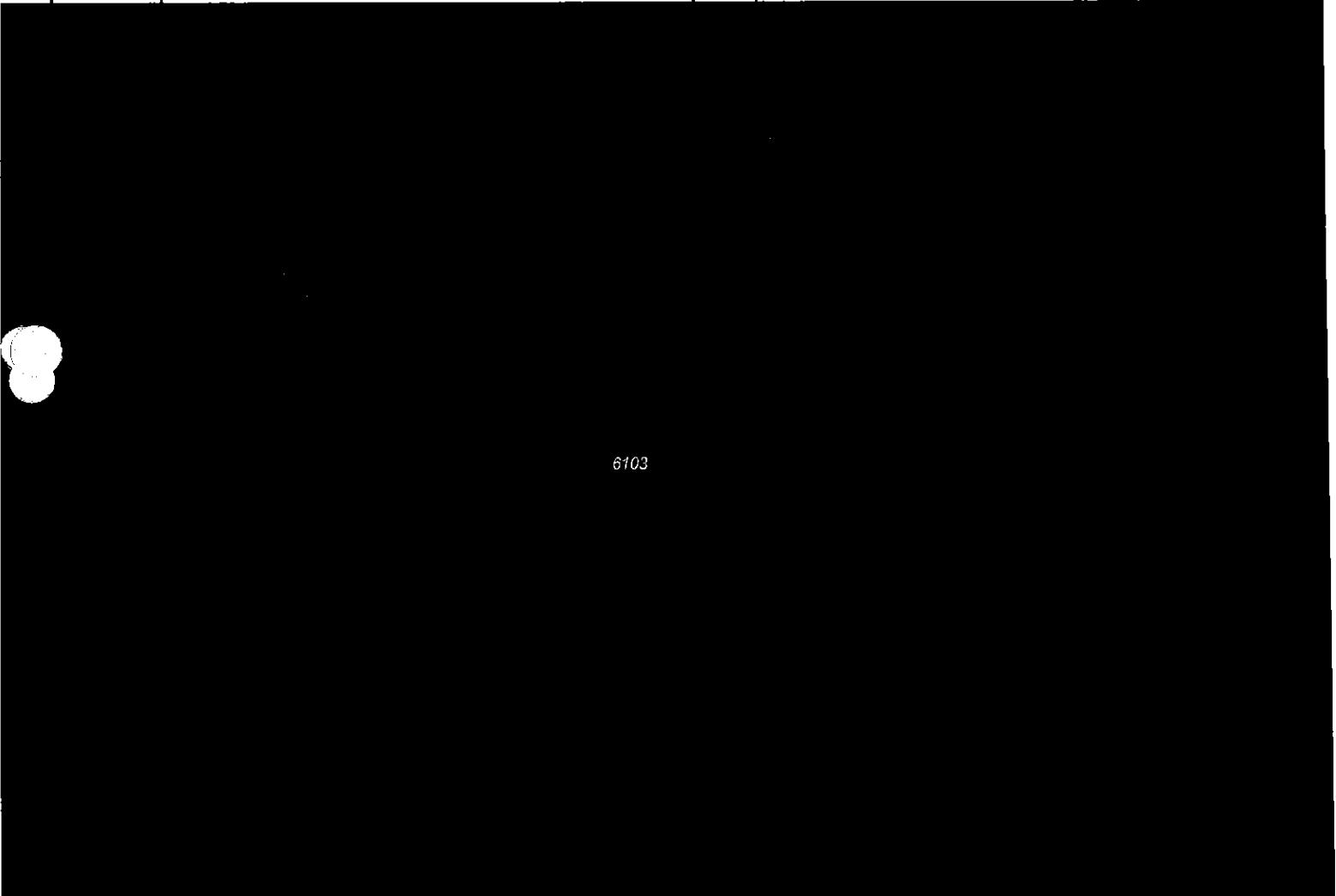
[Redacted]

6103

[Redacted]

| Issue Name | Issue Description   | Issue Number | Alerts (Year and Number) | Disposition of Emerging Issue  | Current Status (Open or closed) |
|------------|---|--------------|--------------------------|--|---------------------------------|
| Tea Party  | Organizations involved with the Tea Party movement applying for exemption under 501(c)(3) or 501(c)(4). | EI-1         | x                        | Forward case to Group 7822. Ron Belt (coordinator). Cases are being coordinated with EO Tech- Chip Hull. | Open                            |
|            |   |              |                          |  |                                 |
|            |   |              |                          |  |                                 |
|            |   |              |                          |  |                                 |
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|            |   |              |                          |  |                                 |
|            |   |              |                          |  |                                 |

| Issue Name | Brief Issue Description | Issue Number | Coordinated Actions Taken | Current Status (Open or Closed) |
|------------|-------------------------|--------------|---------------------------|---------------------------------|
|------------|-------------------------|--------------|---------------------------|---------------------------------|



6103

| Issue Name           | Watch Issue Description  | Issue Number | Alerts (Year and number) | Disposition of Watch Issue   | Current Status (Open or Closed) |
|----------------------|--|--------------|--------------------------|--|---------------------------------|
| Open Source Software | These organizations are requesting either 501(c)(3) or 501(c)(6) exemption in order to collaboratively develop new software. The members of these organizations are usually the for-profit business or for-profit support technicians of the software. The software is provided for free, however, fees are charged for technical support by the for-profit. | 1            | x                        | Elevate case to your manager for contact with EO Tech-Peter Holiat | Open                            |

|                   |                                   |   |           |   |              |
|-------------------|-----------------------------------|---|-----------|---|--------------|
| Medical Marijuana | Cases involving Medical Marijuana | 5 | 2010 - #1 | Forward case to Group 7888. Denise Tamayo (coordinator). Note: the coordinator has permission to close "exclusively educational" organizations. | Open-7-15-10 |
|-------------------|-----------------------------------|---|-----------|---|--------------|

|                                       |  |   |          |   |               |
|---------------------------------------|--|---|----------|---|---------------|
| Potentially Abusive Family Foundation | Private foundations with identical narrative descriptions, 5 page trust agreements, and husband / wife trustees. | 8 | 2010- #1 | Forward case to Group 7830                              | Open 11/23/10 |
| Newspaper Entities                    | Newspapers requesting exemption as educational organizations.  | 9 | 2010- #1 | Elevate case to your manager to forward to EO Technical | Open 12/13/10 |

Closures and Open Inventory by Group

Group Number: 7830

Created on: 3/14/11

Created by: F5RGB

Data refreshed: 03/14/2011 00:44:54 CDT

EMPLOYEES

| Total Employees in TAG Group |   |
|------------------------------|---|
| Grade 12                     | 9 |
| Grade 13                     | 3 |
| Manager                      | 1 |

OPEN INVENTORY

| Total Open Cases | Average Age of Case |
|------------------|---------------------|
| 444              | 145.9797297         |

CASE CLOSURES

| Fiscal Year                   | Total Closures | Average Cycle Time | Average Specialist Hours |
|-------------------------------|----------------|--------------------|--------------------------|
| 2009                          | 3354           | 149.9487179        | 4.148449612              |
| 2010                          | 2217           | 156.6824538        | 6.038470907              |
| 2011 (thru February 18, 2011) | 740            | 141.7675676        | 6.262635135              |

| Fiscal Year                   | Status 06 (Merit Closures) | Average Cycle Time | Average Specialist Hours |
|-------------------------------|----------------------------|--------------------|--------------------------|
| 2009                          | 799                        | 51.3292            | 0.3939                   |
| 2010                          | 370                        | 51.7027            | 0.5665                   |
| 2011 (thru February 18, 2011) | 179                        | 28.8268            | 0.5251                   |

| Fiscal Year                   | Status 09 (AP/PP Closures) | Average Cycle Time | Average Specialist Hours |
|-------------------------------|----------------------------|--------------------|--------------------------|
| 2009                          | 961                        | 124.5026015        | 2.272008325              |
| 2010                          | 547                        | 102.6489945        | 1.884826325              |
| 2011 (thru February 18, 2011) | 85                         | 89.57647059        | 2.681176471              |

| Fiscal Year                   | Full Development Closures | Average Cycle Time | Average Specialist Hours |
|-------------------------------|---------------------------|--------------------|--------------------------|
| 2009                          | 1594                      | 214.723            | 7.1617                   |
| 2010                          | 1300                      | 209.297            | 9.3436                   |
| 2011 (thru February 18, 2011) | 476                       | 193.559            | 9.0598                   |