

**HEARING WITH ORGANIZATIONS TARGETED
BY INTERNAL REVENUE SERVICE FOR
THEIR PERSONAL BELIEFS**

HEARING
BEFORE THE
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

—————
JUNE 4, 2013
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**HEARING WITH ORGANIZATIONS TARGETED
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THEIR PERSONAL BELIEFS**

TUESDAY, JUNE 4, 2013

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC.

The Committee met, pursuant to call, at 10:04 a.m., in Room 1100, Longworth House Office Building, Hon. Dave Camp [Chairman of the Committee] presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE
Tuesday, May 28, 2013
No. FC-8

CONTACT: (202) 225-3625

Ways and Means to Hold Hearing with Organizations Targeted by Internal Revenue Service for Their Personal Beliefs

Congressman Dave Camp (R-MI), Chairman of the Committee on Ways and Means, today announced that the Committee will hold a hearing featuring organizations targeted by the Internal Revenue Service (“IRS”) based on their personal beliefs. **The hearing will take place on Tuesday, June 4, 2013, in Room 1100 of the Longworth House Office Building, beginning at 10:00 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

The Committee on Ways and Means has led a 2-year investigation into whether the IRS treated certain applicants for tax-exempt status differently on the basis of their personal beliefs. The agency now admits to the practice, and the Committee is continuing its work to determine how the practice was established and why it was allowed to continue.

In announcing the hearing, Chairman Camp said, **“While we now know that the IRS began targeting individuals based on their personal beliefs 3 years ago, we still need to know who began this targeting and why, and we need to understand how individuals were affected by the IRS’ abuse. This hearing will provide a voice to those Americans who wound up under the IRS’ political microscope on the basis of their beliefs.”**

FOCUS OF THE HEARING:

The hearing will focus on organizations that were targeted as part of the Internal Revenue Service’s practice of discriminating against applicants for tax-exempt status based on their personal beliefs.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, June 18, 2013.** Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-3625 or (202) 225-5522.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TDD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at: <http://www.waysandmeans.house.gov/>.

Chairman CAMP. Good morning.

The hearing will come to order. We will give the media a chance to leave.

Good morning. Welcome. Thank you all for being with us today. Despite nearly 2 years of denials, last month the IRS finally admitted the truth. Three years ago, the agency began systematically targeting individuals based on their political beliefs.

However, what the agency has yet to admit, and what we still need to find out, is just how widespread this activity was, who ordered it, and why it began in the first place. Now let's consider what we do know. In March of 2010, the IRS put together a target list that ensnared conservative groups and individuals based solely on their political beliefs.

In May of 2011, the IRS started sending letters threatening donors to conservative-leaning nonprofits that they could be liable for gift taxes.

In June of 2011, the Ways and Means Committee initiated an investigation into those letters and highlighted concerns that individual taxpayers might be targeted for their political beliefs.

In June of 2011, the senior leadership in the Washington, D.C. office of the IRS also became aware that the IRS workers had been using lists to target groups with names like "liberty," "Tea Party," "patriots," "9/12," or "make America a better place to live."

In March of 2012, the *Huffington Post* published the confidential 2008 donor list of the National Organization for Marriage, a conservative tax-exempt organization.

In July of 2012, the Administration through the Treasury Department was informed by the Treasury Inspector General of a TIGTA audit examining the targeting of groups by the IRS.

In May of 2013, the public and Congress were finally told that this practice had occurred, but only after a scathing report by the Treasury Inspector General that resulted in senior IRS officials planting a question about the targeting activity before the report's release.

And just this weekend, the *Wall Street Journal* reported that the IRS gift tax letters that launched this Committee's initial investigation was, in fact, the result of a conservative organization and its donors being targeted for their political beliefs.

Those are the facts we know.

We also know that Americans were affected by the culture of political intimidation and discrimination that was cultivated by this targeting. At its core, this investigation is about how and why the IRS was empowered and allowed to use a broken Tax Code to abuse individuals based on their beliefs, and seemingly only based on their beliefs.

And who are these Americans? While their life stories are different, what they all share in common is that they are Americans who did what we ask people to do every day: Add their voice to the dialogue that defines our country. And for pursuing that passion, for simply exercising their First Amendment rights, their freedoms of association, expression, and religion, the IRS singled them out.

Today's witnesses will help this Committee and the American people better understand just how far off track the IRS has gone. Their testimony will show that the IRS' practice of treating certain Americans differently on the basis of their beliefs was not limited to the discriminatory conduct revealed by the Treasury Inspector General for Tax Administration's report, which was released May 14th of this year. Victims include Tea Party and non-Tea Party groups, 501(c)(3) social welfare organizations and 501(c)(3) charitable organizations, including religious organizations. All the witnesses received onerous and intrusive questionnaires from the IRS agents across the country. Some even had their confidential information leaked by the IRS to the media, which can have an impact of chilling free speech. Information requests to some included questions that were not only irrelevant but also intimidating, not to mention a violation of privacy. Those requests included asking for the following: Copies of all activity on Facebook or Twitter; resumes of past or present employees; whether past or present employees or a member of their family plans to run for office in the future; a list of past or present board members or members of their family that volunteer at a tax-exempt organization; information on their interaction with the media; details regarding the group's relationship with the private taxpayer; and a list of donors.

The invited witnesses are but a small sample of Americans who have been treated differently and discriminated against by their government because of their individual, deeply-held beliefs. There are many, many more.

And, again, I want to thank personally the witnesses for being here with us today, for the time you have taken to travel here, and for sharing your stories and experiences.

While we might not know why this happened, please be assured that learning firsthand from you about how the IRS used the Tax Code to intimidate and harass you will help us take the steps necessary to make sure it never happens again. And I will now recognize Ranking Member Levin for an opening statement.

Mr. LEVIN. Thank you very much.

At our first hearing and every day since, each of us on a bipartisan basis have condemned the actions within the IRS Exempt Organization Division and condemn the actions by the IRS leadership who failed to accurately and adequately inform Congress after they had all of the facts of what had occurred between 2010 and 2012.

We have all said that the singling out by name was wrong. The President said it was outrageous. The delays of over 13 months in processing applications were wrong. And the fact that the applications of some organizations have been pending for over 3 years is inexcusable. The inability to get clear guidance on how to measure political activity was wrong. And the burdensome questions and inquiries were totally inappropriate. The handling of these applications was gross mismanagement by the IRS Exempt Organization Division.

That is why the day after the report was issued I called for Acting Commissioner Steve Miller and the Exempt Organization Division Director Lois Lerner to be replaced. Since our hearing, progress has been made to address the malfeasance that occurred within the IRS Exempt Organization Division and to assure that all the facts come to the surface and that all identified problems are corrected so that the confidence of the American people may be restored.

Steve Miller resigned as the IRS Commissioner. The President appointed Daniel Werfel as the Acting IRS Commissioner. And Secretary Lew instructed him to immediately conduct a 30-day review and to implement the recommendations of the IG report. Lois Lerner, the Director of the Exempt Organization Division, was placed on administrative leave by Commissioner Werfel. Commissioner Werfel appointed David Fisher as the Chief Risk Officer. Mr. Fisher previously served as the Chief Administrative Officer and Chief Financial Officer at GAO. And yesterday, he appointed a new Deputy Commissioner and a Chief of Staff, both with significant managerial and administrative experience.

To the individuals testifying before us, to each and all of you, to the organizations they represent, and all the others who are caught up in this malfeasance, you are owed an apology. We say to you that each of us is committed to doing our part to ensure this does not happen again. The IG's report includes a number of key facts that we should keep in mind today. The IG determined that the applications of 298 organizations were set aside for review. One-third of the applications that were set aside, 96, contained the name "Tea Party," "9/12," or "patriots," while the remaining 202 applications did not. The IRS released a list of 176 advocacy organizations that have been approved for tax-exempt status through May 9.

The news organization Tax Analyst did an analysis of the list released by the IRS. Its conclusion as to the approved applicants states, "These organizations are the following: 46 with Tea Party, patriots or 9/12 in their name; 76 other conservative organizations;

48 nonconservative organizations; and 6 organizations about which we can make no determination.”

This is not a Democratic or Republican issue. It should not be. This issue is a direct reflection on highly inappropriate actions within the IRS Exempt Organization Division and totally incompetent management within and over that division. The TIGTA report highlights more problems than the singling out by name. The report found that IRS employees were screening applications that had no indications of significant political activities while closing cases that did have such indication. To qualify for tax-exempt status as social welfare organizations the Tax Code provides that an organization must be operated exclusively for the promotion of social welfare. The regulations, however, state that an organization will qualify for tax-exempt status if operated primarily for social welfare purposes. Overall, the data indicate an emerging use of the “social welfare” designation under 501(c)(4) to engage in political activity; 501(c)(4)s spent \$92 million in the 2010 election. They spent \$254 million in the 2012 election, the second largest category of organizations making political expenditures, equal to that of political parties.

One recommendation—and I close with this—in the TIGTA report was that the IRS and the Department of Treasury include guidance on how to measure the primary activity of social welfare organizations be included for consideration in their priority guidance plan. We urge them to move with all deliberate speed to implement this recommendation.

In closing, I want to again on behalf of all of us on the Democratic side, and I think on behalf of all of us, thank the witnesses for being here today and for discussing your experiences. Please be assured as you testify, please be assured that we take seriously our responsibility to ensure that Congress gets to the bottom of what happened, that those responsible are held accountable, and that safeguards are in place to ensure that this does not happen again.

Thank you.

Chairman CAMP. Thank you, Mr. Levin.

Again, thank you all for being here today. And thank you for the courage of stepping into the spotlight and giving voice to the hundreds of individuals who are affected by this activity. The Committee has received each of your written statements, and they have been distributed. They will be made part of the formal hearing record. Each of you will be recognized for 5 minutes for your oral remarks.

We have a lighting system here. The green light will go until you have 30 seconds remaining, then there will be a yellow light, then there will be a red light. After each of you give your oral statements, we will then move to questioning.

And so the Members will each then have 5 minutes to question you, and they will be subject to the same lighting system. So if at times I am cutting them off, it is to make sure that every Member has an opportunity to have their 5 minutes.

Our first witness is Kevin Kookogey. He is the President and Founder of Linchpins of Liberty, a nonprofit dedicated to educating high school and college students about the Nation’s founding docu-

ments. He is the father of six children and comes to us today from Franklin, Tennessee.

Mr. Kookogey, you are now recognized for 5 minutes.

STATEMENT OF KEVIN S. KOOKOGEY, PRESIDENT AND FOUNDER, LINCHPINS OF LIBERTY: AN AMERICAN LEADERSHIP DEVELOPMENT ENTERPRISE

Mr. KOOKOGEY. Thank you, Mr. Chairman—

Chairman CAMP. Touch the microphone button, please.

Mr. KOOKOGEY. Thank you, Mr. Chairman. Thank you to the honorable Members of this Committee.

My name is Kevin Kookogey, and I am President and Founder of Linchpins of Liberty, which is an American leadership development enterprise. Our motto is to challenge the imagination of the rising generation. And we do this by mentoring high school and college students in conservative political philosophy. We aim to mentor high school and college students by teaching them about the great books and about the foundations of America's moral and constitutional order.

Linchpins of Liberty is one of those little platoons described by Alexis de Tocqueville, a local institution intended to act as a check on the power of the State to moderate the despotism of the majority and to give people a taste for freedom and the skills to be free.

We are committed to a literary education and moral convictions that will allow citizens to maintain civil order. We aim to develop the moral imagination through the teaching of history. And we believe that God is the measure of all things and that the soul is the essence of humanity.

Linchpin students learn how the Greeks were unable to maintain freedom because of their pursuit of private gain at public expense and their squandering of resources on extravagance. From Cicero, we learn the necessity of the rule of law, and we discover that true law is right reason in agreement with nature, that virtue must not yield to power.

Linchpins of Liberty is also inspired by Augustine, that great fourth century philosopher of freedom, who wrote that only in obedience to God do we find perfect liberty. We teach our students from George Washington's farewell address, where we discover that religion and morality are indispensable supports for political prosperity. From Montesquieu, we learn that positive law must conform to natural law, and that a republic can only be sustained by the virtue of its citizens.

Linchpins of Liberty recognizes that the state is God ordained, necessary to protect against foreign enemies, and that there can be no freedom without the law. But there are limits to the authority of the State. The government cannot be a law unto itself, and when the State usurps its legitimate authority by interfering in the realms of speech, religion, conscience, family, association, and ideas, we have a duty as human beings to ourselves and our posterity to oppose and to protest the State's trespassing its limits.

In order to raise money, I filed an application with the IRS in January of 2011 seeking to obtain 501(c)(3) status as an educational organization. As of today, I have been waiting for 29 months without status. In the interim, I lost a \$30,000 launch

grant from a reputable nonprofit whose Executive Director advised me that he had never seen such treatment of a 501(c)(3) applicant in his 25 years of making grants.

I also lost and continue to lose multiple thousands of my own money, and I had to cease any further official activity for fear the IRS would target me for further harassment. For 2½ years the IRS has unlawfully delayed and obstructed my application for determination of tax-exempt status by using unconstitutional criteria. The types of questions asked by the IRS included asking me to identify the political affiliation of my mentors and that I advise the IRS of my political position on virtually every issue of importance to me. For good measure, I was asked to identify those whom I train and that I inform the Federal Government in detail what I am teaching my students.

Considering that the mission of my organization is devoted to mentoring young people, some of whom are minors, can you imagine the reaction of the students' parents were I to turn over the names of their children to the IRS? And to what end? Is it not conceivable that I would be sued? Would the IRS threaten to audit the parents of those students? Yet my failure to comply with this stunning inquiry would result in the denial of my application or subject me to perjury.

Moreover, contrary to statements of Lois Lerner, the targeting of Linchpins was not merely the act of a few agents in Cincinnati. On December 31, 2011, after numerous and repeated calls to the IRS which went unreturned, I finally reached agent Ron Bell in Cincinnati. When I inquired of him as to why my application was taking so long, he said, "We have been waiting on guidance from our superiors as to your organization and similar organizations. We have now received that guidance, and you will receive your answer on a first-in, first-out basis."

Although Linchpins of Liberty is a 501(c)(3) and not a (c)(4), like many of the organizations here today, we do share one common trait with them and that is our ideas. Linchpins of Liberty exists to defend the cause of ordered liberty. We reject the expansion of the State beyond its legitimate authority, and we jealously guard human liberty.

I respectfully urge and appeal to this Committee today, which is a co-equal branch of the Federal Government, vested with authority and responsibility to check the power of the executive branch, I would ask that you act with courage and moral resolve for, in so doing, you will—the intent is that you will—sorry, I got my—my time was running there.

Chairman CAMP. You may conclude.

Mr. KOOKOGHEY. Thank you. I would ask that you act with the moral resolve to check the power of the executive branch because in so doing you will protect, defend, and preserve human liberty for ourselves and for our posterity. Thank you.

[The prepared statement of Mr. Kookogey follows:]

Testimony of Kevin S. Kookogey, President & Founder
Linchpins of Liberty: An American Leadership Development Enterprise
Before the Ways & Means Committee
United States House of Representatives
June 4, 2013

My name is Kevin Kookogey. I am President and Founder of *Linchpins of Liberty: An American Leadership Development Enterprise*. Our motto is: "*to challenge the imagination of the rising generation.*"

We aim to mentor high school and college students in conservative political philosophy, engaging them with the great books and teaching them about America's moral and constitutional order. In the words of John Adams, we seek to elevate their minds and exalt their courage; to accelerate and animate their industry and activity; and to excite in them an ambition to excel in every capacity, faculty and virtue.

Linchpins of Liberty is one of those "little platoons" described by Alexis de Tocqueville, a local institution intended to act as a check on the power of the State, to moderate the despotism of the majority, and to give people a taste for freedom and the skills to be free.

We are committed to literary education and moral convictions that will allow citizens to maintain civil order. We aim to develop the moral imagination through the teaching of history. We believe that God is the measure of all things, and that the soul is the essence of humanity, giving self-awareness and consciousness while distinguishing us from the animals.

Linchpins' students learn how the Greeks' were unable to maintain freedoms because of their pursuit of private gain at public expense and their squandering of resources on extravagance. Linchpins' students learn from Socrates and Plato that material forms are delusory, and that reality lies in the realm of ideas, intellect, and the disciplined use of the imagination.

From Cicero we study the necessity of the Rule of Law, and we discover that true law is right reason in agreement with Nature, and that virtue must not yield to power. Our students know that by the 4th Century there were no political freedoms in Rome because, despite its abundant natural resources, Rome was inhabited by men who had lost all balance due to envy and hatred, and the only ones immune from the crushing control of central power were those who employed corruption, bribery, influence, and force.

Linchpins of Liberty is inspired by Augustine, that great 4th century philosopher of freedom, who wrote that only in obedience to God do we find perfect liberty, and that without order in the soul there can be no order in the community. We remind our students that throughout history, without exception, the collapse of morality leads to civil disorder, and that loyalty to persons and a network of personal attachments breeds corruption and cronyism, while threatening liberty.

We teach our students from George Washington's Farewell address, where we discover that religion and morality are indispensable supports for political prosperity. From Montesquieu we learn that positive law must conform to Natural law, that governments are a reflection of a nation's laws rather than its source of laws, and that a republic can only be sustained by the virtue of its citizens which grow from the encouragement of religion and morality.

Linchpins of Liberty recognizes the ancient maxim that the State is God-ordained, necessary to protect against foreign enemies, and that there can be no freedom without the law. But there are limits to the authority of the State. The government cannot be a law unto itself, and when the State usurps its legitimate authority by interfering in the realms of speech, religion, conscience, family, association, and ideas, we have a duty as human beings to ourselves and our posterity to oppose and protest the State's trespassing its limits.

In order to raise money, I filed an application with the IRS in January 2011, seeking to obtain 501(c)(3) status as an educational organization. As you know, the IRS processes approximately 60,000 501(c)(3) applications annually, and prior to 2010, the average time to process an application for an organization such as mine was between two (2) and four (4) months.

As of today, I have been waiting for twenty nine (29) months.

In the interim, I lost a \$30,000 launch grant from a reputable non-profit whose Executive Director advised me that he had never seen such treatment of a 501(c)(3) applicant in his 25 years of making grants. I also lost and continue to lose multiple thousands of my own money, and had to cease any further official activity for fear the IRS would target me for further harassment.

For two and a half years, the IRS has unlawfully delayed and obstructed my application for determination of tax-exempt status by using unconstitutional criteria (e.g., content of my speech and right of association) and singling me out for impermissible disparate treatment in violation of my 1st and 5th Amendment rights.

The types of questions asked by the IRS were extremely burdensome, unnecessary, and irrelevant to the determination of tax-exempt status. One letter contained in excess of ninety (90) inquiries covering such unconscionable subjects as asking me to provide a list of my members and donors, that I identify the political affiliation of my mentors, and that I advise the IRS of my political position on virtually every issue of importance to me. For good measure, I was asked to identify those whom I train, and that I inform the federal government, in detail, exactly what I am teaching my students.

Considering that the mission of my organization is devoted to mentoring young people – some of whom are minors - can you imagine the reaction of my student's parents if I were to surrender the names of their children to the IRS? Is it not conceivable that I would be sued? And to what end? Would the IRS threaten to audit the parents of those students? Yet my

failure to comply with this stunning inquiry would result in the denial of my application. Or subject me to perjury.

Moreover, contrary to the statements of Lois Lerner, the targeting of Linchpins of Liberty was not merely the independent act of a few agents in Cincinnati. On December 30, 2011, after numerous and repeated calls to the IRS which went unreturned, I finally reached agent Ron Bell in Cincinnati. When I inquired of him as to why my application was taking so long, he said "We have been waiting on guidance from our superiors as to your organization and similar organizations. We have now received that guidance, and you will receive your answer on a first-in first-out basis." While he did not indicate from where this "guidance" was coming, it was clearly implied that it was not down the hall.

Unlike many of the other groups facing similar harassment from the IRS, Linchpins of Liberty is seeking 501(c)(3) -as opposed to (c)(4) - status, and we did not use the words "tea party" or "patriot" in our application or our mission statement. We do, however, share one common trait with most of those groups:

Our ideas.

Linchpins of Liberty exists to defend ordered liberty. We reject the expansion of the State beyond its legitimate authority. And we jealously guard human liberty.

That Linchpins of Liberty has been targeted by the Internal Revenue Service for political purposes is further evidenced by the fact that as recently as May 6, 2013, the IRS sent me a third letter, and as if seeking the identity of my students was not sufficient, the IRS is now demanding that I disclose the locations where I mentor my students. The date of this third letter, which was received by my counsel at the ACLJ on May 13, 2013, contradicts the testimony of certain IRS officials who testified that the practice of targeting conservative groups ended 2 years ago.

I am here to testify today because if we do not act on what we claim to believe, everything else is meaningless. I believe that the present Administration – through its agency, the IRS – is engaged in an exercise to coerce us to submit to the Administration's desire to fundamentally transform America, and in so doing it is wreaking havoc and destruction on human liberty. Delaying the granting of our tax-exempt status because of our political views or conditioning our rights on how we choose to exercise them is a violation not only of our Constitution, but of the laws of Nature and Nature's God. Rather than engaging us in debate, this Administration – through its agency, the IRS - has attempted to penalize and destroy those who hold opposing views.

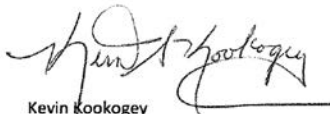
This brazen and blatant violation of human liberty lends credibility to people's fears that the government is against them and cannot be trusted. It is a moral outrage, and cuts to the heart of the American order. Imagine if we were being singled out by race! Yet that our right to free

speech - and specifically political speech - was guaranteed by the 1st Amendment is a testament to its supreme importance to individual liberty and American order.

If the government can threaten our property rights – and that is what is at stake here, for we have a property right in our ideas – and if that government threat is based upon what we think, what we speak, or what we write, then we no longer have a government of the people, by the people, or for the people. We have a government against the people.

If the intent of the present Administration was to intimidate and silence the voices of freedom, then it has grossly misjudged its own citizens. The government is not our master. It is our agent. We are the principals, and we delegate our rights. We do not surrender them. Yet we cannot, in the end, retain our own liberties if we do not defend the liberties of others.

I therefore respectfully appeal to this legislative body - a co-equal branch of the federal government vested with authority and responsibility to check the power of the executive branch – to act with courage and moral resolve to confront this usurpation and abuse of power by the executive branch, and in so doing to protect, defend and preserve human liberty, for ourselves and our posterity.



Kevin Kookogey
June 4, 2013

Chairman CAMP. Thank you very much, Mr. Kookogey.
Our next witness is Dianne Belsom, the President of the Laurens County Tea Party in South Carolina.
Ms. Belsom, you are recognized for 5 minutes.

**STATEMENT OF DIANNE BELSOM,
PRESIDENT, LAURENS COUNTY TEA PARTY**

Ms. BELSOM. Thank you. Thank you for having me today. My name is Dianne Belsom. I am the President of Laurens County Tea Party. Laurens County Tea Party is a social welfare organization that seeks to educate ourselves and our fellow citizens on various issues pertinent to living in a free country, and we also work to educate voters by vetting candidates and by holding candidate forums during election years. We typically meet once a month and hold an annual rally. We held our first Tax Day Tea Party Rally in April of 2009, and then formally organized and incorporated with the State of South Carolina in March of 2010.

On July 22, 2010, we filed for 501(c)(4) status with the IRS and paid the application fee of \$400. We received a letter on August 11, 2010, stating that if more information was needed to process our application we would be contacted within approximately 90 days. After hearing nothing, I called the IRS in the summer of 2011, which was a year after I filed, and was told our case was still pending. But in the meantime, we were still responsible for filing tax returns, which we have done.

On November 14th, 2011, we received a letter from the IRS stating that we may be required to file a Form 990-N an e-postcard. Nothing more was heard until September 6, 2012, when we received a communication from the IRS requesting extremely burdensome additional information, which includes the following: Provide a copy of our articles of incorporation, which we had sent with our initial application in 2010; information about all of our committees, including legislative, educational, and vetting, and how much time and resources are devoted to these activities. They sent about 20 pages copied from our website and wanted confirmation that these, in fact, were from our website. Then they wanted samples from any other social media sites, including Facebook. They asked for detailed information about all meetings, rallies, and events, with dates and names of speakers, agendas, any associated materials, and if a guest speaker made remarks concerning upcoming elections, and whether our organization took a view on anything expressed, and how much time or resources are devoted to these activities. They wanted to know how much time or resources were devoted to vetting candidates.

The IRS noted that our website had a lot of videos of candidates running for local office. They wanted to know what offices the candidates were running for, which was stated in the videos; a list of all candidates for these offices; and an explanation for those who didn't participate; copies of any written materials, including invitations to the candidates, copies of any introductory statements made by us, and copies of all questions asked of the candidates, whether the interviews were edited, a list of which interviews were posted on our website, an explanation for any not posted, and the percentage of time and resources devoted to this.

As regards a candidate forum we held, more questions were asked, including the date and elective offices for which it was held, a list of candidates and explanations for those who didn't participate, copies of opening remarks from us, who asked the questions, copies of all questions asked, copies of written materials, including invites to candidates and advertising, whether the videos posted were edited, and the percentage of time and resources devoted to this activity. Then they also asked for a list of expenses for the past 3 years, including any amounts expended in support of any candidate for Federal, State, or local public office, which I might add is zero.

Since I was already aware that the IRS was targeting Tea Party groups, I immediately contacted the ACLJ, and they agreed to represent us at no charge. Nevertheless, in order to comply with this information request, it took hours of time, stress, and aggravation. By the end of December, we had filed the requested information with the IRS. Then, on January 31st, 2013, we received a request for more information which included, again, a request for the articles of incorporation, copies of emails sent out on issues we deal with, plus copies from our Facebook group. Through emails sent out to our group members, I provided quite a few of those. I provided copies of free and paid ads placed in papers, pictures submitted to local papers, press releases, and materials for distribution. We complied with these demands on March 5th, 2013. It is now June 4th, 2013, so nearly 3 years have passed and, to date, we have still heard nothing.

I would like to note that our group is a small-time operation with very little money, and this represents a complete waste of time by the IRS in terms of any money they would collect if we were not tax-exempt. Furthermore, nearly 3 years in waiting for an answer is totally unacceptable. The IRS needs to be fully investigated and held accountable for its incompetence, harassment, and targeting of conservative groups. Thank you.

[The prepared statement of Ms. Belsom follows:]

Testimony House Ways and Means: Dianne Belsom

My name is Dianne Belsom, and I am the president of Laurens Co. Tea Party. Laurens Co. Tea Party is a social welfare organization that seeks to educate ourselves and our fellow citizens on various issues pertinent to living in a free country and we also work to educate voters by vetting candidates and holding candidate forums during election years. We typically meet once each month and hold an annual Rally. **Speakers include elected officials, candidates during election years, and speakers on topics such as School Choice, How Obamacare will Affect Us, the FairTax, Principles of Freedom and Liberty, 2nd Amendment Issues, and issues pertaining to our State Government. We have no paid positions in our group, nor do we contribute any money to candidates. We are a small group in a rural county in SC, with approximately 60 paid members.**

We held our first Tax Day Tea Party Rally in April of 2009, then formally organized and incorporated with the State of SC in March of 2010. On July 22, 2010, we filed for 501c4 status with the IRS and paid the application fee of \$400. We received a letter on Aug. 11, 2010 stating that if more information was needed to process our application, we would be contacted within approximately 90 days. After hearing nothing, I called the IRS in the summer of 2011, and was told our case was still "pending," but in the meantime, we were still responsible for filing tax returns, which we have done. On Nov. 14, 2011, we received a letter from the IRS stating that we may be required to file a Form 990-N (e-postcard). Nothing more was heard until Sept. 6, 2012, when we received a communication from the IRS requesting extremely burdensome additional information, which includes the following:

1. Provide copy of articles of incorporation (which we had sent with our initial application in 2010.)
2. Information about all of our committees, including Legislative, Educational, and Vetting, and HOW MUCH TIME/RESOURCES are devoted to these activities.
3. They sent about 20 pages copied from our website, and wanted confirmation that these were, in fact, from our website. Then they wanted samples from any other social media sites, including Facebook.
4. Detailed information about all meetings, rallies, events, with dates and names of speakers, agendas, any associated materials, if a guest speaker made remarks concerning upcoming elections and whether our organization took a view on anything expressed, and how much time or resources are devoted to these activities.
5. How much time/resources are devoted to vetting candidates.
6. The IRS noted that our website had a lot of videos of candidates running for local office. They wanted to know what offices the candidates were running for (which was stated in the videos), a list of all candidates for these offices and an explanation for those who didn't participate, copies of any written materials, including invitations to the candidates, copies of any introductory statements by us, and copies of all questions asked to the candidates, whether the interviews were edited, a list of which interviews were posted on our website and explanation for any not posted, percentage of time/resources devoted to this.
7. As regards a Candidate Forum we held, more questions were asked, including the date and elective offices for which it was held, a list of candidates and explanations for those who didn't

participate, copies of opening remarks from us, who asked the questions, copies of all questions asked, copies of written materials, including invites to candidates and advertising, whether the videos posted were edited, and the percentage of time/resources devoted to this activity.

8. **Provide info about voter registration: when and where, whether we target particular groups, copies of materials used, percentage of time and resources devoted to this activity.**
9. Provide a list of expenses for the past 3 years, including any amounts expended in support of any candidate for Federal, state, or local public office.

Since I was already aware that the IRS was targeting Tea Party groups, I immediately contacted the ACLJ, and they agreed to represent us at no charge. Nevertheless, in order to comply with this "information request," it took HOURS of time, stress, and aggravation. **The original deadline given to comply was Sept. 27, 2012, but the attorney was able to get an extension until Jan. 2, 2013.** By the end of Dec., we had filed the requested information with them. Then, on Jan. 31, 2013, we received a request for MORE information, which included:

1. Again, a request for the Articles of Incorporation. (How many times do we need to send them?)
2. Copies of emails sent out on issues we deal with, plus copies from our Facebook group. **(Since our group is closed, I took the time to black out the names of everyone who had posted in order to protect them.)**
3. Copies of free and paid ads placed, pictures submitted to local papers, press releases, and materials for distribution.

We complied with these demands on March 5, 2013, and it is now June 4, 2013 and to date, we have still heard nothing. I'd like to note that our group is a small-time operation with very little money, and this represents a complete waste of time by the IRS in terms of any money they would collect if we were NOT tax-exempt. Furthermore, nearly 3 years in waiting for an answer is totally unacceptable. The IRS needs to be fully investigated and held accountable for its incompetence, harassment, and targeting of conservative groups.

Thank you.

(bolded statements will be omitted from my oral testimony)



Chairman CAMP. Thank you, Ms. Belsom.

Our next witness is Dr. John Eastman, Chairman of National Organization for Marriage and a Professor at Chapman University School of Law.

And, Dr. Eastman, you are recognized for 5 minutes.

**STATEMENT OF JOHN C. EASTMAN, PH.D., HENRY SALVATORI
PROFESSOR OF LAW AND COMMUNITY SERVICE, CHAPMAN
UNIVERSITY SCHOOL OF LAW; CHAIRMAN, THE CLAREMONT
INSTITUTE'S CENTER FOR CONSTITUTIONAL JURISPRU-
DENCE; AND CHAIRMAN OF THE BOARD, NATIONAL ORGANI-
ZATION FOR MARRIAGE**

Mr. EASTMAN. Mr. Chairman, thank you very much. And to all Members of the Committee, thank you for taking these issues so seriously. I am the Chairman of the Center for Constitutional Jurisprudence, a public interest law firm affiliated with the Claremont Institute, and I am also on the Board of Directors of the Act Right Legal Foundation, which serves as co-counsel for True the Vote. The Act Right Legal Foundation filed a lawsuit just last week on their slow-walking by the IRS and their 501(c)(4) status.

But I am here today in my capacity as Chairman of the Board of the National Organization for Marriage. Because the egregious conduct taken against that organization, which had its 501(c)(4) status conferred back in 2008, kind of takes us to a different level.

In March of 2012, the confidential portions of our 990 tax returns, including Schedule B, which is our list of major donors and their home addresses, appeared on the website of the Human Rights Campaign, our principal political opponent in the nationwide fight over traditional marriage. The copy of our tax returns and our list of donors that was posted there were redacted. Our computer forensic people were able to unlayer the redactions from that PDF file and discovered that the original document that was posted there had originated from within the IRS. It had internal IRS stamps that are placed on every document the IRS receives that are electronically filed with the IRS and placed on those documents by that computer system. We don't have copies of the documents with those IRS stamps on them; those only exist within the IRS. And yet this was posted on the website of the Human Rights Campaign.

You can imagine our shock and disgust over this. We jealously guard our donors, as almost any other nonprofit does, particularly on the issues that we deal with, which are so contentious that our donors, once they are identified, are harassed and intimidated and chilled away from supporting the cause that we advance. This is unacceptable conduct in our democracy.

We immediately requested an investigation from the Treasury's Inspector General for Tax Administration Office as well as the Department of Justice. The second request to the Department of Justice was filed because these are felonies that were committed against the National Organization for Marriage. It is a felony, punishable by a \$5,000 fine and up to 5 years in Federal prison, for the illegal disclosure, the unauthorized disclosure of one's confidential tax returns.

We are a nonprofit. But that part of our tax return is as confidential as your individual 1040 forms. The TIGTA initially investigated us to try to determine whether somebody from within our own ranks had disclosed our confidential tax returns. And when we pointed out we didn't have a copy of the version of our tax returns that had that IRS stamp on it, that was the last we heard of the investigation. That was last summer of 2012.

We then began filing a series of Freedom of Information Act requests with TIGTA and with the IRS to try to ascertain some of the information that had been discovered during any investigation that had been had there. We were stonewalled in those Freedom of Information Act requests. The IRS told us that any documents they had would have been under the Inspector General's jurisdiction, so they couldn't disclose them to us. When we pointed out we didn't ask for what was over at TIGTA, we asked for what was in the files of the IRS, their second response to us was, "Well, we've already answered your request; we don't answer things twice."

Most stunningly, on May 3rd of this year, in followup to a Privacy Act request, where we asked for the specific information that Federal law allows us to request when there has been an investigation into disclosure of our tax returns, the Inspector General's Office told us that the identity of the source of this felony against us was itself protected tax return information that they could not disclose to us. I ask you to think about the irony of that.

There are a couple of things it seems to me that this Committee could look at to help cure this problem. First, clarify that it is not the case that the prohibition against disclosure of our tax returns shields the culprit who committed that felony.

Second, we have no ability to bring a criminal prosecution for these felonies on our own, and yet the Department of Justice has not done so. There is a civil penalty provision that is available, but we can only bring a suit against the United States for \$1 thousand per the one disclosure, not the hundreds of thousands of disclosures that were done by the Human Rights Campaign when they posted this on their website. I would like to see a clarification of that provision that would hold the people, the individual IRS official as well as their colluders that are nongovernment employees, civilly liable to the taxpayers whose tax returns they illegally disclosed.

And, finally, I think because the investigation has yielded nothing of importance to us, I would ask this Committee to consider subpoenaing the folks at the Human Rights Campaign. Find out who posted it on the website, find out who introduced the redactions and hid the IRS information. Find out who received it from the IRS. And, most importantly, find out who from the IRS disclosed this information. The head of the Human Rights Campaign had recently been named the National Cochair of the Obama Reelection Campaign. This just smells, and I hope this Committee gets to the bottom of it. Thank you for allowing me to testify.

[The prepared statement of Mr. Eastman follows:]

Testimony of

Dr. John C. Eastman

Henry Salvatori Professor of Law & Community Service
Chapman University School of Law

Chairman, The Claremont Institute's Center for Constitutional Jurisprudence
Chairman of the Board, National Organization for Marriage

before the

Committee on Ways and Means
U.S. House of Representatives

Hearing on Internal Revenue Service Targeting
of Non-Profit Entities Because of their Political Views

June 4, 2013

Good morning, Chairman Camp and Members of the Ways and Means Committee. I appear before you today as the Chairman of the Board of the National Organization for Marriage (“NOM”), but quite frankly, it is the other hats I wear—as a professor of constitutional law and the founder of a public interest law firm that litigates and appears as *amicus curiae* before the Supreme Court on major constitutional cases—that helps me put perspective on the seriousness of what our government has done to the National Organization for Marriage, illegally using confidential information that must be filed with the IRS to facilitate the intimidation of donors and thereby influence the outcome of a highly contentious political fight.

NOM is a nonprofit organization recognized by the Internal Revenue Service (“IRS”) as a social welfare organization, exempt from taxation pursuant to Internal Revenue Code (“IRC”) § 501(c)(4). As such, it must annually file with the IRS a Form 990 tax return. It must also make portions of that tax return public, and NOM has done so in a timely fashion every year since it was founded.

Portions of NOM’s Form 990, specifically Schedule B, which contains the names and addresses of NOM’s major donors, are not public. Like nearly every other non-profit organization, NOM does not publically disclose its donor information. Indeed, because of the vicious and at times even violent campaign of intimidation that has been waged against supporters of traditional marriage—intimidation that the Supreme Court itself has remarked upon—NOM jealously guards the confidentiality of its donors.

Nevertheless, on March 30, 2012, NOM became aware that its confidential tax information—specifically, its 2008 Form 990 Schedule B—had been obtained by the Human Rights Campaign (“HRC”)—NOM’s principal opponent in the political battles over the redefinition of marriage—published on its website, and republished on numerous other websites such as the Huffington Post. The donor names were not redacted, but there *was* another redaction on the PDF document that had been posted, and NOM’s computer analysts were able to remove the document’s redaction layer and discover that the document had originated *from within the IRS itself*. As the attached copy of that document reflects, the un-redacted original bore two markings that, according to Section 3.11.12.1.26 of the Internal Revenue Manual (01-01-2012), are placed on documents e-filed with the IRS by the IRS’s Central Information System. An identification number, “100560209,” was stamped diagonally across the middle of leaked tax return. More significantly, the header of each page read: “THIS IS A COPY OF A LIVE RETURN FROM SMIPS. OFFICIAL USE ONLY,” making unmistakably clear that the document was a confidential tax return whose source was within the IRS itself.

The willful unauthorized public disclosure of NOM’s 2008 Schedule B by the IRS or its employees is a violation of federal law, 26 U.S.C. § 6103. Indeed, it is a serious felony punishable by a \$5,000 fine and up to five years in federal prison, penalties that apply both to IRS and other government employees and third parties. 26 U.S.C. § 7213(a)(1), (3). Civil remedies are also available to the taxpayer or non-profit entity whose tax return information was

illegally disclosed, pursuant to 26 U.S.C. § 7431, which provides for either actual damages or statutory damages of \$1,000 per illegal disclosure *or inspection*, plus punitive damages, litigation costs and attorneys fees.

NOM filed written requests for investigation on April 11, 2012, with both the Treasury Inspector General for Tax Administration (TIGTA) and the Department of Justice. NOM noted in those requests its belief, based on the computer forensic evidence it had uncovered, that the IRS had to be the source of the disclosure. TIGTA responded in an April 20, 2012 letter that acknowledged receipt of NOM's request and provided NOM with a complaint number, No. 63-1204-0051-C. At the outset of the investigation, investigators from TIGTA sought to determine whether the document with the internal IRS markings might have originated from NOM, but once NOM demonstrated that it had not, we received no further information about the investigation. As of May 31, 2013, however, over a year after making the request, NOM had not received any information resulting from the requested investigation from TIGTA, although IRS officials stated publicly in recent testimony here in Congress that the investigation was not ongoing.

NOM did file a series of requests pursuant to the Freedom of Information Act ("FOIA") and Privacy Act beginning last August, seeking to ascertain the status and results of the investigation into the felonious disclosure of its confidential tax returns. The IRS and TIGTA declined to provide NOM with the most relevant information, and the most recent response, dated May 3, 2013, declines even to acknowledge the existence of the investigation for which NOM had previously been given a complaint number. Worse, that latest non-responsive "response" from TIGTA even adopts the Orwellian position that the same statute which prohibits the disclosure of a taxpayer's confidential tax return information prevents any disclosure of the culprit of that felony. "Specifically," the Inspector General's response asserted, "records compiled pursuant to a Title 26 investigation, including even the fact of an investigation, are the protect return information of the subject(s) of the investigation." This, apparently, because the IRS code defines "return information" to include investigations conducted against taxpayers for violations of the IRS code, and since the prohibition on disclosure of confidential tax returns is itself part of the IRS code, and since the IRS employee who committed this felony is himself a taxpayer, any such investigation becomes confidential return information that cannot be disclosed. This bizarre interpretation of the relevant IRS code provisions contradicts explicit provisions of the Privacy Act, which recognize that the very information NOM has sought to obtain falls within one of TIGTA's "routine use exceptions" against disclosure. As stated in 75 Fed. Reg. 20715-16 (April 20, 2010):

Disclosure of returns and return information may be made only as provided by 26 U.S.C 6103. Records other than returns and return information may be used to...(12) Disclose information to complainants, victims, or their representatives (defined for purposes here to be a complainant's or victim's legal counsel or a Senator or Representative whose assistance that complainant or victim has

solicited) concerning the status and/or results of the investigation or case arising from the matters of which they complained and/or of which they were a victim, including, once the investigative subject has exhausted all reasonable appeals, any action taken. Information concerning the status of the investigation or case is limited strictly to whether the investigation or case is open or closed. Information concerning the results of the investigation or case is limited strictly to whether the allegations made in the complaint were substantiated or were not substantiated and, if the subject has exhausted all reasonable appeals, any action taken.

75 Fed. Reg. at 20715. I truly hope this Committee will disabuse the IRS of the ridiculous interpretation it has given to its governing statute, with a clarifying amendment if necessary.

Stonewalled in its attempts to discover on its own the source of the felonious conduct against it, NOM has also received no satisfaction from the law enforcement authorities of the United States, whose duty it is to prosecute felonious disclosure of confidential tax returns. According to 26 U.S.C § 7431(e), the Secretary of the Treasury is required to notify an affected entity, NOM in this instance, of any criminal charges made against an individual who disclosed that entity's tax information. NOM has received no such notification, so it can only surmise that no criminal charges have been brought. We therefore strongly urge this Committee to pursue its own investigation of this matter, identify the culprit or culprits, and refer the matter for indictment and prosecution as warranted.

In light of the recent discovery that the IRS has been using additional scrutiny measures to target conservative groups filing for tax-exempt statuses through 501(c)(3) and 501(c)(4) classifications, an investigation into how NOM's 2008 Form 990 Schedule B information was obtained by the HRC and the Huffington Post seems to carry even greater weight. As NOM's President, Brian Brown, stated in a May 13, 2013 press release from NOM, "what NOM has experienced suggests that problems at the IRS are potentially far more serious than even these latest revelations reveal."

Let me turn briefly to the civil liability issue. As I noted previously, federal law does provide a taxpayer with a civil remedy, but current judicial interpretation of those statutory provisions makes the remedy woefully inadequate. Absent proof of actual damages—a difficult evidentiary burden—statutory damages are limited to \$1,000 per unlawful disclosure or inspection, and punitive damages are available only upon a showing of gross negligence or worse. *Scrimgeour v. IRS*, 149 F.3d 318 (4th Cir. 1994). The damages are assessed against the United States itself, not the individual IRS employee who engaged in the felonious conduct. And they are limited to the first disclosure by the IRS employee, not subsequent disclosures by third parties who may have been colluding with the IRS culprit to insure wide dissemination of confidential return information. See, e.g., *Hrubec v. National R.R. Passenger Corp.*, 49 F.3d 1269 (7th Cir. 1995). In other words, were an IRS employee to post a confidential return on a website where it was inspected by ten thousand people, statutory damages of \$10 million would result (although none of it borne by the IRS employee himself). But if that same IRS employee

gave the confidential tax return to a media outlet or even a friend who posted it on a well-trafficked website where it was inspected by ten thousand people, that would be considered a single “disclosure,” with only \$1,000 in statutory damages. *Miller v. United States*, 66 F.3d 220 (9th Cir. 1995). When the Department of Justice declines to prosecute, such a paltry civil liability is not only no incentive against disclosure, but is actually a strong incentive for collusive conduct.

This is an overly stingy interpretation of the civil liability provisions of the IRS code. Section 7431(a)(2) provides that “if any person who is not an officer or employee of the United States knowingly, or by reason of negligence, discloses any return or return information with respect to a taxpayer in violation of any provision of section 6103,” the taxpayer is entitled to recover damages. This Committee could—and should—propose a clarifying amendment to make clear that third parties who knowingly further disseminate confidential tax return information unlawfully provided to them by an IRS employee are also subject to the civil liability provisions of Section 7431.

I thank you for your attention to this matter.

National Organization for Marriage
2008 Form 990 extract

As posted by Human Rights Campaign with all masks turned on

Schedule B <small>(Form 990, 990-EZ, or 990-PF)</small> <small>Department of the Treasury Internal Revenue Service</small>	Schedule of Contributors <small>Part III Attach to Form 990, 990-EZ, and 990-PF.</small>	<small>OMB No. 1545-0047</small> 2008
Name of the organization National Organization for Marriage Inc.		Employer identification number 28 626455
Organization type (check one):		
File as:	Section:	
Form 990 or 990-EZ	<input checked="" type="checkbox"/> 501(c)(3) () letter-numbered organization	
	<input type="checkbox"/> 4947(a)(2) nonexempt charitable trust not treated as a private foundation	
	<input type="checkbox"/> 527 political organization	
Form 990-PF	<input type="checkbox"/> 501(c)(29) exempt private foundation	
	<input type="checkbox"/> 4947(a)(2) nonexempt charitable trust treated as a private foundation	
	<input type="checkbox"/> 501(c)(28) taxable private foundation	
Check if your organization is covered by the General Rule or a Special Rule. If your organization can check boxes for both the General Rule and a Special Rule, check the General Rule and the Special Rule.		
General Rule		
<input checked="" type="checkbox"/> For organizations filing Form 990, 990-EZ, or 990-PF, if during the year, \$1,000 or more (in money or property) from any one contributor. Complete Part VII.		
Special Rules		
<input type="checkbox"/> For a section 501(c)(3) organization, 501(c)(29) exempt private foundation, or Form 990-EZ, that met the 33% support test of the regulations under sections 508(b)(7)(B)(i)-(iii), if received from any one contributor, during the year, a contribution of the greater of (i) \$5,000 or (ii) 2% of the contributor's net worth on Form 990, Part VII, line 7b or 2% of the amount on Form 990-EZ, line 7. Complete Parts I and 6.		
<input type="checkbox"/> For a section 501(c)(3), (6), or (15) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$5,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, 6, and 8.		
<input type="checkbox"/> For a section 501(c)(3), (6), or (15) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, more contributions for use exclusively for religious, charitable, etc., purposes, but those contributions did not aggregate to more than \$1,000 (if this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to the organization because it received nonexclusively religious, charitable, etc., contributions of \$1,000 or more during the year).		
<small>Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part III, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).</small>		
<small>For Private and Paperwork Reduction Act Notices, see the instructions to Form 990. These notices will be found separately. Use the 50100 Schedule B (Form 990, 990-EZ, or 990-PF) 2008.</small>		

As posted by Human Rights Campaign with all masks turned off

THIS IS A COPY OF A LIVE RETURN FROM SHEPS. OFFICIAL USE ONLY.

Schedule B Form 990, 990-EZ, or 990-PF	Schedule of Contributors ▶ Attach to Form 990, 990-EZ, and 990-PF.	Form No. 990-SS/1 2008
Name of the organization National Organization for Marriage Inc.		Employer identification number 28 026890
Organization type (check one):		
Form 990 or 990-EZ	Section <input checked="" type="checkbox"/> 501(c)(3) (enter number) organization <input type="checkbox"/> 4947(a)(2) nonprofit charitable trust not treated as a private foundation <input type="checkbox"/> 527 political organization	
Form 990-PF	<input type="checkbox"/> 501(c)(29) exempt private foundation <input type="checkbox"/> 4947(a)(1) nonprofit charitable trust treated as a private foundation <input type="checkbox"/> 501(c)(25) taxable private foundation	
Check if your organization is covered by the General Rule or a Special Rule. (Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)		
General Rule		
<input checked="" type="checkbox"/> For a general rule filing Form 990, 990-EZ, or 990-PF, the organization, during the year, received \$1,000 or more (in money or property) from any one contributor. Complete Part VII.		
Special Rules		
<input type="checkbox"/> For a section 501(c)(29) organization filing Form 990, or Form 990-EZ, that met the 25% support test of the regulations under sections 5050(c)(1)(7)(B)(i)-(ii), and received from any one contributor, during the year, a contribution of the greater of (i) \$1,000 or (ii) 2% of the amount on Form 990, Part VII, line 14, or 2% of the amount on Form 990-EZ, line 7. Complete Parts I and 5.		
<input type="checkbox"/> For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, 5, and 6.		
<input type="checkbox"/> For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$1,000 or more during the year) _____		
Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 7 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 7 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).		
For Private Act and Placement Substitution See Notes, see the instructions. Call the IRS. Schedule B (Form 990, 990-EZ, or 990-PF) 2008		

THIS IS A COPY OF A LIVE RETURN FROM SHEPS. OFFICIAL USE ONLY.



INSPECTOR GENERAL
FOR TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20005

May 3, 2013

Mr. Brian S. Brown, President
Dr. John C. Eastman, Chairman
National Organization for Marriage
C/O ActRight Legal Foundation
209 West Main Street
Plainfield, Indiana 46168

Dear Mr. Brown and Dr. Eastman:

This is in response to your Privacy Act request, dated April 15, 2013, seeking access to records maintained by the Treasury Inspector General for Tax Administration (TIGTA). The TIGTA Disclosure Branch received your request on April 18, 2013. Specifically, you are requesting that TIGTA provide the following information, including any records related to or supporting the same information:

1. Whether the investigation of Complaint No. 63-1204-0051-C is open or closed.
2. Whether the allegations made in Complaint No. 63-1204-0051-C, including the allegations made in the April 11, 2012 letter from the Requestors to TIGTA, were substantiated or were not substantiated.
3. If the subject(s) of Complaint No. 63-1204-0051-C has/have exhausted all reasonable appeals, any action taken by TIGTA, or any other agency, as a result of Complaint No. 63-1204-0051-C.

You have requested that TIGTA disclose this information pursuant to a routine use in TIGTA's System of Records Notice under the Privacy Act. However, in addition to the Privacy Act, the release of TIGTA Title 26 (I.R.C.) investigative records, if any, is also governed by the confidentiality provisions of I.R.C. § 6103. Specially, records compiled pursuant to a Title 26 investigation, including even the fact of an investigation, are the protected return information of the subject(s) of the investigation. Your complaint (#63-1204-0051-C) concerned allegations of an unauthorized disclosure of return information by a third party, which is an allegation of a potential violation of I.R.C. § 7213. Therefore, pursuant to I.R.C. § 6103, TIGTA can neither admit nor deny the existence of any records responsive to your current request.

Moreover, we note that this request asks for information which was encompassed in previous FOIA requests you made to TIGTA.¹ A review of TIGTA Disclosure Branch indices revealed you previously submitted FOIA requests (case numbers #2012-FOI-00205 and 2012-FOI-00232) to TIGTA on August 9, and September 21, 2012, respectively, seeking information that encompasses items 1-3 of your current request. Furthermore, you appealed TIGTA's initial decisions (2012-APP-00025 and 2013-APP-00004) on September 21, and December 3, 2012, respectively. Your requests and subsequent appeals for this information have been addressed by TIGTA previously and a copy of each decision is enclosed for your reference.

We have enclosed an Information Sheet that explains your administrative appeal rights. You may appeal this decision within thirty-five (35) days from the date of this letter. Your appeal must be in writing and signed by you. You should address the envelope as follows:

Freedom of Information Act Appeal
Treasury Inspector General for Tax Administration
Office of Chief Counsel
City Center Building
1401 H Street, NW, Suite 469
Washington, DC 20005

No fees were assessed in the processing of this request because the cost incurred was less than \$25.00, the threshold set by Treasury's FOIA regulation.

If you have any questions, please contact Government Information Specialist Monica Frye at (202) 622-2738 and refer to case number 2013-FOI-00144.

Sincerely,
Monica Frye
Monica Frye
(for) Amy P. Jones
Disclosure Officer

Enclosures

¹ Because it is TIGTA policy to process requests for information under the statute that provides the greatest access to the requested records, we processed your prior requests under the FOIA.

Chairman CAMP. Thank you, Dr. Eastman.

Our next witness is Dr. Karen Kenney, member of the San Fernando Valley Patriots. Dr. Kenney is a licensed psychotherapist practicing in Southern California. And among her work, Dr. Kenney assists returning veterans who suffer from post-traumatic stress disorder.

Dr. Kenney, you are recognized for 5 minutes.

STATEMENT OF KAREN L. KENNEY, PH.D., MARRIAGE, FAMILY THERAPIST, PERSONAL DEVELOPMENT CENTER ASSOCIATES, AND MEMBER, SAN FERNANDO VALLEY PATRIOTS

Ms. KENNEY. Thank you, Mr. Chairman.

John Adams knew that facts are stubborn things. In this district, facts are hidden under the mantle of office. They get used as tools or weapons, but they wait for us. We must seek them with the lamp of truth and put them into words.

But you and I speak different languages in this Republic. You speak the language of power, of pen, purse, and gavel. I speak American grassroots, the language of liberty, through providence, property, and civic virtue.

We seldom speak together about the rule of law, unless it is ignored or violated. Now is such a time.

I have a story that bridges the distance between my State of California and this Capitol. What I say here must be said here. Pilgrims brought to this continent a lamp of liberty, guided here by the pursuit of life within the words of Moses and Christ. They persevered for righteous freedom. We sit here in the shadows of Washington, Jefferson and Lincoln. We visit here memorials to those who fell in service to this country. They persevered for righteous power. The spirit of patriots living and dead grants me the right to be here. It is my duty as an American citizen to speak here today.

In October 2010, the San Fernando Valley Patriots, a not-for-profit corporation in California, applied with the Internal Revenue Service for a 501(c)(4) status as a tax-exempt social welfare organization. We were then and remain a Tea Party group, affiliated with the national Tea Party Patriots. We heard nothing until February 2012, when I received a packet from the IRS Exempt Organizations Office in Cincinnati, Ohio, which included a questionnaire with 35 items divided into 80 sub-points of inquiry. A cover letter indicated that we had 20 days to comply without penalty, including penalties of perjury for failure to answer all questions with the facts that are true, correct, and complete.

Generally, the questions were a demand that read like the chilling words from the 1950s: "Are you now or have you ever been . . . ?" The IRS sought documentation of our meetings, rallies, events, or candidate forums that included video and audio transcriptions, notes, copies of all handouts, the political parties of speakers, and an issues list. The IRS sought identifying information on employees, data on volunteers and members, plus Employer Identification Numbers on businesses with which we associate. These are our donors. They have names: Mike, the printer, who gave us a discount on handbills; Dee, the beauty consultant, who donated posters for

our tax day rallies; and Greg, the electrician, who made a stand for our 9/11 banner out of pipes and wires.

The IRS sought EINs and details on our association with tax-exempt organizations. These are our teachers. They have names: the Heritage Foundation, Freedom Works, and the National Center for Constitutional Studies, where we learn American history; the Tea Party Patriots, where we learn grassroots skills; and the West Valley Food Pantry, our charity.

The IRS sought details of communications with our legislators. Even in Southern California, that is protected free speech.

My personal favorite was question No. 33, which, in relation to protests, asked for a listing of our “committed violations of local ordinances, breaches of public order or arrests,” then requested details on how we conduct or promote illegal activities.

I think the IRS needs to fix its labeling machine. We are the San Fernando Valley Patriots, not Occupy Oakland. I stopped the costly and exhausting IRS process in July 2012. We survive on my credit card and donations in our cake tin. Like patriots before us, we persevere.

The voice of the Republic resides in our citizens, not in the tongue of government. More must grasp that self-evident truth. This dialogue is about the jackboot of tyranny upon the field of our founding documents. To whisper the letters I-R-S strikes a shrill note on Main Street, USA, but when this behemoth tramples upon America’s grassroots, few hear the snapping sounds.

Now more people listen, but few who know the truth speak. This moment reflects a reality of governance in America. This time we came to you. In time, you will come home to us. This time we came for truth. In time, the lies will fall.

Vox populi, vox dei, the voice of the people is the voice of God, is irresistible but different in America. Our voice belongs to the free individual, not to the collective mob. Our voice is best heard when power kneels, then whispers to liberty, “strength.” And when liberty stands under heaven and shouts to power, “freedom.”

Thank you.

[The prepared statement of Ms. Kenney follows:]

Personal Development Center Associates

Karen L. Kenney, PhD
Marriage, Family Therapist (MFT25611)
6345 Balboa Blvd., Suite 212
Encino, CA 91316
818-996-6820 or FAX: 818-776-60312
Website: PDCAONLINE.com

June 4, 2013: Ways and Means: Testimony of Karen L. Kenney, SFV Patriots:

John Adams knew that, "Facts are stubborn things."
In this District, facts are hidden under the mantle of office.
They get used as tools or weapons,
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You speak the language of **Power**: the pen, purse or gavel.
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Providence, property and civic virtue.
We seldom speak together frankly about the rule of law even when
it is ignored or broken, but now is such a time.

I have a story that bridges the distance between my state of
California and this Capitol.
What I say here, **must** be said here.

Pilgrims brought to this continent a lamp of Liberty, guided
Here by the pursuit of Life within the words of Moses and Christ.
They persevered for righteous freedom.

We sit here in the shadows of Washington, Jefferson and Lincoln.
We visit here memorials to those who fell in service to country.
They persevered for righteous power.

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The IRS sought identifying information on employees; data on volunteers and members, plus Employer Identity Numbers (EINs) on businesses with which we associate. These are our donors.

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Our voice is best heard when Power kneels, then whispers to Liberty, “**Strength.**”

And when Liberty stands under Heaven, then shouts to Power, “**Freedom!**”

_____ **THANK YOU** _____



Chairman CAMP. Thank you, Dr. Kenney.

Our next witness is Ms. Susan Martinek, President of the Coalition for Life of Iowa. Until her recent retirement, Ms. Martinek was Founder and Manager of Seams Easy, a clothing alteration company.

Ms. Martinek, you are recognized for 5 minutes.

**STATEMENT OF SUSAN MARTINEK,
PRESIDENT, COALITION FOR LIFE OF IOWA**

Ms. MARTINEK. Good morning. I am Sue Martinek, President of Coalition for Life of Iowa, based in Cedar Rapids, Iowa. Coalition for Life of Iowa is a grassroots, low-budget, public charity founded in 2004 to provide prayer, education, and related activities about the sanctity of life from conception to natural death. Throughout our history, we have organized and sponsored educational forums and engaged in peaceful, prayer activities.

In 2008, we sought 501(c)(3) tax-exempt recognition from the IRS by filing a complete IRS Form 1023 application. I speak today so that what happened to us, the IRS' demonstrated harassment, improper questions, and intolerance toward our message, may not happen to others. The IRS' questions centered on our educational and potential political activities, our prayer groups, and our signage.

On April 27, 2009, IRS Agent Ms. Richards, out of the Cincinnati office, sent me a letter asking about our educational forums, whether we were trying to influence legislation or influence political campaigns. We had already answered "no" on the IRS Form 1023 application. I responded May 14th, answering all her questions fully. In the subsequent weeks, IRS Agent Richards contacted me by telephone a few times, asking more questions about our activities. Some questions I asked her she was unable to answer and would put me on hold and check with her superior or superiors.

In June of 2009, Ms. Richards told me verbally that we needed to send in a letter with the entire board's signatures stating that, under penalty of perjury, we would not picket, protest, or organize groups to picket and protest outside of Planned Parenthood. Upon receiving such a letter, she indicated that the IRS would allow our application to go through.

So we sent a followup letter to the IRS specifically requesting where in Form 1023 or elsewhere it stated that we could not protest at Planned Parenthood. The IRS never answered our question. Instead, the IRS continued questioning us.

On June 22, 2009, IRS Agent Richards sent us additional written requests as follows: Please explain how all of your activities, including the prayer meetings held outside of Planned Parenthood, are considered educational, as defined under 501(c)(3). Organizations exempt under 501(c)(3) may present opinions with scientific or medical facts. Please explain in detail the activities at the prayer meetings. Also, please provide the percentage of time your organization spends on prayer groups as compared with the other activities of the organization. Please explain in detail the signs that are being held up outside of Planned Parenthood and explain how they are considered educational.

When we met at our next board meeting, we were all disappointed with the IRS' requests. We had worked so hard to get the application correct. We had a local attorney skilled with this process helping us. We understood that we could hold up signs with educational information about abortion and the sanctity of life without the IRS questioning their validity.

We never thought we would have to defend our prayer activities. As Christians, we knew we needed to pray for a better solution to unplanned pregnancy than abortion. Why not at the source?

Personally, I wondered, who fights the IRS? What would the repercussions be? Would there even be a hope to win? Since we focused on educational forums and not picketing or protesting, some board members were willing to sign the requested letter. But others refused to sign a statement that unfairly restricted First Amendment rights.

We had very little funds. One board member suggested we contact the Thomas More Society, a public interest law firm. They help the little guy—that was us—with legal problems. They took our case and found us an attorney that specializes in this area.

Fortunately, with their help, and after we submitted a lengthy letter detailing the law and our constitutional rights, the IRS granted us tax-exempt status, just 1 week after our attorney, Sally Wagenmaker, sent in that letter to IRS Agent Richards. No more mention was made of any IRS-required board statement about protesting and picketing outside of Planned Parenthood.

We were fortunate, but not all are. Our story has a happy ending. Donors can claim charitable tax deductions for their contributions. With their help, we can carry out our educational and religious activities to promote respect for human life, such as the March for Life and 40 Days for Life campaigns. Coalition for Life of Iowa seeks to save lives, help others, and improve our community. May our story of the IRS' overreaching spur reform of its practices, better treatment of our charitable institutions, and continued protection of First Amendment right freedoms. Thank you for letting me tell our story.

[The prepared statement of Ms. Martinek follows:]

June 4, 2013

Testimony of Susan Martinek, Coalition for Life of Iowa, for Congress

Good morning! I am Susan Martinek, president of the Coalition for Life of Iowa, based in Cedar Rapids, Iowa.

Coalition for Life of Iowa (CFLI) is a grass-roots, low-budget public charity founded in 2004, to provide prayer, education, and related activities about the sanctity of life from conception to death. Throughout our history, we have organized and sponsored educational forums and engaged in peaceful prayer activities.

In 2008, we sought 501(c)(3) tax-exempt recognition from the IRS, by filing a complete IRS Form 1023 application including educational and religious materials. In mid-2009, the IRS's Cincinnati office contacted me and refused to grant approval until our group answered all its questions and agreed to surrender our First Amendment rights of assembly, free speech, and religious expression. In particular, the IRS wanted our assurances that we would not bother Planned Parenthood! Once we secured experienced legal counsel through the public interest law firm of the Thomas More Society, we were able to submit additional extensive information and explain to the IRS that our constitutional rights could not be so impaired. Within a week of our attorneys' submission, the Coalition for Life of Iowa obtained IRS approval – no more questions.

I speak today so that what happened to us – the IRS's demonstrated harassment, improper questions, and intolerance toward our message – may not happen to others.

The IRS's questions centered on our educational activities, potential political activities, our prayer groups, and signage. On April 27, 2009, IRS Agent Ms. Richards sent me a letter asking about our educational forums, whether we were trying to influence legislation or influence political campaigns. We had already answered "NO" on the IRS Form 1023 application. I responded May 14, answering all her questions fully.

In the subsequent weeks, IRS Agent Richards contacted me by telephone a few times, asking more questions about our activities. Some questions I asked her she was unable to answer and would put me on hold and check with her supervisor/supervisors.

In June of 2009, Ms. Richards told me verbally that we needed to send in a letter with the entire board's signatures stating that under penalty of perjury we would not picket/protest or organize groups to picket/protest outside of Planned Parenthood. Upon receiving such a letter, she indicated that the IRS would allow our application to go through.

That didn't make sense. Why would we – as volunteers in a charitable organization – be required to surrender our First Amendment rights as a condition of 501(c)(3) approval? Why was the IRS protecting Planned Parenthood (a multi-million dollar government-funded behemoth), against our small Iowa prayer group (operating on less than \$5000 a year in

revenues?) We had done nothing wrong. We had not indicated that we would do *anything* but peaceably assemble and hold up signs like “Stop abortion” and “Pray to end abortion.” No graphic images, no heckling, no disruption; just respectful behavior on public property. So we sent a follow-up letter to the IRS, respectfully requesting where in the Form 1023 or elsewhere it stated we could not protest at Planned Parenthood. The IRS never answered our question.

Instead, the IRS continued questioning us. On June 22, 2009, IRS Agent Richards sent us additional written requests, as follows: “Please explain how all of your activities, including the prayer meetings held outside of Planned Parenthood are considered educational as defined under 501(c)(3). Organizations exempt under 501(c)(3) may present opinions with scientific or medical facts. Please explain in detail the activities at the prayer meetings. Also, please provide the percentage of time your organization spends on prayer groups as compared with the other activities of the organization. Please explain in detail the signs that are being held up outside of Planned Parenthood and explain how they are considered educational.”

When we met at our next board meeting, we all were disappointed with the IRS’ request. We had worked so hard to get the application correct. We had a local attorney skilled with this process helping us. We understood that we could hold up signs with educational information about abortion and the sanctity of life, without the IRS questioning their validity. We never thought we would have to defend our prayer activities. As Christians we knew we needed to pray for a better solution to unplanned pregnancy than abortion, why not at the source? Personally, I wondered, who fights the IRS? What would the repercussions be? Would there even be a hope to win?

Since we focused on educational forums and not picketing or protesting, some board members were willing to sign the requested letter. But others refused to sign a statement that unfairly restricted first amendment rights. We had very little funds. One board member suggested we contact the Thomas More Society, a public interest law firm. They help “the little guy” with legal problems. They took our case, and found us an attorney that specializes in this area.

Fortunately with their help, and after we submitted a lengthy letter detailing the law and our constitutional rights, the IRS granted us tax-exempt status just one week after our Thomas More Society attorney sent in that letter to IRS Agent Richards.. No more mention was made of any IRS-required board statement about protesting and picketing outside of Planned Parenthood.

We were fortunate. But not all are. Our story has a happy ending. Donors can claim charitable tax deductions for their contributions. With their help, we can carry out our educational and religious activities to promote respect for human life, such as our March for Life and 40 Days for Life campaigns. We believe that these activities, along with other resources like local crisis pregnancy centers, have helped bring abortions down locally over 37% in just 3 years – literally saving lives.

But we had to fight the IRS and its extended content-based scrutiny to get our tax exemption approval. I can’t help but wonder, what other organizations have faced this opposition? Did they give up?

Like so many other 501(c)(3) charities in our wonderful country, Coalition for Life of Iowa seeks to save lives, help others, and improve our community. May our story of the IRS's overreaching spur reform of its practices, better treatment of our charitable institutions, and continued protection of our First Amendment freedoms. Thank you.

Susan Martinek
President of Coalition for Life of Iowa
susjmar@aol.com
319-366-1684

To be shared only upon request:

Vital Statistics of Iowa report the number of abortions performed on women living in Linn County, Iowa

(Region 10). In 2011, 202 surgical and 146 medical abortions yielded a total of 348 abortions. In 2008,

333 surgical and 223 medical abortions yielded a total of 556 abortions. $100\% - (348/556) = 37.41\%$ drop.

Data appears in Table 55, page 127 in 2008, and Table 56, page 135 in 2011:

http://www.idph.state.ia.us/apl/common/pdf/health_statistics/2008/vital_stats_2008.pdf

http://www.idph.state.ia.us/apl/common/pdf/health_statistics/2011/vital_stats_2011.pdf



Chairman CAMP. Thank you, Ms. Martinek.
Our final witness is Becky Gerritson, President of the Wetumpka Tea Party in Alabama.

Ms. Gerritson, you are recognized for 5 minutes.

**STATEMENT OF BECKY GERRITSON,
PRESIDENT, WETUMPKA TEA PARTY**

Ms. GERRITSON. Good morning. Thank you for inviting me to be here today. I would like to begin with a brief statement. I know that you are primarily interested in hearing about the abuses of the Internal Revenue Service. But I believe it is critically important that you understand just not what these abuses were but what exactly the IRS was trying to stifle.

In order to paint a clear picture, I need to explain how the Wetumpka Tea Party came into being. My husband and I had never been involved in politics before 2008. We have always been patriotic and deeply proud of our country. We have always felt that the United States is the greatest country in the world.

In September 2008, when we had our first \$700 billion bailout, we, along with millions of Americans, were very concerned. That bailout was confirmation that our government was out of control. But just a few months later, in January 2009, we learned that our government was going to spend another \$787 billion. That money went to foreign nations, failing banks, and unproductive industries. We were worried, and we knew we had to do something to sound the alarm. We knew the government had gone far beyond its habitual deficit spending. The government was mortgaging America's future. And we knew that Washington wasn't going to stop by itself.

In the spring of 2009, we learned that others were organizing Tea Party events around the Nation to educate and empower concerned citizens who believed their government was out of control. So we made our plans. My husband and I filled out a permit to meet at a local park in our small town. My daughter and I walked through neighborhoods handing out flyers for our April 15th event. When the day arrived, we were blown away by the large crowd. A few politicians came also, but they didn't speak. We wanted to give ordinary citizens the chance to speak their concerns.

Our event had no party affiliation. I could not tell you if the attendees were Republicans, Democrats or Independents. It didn't matter. The only political notion expressed was one that we collectively felt, that our representative government had failed us. And that was the birth of the Wetumpka Tea Party. There are no dues, no price for membership. Our events are mostly educational. Whatever expenses are incurred are paid from donations—by donations and tee shirt sales.

In Wetumpka, we are patriotic Americans. We peacefully assemble. We petition our government. We exercise the right to free speech. And we don't understand why the government tried to stop us. I am not here as a serf or a vassal. I am not begging my lords for mercy. I am a born-free American woman, wife, mother, and citizen. And I am telling my government that you have forgotten your place. It is not your responsibility to look out for my well-being and to monitor my speech. It is not your right to assert an agenda. Your post—the posts that you occupy exist to preserve American

liberty. You have sworn to perform that duty, and you have faltered. The abuses I will discuss today occurred on your watch. And it is your responsibility to make sure it doesn't happen again.

Here are the facts of my case. We applied for a 501(c)(4) in October 2010. Our \$850 application fee was cashed 7 days later. We received a letter from Robert Choi dated November 2, 2010, stating that our application and our user fee payment had been received. It also stated that we should be expecting to hear from someone within 90 days.

However, the IRS did not initiate any contact with us for another 459 days. That was when I received a letter from the Cincinnati office, dated February 3rd, 2012. That letter stated that they could not process our application until we completed the enclosed questionnaire, which requested approximately 90 pieces of additional information about our organization.

The questionnaire stated that if the additional information was not returned by February 24th, our case would be closed. The demands for information in the questionnaire shocked me, as someone who loves liberty and the First Amendment. I was asked to hand over my donor list, including the amounts that they gave and the dates on which they gave them. The 501(c)(4) organizations do not have to disclose donor information. I knew that. Why didn't they?

Among the demands that I found alarming and inappropriate were: They wanted me to identify all of my volunteers. They wanted to know if any of our donors or volunteers had run or would be running for office in the near future. Remember, this was the 2012 election cycle. They wanted us to identify the office they would be running for. They wanted us to provide detailed contents of all speeches ever given, the names of our speakers, and their credentials. They wanted copies of written communications and contents of all other forms of communications to any legislative body, including my own Representative.

I was very uncomfortable with these questions, as you can imagine, and my husband and I discussed forfeiting our application. However, within days of reading through these questions, we knew we were being targeted because fellow Tea Party organizers across this Nation were getting the same types of letters and questionnaires. That was when we decided to seek legal counsel.

On March 6th, 2012, we retained the counsel of the American Center for Law and Justice, and they represented us in this matter. Two weeks later, I received a letter from Lois Lerner, dated March 16th, 2012, asking that I provide the previously requested information. Four months later, we received a letter, dated July 9, 2012, stating that we had been approved to receive our tax exemption. This was 635 days after we applied.

In conclusion, the Wetumpka Tea Party filled out a complete application. Our organization fell within the boundaries of receiving a 501(c)(4) status, yet our application was singled out solely because we had "Tea Party" in our name. Government agents made invasive and excessive demands for information they were not entitled to.

Congressman Camp and Members of this Committee, this was not an accident. This was a willful act of intimidation to discourage

a point of view. What the government did to our little group in Wetumpka, Alabama, is un-American. It wasn't a matter of firing or arresting individuals. The individuals who sought to intimidate us were acting as they thought they should in a government culture that has little respect for its citizens. Many of the agents and agencies of the Federal Government do not understand that they are servants of the people. They think they are our masters, and they are mistaken.

I am not interested in scoring political points. I want to protect and preserve the America that I grew up in, the America that people crossed oceans and risked their lives to become a part of. And I am terrified it is slipping away. Thank you.

[The prepared statement of Ms. Gerritson follows:]

Testimony: Becky Gerritson, President Wetumpka, AL
June 4, 2013

Congressman Camp,

Thank you for inviting me here to speak today.

I'd like to begin with a brief statement. I know that you are primarily interested in hearing about the abuses of the Internal Revenue Service. But I believe that it is critically important that you and your constituencies know, not just what those abuses were, but what exactly the IRS was trying to stifle. In order to paint a clear picture, I need to explain how the Wetumpka Tea Party came into being.

My husband and I had never been involved in politics before 2008. We've always been patriotic and deeply proud of our country. We've always felt that the United States IS the greatest country on earth.

In Sept 2008, when we had our first seven hundred billion dollar bailout, we along with millions of Americans were VERY concerned! It seemed to be confirmation that our government was out-of-control.

But just a few months later, in January of 2009, we learned that that our government was going to spend 787 billion more. This money went to foreign nations, failing banks, unproductive industries, and selected businesses. We were worried and knew we had to do something to sound the alarm! We knew that the government had gone far beyond its habitual deficit spending. The government was mortgaging America's future. And we knew that Washington wasn't going to stop by itself.

In the spring of 2009, we learned others were organizing "tea party" events around the nation to educate and empower concerned citizens who believed their government was out of control, so we made our plans.

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Our event had no party affiliation. I could not tell you if attendees were Republicans, Democrats or independents – it did not matter. The only political notion expressed was the one we collectively felt: That our "representative government" had failed us.

And that was the birth of the Wetumpka Tea Party. There are no dues, no price for memberships. Our events are mostly educational. Whatever expenses are incurred are paid from donations and t-shirt sales.

In Wetumpka, we are patriotic Americans. We peaceably assemble. We petition our government. We exercise our right to free speech.

And we don't understand why our government tried to stop us.

I am not here today as a serf or a vassal. I am not begging my lords for mercy.

I am a born-free, American woman – wife, mother and citizen – and I’m telling **MY** government that you have forgotten your place. It is not your responsibility to look out for my well-being or monitor my speech. It is not your right to assert an agenda. The posts you occupy exist to preserve American liberty. You have sworn to perform that duty. And you have faltered.

The abuses I will discuss today occurred on your watch. It is your responsibility to make sure it doesn’t happen again.

FACTS OF MY CASE:

We applied for our 501(c)4 in October 2010. Our \$850.00 application fee was cashed seven days from the date our application was mailed. We received a letter dated Nov, 2, 2010 stating that our application and user fee payment had been received. It stated that we could expect to be contacted within 90 days.

The IRS did not initiate ANY contact with us for another four hundred and fifty nine days. That was when I received a letter from the Cincinnati office dated February 3rd 2012. The letter stated that they could not complete our 501(c)4 application until we filled out the enclosed questionnaire which requested approximately 90 pieces of additional information or data about our organization.

The questionnaire stated that if the additional information was not returned by Feb 24th that our case would be closed.

The demands for information in the questionnaire shocked me, as someone who loves liberty and the first amendment. I was asked to hand over my list of donors, including the amounts that they gave and the dates on which they gave them. 501c4 organizations do NOT have to disclose donor information. I knew that. Why didn’t they?

Among the demands that I found alarming and inappropriate were:

- They wanted us to identify our volunteers.
- They wanted to know if any of our donors or volunteers had run or would be running for office in the near future, remember this was an election year, and they wanted us to identify the office they would be running for.
- They wanted us to provide detailed contents of all speeches or forums, names of speakers, or panels and their credentials.
- Provide copies of the written communications and contents of other forms of communications to legislators.
- Information regarding our voter education activities, including dates, times and locations of our events.

On March 6th, we retained the council of the ACLU to represent us in this matter.

I received a letter from Lois Lerner, dated March 16th 2012, asking that I provide the previously requested information.

We received a letter dated July 9, 2012 that received our 501c4 status. 635 days after we applied.

In conclusion, the Wetumpka TEA Party filed a complete application. Our organization fell within the boundaries of receiving a 501c4 status. Our application was singled out solely because we had "TEA Party" in our name. Government agents made invasive and excessive demands for information that they were not entitled to.

Congressman Camp and members of the committee, this was not an accident. This is a willful act of intimidation intended to discourage a point of view.

What the government did to our little group in Wetumpka, Alabama is un-American. This isn't a matter of firing or arresting a few individuals. The individuals who sought to intimidate us were acting as they thought they should in a government culture that has little respect for its citizens.

Many of the agents and agencies of the federal government do not understand that they are servants of the people. They think they are our masters. And they are mistaken.

I'm not interested in scoring political points. I want to protect and preserve the America I grew up in, the America that people across oceans and risk their lives to become a part of. And I'm terrified that it's slipping away.

TIME LINE OF EVENTS WETUMPKA TEA PARTY (AL):

- Oct. 12, 2010 501(c)4 application sent to IRS.
- Oct. 19, 2010 \$850. 00 user fee payment was cashed.
- Nov. 2, 2010 Letter dated Nov, 2, 2010 from Robert Choi, Director, EO Rulings & Agreement, states IRS received 501(c)4 application and fee payment. Letter also stated that we could expect to be contacted within 90 days of this notice.
- Apr. 22, 2011 10:45am phone call made to IRS by Loretta Wakefield-Short, (President at the time.) She spoke with employee ID#1001808928, said application was assigned to Ronald Bell phone number 513-263-3660.
- Apr. 22, 2011 11:14am phone call made by Loretta Wakefield-Short to Mr. Bell. He said "application is still under review". No other information-just wait and we will be notified.
- Feb. 8^{ish}, 2012 We received a letter dated Feb. 3, 2012 from Specialist Stephen Seok, Cincinnati office, stating application could not be process until enclosed questionnaire was completed by Feb 24th. If information requested was not completed by the response date (Feb 24, 2012) then they would close our case. Below are just **some** of the approximately 90 pieces of information they wanted:
- Donor names, volunteers names, and the amounts that they gave and the dates in which they gave them.
 - Wanted to know if any of them had run or would be running for office in the near future, and to identify the office they would be running for.
 - Time, location and detailed description of every event or program we've ever had.
 - Copies of all newsletters, flyers, brochures, pamphlets, voter guides or class handouts ever given.
 - Provide detailed contents of all speeches or forums, names of speakers, or panels and their credentials.
 - Copies of web pages, presentations, and other web pages such as social networking sites and blog sites.
 - Provide copies of the written communications and contents of other forms of communications to legislators.
 - Have you or will you conduct voter education activities? If so, what is the date time and location of the event.
 - Who on the organization's behalf, have conducted or will conduct the voter registration or get out the vote drives?
- Mar. 1, 2012 Phone call made to Stephen Seok. I asked "what would happen if I did not have the information need to complete the questionnaire." He stated that if I "didn't have the information, just to write, 'Don't have info.'" He said I "did not have to give names unless they were politicians".

Mar. 6, 2012 Retained Council from the *American Center for Law and Justice*

Mar. 22ish, 2012 Received a letter from Lois Lerner, Director EO, stating that I must complete the previously sent request for more information within 60 days of the date of this letter, or our application would be placed in suspense. Letter stated that if they do not hear from us within 90 days then our case would be closed.

July 13ish, 2012 Received notification that we had received our 501(c)4 status, dated July 9, 2012.



Chairman CAMP. Thank you very much. Thank you, Ms. Gerritson.

Thank you all for your testimony. We will now move to the question-and-answer period of the hearing. And I will begin.

On May 17th, we heard from the Inspector General that the IRS had targeted certain Americans on the basis of their personal beliefs, that they were subject to extraordinary delays and inappropriate, at best, and unlawful, at worst, questions. I know, for example, Mr. Kookogey, and Ms. Kenney, you were both asked to provide a list of all the issues that are important to your organization and to indicate your position on each issue.

Ms. Martinek, you were asked about prayer meetings, including how they are considered educational as defined under 501(c)(3), and you were asked to explain in detail the activities at these prayer meetings, and the percentage of time your organization spends on prayer meetings.

I would like to ask the panel to elaborate. Are the Inspector General's report findings consistent with your experience of targeting, delay, and intimidation?

Mr. Kookogey, I will start with you.

Mr. KOOKOGY. Yes, I would say that the Inspector General's report findings are consistent. I don't think the Inspector General's report, however, is deep enough yet. I think we have more evidence among us, and not only among this panel but among other parties and organizations, that goes much deeper. I think the IG has just scratched the surface.

Chairman CAMP. All right.

Ms. Belsom.

Ms. BELSOM. I didn't actually read the Inspector General's report. So what exactly was your question?

Chairman CAMP. Well, just if those things I mentioned, were those consistent with your experience?

Ms. BELSOM. You know, I think that this certainly seemed like a gross overreach of the IRS.

Chairman CAMP. All right. Thank you.

Dr. Eastman.

Mr. EASTMAN. You know, our organization doesn't have those particular problems. But as our story has become more public, the number of communications I have received seeking legal counsel have raised a concern that a lot of Americans have expressed, is this limited to the IRS? The stories about people having OSHA and ATF and the FBI starting investigations of their organizations just have American citizens scared to death of what their government is capable of doing once they have crossed the threshold that they have crossed here.

It is not just the IRS. This is the beginning of a thread on a sweater that is just unraveling. And Americans are down right afraid of what is going on. We have to restore the credibility of government as a servant of the people rather than our master, as my colleague said. The number of stories that I am hearing that indicate those greater concerns I think is deeply troubling.

Chairman CAMP. All right.

Dr. Kenney.

Ms. KENNEY. In answer to your question, definitely, yes.

Chairman CAMP. All right.

Ms. Martinek.

Ms. MARTINEK. And yes also. They had asked us to please explain in detail the activities at our prayer meetings, also please provide the percentage of time your organization spends on prayer groups as compared with the other activities in our organization.

Ms. GERRITSON. I would agree with the IG report. But I was disturbed, on page 20, the IRS listed seven questions that they deemed inappropriate. However, many of the questions that I was asked and others were asked, like the contents of our prayers, some of the organizations that we have been involved with, they even asked questions about family members. And the questions I mentioned about running for office, they don't deem those as inappropriate. So I think we need to go back and look at those questions because most of them were inappropriate.

Chairman CAMP. And, obviously, getting a letter from a Federal agency asking for those detailed—those detailed pieces of information about prayer meetings and these issues about what your family members are doing had to be disturbing. I read some of these questions and, obviously, I came to the conclusion that the IRS felt there was a right and wrong position on those issues. There was a right and wrong activity regarding prayer meetings, for example.

What was your impression when you received those questions? And I will start with you, Ms. Gerritson.

Ms. GERRITSON. Well, like I said, when I received those questions, I did—I felt defensive, for one thing, because I felt like that wasn't any of their business. I wasn't going to identify my volunteers. I was fearful for them. If their name was going to the IRS, I know they would be scared. The questions were chilling, I was shocked that I was being asked those questions.

Chairman CAMP. All right.

Ms. Martinek.

Ms. MARTINEK. The most disturbing thing for us was having to agree that we would not protest or picket at Planned Parenthood. And since there was no similar request in the application, really we had no idea what they were even trying to control. If we went there in prayer, would that be considered picketing, protesting? It was very troubling.

Chairman CAMP. All right.

Dr. Kenney.

Ms. KENNEY. I immediately reached my target heart rate when I opened the envelope. And I had anxiety. And I felt betrayed, absolutely betrayed.

Chairman CAMP. All right.

Dr. Eastman.

Mr. EASTMAN. When our donors were disclosed, a number of them called us expressing concern about that. The effort seems to have been designed to subject our donors to abuse, to intimidation, to hold them accountable for donating in support of the cause of traditional marriage, to boycott their businesses, to target their families and, more significantly for our purposes, to chill them from donating again so we can keep up the political fight that we are in the middle of. There is an unbelievable chilling effect on what happened to us.

Chairman CAMP. Ms. Belsom.

Ms. BELSOM. I think that for our organization the questions weren't quite as intrusive as some of the other groups, but I was just overwhelmed by the sheer level of minute detail that was being requested. And to try to go back and track down this kind of stuff, it was, you know, very difficult. It was a very stressful thing, having to go through this.

And, you know, at this point, too, now that I think about it, I was looking back through—I mean, this is the paperwork, my files. And when I looked back through all this information that has been sent into the IRS—and I have heard about these 157 visits, I believe it was, between the head of the IRS and President Obama—and I am very concerned. It just makes me very nervous thinking about, was my group being discussed, was our political activities being discussed, and are we somehow targeted for this? And it is very chilling.

Chairman CAMP. All right.

Mr. Kookogey.

Mr. KOOKOGHEY. Most disturbing to Linchpins of Liberty—keep in mind that we work with students, some of them minors, 7th-graders. That the IRS would ask to know the identity of those students is unbelievably, unconscionably chilling.

Chairman CAMP. At the same hearing that I mentioned earlier on May 17th, then-Acting Commissioner Steve Miller summed up the IRS' action as "horrible customer service." Now, I know that I certainly take a different view of that, as I am sure many Members of this Committee do. And his quote was, "I will admit that. We did. We did horrible customer service. Whether it was politically motivated or not is a different question."

I would say, Dr. Eastman, if you had a bank and you disclosed confidential customer information, would you call that horrible customer service or would you call that something else?

Mr. EASTMAN. I would call it a felony, as the Federal law calls this a felony.

Chairman CAMP. All right.

Mr. EASTMAN. And I would hold the people that committed those felonies accountable. I would bring indictments. I would open up civil liability for them for the taxpayers who were affected. The damages to our donor base are incalculable. And I would prosecute those people responsible.

Chairman CAMP. All right. Thank you.

Mr. Levin is recognized.

Mr. LEVIN. Well, thank you very much.

Let me just say a few things in response to your testimony. I do think it is our obligation to get the facts and not deal in conjecture. Indeed, I think the more we deal with conjecture, the less likely we are to get the facts.

So let me just say to you, Ms. Martinek, I think we very much disagree about the work of Planned Parenthood; that is my guess. But I must say that the question about whether you were picketing or protesting before a Planned Parenthood is totally worse than inappropriate. You should not have been asked that. And as personnel of the IRS are inquired of, I would think that may be looked in to.

Mr. Eastman, let me just say to you, this issue was raised at the hearing with the Inspector General, and Mr. Miller indicated, in response to a question from you, Mr. Chairman, about the donor list, he said, "I believe we made a referral to the Inspector General."

He was later asked about that, and he said, "Those two situations, we went to TIGTA, and I think Mr. George can speak to what they found—what they found. We made the referrals, and I believe what they found was that those disclosures were inadvertent and that there had been discipline in one of those cases for somebody not following procedures. But I will—I will obviously let Mr. George speak to that." That was his testimony.

And then our Chairman asked Mr. George about that, and it would appear from his testimony that it was being investigated by the Inspector General. And that is all we know about it at this point, whether it continues to be investigated by the Inspector General is unknown.

So let me finish. I just want to emphasize, I said in my opening statement that we also need to look at the larger issue of 501(c)(4)s, of the statutory language in the regulation and how, in fact, it is now being utilized.

But I want to finish by just reading the last part of my opening statement. And we said this to each one of you and to the American public: "Please be assured that we take seriously our responsibility to ensure that Congress gets to the bottom of what happened, that those responsible are held accountable, and that safeguards are in place to ensure that this does not happen again."

We will do that. We surely on the Democratic side will do that. I trust on a bipartisan basis we will work together to do that.

Thank you.

Chairman CAMP. Thank you.

Mr. Johnson is recognized.

Mr. JOHNSON. Thank you, Mr. Chairman. Thanks for holding this important hearing. The American people want, need, and deserve to know the truth, and it is our responsibility to demand it and hold those responsible fully accountable.

I also want to thank the witnesses for sharing your stories.

Mr. Chairman, I was particularly struck by the testimony by several of the Tea Party witnesses.

As you know, Mr. Chairman, back in my district it appears the Allen Area Patriots, who advocate the fiscal responsibility, the rule of law, and limited government, have also been a target of the IRS. Back in July 2010, the group applied for 501(c)(4) status. As of today, that group has yet to receive a final response. That is absurd. It has been nearly 3 years.

In February 2012, the IRS sent the Allen Area Patriots a set of 19 questions, including onerous and irrelevant ones relating to the employment of the group's key officials.

Mr. Chairman, I would like to submit for the record the CBS DFW news story entitled, "*Two DFW Conservative Groups Targeted by the IRS.*" And let me just say what it says here. The IRS wanted a list of all their volunteers, everything they did. They wanted an accounting of every dollar donated and what it was spent on. It wanted records of every speaker the group had ever hosted and flyers they might have handed out.

May I submit that for the record?
Chairman CAMP. Without objection.
[The submission of The Honorable Sam Johnson follows:]

2 DFW Conservative Groups Targeted By IRS

May 14, 2013 12:15 AM

Reporting [Jason Allen](#)

FORT WORTH (CBSDFW.COM) - At least two North Texas conservative groups are among those that say they were singled out when requesting tax exempt status from the IRS.

The American Center for Law and Justice demanded immediate action for the groups Monday, the same day President Obama called the practice "outrageous."

According to a letter to the IRS Monday, the ACLJ said the North East Tarrant Tea Party and the Allen Area Patriots, along with eight other groups across the nation, are still waiting for approval for their tax exempt status.

The NETTP said they applied for 501 (c) (4) status in 2011 to avoid paying taxes on donations from members. The IRS gives the designation to "social welfare" groups. After the NETTP applied in 2011 however, nearly a year went by before it even got a response from the IRS.

"We were told there is an expected delay, you know they have to process the paper work," said co-founder Julie McCarty. "Then it started stretching on and on, and we knew something was wrong."

When the response came, it was in the form of a request for detailed information that could potentially fill thousands of pages. McCarty said the IRS wanted a list of all their volunteers, everything they did. It wanted an accounting of every dollar donated and what it was spent on. It wanted records of every speaker the group had ever hosted and fliers they might have handed out.

McCarty said the group wasn't sure the practice was going on outside of Texas, until it was approached by the ACLJ.

They never turned over many of the details she said the IRS requested.

"You think there's not a reason they want every name?" she said. "You're setting people up for harassment, intimidation.

Those are very specific questions. They wanted them for a reason."

The ACLJ said it represented 27 groups, of which 15 had been granted their tax exempt status. It demanded the status be granted immediately for the NETTP and the Allen Area Patriots. It also demanded that the IRS "identify and appropriately discipline all IRS employees" who were involved with the scheme. The letter from the group threatens a lawsuit if there is no action by noon Friday.

McCarty said she was shocked by the IRS apology last Friday.

"You feel justified somehow, or validated, because now what we have known for two years, everybody knows. And it feels good."



Mr. JOHNSON. Thank you.

The pattern of intimidation toward certain Americans is, quite frankly, in my view, un-American. The bottom line is the IRS has been used as a political weapon.

You know, Ms. Kenney, I understand you work with veterans returning from combat with post-traumatic stress disorder. And, as a veteran, I would like to start off by saying thank you for doing that.

Ms. Kenney, can you describe your work?

Ms. KENNEY. I work with veterans who have been deployed to Iraq and Iran—rather, Iraq mostly, the desert communities—and their families. The toll that deployment takes on the families is extraordinary.

I work with a therapy dog. I am going to cry. I see people that are untouched. No one goes up and hugs a soldier unless they are family. But I have this one guy I see, and he goes, “Where is my dog?” He picks the dog up, and the entire session he pets my dog, Little Lady.

They are on the front lines, and everyone on this panel has their back. And I hope you do, too.

Mr. JOHNSON. Yes, ma’am. Well, as you know, I was in the military, and I understand that. Thank you for doing that.

Considering the selfless work you do, did you ever think you would have to deal with pages and pages and pages of intruding questions from the IRS?

And when you come home from a day of helping our troops who protect us every minute of every day, I bet the very last thing you want to do is deal with onerous questionnaires from the IRS. Can you talk about the burden of the IRS questions and how many there were?

Ms. KENNEY. The burden of the questions on me, personally, was extraordinary. I think I could have bought stock in Kinkos because there were almost 200 pages of documentations, leaflets, and agendas. I have one here. They asked if we had candidates of pretty much only a certain party.

This is a list of candidates that I invited for one of our candidate forums, both Democrats and Republicans, back and forth. I heard nothing from any of the Democratic candidates, not even an RSVP regret. And some of the Republicans, if they couldn’t come, they sent their presentation, and so did the Libertarians.

Our group is primarily educational. We have operated as a 501(c)(4). We have done this to get word out on the Constitution, to get people to be informed about how to vote, where to go to vote. If you go on our website, you will see Democrat, Republican, and Libertarian groups in Los Angeles County listed.

Mr. JOHNSON. How much time did the IRS give you to respond to those letters?

Ms. KENNEY. Twenty days. That was after the first interrogatory. There were three questionnaires that were sent.

Mr. JOHNSON. It probably made it impossible for you to answer those questions, too.

I thank you again for being here, and thank you for the great work you do to help our veterans. I appreciate you standing up for them as they stand up for us.

Thank you, Mr. Chairman.
Chairman CAMP. Thank you.

Mr. Rangel.

Mr. RANGEL. Thank you, Mr. Chairman.

And let me thank each and every one of you for making the effort to come here to point out where our government has let us down and in helping us to understand the problems encountered by those people who were directly and adversely affected so that we can better do our job.

And I don't want to forget, Ms. Kenney—and I hope everyone that is listening—whatever you can do for the veterans, whatever anyone can do to help those people who put their lives at stake and are coming home to joblessness and homelessness, I want to commend you, as did my colleague, Congressman Johnson, for what you do and hope that it is encouragement for—everybody can do something.

Now, with the IRS, most of us know that this is an experience. A telephone call from the IRS, somehow historically, it is a very, very uncomfortable feeling. And I hope all of you would agree that the 90,000 people that work for the Internal Revenue Service are dedicated, hardworking civil servants.

But we have found a cancer someplace in Cincinnati, and we have to find out what caused this so that no Americans would be subject to the type of bias and discrimination that some of you and many others who are not here have suffered. And we have to make certain that it doesn't happen again, but, even more important, to try to find out just how many people were contaminated by the presence of those people that have done this to our country.

Dr. Eastman, I think you would agree that we have to find criminal intent. We don't know how anyone could do something like this and just think it was in the ordinary course of business. But I, as a former Federal prosecutor, and you, as a doctor and a lawyer and a former clerk to a Member of the United States Supreme Court, know that—I have been trying to get this same information that you spoke of in your testimony, and they said this is all being investigated and, you know, could lead to a grand jury inquiry. And I think that if you and I kept in touch with each other, I would be satisfied with you following whether or not our government is actually pursuing this investigation in the manner that you as an American can be proud that this branch of government intends to do the job that is expected of us.

And so I don't want these hearings to just pass and indict an Administration but, more importantly, to indict these civil servants that work every day for the taxpayers.

I want to close, Dr. Eastman, by saying that when it comes to political support, most people know I am a Democrat to the marrow of my bones, but what makes our country great is that everybody wants a better country and loves the country that we are in. And we need all of these views. Whether you came over with the Pilgrims or whether you came some other way against your will, we are here to improve the quality of life in our country and to be a beacon for democracy for the entire world.

I don't know whether our political system can afford to be using charitable organizations to get candidates elected. And I only ask

you this as a professor of constitutional law, Dr. Eastman, and because of the fact that people's identity should be confidential if it concerns their activity. But if you are a Democrat, hey, put it out there. If you are a Republican, put it out there. If you are making contributions, do it and be proud of it.

But it just sounds, Dr. Eastman, like an undercover thing, to take an organization that is supposed to be primarily for the public good and be giving political campaign funds to it. What is your view, Dr. Eastman, of that?

Chairman CAMP. And, Dr. Eastman, you will have to respond briefly because time has expired.

Mr. RANGEL. Yes.

Mr. EASTMAN. If you wanted to get rid of all of the tax-exempt status and create a level playing field that way, that would be fine. But what is intolerable is to have one set of rules for one side of the political fight and another set of rules for the other.

Mr. RANGEL. No, I agree with you on that.

Mr. EASTMAN. And, quite frankly, Representative Rangel, what is happening to the National Organization for Marriage donors, the level of intimidation that is going on against them is starting to rival what went on—the Supreme Court shut down in NAACP v. Alabama.

There is a reason some people want to have their activities confidential, and that is so they don't get harassed and intimidated out of participating in the political process. And when it rises to the level of NAACP v. Alabama, I think it is important that we help protect that confidentiality that the law provides so that people are not chilled away from exercising their constitutional rights.

Mr. RANGEL. I agree—

Chairman CAMP. Thank you.

Mr. RANGEL [continuing]. Republicans and Democrats—

Chairman CAMP. Time has expired, Mr. Rangel.

Mr. Brady is recognized.

Mr. BRADY. Our first hearing revealed a number of significant abuses, or potential abuses, of power by the IRS, including targeting donors and organizations based on their political belief, leaking private taxpayer information to the media, to outside groups, perhaps to campaigns, concealing that program for almost 2 years, and then misleading Congress. Any thorough, deliberate investigation ought to begin by listening to the victims of those abuses of power, so thank you all for being here today.

Ms. Martinek, a small-business owner in the Midwest, Ms. Gerritson, a housewife and concerned citizen of Alabama, you two are plenty tough, but how frightening is a government so powerful that it can target you, an average American citizen, for simply expressing your constitutional views and wanting to be engaged in this Republic? How frightening is that power?

Ms. MARTINEK. Well, for me, it was very frightening. I didn't think we had a hope to even try to stand up to it. Personally, I thought we would just have to sign the letter and get our 501(c)(3). If we didn't have the 501(c)(3), you know, some of our donors maybe wouldn't contribute to us. So it was power the IRS had over us and over the success of our group by not granting this.

Fortunately, some of our board members were strong about it, and they would not give up their First Amendment rights. And even though we are not about protesting—that is not what we are even about. We are about education. We are about praying for an end to abortion. Some of our members, when they are praying at Planned Parenthood, do like to take a side. But that is a very small percentage in our organization. Still, we didn't want to give up the right that we had to be able to do that.

Fortunately, we had some attorneys that helped us. But if we didn't have the attorneys, I don't know what would have happened.

Mr. BRADY. Yeah. Thank you.

Ms. Gerritson.

Ms. GERRITSON. Well, I don't know, it is very hard to put into words how scary it is when a huge government and a government agency can come after an individual or a small organization.

I think what is the most alarming and what is the most scary is that when you allow the government to go so far and you don't stop them, they go farther. It is just, pretty soon we are in tyranny. And it is hard to put into words, but it looks like that is—you know, but using these agencies as a weapon against citizens feels scary, and it feels like tyranny.

Mr. BRADY. Yeah. That is exactly what these hearings are about.

Mr. Eastman, the White House continues to claim that all this was done by a couple of rogue employees in Cincinnati. Do you believe the leaking of your personal taxpayer information was done or contained by a few rogue employees in Cincinnati?

Mr. EASTMAN. No, I don't, Representative Brady.

And let me respond to Representative Levin's comment about this as being inadvertent. It wasn't inadvertent that somebody redacted the identifying information that this came from the IRS.

Mr. BRADY. It was deliberate.

Mr. EASTMAN. It wasn't inadvertent that it was given to our political opponents. This wasn't somebody dropped a piece of our tax return out on the sidewalk inadvertently. They deliberately provided our donor list to the very political opponents of ours who had been seeking that information for a long time. If that is inadvertent, the word no longer means anything.

Mr. BRADY. Got it.

Ms. Belsom, concerned citizen of South Carolina; Mr. Kookogey, in addition to being an attorney, you teach civics classes. Did either of you believe that this could happen in America? Did you ever imagine that the government could target you like this?

Ms. BELSOM. That wasn't something I was thinking about. You know, I thought we lived in a free republic. But, honestly, I feel that our country has turned a corner into tyranny, and I honestly have lost sleep over just being in fear of what our government might do next.

Mr. KOOKOGHEY. In my situation, actually, we teach about this very thing. The irony is that it is happening right under our noses. So it is a good lesson for my students, albeit a frightening one.

Mr. BRADY. It is probably one you didn't include in your lesson plan originally, being targeted by the IRS for your political beliefs.

Mr. KOOKOGHEY. We did not.

Mr. BRADY. We have a lot to do in this investigation. It is going to be thorough, it is going to be deliberate. It is very important we hear from you, so thank you all for being here today.

Mr. Chairman.

Chairman CAMP. Thank you.

Mr. McDermott.

Mr. MCDERMOTT. Thank you, Mr. Chairman.

Freedom of speech is no doubt one of our most important fundamental rights. It is unacceptable in every way for a government agency to unfairly scrutinize any organization because of their political affiliations. The IRS has unequivocally made a mistake here. I am sorry your organizations were singled out like this. And while I think it is a case of foolish account management and dangerously chosen shortcuts, I will not hesitate to say the IRS was wrong.

But as I listen to this discussion, I would like to remind everyone what we are talking about here. None of your organizations were kept from organizing or silenced. We are talking about whether or not the American taxpayers will subsidize your work. We are talking about a tax break. If you didn't come in and ask for this tax break, you would have never had a question asked of you. You could go out there and say anything you want in the world.

And I get the feeling that many of you and my Republican colleagues just don't believe—believe you should be free from political targeting, but that you should be free from any scrutiny at all. The purpose of a (c)(3) or (c)(4) tax exemption is to enable easier promotion of public good, not political work.

It is the responsibility of the IRS to determine which groups are choosing the correct exempt status and which are trying to manipulate the system to avoid taxes and hide political organizations and campaign donors. Without oversight, a status meant for charities becomes a machine for political money laundering.

If you think that is farfetched, you ought to speak to Speaker Gingrich. Speaker Gingrich in 1997 was fined \$300,000 by the Ethics Committee of the House of Representatives for funneling money from the ALF, the Abraham Lincoln Opportunity Fund, into GOPAC, of which he was Chairman, to promote the takeover of the House and arouse Republican activists. Now, that is what happens when you don't ask questions.

Each of your groups is highly political. From opposing the President's healthcare reform, to abortion restrictions, to gay marriage, you are all entrenched in some of the most controversial political issues in the country. And with your applications, you are asking the American public to pay for that work.

Many of you host and endorse candidates. The line between permitted political activities and nonpermitted political activity can be very fine. And it is important that the taxpayers—the taxpayers—know which side you fall on. If there were an organization promoting taxpayer funding for abortions, wouldn't you want to know what they were using that political money for or what candidates they were backing? What about a group that wanted to promote voting without ID? Or what if in the midst of—a few years ago, there was an increase of communist candidates in this country and new communist clubs wanted to be tax-exempt. Wouldn't you want

to be sure that the self-declared tax-free classification of those groups was correct?

The mistake here was that the staff organizing the organizations used the names of the organizations rather than the work they do and asked improper questions to figure that out. It is clearly wrong. It was inept, stupid, and a whole lot of other things.

But let's not get lost. During the Bush Administration, liberals were targeted without any concern by Mr. Issa or anyone else on this Committee. Republicans are looking for a conspiracy where there isn't one.

Mr. Issa says he can feel it in his gut that someone has broken the law. Well, you just ask yourself which is more likely, that mid-level employees overwhelmed by four times as many applications as before made stupid, irresponsible shortcuts or that there is an Administration-wide plot to take down community organizers?

Let's not forget, this happened under an IRS Commissioner appointed by George Bush and was investigated by a Republican Inspector General.

What happened to you was unfair. It was unfair and incredibly inconvenient. But it was a mistake. Our job is to make sure it never happens again. I haven't heard a single word here about what questions you think we ought to be able to ask you about your tax-exempt requests.

Anything else, like the circus that is happening in the Oversight Committee or here, is simply political theater. It is diverting attention from what we ought to be doing on this Committee, which is rewriting the law if it is wrong.

Chairman CAMP. All right. Thank you. Time has expired.

Mr. Ryan is recognized.

Mr. RYAN. I am going to deviate from my original question in response to what I just heard.

Mr. MCDERMOTT. Mr. Chairman—

Mr. RYAN. Welcome to Washington.

Chairman CAMP. The Committee will be in order.

Mr. Ryan has the time.

Mr. RYAN. We heard "Gingrich." We heard "Bush." We had the former IRS Commissioner Shulman, who knew about the political targeting long before Congress was told. It seems implied that the organizations were responsible for the targeting because they chose to apply for tax-exempt status. So you are to blame I guess is the message here.

Do you think that you were targeted based upon your political beliefs, your religious beliefs, or just because you chose to apply?

Ms. GERRITSON. We were targeted based on our beliefs, our views.

Mr. RYAN. We had the Acting Commissioner Miller here a couple of weeks ago, and we asked him, were groups with the word "organizing" or "progressive" in their name, were they targeted? The answer was no.

We do know for a—this is one of the facts we now know: People were singled out because of their beliefs.

Going back to my original line here. Mr. Kookogey, you are at 29 months.

Mr. KOOKOGEY. Twenty-nine months and counting.

Mr. RYAN. And counting. You haven't been approved yet.

Mr. KOOKOGEY. I have not been approved.

Mr. RYAN. You have been asked, one of your inquiries, there were 90 questions asking you to provide a list of your members and donors, the political affiliation of your mentors, and your political position on virtually every issue important to you.

Mr. KOOKOGEY. Yes, sir.

Mr. RYAN. You are teaching Montesquieu, Cicero, Augustine, de Tocqueville, Washington. And it is 29 months and waiting, right?

Mr. KOOKOGEY. Yes, sir.

Mr. RYAN. Okay.

Mr. Eastman, I want to get this one nailed down—Dr. Eastman, excuse me. You have proof that the IRS, an individual or a group of individuals at the IRS committed a felony, you have proof of this, and nothing has occurred to seek or find justice. Is that correct?

Mr. EASTMAN. That is correct. Federal law requires that we be notified if there is an indictment brought. We have not been. Federal law allows us to request information about the status of the investigation, whether it has been productive or unproductive, and any action taken. We were refused any answer to that request, as well. We have identified that this document came from within the IRS.

Mr. RYAN. So your donors are confidential; that is protected by law. You have proof that the IRS leaked your confidential donor information to a group that opposes your point of view, and your donors were harassed as a result of that. Is that correct?

Mr. EASTMAN. Yes.

Mr. RYAN. All right.

Ms. Martinek, right next-door in Iowa—I work with groups very similar to what you do in Iowa. The IRS told you that if your board signed a letter saying that they would no longer picket or protest on behalf of the pro-life movement at Planned Parenthood, that then they could receive their tax-exempt status. Is that correct?

Ms. MARTINEK. That is correct.

Mr. RYAN. So surrender your First Amendment rights, and then we might approve your application.

Ms. MARTINEK. That is correct. She said it was ready to go through, everything was in order, and as soon as they received that letter, the application would go through.

Mr. RYAN. We have not heard any testimony that this is happening to groups that have the opposite views. So to suggest that these citizens are to blame for applying, I don't understand how one can make that conclusion.

I yield.

Chairman CAMP. Thank you.

Mr. Lewis is recognized.

Mr. LEWIS. Thank you, Mr. Chairman.

I thank each of you for being here. I notice the makeup of the panel is half and half from the South and other parts of the country. I grew up in Alabama, went to school in Tennessee, I now live in Georgia, but I am happy to see people from other parts of the country.

No organization or individual, whether progressive or conservative, deserves the type of treatment that you received or experienced. The targeting of groups applying for tax-exempt status based solely on political views is completely unacceptable. It is a disservice to the American people.

But let me be clear: It is also a disservice to apply a partisan lens to an issue that concerns all Americans. Since the days of the Bush Administration, groups with very political leanings have been scrutinized. Every single person in this room knows this.

We must be honest with ourselves and with each other. This has nothing to do with red versus blue. In fact, for the past 10 years, all of the IRS Commissioners have been Republican appointees, appointed by President George Bush.

Between 2004 and 2006, many liberal groups, including the NAACP, a progressive church, and an environmental group, were targeted by the Bush Administration. Where was the outrage then? Where was the sense of righteous indignation?

As Members of this Committee, we must exercise our oversight role with the honesty and fairness that the American people expect and deserve.

As we sit here today, let us also remember that the IRS has many good, hardworking employees who do a great job enforcing the Tax Code. We must not let the actions of a misguided few poison the reputation of the entire agency. If anything, we must come together to find a bipartisan solution to a bipartisan problem.

Again, I want to thank each of you for taking the time, coming here, especially coming from Wetumpka, Alabama, not too far from Montgomery and from Troy, where I grew up—it is a great distance. And, again, thank you for being here.

And thank you, Mr. Chairman. And I yield back my time.

Chairman CAMP. Thank you.

Mr. Nunes is recognized.

Mr. NUNES. Thank you, Mr. Chairman.

Mr. Kookogey, among the IRS agents who demanded answers to many intrusive questions, you received a letter with those demands from Ms. Lois Lerner in Washington, D.C.; is that correct?

Mr. KOOKOGHEY. Yes, sir.

Mr. NUNES. Ms. Gerritson, you also received a letter from Ms. Lerner?

Ms. GERRITSON. Yes, sir.

Mr. NUNES. And, Ms. Kenney, you received a letter from Lois Lerner, no?

Ms. KENNEY. It is in the materials I gave to the Committee, yes.

Mr. NUNES. Okay.

Did anyone else receive letters from Lois Lerner? Okay.

So, Mr. Chairman, we have three witnesses here who received letters from Lois Lerner. Last week, or 2 weeks ago, Mr. Miller suggested that this was just confined to Cincinnati. Obviously, we have conflicting statements there between what Mr. Miller said and what actually happened, and I think we need to get to the bottom of that.

Mr. Eastman, can you name the Treasury Inspector General for Tax Administration officials whom you discussed your case with?

Mr. EASTMAN. Not off the top of my head, but I can provide that to the Committee after the hearing.

Mr. NUNES. Okay. If you can provide those after the hearing, I would appreciate it.

Do you know if the leak of your tax information that included your organization's donors, did it come from Washington, D.C., or Cincinnati, or do you know?

Mr. EASTMAN. I don't have any reason to believe that it came from Cincinnati. Our filing office is out in Utah, and the Washington office is who we have been dealing with.

Mr. NUNES. Okay.

Mr. Chairman, I think we should try to figure out where—perhaps the Inspector General has that information, which would speed up this process on this investigation of where this information was leaked from. Because, obviously, that would dispel the Cincinnati narrative that is out there.

Ms. Martinek, the IRS agent who handled your case was Ms. Richards?

Ms. MARTINEK. That is correct.

Mr. NUNES. Does Ms. Richards have a first name?

Ms. MARTINEK. She never gave her first name.

Mr. NUNES. Okay. Did you correspond with any other IRS agents about your case?

Ms. MARTINEK. I did not, but our attorney, Sally Wagenmaker, did.

Mr. NUNES. Okay. Could you provide the names of who she corresponded with to this Committee?

Ms. MARTINEK. Yes.

Mr. NUNES. Did Ms. Richards ever indicate she was discussing your case or seeking guidance from anyone else at the IRS?

Ms. MARTINEK. Yes, she did, a couple of times. She put me on hold, and then said, I must check with my supervisors.

Mr. NUNES. So you don't know the name.

Ms. MARTINEK. She never gave me a name.

Mr. NUNES. Were they in Cincinnati or somewhere else?

Ms. MARTINEK. I don't know that.

Mr. NUNES. You don't know. Okay.

Ms. Belsom, you were contacted by Mr. Joseph Herr?

Ms. BELSOM. Yes.

Mr. NUNES. And did you correspond with any other agents about your case?

Ms. BELSOM. No.

Mr. NUNES. Just Mr. Herr?

Ms. BELSOM. Yes.

Mr. NUNES. Did Mr. Herr ever indicate that he was talking to someone else within the agency?

Ms. BELSOM. I didn't speak to him on the phone, we just had the initial letter. Then I contacted the ACLJ, and they dealt with him.

Mr. NUNES. Okay. So you don't know if it came from Washington or Cincinnati.

Ms. BELSOM. Well, he is in the—the address he gave on the letter he sent that he signed, it said Cincinnati.

Mr. NUNES. Cincinnati. Okay.

Mr. Chairman, in light of today's testimony, I think that we should bring these—at least Mr. Herr, Mr. Steele, Ms. Faye Ng, and Ms. Richards, who doesn't have a first name, we should try to figure out who these people are and, I think, bring them before the Committee or at least conduct interviews with these folks.

I also remain concerned about Ms. Lerner, who pled the Fifth but has said she didn't do anything wrong. We should probably try to get her before this Committee, and also her colleague, Mr. Joseph Grant, who was promoted just weeks before and then resigned immediately. I think they could maybe shed some light on who violated the constitutional rights of these witnesses and many rights of many Americans.

And I will yield back.

Chairman CAMP. All right. Thank you.

Mr. Neal is recognized.

Mr. NEAL. Thank you, Mr. Chairman. And thanks for calling today's hearing.

What we have heard today and what we have heard in previous hearings is certainly very troubling. The IRS touches every American, and it is critical that Americans should trust the IRS and not be intimidated or be afraid of the IRS. These reports, including today's testimony, of targeting by the IRS of organizations based on their political views, religion, or opposition to the Administration's policies is certainly unacceptable.

I am also troubled by the mismanagement of the IRS in handling tax-exemption applications and the lack of oversight of the screening process. Acting Commissioner Miller last week, based on questioning that I had offered, highlighted a case of one of my constituents who followed the advice of the IRS, only to be penalized a few years later. Americans certainly should be able to rely on the advice of the IRS without punishment.

The inconsistencies in information and failure by the IRS to provide Congress with information in its oversight role certainly is unacceptable, as well. It is unbelievable to me that Lois Lerner testified before this Committee just a few days before her apology at the ABA conference without informing the Committee as to what she was going to say at the ABA conference. That demonstrated a lack of regard for our role.

So I appreciate very much, Mr. Chairman, your hearing and calling it today. We need to get to the bottom of these problems and work together to identify solutions on what I hope will be a bipartisan basis.

But we can't forget something here that is even more egregious than some of the actions of the IRS, and that is the underlying problem: 501(c)(4)s are engaged in political activity.

After Citizens United, the IRS was flooded with applications from groups seeking 501(c)(4) status. Why was that? In large part, it is because the super PACs must disclose their donors, which 501(c)(4)s do not.

That is not meant as a political statement. Both conservative and liberal groups have taken advantage of the lack of transparency of 501(c)(4) status, and it is equally troubling in both cases. In reference to Mr. Ryan's statement earlier, there were Democratic

groups that were targeted. Previous testimony indicated that. And that should be noted, as well.

So I hope, Mr. Chairman, that you are going to include a thorough review of 501(c)(4) status as we seek to address the issue.

Now, Ms. Kenney, just a question. I appreciate very much your work with veterans, including the fact that there are 1,700,000 new veterans. That number is probably going to reach 2 million, as you know.

Now, you did, in your opening testimony, indicate that you have an invitation that you extend to a wide range of groups and candidates. But you also indicated that Democrats did not attend based upon the invitation that you have extended. Why do you think that would be?

Ms. KENNEY. I have no idea.

Mr. NEAL. Okay.

That is the end of my questioning, Mr. Chairman. Thank you.

Chairman CAMP. Thank you.

Mr. Tiberi is recognized.

Mr. TIBERI. Thank you, Mr. Chairman, for providing this hearing today and the outstanding witnesses. The testimony has been breathtaking.

And I would like to remind all the Members of the Committee that this is far beyond 501(c)(4) status. Mr. Chairman, you may recall the gentleman that I introduced who was in the audience at the last hearing, Justin Binik-Thomas, question number 26. And I would like to work with you to submit some information on that particular case. Congresswoman Schmidt was his representative, and she submitted—suburban Cincinnati—to the IRS questions regarding why Mr. Thomas was question number 26 on a 501(c)(3) application for a suburban Cincinnati organization. To this day, they have not received their status, and to this day, this American doesn't know why he was question number 26. And so I would like to work with you, Mr. Chairman, on trying to get answers to both of those questions.

I was shocked to find out on Friday, with a question from a lawyer in my district, about another matter dealing with the IRS. This lawyer represents an organization that is a taxable nonprofit, a taxable nonprofit. They filed their first tax return with the IRS in February of this year, Mr. Chairman. The organization's name was We the People Convention, Inc. in Ohio.

They received a letter from the IRS on April 30th, and it says, "Dear taxpayer. On February 21st, we received your Form 1120 for the tax period shown above. We are sorry we cannot process your return as filed. Our records indicate the above-named account, We the People, is a political corporation. And, thus, as a political corporation, you are required to file Form 1120-POL and file for tax-exempt status."

The IRS had no information other than the name "We the People" for an organization that wanted to pay taxes, and their return was rejected in April of this year, Mr. Chairman.

The lawyer wrote back to the IRS—by the way, not the Tax-Exempt Division, another division within the IRS, Input Corrections Operation within the IRS. And the letter from the lawyer says, "This organization was formed as a nonprofit corporation in

Ohio in February of 2011. The stated purpose of the entity is a coming together of Ohio citizens for the purpose of sharing knowledge, experience, information, and ideas about the governance of our State, as well as for any lawful purposes. The activities of the organization are focused upon planning and holding an annual meeting to discuss civic and social welfare. The organization is not involved in any activities designed to directly or indirectly influence the outcome of any election. Thus, the organization does not meet the statutory test as an entity that can claim tax-exempt status under IRC Section 527 and has not attempted to claim such status.”

Mr. Chairman, we are only scratching the surface of where this goes. Not a tax-exempt organization, this organization is a taxable nonprofit. So for the Members of this Committee who think that this is about just tax-exempt status—which, by the way, is legal—this shows that we are only scratching the surface, Mr. Chairman.

I appreciate your leadership on this. The testimony is fabulous. My mom and dad came to America, crossed the Atlantic. And I have to tell you, ladies and gentlemen, this is shocking to me.

I yield back.

Chairman CAMP. All right.

Mr. Doggett.

Mr. DOGGETT. Thank you, Mr. Chairman.

Thank you for your testimony today.

The last hearing that we had on this subject featured as the lead witness the Inspector General of the Internal Revenue Service, a career Republican who had worked for two Republican Senators, who was appointed by President George W. Bush, and who had broad investigative powers.

He identified wrongdoing at the IRS. I agree with his findings, agree that whether it is one of these organizations, any of the 298 applications that Mr. Levin identified from his report that were set aside, 96 of them appearing to be of perhaps a political orientation like the groups that are here today and perhaps one like Progress Texas in my hometown, which received a similar letter and has very dissimilar political beliefs from those expressed here today, whatever the political beliefs, the Inspector General is right: Folks should never have to worry about whether the tax collector is looking at their political beliefs or activities in making a decision.

The Inspector General had more to say, however, after the very strong opening statement of our Chairman about what the report signified. I asked him specifically if he had found any evidence of the corruption at the IRS, as charged. He said, no, he had not. I asked, since there was a charge opening our hearing, whether our tax system is rotten at the core. He indicated, no, definitely not. I asked him whether there was any evidence to support from his thorough investigation the charge of the Chairman that the IRS picks who wins and who loses in America. He responded, I don't believe that is the case. I agree with him on those findings, as well.

Indeed, there is a question and a serious problem at the IRS with regard to the basic issue of which groups in our country the taxpayers should subsidize. We do not subsidize the Democratic or the Republican or the Libertarian Party, and we should not. And we

should not subsidize groups that act in a similar way to promote political activity.

This Congress was very clear on that point, clear on it in 1913 and in repeated recodifications of what is now 501(c)(4). It said that they must be operated exclusively for the promotion of social welfare. Only at a later time, through a regulation, through a rule that seems to have conflict directly with the clear wording of the statute, did the IRS act to give itself discretion to explore organizations just like those before us today.

I think the IRS was wrong here. It did so during the Administration of President Dwight Eisenhower in 1959, and in more recent years, particularly after the decision in *Citizens United*, suggested that we would have tens of millions, indeed hundreds of millions, of tax-subsidized money poured in, with secret, undisclosed contributors, into the election process to pollute our democracy.

An organization before the last election, Citizens for Responsibility and Ethics in Washington, petitioned the IRS to act about this and to go back to the original clear, unequivocal wording of the statute that had existed since 1913. The IRS did not respond, except with a “we’ll think about it”-type letter. The Citizens for Responsibility and Ethics in Washington has petitioned again this year for the Treasury Department to act on this matter. I have asked them, as have other Members of this Congress, to do the same.

I don’t believe that the Internal Revenue Service, the Treasury Department should be providing tax subsidies to organizations that are not engaged exclusively in social welfare, whether their name is Progress Texas or the 9–12 Patriots or any other self-styled name they may want to apply to themselves.

This is the second hearing on this subject in a very short period of time. We have now had some 37 votes on whether to repeal the Affordable Care Act. I am sure this is not the last hearing on this topic, and the two are closely related.

The Internal Revenue Service has an important function to play in carrying out the provisions of the Affordable Care Act. It is to assess those working- and middle-class families who are entitled to receive some premium assistance in acquiring insurance. And the IRS needs to carry out that job effectively and fully. The two are directly related: The goal of insuring that the IRS cannot fulfill its responsibilities.

I yield back.

Chairman CAMP. Thank you.

I will just note for the record that the Inspector General report was an audit and that the Inspector General indicated that he would be completing a full investigation of this matter in the future.

So I will recognize Mr. Reichert for 5 minutes.

Mr. REICHERT. Thank you, Mr. Chairman.

You know, the Supreme Court has already decided this issue. And some of our friends may disagree with the Supreme Court’s decision, just like some of us on this side of the aisle might disagree with the Supreme Court’s decision on forcing Americans to buy health insurance, but it is the law of the land.

So let's kind of step back and see where we are. Last week, or 2 weeks ago, we had a hearing where Mr. George and Mr. Miller appeared. Mr. Miller accepted the IG's report; he said he accepted it fully. But on the other hand, he said, I don't agree with the use of the word "targeted" in the report, even though it was used 16 times.

Mr. Miller would not even agree that certain organizations and/or individuals were treated differently in this process. He did, however, say, as the Chairman said, "We provided poor customer service." "Poor customer service."

So I didn't have a lot of time to ask Mr. Miller additional questions, but—so I am trying to figure this out. Was Mr. Miller asked to resign by the President of the United States because he provided poor customer service? Well, if Mr. Miller provided poor customer service and was asked to resign by the President, who else provided poor customer service that should be asked to resign under Mr. Miller, under Ms. Lerner, under the other names that were brought up, would be my question.

Rather, we know that it was more than poor customer service, because Mr. Miller goes on to say, well, while it was just poor customer service, I want to apologize. And then he came up with excuses. Then he said that, you know, there was really no intent here to treat anybody differently or wrongly, there was no—this was an effort by good employees to be efficient. To be efficient? By asking you hundreds of questions about your personal lives, that is efficiency? I don't think so.

And the word "inadvertent" was used, as we talked about Dr. Eastman's release of information, tax information. That is not inadvertent.

There is more investigation to do. I have said many times in this forum—most people know that I am a retired police officer, 33 years as a cop. There are a lot of questions to ask here.

When I asked Mr. Miller who he spoke to about this to try to find out who came up with the criteria that all of you had to respond to, he didn't remember at first but finally gave me the title of a person that he spoke to. And I finally said, what is the name of the person? He said it was Nancy Marks.

Did any of you speak with Nancy Marks or receive any communication at all from Nancy Marks?

Mr. Chairman, I would suggest, along with Mr. Nunes, that we think about having Nancy Marks appear in front of this panel to find out what she knew, because Mr. Miller couldn't remember at all what that conversation was about.

There are other names that have been brought up here today, and I would just ask if there are any other names from any of the panelists that are appearing before this Committee today? Do you have any other names of people that you contacted, that you have spoken with, that you have received emails from? Could you provide those?

And I will just start with—say your name one more time for me. Mr. KOOKOGY. Mr. Kookogey.

Mr. REICHERT. Mr. Kookogey. Could you please provide me with any names that you could think of of people that you have had communication with?

Mr. KOOKOGHEY. Yes. The first agent on my case was Sheila May Robinson. Then my case was switched to the desk of Mr. Ron Bell, and he was the one who advised me that he was waiting on guidance from his superiors as to my organization and other similar organizations.

It was then passed to Mr. Mitch Steele. And then the most recent letter, which came as recently as May 6th, was from a woman whose name I can't pronounce.

Mr. REICHERT. Well, we can get it from you later.

Mr. KOOKOGHEY. Thank you.

Mr. REICHERT. Ms. Belsom.

Ms. BELSOM. Joseph Herr was the only one, H-e-r-r.

Mr. REICHERT. Dr. Eastman.

Mr. EASTMAN. Yeah, we had a couple of investigators from the Inspector General's Office that we have been dealing with, and I will provide those names to the Committee.

Mr. REICHERT. Ms. Kenney.

Ms. KENNEY. Mitch Steele.

Mr. REICHERT. And other names possibly?

Ms. KENNEY. Holly Paz comes to mind.

Mr. REICHERT. Okay.

Ms. Martinek.

Ms. MARTINEK. I will provide that.

Ms. GERRITSON. Robert Choi. I have an ID number for one of the workers; I don't have his name.

Mr. REICHERT. Please.

Ms. GERRITSON. Ronald Bell, Stephen Seok, Lois Lerner, and Holly Paz. And on the last page of my testimony is my timeline, and all these names are in there, as well as that ID number.

Mr. REICHERT. All right. Thank you.

I yield back.

Chairman CAMP. Thank you.

Mr. Thompson is recognized.

Mr. THOMPSON. Thank you, Mr. Chairman.

And I want to thank all the witnesses for taking your time to be here. It is important that we figure all of this out.

Ms. Kenney, I want to particularly thank you for your work with veterans. Being one myself, I appreciate that very, very much.

And I also wanted to state for the record what I said the last time we had a hearing on this: I believe that it is outrageous, it is inappropriate, it is wrong, and we must do everything that we can do to fix it to make sure that it never happens again.

Ms. Belsom, you—and I probably won't get it exactly correct, but you said something along the lines of, this needs to be investigated, those responsible need to be held accountable for any targeting of conservative groups. I agree. But I also believe that any targeting of any group, anybody that does that needs to be held accountable. It is important—

Ms. BELSOM. You are absolutely right.

Mr. THOMPSON. It is important that we hear about these abuses. However, we all know that it is bad, it is wrong, and we all know that it must never happen again. We know we need to fix it.

So, Mr. Chairman, it is time that we stipulate that this is wrong, that it is abusive, that it needs to—it never should have happened. And we need to know what we need to do to get it fixed. We need to make sure that it never happens to conservative groups, we need to make sure that it never happens to liberal groups, we need to make sure that it never happens to any group.

The IG's report said that the Cincinnati staff of the IRS had questions about the law and how it was to be applied and that they weren't given adequate guidance nor supervision, even after they asked for it. That is bad management—at its best, it is bad management. And I think that the subsequent stories we have heard about these staff retreats that the IRS has been taking, I think, bolsters that fact, that there is a huge problem with bad management in that organization.

But the truth is we share a little bit of that responsibility. We have oversight over that operation. And we need to be bearing down to figure out how it is, how in the world can you even do that stuff without somebody knowing about it, without somebody recognizing it for what it is? The idea that you just take your staff and you go off someplace and make not even a B-rated film to try to build some sort of better staff arrangements? Not one of us could do that in our office. This Committee couldn't do that. Why is it that a bureaucracy can do that?

We have a responsibility in this Committee, and I think we ought to get to doing our work to make sure that we fix this problem. We don't need to hear any more witnesses. We know it was bad. It is terrible what you and everybody else had to go through. It is terrible when any government entity doesn't do their job and puts taxpayers through the ringer. Let's get it fixed, Mr. Chairman.

I yield back the balance of my time.

Chairman CAMP. All right. Thank you.

I will now go two-to-one. Dr. Boustany.

Mr. BOUSTANY. Thank you, Mr. Chairman.

And I want to thank all of you for being here today and providing your testimony.

Mr. Eastman, how did you find out that your donor list had been leaked to the IRS?

Mr. EASTMAN. It appeared on a website of the Human Rights Campaign, which is our principal political opponent.

Mr. BOUSTANY. So somebody in your organization happened to be looking at that?

Mr. EASTMAN. Somebody called it to our attention. We saw that. We saw that there were redactions. This was March 30th of 2012. Within a few days, our computer forensic people had been able to unlayer the redactions, and we saw that it came from within the IRS itself.

Mr. BOUSTANY. Thank you.

I have on the screen there some documents side-by-side. These documents were taken, I believe, from the *Huffington Post*, and one of them has a redaction. Could you explain what is going on there?

Mr. EASTMAN. Sure. These are the Schedule B forms attached to our 990 tax returns. Like all nonprofits, we have to make public our 990 forms, but the Schedule B, which is the list of our donors, is as confidential as our private tax returns.

The document on the left with the redaction across the center is the document that appeared on the website of the Human Rights Campaign. The document on the right is that same PDF file but with the redaction layer removed. And you see across the center diagonally the internal IRS document number that is affixed by the IRS computer. At the top of the page you see the language, you know, this is a live tax return from the internal IRS system, "For Official Use Only."

Mr. BOUSTANY. So this was the first time that you became aware of this, in the *Huffington Post*. And it was taken from an adversarial group's website.

Mr. EASTMAN. Yes. The Human Rights Campaign, which is our chief adversary, posted it on their website. The *Huffington Post* and a number of other media outlets then linked to that illegally disclosed tax return.

Mr. BOUSTANY. So, at that point in time, you then went on to try to determine what course of action the IRS or Department of Treasury was going to take; is that correct?

Mr. EASTMAN. That is correct. We filed specific requests for investigation with the Treasury Inspector General for Tax Administration. And because there are felony violations at issue here, we filed a request for investigation with the Department of Justice Criminal Division, as well.

Mr. BOUSTANY. And you were stonewalled—

Mr. EASTMAN. Well, the investigation—I have the full list of the TIGTA agents that were involved. They wanted to close off the possibility that this had just been leaked by somebody internal to our own organization. I think the evidence, the document speaks for itself that it came from the IRS. But I suppose it is possible that somebody might have asked for a copy of our own tax return back and then went to the trouble of leaking it. So they wanted to close that door off.

But once that door closed, that was the last we had heard of the investigation. And, as I said, that was the summer of 2012, almost a year ago.

Mr. BOUSTANY. But that document with the number on there, the IRS number on there, indicates that this came from the IRS?

Mr. EASTMAN. The IRS' own internal manual specifically says that that is put on every tax return automatically for any return that gets electronically filed with the IRS. And it is not a document that we have in our records, because we of course filed the clean version. And once it is filed, that is the document that gets "For Official Use Only" placed on it.

Mr. BOUSTANY. And you have not been notified, despite a FOIA request and other means of action, you have not been notified as to what recourse or actions are being taken as of this date?

Mr. EASTMAN. No. In fact, Federal law requires that we be notified if anybody is charged with the illegal disclosure of our returns. We have received no such notification.

Our specific requests tied directly to what is authorized to be disclosed to a taxpayer whose returns were illegally disclosed: The status of the investigation, the results of it, whether the investigation remains open or closed, whether our complaints were substantiated or not substantiated. This is the language from the regula-

tion itself. We asked for that specific information, and we were told we could not have it because any result of their investigation was itself protected taxpayer information.

Mr. BOUSTANY. Thank you.

I have to say, you know, that Ranking Member Levin mentioned avoiding speculation, I think, in his opening statement. And I could say, and it is pretty evident here, that we have seen egregious abuse, intimidation, certainly mismanagement, and this cannot be tolerated. It cannot be tolerated in our system of government. We have to get to the bottom of this. We have to get to the facts of what happened. And those responsible will be held accountable under the full—fully under the law.

And the other thing that we have to do is we have to restore the checks and balances, which provides the opportunity for Congress to do legitimate oversight.

And I have to tell you, Mr. Eastman, this is egregious, and we are going to get to the bottom of it. And the IRS can no longer withhold this information. We will get it.

Thank you.

Chairman CAMP. Thank you.

Mr. Roskam is recognized.

Mr. ROSKAM. Thank you, Mr. Chairman.

You know, the question before us today is, who decides who gets to participate in the public square? Is it bureaucrats, or is it the American people?

I am heartened today. And I know that there is sort of an ominous feeling about what is going on, but I am actually heartened by the example of you six who have come forward, because you know what you did? You kept faith in America. You kept faith. And no matter how big the swells were, no matter how big the storm cloud was, no matter how overwhelming the feeling was, you were faithful. And God bless you for being faithful.

And we are here in a country where some of us, we are trying to reach out now, and we are all in this together, and we are trying to say, look, this is a great country that we have, and it is worth celebrating, it is worth defending, it is worth articulating these founding values. And I am so deeply appreciative of your willingness to keep faith when it was overwhelming.

But, look, history is filled with this story. And it always works out well when those who are entrusted with responsibility—that is us—listen to the complaints of the public, sort out fact from fiction, and then do our work. And I am telling you what? Based on your faithfulness, I think this comes to a very good end.

Now, let me tell you a story. An unrelated Federal agency, the Federal Election Commission, intervened unfairly in a 1996 election for the United States Senate in the State of Illinois. A friend of mine, former law partner, was the Republican nominee, Al Salvi. He was falsely accused of breaking Federal law. The Federal Election Commission sued him; the case was dismissed. The Federal Election Commission tried to manipulate him into paying an outrageous fine. The Federal Election Commission kept losing and losing and losing.

Finally, Al says, “I would like to speak to the person with authority in this case, because surely if they understood the facts, they

would dismiss this case.” The person at the other end of the phone in charge of enforcement at the time said, “We will dismiss this case if you pledge to never run for office again.” The person at the other end of that phone was Lois Lerner. In the words of my son Steve, “I’m just saying.”

Now, Ms. Martinek, as we are listening and we hear about these First Amendment rights of yours, cumulatively, that have been trampled, there is something particularly egregious, I think, about the first of our first freedoms—that is, our freedom to worship, our freedom to avoid government compulsion as it relates to matters of faith. And what you have described is the long arm of the Federal Government coming in to you, coming in to your organization, and essentially telling you, we’ll tell you what to think, we’ll tell you how to pray. Heaven help us. Heaven help us.

This Congress opens on a daily basis in prayer. Moments ago, this place opened in prayer. We have prayer groups that are honeycombed throughout the Capitol praying for God’s mercy for this country, praying for wisdom, praying for strength, praying for clarity. And we have a Federal agency that comes in and tries to get into your business? It is an outrage.

And so what you are sensing today from those of us on this Committee is a sense of real clarity about what is going on. This is not about ambiguity in the law. This is not about any such thing. This is about abuse of power.

And so what you have done—and I thank you for doing this—what you have done is you have lit a lamp and you have clanged a bell and you have rallied people around you to make this right. And so I know I speak for many on this Committee, we will get this right.

I yield back.

Chairman CAMP. Thank you.

Mr. Blumenauer is recognized.

Mr. BLUMENAUER. Thank you, Mr. Chairman.

And I, too, appreciate the patience of the witnesses coming today and telling their stories.

I think we are all united in denouncing the treatment that you were accorded and especially the disclosure of confidential tax information. And I am looking forward to the Committee moving forward, as I think everybody has expressed, to get to the bottom of it.

I appreciate our colleague, Mr. Thompson, talking about the Committee doing its job, figuring out what we do going forward. But part of what is coming clear to me is that there is a fundamental flaw in the way that we have allowed a clear statute to be modified by a regulation that invites abuse. It puts bureaucrats in a position where they can legitimately start probing around these questions, and I think that is inappropriate.

Part of the problem I see is illustrated by part of Dr. Eastman’s testimony, where he talks about his chief adversary in their political struggles, the Human Rights Campaign. That doesn’t sound, I mean, at least in my mind, when we are engaged in promoting the common good and general welfare, then somehow we are talking about being political adversaries.

The National Organization for Marriage was established in 2007 to pass a proposition in California to stop our gay and lesbian citizens from marrying the person they love. "Promoting social welfare."

An internal National Organization of Marriage document last year stated the organization seeks "to drive a wedge" between gays and blacks by promoting "African-American spokespeople for marriage," thus provoking same-sex marriage supporters into "denouncing these spokesmen and -women as bigots," and to interrupt the assimilation of Latinos into "dominant Anglo culture" by making the stance against same-sex marriage a "key badge of Latino identity." And none of this has been denied by the National Organization for Marriage.

It has called for portraying President Obama as a "social radical" and seeking to cast same-sex marriage in a negative light, connecting it to issues like pornography. Social welfare? I think not.

It is everybody's right to participate in politics, and well you should. But I think having organizations parading as being social welfare organizations and then being involved in the political combat harkens back to why the statute 100 years ago said that they were prohibited and why I wholeheartedly agree with my colleague, Mr. Doggett, saying we ought to stop this regulation interpretation from 1959 that invites people to raise vast sums of money and keep it secret and to engage in political activity, and some of it, I think, not necessarily promoting the social welfare of our country.

Everybody ought to play by the same rules. We ought to go back to the original intent. We ought to eliminate opportunities for bureaucrats in the Internal Revenue Service making these judgments about whether it is primarily social welfare or not. It shouldn't be involved with politics at all.

And until, I think, we do our job as a Committee to reinstate that original intent, that we overrule that regulation, we won't be doing our job completely. Rout out the problems, find out who leaked confidential information, make sure that this is administered properly down in the ranks of the IRS. But let's stop this charade of pretending that these are social welfare organizations and admit that they are political, treat them as such, and play by the same rules that everybody on the Committee plays by when we are involved in politics.

Thank you, and I yield back.
Chairman CAMP. Thank you.

Dr. Price.

Mr. PRICE. Thank you, Mr. Chairman. And I want to thank you so very much for continuing this evaluation of what has been described during this hearing today as "chilling," "shocking," "fearful," "felt betrayed," "unconscionable," "unbelievable," "frightening," "intimidating," "using the government as a weapon against the citizens."

You know, sometimes when we walk out of the Capitol in the evening, we have some significant emotion about something that has just occurred during the course of that day. I am going to walk out today saddened—saddened that we find ourselves in a situation where our government is in activity with its citizens that results in those adjectives, in those descriptions.

I want to echo Mr. Roskam's compliments to you all. Thank you, thank you, thank you, thank you for your trust and your faith in our government and in our system.

It is that trust that is being eroded, though. And our system of government only works if that trust exists. And our job is to restore that trust. And your involvement today, your participation today, your participation over the past number of years will help greatly restore that trust.

One way to do that, by the way, is to institute fundamental tax reform, have an IRS that isn't powerful. How about an IRS that just processes a form? How about an IRS that says, you have identified what you make, you have identified what kind of exemptions may exist, and this is what you owe? And maybe it is that simple. Maybe it is that simple.

Dr. Eastman, I am stunned at the——

Mr. EASTMAN. As am I.

Mr. PRICE [continuing]. Magnitude of the disclosure that you bring before us today. And I am sorry that I wasn't aware of it, the significance of it before today.

And people have asked you very, very specific questions to inform the American people and to inform this Committee. I want to ask you about your donors, your donors being listed publicly. You mentioned that they were harassed. Put some flesh on that. What does that mean? How have the donors been harassed?

Mr. EASTMAN. I can begin with the story of Proposition 8 in California. And before I get to that, I really have to respond to the scurrilous things that were said on the other side.

Representative Blumenauer, it is your kind of statements that have empowered IRS agents to make determinations about which organizations qualify for the public good and which do not. The notion that defending traditional marriage doesn't qualify as a defense of a public good is beyond preposterous.

And how sad it is, Representative Doggett, how sad it is that efforts to educate about our Constitution have become a partisan political issue that you think people ought not to get tax-exempt status for.

Let me go back now to this question.

Beginning in Proposition 8, people's names were disclosed as donors. Their businesses were boycotted. If there was an employee at a business, that business was boycotted. They were harassed, they were assaulted on the streets, their property was vandalized.

And this has now pervaded across the Nation every time our donor list gets disclosed to the point that our donors tell us, we are fearful of giving money to you to help support the cause that we believe in because our businesses and our families are at risk.

It is the very reason, as I pointed out with Mr. Lewis, that *NAACP v. Alabama* held the constitutional right to keep people's names and identities confidential when the risk of intimidation rises to the level that it has.

Mr. PRICE. Dr. Eastman, I would appreciate it if you would provide for the Committee some of the specifics regarding that. It is absolutely chilling.

I have a couple other quick questions that I think we can squeeze in before the end.

Ms. Martinek, in what year did you receive the questionnaire from the IRS about your prayer gatherings?

Ms. MARTINEK. In 2009.

Mr. PRICE. In 2009.

Ms. Belsom, we are told that the IRS ended their interrogations in mid-2012, but that isn't your experience, is it?

Ms. BELSOM. You are talking to me?

Mr. PRICE. Yes.

Ms. BELSOM. Yeah, I mean, we turned in everything on March 5th, I believe, 2013. And we still have—

Mr. PRICE. In 2013.

Ms. BELSOM [continuing]. We have heard nothing since then.

Mr. PRICE. Mr. Chairman, I just make that point, because the Inspector General said that the challenges occurred between March of 2010 and ended in mid-2012. Clearly, that is not the case.

Chairman CAMP. All right. Thank you.

Mr. Buchanan.

Mr. BUCHANAN. Yeah, thank you, Mr. Chairman, for this important hearing.

And I also want to thank all of our witnesses. I applaud your leadership in terms of the effort.

All of us have a different background. I was in business 30 years, and came here in 2007. One of the things I have tried to do is, when I got here, the sense was nobody was listening in Washington. So I probably as much as anybody here, I know a lot of our colleagues do it on both sides, I do a lot of town halls, a lot of meetings, and I started that in 2007.

And I can tell you one thing with a lot of the conservative groups—and I did go to Tea Party groups. I didn't agree with anything, and many of the groups didn't want politicians there. But the bottom line was they were scared to death of what was going on in this country. I heard a lot of those conversations. In terms of the debt, the deficit, the stimulus, the TARP, they felt and I felt we were going broke as a country. And that is why I applaud what you are doing here today and your leadership from that standpoint. Because my mindset is, it is very real.

And the year I came in, we had a \$130 billion deficit in 2006, 2007, in that period of time. That deficit went up to \$1.3 trillion in 4 years. And I can just tell you, that is what brought a lot of the energy. There are different issues, but at the core of a lot of these conservative groups, they can do the math, and when you go from \$8 trillion to \$16 trillion quickly to \$20 trillion—and I heard a lot about that. And I, obviously, as a business guy, know in terms of balancing budgets; 49 out of 50 Governors have to do it.

People were very concerned, not just about themselves. More importantly, they were concerned about their children and grandchildren. Because I represent the State of Florida, and a lot of people have done well there in my district, and they were concerned about the next two generations.

Now, that being said, my question is, there is no question that you were targeted, harassed, humiliated to some extent. But how did that impede your growth to your organizations in terms of realizing your full potential when you look at that?

And I want to start out with Mr. Kookogey. You had mentioned it affected one aspect from your standpoint, it affected your organization in terms of a donor that could have contributed but you couldn't get your paperwork put in in time.

But what impacts did it have on all of you in terms of realizing your full potential as organizations? Can you comment on that, please?

Mr. KOOKOGHEY. Sure. As you noted, we were promised a \$30,000 grant upon achieving status. Because that status has taken so long, the organization came to us and said, we will have to move that off the books, and when you get status, you can re-apply.

This organization also added that it was unbelievable, in his mind, in his 25 years of being an Executive Director of granting money to all sorts of nonprofits, he had never seen anything like this. He had never seen any nonprofit that he had dealt with not get through in 2 or 3 months.

As to the impact, a lot of people know that with a nonprofit—remember, I am a (c)(3). It is all about establishing trust. If one credible foundation puts money into the organization, I can use that then to go to other organizations and say, this organization has trusted my organization; will you now contribute? Because I could not get status, everything effectively stopped.

And since May 2011, I have been dormant, not only out of the inability to raise money, but out of the abject fear that the government had a target on my back.

Mr. BUCHANAN. Ms. Belsom, could you just comment? What impact did it have on keeping you or your organization from full potential?

Ms. BELSOM. Yeah. I just wanted to make a couple of quick comments before I answer that.

There seems to be some misconceptions about what a (c)(4) organization, as far as—I mean, I am totally outraged by the accusation that we are somehow subsidized by the taxpayers. People making donations to a (c)(4) organization, that is not a tax-deductible amount. We are not getting any money from the taxpayers.

What we are saying is, hey, if we want to have a group of people pay dues or make a donation that at the end of the year or whatever, that we are not subject to then pay taxes on that money again, which has already been taxed when the person earned it to begin with. So this is a real outrage, to imply that somehow we are taking money from starving children to fund our groups.

You know, that being the case, I can't say that this investigation being ongoing for the past 3 years has really impeded us because the donations are not tax-deductible. So people have donated as they saw fit. And we have just operated as if we were a (c)(4) since it has been pending.

Mr. BUCHANAN. Mr. Eastman, do you want to answer?

Mr. EASTMAN. Yeah, let me put this in context. In the Proposition 8 fight in California, the opposing sides raised roughly equivalent amounts of money. But with the disclosure of donor lists and the intimidation campaign that has been brought and which has highlighted on the disclosure of our donors to our (c)(4), the last round of ballot initiatives that were on the ballot last November,

the pro-traditional-marriage side was outspent by more than \$20 million, about four or five to one.

I think the chilling effect that has come from the intimidation of donors to the cause of traditional marriage is pervasive and is having real consequences on the outcomes of elections on that key policy issue that is before the American people right now.

Chairman CAMP. All right. Time has expired.

Mr. Kind is recognized.

Mr. KIND. Thank you, Mr. Chairman.

I, too, want to thank our witnesses for your testimony here today. We do appreciate it.

We have a problem on our hands, and hopefully this Committee will be able to move forward in a bipartisan fashion to fix it, and fix it as soon as possible. Because if there is any true rot at the core of our democracy, it is a pervasive feeling that you are being treated unfairly, you are being singled out, you are being discriminated against in some fashion.

Listen, I am a former athlete myself, and I wasn't the biggest fan of referees on the field, but I knew they played an important role in the game. You may not always agree with the call that they make, but they are an essential part. And I would hope that the answer is as simple as reforming a Tax Code that has become antiquated and too complex, that it just becomes a processing unit and nothing else.

But even President Reagan believed in "trust but verify." And let's be honest, if we were all angels, we wouldn't have a need for government in our lives. But we do need some verification. And there is some terminology here that I think the IRS is wrestling with. And I think there is an important role for this Congress and this Committee to help clarify as we move forward to ensure this never happens again.

I mean, it is a clear difference between an organization that is primarily engaged in political activity or one that is primarily engaged in social welfare. And I think that is what the IRS is struggling with here. Because the Inspector General in his report was very clear that he found, based on his interviews and the preliminary investigation that took place, there was no partisan or political motivation behind what was going on.

Now, there are reports that there were progressive groups that were singled out, as well. We were hoping to be able to call a witness on our side to be a part of this panel and ask them to testify. And we could have called someone from Progress Texas, Chicago News Cooperative, Clean Elections Texas, or, in addition, we might have called someone from Emerge America and its affiliates, who had their tax-exempt applications denied or their tax-exempt status revoked.

In fact, a recent *Tax Notes* article looked through the 176 IRS-approved advocacy organizations approved through May 2013. They took a look at those that were approved. One hundred twenty-two of them were conservative organizations; 48 were nonconservative organizations. For six there wasn't sufficient information to be able to determine between the two.

But, nevertheless, I think each of you before us today has a legitimate cause of concern and complaint. And it is going to be our

obligation to do a better job of working with an IRS, who I also happen to believe is overburdened with a deluge of tax-exempt applications over the last couple of years. The Cincinnati office was a very small office of roughly nine people trying to process all of these applications. And I think the criteria that they used was clearly wrong, and we need to look into that, why it was used the way it was. But I think there is also a question of insufficient resources and insufficient staff to deal with the deluge of applications that did come in.

Now, Ms. Kenney, let me ask you whether or not you think it would be appropriate for an organization that is primarily engaged in political activity to be able to qualify as a 501(c)(4) organization? Do you think that would be appropriate?

Ms. KENNEY. I think that your question is hypothetical. I can only speak from my own experience.

Mr. KIND. Well, it is not hypothetical to the IRS, because this is a determination they have to make.

Ms. KENNEY. But you are asking me.

Mr. KIND. Right. Well, let me ask you this—

Ms. KENNEY. And I can only—sir, I'm trying to—

Mr. KIND. Let me ask you, as a witness here today, do you in your mind have a clear definition of what is engagement in social welfare or what is engagement in political activity? Do you have a clear definition in your mind?

Ms. KENNEY. I can only answer from my own experience since I am not a lawyer. My experience is we were obeying the law, and our personal group is about education about the political process.

Mr. KIND. And I believe you believe that with all your heart.

Ms. Belsom, let me ask you the same question. Do you have a clear definition in your mind—

Ms. BELSOM. Yes—

Mr. KIND [continuing]. For what is a political activity or what is a social welfare activity?

Ms. BELSOM [continuing]. I would be glad to answer that. You know, I did a Google search of other 501(c)(4) organizations, and there were groups such as America Votes, Brady Campaign, California League of Conservation Voters, Citizens for Tax Justice, Democratic Leadership Council, Environment California, Gender Rights Maryland, Georgia Right to Life, Health Care for America Now, National Transgender—

Mr. KIND. But do you have a clear definition in your mind of what constitutes political activity or what constitutes a social welfare activity?

Ms. BELSOM. Can you please define “political” for me?

Mr. KIND. I am not doing this to single you out or to criticize you in any way—

Ms. BELSOM. Yes, I know.

Mr. KIND [continuing]. But it highlights a point I am making, that the definition is very subjective. And when you have a subjective definition and are asking a Federal agency to apply their judgment, you are going to get subjective judgments from it.

And that is why I think, Mr. Chairman, as we move forward, we need clear, bright-line rules of these activities, of what is allowed and what isn't allowed. And when you don't have that, you are

going to have instances like this on both sides, of groups being singled out for additional questions and additional scrutiny. And then the feeling of unfairness sets in. And——

Chairman CAMP. Okay. Time has expired.

Mr. KIND [continuing]. At the core, that is really what we are wrestling with here.

Chairman CAMP. Yes. I do want to note that the Minority was given the opportunity to call a witness but did not present a witness that had been affected by taxpayer activity—by IRS activity. So that is why there is no Minority witness at the table today.

Mr. KIND. Thank you——

Chairman CAMP. They were given that opportunity. I just want to make sure the gentleman understood that.

Mr. Schock is recognized.

Mr. SCHOCK. Thank you, Mr. Chairman.

Thank you to the witnesses.

Boy, the American people are being led to believe you guys are big muscles of political strength that are being subsidized by taxpayers and have some unfair advantage over, perhaps, those who share a different belief than you.

So, for the record, perhaps these Tea Party groups might share. Ms. Belsom, Ms. Kenney, and Ms. Gerritson, could you tell us roughly what your annual budget is?

Ms. BELSOM. Sure. Let's see. In 2010, our budget was \$2,453.

Mr. SCHOCK. Your budget was \$2,453 for the entire year.

Ms. BELSOM. Yes.

Mr. SCHOCK. Okay.

Ms. BELSOM. In 2011, it was \$3,371.

Mr. EASTMAN. That is a 50 percent increase.

Ms. BELSOM. And in 2012 we did get a grant from Tea Party Patriots that enabled us to promote our organization, so we did have approximately \$9,000 that year.

Mr. SCHOCK. Wow, \$9,000. Okay.

Ms. Kenney.

Ms. KENNEY. Forgive me for laughing. Our annual budget is in the negative.

Mr. SCHOCK. Uh-oh. Are you a Democratic organization?

Ms. KENNEY. The first year, we had a minus \$1,300. The second year, I don't remember. That was from legal fees to actually begin the process of filing for a 501(c)(4) and other types of activities.

Mr. SCHOCK. So, basically, the harassment and illegal questions that you were asked caused your organization to deficit-spend to try to defend its constitutional right and equal protection under the law?

Ms. KENNEY. Yes, because it also dried up our ability to have people participate in a structure where they could donate.

Mr. SCHOCK. Thank you.

Ms. Gerritson, how about your budget?

Ms. GERRITSON. Well, I don't have the exact numbers, but I can tell you that we have less than \$5,000 at the end of each month, roughly. One year, when we took a big bus trip to Washington, we had \$18,000 at one time in the bank, but as soon as we

paid for the bus, that balance went down. But we usually run under \$5,000.

Mr. SCHOCK. So, roughly, you could say it has never been over \$50,000.

Ms. GERRITSON. Oh, goodness, no.

Mr. SCHOCK. So you can understand the outrage by Members of this Committee for the apparent double standard that Members on this Committee seem to have for their frustration, outrage, opposition to groups who seek 501(c)(4) and 501(c)(3) status who may be on the opposite side of your issues and who we know have organized and raised far more sums than all of you collectively.

One group in particular we know about is Organizing for Action, a group organized by the President's own men, political advisers, which to date we know has raised in excess of millions of dollars. And I am just going to read on their website what they say their mission is: "Organizing for Action is a nonprofit organization established to support President Obama in achieving enactment of his national agenda."

Now, I would humbly ask my colleagues on the other side of the aisle, is that political? And why would an organization—

Mr. NEAL. Would the gentleman yield?

Mr. SCHOCK [continuing]. Called Organizing for Action—

Mr. NEAL. Would the gentleman yield?

Mr. SCHOCK. No, I will not.

Mr. NEAL. What did you ask the question for, then?

Mr. SCHOCK. Mr. Neal, go ahead.

Chairman CAMP. The gentleman from Illinois has the time.

Mr. SCHOCK. Go ahead.

Mr. NEAL. Are those names disclosed?

Mr. SCHOCK. Are what names disclosed?

Mr. NEAL. The names of the President's committee. Are the contributors disclosed?

Mr. SCHOCK. I am not aware of whether they are or—

Mr. NEAL. Let me be on record as saying those names should be disclosed.

Mr. SCHOCK. Okay. But we are not having a debate about whether or not we agree with Citizens United. We are not having a debate about whether or not we want to change 501(c)(3) or change 501(c)(4) processes. I would submit to you that if that is your goal, perhaps you should introduce legislation to do so.

The problem is that this IRS agency has discriminated against people based on their political views. And for anyone—

Mr. MCDERMOTT. Order, Mr. Chairman.

Mr. SCHOCK [continuing]. For anyone to defend—

Chairman CAMP. Regular order.

Mr. SCHOCK [continuing]. This bureaucracy from discriminating against people—

Chairman CAMP. Will the gentleman suspend?

I will have to ask our guests and the Committee to refrain from applause and other displays of emotion or attention. We need to keep decorum in the Committee. So I would respectfully ask that our Members refrain from clapping and cheering.

Mr. SCHOCK. Thank you, Mr. Chairman.

Chairman CAMP. You may proceed.

Mr. SCHOCK. For anyone to suggest that these individuals' rights should be limited more so than others' simply because of their political beliefs is nothing more than discrimination. There would be clarity if this was an issue of white versus black, of Jews versus Christians. But because it is conservative versus liberal, there seems to be some question, some cloud, some lack of clarity.

And rather than work united in a bipartisan way to rout out the very cancer that my colleague, Mr. Rangel, described, we are simply trying to chop off the head of the patient, remove the Acting Commissioner, and say all is well. We need to get to the bottom of this, we need to identify the cancer, and this needs to be removed from this organization.

I yield back.

Chairman CAMP. Mr. Paulsen is recognized.

Mr. PAULSEN. Thank you, Mr. Chairman, also for holding this hearing.

And I just really want to thank all of you for taking the time to testify. It is really a tragedy that you have to be here today. I want to commend you for being here today. You shouldn't have to be here, no citizen should have to be here defending their constitutional rights. And, obviously, you have shared the stories about how your rights have been violated.

And so I just think you are brave. I mean, you are brave for being here. Listening to the emotion in your testimony is very real, not just because you are nervous about testifying in front of a congressional committee, I imagine, but probably in the back of your mind you probably can't help but be a little bit angry or even fearful about sticking your neck out a little bit more and being a target, having a larger target on your back, potentially.

This is not a mistake by the IRS, as some have mentioned today. This is not poor customer service, as the Acting Commissioner Miller testified just a few weeks ago. This abuse was systemic. And it has been going on for years. And we know it is systemic because of the number of groups that were targeted. We know it is systemic because of the number of individuals that are involved—IRS workers that have been named as a part of your testimony that we will also be able to further interview and get information from. And the larger question now is, who helped direct this activity? And Lois Lerner is obviously refusing to even answer questions.

Mr. Kookogey, if I could just ask—

Mr. KOOKOGHEY. Kookogey.

Mr. PAULSEN. Kookogey. I apologize. If I could just ask you a question, because you testified that, back in December of 2011, you had made numerous and repeated calls to the IRS which went unreturned, and then finally you did reach an agent. I think you said it was Ron Bell.

Mr. KOOKOGHEY. Yes.

Mr. PAULSEN. You reached that agent in Cincinnati. You inquired of him about why the application was taking so long. And he said he had been waiting for guidance from his superiors.

Mr. KOOKOGHEY. From his superiors.

Mr. PAULSEN. Can you just comment? I mean, who do you think his superiors would have been? You mentioned it wasn't someone just down the hall. That is sort of the feeling you got.

Mr. KOOKOGHEY. Yes, although he didn't indicate exactly where it was. And I believe—am I correct that these IRS calls are recorded? So we could probably find out if he did, indeed, specify. At least, that is what I remember. Every time I called the IRS, it said, "These calls may be recorded." So I think my conversation with Mr. Bell may, indeed, be recorded.

But what I remember him saying was, we have been waiting on guidance from our superiors as to your organization and similar organizations. He did not say where it was coming from, but it was clearly implicit that it wasn't down the hall. Whether it was from Washington or some other office, he had been waiting a long time. It wasn't just a matter of putting me on hold and going to talk to someone else.

Mr. PAULSEN. Right.

And, Ms. Martinek, I believe you made some comment about conversations with IRS workers who were working with some of their superiors, as well?

Ms. MARTINEK. That is correct. Ms. Richards did tell me on at least two different occasions that she would have to put me on hold and she would check with her superior, or superiors, to answer the question that I was asking her.

Mr. PAULSEN. Well, your testimony is going to help us get down to the facts so we can actually figure out who was directing this targeting.

Ms. Belsom, I was going to ask you a question, because we did hear from the Inspector General as a part of the audit in March of 2010. That is apparently when the targeting actually started and went forward. But we were told by the Acting Commissioner, Acting Commissioner Miller, that all of that targeting activity stopped in June of 2012.

Have you continued to receive any correspondence from the IRS regarding the status of your application—

Ms. BELSOM. No.

Mr. PAULSEN [continuing]. Since June of 2012?

Ms. BELSOM. Yeah, I mean, I didn't get the letter—I mean, I heard nothing, basically, until September of 2012 when we got the letter with the whole list of questions.

Mr. PAULSEN. After June of 2012, you have continued to receive information—

Ms. BELSOM. Right.

Mr. PAULSEN [continuing]. From the IRS regarding the status.

Ms. BELSOM. Right.

Mr. PAULSEN. Well, Mr. Chairman, the other issue I think that we will continue to have questions about is the whole concept of donors, because we have just scratched the surface, I think. And Dr. Eastman has testified, but I had a conversation with a donor in my State who has been a contributor to certain political causes and has been fearful of stepping out and voicing his concern about some of these activities, but now he is being more emboldened. And I am thinking we are going to hear from some more donors down the road, Mr. Chairman, as this investigation continues.

And I yield back.

Chairman CAMP. Mr. Pascrell.

Mr. PASCRELL. Thank you, Mr. Chairman.

Thank you, Mr. Levin.

I think it is critical that this Committee continue its investigation into what we all agree—let's make that clear. There are those on the panel here, apparently—not the panel, excuse me; thank you, panelists—but on our side of the room that have tried to divide—some of us have tried to divide us into, “Those folks don't really want to clean up the IRS like we folks do.” And that is a typical propaganda game, and I understand it.

I want to stress your attempt at bipartisanship, Mr. Chairman. I think Democrats and Republicans both recognize that the IRS flagging applications is wrong. And we have a shared interest in working with you in a bipartisan way to find out what really happened and to fix it.

I mean, if we are the problem, if we hadn't clarified what the tests should be for these organizations, it is not the organizations, it is we that are at fault, and we need to change the test to see if that organization qualifies. But you ask everybody; you don't ask a few. So we agree on that.

We don't need unsubstantiated, politically motivated, and irresponsible accusations against one another. We have to look at where the facts are. No one has a God-given right to a tax-exempt status. And none of the panelists said that they—that was contrary to that.

The laws governing tax-exempt organizations and 501(c)(4)s were created by Congress. It is us. If we have been derelict, then we have to change what the laws are, period. And for us not to change the law would mean that this could happen with facility down the road to all kinds of issues and all kinds of groups advocating those issues.

So I think we need to focus on writing clear rules. And should it be a test based on how much money you spend? Should it be time-based? After this debacle, we can't afford not to be specific.

So I have some questions for the witnesses.

Mr. Eastman, Chairman of the National Organization for Marriage, I believe, correct, sir?

Mr. EASTMAN. Yes.

Mr. PASCRELL. Why did your organization not choose to become—and you don't have to answer this, but I am curious. Why did you choose not to become a 527 organization under the tax laws?

Mr. EASTMAN. Because that is not what we do under our organization. When we get particularly involved in political campaigns or those that support our cause, we set up political action committees, as is required by the law, and pursue that route. When we are pursuing purely educational functions, we use that through our nonprofit educational foundation, a 501(c)(3). And for the activities that the Tax Code sets out as compliant with 501(c)(4), we operate those activities under the 501(c)(4) organization.

Mr. PASCRELL. You and I both realize that if you are a 527, if you declare that, if you apply for that, that means your donors have to be what?

Mr. EASTMAN. As is, a political action committee, and—

Mr. PASCRELL. Right.

Mr. EASTMAN [continuing]. We do disclose those donors. For nonpolitical activity that we engage in from NOM itself, we follow the same rules that everybody else follows.

Mr. PASCARELL. And so your organization chose to become a 501(c)(4).

Mr. EASTMAN. This particular one did. That is right.

Mr. PASCARELL. That organization has, like all other organizations in that particular category, a test to go through. In other words, when you make an application, you have to comply with what are some stupid questions; we would both agree to that. But, in the final analysis, that is information given to the IRS to determine whether you are eligible for that exemption. Is—

Mr. EASTMAN. That is correct.

Mr. PASCARELL [continuing]. That correct, sir?

Mr. EASTMAN. Yes.

Mr. PASCARELL. Now, some of the questions are going to go to that thin line we talked about before, and that is, what is political and what is not political? And many times that is a tough question, isn't it?

Mr. EASTMAN. Well, the law oftentimes is clear. And there is no contention that has ever been made that our activities under the 501(c)(4) are not appropriate for a 501(c)(4). We have our 501(c)(4) status—

Mr. PASCARELL. Well, you are an issue-oriented organization. You have every right to profess what you believe in.

Mr. EASTMAN. That is right, and to have our donors' confidentiality protected, as the law provides—

Mr. PASCARELL. But isn't there a question, when it gets down to it—and we agree so far—when you are going to express that issue, in what you believe in, and doing something overtly to demonstrate where you feel you are right and where this other organization, whatever it may be, is wrong? Doesn't it get to be a question of, is this political or not? I mean, your politics are different than my politics, and what is political to you may not be political to me. That is a tough question.

Mr. EASTMAN. I don't think—

Chairman CAMP. If you could answer briefly because time has expired.

Mr. EASTMAN. I don't think it is tough at all, that when we engage in the very same activity that the Human Rights Campaign engages in—

Mr. PASCARELL. I'm not defending—excuse me, sir.

Mr. EASTMAN [continuing]. That our donors are disclosed and theirs are not. It is a felony, what happened to us. No such felony occurred against them. And it is not being prosecuted.

Mr. PASCARELL. But, Mr. Eastman—

Chairman CAMP. Thank you. Time has expired.

Mr. PASCARELL [continuing]. No one has inferred—

Chairman CAMP. Mr. Pascrell.

And now we will recognize Mr. Marchant for 5 minutes.

Mr. MARCHANT. Thank you, Mr. Chairman.

I have a letter today that I would like to put in the record from the Northeast Tarrant Tea Party. Their treasurer is a gentleman

that has been a CPA for 40 years, and his primary practice was in helping tax-exempt organizations receive their 501(c)(3) or (4).
Chairman CAMP. Okay. Without objection.
[The submission of The Honorable Kenny Marchant follows.]

North East Tarrant Tea Party
May 24, 2013
Letter regarding IRS abuse



NE TARRANT TEA PARTY

Grapevine ~ Southlake ~ Colleyville ~ Hurst

Eules ~ Bedford ~ Watauga ~ Haltom City

Richland Hills ~ N Richland Hills ~ parts of Keller

****promoting constitutional governance in every precinct in our districts, one voter at a time****

2408 Texas Dr.
Irving, Texas 75062

May 24, 2013

The Honorable Congressman Kenny Marchant

1110 Longworth HOB

Washington, DC 20515

Dear Congressman Marchant,

My name is Robert (Bob) D. Smith, CPA. I am a member of the Board of Directors and the Treasurer of the North East Tarrant Tea Party (NETTP). NETTP is among those Tea Parties targeted by the IRS: we have been harassed in the course of our efforts to comply with the requirements for securing our exempt status. I am writing to offer my services as a witness, or to offer any other support I can to bring out the facts in this matter. I am well-qualified to do this for the reasons stated below.

Besides my volunteer activities for NETTP, I am also a practicing Certified Public Accountant, licensed to practice in several states, and have an ownership interest in Guinn, Smith & Co. My Firm's clients are primarily tax-exempt organizations. So I am not ignorant of the normal process for securing tax-exempt status, typical questions asked, IRS regulations governing such organizations, nor am I ignorant of the time spans typical to complete such a process. Over the course of our 40 years of practice in this area, Guinn, Smith & Co. has filed many Applications for Recognition of Exemption. We have never seen such intrusive, loaded questions from the IRS, nor experienced such extended delays representing any other nonprofit. Our exasperating experiences with the IRS on behalf of NETTP are described below.

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NETTP was formed in 2009 as an unincorporated group. The preponderance of its members are citizens from the cities of Grapevine, Hurst, Colleyville, Southlake, Euless, Watagua, North Richland Hills, Richland Hills, Trophy Club, Haltom City, Westlake, Haslet, Bedford and parts of Keller, Texas. On July 6, 2010 we were incorporated as a Texas nonprofit organization.

In October 2010, NETTP filed Form 1024, Application for Recognition of Exemption with the IRS. In November 2010 we received an acknowledgement from the IRS that it had received our application.

In September of 2011, NETTP filed a Form 990 with the IRS covering its first year of operation from July 6, 2010 through June 20, 2011. The return reflected total revenue of \$12,089. Form 990 is the information return required to be filed by an organization exempt under the IRS code section 501 (c). On about February 14, 2012, NETTP received its first response from the IRS since the November 2010 acknowledgement of our filing. We had been waiting at this time approximately 15 months for the IRS to act on our application. The IRS response was dated February 8, 2012. It included 34 multipart questions which, counting the sub-parts, really totaled about 110 questions. The letter required our response by February 29, 2012. In my entire practice experience representing tax exempt organizations I had never seen a response of this magnitude and with the type of probing questions. It was more like an audit of the organization before its exemption was approved. In addition, the time allowed for response, considering the breadth and scope of the questions, was ridiculously short.

Here are just a few of our comments regarding this February 8, 2012 IRS inquiry. By no means is this a complete list of matters we considered completely out-of-bounds:

On the first page of the letter, signed by Mitch Steele, Exempt Organization Specialist, was this statement:

*"...the information you submit should be accompanied by the following declaration:
 'Under penalties of perjury, I declare I have examined this information, including accompanying documents, and, to the best of my knowledge and belief, the information contains all the relevant facts relating to the request for the information, and such facts are true, correct, and complete.'"*

Mr. Steele's extensive requests included this inquiry:

"Provide details regarding your relationship with Verify the Recall. Indicate the activities of Verify the Recall. Is Verify the Recall a tax-exempt organization?"

Shouldn't the IRS, as grantor of such exemptions, already know whether or not this organization was tax-exempt? Why ask us? Is there a law or regulation which prohibits relations with other organizations, exempt or not? If the IRS has questions about the activities of Verify the Recall (VTR), why ask NETTP instead of VTR? Is this some clumsy effort to spy on VTR? We can only wonder what the IRS is up to with questions like this.

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Mr. Steele wanted to know whether NETTP board members serve as board members for other organizations, whether they had been or planned to be candidates for public office; whether they had ever submitted applications for exemption before. We wonder, exactly what does this have to do with the exempt status of NETTP?

Mr. Steele also asked for a list of our vendors! Will our vendors end up on an IRS list somewhere? Such information has absolutely no bearing on whether or not NETTP qualifies as a 501(c)(4) organization. We cannot fathom the purpose of such a question. Could it be merely to increase the difficulty of fully complying with the request in the time allotted?

Mr. Steele requested NETTP to name issues it considers important. Do we now have thought-police in America? What does he plan to do with this type of information? We had already clearly stated the purpose of our organization in the original Form 1024, submitted in 2010.

Mr. Steele wanted the names of persons who have provided educational services to us. Does the IRS plan to harass them as well? They wanted *the names of the trained!* At this point we had already heard numerous stories of audits of Tea Party people, the timing of which were extremely suspicious and indicative of harassment. Is this harassment going to extend even to individuals who go to a class to learn about the Constitution or the Founding Fathers? What kind of database is the IRS compiling? An enemies list?

I communicated with other similar organizations in Texas and was astonished to learn that many had experienced similar delays in the processing of their applications and received the same or similar questions. The time and effort that would have been required by our volunteer board members to comply with these questions would have been far in excess of responding to any inquiry from previous applications that my firm had ever been involved. As a result of these communications, it came to my attention that the American Center for Law and Justice(ACLJ) had accepted a few cases to represent before the IRS in this very matter. ACLJ agreed to represent us, along with the other parties.

In September 2012, NETTP filed its second Form 990 with the IRS, covering the period from July 1, 2011 through 2012. The return reflected total revenue for that period of \$15,374.

In January 2013, we received another IRS communication, dated January 8, 2013 containing 9 multipart questions from the IRS which were to replace the original 34 questions mentioned above. We were given until January 22, 2012 to complete our response. Again the ACLJ stepped in and our time was extended. We filed our final response about April 4, 2013. As of today we have not had any further communication with the IRS.

NETTP is a very small organization. Monthly meetings are generally attended by 80 to 100 individuals. Revenue since inception has been in the range of \$12,000 to \$15,000 per year and our expenses

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normally require the use of most of the revenue. Why has such an insignificant-sized organization been targeted for this kind of abuse?

Last week I was in Washington D.C. and attended a press conference with Representatives Michelle Bachman and Louie Gohmert and Senators Ted Cruz and Rand Paul. I attended another press conference in the offices of Freedom Works. I had a meeting with Representative Darrell Issa and his investigators. On Friday, May 17, 2013, I attended the House Ways and Means Committee meeting where Mr. Stephen Miller and Mr. J. Russell George gave testimony to the committee.

I am outraged at this experience with the IRS. I have former members of the IRS on my staff, who tell me that the IRS prides itself on not being political. It has been my experience that the IRS will ask two to four questions on a new Application for Exemption, generally within 60 days of filing the application. After the questions are answered and returned to the IRS within 60 to 90 days my Firm normally receives a Determination Letter stating whether the applicant is accepted or rejected. To have this process not completed in 31 months is a travesty.

I implore you to apply your considerable power to expose which members of our government, including employees of the agencies it oversees, are responsible for these unlawful and politically biased actions. It is my opinion the IRS abused its power in its past dealings with NETTP and others and is likely continuing to do so.

I will be willing to be interviewed by you or your staff on this matter and to testify before your committees at any time. Perhaps I can help in getting to the bottom of this mess, in bringing it to the attention of the public and most importantly in coming to a fair and just end.

Thank you



Robert (Bob) D. Smith, CPA

Treasurer, North East Tarrant Tea Party

Mr. MARCHANT. He states in his testimony, which I have here, that he was subjected exactly to the same scrutiny that Ms. Belsom was, Ms. Gerritson, and Ms. Kenney.

After 15 months, he received a questionnaire that had 110 questions on it. He states that unequivocally this was the most complicated questionnaire he had ever received in response and very quickly ascertained that this organization was being targeted specifically because of their beliefs.

They were asked questions about True the Vote. They were asked questions about their affiliation with training sessions. They were asked for lists of names. All of you have received very, very similar questions. So it is happening to all of us in all of our districts.

A year ago about this time, I wrote a letter to the Acting Commissioner asking if this was actually going on. He wrote a letter back and said it was not. And then Mr. Joseph Grant wrote a letter back and said this was not going on. Just as recently as a few weeks ago, we questioned the Acting Commissioner, who still said that this was not going on. When we finally pinned him down on the questions, he basically said, well, it actually was going on, but you didn't ask the question the right way. And, basically, they had lawyered up.

So, since then, I would like to walk you through a little bit of what has happened. And it has happened as a result of the fact that across the Nation each one of you and each one of the groups in all of our districts have contacted their Congressman, and this Committee has began a year ago to act on this, on this suspicion.

And what this Committee has been subjected to is really a conspiracy of arrogance. When this Committee swears in witnesses, we expect them to tell the truth. And when you write a letter to the IRS Commissioner and he writes you a letter back and says it is not happening, you have to operate on some premise of truth. And this Committee has been subjected to untrue statements, and they have been put in writing.

Commissioner Shulman, retired and resigned. Acting Commissioner Miller, fired, then retired or resigned. Joseph Grant, resigned. Lois Lerner, she has taken the Fifth Amendment, and is now on administrative leave. And just yesterday, newly named Commissioner, not yet confirmed, Werfel, his most common answer to the Committee yesterday was he did not know, he was not aware, and he would have to get back to them. Now, this Committee has heard a lot of that, especially from Ms. Lerner, in the last year.

The question I would like to ask each of you is, what do you think the IRS Commissioner should do once this Committee is successful in exposing everyone at the IRS that orchestrated this policy?

Mr. Kookogey.

Mr. KOOKOGHEY. I think it is conjecture—I don't think it is appropriate for me to determine what the IRS Commissioner should do. I can only speak for what I would like to see done with regard to the whole matter, and that is to get to the truth, and if there is criminal activity, that we have the moral courage to pursue it and not merely to politicize it and have them say, okay, we will

just apologize. Because we, as taxpayers, if we fail to pay our taxes, we get criminal penalties. And so it is not acceptable for the IRS to just say, oh, I am sorry.

Ms. BELSOM. I feel like——

Chairman CAMP. I am going to have to ask everyone to answer very briefly because we are out of time.

Ms. BELSOM. Okay.

I would like to see a huge transformation of the whole way taxes are done.

And as far as, you know, I feel like, as a person concerned in my community, if I want to start an organization and work to educate citizens and have candidates in to speak and vet candidates, that sort of thing, I shouldn't need to have to worry about paying any taxes on money collected from dues. We are not funding any political candidates.

And I just think—I don't want to be involved with the IRS. The IRS is a nightmare. And I would like something done to reduce the average citizen's aggravation in having to deal with the IRS. We need to get rid of the tax system that we have and go to something much simpler, like a fair tax.

Chairman CAMP. All right.

Briefly.

Mr. EASTMAN. In addition to the felony charges on our particular issue, I think you need to hold individuals responsible and with civil liability to the taxpayers whose disclosures were done so that they can pursue it even if the Department of Justice won't.

Ms. KENNEY. The answer is the rule of law must be followed. And if it is violated, it must be remedied, either civilly or criminally or both. Thank you.

Chairman CAMP. Thank you.

Ms. MARTINEK. The IRS needs to uniformly process their applications without offending any of the First Amendment rights.

Chairman CAMP. All right.

Ms. GERRITSON. I will make it easy and ditto what Mr. Kookogey said. But just firing a few people will not fix the problem. Just like Mr. Rangel said, it is a cancer inside the agency, and it has to be routed out from the bottom up.

Chairman CAMP. All right. Thank you.

Ms. Black is recognized.

Ms. BLACK. Thank you, Mr. Chairman.

And thank all of you for being here today.

Mr. Kookogey, thank you for representing Tennessee. But we know that we have other groups there, such as the Chattanooga Tea Party and the Roane County Tea Party, that could likewise give similar testimony.

So we really appreciate you all being here today.

I think prior to the exposure of what has just most recently happened in the IRS, if we were to ask the American people about their impression of the IRS, I think we would hear the words "fear," "powerlessness," "intimidation," maybe "distrust." And those are words that would have been used prior to this, but I think what has now happened has confirmed that.

And it certainly is a sad day for our country, where our Founding Fathers set up those Bill of Rights to ensure us that we wouldn't

have a government that would intimidate the very citizens of the country. And so it is a really, really sad time that we have come to this point where we have actually confirmed what many people would have said prior to this.

If I could ask the staff to bring up one of the pieces of information that is in our files here.

Mr. Kookogey, I bring this up because this comes as a result of a question that was asked of you. And this is question number 24 on your questionnaire, where they actually ask you the names of those students that you would be educating.

Can you give me any thought of why this would be of particular interest in order to establish your 501(c)(4) status?

Mr. KOOKOGHEY. No, not—it is stunning. It is unbelievable. I can't give an answer. I have been thinking about it for 29 months, as to why they would want to know the names of 7th-graders that I am teaching Western civilization, political philosophy, and the basic theories of economics. Why in the world would the IRS want to know the names of these students, but for perhaps intimidation of them and their parents, to discourage them from being taught under my tutelage.

Ms. BLACK. It is certainly very chilling, something we wouldn't expect here in the United States. We would be looking at some communistic countries if we were to think about this kind of activity.

One of my colleagues said that none of you were silenced. And what I would like to know—and maybe we can start over here with you, Ms. Gerritson—do you feel that what was occurring here in both the intimidation and not getting the status, did it silence you?

Ms. GERRITSON. Well, obviously, I am here, so, no, it didn't silence me.

Ms. BLACK. I mean, your group, did the intimidation and not getting the status silence you in being able to do what your group was intended to do?

Ms. GERRITSON. Oh, I was going to say I do have members that have come up to me and that are fearful. They don't want to write their name on any sign-up form that we may have. I also have people emailing me that they are getting audited for the first time ever, and they gave during the campaign. So I can't put a number on how it has hindered our organization, but it has because people have told me it has.

Ms. BLACK. Ms. Martinek.

Ms. MARTINEK. We have not been silenced, but if we didn't have accessibility to the Thomas More Society and attorneys, we may have been.

Ms. BLACK. So you had some folks there to help you out.

Ms. GERRITSON. And I would agree, had we not had the ACLJ, we couldn't have fought the government.

Ms. BLACK. Thank you.

Ms. Kenney.

Ms. KENNEY. We are not silenced, but there is a fist and a hand over our mouth because our educational opportunities to everything from creating brochures or pamphlets on the Constitution to buying such things as bookmarks that educate people about the Constitution, that has been limited, to the postcards on getting voter infor-

mation, that has been constricted because we simply don't have the funds.

Ms. BLACK. Thank you.

Mr. Eastman.

Mr. EASTMAN. You know, my nature is not to be silenced by anything, but the number one comment I get every time we do something like this is, "Thank you for standing up for us; you must be very brave." And I don't think it is brave; I think it is citizenship duty that we stand up every chance we get.

Ms. BLACK. Ms. Belsom.

Ms. BELSOM. I feel like if we don't speak up now, that time may be lost. So I am doing my best to speak up. But without the ACLJ and the knowledge of the other groups being targeted, I really am not sure what would have happened. There was a time when I was just ready to say, "Forget this whole thing." It is very chilling, and I just think that—

Ms. BLACK. My time is running out. The point that I want to make here, because I know that it is going to come really quickly, is that your First Amendment rights are being violated here.

Mr. KOOKOGY, do you want to just, for the rest of the time I have left—

Mr. KOOKOGY. Yes. Whether or not it is chilling, I think was even evidenced today, because some of the Democrats on this Committee actually implied that what is social welfare to them is social welfare. But what might be social welfare to us is somehow negotiable.

Ms. BLACK. Thank you. I yield back.

Chairman CAMP. Thank you.

Mr. Young is recognized.

Mr. YOUNG. Thank you, Mr. Chairman.

Since the issue of groups being targeted by the IRS has come to light, I am continually encouraged—everyone I speak to—to let the facts lead us to wherever they may.

We don't want to draw premature conclusions. Follow the facts. The more facts we have learned, including in this hearing, the more concerned I get that there is some organized effort to stifle conservative political activity.

Given the pattern of intimidation and obstruction we have seen from the IRS, I at least understand why some are ready to jump to firm conclusions. But perhaps what is most frustrating to me is we still need so many answers, answers that we are not getting from some of the higher ups and from others that represent us in our Federal Government.

While we wait for those answers, far too many Members of Congress in polemicists masquerading as journalists suddenly downplay the gravity of this situation. We hear that time and again. And then they draw conclusions of their own.

These are conclusions, incidentally, that don't seem to jive with the facts that we already know. We have heard, for instance, that the real problem is groups applying for tax-exempt status that engage in political activity. The problem is the groups.

But groups of every political persuasion do this; they apply for this tax-exempt status. So why is it that every Tea Party group that applied for 501(c)(4) status was targeted? Why did an approval

subsequently take years longer than many of their progressive counterparts? I want to know. The people want to know. Why were pro-life groups and groups in support of traditional marriage targeted but not pro-abortion and marriage equality groups treated similarly?

It has been more than suggested—suggested here in this hearing—that this is really about Citizens United and about 501(c)(4) groups and their undisclosed donor lists. I think some of my colleagues have helped disabuse us of that notion. But I want to know why were groups filing for 501(c)(3) status, like some of those here today, asked inappropriate questions like the content of their prayers? Why were 501(c)(3) applicants left in limbo if this is about the abuse of 501(c)(4) status?

Lastly, we have heard that this is about organizations trying to game the system. But if it is about organizations, why was the IRS so concerned about individual donors to these organizations? Why in the months prior to a major Federal election did donor information for conservative groups and candidates get illegally released by the IRS? We want to know the answer to that question. Why did donors to conservative candidates get targeted with threatening communications trying to suppress their political donations? All of this is extremely troubling and, of course, we need more answers.

Sadly, those who can tell us the most would rather plead the Fifth Amendment than help us get to the bottom of these things. This must never, ever happen again. We need to ensure that safeguards are in place, as others on both sides of the aisle have said, so that our executive branch cannot nurture or give license to a culture or a subculture of intimidation within our Federal agencies.

And, finally, we need to punish those who violated our trust. You know, I am looking forward to that day when we do prosecute, Dr. Eastman, those who are responsible for acts that may well need to be prosecuted as more facts come in. You indicate that you already have those facts on hand. Let's hope that those facts are presented before a court of law and that proper action is taken.

We have an Indiana Tea Party group that waited for a number of years for their 501(c)(4) application to be approved. They decided not to answer the IRS' inappropriate questions. They finally received a denial of their 501(c)(4) status. However, just a few days later, after being denied, they were approved. Curious behavior. I want to know if any of your groups had a similar situation, where you were approved just days after being denied.

Mr. KOOKOGHEY. No. I am actually still waiting for status after 29 months.

Ms. BELSOM. I am still waiting after almost 3 years.

Mr. EASTMAN. We were approved prior to 2008.

Ms. KENNEY. I withdrew my application.

Ms. MARTINEK. We were approved 1 week after the request for a letter was given to us. Once our attorney sent in her letter, I guess it was 1 week after that that we actually were approved. So they didn't actually deny us, but they acted very quickly once we had legal help pointing out their request being illegal.

Mr. YOUNG. Ms. Gerritson.

Ms. GERRITSON. No. It was 600 and something days, but we finally were approved. We were never denied.

Mr. YOUNG. Thank you. I yield back.

Chairman CAMP. Thank you.

Mr. Kelly is recognized.

Mr. KELLY. Thank you, Chairman. And I thank you all for being here.

I went through a similar situation. I was an automobile dealer. My dad started the business in 1953 after coming back from the war—a little one-car showroom, but four service bays, so you can imagine my shock in 2009 when all of a sudden, one of my franchises was being taken away—not because I didn’t know how to run it, not because we didn’t meet the metrics it requires, because the government made a decision, you know what, Kelly, you are no longer going to be in business. So I went through a process and got the dealership back.

But there is something wrong here. There is something wrong. This is truly a David v. Goliath. I think it is Edmund Burke that said that all that is necessary for the triumph of evil is for good men to do nothing.

I thank you for coming here today. And I hope by your appearing here today that you have encouraged other people throughout the country to come forward, that you do not have to be afraid of this government. The fear only exists if you allow it to continue. Don’t let that happen to you.

I traveled through the district last week. I can’t tell you the number of people that came up to me and said, you know what, I would like to say something, but if you use my name, I am afraid they are going to come after me. My God, is that what we have come to?

I was in a Decoration Day—I call it Decoration Day. I know it is Memorial Day now, but I call it Decoration Day because it is about decorating the graves of our veterans, our war dead. A guy by the name of Bill Kumpf came up to me afterwards, and he said, “Mr. Kelly, can I talk to you?” I said, “Sure, Mr. Kumpf, what is it?” He said, “You know, we were denied our status. Now, here is the problem with this.” I said, “Really, what happened?” Well, some kind of certification was the problem. But here is his fear: He goes, “But I am wondering now if it is because this Penn Township Veterans Association is made up mostly of Republicans, that maybe we are targeted?” Now, think about that. We have talked about chilling. This is not chilling. The American people are frozen with fear. We have gone far beyond being chilling. We have exceeded; we have gone way over what this government is supposed to be able to do. And I have to tell you, when I talk to you all and see you here and understand what it is you are going through, you don’t have big budgets to work with. Somebody was talking about the stall tactic. That can keep you on the sidelines forever.

Mr. KOOKOGY, what kind of legal fees have you built up?

Mr. KOOKOGY. I have my own legal fees because I am an attorney, so I have done everything quid pro quo. I have done it all on my own. And the ACLJ represents us obviously as a nonprofit.

But that does not mean I don’t have countless other expenses. I have been funding, by loans to an organization that I assumed one day would be granted tax-exempt status, countless—I mean, \$30,000, \$40,000, \$50,000 of my own money, just trying to wait

for this day, this inevitable day, that the IRS would grant me tax-exempt status.

Mr. KELLY. You would get your day in court.

Ms. Belsom, you have built up some costs?

Ms. BELSOM. The ACLJ is representing us for free.

Mr. KELLY. Okay. Dr. Eastman.

Mr. EASTMAN. Hundreds of thousands of dollars in legal fees we have incurred trying to protect our donors and fight the nonsense that has been going on against us.

Ms. KENNEY. Meeting costs, legal costs, yes, and other things to run our group, such as speakers' fees, money to get the good trainers out and the good organizational people and spokespeople out, yes.

Mr. KELLY. Ms. Martinek.

Ms. MARTINEK. The Thomas More Society has taken the responsibility of our financial expenses.

Ms. GERRITSON. And the ACLJ is representing us, so we haven't had to pay our own costs.

Mr. KELLY. Isn't it incredible what you are going through to maintain your First Amendment rights? And I will just tell you, this is not a problem that is in Cincinnati. This is a problem that is deep in the bowels of this government. And if there is some point that we cannot stop this culture of fear, this government-sponsored fear, then we are really coming up short on what the oath is that we took. And we didn't take it for the Republican Party. I am so sick of hearing about, oh, it is about Republicans or Democrats. This is about America. This is basically who we are. We took an oath of office not to defend the rights of Republicans or Democrats or Libertarians, or those that just want to live here and just be left alone; we took an oath to defend our Constitution.

So I really applaud you for what you are doing today. Do not give up on this because I think the idea of if you can stall them long enough, if you can drive their costs high enough—it cost me \$60,000, by the way, in legal fees to get my dealership back. And I was told by a Member of this Congress, "Well, the system allowed you to get it back." I said, "Oh, my goodness. So I was able to get back what the government stole from me; isn't that a novel idea?"

So thank you for what you are doing. Stay the course. Do not give up. And please, spread the word to the rest of the American public: Do not be afraid of this government. It is only when we fear the government that we lose. This is a government that is supposed to serve the people; the people are not supposed to serve it. So keep up the fight. We are with you, and we have your back.

Thank you, Mr. Chairman.

Chairman CAMP. All right. Thank you.

Mr. Griffin is recognized.

Mr. GRIFFIN. Thank you, Mr. Chairman.

Thank you all so much for being here today. It reminds me of the somewhat famous quote that a government big enough to give you everything you need is powerful enough to take everything you have. That sort of goes to your quote earlier when you were talking about the government culture that we are dealing with here.

I think what we have seen described here and in the previous hearing is a distant, ever-growing, almost unlimited Federal Gov-

ernment that, in many instances, means well, but is unresponsive to people that live thousands of miles away. And the bigger it grows, the less accountable it is. And I think this is another example of that.

I want to clarify a couple of things. There have been a lot of facts thrown around, and there are a lot of myths as well. First of all, there was no surge in 501(c)(4) applications in 2010. We have heard—I know some people get talking points, and they read them, and they don't really know what they mean. But the *Washington Post* and the *Atlantic* and many others have reported there was no surge in 501(c)(4) applications in 2010. It just didn't happen.

And we are not just talking about (c)(4)s, as Mr. Young pointed out, we are talking about (c)(3)s. I am holding a lawsuit that relates to Z Street. They are trying to get organized. They are a pro-Israel group. And I have the questionnaire that they were sent. The IRS—they were just trying to get 501(c)(3) status, okay, not (c)(4). The question: Does your organization support the existence of the land of Israel? Describe your organization's religious belief system toward the land of Israel.

It is unbelievable. And you know what is interesting, it is pointed out here that in the *New York Times*, a senior State Department official was talking about some of the charitable groups active in the Middle East, and he said that the funding for these groups is a problem because it is unhelpful to the efforts we are trying to make. Is there a connection? I don't know. But it is outrageous that they would ask these sorts of things of groups.

You know, you heard some other Members quote the investigation of the Inspector General. I would point out, as some others have, it was an audit. There were no emails requested, no depositions. It just scratched the surface. And a lot of people love to cite it. Well, they didn't cite the fact that it said that conservative groups were targeted. That is why you are here. It is not a debate over the law. It is the fact that some groups were given a pass, and some groups weren't. That is what this is all about. Despite the fact that some people say, oh, it is about terminology, or we haven't given them the right terms. Do you really need training to know that you don't ask Americans what they are praying about? I mean, seriously, do you really need training to know that you don't approach a group and try to get a deal that they won't protest Planned Parenthood? It is unbelievable. If you have to write that type of stuff in the statute, then we are just out of luck, folks. That is just common sense.

You know, I think this is another great argument for tax reform. If you want to reduce the abuse and the power of the IRS, we need to reduce the complexity of the Tax Code that they enforce every day.

I would just say, in closing, that I would encourage you to explore all of your options against this government. I would encourage you to look at 42 USC 1983, which allows you to sue when your rights have been violated, particularly your First Amendment rights. I would just encourage you—obviously, you have your own lawyers. But when citizens are treated the way you have been, I think you ought to use every tool that you can to hold this government accountable. We are going to do our job here. But this is a

Federal Government that agency after agency after agency is out of control. And I appreciate your being brave and being here today. Thank you.

Chairman CAMP. Thank you.

Mr. Renacci.

Mr. RENACCI. Thank you, Mr. Chairman.

I wanted to get back and make sure that I thanked every one of you for being here.

Again, I practiced in the business world for almost 30 years before I came here—I have only been here for 2 years—and I also had a CPA profession. So I had to sit in front of those IRS agents with clients, or I had to get the letter from that individual that you all received from the IRS. And I have to tell you, it is appalling, not only what I heard in some of your testimony and what the IRS did, but I have to tell you, they don't treat—I mean, I sat in many, many situations with the IRS, and they never seemed to care. I mean, their timelines, it is amazing how long they made you all wait. It is just appalling that this government allows that to happen.

One thing that is kind of interesting for me as a business guy, when I took over a bad business, it would have been the easiest thing in the world for me to blame the guy who appointed the manager of the company before I took it over. Quite frankly, we had to fix the problem and move forward. So when I hear people say, well, this was a Bush appointee, or whatever, I always say, isn't it amazing? I mean, we should be actually talking about how we fix the problems, whoever is there. And as leaders, we should be taking responsibility to make sure those problems are fixed.

Now, I have to tell you, we had testimony 2 weeks ago from Acting Commissioner Miller. He seemed more interested in providing excuses. I heard him, I don't know how many times, say, "I don't know"—and we continue to hear that out of the agency. Can you imagine if you would have answered your questions, "I don't know," what would have happened to you? I mean, I know. I mean, you wouldn't have gotten—of course, you didn't get very far that quick with answering properly. But I don't know whether they would have just thrown your application away. But yet we have the Acting Commissioner in here 2 weeks ago answering I don't know. And he gave half-hearted apologies.

But I found it appalling and was disturbed with many of his responses. And I would wonder, as victims of many of these actions—and I would consider them illegal—do you believe these actions by the IRS to you were illegal? And I would like to just hear each one of your thoughts. And I know "illegal" is a strong word, but I would like to hear what your thoughts are.

Mr. KOOKOGY. Oh, it is absolutely illegal. When the government uses the IRS for political purposes—remember, this was part of the Articles of Impeachment in the Nixon Administration before he resigned—it is a serious matter. And it is clearly illegal to single us out for disparate treatment based on our political views.

Ms. BELSOM. Yes, I agree with what he said.

Mr. EASTMAN. Chapter and verse 26 USC section 7213(a)(1) makes it a felony to disclose confidential tax returns.

Ms. KENNEY. I agree with everyone here. It was illegal. I think it was immoral. I think it was also very un-American.

Ms. MARTINEK. It is easy for me. Our attorney, Sally Wagonmaker, said yes, it is very illegal, so—

Ms. GERRITSON. I agree.

Mr. RENACCI. Thank you. I will tell you this; one thing they will say about me if you go back over my record, I was a fighter, and I believed in fighting with my clients. So I appreciate you being here. I appreciate you fighting. Don't ever quit. And if you ever need someone to stand beside you, give me a call. I appreciate it.

I yield back.

Chairman CAMP. Thank you.

And last, but not least, Mr. Reed.

Mr. REED. Thank you, Mr. Chairman.

Thank you to the panelists. We are coming to the end here, and I just wanted to express my sincere thoughts that we stand with you.

I have heard a bunch of my colleagues talk about how certain individuals in Washington have been fired as a result of this. But let's just be clear. Mr. Miller sat right where you were, Mr. Eastman, and when I asked him a question, he had not been fired; he had been allowed to retire with full benefits and was drawing a paycheck, paid for by the American taxpayer, as he tried to answer my questions—and I say "tried" because he wouldn't answer my questions—that frustrates me, just as I am sure it frustrates you.

Then we hear that Lois Lerner, who has taken the Fifth, is now allowed to go on vacation—I will call it. That is accountability in Washington, D.C. That, to me, is unacceptable.

What I wanted to leave you with today—and Ms. Gerritson, you said it in your statement, and I appreciate the heartfelt nature of your statement—is that a lot of people in Washington forget who they work for. They work for you, not the other way around. That is the culture of abuse of power that I see in the IRS.

I want to hear from you how that makes you feel, the fact that there really hasn't been any accountability as of yet. And what would you ask us—me specifically, as a Member of this panel—to do, to make you feel that justice has been served?

Ms. GERRITSON. Well, I think it will take a lot for the American people to ever trust the IRS just because of the nature of the agency. The IRS has always been a scary agency. But what I would ask is, like so many of you have already committed, to do a full investigation, follow through on every lead. Don't stop until you get to the bottom of this. We need to rid this cancer. So just do what it is that you need to do, and we will be here to hold you accountable to do that.

Mr. REED. Well, I appreciate that because if we don't do that, one of the things I am concerned about with my colleagues on the other side of the aisle, if we don't get to the bottom of it, you have already heard—I listened to the testimony of each and every one of you. We have already heard the chilling effect of what the IRS has done. You talked about the fact that some of your pamphlets I believe weren't produced. Mr. Eastman, you talked about donors shying away from going on and giving donations to your organiza-

tion. That is a chilling effect. And if we don't hold this community, this city accountable, where do you think it is going to go? Do you think it is going to get worse, or do you think it is going to get better? Would you advise us to just sit silently by and do what so many elected officials have done before, in my opinion, say, oh, there is a problem; we have to change the law to make sure it never happens again? You know what, we need to enforce the law that is on the book.

You point out the fact that this is a felony, Mr. Eastman—a felony. That is equivalent to who? Murderers are felons. Robbers are felons. The law has been declared that we are going to hold this type of behavior accountable to the level of the seriousness of a felony, and yet what we have heard so far is, oh, it was inadvertent; it was a mistake. Does that make you feel better? Does that make you feel better that that is the standard that we are going to potentially live with as the accountability measure for us in Washington?

Mr. EASTMAN. When the claim is so divided and apart from what we know to be the truth, it doesn't make me feel better at all.

Mr. REED. I would also just like to—and I want to end with your words on this. You are the individuals that have stood up and have come here, and you said you are not going to be silent. And I applaud that. But how many of your colleagues do you think are similar to the ones that came up to me during the week when I was back home working the district that said, Hey, you know, I want to tell you what happened to me, but don't use my name? How many do you think are out there? Do any of you want to hazard a guess as to what that number is?

Ms. Kenney.

Ms. KENNEY. Just last week I had one of our attendees say, "Please, take my name off the email; I am afraid."

There is a lot of language here about people going in and out of the shadows. The citizenship ticket in this particular place, with this issue, should be the rule of law; nothing more, nothing less. Please go where these facts lead you.

Mr. REED. Does anyone want to hazard a guess? Do you think thousands; tens of thousands; hundreds of thousands? There are 300 million plus Americans watching this on TV. Do you think that many Americans, with the busy lives they have, are going to say, "Oh, yeah, that is what I want to do with my free time?"

Mr. EASTMAN. The prospect of challenging the IRS and having your last 10 years of tax returns gone through with a fine-tooth comb is chilling for many Americans. I, for the first time, bought Audit Defense when I filed my Turbo Tax tax returns this year. This is scary.

They always say, "Don't fight city hall." But at some point, you have to stand and fight, or city hall is no longer what it is supposed to be.

Chairman CAMP. Thank you. Time has expired.

I have been made aware another Member seeks recognition.

Mr. Crowley is recognized.

Mr. CROWLEY. I thank the Chairman.

I am sorry I had to step out for quite a bit. I missed a few of the statements, and one in particular by one of my colleagues.

Let me start by saying to the witnesses, each and every one of you, you are all victims here. You and so many other groups, conservative and progressive alike, targeted by the IRS are the victims. And to say otherwise is wrong, and it is not representative of the Democratic Party as well.

As the Chairman noted in an email he sent out yesterday, the outrage at what is occurring at the IRS is shared by Republicans and Democrats alike.

Second, while I welcome the witnesses, I would like to highlight the fact that the Minority party is typically allowed to invite one witness to each hearing. We did not invite a witness to this hearing. That is not because progressive groups were not targeted by the IRS; they were. In fact, the TIG report looking into this targeting documented that fact. I would like to submit for the record this list of dozens of progressive groups who were inappropriately targeted alongside Tea Party groups by the IRS.

Chairman CAMP. Without objection.

[The first submission of The Honorable Joe Crowley follows:]

News Analysis: Substantial Minority of Scrutinized EOs Were Not Conservative

by Martin A. Sullivan

Full Text Published by **taxanalysts**

We know now that the IRS used "inappropriate criteria" -- names and policy views associated with conservative and Tea Party causes -- for selecting applications for tax-exempt status for extra review. The Treasury Inspector General for Tax Administration laid out the charges in a May 14 report [\[1\]](#), and the IRS has admitted it made errors. (Prior coverage [\[2\]](#). Prior analysis [\[3\]](#).)

But TIGTA's report doesn't shed much light on whether other organizations were subject to similar review. As the early furor gives way to more careful investigations, it will be important to get a more complete picture of IRS processing of applications for tax exemption.

The IRS has helped somewhat by releasing a list [\[4\]](#) of all the "centralized" groups (that is, organizations whose applications were referred to specialists for closer review) that were granted tax-exempt status as of May 9, 2013. Though the overlap between the subset and the full set of centralized groups isn't perfect, the list suggests that the majority of groups selected for extra scrutiny probably matched the political criteria the IRS used and backed conservative causes, the Tea Party, or limited government generally. But a substantial minority -- almost one-third of the subset -- did not fit that description.

'Potential Political Cases'

In its report, TIGTA reviewed all 298 applications for tax-exempt status that were classified by IRS employees in Cincinnati as "potential political cases" from May 2010 through May 2012. Some of these were flagged for special attention because the words "Tea Party," "patriots," or "9-12 project" were referenced in their case file or because their applications espoused policy positions that would be associated with conservative causes. "Potential political cases" is the term used by TIGTA. The IRS uses the term "advocacy cases," and before July 2011 it used the term "Tea Party cases." (See footnote 13 of the report.)

Of these 298 applications, TIGTA reported that 96 had "Tea Party," "patriots," or "9-12 project" in their names (Figure 4). TIGTA, however, made no determination as to which of the 298 were selected based on the organization's policy positions (footnote 18). The TIGTA report also found that 89 of these applications were for 501(c)(3) status, and the remaining 209 were for 501(c)(4) status.

The 176 Who Made It Through

On May 15 the IRS released a list of 176 advocacy organizations that were approved for tax-exempt status. This group of applications should have considerable overlap with the 298 that were the subject of the TIGTA report. But there are two differences. First, the TIGTA list covers organizations regardless of whether there was subsequent approval. The later IRS list only includes organizations receiving approval. By law, the IRS may only disclose information from organizations that have received approval.

Second, the TIGTA list does not include applications received after May 2012. The later IRS list could include organizations whose applications were received by the IRS office in Cincinnati after May 2012.

In a separate May 15 release [\[1\]](#), the IRS said the total number of advocacy cases it has handled since the selection began in May 2010 is approximately 470. This suggests that approximately 172 applications (that is, 470 minus 298) have been filed after the end of the application period examined by TIGTA.

Of the 176 organizations the IRS has approved, Tax Analysts counted 46 that had either "Tea Party," "patriots," or "9-12 project" in their name. The table released by the IRS indicated that 136 of all approved organizations were awarded 501(c)(4) status, 39 received 501(c)(3) status, and one was granted 501(c)(6) status.

IRS Officials Protest

On several occasions, IRS officials have said that the extra scrutiny of advocacy organizations was not limited to conservative groups:

- The TIGTA report (p. 8) states: "According to the Director, Rulings and Agreements, the fact that the team of specialists worked applications that did not involve Tea Party, Patriots, or 9/12 groups demonstrated that the IRS was not politically biased in its identification of applications for processing by the team of specialists."
- In her November 2, 2012, written response [\[2\]](#) to questions posed by TIGTA, Lois Lerner, exempt organizations director in the IRS Tax-Exempt and Government Entities Division (who is now on leave), stated: "In light of the diversity of applications selected under this 'tea party' label (e.g., some had 'tea party' in their name but others did not, some stated that they were affiliated with the 'tea party' movement while others stated they were affiliated with the Democratic or Republican party, etc.), the Acting Director, EO Rulings & Agreements sought clarification as to the criteria being used to identify these cases." [Emphasis added.] (Prior coverage [\[3\]](#).)
- In the May 15 IRS release referenced above, the agency stated: "During certain periods (August 2010 to July 2010 and January 2012 to June 2012), specific names, terms, and policies (such as Tea Party and Patriot) were inappropriately used to determine which cases should be centralized. However, *case selection*

during these periods was not limited to these criteria." It also stated: "The TIGTA report reflects that 300 cases were centralized. Approximately 70 of those cases included the name Tea Party. *The remaining cases included organizations of all political views.*" [Emphasis added.]

- And in his May 17 testimony before the House Ways and Means Committee, outgoing acting IRS Commissioner Steven Miller had the following exchange with Rep. Peter J. Roskam, R-Ill.:

Roskam: If the targeting wasn't targeting, if the targeting wasn't based on philosophy, how come only conservatives got snagged?

Miller: They didn't, sir. Organizations from all walks and all persuasions were pulled in. That's shown by the fact that only 70 of the 300 organizations were Tea Party organizations of the ones that were looked at by TIGTA.

Because the IRS is prohibited by law from releasing information on applications either denied or not yet approved, we will probably never know the political persuasions of all of the 298 advocacy cases selected for extra scrutiny and of the additional 170 or so applications selected since then. We can, however, try to assess the political persuasion of the 176 approved organizations that the IRS identified on May 15.

Tax Analysts Review

As noted, 46 organizations on the May 15 IRS list had "Tea Party," "patriots," or "9/12" in their name. Tax Analysts conducted Web searches of the other 130 organizations on the list to determine if the groups were conservative organizations. In 124 cases, we found what we believe is sufficient information to make a good-faith determination whether a group was conservative.

Obviously, subjective judgment must be exercised here, and, of course, there may be disagreement about our determinations. We invite readers to review the following table, and upon request, we will send our notes to assist them in making their own determinations. These notes consist mostly of statements taken from the organizations' websites or from news reports describing the organization. In a few cases, this information could not be located, and we used the views of individuals associated with the organization to identify its political leanings.

With all of these caveats, the results of the Tax Analysts review of these organizations are the following: 46 with Tea Party, Patriots, or 9/12 in their name, 76 other conservative organizations, 48 nonconservative organizations, and six organizations about which we can make no determination. A table with brief descriptions of the 48 nonconservative groups appears below.

Ultimately, to address the question whether the IRS's review of applications for tax-exempt status has had a disparate impact on one side of the political spectrum or the other, we will need to know more about the overall pool of advocacy groups applying for tax exemption. For example, if there were a surge in the creation of potentially political conservative organizations in the last few years (that was disproportionate to

the creation of nonconservative organizations), more conservative groups would be targeted than nonconservative groups even if there were no political bias among IRS officials. Looking at the makeup of exemption-approved groups tells us nothing about bias unless we know the makeup of the group from which they were selected.

Table 1. Nonconservative 'Centralized' Tax-Exempt Organizations

Organization Name	Status	Mission or Description
1. Across the Aisle Foundation	501(c)(3)	Educational arm of No Labels, a centrist policy advocacy group; encourages bipartisanship on Capitol Hill.
2. ALICE (American Legislative and Issue Campaign Exchange)	501(c)(3)	Provides a Web-based public library of progressive law on a wide range of issues in state and local policy ("a very partial antidote to ALEC [American Legislative Exchange Council], the corporate-backed group").
3. Chattanooga Organized For Action	501(c)(3)	Helps individuals and organizations "to build the power of everyday people from marginalized and oppressed communities to take control of the circumstances of their lives."
4. Comeback America Initiative Inc.	501(c)(3)	"[Promotes] fiscal responsibility and sustainability by engaging the public and assisting key policymakers on a nonpartisan basis in order to achieve solutions to U.S. fiscal imbalances." Former U.S. Comptroller General David Walker is founder.
5. Corporate Accountability Project	501(c)(3)	A project of Philadelphia-based ActionPA; "provides educational organizing

		resources for fighting corporate power."
6. East Hampton Group for Good Government Inc.	501(c)(3)	Promotes improved local government in East Hampton, N.Y.
7. Engage San Diego	501(c)(3)	San Diego-based "regional network of organizations working in historically underrepresented and socially responsible communities."
8. Intersections Inc.	501(c)(3)	A network of ministries to empower young people in American Samoa "through programs that combine the arts and technology with the educational, vocational, and spiritual disciplines."
9. Miami-Dade Taxpayers Alliance Inc.	501(c)(3)	"An independent, nonpartisan research institute dedicated to better stewardship of Miami-Dade County's tax dollars."
10. National Jobs for All Coalition	501(c)(3)	"Committed to building a new movement for full employment at livable wages." Affiliated with many liberal organizations.
11. Northeast Ohio Voter Advocacy Inc.	501(c)(3)	"Enables and expands voter education and registration in underrepresented areas of the City of Cleveland, Cuyahoga County, and other counties of northeast Ohio."
12. Open Sky Policy Institute	501(c)(3)	Nebraska-based fiscal policy research group; generally opposes income tax cuts.
13. Progress Missouri Education Fund	501(c)(3)	"Multi-issue progressive advocacy organization"

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		focused on state and local policy.
14. Public Works: The Center for the Public Sector	501(c)(3)	Director previously founded the Texas-based Center for Public Policy Priorities, a nonprofit, nonpartisan organization committed to building the economic and social well-being of low-income Texans.
15. Rebellious Truths	501(c)(3)	Seeks to "unveil the curtain of dastardly deeds and the cobweb of lies entangling America."
16. Restoration Philadelphia Inc.	501(c)(3)	Grass-roots organization made up of individuals, churches, and ministries committed to "mobilizing the Church of Philadelphia to fulfill its destiny and restoring the City of Brotherly Love, so that the vision of William Penn's Holy Experiment becomes a reality and the Glory of God is revealed all."
17. Sarasota Tiger Bay Club Inc.	501(c)(3)	Nonpartisan political organization that hosts debates, forums, and speakers in central Florida.
18. Center for Election Science	501(c)(3)	San Francisco-based group dedicated to "election-related scholarship."
19. Center for Health Care Policy	501(c)(3)	Conducts research and analysis necessary for the creation of a single-payer healthcare system.
20. Alliance for a Better Utah Inc.	501(c)(4)	Multi-issue education and advocacy organization promoting progressive ideas and causes.
21. Campaign for Vermont Prosperity Inc.	501(c)(4)	Advocates for greater state government transparency

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		and accountability and a stronger economy with more and better-paying jobs while espousing a commitment to social responsibility and environmental stewardship.
22. Coffee Party USA	501(c)(4)	Founded on the underlying principle that the government "is not the enemy of the people." Seeks to remove corporate influence from politics.
23. Committee for a Fair Judiciary	501(c)(4)	Focuses on the roles and responsibilities of senators in the judicial selection process and seeks to educate the public about how the process works and how it could work better.
24. Freedom Club	501(c)(4)	Aims to guide members to financial, health, emotional, and spiritual freedoms ("to raise the life energy of Mother Earth and Mankind to new heights and welcome in the new era of Love, Prosperity and Cooperation").
25. Delawareans for Social and Economic Justice	501(c)(4)	National coalition of community-based organizations composed of parents and students in low-income communities focused on unveiling a report on schools that are

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		eligible for federal turnaround intervention.
26. Grantville Action Group	501(c)(4)	Local government group in San Diego that opposes development.
27. Homeless but Not Powerless	501(c)(4)	Registers voters at shelters, soup kitchens, parks, and jails.
28. League of Women Voters of Hawaii	501(c)(4)	State chapter of national organization to educate policymakers and the public on issues.
29. Louisiana Progress Action Fund Inc.	501(c)(4)	Advances progressive state policy solutions.
30. Middle Class Taxpayers Association	501(c)(4)	San Diego-based organization that serves as a voice for those "not served by big business-funded taxpayer groups."
31. Missourians for Fair Taxation	501(c)(4)	Group opposing reductions in income tax that are paid for through sales tax increases.
32. New American Economy Action Fund	501(c)(4)	Coalition of CEOs, start-up founders, and venture capitalists formed to press Congress to pass immigration reform that would encourage innovation and create jobs.
33. New York Civic Action Inc.	501(c)(4)	Associated with left-leaning network action groups.
34. Nicolas Berggruen Institute	501(c)(4)	Dedicated to the design and implementation of new ideas of good governance that can be brought to bear on the common challenges of globalization in the 21st century.
35. No on 22 -- Citizens Against Taxpayer Giveaways	501(c)(4)	Opposes California Proposition 22, which would give money to

		redevelopment agencies at the expense of state core services such as public education. Sponsored by firefighters.
36. Progressive Leadership Alliance of Nevada	501(c)(4)	Brings diverse and potentially competing organizations together into one cohesive force for social and environmental justice in Nevada.
37. Progress Missouri Inc.	501(c)(4)	Promotes a stronger progressive movement in Missouri and advances in progressive public policy.
38. Progress Texas	501(c)(4)	Organizes rapid response communications in opposition to conservative groups.
39. Progressive USA Inc.	501(c)(4)	"We advocate for sensible policy solutions, hold our nation's elected officials accountable for their actions and take head-on the flawed policies and hypocrisy of the radical right."
40. Progressives United Inc.	501(c)(4)	Opposes corporate influence in the political system.
41. Progress Now	501(c)(4)	Progressive campaign.
42. Rebuild the Dream	501(c)(4)	Supports pro-union demonstrations in Wisconsin.
43. RVA Alliance Inc.	501(c)(4)	Affiliated with the Alliance for Progressive Values.
44. Texas Business for Higher Education	501(c)(4)	Promotes education with no apparent political agenda.
45. Tie the Knot	501(c)(4)	Sells bow ties to raise money to promote legalizing same-sex marriage.
46. TN Fair Tax	501(c)(4)	Promotes the creation of a progressive Tennessee

		state tax structure that ensures adequate revenues.
47. U.S. Common Action	501(c)(4)	Group's president is affiliated with California Common Sense, a group dedicated to open government.
48. U.S. Health Freedom Coalition Inc.	501(c)(4)	Promotes the right to access alternative medical treatments such as naturopathy.

Source: Tax Analysts review of IRS data and organizations' websites.

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Chairman CAMP. And I would say to Mr. Crowley, as I said to Mr. Kind earlier, the Minority did not identify any witnesses that had been targeted by the IRS, but were certainly given the opportunity to do so.

Mr. CROWLEY. Mr. Chairman, I am still making my statement.

Chairman CAMP. That is correct—

Mr. CROWLEY. So I think I will clarify my point right now, Mr. Chairman.

Chairman CAMP. You may continue.

Mr. CROWLEY. Rather, instead of making this about ideological groups, we Democrats want to make this hearing about the facts and how we prevent this targeting from happening again.

Whether it be the targeting of progressive or conservative groups, and everyone else in between, although the members of the groups testifying today might never vote for me if I was on their ballot, I want each and every one of them to know, as a Congress, we collectively represent you.

As many may recall, I asked Lois Lerner of the IRS Tax Exempt Office about whether the IRS was politically targeting groups 2 days before she and the IRS came clean to the world and admitted the agency was in fact screening on ideological grounds. Many have asked me why I asked Ms. Lerner about this matter before the public awareness or outrage took place. The reason is no American should be targeted by the government for their personal views. And I wanted to get to the bottom of the rumors that had been circulating for some time that the IRS was in fact, once again, targeting certain individuals.

Unfortunately, this is not the IRS' first time mixing up its mission with its personal politics. Starting in 2002 and 2004, under then President Bush, the IRS went after progressive Christian churches, the NAACP, and environmental groups, and its actions are as wrong today as they were in 2004. While I don't recall the same bipartisan outrage existing then as I believe it does today, it should have. Because no agency has the right to target or discriminate based on political ideology.

So I do want to correct the record on a few matters. Some of my Republican colleagues have been working overtime to try to paint this as a political conspiracy by the White House. There is no evidence tying this to the White House. In fact, the IG's report makes that clear.

At our most recent hearing on this topic, the Treasury Inspector General, who was appointed by President Bush, testified that no officials at either the Treasury Department or the White House were involved or knew of anything about the targeting. The same Inspector General, under questioning from Congresswoman Lynn Jenkins, said that he would have questioned and investigated senior Treasury Department and any Obama Administration official if he thought they were involved. But, again, he testified under oath that they were not involved. I would like to submit the discussion between Ms. Jenkins and the Treasury Inspector General into the record.

Chairman CAMP. Without objection.

[The second submission of The Honorable Joe Crowley follows:]

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House Committee On Ways And Means Holds A Hearing On The Irs And Conservative Groups

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Last updated May 17, 2013 01:34PM ET

TRANSCRIPT

May 17, 2013

COMMITTEE HEARING

REP. DAVE CAMP

CHAIRMAN

HOUSE COMMITTEE ON WAYS AND MEANS

WASHINGTON, D.C.

REP. DAVE CAMP HOLDS A HEARING ON THE IRS AND CONSERVATIVE GROUPS

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MILLER: Wolin.

JENKINS: And how did that conversation go? What did Treasury have to say?

MILLER: We just talked through the -- the troubling nature of the reports. I indicated that we had worked on fixing the problem. And that's what we talked about.

JENKINS: They didn't give you any advice and counsel on how to move forward?

MILLER: No.

JENKINS: OK.

Mr. George...

GEORGE: Yes?

JENKINS: How often do you meet with Treasury leadership and IRS leadership regarding open audits?

GEORGE: With the IRS leadership, we meet monthly with the commissioner or acting commissioner on a standing basis and then we'll have communications as necessary.

The secretary holds a monthly meeting with the bureau heads. And in conjunction with those meetings I met monthly with the general counsel of the Department of the Treasury, and then on an as-needed basis with the deputy secretary, Mr. Wolin.

JENKINS: OK. When did you first alert Treasury leadership and IRS leadership about this specific audit?

GEORGE: I alerted the commissioner, then-Commissioner Shulman, on May 30th, 2012. I subsequently alerted the general counsel of the Department of the Treasury on June 4th, and subsequently -- and I do not have the exact date -- alerted the deputy secretary, Neal Wolin about this matter. And then, upon assumption in -- into the position, I mentioned it to Secretary Lew.

JENKINS: OK. So, May 30th would have been the first time that Mr. Shulman what have known about the troubling allegations?

GEORGE: From my perspective, I would assume that people within the Internal Revenue Service would have gave him a heads up about this troubling mater, but I can't say that for certain.

JENKINS: OK. In your report, you indicate that the decisions to target Americans based on political beliefs were made only within the IRS. How did you determine that?

GEORGE: These were through interviews with IRS staffers both in Cincinnati, Ohio, as well as in Washington, D.C., at the headquarters of the Determinations Unit and their and their -- the Exempt Organizations Unit.

JENKINS: So, did you interview Mr. Miller?

GEORGE: We did not interview Mr. Miller.

GEORGE: So, how would you know or did you interview anyone at Treasury?

GEORGE: We did not. And -- and the reason for that is because at that time of our interviews, we had no indication, because this was an ongoing matter and we didn't have any indication from those initial interviews that they were implicated in this matter.

JENKINS: So, had anyone given you any indication that you needed to visit with someone higher, you -- you would have...

GEORGE: Most...

JENKINS: ... had the authority to?

GEORGE: Most definitely.

CAMP: All right. Time has expired.

Mr. Paulsen is recognized.

PAULSEN: Thank you, Mr. Chairman.

Mr. CROWLEY. And it was the same Inspector General who notified Congressional Republicans, including Chairman Darryl Issa, of his investigation into political targeting of groups by the IRS in the summer of 2012, months before the 2012 national elections. I would like to submit the Treasury Inspector General's letter to Mr. Issa and the RSC Chair Jim Jordan confirming this investigation into the IRS dated July 11, 2012, into the record.

Chairman CAMP. Without objection.

[The third submission of The Honorable Joe Crowley follows:]

JUL 18 2012



INSPECTOR GENERAL
FOR TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20005

July 11, 2012

The Honorable Darrell Issa
Chairman, Committee on Oversight
and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Issa.

Thank you for your letter dated June 28, 2012, regarding concerns with the Internal Revenue Service's (IRS) oversight of organizations applying for tax-exempt status. Your letter specifically mentioned questionnaires that the IRS has issued which may exceed appropriate scrutiny and a potential lack of balance in the use of criteria for reviewing organizations that are applying for tax-exempt status. We appreciate your interest in ensuring that the IRS has processes in place to effectively and fairly administer tax-exempt laws.

As stated in your letter, after our meeting with the Committee staff, our Office of Audit recently began work on this issue. We would be happy to provide a status update to the Subcommittee staff and provide a copy of our interim and final reports on the matter when they are issued.

Please contact me should you have any questions regarding this matter, or have your staff contact Mr. Matthew Sutphen, Counselor to the Inspector General, at (202) 927-7266.

Sincerely,


J. Russell George
Inspector General

Identical letter sent to:

The Honorable Jim Jordan
Chairman, Subcommittee on Regulatory Affairs,
Stimulus Oversight and Government Spending

TREASURY INSPECTOR GENERAL
for TAX ADMINISTRATION
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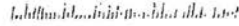
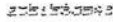
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The Honorable Darrell E. Issa
United States House of Representatives
2347 Rayburn House Office Building
Washington, DC 20515-0549



Mr. CROWLEY. Do you really think that if there was evidence of political targeting at the highest levels of our government during an election year, that Members of Congress, like Chairman Issa, would have sat quietly and not brought this to the public's attention? I think Chairman Issa's silence speaks for itself. He did nothing and said nothing because there was no whistle to blow.

What concerns me is that this is the second chapter in less than a decade that the IRS has been caught going rogue. They went rogue in 2002, 2004, when they inappropriately targeted churches, religious groups, and the NAACP.

Mr. Chairman, I think the record speaks for itself. There is no smoking gun. What happened to these Americans is intolerable and ought not to have happened, whether it be progressive or conservative groups. The actions of the IRS, be they from a Democratic side or Republican side, a Republican Administration or a Democratic Administration, should never be tolerated, never be tolerated.

I yield back the balance of my time.

Chairman CAMP. Thank you.

I want to thank the witnesses for coming forward today. It is not an easy thing to do to sit through a congressional hearing and answer questions from a whole variety of perspectives and Members. But I want to tell you how impressed I am with the answers that you gave and the quality of your testimony. I am also impressed with your moral conviction, the perseverance and the courage you have shown by being here today and representing so many other Americans who are equally affected.

You have helped the Committee a great deal, but more importantly, you have helped the American people a great deal and you have helped the Nation a great deal, and I thank you very much for that.

With that, this hearing is adjourned.

[Whereupon, at 1:30 p.m., the Committee was adjourned.]

