



SPECIAL REPORT

On June 20, 2013, Judicial Watch hosted a panel discussion entitled **“The Continuing Obama IRS Scandal.”** This media event was hosted by Judicial Watch President Tom Fitton at JW’s headquarters, and provided the latest news on a “scandal for the ages” — the Obama IRS’s concerted effort to target and retaliate against organizations and individuals deemed opponents of the president’s reelection campaign.

Panelists for the discussion included Congressman Jim Jordan, with the U.S. House of Representatives; Cleta Mitchell, a partner at Foley & Lardner LLP; Brian Brown, president of the National Organization for Marriage; and Jenny Beth Martin, co-founder of the Tea Party Patriots.

This Special Report is an edited transcript.

Judicial Watch
Because No One is
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THE CONTINUING OBAMA IRS SCANDAL



Panelists for the discussion included Brian Brown, president of the National Organization for Marriage; Jenny Beth Martin, co-founder of the Tea Party Patriots; Tom Fitton, Judicial Watch president; Congressman Jim Jordan, with the U.S. House of Representatives; and Cleta Mitchell, a partner at Foley & Lardner LLP.

Introduction by Judicial Watch president Tom Fitton

Welcome to our presentation on the continuing Obama IRS scandal. I am Tom Fitton, Judicial Watch’s president.

Judicial Watch is a conservative, nonpartisan educational foundation dedicated to transparency, integrity, and accountability in government, politics, and the law. Through educational activities, we advocate high standards of ethics and morality in our nation’s public life and seek to ensure that political and judicial officials do not abuse the powers entrusted to them by the American people. Judicial Watch does not endorse or oppose candidates for public office.

In my experience, “BOLO” is a law enforcement term short for “be on the lookout” for criminals and suspects on the run. For the Obama IRS, BOLO has meant literally “be on the lookout” for citizens groups who might be

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opposed to the Obama agenda.

Here are some of the facts as we know them today.

First, we know the IRS purposely stonewalled the approval of non-profit applications from Tea Party and other conservative groups seeking tax exempt status; and we know, according to CNN, the criteria used by IRS officials to flag applications specified a “be on the lookout” list, or BOLO. This practice was apparently discontinued in 2012, according to the CNN report.

The criteria on the BOLO list included whether Tea Party Patriots or the 9/12 Project was referenced in the case file; whether the issues outlined in the application included government spending and/or government debt or taxes, whether there was advocating or lobbying to “Make America a better place to live;” whether a statement in the case file criticized how the country is being run; and whether it advocated education about the U.S. Constitution and the Bill of Rights.

How bad was the suppression that came from the targeting by these groups promoting these patriotic activities? It was epic. Over the course of 27 months, not a single Tea Party-type organization received tax exempt status. In fact, I am not aware of any one receiving status since the scandal has been disclosed.

Despite evidence to the contrary, the IRS claims “this was no political witch-hunt.” However, it was not simply a matter of lengthy bureaucratic delays. Conservative groups were subjected to an unprecedented amount of scrutiny, draining both time and resources.

We have also learned that on top of the Tea Party assault, conservative groups and activists were audited; and that contrary to law, the IRS disclosed confidential taxpayer information to Obama supporters and opponents of conservatives, usually one and the same.

What was the purpose of this all-out assault?

Was it simply a case of retribution against enemies? No. This was much bigger than political payback. It was a systematic and concerted effort to squash the Tea Party movement — the most organic and powerful political movement in recent memory — during an election season. This was about campaign politics.

This is a scandal for the ages.

Reports are that nearly 500 groups were targeted. The Obama IRS jihad against conservatives had the effect of suppressing First Amendment protected activity against virtually the entire Tea Party movement as Obama was seeking reelection. If you want to know how an election is stolen in plain sight, this is how.

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Why do I believe that Obama knew exactly what his Internal Revenue Service was up to, besides it being in the news for the last two years? It is because of the record of Stephen T. Miller, the man Obama first hired and has now pretended to have been fired as the active commissioner of the IRS.

Make no mistake about it.

When Obama appointed Miller head of the IRS, the president should have known what he was getting. Before becoming acting commissioner, Miller ran the tax exempting government entities division of the IRS where, according to the IRS's own bio on him, Miller oversaw the administration of tax law related to employee plans, tax exempt organizations, and various government entities. Perhaps the description should have read, "oversaw and *undermined* the administration of tax law."

**This was
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campaign
politics.**

At Judicial Watch, we know this well, because early on we were one of the many conservative organizations — and Clinton critics at the time — that Miller's tax exempt branch subjected to politically inspired audits. When Judicial Watch complained about the audit and the cover-up about its political nature, an IRS official told us, "What do you expect when you sue the president?" We were also told, "When you scrutinize the government, the government is going to scrutinize you."

Miller was one of the IRS officials who oversaw this invasive audit of Judicial Watch; *and* his agency's department oversaw the invasive audits of other conservatives and critics of Bill Clinton, including the women critics who were alleging assault and other things against Bill Clinton. While Miller admitted to us that the stonewalling created at least the appearance of a problem, every time we complained about the audit, Miller's bureaucrats expanded its scope until the audit covered seven years' worth of records.

So, despite (*perhaps because of*) his record of being a top official partly responsible for the last wave of IRS abuse during the Clinton years, Miller was rewarded by Barack Obama with the top position at the IRS. Given our well-publicized experience with him, it is no surprise to me that Miller was content to allow this illegal IRS harassment of Obama's hit list and the subsequent cover-up.

These IRS abuses are one more example of how the Obama administration is "off the rails" and out of control. To help put this government back on track is one of the reasons for our panel today. We will cover all the bases and hear firsthand from the victims of the Obama IRS abuses and learn about the legal and congressional response to this ongoing scandal.

Joining me is **Jenny Beth Martin**, who is the Tea Party Patriots' national coordinator. She holds degrees from Reinhardt College and the University of Georgia. She resides in Georgia with her husband, Lee, and their three children. Jenny Beth was recently named number 15 in *Time* magazine's 100 most influential leaders in the world.

Also joining me is **Congressman Jim Jordan**, Republican from Ohio. Jim was raised in Ohio and went to school at the University of Wisconsin, where he was a two-time college wrestling champion. He earned a master's degree in education from Ohio State University and a law degree from Capital University in Columbus, Ohio. More importantly, he sits on the House Oversight Committee investigating the IRS scandal. He also sits on the Judiciary Committee.

Cleta Mitchell, who is here with me today as well, is a partner in the Washington, DC, office of Foley & Lardner. She has been a member of the firm's political law practice for more than 40 years. Cleta advises non-profit organizations, corporations, can-

Never ever forget, this is the same entity charged with enforcing Obamacare, so it's no surprise the IRS has been systematically targeting groups that came into existence because they opposed Obamacare.

didates' campaigns and individuals on state and federal campaign finance law and a whole host of other matters related to conservative public policy and activism. She is the go-to lawyer for much of the conservative movement on these types of issues. She has taken the lead in the legal response not only to the IRS scandal, but also in assisting many of the Tea Party groups to navigate the IRS over the last few years.

Finally, with me on the panel is **Brian Brown**, who has been on the front lines defending traditional marriage at the ballot box and in the courts. Brian co-founded the National Organization for Marriage in 2007 and has served as its president since 2010. He has a hair-raising story to tell you with respect to his organization's run-ins with the IRS.

Congressman, I will defer to you first, since I know you have a schedule that may require you to jump out. Let's start with the congressional investigations, where they are going, and your perspective in general.

Introductory Comments by Panelists

Representative Jim Jordan (R-OH):

Thank you, and thank you for the work of your organization and the members of the panel. Let me make a couple of quick points.

First, the goal is to get to the truth. Sometimes that takes awhile. When you do an investigation, you have got to bring people in, depose them, do the interviews — and it takes a while.

I remind everyone it took eight months to get a breakthrough on the Benghazi story before Greg Hicks could come forward and tell what happened in the compelling way he did. So it's going to take some time, but we are committed to getting there. There is — as a colleague has said — no statute of limitations on the truth.

Never ever forget, this is the same entity charged with enforcing Obamacare, so it's no surprise the IRS has been systematically targeting groups that came into existence because they opposed Obamacare. What's more, the targeting started the very month — March 2010 — that Obamacare became law. The link is strong, and we need to keep that in focus, as Obamacare and the resulting expansion of government will have a direct impact on the limits placed on our freedoms.

The second point I want to make is that not only did the FBI director not know who was heading up the case, in questioning in front of the committee last week, and could not tell us who the investigative team was and who the members of that team were. There has been no evidence to suggest the FBI has *even talked* to victim groups since the investigation has started. The criminal investigation has been going on for more than a month, and yet apparently, no one at the Justice Department has contacted these organizations. One of the first things you do — obviously — is talk to victims when an alleged crime has taken place. The FBI has yet to do that.



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Rep. Jim Jordan (R-OH)

What we do know, based on what people have said publicly, is that the FBI did pay groups a visit when they were applying for tax exempt status, so not only were they being harassed by the IRS, they also got a friendly visit from their local FBI agent.

If that is not chilling, I don't know what is.

Finally, two quick additional points, and Tom referenced this in his opening comments. In the Oversight Committee a few weeks ago, the Inspector General told Doug Shulman [former commissioner of the IRS] in May 2012 that identifying terms, such as "Tea Party Patriots" and "9/12," were used to develop a list of groups to be targeted and harassed by the IRS. Four days later he shared that also with Chris Meade, the general counsel at the Treasury Department...but he didn't share it with the Republican House of Representatives. And he didn't share it with the Oversight Committee, even though we're the committee that has jurisdiction over the Inspector General, and even though we were the committee — Chairman Issa and myself — who asked for the audit initially.



Former IRS Commissioner Doug Shulman

It's pretty significant, particularly six months before a major election, that he shared the information with the Democratic administration, but didn't share it with the Republican legislative branch, which would have asked for the audit itself. That's information, frankly, we would have liked to have known six months prior to an election.

The last thing I'll say is this. Take the last four months starting with the example of Senator [Rand] Paul standing on the Senate floor, asking a simple, yet profound, question: "Can the United States government kill an American citizen on American soil with a drone?" This administration couldn't answer the question for 24 hours.

Next, consider the fact that...in the hearing on Benghazi, this administration confirmed what we all suspected: That the video had nothing to do with what took place.

Then, go to the fact that Kathleen Sebelius [Secretary of Health & Human Services] is talking to insurance companies and hospitals and asking them to contribute [financially] as she starts to roll out the Obamacare legislation.

Then you go to the *AP* story; then the James Rosen and Sharyl Attkisson's stories, and the NSA story — just from the last two weeks — and then the IRS story.

So when you view it all in context, that's what scares Americans. That's why we're here and that's why it's important, as I said at the outset, we get to the truth.

The Republican members of Congress, and I think some Democrat members of Congress, are committed to getting to the truth as well.

Tom Fitton:

Thank you, Congressman. Jenny Beth.

Jenny Beth Martin:

What we do know, based on what people have said publicly, is that the FBI did pay groups a visit...



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Jenny Beth Martin

Thank you for having me here, Tom; and thank you, Congressman Jordan, for the work you are doing in the investigation. We appreciate what you and all the congressmen and the senators around the country are doing to get at the bottom of this.

Tea Party Patriots applied for a tax exempt, non-profit status for its 501(c)(3) and 501(c)(4) non-profit organizations in December 2010.* To this day, the IRS has still not given us a final determination on either of those two organizations. We are a (c)(4). We act as a (c)(4), say we are a (c)(4), and file as a (c)(4). So we are able to continue to operate as a (c)(4), but it's good to have that final paperwork. We don't have it.

With a (c)(3), without having the final paperwork, it's very difficult for people to want to donate to you because a (c)(3) donation is a tax-deductible donation, so if an individual donates to you, that person wants to know that it's actually something one can write off on one's taxes. Without that determination, we are unable to raise money at this point.

We received a letter from the IRS, like many other organizations, in early 2012. We were asked questions such as name every person in legislative bodies you've communicated with or have encouraged action by. They wanted copies of all written communication with those members.

We did not give any of our written communication. I was looking back through some of the paperwork this past week and realized that last year I replied by saying, "Just list every member of the Senate and the House, because that is who we're watching. We're Tea Party Patriots."

As far as personal or written communications were concerned, we did not give that. The IRS asked for all of our Facebook information, our Twitter information...all the comments that were made on any of our Facebook pages.

So, while it may want to see if the actions we are calling for fall within the (c)(4) status, the comments are written on our page, and it's a public page, so if you comment on it, it's available to the public. But the IRS wanted all of this printed out. We have over a million fans now on Facebook. Printing out that much material would be a huge burden.

Some groups have been asked for their donor list. And in the case of an Ohio group called American Patriots against Government Excess in Ohio, the IRS asked for all of the books read in their book club meeting — and required a summary, or a book report — for each of those books.

Without that determination, we are unable to raise money at this point.

**This report includes references to 501(c)(3) and 501(c)(4) organizations. Basically, an organization must provide charitable, educational, or religious services to be eligible for 501(c)(3) tax-exempt status. The IRS recognizes two types of entities for 501(c)(4) status: a) those that promote social welfare (such as debt counseling organizations, central-public policy groups, civic leagues, etc.), and b) employee associations, as well as organizations committed to meeting the needs of veterans.*

Now, when was the last time you were demanded to write a book report by the government?

Yesterday, at [The Tea Party Patriots “Audit the IRS” rally, held on June 19, 2013] we were pleased to have retired Lieutenant Colonel Rick Moreland speak. The group he founded in Albuquerque received a lot of scrutiny by the IRS.

Not only is he a retired lieutenant colonel, he is also a West Point grad, and he was in the Army cavalry. He flew helicopters. He is currently a surgeon with the Veterans Administration, and he founded this group as a volunteer dedicated to holding the government accountable. For this, he was asked all sorts of questions.

You heard (as many of the people testified before Congress two weeks ago) that for a lot of these groups, the most money they raised in any one year was less than \$10,000. These are volunteer organizations trying to establish their [non-profit] tax status by setting up a legal corporation. They are looking to rent a room in a building and purchase proper insurance, so that they can hold meetings and assemble.

These are not groups trying to evade taxes. They are not seeking to make a profit in raising money. They are people around this country who are concerned about their government, want to get together with others who are like-minded, petition their government for redress of grievances, and speak their mind without being concerned that the opinions they hold and the comments they make don't agree with the current administration. As we know — for this they have been targeted.

We are still being strung along by the IRS, and contrary to Congressman [Elijah] Cummings' claims...this is not solved. No one has been terminated. A resignation of an employee who was already going to resign does not count to me as any sort of accountability whatsoever. Paid leave does not solve the problem.

Frankly, at this point, I don't trust that a fourth taxpayer Bill of Rights legislation is going to do anything to help us. There have already been three so-called taxpayer Bill of Rights legislation that have passed since the 1980s, and all three of these did nothing to protect the Bill of Rights.

Tom Fitton:

Thank you, Jenny Beth. Next up is Brian Brown of the National Organization for Marriage. Tell us what happened to you and what you are doing about it.

Brian Brown:

When this all started with us, we thought we were alone. So, if there is any good that has come out of this, it has been the realization there are other folks like us who are willing to stand up for our civil rights, because make no mistake about it, this is a basic civil rights issue.

If you go back to the Supreme Court NAACP case in Alabama (*National Association for the Advancement of Colored People v. Alabama ex rel. Patterson, Attorney General, 1958*) the state wanted their donors and membership lists. They

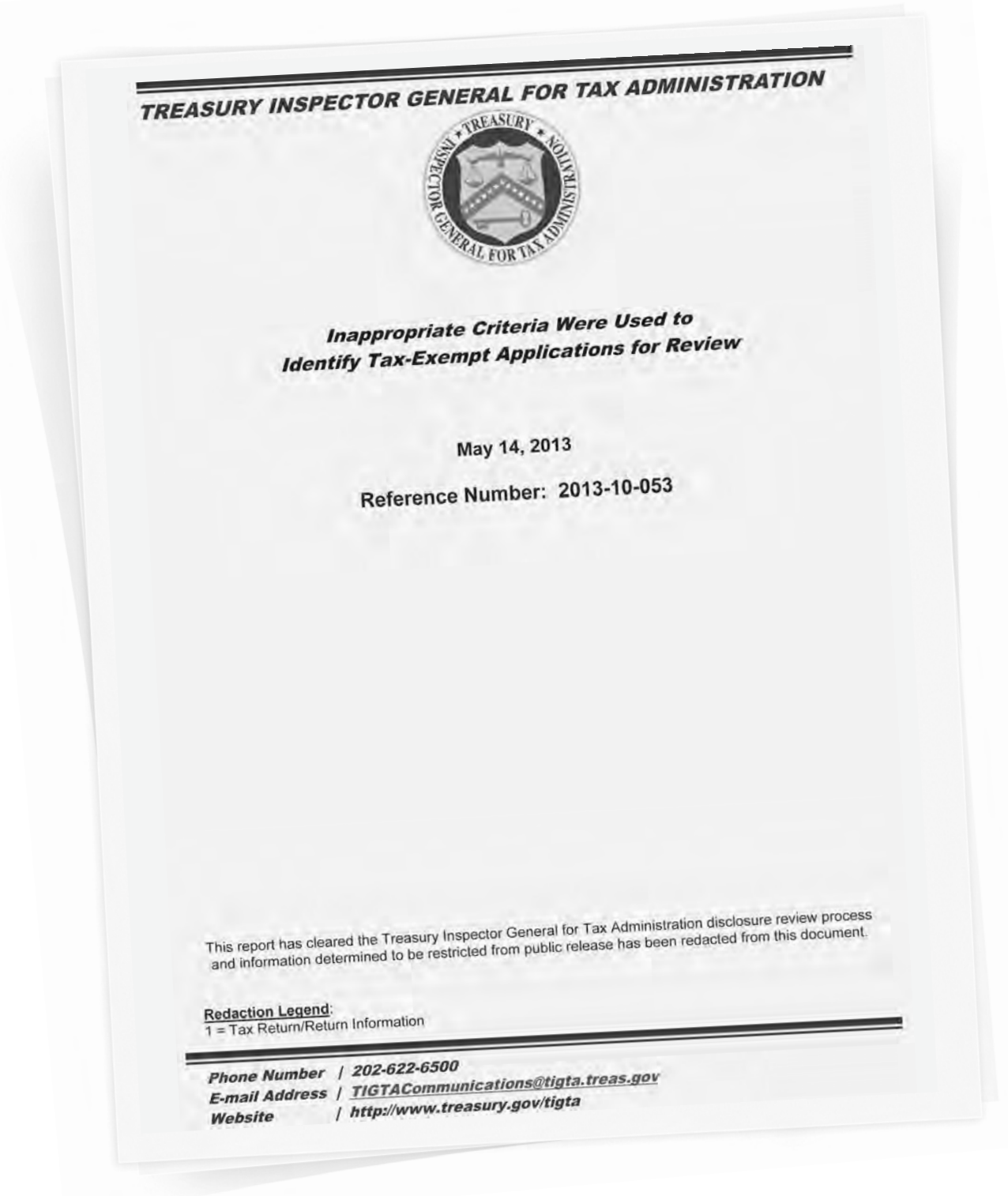
This is insane. You can commit a felony, and no one gets to know about it? No one is punished? We don't get to learn who did this? This is complete and total political intimidation.



Brian Brown

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We cannot have our government systematically attacking and trying to repress points of view it doesn't agree with.



Cover, Treasury Inspector
Generals Report on IRS
Scandal

won that case because the government was attempting to intimidate them, harass them, rob them of their First Amendment right — the freedom of association and speech — to hurt them.

For us, this goes back to March of 2012, when an organization that opposes our position defending traditional marriage, the so-called Human Rights Campaign, took our donor list. As you may be aware, the IRS asks for the names of some of your largest donors. You send them those donors on your Form 990, but then it's redacted and does not become public.

I had folks calling me one morning, saying, "All of your donors from 2008 on your 990 are up on the Human Rights Campaign's website." It was hard to believe. One of

the donor names happened to be Governor Mitt Romney, who supported our effort in California. Governor Romney's name had already been public because he donated to one of our campaigns in California, a more political campaign, where we had to make his name public; but he wasn't the target. It was everyone else on that list.

Just like the Human Rights Campaign (HRC), regardless of the side of the issue you are on, you are supposedly protected. Donors who give to a 501(c)(4) are not to be made public. The rules must be the same for everyone.

So, we did a little research, and we looked at what the HRC had posted, which went up on AOL and all over the web. We noticed that someone had attempted to hide markings on the document. We then had a specialist in computer forensics look at this, and he uncovered the layer of identifying markings.

What were they? They came directly from the IRS. There was a SMIPS code [Simple MIPS processor specification] and a code only the IRS has, so it was very clear what was done came directly from the IRS. This was one of the articles of impeachment for Richard Nixon in 1976. It's a criminal offense, punishable by up to five years in prison, for anyone to take our private tax information and to make it public.

We went to the IRS. We went to the Treasury Inspector General's Office. We filed complaints. This all took a lot of time and effort and money. Finally, we were questioned [by] some folks from TIGTA [Treasury Inspector General's Office for Tax Administration].

What happened after that? Nothing. We had to repeatedly file Freedom of Information Act (FOIA) requests to TIGTA to determine whether or not anything had been learned. Again, nothing.

In fact, in the most recent response from the Treasury Inspector General's Office, we were informed that the same law that protects our 990 from being publicly disclosed also protects the identity of the person who disclosed it. This is insane. You can commit a felony, and no one gets to know about it? No one is punished? We don't get to learn who did this? This is complete and total political intimidation.

We formed a group — Cleta and a number of others — to fight for the civil rights of conservative groups and individuals who are targeted this way, whether it's campaign finance or issues like the IRS. Guess what? The group has not received its 501(c)(3) letter, and it's been over 15 months now.

We're now finding that states like California are requesting the unredacted 990. I don't know what law gives the state of California the right to get that information, but I'll tell you this. We're not going to give it to them, because the government has not shown itself able to protect our people.

Why is this so important to us? First of all, we have the rule of law at stake. You



HHS Secretary Kathleen Sebelius

I have other clients who applied in 2009, 2010, and 2011 and are also waiting for letters of exempt status from the IRS.

Our problems are not in the past tense. They are still ongoing. It is utter lawlessness, in my opinion. What has happened within the IRS is a complete abdication of the rule of law.

cannot treat one organization differently. Where is the ACLU [American Civil Liberties Union] on this? I don't care if it's a liberal group or a conservative group being infringed on, if the ACLU really believes in civil rights and civil liberties, it should be jumping on this, because the violation goes to our most core freedom: Our First Amendment freedom.

The Heritage Foundation did a piece entitled, "The Price of Proposition Eight." Why are we concerned about it also? Because opponents of our position want to target, intimidate and harass donors of traditional marriage.

After Prop Eight, because it was a political campaign to pass a ballot measure to protect marriage in California — and where we had to disclose our donors — a number of our donors who gave \$100 were harassed at their place of employment. In fact, a waitress who gave \$100 was attacked; and others received death threats.

This is not acceptable in America. We cannot allow this to go on. We cannot have our government systematically attacking and trying to repress points of view it doesn't agree with.

Tom Fitton:

Thank you, Brian. You know, it's clear to me, Cleta, that the IRS isn't going to be able to fix itself, and that leads into what you have witnessed as a representative of the victims and what you're pursuing in court to get redress for the wrongs.

Cleta Mitchell:

Thank you. When, people ask me what I do, I say I am the consigliere to the vast right wing conspiracy. In other words, I help candidates and organizations and entities who are conservative or Republican. I have people come to see me who want to be involved in the policy or political process, and I inform them, based on what you want to do, this is how you need to structure yourself.

If you want to start a business in this country, the first thing you need to do is tell the IRS what you are. All of us have Social Security numbers. If you don't have a Social Security number, then for an artificial entity, such as a corporation or an LLC, you need to let the IRS know what type of artificial entity you are. Then you get an employer ID number from the IRS.

When these people want to gather together, as they are entitled to do under the First Amendment, to associate with one another for the purpose of either influencing policy or politics — which is what I help them with — I say "This is the box we check for you." Before January of 2010, in forming a 501(c)(4), the IRS would usually ask a few questions about your form or your articles of incorporation, or whatever. The processing time was anywhere from a month to 90 days, maximum.

I brought a copy of the current application for (c)(4) status. It is 19 pages long, with probably a couple of hundred questions. Plus, you are required to provide a lot of



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Cleta Mitchell

documents to let the IRS know what you're going to do.

That is one thing we should stop. If you're going to be an LLC or a Subchapter S corporation, for example, you shouldn't need to ask permission. You should be able to tell the IRS what you are.

I had a client who applied for (c)(4) status on October 9, 2009, and the organization still does not have its letter of determination of exempt status. I have other clients who applied in 2009, 2010, and 2011 and are also waiting for letters of exempt status from the IRS.

I am on my third IRS agent with this one particular client. I think when we get to the bottom of this, we are going to find that it was one of the very first organizations singled out; and it may well have been because the client had lobbied against Obamacare, raising money and running ads telling people to vote against Obamacare.

This was in the fall of 2009 through the early part of 2010. You will recall, Obamacare passed in March 2010. Not having a letter of exempt status has forced the organization to wind down and be put on kind of a hold.

I have had numerous conversations about that one client with the IRS in Washington, DC. I have started calling the agent at the IRS "my parole officer," because I check in with this person once a month. I was told three weeks ago, "You will have your letter in two weeks." So far, no letter.

So my point is the same as Brian's. Our problems are not in the past tense. They are still ongoing. It is utter lawlessness, in my opinion. What has happened within the IRS is a complete abdication of the rule of law. As Jenny Beth has described, organizations are being required to submit hundreds and hundreds of pages of documents. Only in the federal government, as Steve Miller claimed, would that be considered for efficiency.

When Lois Lerner [director of IRS' Exempt Organizations Office, now on paid administrative leave] issued her letter [to the Tea Party and other conservative groups] on May 10, 2012 [claiming she had just learned of the IRS campaign targeting Tea Party organizations] I was outraged because I knew that Jim Jordan, a year ago last March, had asked the IRS commissioner, in public testimony before the Congress, "Are you targeting conservative groups?" because he had seen the letters — and other members of Congress had seen the letters as well — that went out to hundreds of Tea Party and conservative groups.

Doug Shulman, the commissioner of the IRS sat there and told Congress there is no targeting.

We knew that wasn't true, but what are you going to do when the commissioner says no? These congressmen asked for a TIGTA investigation. It is now clear that the testi-



President Barack Obama

It is now clear that the testimony given by the IRS commissioner to the congressional committee barely six weeks before was false.



Lois Lerner (Director of IRS Exempt Organizations Office) appearing before House Committee on Oversight and Government Reform hearing investigating the Obama IRS abuse scandal.

mony given by the IRS commissioner to the congressional committee barely six weeks before was false.

The same day Lois Lerner sent out that ham-handed “apology,” I wrote a letter to her indicating that her apology was worthless, and that instead, she needed to issue my clients’ letters of determination of [tax] exempt status.

Through the Act Right Legal Foundation, which is the conservative public interest law firm Brian described, we have filed suit on behalf of True the Vote, which applied for its final 501(c)(3) status in July of 2010 and still does not have it.

There’s a provision under the law that if you haven’t gotten your (c)(3) status after 270 days, you can go to court in Washington, DC and ask that the court issue your letter of exempt status...which we have done. Unfortunately, this provision is not available to a 501(c)(4).

We are also getting ready to file suit on behalf of the National Organization for Marriage for the unlawful release of its confidential donor information, which we know

came from within the IRS — and the point made by Brian is well worth understanding.

There is a statute that was passed after Watergate that protects taxpayers from the unlawful release of their confidential information. The IRS is using that statute to keep from being required to tell the taxpayer what it’s been doing with the taxpayer’s information. It has turned the law completely upside down.

So, there is much that Congress needs to do, and there is much we need to do, as citizens, through litigation. The federal government, of course, is fighting us with our money, and it will take resources on our part to fight back and to get to the bottom of this story. But there is a lawlessness which has become pervasive in this government. It is why I am a conservative. I decided some 25 years ago that a government big enough to take care of all of us is big enough to destroy any one of us, anytime it decides to do that.

Some of the stories that Jenny Beth is receiving are hair curling. The abuses, the arrogance of IRS agents are unbelievable; and when we disclose our donors to the IRS, we are giving liberals target lists. We need to stop it.

Tom Fitton:

Thank you, Cleta. You know, Obama is responsible for this. As president of the United States, the IRS works for him, and he’s responsible. It’s clear that an agency answerable to the president of the United States suppressed an entire political movement in a way that had the effect, intended or otherwise, to help him stay in office.

You must remember that the election in 2012 turned on less than 500,000 votes, and I think that’s a generous number, between Ohio and Florida. If it had gone a few hundred thousand votes the other way, we would have a different president.

**I decided
some 25 years
ago that a
government big
enough to take
care of all of us
is big enough to
destroy any one
of us...**

So, as far as I am concerned, there's an asterisk on this man's reelection. I know people talk about impeachment. I think we are beyond that. In different circumstances, in different governments, the governments of Western democracies and republics, someone responsible for this would resign. I know politically he is not going to do that. But that is how severe an issue it is. It would cause the resignation of more honorable officials.

With that being said, what's next, Congressman, in terms of a congressional investigation?

Representative Jordan:

You keep the pressure on. Think about what we have learned in just six weeks. Since Lois Lerner went to that event we've learned the question was planted. We've learned the explanation given by the two rogue agents is not true. We've learned that Mr. Shulman went to the White House 157 times, and we've learned that the FBI — including the director — does not know who is heading up the case.

Furthermore, there is no evidence the IRS visited any of the victims' groups. On the other hand, we *do* know the IRS paid people a visit, as I said earlier, when they were applying for tax exempt status. We also know that groups submitting exempt status applications — months, and even years, ago — are still waiting for their notice.

Plus, we have learned that confidential information has been released. So, we have learned all these facts in a short period of time. We just need to keep going.

Two weeks ago, we sent a letter requesting interviews for 17 people in the IRS, some in Cincinnati, some in Washington; and we'll continue to press for information. The commitment is strong from our side to get to the truth.

So the hearings will go on.

Tom Fitton:

Remember, the IRS apparently began this process initially by targeting individual donors to so-called (c)(4)s. **To put it in context, the left is obsessed with these (c)(4)s because they want to suppress political speech they don't like.** So, they were pressuring the IRS to reinterpret the law so as to, in effect, disallow contributions by donors to (c)(4)s and by making the tax hike as a result of such donations so onerous as to prevent them from happening to begin with.

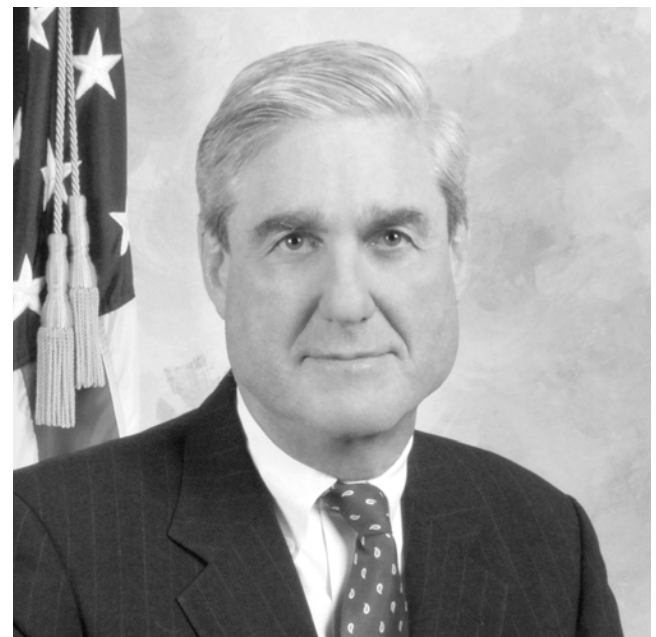
In response to an outrage, the IRS supposedly backed off. But it didn't really back off.

Instead, it did what the left — namely, the Obama campaign, liberal allies in Congress, and left wing interest groups on the outside — wanted it to do and focus directly on (c)(4)s.

I have another question or two, and then we are going to open it up to the floor.

We have been talking primarily about (c)(4)s. We know that (c)(3)s have also been audited, and we know individuals have been audited as well. So this is just the tip of the iceberg.

To put it in context, the left is obsessed with these (c)(4)s because they want to suppress political speech they don't like.



Outgoing FBI Director Robert S. Mueller

To the degree you all have information to share, tell us how broad this scandal is beyond the exemption application process.

Representative Jordan:

Let me jump in and say one last thing, which I think is important. Many of these groups are just folks who have very little money to spend in running their organizations. They meet in church basements, in elementary schools and in the local VFW hall. Yet, they were systematically targeted by their government and, in some cases, the FBI paid them a visit.

Now, that's a story that needs more to be told. For the FBI to actually come and pay a visit to some of you (just because you're exercising your First Amendment rights and don't happen to like Obamacare) is intimidating and an unreasonable intrusion. Yet, as we know, it's been happening in America. These are just regular Americans doing what Americans have been doing forever.

Brian Brown:

One thing on the (c)(3) side...during the marriage amendment campaign in North Carolina — which we passed by 61 percent — Billy Graham supported the amendment and ran some ads supporting the marriage amendment, which defines marriage as the union of a man and a woman. A month later, letters arrived for two different organizations associated with Billy Graham: Samaritan's Purse — which Sean Hannity [Fox News personality] supports — and the Billy Graham Evangelistic Association. The IRS decided to audit both.

There are too many examples like this to just be random coincidence. Why would both of those groups be subject to an audit? Was it because they supported the marriage amendment? The bottom line is the IRS didn't find a thing. But, it took a ton of staff time and money for these organizations to get through this. That's just one example.

Tom Fitton:

Congressman Jordan, I know you need to leave for a vote. I want to thank you for your help and support here.

Representative Jordan: Thank you.

Audience Participation

Let's open it up for questions and comments from the audience.

Question: Jan Tyler.

My question is this: What's going to happen, actually? Congress really does not have enforcement authority. So where is this going to lead us? You've mentioned that you think certain changes should be made in how applications for 501(c)(3) and (c)(4)s are administered. Do you really have hope for that? Also, what's going to happen to the people who actually released your information, both the individuals and the institutions?

Cleta Mitchell:

We want to be able to name names. I think that's really important. Hopefully, through discovery in the litigation we'll be able to get those names.

When you ask about the Congress, I personally think that what the House should do is create a select committee that consists of people from several of the committees, because this goes across jurisdictional and agency lines. It should have its own staff. I don't want a special counsel appointed, because that person would no doubt be reporting to [Obama Attorney General] Eric Holder and the Obama administration. That would give me no comfort.

Congress, as I say, should have a select committee, whose job it is to develop this information and then to do hearings much like the Watergate hearings, where you actually have people testify and disclosing. When you have these hearings and you get people like Jenny Beth and Brian and others in front of the American people, that's how we educate.

The problems and abuse are not just with the exempt organizations. It's in the audit division of the IRS. It's all throughout the agency; and I don't know how you solve it, unless Congress is willing to be very bold. Frankly, I think there ought to be a bill to abolish the IRS — just jerk it out by the roots and start over.

Brian Brown:

In our case, there are both civil and criminal penalties. So, it's critical we get the answers as to what TIGTA found, because right now, while we are not as small as some organizations, we are really spending a lot of money to research, find out, and get lawyers to help us.

Eventually, I do think we will find out there's going to be a lot more that comes out on this; and it's not going to be two rogue employees, I guarantee you that, the way this has played out. So, as I say, there are both civil and criminal penalties involved. And as felonies, the punishment is up to five years in prison and — I think — \$5,000 for each instance of releasing this [information].

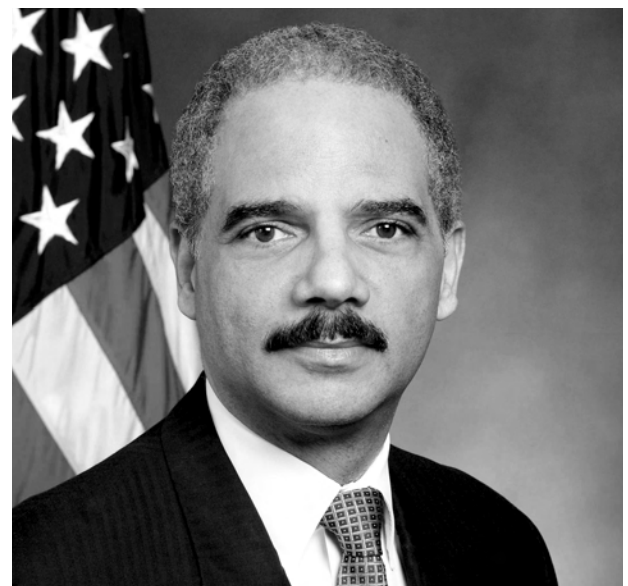
We will be filing a lawsuit against the IRS, because TIGTA isn't getting us the answers we need. Also, the groups that have continued to post the names are breaking the law, and we will sue them as well.

I think the larger problem is we want to follow the law. So if we need to create a political action committee, that's what we create. But then, something like this happens and you start to think. Why on earth does the IRS need a list of our largest donors? What is that serving? They are not making it public, if you're a social welfare organization or a 501(c)(3). Churches don't have to do that. The NAACP, because of its threats, doesn't need to do that. Why on earth does the IRS have the right to do that at all?

Now, as I said, states are starting to ask for your unredacted 990s, so they get the names.

There's absolutely no reason that the IRS should be getting our do-

The problems and abuse are not just with the exempt organizations. It's in the audit division of the IRS. It's all throughout the agency...



U.S. Attorney General Eric Holder

I want to know why it started, who started it, and everyone who was involved; and if it is outside of this one agency, I want to know who did it in all of the agencies.

nor names. This is happening more often than I would ever expect.

Tom Fitton:

In my view, the Left doesn't believe in these mediating institutions. As the head of a non-profit, I deal with a myriad of regulations and rules designed to suppress the activity of independent grassroots organizations. If you knew what we go through in order to operate in terms of regulatory compliance, you would be astonished, and the Left is perfectly happy to have this activity going on.

Question: Fred Lucas with CNSNews.com.

You talked about President Obama possibly having awareness about this. We do know it has gone to the White House doorstep in the sense that the White House counsel has known about it. How certain are you that the president might have some kind of information regarding this?

Jenny Beth Martin:

As Tea Party Patriots, it's why we want an investigation. I don't know how far up it goes and who was involved. **I want to know why it started, who started it, and everyone who was involved; and if it is outside of this one agency, I want to know who did it in all of the agencies.** I also want to know why the FBI isn't reaching out to any of the victims.

Cleta Mitchell:

You might want to read Kim Strassel's pieces in the *Wall Street Journal*. We may never find a direct conversation between the president and the IRS, but we do know, as has been said, Doug Shulman was at the White House some 157 times.

We also know that the president himself has demonized the Tea Party, over and over again, and has demonized certain donors to conservative groups by name.

We know as well that the White House economic adviser spoke about confidential tax information concerning Koch Industries. How did he have that information? No explanation has been given for that. Koch Industries has filed a FOIA to find out about how their confidential tax information made its way to the White House economic adviser, who, in a press call with reporters, talked about it.

Guess what they've been told: "We can't give you that information under 26 USC Section 6103 because that information is confidential." Well, they're protecting the confidentiality of...the IRS employees who violated the taxpayers' confidentiality.

I do think that, clearly, there were public calls by people very close to the president to mistreat, bully, and do bad things to rid [them of] us pesky conservatives, especially the pesky Tea Party people and anyone who would contribute to them.

In essence, why would we expect big government and the people who work in it to think anything of bullying and harassing conservatives? We see it every day in every part of American life...

Question:

There seems to be sort of a pattern with both the FBI not talking to the victims, and also the IG [Inspector General], in your case, not really following up since they talked to you that one particular time. Is there sort of a pattern in terms of why we are seeing this?

Tom Fitton:

We need independent investigations. The FBI will do something; we'll complain; it will do something more. The Justice Department will do something or pretend to do something. Congress will do something.

But you've got to remember, this is a political process. The congressional investigation is a political process. We need independent investigations done by entities like those being done through Cleta's lawsuits.

We at Judicial Watch are doing FOIA requests and are considering more direct lawsuits. We need the media to be on this in ways that they haven't been with Obama scandals. Thankfully, there's a new conservative media out there that can fill in the oversight gap.

We cannot rely on Congress to solve this. It will get some facts and good information out. But, in the end, remember how this scandal erupted. Congress was asking questions, and it was stonewalled without too much work by the Obama administration. Congress will never be our protector here.

Let me add this about presidential responsibility. We have our investigations going on, but he is responsible. Whether or not he made a phone call, he runs our federal government. As I said earlier, the buck stops with him, no matter what. Even if he's completely innocent, he has managed a bureaucracy that did this to his political opponents in a way that is unlike previous presidential administrations.

The IRS has never been abused in this way before. Nixon, Kennedy, Roosevelt certainly, there were targets of political audits during all presidencies. We understand that, and I am sure there were some leftist groups that were audited by an over-exuberant IRS agent during the Bush years, probably one or two.

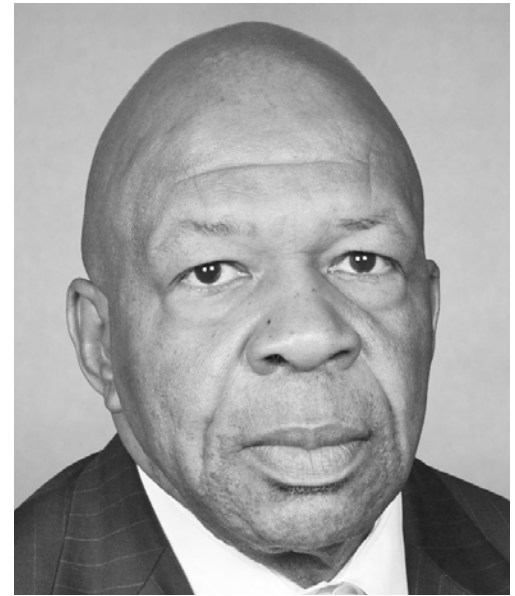
As Cleta pointed out, and as Kim Strassel's article pointed out in the *Wall Street Journal*, all the IRS has to do is look to the skies to see what the "bat signal" was from the White House and his allies in the Obama campaign, and the allied interest groups and Congress.

All the dirty work was being done in a coordinated way. I guarantee you there is White House involvement here. I'll bet you a nickel that the White House made a phone call and had pushed this indirectly — or directly.

Cleta Mitchell:

Don't forget that in the case of True the Vote, Elijah Cummings, who is the ranking Democrat on the House Oversight Committee, posted an entire transcript a week ago of an interview with one of the IRS employees, no doubt for the purpose of giving a roadmap to the White House and all the other potential witnesses from the IRS as to what they're asking so they can all get their stories straight.

Cummings and his chief staff person organized a letter signed by a whole group of Democrats in the House that went to the IRS requesting that True the Vote's tax status be denied. Now, that's a direct directive from Congress. There were a group of 17 Democratic senators who signed the same letter.



Rep. Elijah Cummings (D-MD) Ranking Member House Government Reform and Oversight Committee

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Tom Fitton:

Didn't the Obama campaign complain about True the Vote?

Cleta Mitchell:

Yes. In the month before the election, Bob Bauer, who was the Obama campaign's general counsel, became White House counsel for a period of time. Then he again became general counsel of the Obama campaign. And a week before the election, he generated a memo about how bad the Republicans are on various things and included a whole section attacking True the Vote as being engaged in voter suppression because the organization had the temerity to do poll watching to ensure election integrity.

Tom Fitton:

So the president, in his personal capacity, and the people representing him personally in his campaign, were pressuring an organization that was contemporaneously being audited by the IRS, as well as by the ATF. Make no mistake about it, these ATF inquiries were audits. Maybe the IRS isn't the only agency that needs to be considered from the bottom up.

Tom Fitton:

I want to get the Internet sites out. Cleta, where can people find out about the lawsuits?

Cleta Mitchell:

The Act Right Legal Foundation has put together a page you'll find at www.ActRightLegalFoundation.org. We are redoing it as we speak, so that we can have constant updates on the all the various lawsuits. We are also trying to make some law, so that other groups can possibly come in and file suit too.

Tom Fitton:

Brian, where can folks reach you?

Brian Brown:

www.NationforMarriage.org. You can also reach me at BBrown@NationforMarriage.org. Let me add this. If you have any other examples of IRS abuse, I know there are a bunch of groups, you can go to — but send them to me too, because the more information we have, the better we're going to be.

Tom Fitton: Jenny Beth.

Jenny Beth Martin:

www.TeaPartyPatriots.org.

As Brian has said, if you know of any other government abuse, let us know. There's a place from our website you can go to report IRS abuse or any other government agency abuse. If you work for the government and you're aware of waste, fraud, or abuse, we'd like to know that as well. We've had a few people anonymously send us information for areas we should be looking at and investigating that are related to the IRS and other matters.

If you own a gun store or are active in the Second Amendment, or if you are a pro-life

organization and have counseling sessions that maybe the IRS was asking information about, we're looking for information about any of those as well, because we think this runs far and wide, and we're trying to figure out what's happened. If it's not an issue we take up, we'll get it to the appropriate group that does take it up.

Tom Fitton:

Obama has set so many fires on the horizon, it's often difficult to figure out where to run to. I am sure now that he has set this fire on the horizon, others will be set to help distract us. But this is a real big one.

At Judicial Watch, as you know, our work is uncovering and prosecuting government corruption and this is about as bad as it gets. This is probably one of the top five of the 100 or so Obama scandals...and a top five in terms of the history of the IRS. This is the worst the IRS has ever been abused by any administration, worse than Nixon.

Thank you for your time and attention and participation, and I especially want to thank our panel. I suggest you follow all the panelists here, including Jim Jordan, who I didn't mention in my introduction today. Jim Jordan is one of these congressmen who isn't always liked by some Republican establishment types, because he shares our views on a lot of key issues.

Cleta, Jenny Beth, and Brian are on the front lines working at great personal cost and expense and are often unheralded for what they do on behalf of our great nation. So I am pleased they were able to join us and educate us about this ongoing Obama IRS scandal.

Thank you all very much.



Judicial Watch president Tom Fitton

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SPECIAL



REPORT
