Congress of the United States
U.S. House of Representatives
COMMITTEE ON WAYS AND MEANS
1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625
Washington, DC 20515-6348
http://waysandmeans.house.gov

June 26, 2013

J. Russell George
Inspector General for Tax Administration
1401 H Street, NW
Suite 469
Washington, DC 20005

Dear Inspector General George:

Since sending the attached letter to you on Tuesday, June 24, 2013, I am deeply troubled by public statements made by your office.

At first your office issued the following statement: "TIGTA's audit focused on the criteria the IRS used to select cases for expanded review for potential political campaign intervention. The "Be On the Look Out" listings discussed in our report were the ones used to refer cases for this type of scrutiny..."

Then these statements were made to and reported by the following news outlets:

CNN: Dana Bash: "An Inspector General spokesman responded that he focused on conservatives because that's what the Republican led committee asked him to do."

NPR: "So why did the IG release a 50-page audit with no mention of progressives being targeted too? A spokeswoman for the inspector general says that's outside of the scope of the audit, which was originally requested by Issa. .... The spokeswoman says the IG was asked to look at the targeting and treatment of tea party groups and that's exactly what the audit did and not much more. Another reason progressives weren't mentioned, the IG spokeswoman tells NPR, investigators were not aware of any BOLOs listing progressive organizations when conducting the review."

POLITICO: "Our audit report answered the questions it was asked to address. Other questions that are now being raised are the subject of additional review," a TIGTA spokeswoman said.

HUFFINGTON POST: "As for why the report failed to mention that progressive groups, along with tea party groups, had been placed on IRS so-called Be On The Lookout lists for special

scrutiny, Karen Kraushaar, the Communications Director at the Treasury Inspector General's office, said investigators had been constrained by their mission statement. House Oversight Committee Chairman Darrell Issa (R-Calif.) had specifically requested that investigators 'narrowly focus on tea party organizations.'"

These new disclosures are not consistent with the description of your audit work in the FY 2013 Audit Plan that failed to disclose that you were only looking for Tea Party organizations and not all potential political activities:

"Consistency in Identifying and Reviewing Applications for Tax-Exempt Status Involving Political Advocacy Issues (FY 2012 – Work in Process – Audit Number: 201210022) Audit Objective: Assess the consistency of the EO function's identification and review of applications for tax-exempt status involving potential political advocacy issues."

They are also not consistent with the stated objective on the first page of the May 14, 2013 audit report which was "to determine whether allegations were founded that the IRS: 1) targeted specific groups applying for tax-exempt status, 2) delayed processing of targeted groups' applications, and 3) requested unnecessary information from targeted groups." There is no mention of your audit being limited to only one political side—Tea Party and conservative organizations. The report further states: "This audit was initiated based on concerns expressed by members of Congress and reported in the media regarding the IRS' treatment of organizations applying for tax-exempt status." There is no mention here that the audit was being performed at the direction of Chairman Issa, that he told you to "narrowly focus on Tea Party organizations," or that you were only looking at media reports regarding the IRS' treatment of conservative groups. There are media reports of the IRS' treatment of liberal organizations and even of organizations affiliated with the Democratic Party who were denied tax-exempt status.

Appendix VII of the audit report states: "The following chart illustrates a timeline of events from February 2010 through July 2012 involving the identification and processing of potential political cases." There is no mention here that the timeline is narrowly focused on Tea Party and conservative organizations.

Failing to make this clear in these documents and at Congressional Hearings even when asked directly has been fully misleading. It has contributed to the distortion of this entire investigation, including use of innuendo and totally unsubstantiated assertions of White House involvement.

Further, as described in my initial letter, the audit failed to acknowledge that the term "progressives" was used on the BOLOs, and failed to acknowledge that liberal groups were among the 298 applications that you reviewed for the audit. On page 10, the audit states: "We reviewed all 298 applications that had been identified as potential political cases as of May 31, 2012." Yet, when repeatedly asked at Congressional hearings, you stated that you could not tell if liberal groups were included in the 298. On page 8, the audit report includes a chart that fails to note that liberal organizations were included in the 298.

Finally, I would like to remind you that my office released all of the BOLOs provided to the committees of jurisdiction by the IRS. We released all BOLOs that we received spanning the

Finally, I would like to remind you that my office released all of the BOLOs provided to the committees of jurisdiction by the IRS. We released all BOLOs that we received spanning the time period from August 12, 2010 through April 19, 2013. The timeline in your Audit (Figure 5, page 13) started in August 12, 2010 and ended in May, 2012. Since, the term "progressive" was included on the BOLOs, please explain to me how it is conceivable that "investigators were not aware of any BOLOs listing progressive organizations when conducting the review" as stated above.

Mr. George, Congress created TIGTA to be an "independent and objective" unit to conduct and supervise audits and investigations into tax administration. Implicit in the word "objective" is a duty to be forth-coming. There is increasing evidence that the May 14, 2013 audit was fundamentally flawed and that your handling of it has failed to meet the necessary test of objectivity and forthrightness.

Given the urgency of this matter, I ask that you respond accordingly.

Sincerely,

Sander Levin

Sander Levin
Ranking Member