



The IRS Harassment Scandal: A Timeline of “Reform”
Documenting Efforts by the Regulatory Community to Police Political Speech
Timeline Events Current as of December 7, 2015

In May 2013, reports surfaced and investigations began into the revelation that the Internal Revenue Service had been scrutinizing groups applying for 501(c)(4) status using politically biased criteria. Beginning in March 2010, groups with names containing the words “Tea Party” or “patriot” were singled out for greater IRS scrutiny. Later, in an attempt to change from overtly partisan to more general criteria, the IRS shifted to targeting organizations with the goal of “teaching about the Constitution.” In addition to using these outrageous criteria, IRS officials were dishonest about their actions, repeatedly testifying before Congress that there was no targeting program. After admitting that the targeting had occurred, the IRS suggested that it was merely the result of a rogue group of agents in its Cincinnati office – a claim that has since been debunked by Congressional investigators.

After submitting applications for nonprofit status, conservative-leaning social welfare groups waited years to hear back from the IRS. When they finally did hear back about the status of their application, the responses came in the form of demands for additional information. In many cases, the IRS required that groups send the agency their donor lists, names of board members, copies of minutes from all board meetings, resumes of individuals involved in the organization, and copies of all social media postings. Some organizations were asked to provide reports about the books their members had read as a group. Others were asked about their relationship to other groups and to politically engaged individuals. In some cases, organizations were asked about what kinds of activities they would participate in the future. Organizations were even told to provide personal information on seasonal interns and to provide copies of all correspondence with former interns. Making matters worse, each of the questionnaires contained a letter threatening perjury charges for providing the wrong information, which is especially troubling when considering that, in some instances, the responses were hundreds of pages in length. For many small, grassroots organizations started by concerned citizens, complying with the IRS’s requests taxed organizations’ resources to the point that they ultimately had to shut down.

Six months after the Internal Revenue Service revealed that the agency had been targeting conservative organizations for added scrutiny and delaying their applications for tax-exempt status, the agency proposed expansive new rules for handling political activity by 501(c)(4) organizations. The proposed rules would plunge the agency deeper into the business of regulating political speech.

The IRS scandal calls into question the wisdom of requiring (or allowing) non-expert government agencies to police the political speech of individuals and organizations. The following working timeline documents the legislative, regulatory, and judicial actions on both the state and federal level, as well as the intense pressure from pro-regulatory organizations surrounding and in many ways emboldening the culture at the IRS that led to this harassment scandal. This working timeline is also available online at: <http://www.campaignfreedom.org/external-relations/irs-and-the-tea-party/>.

Please note: All entries marked with an asterisk are taken from a June 6, 2013 *Wall Street Journal Article*, “An IRS Political Timeline,” written by Kimberley A. Strassel. The article is available at: <http://online.wsj.com/article/SB10001424127887323844804578529571309012846.html>.

April 29, 2008: U.S. Representative Chris Van Hollen (D-MD), then-Chairman of the Democratic Congressional Campaign Committee, files a complaint with the IRS, asking Lois Lerner to investigate Freedom’s Watch, a conservative section 501(c)(4) organization.¹

February 3, 2009: A FEC Enforcement Division attorney at the FEC asks the IRS for information about the tax-exempt statuses of the American Future Fund and American Issues Project. In an e-mail response, Lois Lerner, Director of Exempt Organizations Division at the IRS, asks, “What can we do to help the FEC here?”²

May 13, 2009: President Barack Obama jokes about having the IRS audit enemies at an Arizona State University commencement speech. After being refused an honorary degree by the University due to a lack of experience, Obama says, “I really thought this was much ado about nothing, but I do think we all learned an important lesson. I learned never again to pick another team over the Sun Devils in my NCAA brackets. . . . President [Michael] Crowe and the Board of Regents will soon learn all about being audited by the IRS.”³

January 21, 2010: The Supreme Court rules in *Citizens United v. Federal Election Commission* that, under the First Amendment, the government could not restrict corporations, associations, and labor unions from making independent expenditures in support of or opposition to candidates. Writing for the 5-4 majority, Justice Kennedy affirmed, “If the First Amendment has any force, it prohibits Congress from fining or jailing citizens, or associations of citizens, for simply engaging in political speech.” Meanwhile, President Obama called the ruling “a major victory for big oil, Wall Street banks, health insurance companies and the other powerful interests that marshal their power every day in Washington to drown out the voices of everyday Americans.”⁴

January 21, 2010: In an interview with *Mother Jones*, Representative Alan Grayson (D-FL) labels the Supreme Court’s *Citizens United* decision (see first January 21, 2010 entry) “the worst Supreme Court decision since the *Dred Scott* case,” explaining that the decision made it so “that only huge corporations have any constitutional rights.” (The 1857 *Dred Scott* decision was a notorious ruling by the Supreme Court that African Americans were not U.S. citizens, regardless of whether they were slaves or free individuals.)⁵

¹ Warren L. Dean Jr., “DEAN: A Democrat’s IRS about-face,” *The Washington Times*. Retrieved on June 18, 2013. Available at: <http://www.washingtontimes.com/news/2013/jun/17/a-democrats-irs-about-face/> (June 17, 2013).

² U.S. Representative Dave Camp et al., “Letter to Mr. Daniel Werfel, United States House Committee on Ways and Means. Retrieved on August 5, 2013. Available at: http://waysandmeans.house.gov/uploadedfiles/camp_boustany_fec_7_30.pdf (July 30, 2013), p. 5.

³ Glenn Harlan Reynolds, “Tax Audits Are No Laughing Matter,” *The Wall Street Journal*. Retrieved on February 27, 2014. Available at: <http://online.wsj.com/news/articles/SB124260113149028331> (May 18, 2009).

⁴ Adam Liptak, “Justices, 5-4, Reject Corporate Spending Limit,” *The New York Times*. Retrieved on June 17, 2013. Available at: http://www.nytimes.com/2010/01/22/us/politics/22scotus.html?pagewanted=all&_r=0 (January 21, 2010).

⁵ Nick Baumann, “Grayson: Court’s Campaign Finance Decision ‘Worst Since Dred Scott,’” *Mother Jones*. Retrieved on April 24, 2014. Available at: <http://www.motherjones.com/mojo/2010/01/grayson-courts-campaign-finance-decision-worst-dredd-scott> (January 22, 2010).

January 23, 2010: In his weekly radio address, President Obama harshly criticizes the Supreme Court’s ruling in *Citizens United* (see first January 21, 2010 entry): “This ruling opens the floodgates for an unlimited amount of special interest money into our democracy. It gives the special interest lobbyists new leverage to spend millions on advertising to persuade elected officials to vote their way – or to punish those who don’t. That means that any public servant who has the courage to stand up to the special interests and stand up for the American people can find himself or herself under assault come election time. Even foreign corporations may now get into the act.”⁶

January 26, 2010: An internal memo from Media Matters founder David Brock explains how its 501(c)(4)-affiliate, Media Matters Action Network, will use disclosure information to its political advantage.⁷ According to the memo, if a hypothetical company (ACME) supports a conservative candidate or cause, “Media Matters Action Network will track all ACME campaign expenditures in its database and may aggressively attack ACME, or provide the information to progressive partners to attack ACME for supporting policies” that it opposes.⁸

January 27, 2010: In his 2010 State of the Union Address, President Barack Obama criticizes the Supreme Court for its ruling in *Citizens United v. Federal Election Commission*: “With all due deference to separation of powers, last week the Supreme Court reversed a century of law that I believe will open the floodgates for special interests – including foreign corporations – to spend without limit in our elections. I don’t think American elections should be bankrolled by America’s most powerful interests, or worse, by foreign entities...”⁹

February 11, 2010: Senator Chuck Schumer (D-NY) announces his intention to introduce a proposal known as the DISCLOSE Act, shorthand for “Democracy is Strengthened by Casting Light on Spending in Elections.” Schumer claims that the Act will target corporations that make political expenditures and “make them think twice.” He also says “The deterrent effect [of the DISCLOSE Act] should not be underestimated.”¹⁰

February 18, 2010: IRS Exempt Organizations Division Director Lois Lerner and IRS official Nikole Flax speak at the 46th Annual Washington Non-Profit Legal & Tax Conference in Washington, D.C., where Flax announces the Agency’s new program to scrutinize applicants for

⁶ U.S. President Barack Obama, “WEEKLY ADDRESS: President Obama Vows to Continue Standing Up to the Special Interests on Behalf of the American People,” Office of the Press Secretary. Retrieved on August 11, 2014. Available at: <http://www.whitehouse.gov/the-press-office/weekly-address-president-obama-vows-continue-standing-special-interests-behalf-amer> (January 23, 2010).

⁷ Ben Smith, “Media Matters political arm to attack corporate spenders,” *Politico*. Retrieved on June 12, 2013. Available at: http://www.politico.com/blogs/bensmith/0110/Media_Matters_Action_Network_to_target_corporate_election_spending.html?showall (January 26, 2010).

⁸ David Brock and Eric Burns, “Media Matters 2012 – A Three-Year Campaign,” Media Matters. Retrieved on June 11, 2013. Available at: <http://www.scribd.com/doc/81500396/Media-Matters-Memo#page=83> (January 26, 2010), p. 84.

⁹ President Barack Obama, “Remarks by the President in State of the Union Address,” The White House Office of the Press Secretary. Retrieved on June 17, 2013. Available at: <http://www.whitehouse.gov/the-press-office/remarks-president-state-union-address> (January 27, 2010).

¹⁰ Jess Bravin and Brody Mullins, “New Rules Proposed On Campaign Donors,” *The Wall Street Journal*. Retrieved on June 17, 2013. Available at: <http://online.wsj.com/article/SB10001424052748703382904575059941933737002.html> (February 12, 2010).

tax-exempt status. The effort includes the addition of 155 new employees to the Exempt Organizations Division, 100 of which will be tasked with auditing nonprofit groups.¹¹

March 2010: According to the Treasury Inspector General for Tax Administration, the IRS Determinations Unit first started “searching for other requests for tax exemption involving the Tea Party, Patriots, 9/12, and...501(c)(4) applications involving political sounding names, *e.g.*, ‘We the People’ or ‘Take Back the Country’” in March 2010.¹² This is the first known instance of the IRS targeting groups of a conservative political orientation applying for tax-exempt status.

April 29, 2010: Representative Chris Van Hollen introduces the House version of the DISCLOSE Act (H.R. 5175). One of the bill’s cosponsors, Representative Walter Jones (R-NC), remarks upon the bill’s introduction: “I don’t know many people in Eastern North Carolina who believe...that Chinese or Russian-flagged companies should be able to spend unlimited amounts to influence U.S. elections, or that Wall Street banks should be allowed to spend their bailout money on campaign ads.”¹³

May 1, 2010: In his weekly address to the American public, President Barack Obama criticizes “groups with benign-seeming names sponsoring television commercials that make accusations and assertions designed to influence the public debate and sway voters’ minds.” According to the President, “[n]ow, of course every organization has every right in this country to make their voices heard. But the American people also have the right to know when some group like ‘Citizens for a Better Future’ is actually funded entirely by ‘Corporations for Weaker Oversight.’”¹⁴

June 24, 2010: The DISCLOSE Act passes the House of Representatives 219-206, with only two Republican Representatives voting in support of the bill.¹⁵

July 2010 – September 20, 2013: True the Vote, a Houston-based nascent conservative grassroots organization, applies for IRS tax-exempt status. In the following months, the group’s founder, Catherine Engelbrecht, endures six FBI domestic terrorism inquiries, investigations by the Occupational Safety and Health Administration, the Bureau of Alcohol, Tobacco, Firearms

¹¹ Patrick Howley, “Lois Lerner And Fellow IRS Official Announced Targeting At 2010 Conference Before Both Of Their Emails Went Missing,” *The Daily Caller*. Retrieved on July 6, 2014. Available at: <http://dailycaller.com/2014/07/01/lois-lerner-and-fellow-irs-official-announced-targeting-at-2010-conference-the-same-month-their-emails-went-missing/#ixzz36GhaVjeV> (July 1, 2014).

¹² J. Russell George, “Inappropriate Criteria Were Used to Identify Tax-Exempt Groups for Review,” Treasury Inspector General for Tax Administration. Retrieved on June 13, 2013. Available at: <http://www.treasury.gov/tigta/auditreports/2013reports/201310053fr.pdf>. (May 14, 2013), p. 36.

¹³ U.S. Representative Chris Van Hollen, “Van Hollen, Castle, Jones, Brady Announce DISCLOSE Act to Address Citizens United Ruling,” Office of Representative Chris Van Hollen. Retrieved on June 17, 2013. Available at: <http://vanhollen.house.gov/news/documentsingle.aspx?DocumentID=183368> (April 29, 2010).

¹⁴ President Barack Obama, “Weekly Address: President Obama Calls on Congress to Enact Reforms to Stop a ‘Potential Corporate Takeover of Our Elections,’” The White House Office of the Press Secretary. Retrieved on January 22, 2015. Available at: <http://www.whitehouse.gov/the-press-office/weekly-address-president-obama-calls-congress-enact-reforms-stop-a-potential-corpor> (May 1, 2010).

¹⁵ “FINAL VOTE RESULTS FOR ROLL CALL 391,” United States House of Representatives. Retrieved on June 17, 2013. Available at: <http://clerk.house.gov/evs/2010/roll391.xml> (June 24, 2010).

and Explosives, and Texas environmental quality officials, as well as multiple IRS audits and five IRS requests for additional information about the organization.¹⁶

July 21, 2010: Senator Chuck Schumer formally introduces the DISCLOSE Act, S. 3628, in the U.S. Senate.¹⁷ The bill has no Republican cosponsors.

July 26, 2010: In remarks to reporters on the eve of a vote in the Senate on the DISCLOSE Act (see July 21, 2010 entry), the President urges Senators to vote in favor of the DISCLOSE Act as a remedy to the protections for free speech guaranteed by the Supreme Court's *Citizens United* decision (see first January 21, 2010 entry): "Because of the Supreme Court's decision earlier this year in the *Citizens United* case, big corporations . . . can buy millions of dollars worth of TV ads—and, worst of all, they don't even have to reveal who's actually paying for the ads. . . . These shadow groups are already forming and building war chests of tens of millions of dollars to influence the fall elections."¹⁸

July 27, 2010: The DISCLOSE Act fails its first vote in the Senate, as Democrats fail to invoke cloture (57-41) to proceed to consideration of the bill.¹⁹

July 28, 2010: Minnesota-based Target Corp. donates \$150,000 to MN Forward, a pro-business PAC running ads in support of Republican Minnesota gubernatorial candidate Tom Emmer, who has traditional views on marriage. The disclosure of the donation sparks pro-gay marriage groups to organize Target customers to boycott the retail chain, which has a long-standing reputation of support for the LGBT community. Target defends its actions "by stating that they were tied to Emmer's positions when it comes to creating a positive environment for businesses, not his stance on social issues." Chief Executive Officer Gregg Steinhafel assures consumers that "inclusiveness remains a core value of our company," as evidenced by the company's PAC donations, which are evenly split to both political parties in 2010.²⁰

***August 9, 2010:** In Texas, President Obama for the first time publicly names a group he is obsessed with—Americans for Prosperity (founded by the Koch Brothers)—and warns about conservative groups. Taking up a cry that had until then largely been confined to left-wing media and activists, he says: "Right now all around this country there are groups with harmless-sounding names like Americans for Prosperity, who are running millions of dollars of ads...And they don't

¹⁶ Sharyl Attkisson and Kim Skeen, "What's going on between the IRS and True the Vote?" *CBS News*. Retrieved on June 25, 2013. Available at: http://www.cbsnews.com/8301-250_162-57586763/whats-going-on-between-the-irs-and-true-the-vote/ (May 29, 2013).

¹⁷ "Bill Summary & Status 111th Congress (2009 - 2010) S.3628 All Congressional Actions," The Library of Congress. Retrieved on June 17, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:SN03628:@@X> (July 21, 2010).

¹⁸ President Barack Obama, "Remarks by the President on the DISCLOSE Act," The White House Office of the Press Secretary. Retrieved on January 22, 2015. Available at: <http://www.whitehouse.gov/the-press-office/remarks-president-disclose-act> (July 26, 2010).

¹⁹ Vote Summary on the Motion to Invoke Cloture on the Motion to Proceed to S. 3628. United States Senate. Retrieved on June 17, 2013. Available at: http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00220 (July 27, 2010).

²⁰ Brian Montopoli, "Target Boycott Movement Grows Following Donation to Support 'Antigay' Candidate," *CBS News*. Retrieved on April 9, 2014. Available at: <http://www.cbsnews.com/news/target-boycott-movement-grows-following-donation-to-support-antigay-candidate/> (July 28, 2010).

have to say who exactly the Americans for Prosperity are. You don't know if it's a foreign-controlled corporation.”

***August 11, 2010:** The Democratic Congressional Campaign Committee sends out a fundraising email warning about “Karl Rove-inspired shadow groups.”

***August 21, 2010:** Mr. Obama devotes his weekly radio address to the threat of “attack ads run by shadowy groups with harmless-sounding names. We don't know who's behind these ads and we don't know who's paying for them.... You don't know if it's a foreign-controlled corporation.... The only people who don't want to disclose the truth are people with something to hide.”

***Week of August 23, 2010:** *The New Yorker's* Jane Mayer authors a hit piece on the Koch brothers, entitled “Covert Operations,” in which she accuses them of funding “political front groups.” The piece repeats the White House theme, with Ms. Mayer claiming the Koch's have created “slippery organizations with generic-sounding names” that have “made it difficult to ascertain the extent of their influence in Washington.”

***August 27, 2010:** White House economist Austan Goolsbee, in a background briefing with reporters, accuses Koch industries of being a pass-through entity that does “not pay corporate income tax.” The Treasury Inspector General investigates how it is that Mr. Goolsbee might have confidential tax information. The report has never been released. This same week, the Democratic Party files a complaint with the IRS claiming the Americans for Prosperity Foundation is violating its tax-exempt status.

August 27, 2010: The Democratic Congressional Campaign Committee (DCCC) files a complaint with the IRS requesting an investigation into the tax status of the 501(c)(3) group, Americans for Prosperity Foundation (AFPF). The DCCC alleges that AFPF is “a de facto political ‘action group,’ violating its tax exempt status.” The DCCC's complaint further alleges that AFPF is ineligible for status as either a 501(c)(3) or a 501(c)(4) organization.²¹

August 31, 2010: In reference to a Democratic Congressional Campaign Committee complaint to the IRS about the activities of Americans for Prosperity, Exempt Organizations Division Director Lois Lerner e-mails IRS Tax Exempt and Government Entities Commissioner Sarah Hall Ingram, saying, “[w]e won't be able to stay out of this – we need a plan!”²²

***September 2, 2010:** The Democratic Congressional Campaign Committee warns on its website that the Koch's have “funneled their money into right-wing shadow groups.”

***September 16, 2010:** Mr. Obama, in Connecticut, repeats that a “foreign-controlled entity” might be funding “millions of dollars of attack ads.” Four days later, in Philadelphia, he again says the problem is that “nobody knows” who is behind conservative groups.

²¹ “IRS Should Investigate Americans for Prosperity Foundation,” Democratic Congressional Campaign Committee. Retrieved on May 1, 2015. Available at: http://archive.dccc.org/blog/entry/dccc_irs_should_investigate_americans_for_prosperity_foundation/ (August 27, 2010).

²² “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 57.

***September 21, 2010:** Sam Stein, in his Huffington Post article “Obama, Dems Try to Make Shadowy Conservative Groups a Problem for Conservatives,” writes that a “senior administration official” had “urged a small gathering of reporters to start writing on what he deemed ‘the most insidious power grab that we have seen in a very long time.’”

***September 22, 2010:** In New York City, Mr. Obama warns that conservative groups “pose as non-for-profit, social welfare and trade groups,” even though they are “guided by seasoned Republican political operatives” who might be funded by a “foreign-controlled corporation.”

September 23, 2010: Upon reconsideration in the Senate, the 2010 Senate version of the DISCLOSE Act (S. 3628) dies in the Senate, as Democrats fell one vote short of invoking cloture (59-39) to proceed to consideration of the bill.²³

***September 26, 2010:** On ABC's “This Week,” Obama senior adviser David Axelrod declares outright that the “benign-sounding Americans for Prosperity, the American Crossroads Fund” are “front groups for foreign-controlled companies.”

***September 28, 2010:** The President, in Wisconsin, again warns about conservative organizations “posing as nonprofit groups.” Senator Max Baucus, Chairman of the Senate Finance Committee, writes to the IRS demanding it investigate nonprofits, citing “recent media reports” as his cause for concern. The letter names conservative organizations.

October 5, 2010: J. Gerald Hebert, Executive Director of Campaign Legal Center, and Fred Wertheimer, President of Democracy 21, write the first in a long series of letters to the IRS saying, “the IRS should investigate whether Crossroads GPS has a primary purpose of ‘participation or intervention in political campaigns on behalf of or in opposition to’ candidates for public office...”²⁴

October 8, 2010: IRS employees, including Exempt Organizations Division Director Lois Lerner, meet with Department of Justice Public Integrity Section personnel to discuss the “evolving legal landscape” of campaign finance law. The meeting is precipitated by internal DOJ discussions characterized as a “possible 501/campaign finance investigation.” Tax Exempt and Government Entities Commissioner Sarah Ingram describes the plan for the meeting with DOJ in an e-mail to IRS Deputy Commissioner Steven T. Miller, writing, “[t]he plan is to walk them through the basic civil law rules within our jurisdiction and find out what if anything else they are looking for. If they need more than the primer then we would need to assign carefully to preserve the civil - criminal wall.”²⁵

²³ “Vote Summary on the Motion to Invoke Cloture on the Motion to Proceed to S. 3628,” United States Senate. Retrieved on June 17, 2013. Available at: http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00240 (September 23, 2010).

²⁴ J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Send Treasury IG Previous Requests Urging IRS Action Against Groups Improperly Claiming 501(c)(4) Status,” Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2013/05/Letters-to-IRS.pdf> (October 5, 2010), p. 15.

²⁵ “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 61-62.

October 10, 2010: At a Democratic National Committee rally in Philadelphia, President Obama incorrectly accuses the *Citizens United* decision (see first January 21, 2010 entry) of permitting undisclosed foreign money into U.S. elections. In his remarks, Obama says, “[a]nd thanks to a Supreme Court decision called Citizens United, [Republicans] are being helped along this year by special interest groups that are spending unlimited amounts of money on attack ads ... just attacking people without ever disclosing who’s behind all these attack ads. You don’t know. It could be the oil industry. It could be the insurance industry. It could even be foreign-owned corporations. You don’t know because they don’t have to disclose.”²⁶

October 11, 2010: In a letter to the IRS, Senator Dick Durbin (D-IL) asks the Agency to “quickly examine the tax status of Crossroads GPS and other (c)(4) organizations that are directing millions of dollars into political advertising.”²⁷

October 12, 2010: A staff member for Senator Dick Durbin e-mails IRS Chief of Staff Jonathan Davis, emphasizing that other members of Congress besides Senator Durbin had also requested an investigation of Crossroads GPS and other nonprofits. The e-mail says, “FYI, Senator Durbin sent the attached to the Commissioner today regarding the work of c(4)s. We’re not the first to ask, of course...”²⁸

October 13, 2010: Two organizations who advocate for greater regulation of political speech, Public Citizen and Protect our Elections, file a complaint with the FEC, alleging that Crossroads GPS is violating federal election law. According to Public Citizen President Robert Weissman, “American Crossroads and Crossroads GPS are this year’s poster children for everything wrong with our campaign finance system in the wake of the Supreme Court’s decision in *Citizens United v. Federal Election Commission*.”²⁹

***October 14, 2010:** Mr. Obama calls these nonprofit groups “a problem for democracy.”

October 19, 2010: Then-Director of the IRS Exempt Organizations Division, Lois Lerner, acknowledges at a Duke University panel that “everybody is screaming at [the IRS] right now” to stop spending by nonprofit groups. Lerner informs the audience: “I won’t know until I look at

²⁶ U.S. President Barack Obama, “Remarks by the President and the Vice President at a DNC ‘Moving America Forward’ Rally in Philadelphia, Pennsylvania,” Office of the Press Secretary. Retrieved on August 11, 2014. Available at: <http://www.whitehouse.gov/the-press-office/2010/10/10/remarks-president-and-vice-president-a-dnc-moving-america-forward-rally-> (October 10, 2010).

²⁷ U.S. Senator Richard J. Durbin, “DURBIN URGES IRS TO INVESTIGATE SPENDING BY CROSSROADS GPS,” Office of Senator Richard J. Durbin. Retrieved on June 17, 2013. Available at: <http://www.durbin.senate.gov/public/index.cfm/pressreleases?ID=833d8f1e-bbdb-4a5b-93ec-706f0cb9cb99> (October 12, 2010).

²⁸ “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 69.

²⁹ Angela Bradberry, “FEC Should Investigate Crossroads GPS for Campaign Finance Law Violations, Watchdogs Say in Complaint to FEC,” Public Citizen. Retrieved on April 7, 2014. Available at: <http://www.citizen.org/pressroom/pressroomredirect.cfm?ID=3203> (October 13, 2010).

their 990s next year whether they have done more than their primary activity as political or not. So I can't do anything right now.”³⁰

October 20, 2010: Pro-“reform” group Public Citizen demands IRS and FEC investigations of the American Future Fund (a conservative 501(c)(4) organization), saying “American Future Fund is pulling out the stops to ensure that Republicans are elected this November,” and “hiding behind [its] nonprofit tax status.”³¹

***October 22, 2010:** The President slams those who “hide behind these front groups.”

***October 25, 2010:** President Obama upgrades them to a “threat to our democracy.”

***October 26, 2010:** Mr. Obama decries groups engaged in “unsupervised spending.”

February 1, 2011: In an e-mail to senior members of her staff, IRS Director of Exempt Organizations, Lois Lerner, warns her staff that the “Tea Party Matter [is] very dangerous. This could be the vehicle to go to court on the issue of whether Citizen’s United (sic) overturning the ban on corporate spending applies to tax exempt rules.” Lerner further directs her staff that “Cincy should probably NOT have these cases,” referencing the IRS office in Cincinnati, which generally handles applications for tax-exempt status. In her e-mail, Lerner directs her staff to have applications by Tea Party groups sent to IRS headquarters in Washington, D.C. for review.³²

February 17, 2011: IRS Commissioner Douglas Shulman responds to a letter from Senator Max Baucus (see September 28, 2010 entry) requesting a survey of 501(c) organizations “to ensure that political campaign activity is not [an] organization’s primary activity.” Shulman’s response outlines the challenges of performing the survey Baucus requested, noting that the IRS cannot determine whether an organization is meeting the requirements for tax-exempt status until it files its annual return. Shulman assures Baucus that the IRS shares his concerns and says, “[i]n the work plan of the Exempt Organizations Division, we announced that beginning in FY2011, we are increasing our focus on section 501(c)(4), (5) and (6) organizations.”³³

March 24, 2011: The Democratic Congressional Campaign Committee launches a new website, wikipocrisy.org, featuring a database of all Crossroads GPS’ donors. According to Jennifer Crider of the DCCC, “Crossroads GPS has spent millions of dollars from secretive, hidden donors on

³⁰ James Taranto, “The Press and the IRS,” *The Wall Street Journal*. Retrieved on September 23, 2013. Available at: <http://online.wsj.com/article/SB10001424127887323808204579085100811015502.html?KEYWORDS=%22irs+scandal%22> (September 19, 2013).

³¹ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 6-7.

³² Lois G. Lerner, “RE: SCR Table for Jan. 2011,” E-Mail to Michael C. Seto. Retrieved on March 7, 2014. Available at: http://oversight.house.gov/wp-content/uploads/2014/03/2157-Color-Copier@mail.house.gov_20140304_215233.pdf (February 1, 2011), p. 2.

³³ Douglas H. Shulman, “Letter to Senator Baucus,” Internal Revenue Service. Retrieved on July 30, 2015. Available at: <http://www.judicialwatch.org/wp-content/uploads/2015/07/IRS-Pages-from-May-2015-5440-5449.pdf> (February 17, 2011), p. 2, 5.

misleading campaigns. If Crossroads GPS wants to be taken seriously on transparency it must practice what they preach and release the names of their secretive donors.”³⁴

April 20, 2011: White House officials confirm that President Obama is considering an Executive Order that would require all government contractors to disclose their donations to any politically active organizations. Senate Minority Leader Mitch McConnell (R-KY) denounces the proposal as “a cynical effort to muzzle critics of this administration and its allies.”³⁵

May 12, 2011: *The New York Times* reports that the IRS intends to “invok[e] a provision that had rarely, if ever, been enforced” to collect “gift taxes” from major donations to organizations such as Crossroads GPS and Americans for Prosperity.³⁶

June 1, 2011: Holly Paz, Director of the Office of Rulings and Agreements at the IRS, sends an e-mail to Cindy Thomas, Manager of Exempt Organizations Determinations at the Agency’s Cincinnati office, requesting a copy of Crossroads GPS’s application for tax-exempt status, so that Judy Kindell, Senior Adviser to Lois Lerner, can “take a look at it so she can summarize the issues for Lois.”³⁷

June 3, 2011: House Ways and Means Committee Chairman Dave Camp (R-MI) sends a letter to IRS Commissioner Douglas Shulman questioning the Agency’s investigations into donations to conservative nonprofits, upon which gift taxes were being imposed, as well as the Agency’s audits of some 501(c)(4) organizations. “Every aspect of this tax investigation, from the timing to the sudden reversal of nearly thirty years of IRS practice, strongly suggests that the IRS is targeting constitutionally-protected political speech. The IRS must explain its actions or risk creating a chilling effect that threatens not only political advocacy groups, but all tax-exempt organizations that depend on contributions from individual donors.”³⁸

July 7, 2011: Facing opposition and accusations of political bias from Republicans in Congress, the IRS suspends its open investigations into whether certain donors are liable for gift taxes, saying it needs more time “to determine whether there is a need for further guidance in this area.”³⁹

³⁴ “DCCC Launches Wikipocrisy.org to Expose Donors of Crossroads GPS,” Democratic Congressional Campaign Committee. Retrieved on April 11, 2014. Available at: http://dccc.org/blog/entry/dccc_launches_wikipocrisy.org_to_expose_donors_of_crossroads_gps/ (March 24, 2011).

³⁵ Perry Bacon Jr. and T.W. Farnam, “Obama weighs disclosure order for contractors,” *The Washington Post*. Retrieved on June 12, 2013. Available at: http://www.washingtonpost.com/politics/obama-weighs-disclosure-order-for-contractors/2011/04/20/AFBw7qEE_story.html (April 20, 2011).

³⁶ Stephanie Strom, “I.R.S. Moves to Tax Gifts to Groups Active in Politics,” *The New York Times*. Retrieved on June 18, 2013. Available at: http://www.nytimes.com/2011/05/13/business/13gift.html?_r=0 (May 12, 2011).

³⁷ Holly O. Paz, “group of cases,” E-Mail to Cindy M. Thomas. Retrieved on March 11, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/03/Lerner-Report1.pdf> (June 1, 2011), p. 26.

³⁸ Sarah Swinehart, “Camp Demands IRS Answer Questions About Gift Tax Investigation,” United States House Committee on Ways and Means. Retrieved on April 11, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=246630> (June 15, 2011).

³⁹ Steven T. Miller, “MEMORANDUM FOR COMMISSIONER, SMALL BUSINESS/SELF-EMPLOYED DIVISION COMMISSIONER, TAX-EXEMPT AND GOVERNMENT ENTITIES DIVISION,” Internal Revenue Service. Retrieved on June 18, 2013. Available at: http://www.irs.gov/pub/newsroom/guidance_for_irs_sbse_estate_and_gift_tax_and_tege_exempt_organizations.pdf (July 7, 2011).

July 27, 2011: Campaign Legal Center and Democracy 21 petition the IRS to adopt “new regulations to stop section 501(c)(4) organizations from being improperly used to inject tens of millions of dollars in secret contributions into federal elections.”⁴⁰

August 3, 2011 – Present: A group of ten law professors submits a rulemaking petition to the SEC “that would require public companies to disclose information about their political spending.”⁴¹ In the following months, it gathers support from “a loose coalition of Democratic elected officials, shareholder activists and pension funds” calling on the Commission “to require publicly traded corporations to disclose to shareholders all of their political donations”⁴² Former SEC senior staff write to former Chairman Mary Shapiro, saying “the mechanisms already exist, and...people are using them.”⁴³

September 28, 2011: A letter authored by Campaign Legal Center and Democracy 21 says “the IRS should conduct an investigation of whether [Crossroads GPS, Priorities USA, American Action Network, and Americans Elect] has engaged in more than an insubstantial amount of non-exempt activity...”⁴⁴

November 1, 2011: Senator Tom Udall (D-NM) introduces S.J. Res. 29, which proposes an amendment to the Constitution giving Congress “power to regulate the raising and spending of money and in kind equivalents with respect to Federal elections...”⁴⁵ The measure was referred to the Senate Judiciary Committee, but failed to receive a hearing.⁴⁶

November 15, 2011: U.S. Representative Jim McGovern (D-MA) introduces the “People’s Rights” Amendment (H.J. Res. 88), which restricts “the rights protected by this Constitution” to “the rights of natural persons,” and grants Congress power to implement any and all regulation of

⁴⁰ Fred Wertheimer et al., “Democracy 21 and Campaign Legal Center Challenge Legality of IRS Regulations as Failing to Properly Limit Campaign Activity by 501(c)(4) Organizations,” Democracy 21. Retrieved on June 13, 2013. Available at: http://democracy21.org/uploads/IRS_PETITION_JULY_27_2011.pdf (July 27, 2011), p. 18-19.

⁴¹ Lucian A. Bebchuk, “Letting Shareholders Know How Their Money Is Spent,” *The New York Times DealBook*. Retrieved on June 12, 2013. Available at: <http://dealbook.nytimes.com/2012/11/14/letting-shareholders-know-how-their-money-is-spent/> (November 14, 2012).

⁴² Nicholas Confessore, “S.E.C. Is Asked to Require Disclosure of Donations,” *The New York Times*. Retrieved on June 25, 2013. Available at: http://www.nytimes.com/2013/04/24/us/politics/sec-is-asked-to-make-companies-disclose-donations.html?pagewanted=all&_r=0 (April 23, 2013).

⁴³ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 3.

⁴⁴ J. Gerald Hebert and Fred Wertheimer, “Democracy 21 and Campaign Legal Center Challenge Tax Exempt Status of Crossroads GPS, Priorities USA, American Action Network and Americans Elect, Urge Prompt Investigations and Action by Internal Revenue Service,” Democracy 21. Retrieved on June 13, 2013. Available at: http://democracy21.org/uploads/Letter_to_the_IRS_from_Democracy_21_and_Campaign_Legal_Center_9_28_2011.pdf (September 28, 2011), p. 23.

⁴⁵ U.S. Senator Tom Udall et al., “S.J. Res. 29,” Government Printing Office. Retrieved on June 26, 2013. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-112sjres29is/pdf/BILLS-112sjres29is.pdf> (November 1, 2011), p. 2.

⁴⁶ “Bill Summary & Status 112th Congress (2011 - 2012) S.J. Res. 29 All Congressional Actions,” The Library of Congress. Retrieved on June 26, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/D?d112:1:./temp/~bdmomZ:@@%X/home/LegislativeData.php?n=BSS;c=112> (November 1, 2011).

corporate entities.⁴⁷ The proposed amendment was referred to the House Judiciary Committee, but never received a hearing.⁴⁸

December 14, 2011: In a third letter to the IRS, Campaign Legal Center and Democracy 21 say “the failure of the IRS to carry out its statutory enforcement responsibilities to prevent the abuse of the tax laws could have a major impact on the 2012 elections,” and they “urge the IRS in the strongest possible terms to expeditiously examine the matters we have brought to its attention...before it is too late.”⁴⁹

January 2012: The IRS begins sending letters explaining that applications for tax-exempt status cannot be evaluated until the groups complete lengthy and complex questionnaires, some of which ask over 80 questions and include requests for “all copies of...corporate minutes from inception to present,” and “how each compensation package was determined” for all “directors, officers, or key employees,” past and present.⁵⁰

February 9, 2012: For a second time, Representative Chris Van Hollen introduces the DISCLOSE Act in the House of Representatives, where it eventually dies in the House Administration and House Judiciary Committees.⁵¹

February 13, 2012: In an e-mail to IRS staff, Exempt Organizations Division Director Lois Lerner endorses the DISCLOSE Act’s requirement of donor disclosure for tax-exempt organizations engaged in political activity (see February 9, 2012 entry), commenting, “[w]ouldn’t that be great? And I won’t hold my breath.”⁵²

February 16, 2012: A joint letter from Senators Michael Bennet (D-CO), Al Franken (D-MN), Jeff Merkley (D-OR), Chuck Schumer, Jeanne Shaheen (D-NH), Tom Udall (D-NM), and Sheldon Whitehouse (D-RI) asks the IRS to investigate tax-exempt organizations’ political activities.⁵³ In Senator Bennet’s accompanying press release, he opines that “operations such as Mr. [Karl] Rove’s [Crossroads GPS] should not be allowed to masquerade as charities.”⁵⁴

⁴⁷ U.S. Representative James P. McGovern et al., “H.J. Res. 88,” Government Printing Office. Retrieved on June 26, 2013. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-112hjres88ih/pdf/BILLS-112hjres88ih.pdf> (November 15, 2011), p. 2.

⁴⁸ “Bill Summary & Status 112th Congress (2011 - 2012) H.J. Res. 88 All Congressional Actions,” The Library of Congress. Retrieved on June 26, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/D?d112:14:/temp/~bdpy0e:@@X/home/LegislativeData.php?n=BSS;c=112> (November 15, 2011).

⁴⁹ J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Send Treasury IG Previous Requests Urging IRS Action Against Groups Improperly Claiming 501(c)(4) Tax Status,” Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2013/05/Letters-to-IRS.pdf> (December 14, 2011), p. 40.

⁵⁰ Exempt Organizations Specialist, “Letter 1312,” Internal Revenue Service. Retrieved on June 12, 2013. Available at: <http://www.documentcloud.org/documents/323502-letter-from-the-irs-to-tea-party-organizations.html> (January 26, 2012).

⁵¹ “H.R. 4010 (112th): DISCLOSE 2012 Act,” Govtrack.us. Retrieved on June 17, 2013. Available at: <http://www.govtrack.us/congress/bills/112/hr4010> (February 9, 2012).

⁵² “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 71.

⁵³ U.S. Senator Tom Udall et al., “Senators Call for IRS Investigations into Potential Abuse of Tax-Exempt Status by Groups Engaged in Campaign Activity,” Office of Senator Tom Udall. Retrieved on June 17, 2013. Available at: http://www.tomudall.senate.gov/?p=press_release&id=1026 (February 16, 2012).

⁵⁴ U.S. Senator Michael Bennet, “Senators Call for IRS Investigations into Potential Abuse of Tax-Exempt Status by Groups Engaged in Campaign Activity,” Office of Senator Michael F. Bennet. Retrieved on June 17, 2013. Available at: <http://www.bennet.senate.gov/newsroom/press/release/senators-call-for-irs-investigations-into-potential-abuse-of-tax-exempt-status-by-groups-engaged-in-campaign-activity> (February 16, 2012).

March 6, 2012: *The New York Times* reports the IRS has begun scrutinizing “dozens” of Tea Party organizations, “demanding to know their political leanings and activities.”⁵⁵

March 8, 2012: The staff of Senator Chuck Schumer tips the IRS to a forthcoming *New York Times* article on nonprofit political speech and an upcoming letter from select members of the Senate calling for “immediate administrative changes” in an e-mail to the IRS. The IRS legislative affairs employee forwards the e-mail to senior IRS staff, including Commissioner Douglas Shulman, Deputy Commissioner Steve Miller, and Exempt Organizations Division Director Lois Lerner.⁵⁶

March 9, 2012: A fourth letter from Campaign Legal Center and Democracy 21 again asks “the IRS to move forward expeditiously to investigate the groups we have identified in our earlier letters...”⁵⁷

March 12, 2012: Led by Senator Chuck Schumer, the seven Senators who sent the February 16, 2012 letter to the IRS send a second letter to the Agency demanding additional investigation and regulation of 501(c)(4) groups, declaring that they suspect “abuse of the tax code by political groups” and asking the agency to enforce a strict cap on political spending by 501(c)(4) groups. The letter also vows, “if the IRS is unable to issue administrative guidance in this area then we plan to introduce legislation to accomplish these important changes [to section 501(c)(4) of the Internal Revenue Code].”⁵⁸

March 14, 2012: On the heels of Senator Schumer’s letter two days prior, twelve Republican Senators, including Senate Finance Committee Ranking Member Orrin Hatch (R-UT), Rob Portman (R-OH), Minority Leader Mitch McConnell, and Rand Paul (R-KY) send a letter to IRS Commissioner Douglas Shulman regarding “excessive” IRS inquiries into grassroots Tea Party organizations, seeking “assurance that this recent string of inquiries has a sound basis in law and is consistent with the IRS’s treatment of tax-exempt organizations across the spectrum.”⁵⁹

⁵⁵ Jonathan Weisman, “Scrutiny of Political Nonprofit Sets Off Claim Of Harassment,” *The New York Times*. Retrieved on June 12, 2013. Available at: http://www.nytimes.com/2012/03/07/us/politics/irs-scrutiny-of-political-groups-stirs-harassment-claim.html?_r=0 (March 6, 2012).

⁵⁶ How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 71.

⁵⁷ J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Call on IRS to Ignore Efforts to Dissuade the Agency from Investigating Eligibility of Political Groups for Tax-Exempt Status as 501(c)(4) “Social Welfare” Groups, Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/Letter_to_IRS_Requesting_Investigation_of_501c4_Organizations_3_9_2012.pdf (March 9, 2012), p. 3.

⁵⁸ U.S. Senator Charles E. Schumer et al., “SENATE DEMOCRATS URGE IRS TO IMPOSE STRICT CAP ON POLITICAL SPENDING BY NONPROFIT GROUPS—VOW LEGISLATION IF AGENCY DOESN’T ACT,” Office of Senator Charles E. Schumer. Retrieved on June 12, 2013. Available at: <http://www.schumer.senate.gov/Newsroom/record.cfm?id=336270> (March 12, 2012).

⁵⁹ Senator Orrin Hatch and Senator Rob Portman, et al., “Senators to IRS: Don’t Let Politics Trump Policy on Non-Profit Group Designations,” United States Senate Committee on Finance. Retrieved on June 25, 2013. Available at: <http://www.finance.senate.gov/newsroom/ranking/release/?id=b49bd610-6a0f-4ea5-bea2-8ce37e2e5e04> (March 14, 2012).

March 21, 2012: Senator Sheldon Whitehouse introduces a new version of the DISCLOSE Act, S. 2219. The bill later dies in the Senate Committee on Rules and Administration.⁶⁰

March 22, 2012: IRS commissioner Douglas Shulman testifies to Congress that the Service is not targeting tea party groups. In testimony to the House Ways and Means' Oversight Subcommittee, Commissioner Shulman states: "There's absolutely no targeting. This is the kind of back and forth that happens to people [who apply for tax-exempt status]."⁶¹

March 22, 2012: Campaign Legal Center and Democracy 21 press the IRS for action on its 2011 rulemaking petition, saying "absent such action by the IRS, the agency will bear direct responsibility for the misuse and abuse of the tax laws by groups that are flooding our elections with secret money."⁶²

March 27, 2012: Congressmen Darrell Issa (R-CA), Chairman of the House Oversight and Government Reform Committee, and Jim Jordan (R-OH), Chairman of the House Oversight and Government Reform Committee's Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending, send a joint letter to IRS Exempt Organizations Division Director Lois Lerner inquiring about intrusive questionnaires reportedly sent to Tea Party groups applying for 501(c)(4) status. According to the letter: "News reports, however, indicate... conservative organizations being the target of the IRS's heightened scrutiny.... Given the potentially serious implications of IRS overreach and selective enforcement of IRS's 2012 work plan pertaining to 501(c)(4), 501(c)(5), and 501(c)(6) organizations, the Committee on Oversight and Government Reform requests that the IRS provide information about the IRS's 2012 work plan pertaining to 501(c)(4), 501(c)(5), and 501(c)(6) organizations and the questionnaire."⁶³

March 28, 2012: Led by House Chief Deputy Minority Whip Peter Welch (D-VT), 32 Democratic Representatives jointly write IRS Commissioner Douglas Shulman to request that the Agency "investigate whether any groups qualifying as social welfare organizations under section 501(c)(4) of the federal tax code are improperly engaged in political campaign activity."⁶⁴

March 30, 2012: In the first of a series of at least seven publicly known letters to the IRS, Senate Committee on Homeland Security and Governmental Affairs' Permanent Subcommittee on Investigations' Chairman Carl Levin (D-MI) writes IRS Commissioner Douglas Shulman with 13 questions requesting information regarding the IRS's Form 1024 application process, the standards applied by the IRS in judging whether the "political" activities of a Section 501(c)(4) organization

⁶⁰ "S. 2219 (112th): Democracy is Strengthened by Casting Light On Spending in Elections Act of 2012," Govtrack.us. Retrieved on June 17, 2013. Available at: <http://www.govtrack.us/congress/bills/112/s2219> (March 21, 2012).

⁶¹ Alan Fram, "IRS chief: Agency not targeting tea party groups," *The Associated Press*. Retrieved on May 15, 2014. Available at: <http://news.yahoo.com/irs-chief-agency-not-targeting-tea-party-groups-150536782.html> (March 22, 2012).

⁶² J. Gerald Hebert and Fred Wertheimer, "Democracy 21 and Campaign Legal Center Again Call on IRS to Initiate Rulemaking Proceeding to Revise and Clarify Eligibility Requirements for 501(c)(4) Tax-Exempt Status," Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/Letter_to_IRS_re_Petition_for_rulemaking_on_501c4_groups.pdf (March 22, 2012), p. 4.

⁶³ U.S. Representatives Darrell Issa and Jim Jordan, "Letter to Director Lerner," United States House Committee on Oversight and Government Reform. Retrieved on May 19, 2014. Available at: <http://media.acli.org/pdf/issa-jordan-letter-to-irs-regarding-intrusive-tea-party-questionnaires.pdf> (March 27, 2012), p. 1-2.

⁶⁴ U.S. Representative Peter Welch et al., "Letter to Commissioner Shulman," Congress of the United States House of Representatives. Retrieved on March 19, 2014. Available at: http://images.politico.com/global/2012/06/welch_request.html (March 28, 2012), p. 1.

are consistent with its tax-exempt status, and the consequences of a denial of Section 501(c)(4) tax-exempt status.⁶⁵

April 12, 2012: SEC Commissioner Luis Aguilar attempts to add a commitment to the rulemaking proposal (see August 3, 2011 entry) to the Agency’s agenda. A bipartisan majority of the five SEC Commissioners declines, approving the agenda in its original form.⁶⁶

April 16, 2012: Representative Anna Eshoo (D-CA), Ranking Member of the House Communications and Technology Subcommittee, writes a letter to FCC Chairman Julius Genachowski, supporting a proposed regulation that would require TV broadcasters to make their public file, including political advertisers, available online.⁶⁷

April 17, 2012: Campaign Legal Center and Democracy 21 send a sixth letter to the IRS to “again call on the IRS to investigate and take appropriate enforcement action against Crossroads GPS regarding its claimed status as a section 501(c)(4) tax-exempt ‘social welfare’ organization.”⁶⁸

April 23, 2012: IRS Chief Counsel William Wilkins meets with President Barack Obama two days before his office releases new guidelines for scrutinizing tea-party groups seeking tax-exempt status.⁶⁹ An unnamed attorney in the IRS was appalled: “In my seven years of working at a general counsel's office, I have never once heard of our general counsel meeting with the President. OLC [White House Office of Legal Counsel] would go crazy if he did. I have worked on a couple of legal opinions that did go to the White House. And each time they were staffed through OLC...So I can't for the life of me come up with any kind of innocent explanation for why Obama would have met with the chief counsel of the IRS. That meeting shouldn't ever happen, and especially not without the commissioner of the IRS being there.”⁷⁰

April 26, 2012: IRS Deputy Commissioner Steven T. Miller responds to GOP Senators’ March 14 letter. According to Senator Hatch’s Finance Committee office, “the letter does not acknowledge that the IRS had inappropriately targeted tea party groups or asked improper questions about their contributors.”⁷¹

⁶⁵ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (March 30, 2012), p. 874-876.

⁶⁶ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 4.

⁶⁷ U.S. Representative Anna G. Eshoo, “Letter to Julius Genachowski,” Congress of the United States. Retrieved on June 24, 2013. Available at: http://eshoo.house.gov/images/stories/4.16.12_Public_Files_Letter_to_FCC.pdf (April 16, 2012).

⁶⁸ J. Gerald Hebert and Fred Wertheimer, “Democracy 21 and Campaign Legal Center Again Call on IRS to Investigate Eligibility of Crossroads GPS for Tax-Exempt Status as ‘Social Welfare’ Organization,” Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/IRS_LETTER_CROSSROADS_GPS_4_17_12.pdf (April 17, 2012), p. 1.

⁶⁹ Patrick Howley, “Embattled IRS chief counsel met with Obama 2 days before agency changed targeting criteria,” *The Daily Caller*. Retrieved on August 5, 2013. Available at: <http://dailycaller.com/2013/07/22/embattled-irs-chief-counsel-met-with-obama-2-days-before-writing-new-targeting-criteria/> (July 22, 2013).

⁷⁰ Sue Reisinger, “IRS Chief Counsel Continues to Draw Critical Fire,” *Corporate Counsel*. Retrieved on August 5, 2013. Available at: <http://www.law.com/corporatecounsel/PubArticleFriendlyCC.jsp?id=1202612653261&slreturn=20130705111802> (July 29, 2013).

⁷¹ Julia Lawless and Antonia Ferrier, “Timeline of Key Events Surrounding IRS Targeting of Conservative Groups,” United States Senate Committee on Finance. Retrieved on June 25, 2013. Available at: <http://www.finance.senate.gov/newsroom/ranking/release/?id=916a4628-a5c2-4240-b659-3aaa93290f1> (May 13, 2013).

April 27, 2012: The FCC approves a rulemaking requiring television broadcasters to post data about political advertising on their stations online. Prior to this rulemaking, “[b]roadcasters were already required to keep records of political spending on advertising but didn’t have to post them online.”⁷²

May 7, 2012: During a conference call, President Obama’s re-election campaign strategist David Axelrod tells reporters: “We’re going to be prepared...to respond to these attacks,” referring to ads released by the Karl Rove-connected Crossroads GPS and organizations affiliated with the Koch brothers. Axelrod continues by reaffirming that the Obama campaign will respond to ads by the “Karl and Koch brothers’ contract killers in super PAC-land. We will treat every ad that comes from those entities as a Romney ad.”⁷³

May 24, 2012: In yet another joint letter from Campaign Legal Center and Democracy 21, the authors demand that the IRS “deny the pending application submitted by Crossroads GPS to obtain section 501(c)(4) tax status.”⁷⁴ The letter heavily bases its claims about Crossroads GPS on a May 22, 2012 article in *The New York Times*.

June 1, 2012: In an e-mail to her friend, IRS Exempt Organizations Division Director Lois Lerner expresses extreme disdain for the Supreme Court’s *Citizens United* decision (see first January 21, 2010 entry), which held that government couldn’t prohibit corporations, labor unions, or trade associations from speaking independently of candidates. “Citizens United is by far the worst thing that has ever happened to this country...We are witnessing the end of ‘America.’[I]t’s all tied together – money can buy the Congress and the Presidency, so in turn, money packs the [Supreme Court]. And the court usually backs the money – the ‘old boys’ still win,” Lerner exclaims.⁷⁵

June 4, 2012: In a detailed response to questions submitted by Senator Carl Levin regarding the IRS’s review process for both applicants for 501(c)(4) status and existing 501(c)(4) organizations (see March 30, 2012 entry), the IRS’s Deputy Commissioner for Services and Enforcement, Steven T. Miller, provides in-depth answers to all 13 of Senator Levin’s questions.⁷⁶

June 13, 2012: In a reply to IRS Deputy Commissioner for Services and Enforcement Steven T. Miller’s letter (see June 4, 2012 entry), Senator Carl Levin writes IRS Commissioner Douglas Shulman a second time to warn the Agency about the activities of 501(c)(4) organizations: “Internal Revenue Code Section 501(c)(4) organizations are increasingly active in partisan political campaigns. These organizations, working in conjunction with independent expenditure

⁷² Andrew Feinberg, “FCC passes political ad rule for TV stations,” *The Hill*. Retrieved on November 4, 2014. Available at: <http://thehill.com/policy/technology/224277-fcc-passes-political-ad-rule-for-tv-stations> (August 27, 2012).

⁷³ Steven T. Dennis, “Obama Campaign to Go After ‘Contract-Killer’ Super PAC Ads,” *Roll Call*. Retrieved on May 8, 2014. Available at: <http://atr.rollcall.com/obama-campaign-to-go-after-contract-killer-super-pac-ads/> (May 7, 2012).

⁷⁴ J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Submit New Information to IRS Showing Crossroads GPS Not Entitled to Section 501(c)(4) Tax-Exempt Status,” *Democracy 21*. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/IRS_LETTER_CROSSROADS_GPS_5_24_12%281%29.pdf (May 24, 2012), p. 4.

⁷⁵ John D. McKinnon, “Emails Show IRS’s Lois Lerner Had Choice Words for Conservatives,” *The Wall Street Journal*. Retrieved on August 11, 2015. Available at: <http://blogs.wsj.com/washwire/2015/08/06/emails-show-irss-lois-lerner-had-choice-words-for-conservatives/> (August 6, 2015).

⁷⁶ IRS Deputy Commissioner for Services and Enforcement Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (June 4, 2012), p. 859-873.

committees, or ‘Super PACs’ that can raise unlimited amounts of money from individuals, corporations and unions, are able to avoid revealing their funding sources by hiding behind their tax-exempt status. This trend of using our tax code to limit campaign disclosure is deeply troubling.”⁷⁷

June 15, 2012: Senate Minority Leader Mitch McConnell delivers an address at the American Enterprise Institute expressing his concerns that the Obama administration intends to bully dissidents and stifle their speech and association rights. He declares “the attacks on speech are legion,” and specifically argues against the DISCLOSE Act (see February 11, 2010 and April 29, 2010 entries), calling it “far more dangerous than its proponents are willing to admit.”⁷⁸

June 18, 2012: Eleven Republican Senators, led by Orrin Hatch and Mitch McConnell, demand that the IRS explain its rationale for requesting confidential donor lists as part of its evaluation of tax-exempt status applications. In their letter, the Senators caution that “the public release of private donor information exposes citizens to possible harassment and intimidation.”⁷⁹

June 20, 2012: In a press release from Public Citizen, Craig Holman, the organization’s Government Affairs Lobbyist, calls for the FEC to scrutinize Crossroads GPS, saying it “appears to serve little purpose other than buying Congress and the White House in the 2012 elections, and therefore appears to be in clear violation of the law.”⁸⁰

June 27, 2012: *The Wall Street Journal* reports on IRS efforts to investigate 501(c)(4) groups alleged to have spent more on partisan activities than their tax-exempt status allows. The article notes a years-long trend of Democrats calling “for the IRS to examine political entities that don’t have to disclose who their donors are.” Senator Orrin Hatch observes that “[p]olitics should never play a role in the IRS’s decision-making process. Unfortunately, this agency has come under increased pressure to do just that.”⁸¹

July 9, 2012: Ranking Member of the House Financial Services Committee Barney Frank (D-MA) writes to the SEC Office of Legislative and Intergovernmental Affairs, inquiring about “SEC authority to require disclosure on corporate charitable [sic] contributions. There is particular interest in what the authority is for disclosure of 501(c)(4) contributions.”⁸²

⁷⁷ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (June 13, 2012), p. 612.

⁷⁸ U.S. Senator Mitch McConnell, “Growing threats to our First Amendment rights: An address by Senate Republican Leader Mitch McConnell,” Office of Senator Mitch McConnell. Retrieved on April 29, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=10f84ce5-aba9-42e8-9119-fb88d2edb2e2&ContentType_id=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=0fd6ddca-6a05-4b26-8710-a0b7b59a8f1f&MonthDisplay=6&YearDisplay=2012 (June 15, 2012).

⁷⁹ U.S. Senator Orrin Hatch et al., “Senators to IRS: Congress has Made Privacy the Rule, Not the Exception,” United States Senate Committee on Finance. Retrieved on June 25, 2013. Available at: <http://www.finance.senate.gov/newsroom/ranking/release/?id=16db8888-3c42-4e08-a203-f7d8e5b6428f> (June 18, 2012).

⁸⁰ Craig Holman, “Obama Campaign Joins the Calls for an FEC Investigation of Crossroads GPS,” Public Citizen. Retrieved on June 13, 2013. Available at: <http://www.citizen.org/pressroom/pressroomredirect.cfm?ID=3636> (June 20, 2012).

⁸¹ Brody Mullins and Jacob Gershman, “IRS Probes Nonprofit Political Groups,” *The Wall Street Journal*. Retrieved on May 19, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304830704577493054251481454?mg=reno64-wsj> (June 27, 2012).

⁸² Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 4-5.

July 10, 2012: Senator Sheldon Whitehouse re-introduces the DISCLOSE Act of 2012 (S. 3369), where it faces further Republican opposition.⁸³

July 12, 2012: A letter from The Campaign Legal Center urges senators to support the DISCLOSE Act, calling it an “urgently needed legislative response to the new types of high-dollar, anonymously-funded political spending triggered by the Supreme Court’s decision in *Citizens United v. FEC*.”⁸⁴

July 13, 2012: IRS Exempt Organizations Division Director Lois Lerner responds to Senator Carl Levin’s letter warning that 501(c)(4) organizations are abusing their tax status by engaging in excessive political activity exactly one month later (see June 13, 2012 entry). In her letter, Lerner informs Levin that “the IRS actively educates section 501(c)(4) organizations at multiple stages in their development about their responsibilities under the tax law,” and that the IRS “believe[s] this approach is the appropriate method by which to educate organizations on their responsibilities.”⁸⁵

July 16, 2012: A letter from Americans for Campaign Reform, the Brennan Center for Justice, Campaign Legal Center, Citizens for Responsibility and Ethics in Washington, Common Cause, Democracy 21, League of Women Voters, People for the American Way, Public Citizen, and Sunlight Foundation urges Senators to vote for cloture on the DISCLOSE Act, calling the vote “a clear choice: vote for public disclosure to inform citizens about the donors providing funds to influence their votes, or vote to protect secret money.”⁸⁶

July 16, 2012: The DISCLOSE Act of 2012 fails to pass a Senate vote for cloture. Senate Majority Leader Harry Reid (D-NV) insists that wealthy conservative donors are on the cusp of purchasing the 2012 elections: “If this flood of outside money continues, the day after the election, 17 angry old white men will wake up and realize they've just bought the country.”⁸⁷

July 17, 2012: The IRS responds to Campaign Legal Center and Democracy 21’s 2011 petition (see July 27, 2011 and second March 22, 2012 entries), promising to “consider proposed changes in this area as we work...to identify tax issues that should be addressed through regulations...”⁸⁸

⁸³ “Bill Summary & Status 112th Congress (2011 - 2012) S.3369 All Congressional Actions,” The Library of Congress. Retrieved on June 17, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/z?d112:SN03369:@@X/home/LegislativeData.php?n=BSS;c=112> (July 10, 2012).

⁸⁴ J. Gerald Hebert and Meredith McGehee, “July 12, 2012 - Legal Center Urges Senators to Pass DISCLOSE Act,” The Campaign Legal Center. Retrieved on June 17, 2013. Available at: http://www.campaignlegalcenter.org/index.php?option=com_content&view=article&id=1789:july-12-2012-legal-center-urges-senators-to-pass-disclose-act-&catid=63:legal-center-press-releases&Itemid=61 (July 12, 2012).

⁸⁵ IRS Director, Exempt Organizations Lois Lerner, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (July 13, 2012), p. 611.

⁸⁶ Democracy 21 et al., “Reform Groups Urge Senators to Vote for Cloture on DISCLOSE Act,” Democracy 21. Retrieved on June 17, 2013. Available at: <http://www.democracy21.org/archives/whats-new/reform-groups-urge-senators-to-vote-for-cloture-on-disclose-act/> (July 16, 2012).

⁸⁷ Manu Raju, “Reid: ‘Angry old white men’ trying to buy elections,” *Politico*. Retrieved on June 12, 2013. Available at: <http://www.politico.com/blogs/on-congress/2012/07/reid-angry-white-men-trying-to-buy-elections-129067.html> (July 16, 2012).

⁸⁸ Julie Bykowitz, “IRS ‘Will Consider’ Changes for Tax-Exempt Groups in Politics,” *Bloomberg*. Retrieved on June 12, 2013. Available at: <http://go.bloomberg.com/political-capital/2012-07-23/irs-will-consider-changes-for-tax-exempt-groups-in-politics/> (July 23, 2012), p. 1.

July 23, 2012: Campaign Legal Center and Democracy 21 “welcome” the IRS’ response to their petitions, but call for urgent action and warn that “the failure of the IRS to take action on this matter has allowed groups...to make assertions about IRS rules that are unsupported by law, and thereby to provide a veil of secrecy for the donors financing their campaign-related expenditures.” The letter also singles out Crossroads GPS as the “biggest and most blatant example of massive campaign spending by a group claiming tax-exempt status as a section 501(c)(4) ‘social welfare’ organization.”⁸⁹

July 27, 2012: Senate Committee on Homeland Security and Governmental Affairs’ Permanent Subcommittee on Investigations’ Chairman, Carl Levin writes the IRS a third time to request information as to whether 12 groups – Crossroads Grassroots Policy Strategies, Priorities U.S.A., Americans Elect, American Action Network, Americans for Prosperity, American Future Fund, Americans for Tax Reform, 60 Plus Association, Patriot Majority USA, Club for Growth, Citizens for a Working America Inc., and Susan B. Anthony List – have applied for and received 501(c)(4) tax-exempt status from the Agency.⁹⁰

August 6, 2012: Perturbed by the IRS’s vow to “consider proposed changes” in its July 17 response to Campaign Legal Center and Democracy 21’s joint 2011 rulemaking petition, Senator Orrin Hatch and nine other GOP Senators warn: “We believe these petitions have less to do with concerns about the sanctity of the tax code and more about setting the tone for the upcoming presidential election, and we urge you to resist allowing the IRS rulemaking process to be subverted to achieve partisan political gains.”⁹¹

August 9, 2012: Campaign Legal Center and Democracy 21 send a ninth joint letter to the IRS, characterizing opposition to their 2011 rulemaking petition as “a partisan effort to allow pro-Republican campaign groups like Crossroads GPS to continue hiding their donors from the American people...”⁹²

August 21, 2012: Campaign Legal Center and Democracy 21 write to the IRS, apparently to bring a single ProPublica article on the activity of 501(c)(4)’s to the agency’s attention. The letter simply explains that they “believe the report further documents the case we have made in a series of letters.”⁹³

⁸⁹ J. Gerald Hebert and Fred Wertheimer, “IRS Responds to Rulemaking Petition Submitted by Democracy 21 and Campaign Legal Center, Says Agency Will Consider Changing Rules for 501(c)(4) Eligibility,” Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/IRS_letter_-_July_21_2012.pdf (July 23, 2012), p. 3, 5.

⁹⁰ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on March 19, 2014. Available at: www.levin.senate.gov/download/?id=6d757f18-737b-4d8f-b7b0-3aff18557dad (July 27, 2012), p. 6.

⁹¹ U.S. Senator Orrin Hatch et al., “Senators Want IRS to Clarify Intentions for 501(c)(4) Organizations,” United States Senate Committee on Finance. Retrieved on June 25, 2013. Available at: <http://www.finance.senate.gov/newsroom/ranking/release/?id=e00414de-2b2c-4954-8c9e-669e9fccff12> (August 6, 2012).

⁹² J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Call on IRS to Ignore Partisan Pressure From Republican Senators and Proceed to Consider New Eligibility Rules for 501(c)(4) Organizations,” Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/Final_Letter_to_IRS_08_09.pdf (August 9, 2012), p. 3.

⁹³ J. Gerald Hebert and Fred Wertheimer, “Letter to IRS Enclosing ProPublica Report on 501(c)(4) Organizations,” Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/archives/key-documents-archives/democracy-21-letters-and-reports/letter-to-irs-enclosing-propublica-report-on-501c4-organizations/> (August 21, 2012).

August 24, 2012: IRS Deputy Commissioner for Services and Enforcement, Steven T. Miller, responds to Senator Carl Levin’s July 27 letter (see July 27, 2012 entry), informing him of the tax status of five organizations – Americans for Prosperity, American Future Fund, 60 Plus Association, Patriot Majority USA, and Citizens for a Working America Inc. – and indicating that “section 6103 of the Internal Revenue Code prohibits the disclosure of information about specific taxpayers unless the disclosure is authorized by some provision in the Internal Revenue Code. The IRS cannot legally disclose whether the organizations on your list have applied for tax exemption (unless and until such application is approved).”⁹⁴

August 29, 2012: When asked about *Citizens United* during an online Q&A session on the website *Reddit*, President Barack Obama responds, “We need to seriously consider mobilizing a constitutional amendment process to overturn *Citizens United*.”⁹⁵

August 31, 2012: Senate Committee on Homeland Security and Governmental Affairs’ Permanent Subcommittee on Investigations’ Chairman Carl Levin angrily replies to Deputy Commissioner Steven T. Miller’s response (see August 24, 2012 entry) in a fourth letter to the IRS, declaring: “I find it unacceptable that the IRS appears to be passively standing by while organizations that hold themselves out to be “social welfare” organizations clearly ignore the tax code with no apparent consequences.”⁹⁶

September 2012: Under pressure from Democratic Leadership in Congress and numerous pro-regulation organizations,⁹⁷ SEC Commissioners place the proposed donor disclosure rule on its rulemaking agenda, signaling their intention to decide whether to recommend the rule change. It is the most significant progress the proposed rule has made thus far.⁹⁸

September 14, 2012: IRS Deputy Commissioner for Services and Enforcement, Steven T. Miller, responds to Senator Carl Levin’s August 31 letter (see August 31, 2012 entry), informing the Senator “that the IRS currently has more than 70 ongoing examinations of section 501(c)(4) organizations (this includes examinations for a variety of issues, some of which include whether the organization is primarily engaged in activities that promote social welfare).”⁹⁹

September 19, 2012: In a Senate floor speech, Senator Carl Levin demands that the IRS take a more active role in inspecting tax-exempt groups, saying “The Internal Revenue Service (IRS) –

⁹⁴ Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on March 19, 2014. Available at: www.levin.senate.gov/download/?id=e113a062-73bb-42dd-bf16-ea881142d007 (August 24, 2012), p. 7.

⁹⁵ Paul Blumenthal, “Obama Endorses Anti-Citizens United Amendment In Reddit Chat,” *The Huffington Post*. Retrieved on June 26, 2013. Available at: http://www.huffingtonpost.com/2012/08/29/barack-obama-citizens-united-reddit_n_1841258.html (August 29, 2012).

⁹⁶ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on March 19, 2014. Available at: www.levin.senate.gov/download/?id=38457a79-adce-4d45-a914-5c97dc5829ef (August 31, 2012), p. 1.

⁹⁷ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 8.

⁹⁸ Jesse Hamilton and Jonathan Salant, “Political-Disclosure Rule Seekers See Hopeful Sign on SEC Agenda,” *Bloomberg*. Retrieved on June 12, 2013. Available at: <http://www.bloomberg.com/news/2013-01-07/political-disclosure-rule-seekers-see-hopeful-sign-on-sec-agenda.html> (January 7, 2013).

⁹⁹ Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on March 19, 2014. Available at: www.levin.senate.gov/download/?id=9599e4e1-0fc6-48f6-83aa-baaf43789520 (September 14, 2012), p. 3.

the organization that grants these groups their tax-exempt status in the first place – should be protecting the voting public from these groups that pretend to be acting in the social welfare but are instead engaging in partisan politics.”¹⁰⁰

September 26, 2012: An e-mail from the staff of Senator Carl Levin to the IRS titled “Working on next letter....” suggests the IRS may have aided Senator Levin in articulating his calls to change the rules governing the permissible activities of 501(c)(4)s (see March 30, 2012, June 13, 2012, July 27, 2012, and August 31, 2012 entries), The e-mail says, “I’m hoping to clear some things up before we send the next letter to the IRS.... so I thought we could attempt this at the staff level ☺”. Catherine Barre, the head of the IRS Legislative Affairs office, forwards the e-mail to Exempt Organizations Division Director Lois Lerner and IRS Chief of Staff Nikole Flax, writing “Let’s discuss.” It is unknown what information the IRS provided to Senator Levin or his staff.¹⁰¹

September 27, 2012: The eleventh letter from Campaign Legal Center and Democracy 21 to the IRS advocates “denying Crossroads GPS tax-exempt status and...imposing appropriate penalties on the organization.”¹⁰²

September 27, 2012: Senator Carl Levin writes a fifth letter to the IRS (see August 31, 2012 entry) demanding the tax-exempt status of four 501(c)(4) groups – Crossroads Grassroots Policy Strategies, Priorities U.S.A., Americans for Prosperity, and Patriot Majority USA.¹⁰³

October 4, 2012: Roughly a month before the 2012 general election, Representative Elijah Cummings (D-MD), Ranking Member of the House Oversight and Government Reform Committee, launches an investigation into True the Vote (TTV), a grassroots election-integrity organization, requesting extensive documentation from TTV and questioning the legality of the organization’s activities.¹⁰⁴

October 7, 2012: Lisa Gilbert, of campaign finance “reform” group Public Citizen, writes in *USA Today*, “The Internal Revenue Service (IRS) should take more care as it classifies groups to ensure they don’t allow sham non-profits to register as 501(c)(4)s,” and urges Federal Communications Commissioner (FCC) and Securities and Exchange Commission (SEC) involvement.¹⁰⁵

¹⁰⁰ U.S. Senator Carl Levin, “Senate Floor Statement on the Internal Revenue Service and 501(c)(4) Organizations,” Office of Senator Carl Levin. Retrieved on June 12, 2013. Available at: <http://www.levin.senate.gov/newsroom/speeches/speech/senate-floor-statement-on-the-internal-revenue-service-and-501c4-organizations/> (September 19, 2012).

¹⁰¹ “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 19, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 72.

¹⁰² J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Send New Letter to IRS that Further Documents that Crossroads GPS Is Not Entitled to 501(c)(4) Status,” Democracy 21. Retrieved on June 13, 2013. Available at: http://www.democracy21.org/uploads/IRS_LETTER_CROSSROADS_GPS_Sept_27.pdf (September 27, 2012), p. 10.

¹⁰³ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on May 19, 2014. Available at: <http://www.judicialwatch.org/document-archive/jw1559-000901/> (September 27, 2012).

¹⁰⁴ U.S. Representative Elijah Cummings, “Letter to Ms. Catherine Engelbrecht,” United States House Committee on Oversight and Government Reform. Retrieved on June 24, 2013. Available at: <http://www.scribd.com/doc/110033576/2012-10-04-EEC-to-Engelbrecht-TrueTheVote> (October 4, 2012).

¹⁰⁵ Lisa Gilbert, “Column: Two steps forward, two steps back,” *USA Today*. Retrieved on June 12, 2013. Available at: <http://www.usatoday.com/story/opinion/2012/10/07/disclosure-corporations-elections-money/1612181/> (October 7, 2012).

October 17, 2012: IRS Deputy Commissioner for Services and Enforcement Steven T. Miller replies to Senator Carl Levin’s letter requesting the tax-exempt status of four 501(c)(4) groups – Crossroads Grassroots Policy Strategies, Priorities U.S.A., Americans for Prosperity, and Patriot Majority USA (see second September 27, 2012 entry). In his response, Miller writes: “As discussed in our previous responses dated June 4, 2012, and August 24, 2012, the IRS cannot legally disclose whether the organizations on your list have applied for tax exemption unless and until such application is approved. Section 6104(a) of the Internal Revenue Code permits public disclosure of an application for recognition of tax exempt status only after the organization has been recognized as exempt.”¹⁰⁶

October 23, 2012: In his sixth letter to IRS Commissioner Douglas Shulman, Senate Committee on Homeland Security and Governmental Affairs’ Permanent Subcommittee on Investigations’ Chairman Carl Levin once again pressures the IRS about whether or not it is examining, or had already examined, four named organizations: Crossroads Grassroots Policy Strategies, Priorities U.S.A., Americans for Prosperity, and Patriot Majority USA. Specifically, Senator Levin inquires: “Has the IRS examined whether or not the following 501(c)(4) organizations are engaged primarily in the promotion of social welfare? Please indicate yes or no, and, if yes, whether the examination is still pending.”¹⁰⁷

November 6, 2012: Colorado voters approve the Colorado Corporate Contributions Amendment (Amendment 65),¹⁰⁸ a ballot measure asking Colorado’s Congressional delegation to propose a Constitutional amendment to reverse *Citizens United* “that allows congress and the states to limit campaign contributions and spending.”¹⁰⁹

November 6, 2012: Montanans approve Initiative No. 166,¹¹⁰ which establishes that “corporations are not entitled to constitutional rights because they are not human beings, and charges Montana elected and appointed officials, state and federal, to implement that policy.” This includes charging its Congressional delegation with proposing a Constitutional amendment to reverse *Citizens United*.¹¹¹

November 23, 2012: IRS Deputy Commissioner for Services and Enforcement Steven T. Miller writes Senator Carl Levin a month after Levin’s letter to IRS Commissioner Shulman, in which Levin sought information on the tax status of four 501(c)(4) organizations (see October 23, 2012 entry). In his response, Miller rebuffs Levin’s request: “As previously stated in our response dated June 4, 2012, section 6103 of the Code prohibits the disclosure of information about specific

¹⁰⁶ IRS Deputy Commissioner for Services and Enforcement Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (October 17, 2012), p. 689.

¹⁰⁷ U.S. Senator Carl Levin, “Letter to Commissioner Shulman,” United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (October 23, 2012), p. 737-738.

¹⁰⁸ “Amendment 65 - Campaign Finance Limits Election Results,” *The Denver Post*. Retrieved on June 24, 2013. Available at: <http://data.denverpost.com/election/results/amendment/2012/65-campaign-finance-limits/> (June 24, 2013).

¹⁰⁹ Ari Armstrong, “Amendment 65: An intrusion on our right to free speech,” *The Denver Post*. Retrieved on June 25, 2013. Available at: http://www.denverpost.com/opinion/ci_21647818/no-it-intrudes-our-right-free-speech (September 30, 2012).

¹¹⁰ Montana Secretary of State Linda McCulloch, “2012 STATEWIDE GENERAL ELECTION CANVASS,” State of Montana. Retrieved on June 24, 2013. Available at: http://sos.mt.gov/Elections/2012/2012_General_Canvass.pdf (2012), p. 28.

¹¹¹ “BALLOT LANGUAGE FOR INITIATIVE NO. 166 (I-166),” State of Montana. Retrieved on June 24, 2013. Available at: <http://sos.mt.gov/Elections/2012/BallotIssues/I-166.pdf> (2012), p. 1.

taxpayers, including whether they are under investigation or examination, unless the disclosure is authorized by some provision of the Code. Thus, we are legally prohibited from disclosing information related to examination activity.”¹¹²

December 2012: The Office of Management and Budget announces the SEC “is considering whether to recommend that the Commission issue a proposed rule to require that public companies provide disclosure to shareholders regarding the use of corporate resources for political activities.”¹¹³

December 3, 2012: An incredulous letter from Campaign Legal Center and Democracy 21 reacts to the IRS’ published list of agency priorities: “nowhere on this list of 317 agency ‘priorities,’ which includes a list of 13 priorities specifically relating to exempt organizations, is there any mention of a project to revise and clarify the rules dealing with political activities by section 501(c)(4) groups.”¹¹⁴

December 7, 2012: An internal SEC memo from the Agency’s Senior Special Counsel warns that “[the] FEC is the primary federal regulator of political activity disclosure. Formulating a SEC disclosure rule that is not duplicative of other federal and state law requirements and does not raise First Amendment issues may be challenging.”¹¹⁵

December 11, 2012: New York Attorney General Eric Schneiderman announces a “far-reaching draft regulation” that “would require any tax-exempt group that does business in New York to disclose what proportion of its total spending went to political activities.” He is required to hold public hearings, but is a legally capable of approving the proposed regulations unilaterally.¹¹⁶

December 14, 2012: ProPublica receives Crossroads GPS’ 2010 application for tax-exempt status from the IRS. Because the group’s tax-exempt status had not yet been recognized, the application was confidential. Despite the IRS’ warning that publishing a pending application could result in fines and/or jail time, ProPublica publishes the full application.¹¹⁷

December 27, 2012: Senators Ron Wyden (D-OR) and Lisa Murkowski (R-AK) announce their intention to formally introduce a campaign finance “reform” proposal, similar in many ways to the

¹¹² IRS Deputy Commissioner for Services and Enforcement Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (November 23, 2012), p. 855.

¹¹³ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 2.

¹¹⁴ J. Gerald Hebert and Fred Wertheimer, “Democracy 21 and the Campaign Legal Center Charge the IRS With Indefensible Abdication of Responsibility,” Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2012/12/IRS-LETTER-PRIORITY-GUIDANCE-PLAN-12-3-12.pdf> (December 3, 2012), p. 1.

¹¹⁵ Memorandum from Majority Staff, “The SEC and Political Speech,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 3.

¹¹⁶ Nicholas Confessore, “Attorney General Seeks to Force Disclosure of More Political Donors,” *The New York Times*. Retrieved on June 13, 2013. Available at: http://www.nytimes.com/2012/12/12/nyregion/new-york-attorney-general-seeks-to-expose-more-political-donors.html?hp&_r=1& (December 11, 2012).

¹¹⁷ Kim Barker, “Karl Rove’s Dark Money Group Promised IRS It Would Spend ‘Limited’ Money on Elections,” ProPublica. Retrieved on June 12, 2013. Available at: <http://www.propublica.org/article/what-karl-roves-dark-money-nonprofit-told-the-irs> (December 14, 2012).

DISCLOSE Act,¹¹⁸ which would require nonprofits to disclose their donors and would make the source and amount of each contribution immediately available online “so that the American people are not forced to suffer through another election cycle filled with anonymous sleaze and innuendo.”¹¹⁹

January – February 2013: New York Comptroller Thomas DiNapoli begins filing lawsuits to force private companies to reveal their political expenditures. The suits were filed on behalf of the state’s retirement fund, against companies in which the retirement fund is invested. The strategy has some early successes, as KeyCorp and Qualcomm¹²⁰ succumb to political pressure.¹²¹

January 2, 2013: Responding to ProPublica’s publication of Crossroads GPS’ application for tax-exempt status, Campaign Legal Center and Democracy 21 tell the IRS, “Crossroads GPS has no business being treated as a ‘social welfare’ organization and the IRS should deny its application for tax-exempt status as a section 501(c)(4) organization.”¹²²

January 3, 2013: Once again, Representative Chris Van Hollen re-introduces the DISCLOSE Act in the House of Representatives.¹²³ The legislation, H.R. 148, has yet to get a hearing in any of the House Committees to which it’s been referred.¹²⁴

January 4, 2013: Representatives from two groups advocating for greater regulation of political speech, Democracy 21 (Founder and President Fred Wertheimer and Counsel Donald Simon) and Campaign Legal Center (Executive Director J. Gerald Hebert, Senior Counsel Tara Malloy, and Senior Counsel Paul Ryan), meet with IRS Director of Exempt Organizations Division, Lois Lerner and representatives from the Office of Chief Counsel and the Office of Tax Policy at the Department of the Treasury to discuss the groups’ numerous allegations about overly political 501(c)(4) organizations. The groups express frustration that the IRS has not done more to enforce restrictions on political activity by 501(c)(4)s.¹²⁵

¹¹⁸ Dylan Matthews, “Wyden and Murkowski have a bill to fight super PACs. Does it go far enough?” *The Washington Post*. Retrieved on June 17, 2013. Available at: <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/04/27/wyden-and-murkowski-have-a-bill-to-fight-super-pacs-does-it-go-far-enough/> (April 27, 2013).

¹¹⁹ U.S. Senator Lisa Murkowski et al., “Murkowski and Wyden Unveil Bipartisan Campaign Finance Disclosure Blueprint,” Office of Senator Lisa Murkowski. Retrieved on June 17, 2013. Available at: http://www.murkowski.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=bdaa0b05-1d7d-4c0b-a88f-9dd70f7de479 (December 27, 2012).

¹²⁰ Nicholas Confessore, “Qualcomm Reveals Its Donations to Tax-Exempt Groups,” *The New York Times*. Retrieved on June 12, 2013. Available at: <http://cityroom.blogs.nytimes.com/2013/02/22/qualcomm-agrees-to-reveal-donations-to-tax-exempt-groups/> (February 22, 2013).

¹²¹ Lachlan Markay, “A Chilling Effect,” *The Washington Free Beacon*. Retrieved on June 12, 2013. Available at: <http://freebeacon.com/a-chilling-effect/> (January 29, 2013).

¹²² J. Gerald Hebert and Fred Wertheimer, “Watchdog Groups Again Call on IRS to Deny Tax-Exempt Status to Karl Rove’s Crossroads GPS,” Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2013/01/IRS-LETTER-CROSSROADS-GPS-FINAL-1-2-13.pdf> (January 2, 2013), p. 3.

¹²³ U.S. Representative Chris Van Hollen, “Van Hollen Reintroduces DISCLOSE Act,” Office of Representative Chris Van Hollen. Retrieved on June 17, 2013. Available at: <http://vanhollen.house.gov/news/documentsingle.aspx?DocumentID=316296> (January 3, 2013).

¹²⁴ Bill Summary & Status 113th Congress (2013-2014) H.R. 148 All Congressional Actions,” The Library of Congress. Retrieved on June 17, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:./temp/~bd2MxK:@@X/home/LegislativeData.php> (January 3, 2013).

¹²⁵ U.S. Representative Dave Camp, “Letter to Attorney General Eric Holder,” United States House Committee on Ways and Means. Retrieved on April 11, 2014. Available at: http://waysandmeans.house.gov/uploadedfiles/4.9.14_lerner_referral_and_exhibits.pdf (April 9, 2014), p. 16-19.

January 4, 2013: After learning Crossroads GPS was not selected for an audit, IRS Director of Exempt Organizations Division, Lois Lerner, e-mails Nanette Downing, the Director of Examinations in the IRS's Dallas office to determine why the group had not been selected. Lerner indicates in the e-mail that all Crossroads GPS actions should be coordinated with the IRS's DC office. Lerner also expresses concern to Downing that the IRS lacks the expertise to properly evaluate organizations applying for tax-exempt status: "My level of confidence that we are equipped to do this work continues to be shaken. I don't even know what to recommend to make this better."¹²⁶

January 4, 2013: In a seventh letter to the IRS, Senate Committee on Homeland Security and Governmental Affairs' Permanent Subcommittee on Investigations' Chairman Carl Levin writes Acting IRS Commissioner Steven T. Miller to request "an update as to the status of the application for tax exempt status filed by Crossroads Grassroots Policy Strategies."¹²⁷

January 9, 2013: An invite-only, off-the-record meeting of powerful liberal groups, including Greenpeace, the Sierra Club, the NAACP, and the National Education Association, convenes to strategize the best ways to "beat back the deep-pocketed conservative movement." At the end of the meeting, the majority of attendees pledge millions of dollars in funding and manpower in hopes of achieving three primary goals: "getting big money out of politics, expanding the voting rolls while fighting voter ID laws, and rewriting Senate rules to curb the use of the filibuster to block legislation." The attendees call their plan the Democracy Initiative.¹²⁸

January 15, 2013: A senior staff member at the Securities and Exchange Commission outlines new guidelines for closer scrutiny of section 501(c) and 527 groups.¹²⁹

January 16, 2013: Citing ProPublica reports, Campaign Legal Center and Democracy 21 write to the IRS to request an investigation of American Tradition Partnership's 501(c)(4) status.¹³⁰

¹²⁶ U.S. Representative Dave Camp, "Letter to Attorney General Eric Holder," United States House Committee on Ways and Means. Retrieved on April 11, 2014. Available at: <http://www.propublica.org/documents/item/1106485-4-9-14-lerner-referral-and-exhibits.html#document/p26/a153215> (April 9, 2014), p. 25-26.

¹²⁷ U.S. Senator Carl Levin, "Letter to Acting Commissioner Miller," United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (January 4, 2013), p. 890.

¹²⁸ Andy Kroll, "Revealed: The Massive New Liberal Plan to Remake American Politics," *Mother Jones*. Retrieved on March 28, 2014. Available at: <http://www.motherjones.com/politics/2013/01/democracy-initiative-campaign-finance-filibuster-sierra-club-greenpeace-naacp> (January 9, 2013).

¹²⁹ Memorandum from Majority Staff, "The SEC and Political Speech," U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on July 24, 2013. Available at: <http://oversight.house.gov/wp-content/uploads/2013/07/OGR-Memo-The-SEC-and-Political-Speech.pdf> (July 22, 2013), p. 2.

¹³⁰ J. Gerald Hebert and Fred Wertheimer, "Watchdog Groups Call on IRS to Investigate American Tradition Partnership; Cite Its Reported Submission of Apparent False Information to the IRS Regarding Its Application for Tax-exempt Status," Democracy 21. Retrieved on June 13, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2013/01/IRS-LETTER-WESTERN-TRADITION-PARTNERSHIP-1-15-13.pdf> (January 16, 2013).

January 17, 2013: Saying *Citizens United* “poses a direct threat to our democracy,” 19 Democratic Representatives submit a letter to the House Committee on the Judiciary requesting “a hearing on [proposed] Constitutional remedies to *Citizens United*.”¹³¹

February – March 2013: A new FCC rule requires TV stations to place information about all their ad-buys from political media agencies on a public file, which promptly results in “tens of thousands of dollars” being stolen from the advertisers by online thieves who obtained this bank account information from the publicly disclosed information.¹³²

February 19, 2013: At a campaign stop, Representative Ed Markey (D-MA), then-special-election candidate for U.S. Senate, compares the *Citizens United* ruling to the 1857 pro-slavery ruling in *Dred Scott v. Sanford*, saying “The *Dred Scott* decision had to be repealed; we have to repeal *Citizens United*.”¹³³

February 28, 2013: Leading Democrats, including House Minority Leader Nancy Pelosi (D-CA), respond to a Government Accountability Office report, which discusses the FCC’s role in enforcing FEC sponsorship identification requirements for political ads under its purview. Representative Anna Eshoo (D-CA), Ranking Democrat in the House Communications and Technology Subcommittee, quipped: “Where power once originated from the general electorate, that balance has shifted in favor of the enormously wealthy, who can now hide their identity and their political expenditures. It’s time for the FCC to play a crucial role in bringing greater transparency to America’s electoral system by requiring sponsors of political ads to disclose their true identity, not just their ambiguously-named Super PAC.”¹³⁴

March 12, 2013: At a Senate Commerce, Science, and Transportation Committee hearing, Senator Bill Nelson (D-FL) urges the FCC to force advertisers to disclose their donors in TV ads, saying “as the result of a Supreme Court decision, we have been beset upon in the political sphere with an avalanche of undisclosed, unlimited money.”¹³⁵

March 15, 2013: In response to Senator Carl Levin’s January 4 letter to the IRS inquiring about the tax-exempt status of Crossroads GPS (see third January 4, 2013 entry), Deputy Commissioner for Services and Enforcement and Acting Commissioner Steven T. Miller responds to Senator Levin by again rebuffing his requests for confidential information. With respect to the current status of Crossroads GPS’s Form 1024 application, Miller once again informs Senator Levin that “[s]ection 6104(a) of the Code does not permit public disclosure of an application for recognition

¹³¹ U.S. Representative Donna F. Edwards et al., “Letter to House Committee on the Judiciary Chairman Robert Goodlatte and Ranking Member John Conyers,” Congress of the United States. Retrieved on June 26, 2013. Available at: <http://big.assets.huffingtonpost.com/Letter.pdf> (January 17, 2013), p. 1.

¹³² Gregg Skall and James Kahl, “Online Political Files Lead To Online Thefts,” TVNewsCheck. Retrieved on June 12, 2013. Available at: <http://www.tvnewscheck.com/article/66100/online-political-files-lead-to-online-thefts> (March 12, 2013).

¹³³ Aaron Blake, “Rep. Ed Markey compares Citizens United to Dred Scott case,” *The Washington Post*. Retrieved on June 26, 2013. Available at: <http://www.washingtonpost.com/blogs/post-politics/wp/2013/02/21/rep-ed-markey-compares-citizens-united-to-dred-scott-case/> (February 21, 2013).

¹³⁴ Representatives Nancy Pelosi, Henry Waxman, and Anna Eshoo, “Pelosi, Waxman, Eshoo Call on FCC to Increase Campaign Ad Disclosure,” United States House Committee on Energy and Commerce. Retrieved on June 12, 2013. Available at: <http://democrats.energycommerce.house.gov/index.php?q=news/pelosi-waxman-eshoo-call-on-fcc-to-increase-campaign-ad-disclosure> (February 28, 2013).

¹³⁵ Brendan Sasso, “Sen. Nelson urges FCC to unmask political ad donors,” *The Hill*. Retrieved on June 12, 2013. Available at: <http://thehill.com/blogs/hillicon-valley/technology/287761-sen-nelson-urges-fcc-to-unmask-political-ad-donors> (March 12, 2013).

of tax-exempt status and supporting materials only after the application has been approved for the organization to be recognized as exempt. The IRS has no record of an approved application for Crossroads GPS.”¹³⁶

March 20, 2013: In a *New York Times* op-ed, New York State Comptroller Thomas DiNapoli and NYC Public Advocate Bill de Blasio write an open letter to the SEC calling for immediate action on the proposed rule requiring publicly traded companies to disclose all political expenditures.¹³⁷

March 30, 2013: The IRS sends out another round of “compliance check” questionnaires to 1,300 501(c) groups. The IRS states that it is focusing on “self-declared” exempt groups.¹³⁸

April 9, 2013: In a hearing of the Senate Judiciary Committee’s Subcommittee on Crime and Terrorism investigating issues in campaign finance enforcement, Subcommittee Chairman Senator Sheldon Whitehouse calls the IRS “toothless” in its regulation of 501(c)(4) organizations. Whitehouse claims that organizations are making a “mockery” of campaign finance law and that “big donors like to use these non-profit entities to launder campaign spending and hide their identities.”¹³⁹

April 9, 2013: Citizens for Responsibility and Ethics in Washington (CREW) files a petition to the IRS to instigate a rulemaking to curtail the activities of 501(c)(4) organizations, claiming that organizations “operated exclusively” for social welfare purposes should not be permitted to engage in any political activity. The petition concludes: “Simply stated, the IRS can no longer be silent on a matter that threatens to upend the statutory scheme enacted by Congress. Accordingly, petitioner CREW requests that the IRS act immediately to initiate a rulemaking that will address the serious discrepancies between the Code and IRS regulations defining §501(c)(4) organizations.”¹⁴⁰

April 23, 2013: Months after announcing a blueprint for their proposal, Senators Wyden and Murkowski formally introduce their campaign finance “reform” proposal, known as the Follow the Money Act (S. 791). In a joint *Politico* op-ed touting their legislation, the Senators explain that “the bill seeks to end the pass-the-buck, bureaucratic foot-dragging on the part of the FEC and the Internal Revenue Service, which have failed to take responsibility to enforce the law when it comes to bogus nonprofits that injected massive amounts of dark money into the 2012 elections.”¹⁴¹ One

¹³⁶ IRS Deputy Commissioner for Services and Enforcement Steven T. Miller, “Letter to Senator Levin,” Internal Revenue Service. Retrieved on May 28, 2014. Available at: <http://www.judicialwatch.org/wp-content/uploads/2014/05/IRS-HQ-FOIA-1559-Full-Production.pdf> (March 15, 2013), p. 884.

¹³⁷ Thomas P. DiNapoli and Bill de Blasio, “Companies: Show Us the Money,” *The New York Times*. Retrieved on June 13, 2013. Available at: <http://www.nytimes.com/2013/03/21/opinion/companies-show-us-the-money.html?ref=campaignfinance&r=1&> (March 20, 2013).

¹³⁸ Peter Overby, “IRS To ‘Social Welfare’ Groups: Show Me The Political Ad Money,” NPR. Retrieved on June 12, 2013. Available at: <http://www.npr.org/blogs/itsallpolitics/2013/03/30/175761558/irs-to-social-welfare-groups-show-me-the-political-ad-money> (March 30, 2013).

¹³⁹ Tarini Parti and Byron Tau, “DOJ, IRS tight-lipped on campaign finance probes,” *Politico*. Retrieved on June 12, 2013. Available at: <http://www.politico.com/story/2013/04/doj-irs-tight-lipped-on-campaign-finance-probes-89816.html#ixzz2VwH2X1i2> (April 9, 2013).

¹⁴⁰ Anne L. Weismann, “Petition for Rulemaking On Political Activities by Section 501(c)(4) Organizations,” Citizens for Responsibility and Ethics in Washington. Retrieved on March 11, 2014. Available at: http://crew.3cdn.net/9e6dd1e2b163dbb240_i1m6b5q6u.pdf (April 9, 2013), p. 16-17.

¹⁴¹ U.S. Senators Ron Wyden and Lisa Murkowski, “Shedding light on anonymous ads,” *Politico*. Retrieved on June 17, 2013. Available at: <http://www.politico.com/story/2013/05/bill-tests-truth-in-campaign-ads-91224.html> (May 12, 2013), p. 2.

of the provisions of the bill would grant the IRS the power to effectively impose a death sentence on tax-exempt organizations that make an error of \$25,000 or more on their campaign finance reports.¹⁴² The bill has yet to receive a hearing in the Senate Finance Committee.¹⁴³

April 30, 2013: IRS Manager of Exempt Organizations David Fish responds to the petition by Citizens for Responsibility and Ethics in Washington regarding its rulemaking to curtail political activities by 501(c)(4) organizations (see April 9, 2013 entry), just three weeks after the petition is filed. The one-page response letter explains the IRS’s decision not to promulgate a rulemaking at the time: “The IRS is aware of the current public interest in this issue. These regulations have been in place since 1959. We will consider proposed changes in this area as we work with the IRS Office of Chief Counsel and the Treasury Department’s Office of Tax Policy to identify tax issues that should be addressed through regulations and other published guidance.”¹⁴⁴

May 6, 2013: Speaking at a Yale University conference, Ezra Klein, a *Washington Post* columnist and MSNBC contributor,¹⁴⁵ acknowledges that the media (himself included) dramatically overstated the supposed threat of Super PAC spending in advance of the 2012 election: “It’s hard to look at the 2012 election, with its record fundraising and the flood of super PACs and all the rest of it, and come away really persuaded that money was a decisive player. And yet the way we talked about money in the run-up to the 2012 election, we really suggested it would be a decisive player. In fact, we suggested, quite often, that it wouldn’t just decide the election, but that it would imperil democracy itself. So I think we have some explaining to do.”¹⁴⁶

May 10, 2013: In response to a planted question at a tax law conference, IRS Director of Exempt Organizations Division, Lois Lerner, publicly apologizes on behalf of the IRS for “‘absolutely inappropriate’ actions by lower-level workers,” who “‘had selected some conservative groups for extra scrutiny to determine whether their applications [for tax-exempt status] should be approved.”¹⁴⁷

¹⁴² David Keating and Eric Wang, “A First Look: The Wyden-Murkowski ‘Follow the Money Act of 2013,’” Center for Competitive Politics. Retrieved on June 17, 2013. Available at: <http://www.campaignfreedom.org/wp-content/uploads/2013/04/2013-04-25-Wyden-Murkowski-Final.pdf> (April 25, 2013), p. 1.

¹⁴³ Bill Summary & Status 113th Congress (2013-2014) S. 791 All Congressional Actions,” The Library of Congress. Retrieved on June 17, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:./temp/~bdXMKT:@@X/home/LegislativeData.php> (April 23, 2013).

¹⁴⁴ David L. Fish, “Letter to Anne L. Weismann,” Internal Revenue Service Tax Exempt and Government Entities Division. Retrieved on March 11, 2014. Available at: http://www.citizensforethics.org/page/-/PDFs/Legal/Letters/IRS/04_30_13_IRS_Rulemaking_Petition_Response.pdf?nocdn=1 (April 30, 2013).

¹⁴⁵ “Ezra Klein - Columnist” *The Washington Post*. Retrieved on June 12, 2013. Available at: http://www.washingtonpost.com/2011/02/24/ABifXwI_page.html (2013).

¹⁴⁶ Ezra Klein, “We got way too excited over money in the 2012 elections,” *The Washington Post*. Retrieved on June 12, 2013. Available at: <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/05/06/we-got-way-too-excited-over-money-in-the-2012-elections/> (May 6, 2013).

¹⁴⁷ John D. McKinnon and Siobhan Hughes, “Wider Problems Found at IRS,” *The Wall Street Journal*. Retrieved on June 12, 2013. Available at: http://online.wsj.com/news/articles/SB10001424127887324715704578478851998004528?mod=wsj_share_tweet (May 12, 2013).

May 13, 2013: ProPublica reports that it originally received nine confidential pending applications from IRS agents in December 2012, six of which it published. None of the confidential applications are from liberal organizations.¹⁴⁸

May 14, 2013: The Treasury Inspector General for Tax Administration (TIGTA) issues a report entitled, “Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review.” The report highlights findings from TIGTA’s audit of the IRS’s treatment of organizations applying for tax-exempt status. TIGTA concludes that “[t]he IRS used inappropriate criteria that identified for review Tea Party and other organizations applying for tax-exempt status based upon their names or policy positions instead of indications of potential political campaign intervention. Ineffective management: 1) allowed inappropriate criteria to be developed and stay in place for more than 18 months, 2) resulted in substantial delays in processing certain applications, and 3) allowed unnecessary information requests to be issued.”¹⁴⁹

May 15, 2013: In a speech on the Senate floor, Senator Whitehouse warns Congress that the IRS targeting of conservative-oriented groups is “not the only IRS scandal,” stating that the Service is also “allowing big shadowy forces to meddle in elections anonymously through front groups that file false statements.” The same day, Senator Whitehouse indicates that he plans to re-introduce a version of the DISCLOSE Act later in 2013.¹⁵⁰

May 15, 2013: Pointing to partisan abuses in the IRS, House Republicans voice strong opposition to the proposed SEC rule during a three-hour hearing with new SEC Chairwoman Mary Jo White. “We’re giving you an opportunity today to make a clear and emphatic statement that you will refuse to be bullied by these outside radical groups that are trying to exploit the corporate disclosure process,” Representative Scott Garrett (R-NJ) said to Chairwoman White.¹⁵¹

May 21, 2013: Citizens for Responsibility and Ethics in Washington files a lawsuit against the IRS to compel the Service to initiate a rulemaking procedure to prohibit political activity by 501(c)(4) organizations, three weeks after the IRS rejects CREW’s petition for rulemaking (see April 30, 2013 entry). CREW Executive Director Melanie Sloan ties the targeting scandal to the lawsuit, stating: “Until now, it has been impossible to persuade the IRS or Congress to confront this issue. But now that the entire country has been educated about this previously obscure tax matter, this lawsuit may finally spur reform. The current IRS scandal directly stems from the

¹⁴⁸ Kim Barker and Justin Elliott, “IRS Office That Targeted Tea Party Also Disclosed Confidential Docs From Conservative Groups,” ProPublica. Retrieved on June 13, 2013. Available at: <http://www.propublica.org/article/irs-office-that-targeted-tea-party-also-disclosed-confidential-docs> (May 13, 2013).

¹⁴⁹ J. Russell George, “Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review,” Treasury Inspector General for Tax Administration. Retrieved on May 15, 2014. Available at: <http://www.treasury.gov/tigta/auditreports/2013reports/201310053fr.pdf> (May 14, 2013), p. 2.

¹⁵⁰ Paul Blumenthal, “Sheldon Whitehouse: IRS Tea Party Targeting ‘Not The Only IRS Scandal,’” *The Huffington Post*. Retrieved on June 17, 2013. Available at: http://www.huffingtonpost.com/2013/05/15/sheldon-whitehouse-irs_n_3281252.html (May 15, 2013).

¹⁵¹ Dina ElBoghady, “SEC pressed to abandon corporate political spending disclosures petition,” *The Washington Post*. Retrieved on June 12, 2013. Available at: http://www.washingtonpost.com/business/economy/sec-pressed-to-abandon-corporate-political-spending-disclosures-petition/2013/05/16/d76b782e-be55-11e2-97d4-a479289a31f9_story.html (May 16, 2013).

problematic regulation. Only by changing it can we be sure we won't see a repeat of the current debacle."¹⁵²

May 22, 2013: At a hearing of the House Oversight and Government Reform Committee, IRS Director of Exempt Organizations, Lois Lerner, reads an opening statement asserting her innocence in the events surrounding the IRS scandal, before ultimately invoking the Fifth Amendment when asked questions by members of the Committee. According to Lerner: "I have not done anything wrong. I have not broken any laws. I have not violated any IRS rules or regulations. And I have not provided false information to this or any other congressional committee."¹⁵³ Members of the Committee believe that Lerner waived her right to plead the Fifth by making an opening statement, and the hearing is recessed, and not adjourned, so that Lerner can be called back to testify.

May 31, 2013: Nearly two years after the IRS's gift tax initiative was publicly revealed and aborted (see May 12, 2011, June 3, 2011, and July 7, 2011 entries), it's made public that all five taxpayers targeted by the Agency's gift tax initiative were donors to the now-defunct conservative 501(c)(4) organization Freedom's Watch. According to a board member of the group, Ari Fleischer, "[i]t's perfectly plain to see that Freedom's Watch's donors were singled out...in a complete break with decades of precedent and IRS procedure."¹⁵⁴

June 1, 2013: Nick Nyhart, President and CEO of Public Campaign, tells *ABC News* "there are legitimate questions to be asked about political groups that are hiding behind a 501(c)(4) status. It's unfortunate a few bad apples at the IRS will make it harder for those questions to be asked without claims of bias."¹⁵⁵

June 3, 2013: Democracy 21 and Campaign Legal Center send a letter to the House Ways and Means Committee arguing "the problem is not that the IRS regulations are too restrictive but that they are far too lax," and requesting that the Committee not focus narrowly on the targeting of conservative groups.¹⁵⁶

June 4, 2013: Congress's investigation into the IRS's handling of 501(c)(4) groups prompts some lawmakers to use the opportunity to introduce new rules and regulations for such organizations.

¹⁵² "CREW Sues IRS for Failing to Revise Rules Governing 501(c)(4) Groups," Citizens for Responsibility and Ethics in Washington. Retrieved on March 11, 2014. Available at: <http://www.citizensforethics.org/legal-filings/entry/crew-sues-irs-for-failing-to-revise-rules-governing-501c4-groups> (May 21, 2013).

¹⁵³ Ed O'Keefe and William Branigin, "Lois Lerner invokes Fifth Amendment in House hearing on IRS targeting," *The Washington Post*. Retrieved on May 23, 2013. Available at: http://www.washingtonpost.com/politics/lois-lerner-invokes-fifth-amendment-in-house-hearing-on-irs-targeting/2013/05/22/03539900-c2e6-11e2-8c3b-0b5e9247e8ca_story.html (May 22, 2013).

¹⁵⁴ John D. McKinnon and Dionne Searcey, "Donors to GOP Group Drew IRS Scrutiny," *The Wall Street Journal*. Retrieved on May 8, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424127887324682204578517563566848922> (May 31, 2013).

¹⁵⁵ Gregory Wallace, "Conservative sites tie IRS controversy to liberal group," CNN. Retrieved on June 12, 2013. Available at: <http://politicsticker.blogs.cnn.com/2013/06/01/conservative-sites-tie-irs-controversy-to-liberal-group/> (June 1, 2013).

¹⁵⁶ J. Gerald Hebert and Fred Wertheimer, "Watchdog Groups Urge Ways and Means Committee to Investigate Failure of IRS to Enforce the Tax Laws Against 501(c)(4) Abusers," Democracy 21. Retrieved on June 12, 2013. Available at: <http://www.democracy21.org/wp-content/uploads/2013/06/Letter-to-House-Ways-and-Means-Committee.pdf> (June 3, 2013), p. 4.

Representative Richard Neal (D-MA) states that political activity by 501(c)(4) organizations “is even more egregious than some of the actions of the IRS.”¹⁵⁷

June 5, 2013: New York Attorney General Eric Schneiderman officially adopts new disclosure rules “requiring nonprofit groups, including 501(c)(4) ‘social welfare’ organizations...to report the percentage of their expenditures that go to federal, state and local electioneering.”¹⁵⁸ Schneiderman vows that “‘Dark Money’ groups that proliferated since *Citizens United* will be brought into the light.”¹⁵⁹

June 18, 2013: For a second successive Congress (see November 1, 2011 entry), Senator Tom Udall introduces S.J. Res. 19, which proposes an amendment to the Constitution giving Congress “power to regulate the raising and spending of money and in-kind equivalents with respect to Federal elections...”¹⁶⁰ The measure is referred to the Senate Judiciary Committee.¹⁶¹

June 18, 2013: Senator Jon Tester, (D-MT) introduces a Constitutional amendment to reverse *Citizens United*,¹⁶² as requested by Montana Initiative No. 166 (see November 6, 2012 entry above). The amendment declares “the rights protected by this Constitution to be the rights of natural persons,” and grants Congress the power to impose upon corporate entities whatever regulations it may “deem reasonable.”¹⁶³

June 21, 2013: Nearly a year after his original address (see June 15, 2012 entry), Senate Minority Leader Mitch McConnell speaks at the American Enterprise Institute (AEI), again warning of government attacks on free speech. Following up on many of the themes he discussed in his 2012 AEI talk, Senator McConnell speaks at length about the IRS scandal (see May 10, 2013 entry), cautioning that “what we're dealing with here is larger than the actions of one agency or any group of employees.... This administration has institutionalized the practice of pitting bureaucrats against the very people they're supposed to be serving, and it needs to stop.”¹⁶⁴

June 24, 2013: IRS Principal Deputy Commissioner Danny Werfel announces that the IRS will ease its backlog of applications for tax-exempt status by allowing organizations whose applications

¹⁵⁷ Lauren French, “IRS scandal could change rules for nonprofits,” *Politico*. Retrieved on June 18, 2013. Available at: <http://www.politico.com/story/2013/06/irs-scandal-nonprofits-92865.html> (June 17, 2013), p. 2.

¹⁵⁸ Attorney General Eric T. Schneiderman, “Charity Disclosure Regulations,” New York State Office of the Attorney General. Retrieved on June 24, 2013. Available at: <http://www.ag.ny.gov/charity-disclosure-regulations> (June 5, 2013).

¹⁵⁹ Attorney General Eric T. Schneiderman, “A.G. Schneiderman Adopts New Disclosure Requirements For Nonprofits That Engage In Electioneering,” New York State Office of the Attorney General. Retrieved on June 12, 2013. Available at: <http://ag.ny.gov/press-release/ag-schneiderman-adopts-new-disclosure-requirements-nonprofits-engage-electioneering> (June 5, 2013).

¹⁶⁰ U.S. Senator Tom Udall et al., “S.J. Res. 19,” Government Printing Office. Retrieved on June 20, 2013. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-113sjres19is/pdf/BILLS-113sjres19is.pdf> (June 18, 2013), p. 2.

¹⁶¹ “Bill Summary & Status 113th Congress (2013 - 2014) S.J. Res. 19 All Congressional Actions,” The Library of Congress. Retrieved on June 20, 2013. Available at: <http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:./temp/~bdYsWT:@@X/home/LegislativeData.php> (June 18, 2013).

¹⁶² U.S. Senator Jon Tester, “TESTER’S CONSTITUTIONAL AMENDMENT: CORPORATIONS ARE NOT ‘PEOPLE’,” Office of Senator Jon Tester. Retrieved on June 26, 2013. Available at: http://www.testersenate.gov/?p=press_release&id=2970 (June 18, 2013).

¹⁶³ U.S. Senator Jon Tester et al., “S.J. Res. 18,” Government Printing Office. Retrieved on June 26, 2013. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-113sjres18is/pdf/BILLS-113sjres18is.pdf> (June 18, 2013), p. 2.

¹⁶⁴ Donna Cassata, “McConnell warns of government attacks on free speech,” *USA Today*. Retrieved on April 29, 2014. Available at: <http://www.usatoday.com/story/news/politics/2013/06/21/mcconnell-free-speech-obama-irs-scandal/2445967/> (June 21, 2013).

have been pending for more than 120 days to automatically receive their 501(c)(4) status, if they self-certify that they will limit their political spending to 40 percent of their overall activities. Under current law, 501(c)(4) groups must not have political activity as their primary purpose, commonly understood to mean that these organizations may spend up to 49 percent of their overall activities on politics.¹⁶⁵

June 30, 2013: In a report to Congress, the IRS's National Taxpayer Advocate, Nina Olson, recommends that the Agency cease its role in regulating political speech in favor of an agency with expertise on the subject, like the FEC. "It may be advisable to separate political determinations from the function of revenue collection. Under several existing provisions that require non-tax expertise, the IRS relies on substantive determinations from an agency with programmatic knowledge. Potentially, legislation could authorize the IRS to rely on a determination of political activity from the Federal Election Commission (FEC) or other programmatic agency. Specifically, the FEC would have to determine that proposed activity would not or does not constitute excessive political campaign activity."¹⁶⁶

July 31, 2013: *National Review Online* reports that the House Ways and Means Committee has discovered e-mail correspondence between the IRS's Lois Lerner and the FEC general counsel's office, which seem to detail illicit sharing of tax information about the American Future Fund, a 501(c)(4) nonprofit organization. The FEC's General Counsel's Office allegedly colluded with Lois Lerner to sway a FEC vote on whether or not to prosecute the American Future Fund, asking for and receiving confidential information in 2008 and 2009.¹⁶⁷

September 17, 2013: A memo released by the House Oversight and Government Reform Committee updating committee members on the IRS investigation points to "media attention" as the catalyst for differing treatment of conservative and liberal applications for tax-exempt status. The memo implies "that IRS personnel responded to 'dog whistles'...in public statements from the president and his supporters" along with the criticism of Tea Party groups media outlets produced in 2010. As negative media coverage of the Tea Party multiplied, beginning in February 2010, IRS employees in Cincinnati "were flagging Tea Party applications for Washington's attention, and their stated motive was media interest."¹⁶⁸

September 18, 2013: At a House Ways and Means Oversight Subcommittee hearing, Republican Representatives emphasize the revelation "that new information showed that the IRS flagged mostly conservative groups for extra surveillance, even after those groups received their tax-exempt status," including untimely IRS audits and extensive requests for additional information.

¹⁶⁵ Richard Rubin, "IRS Offers Faster Tax-Exemption Route to Delayed Groups," *Bloomberg*. Retrieved on May 20, 2014. Available at: <http://www.bloomberg.com/news/2013-06-24/irs-offers-faster-tax-exemption-route-to-delayed-groups.html> (June 24, 2013).

¹⁶⁶ Nina Olson, "Special Report to Congress: Political Activity and the Rights of Applicants for Tax-Exempt Status," Internal Revenue Service. Retrieved on July 1, 2013. Available at: <http://www.taxpayeradvocate.irs.gov/userfiles/file/FullReport/Special-Report.pdf> (June 30, 2013), p. 16.

¹⁶⁷ Eliana Johnson, "E-mails Suggest Collusion Between FEC, IRS to Target Conservative Groups," *National Review Online*. Retrieved on August 5, 2013. Available at: <http://nationalreview.com/corner/354801/e-mails-suggest-collusion-between-fec-irs-target-conservative-groups-eliana-johnson> (July 31, 2013).

¹⁶⁸ James Taranto, "The Press and the IRS," *The Wall Street Journal*. Retrieved on January 30, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424127887323808204579085100811015502?KEYWORDS=%22irs+scandal%22> (September 19, 2013).

The Republican argument, mainly led by Representative Charles Boustany Jr. (R-LA), was met with accusations of partisanship and paranoia by Democrats on the Subcommittee, and the many questions regarding former Director of the IRS Exempt Organizations Division Lois Lerner's role in the targeting remained unanswered by Danny Werfel, Interim IRS Commissioner.¹⁶⁹

September 20, 2013: After enduring a three-year delay in a decision on its application for tax-exempt status, the grassroots election-integrity organization, True the Vote, has its application approved by a joint decision of the IRS and the Department of Justice. As part of the decision to grant True the Vote's tax-exempt status, the IRS motions to dismiss the organization's lawsuit against the Agency.¹⁷⁰

September 23, 2013: In the wake of a *USA Today* story revealing internal IRS documents flagging groups for "anti-Obama rhetoric," ABC, CBS, and NBC neglect to cover not only this development, but have not reported on anything related to the IRS scandal for several months. The obtained IRS documents feature names of targeted groups with commentary by IRS lawyers as to why the groups were chosen.¹⁷¹

September 23, 2013: Lois Lerner retires after 12 years with the IRS while remaining an important component of the IRS scandal investigations. Senate Finance Committee Chairman Senator Orin Hatch states that Lerner's retirement "does not mean the investigation is over." The IRS determines Lerner "mismanaged her department and was 'neglectful of duty' but found no evidence of political bias." According to a Democratic congressional aide, Lerner was to be terminated following the investigation of her role in the scandal.¹⁷²

September 25, 2013: Despite a concerted effort from activist investors wishing to influence corporate disclosure practices and chill the speech rights of business entities, the 2013 proxy season ends with significant investor opposition to corporate disclosure resolutions. "According to the Manhattan Institute's Center for Legal Policy, such proposals were introduced more often than any other proposal type in 2013, constituting 20 percent of all proposals among Fortune 250 companies. However, none of these proposals to Fortune 250 companies attracted majority support, receiving average support from only 18 percent of shareholders in 2013, down from nearly 25 percent in 2011."¹⁷³

¹⁶⁹ Bernie Becker, "GOP puts IRS controversy back into focus at hearing," *The Hill*. Retrieved on January 30, 2014. Available at: <http://thehill.com/homenews/news/323231-gop-puts-irs-controversy-back-into-focus-at-hearing#ixzz2fL9PDCVz> (September 19, 2013).

¹⁷⁰ Stephen Dinan, "After three-year wait, IRS OKs tea party application," *The Washington Times*. Retrieved on September 27, 2013. Available at: <http://www.washingtontimes.com/blog/inside-politics/2013/sep/23/irs-oks-tea-party-application-after-3-year-wait/> (September 23, 2013).

¹⁷¹ Geoffrey Dickens, "IRS Documents Reveal Agency Flagged Groups for 'Anti-Obama Rhetoric,' Big Three Refuse to Report," *The Wall Street Journal*. Retrieved on January 30, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304213904579093491966449908?KEYWORDS=%22irs+scandal%22> (September 23, 2013).

¹⁷² Lauren French, "Lois Lerner still Hill's favorite piñata," *Politico*. Retrieved on January 30, 2014. Available at: <http://www.politico.com/story/2013/09/lois-lerner-retires-irs-97217.html> (September 23, 2013).

¹⁷³ "ICYMI: 5 Facts The Center For Political Accountability Does Not Want You To Know," Center for Competitive Politics. Retrieved on September 26, 2013. Available at: <http://www.campaignfreedom.org/2013/09/25/icymi-5-facts-the-center-for-political-accountability-does-not-want-you-to-know/> (September 25, 2013).

October 3, 2013: The National Organization for Marriage files a lawsuit against the IRS, believing the Agency’s 2012 leak of their private donor list to its political enemies to be intentional. The Treasury Inspector General for Tax Administration also “investigated the leak of the National Organization for Marriage’s donor list, but apparently closed the case without publicly identifying who was responsible.” Privacy laws further prevent the organization from attaining any information on who leaked their donor list. John C. Eastman, Chairman of National Organization for Marriage, vows to find the perpetrator and “keep the pressure on” the Justice Department.¹⁷⁴

October 8, 2013: At a press conference following oral arguments in the *McCutcheon v. FEC* Supreme Court case, which challenges the federal aggregate limit on overall political giving on First Amendment grounds, President Barack Obama blames the *Citizens United* decision for issues in Washington: “And I continue to believe that Citizens United contributed to some of the problems we’re having in Washington right now. You have some ideological extremist who has a big bankroll and they can entirely skew our politics. And there are a whole bunch of members of Congress right now who privately will tell you, I know our positions are unreasonable, but we’re scared that if we don’t go along with the tea party agenda or some particularly extremist agenda that we’ll be challenged from the right. And the threats are very explicit, and so they toe the line. And that’s part of why we’ve seen a breakdown of just normal, routine business done here in Washington on behalf of the American people.”¹⁷⁵

October 9, 2013: In potential violation of Section 6103 of the Internal Revenue Code, which forbids any federal employee from “disclos[ing] any return or return information obtained by him in any manner in connection with his service as such an officer or an employee,” Sarah Hall Ingram, Director of the IRS Affordable Care Act Office, and senior Obama White House officials, including Ellen Montz, White House Health Policy Advisor, and Jeanne Lambrew, Deputy Assistant to the President for Health Policy, reportedly discussed religious groups’ opposition to the contraception mandate in the Affordable Care Act via e-mail. Through these e-mail conversations, confidential taxpayer information was exposed. When questioned by Representative Darrell Issa at a House Oversight and Government Reform Committee hearing, Ingram denies knowledge of the documents.¹⁷⁶

October 17, 2013: Senator Ted Cruz (R-TX) attempts to shut down another regulatory attempt at implementing DISCLOSE Act-like provisions through the FCC (see February 11, 2010, April 29, 2010, July 21, 2010, February 9, 2012, March 21, 2012, July 10, 2012, and January 3, 2013 entries) by placing a hold on the nomination of former telecom lobbyist and venture capitalist Tom Wheeler to lead the Agency “until Mr. Wheeler pledges not to require more disclosures from the sponsors of political ads.” Cruz previously addressed the issue with Wheeler in a June confirmation hearing and was reportedly unsatisfied with Wheeler’s response. Earlier in 2013, “several Democrats suggested the FCC could require such disclosure under its existing authority.”¹⁷⁷

¹⁷⁴ Stephen Dinan, “Marriage group to sue IRS over donor leak, says list went to political enemies,” *The Washington Times*. Retrieved on January 30, 2014. Available at: http://www.washingtontimes.com/news/2013/oct/3/marriage-group-to-sue-irs-over-donor-leak/?utm_source=RSS_Feed&utm_medium=RSS#ixzz2gifLWHYe (October 3, 2013), p. 1.

¹⁷⁵ U.S. President Barack Obama, “Press Conference by the President,” Office of the Press Secretary. Retrieved on April 10, 2014. Available at: <http://www.whitehouse.gov/the-press-office/2013/10/08/press-conference-president> (October 8, 2013).

¹⁷⁶ Patrick Howley, “White House, IRS exchanged confidential taxpayer info,” *The Daily Caller*. Retrieved on January 30, 2014. Available at: <http://dailycaller.com/2013/10/09/white-house-irs-exchanged-confidential-taxpayer-info/> (October 9, 2013).

¹⁷⁷ Gautham Nagesh, “Sen. Cruz Places Hold on Obama Nominee,” *The Wall Street Journal*. Retrieved on January 30, 2014. Available at: <http://blogs.wsj.com/washwire/2013/10/17/sen-cruz-places-hold-on-obama-nominee/> (October 17, 2013).

October 29, 2013: Tom Wheeler and Michael O’Rielly are confirmed by a unanimous vote in the Senate to fill two empty Federal Communications Commission seats. Senator Ted Cruz, who had previously placed a hold on the nomination, lifted the hold after he “received assurances from [Wheeler] that the commission would not immediately pursue changes for political advertising on television.”¹⁷⁸

October 30, 2013: An investigation by the House Ways and Means Committee into the unlawful leak of the National Organization for Marriage’s donor list (See October 3, 2013 entry) successfully identifies the IRS employee who disclosed the list. Under the protection of the same law the employee broke, and because of the employee’s position in the IRS’s Exempt Organizations Division, no information on the perpetrator of the leak – name, disciplinary action taken, employment status, etc. – or the leak itself can be revealed to the public or to the National Organization for Marriage. The donor list at issue went from the unnamed IRS employee to Matthew Meisel, a former Bain & Company employee, to the Human Rights Campaign, where it was used to show that then-presidential candidate Mitt Romney’s PAC had previously donated to the National Organization for Marriage.¹⁷⁹

October 31, 2013: An e-mail chain between the former IRS Director of Exempt Organizations Division, Lois Lerner, and enforcement attorneys at the Federal Election Commission obtained by Judicial Watch reveals that several conservative groups’ confidential applications for tax-exempt status and tax return information were shared between the two agencies. Beginning as early as January 2009, Lerner shared confidential information about organizations such as the American Future Fund and American Issues Project through these exchanges in potential violation of Section 6103 of the Internal Revenue Code.¹⁸⁰

November 7, 2013: House Oversight and Government Reform Committee Chairman Darrell Issa (R-CA) issues a subpoena to the Treasury Department in an effort to discover what knowledge the Department may have of the IRS’s targeting scandal. The Department has sent the Committee approximately 1,200 pages of information, but still “several of [the Committee’s] questions have gone totally unanswered.”¹⁸¹

November 21, 2013: The IRS reports that it has cleared 75 percent of the applications for Section 501(c)(4) status delayed by the unraveling IRS scandal. Some applications for tax-exempt status remain unapproved, even after years of delay.¹⁸²

¹⁷⁸ Edward Wyatt, “New Chief of the F.C.C. Is Confirmed,” *The New York Times*. Retrieved on January 30, 2014. Available at: http://www.nytimes.com/2013/10/30/business/media/senate-approves-fcc-nominees.html?ref=politics&_r=1& (October 29, 2013).

¹⁷⁹ Eliana Johnson, “Investigation IDs IRS Leaker,” *National Review Online*. Retrieved on February 3, 2014. Available at: <http://www.nationalreview.com/article/362667/investigation-ids-irs-leaker-eliana-johnson> (October 30, 2013).

¹⁸⁰ Caroline May, “Report: IRS provided conservative groups’ confidential tax information to FEC,” *The Daily Caller*. Retrieved on February 3, 2014. Available at: <http://dailycaller.com/2013/10/31/report-irs-provided-conservative-groups-confidential-tax-information-to-fec/#ixzz2je64LypH> (October 31, 2013).

¹⁸¹ Bernie Becker, “Rep. Issa jolts IRS probe with subpoena,” *The Hill*. Retrieved on February 3, 2014. Available at: <http://thehill.com/blogs/on-the-money/domestic-taxes/189664-rep-issa-jolts-probe-of-irs-targeting-with-new-subpoena> (November 8, 2013).

¹⁸² Rick Hasen, “IRS Has Cleared Most 501(c)(4) Applications Caught Up in Tea Party Dispute, Official Says,” *Election Law Blog*. Retrieved on February 3, 2014. Available at: <http://electionlawblog.org/?p=56897> (November 21, 2013).

November 26, 2013: In an effort to “help the government avoid future dust-ups with politically active nonprofit organizations,” the IRS proposes new rules to restrict what the Agency deems as excessive spending on campaigns by tax-exempt 501(c)(4) groups. The proposed rules broadly expand the definition of “political activity” to include activities that have never before been deemed as “political,” such as voter-registration drives and the production of nonpartisan voter guides, potentially jeopardizing the tax-exempt status of many nonprofit groups on both sides of the political spectrum.¹⁸³ Kimberley Strassel of *The Wall Street Journal* suggests that the “Treasury [Department] appears to have combed through those tea party applications, compiled all the groups’ main activities, and then restricted those activities in the new rule,” noting that most of the aforementioned nonpartisan activities previously considered to be for social welfare would become illegal under the new regulations. Strassel sees the proposed rules as a continuation of the IRS targeting, only now codified in law. Comments on the proposed rulemaking are due to the IRS by February 27.¹⁸⁴

November 27, 2013: On behalf of the Alliance for Justice (AFJ), a national association of more than 100 progressive organizations, AFJ President Nan Aron responds to the IRS’s proposed rulemaking regulating 501(c)(4) organizations, arguing that defining certain activities as “political” removes the ability of organizations to engage in important social welfare activities like “nonpartisan get-out-the-vote drives, candidate questionnaires, and voter registration drives.” Aron suggests that smaller 501(c)(4) groups will be forced to shut down due to the lack of resources needed to obtain the lawyers and accountants necessary to ensure proper adherence to the new rules. According to Aron, “While the IRS and Treasury achieved their stated goal of creating clear and definitive definitions, they erred by quashing democratic participation—the heart of what so many social welfare organizations do.”¹⁸⁵

November 30, 2013: The Securities and Exchange Commission releases its 2014 to-do list. Absent from the list is the proposed rule requiring public companies to disclose their political spending, a proposal that was on the SEC’s 2013 to-do list. The rule’s exclusion, however, will not necessarily prevent the issue from being given attention by the Commission in 2014. “SEC spokesman John Nester said in a statement that the latest agenda ‘represents our best estimate as to what would be ready for Commission consideration by fall of 2014.’”¹⁸⁶

December 2, 2013: Representatives Darrell Issa and Jim Jordan, leaders of the House Oversight and Government Reform Committee’s IRS inquiry, claim the FBI refuses to share documents from the Bureau’s IRS investigation. “The department’s tactics have impeded a congressional investigation and interfered with the committee’s access to documents and information. Obstructing a congressional investigation is a crime,” Mr. Issa and Mr. Jordan write in a letter to

¹⁸³ John D. McKinnon, Brody Mullins, and Thomas Catan, “IRS Moves To Restrict Nonprofits’ Politicking,” *The Wall Street Journal*. Retrieved on February 3, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304465604579222110598111076> (November 26, 2013).

¹⁸⁴ Kimberley A. Strassel, “IRS Targeting: Round Two,” *The Wall Street Journal*. Retrieved on February 3, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702303932504579254521095034070> (December 12, 2013).

¹⁸⁵ Nan Aron, “AFJ: Treasury, IRS proposal endangers citizen participation in democracy,” Alliance for Justice. Retrieved on February 3, 2014. Available at: <http://www.afj.org/press-room/press-releases/afj-treasury-irs-proposal-endangers-citizen-participation-in-democracy> (November 27, 2013).

¹⁸⁶ Dina ElBoghdady, “SEC drops disclosure of corporate political spending from its priority list,” *The Washington Post*. Retrieved on February 3, 2014. Available at: http://www.washingtonpost.com/business/economy/sec-drops-disclosure-of-corporate-political-spending-from-its-priority-list/2013/11/30/f2e92166-5a07-11e3-8304-caf30787c0a9_story.html (November 30, 2013).

FBI Director James B. Comey, Jr., warning that if they don't receive the information they have requested, they will use "compulsory means" after December 16, 2013.¹⁸⁷

December 10, 2013: During his confirmation hearing, John Koskinen, President Obama's nominee to become the next IRS Commissioner, assures members of the Senate Finance Committee that he will "cooperate fully" with the ongoing investigations of the IRS after being warned by the Committee's Ranking Member Orrin Hatch that "the next IRS leader must be trustworthy and transparent."¹⁸⁸

December 13, 2013: In light of the IRS's proposed rules for 501(c)(4) groups (See November 26, 2013 entry), both liberal and conservative leaning groups are protesting the rules as unwarranted restrictions on their activities. Left-leaning groups like the League of Women Voters and the League of Conservation Voters have spoken out against the expansive new rules.¹⁸⁹

December 13, 2013: After what Republicans characterize as a rushed vote, the Senate Finance Committee approves John Koskinen's nomination as the new IRS Commissioner with only one "no" vote by Senator Pat Roberts (R-KS).¹⁹⁰

January 8, 2014: House Oversight and Government Reform Committee Chairman Darrell Issa and Economic Growth, Job Creation, and Regulatory Affairs Subcommittee Chairman Jim Jordan question the Department of Justice's choice of Barbara Kay Bosserman, a civil-rights attorney and not a prosecutor in the Department of Justice's Public Integrity Section (which traditionally handles campaign finance and election law cases), to head the investigation of the IRS, because Bosserman had previously "donated more than \$6,000 to Mr. Obama's 2008 and 2012 campaigns, as well as several hundred dollars to the national Democratic Party." Issa and Jordan write in a letter that "it is unbelievable that the department would choose such an individual to examine the federal government's systematic targeting and harassment of organizations opposed to the president's policies," characterizing Bosserman's role as a "startling conflict of interest."¹⁹¹

January 9, 2014: After being left off the Securities and Exchange Commission's 2014 to-do list (See November 30, 2013 entry), 79 members of Congress send a letter to SEC Chairwoman Mary Jo White requesting the addition of corporate political spending disclosure to the Commission's

¹⁸⁷ Stephen Dinan, "Issa: FBI impeding inquiry into IRS targeting of conservative groups," *The Washington Times*. Retrieved on February 3, 2014. Available at: <http://www.washingtontimes.com/news/2013/dec/2/lawmakers-suspect-fbi-is-impeding-irs-inquiry-targ/#ixzz2mSZ5Icwc> (December 2, 2013), p. 1.

¹⁸⁸ Marissa Higdon, "IRS Nominee Supports Investigation Into Tea Party Scandal," *Talk Radio News Service*. Retrieved on February 3, 2014. Available at: http://www.talkradionews.com/audio/2013/12/10/irs-nominee-supports-investigation-into-tea-party-scandal.html#_Uu_cv42A3_W (December 10, 2013).

¹⁸⁹ Gabriel Debenedetti and Patrick Temple-West, "Proposed IRS campaign rules may create strange tax-exempt allies," *Reuters*. Retrieved on February 3, 2014. Available at: <http://www.reuters.com/article/2013/12/13/us-usa-politics-nonprofits-idUSBRE9BCOU920131213> (December 13, 2013).

¹⁹⁰ Bernie Becker, "Finance Committee clears IRS nominee," *The Hill*. Retrieved on February 3, 2014. Available at: <http://thehill.com/blogs/on-the-money/domestic-taxes/193099-senate-finance-clears-irs-nominee> (December 13, 2013).

¹⁹¹ Stephen Dinan, "JUSTICE: Feds pick Obama supporter to lead probe into IRS tea party targeting," *The Washington Times*. Retrieved on February 3, 2014. Available at: <http://www.washingtontimes.com/news/2014/jan/8/feds-pick-obama-supporter-lead-irs-tea-party-probe/> (January 8, 2014), p. 1.

2014 agenda. The letter states: “We strongly urge the SEC to reconsider and use its rulemaking authority to require corporations to disclose their political spending to shareholders.”¹⁹²

January 9, 2014: More than 55 conservative and free market organizations sign a letter urging Congress to stop the proposed 501(c)(4) regulations in the omnibus spending bill: “This latest IRS power grab must be stopped, and we urge you to do so in the omnibus appropriations bill.” The letter identifies the IRS as a “rogue agency” that has yet to be held accountable for the “outrageous abuses” of power it demonstrated in targeting conservative-leaning groups.¹⁹³

January 13, 2014: The FBI announces that it does not plan to file criminal charges related to its investigation of the IRS, concluding that there was not “the kind of political bias or ‘enemy hunting’ that would amount to a violation of criminal law,” but rather “evidence of a mismanaged bureaucracy enforcing rules about tax-exemption applications it didn’t understand.” At this point in the investigation, FBI officials predict that no charges will be made barring the discovery of any unforeseen evidence.¹⁹⁴

January 13, 2014: A 1,582-page, \$1.1 trillion omnibus bill released by congressional negotiators prohibits funding for the disclosure of campaign contributions by contractors bidding on federal contracts. As for the IRS, “there’s no funding ‘to target groups for regulatory scrutiny based on their ideological beliefs or to target citizens for exercising their First Amendment rights.’”¹⁹⁵

January 14, 2014: House Ways and Means Committee Chairman Dave Camp introduces legislation (H.R. 3865) to halt the proposed IRS rules for 501(c)(4) organizations by proposing a one-year hold on the new regulations, arguing that it is too soon to create new rules given that the investigation of the IRS targeting scandal has yet to reach a conclusion.¹⁹⁶

January 16, 2014: Kimberley Strassel of *The Wall Street Journal* reveals that in negotiations on the passage of the omnibus earlier in the week, Democrats sacrificed their main legislative priorities in order to save the proposed IRS rules for 501(c)(4)s from being halted by GOP efforts to include provisions to stop implementation of the proposed regulations within the omnibus. Strassel asserts that the new IRS regulations could “shut up hundreds of groups that pose a direct threat by restricting their ability to speak freely in an election season about spending or ObamaCare or jobs.”¹⁹⁷

¹⁹² Representative Michael E. Capuano et al., “Letter to Chairwoman White,” Congress of the United States. Retrieved on February 3, 2014. Available at: <http://www.citizen.org/documents/house-letter-sec-chair-political-disclosure-rule.pdf> (January 9, 2014), p. 1.

¹⁹³ Jim Martin et al., “55+ Conservative and Free Markets Groups Urge Congress To Stop IRS 501(c)4 Rule in Omnibus,” 60 Plus Association et al. Retrieved on February 26, 2014. Available at: http://waysandmeans.house.gov/uploadedfiles/irs_cr_omni_final_support_letter.pdf (January 9, 2014), p. 1.

¹⁹⁴ Devlin Barrett, “Criminal Charges Not Expected in IRS Probe,” *The Wall Street Journal*. Retrieved on February 3, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702303819704579318983271821584> (January 13, 2014).

¹⁹⁵ Ed O’Keefe, “The winners and losers of the new spending bill,” *The Washington Post*. Retrieved on February 3, 2014. Available at: <http://www.washingtonpost.com/blogs/the-fix/wp/2014/01/13/the-winners-and-losers-of-the-new-spending-bill/> (January 14, 2014).

¹⁹⁶ John D. McKinnon, “Rep. Camp Seeks to Halt IRS Curbs on Some Groups’ Political Activities,” *The Wall Street Journal*. Retrieved on February 3, 2014. Available at: <http://blogs.wsj.com/washwire/2014/01/14/rep-camp-seeks-to-halt-irs-curbs-on-some-groups-political-activities/?KEYWORDS=%22irs+scandal%22> (January 14, 2014).

¹⁹⁷ Kimberley A. Strassel, “IRS Targeting and 2014,” *The Wall Street Journal*. Retrieved on February 3, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304603704579324783339931114> (January 16, 2014).

January 17, 2014: President Obama signs the omnibus spending bill into law, codifying language preventing funding for the disclosure of campaign donations by federal contractors bidding on government contracts, and language prohibiting the IRS from targeting organizations based on their political beliefs.¹⁹⁸

January 22, 2014: In an attempt to understand the IRS language on page 439 of the 1,582-page omnibus spending bill President Obama signed into law on January 17, many experts have come to only one conclusion: no one is quite sure of the language's impact. "Just nine lines long and 68 words, the two clauses say money designated for the IRS cannot be used to 'target citizens of the United States for exercising any right guaranteed under the first Amendment' or to target 'groups for regulatory scrutiny based on their ideological beliefs.'" The vague language – open for interpretation by regulators, courts, and lawyers – could have a significant impact on future IRS regulation of tax-exempt nonprofits.¹⁹⁹

January 22, 2014: In a letter to U.S. Attorney General Eric Holder, Senator Ted Cruz admonishes the Obama administration for its failure to properly investigate the IRS targeting scandal and discipline those responsible, as was promised when the scandal first broke. In his letter, Cruz states, "Two hundred fifty-three days have passed since both you and President Obama professed outrage at the IRS's wrongful conduct. To date, no one has been indicted." Cruz's letter also encourages Holder to appoint a new, unbiased special prosecutor to conduct the remainder of the investigation.²⁰⁰

January 23, 2014: In a speech at the Center for American Progress, Senator Chuck Schumer encourages the Obama administration and the IRS to take action "administratively" to close "huge holes in our campaign finance laws created (sic) this ill-advised decision," referring to 2010's *Citizens United* ruling. Schumer further implores the IRS and other government agencies to "redouble" efforts to combat the "Citizens United loopholes" he views as being taken advantage of by the Tea Party. In his speech, Schumer also acknowledges that efforts to create new campaign finance regulations legislatively are not likely to pass Congress in the near future.²⁰¹

January 23, 2014: Conservative author, pundit, and noted critic of President Obama, Dinesh D'Souza is indicted by the FBI "on federal charges of violating campaign finance laws by using straw donors to funnel money to a U.S. Senate candidate." According to the complaint, D'Souza illegally reimbursed friends for their donations to the Senate campaign of his friend Wendy Long (R), who lost in 2012 to incumbent Senator Kirsten Gillibrand (D-NY) by a wide margin. D'Souza's attorney Benjamin Brafman said in a statement that "Mr. D'Souza did not act with any corrupt or criminal intent whatsoever. He and the candidate have been friends since their college days, and at worst, this was an act of misguided friendship by D'Souza. . .It is important to note

¹⁹⁸ Justin Sink, "Obama signs \$1.1T omnibus," *The Hill*. Retrieved on February 3, 2014. Available at: <http://thehill.com/blogs/on-the-money/budget/195856-obama-signs-11t-omnibus> (January 17, 2014).

¹⁹⁹ Patrick Caldwell, "Did These 68 Words Just Kill IRS Oversight of Dark Money?," *Mother Jones*. Retrieved on February 3, 2014. Available at: <http://www.motherjones.com/politics/2014/01/congress-irs-law-regulate-political-groups> (January 22, 2014).

²⁰⁰ Ramsey Cox, "Cruz demands special investigation of IRS," *The Hill*. Retrieved on February 3, 2014. Available at: <http://thehill.com/blogs/floor-action/senate/196257-cruz-demands-special-investigation-of-irs#ixzz2rHju8jCQ> (January 23, 2014).

²⁰¹ Meredith Shiner, "Schumer: Administration, IRS Must 'Redouble Efforts' on Campaign Finance Enforcement," *Roll Call*. Retrieved on February 3, 2014. Available at: <http://atr.rollcall.com/schumer-administration-irs-must-redouble-efforts-on-campaign-finance-enforcement/> (January 23, 2014).

that the indictment does not allege a corrupt relationship between Mr. D’Souza and the candidate.”²⁰²

January 29, 2014: Despite the FBI’s predictions that its IRS investigation will not result in criminal charges (see first January 13, 2014 entry), Attorney General Eric Holder backtracks from the original report, clarifying that the government may still file criminal charges against IRS employees involved in the targeting scandal. Though Holder would not discuss the progress of the investigation, “he denied a published report that the investigation concluded there were no criminal acts in the targeting.”²⁰³

January 30, 2014: Senator Mitch McConnell implores new IRS Commissioner John Koskinen to stand up against the proposed IRS regulations for 501(c)(4) social welfare organizations in a speech on the Senate floor: “what the administration is proposing poses a grave threat to the ability of ordinary Americans to freely participate in the Democratic process... Commissioner Koskinen must take a stand against this kind of thuggery and make it clear to a nervous public that his agency will not engage in any more government-sanctioned crackdowns on speech.”²⁰⁴

January 30, 2014: Chairman of the House Ways and Means Committee Dave Camp writes a letter to Secretary of the Treasury Jacob Lew requesting “all documents pertaining to [the] 501(c)(4) rulemaking” between January 1, 2009 and the present. Camp requested the documentation be proffered no later than February 13, 2014.²⁰⁵

February 2, 2014: In response to a question about the IRS scandal during a Super Bowl Sunday interview with *Fox News*’ Bill O’Reilly, President Barack Obama blames the IRS targeting scandal on “some bone-headed decisions... out of a local office,” emphatically declaring that “not even a smidgeon of corruption” was involved.²⁰⁶

February 4, 2014: Louisiana Governor Bobby Jindal (R) weighs in on the IRS scandal and the proposed (c)(4) regulations, urging Congress to prevent the proposed regulations from moving forward because of their threat to privacy and First Amendment freedoms: “The IRS could easily use those donor lists to engage in harassment and intimidation against those who disagree with the Administration’s liberal agenda.”²⁰⁷

²⁰² Tom Hamburger and Alice Crites, “Conservative author and pundit Dinesh D’Souza charged in campaign finance case,” *The Washington Post*. Retrieved on February 3, 2014. Available at: http://www.washingtonpost.com/politics/conservative-author-and-pundit-dinesh-dsouza-charged-in-campaign-finance-case/2014/01/23/69c67ee4-848a-11e3-bbe5-6a2a3141e3a9_story.html (January 23, 2014).

²⁰³ Stephen Dinan, “Holder won’t rule out criminal charges for employees in IRS scandal,” *The Washington Times*. Retrieved on February 3, 2014. Available at: <http://www.washingtontimes.com/news/2014/jan/29/holder-criminal-charges-still-possible-irs-scandal/?page=1> (January 29, 2014), p. 1.

²⁰⁴ U.S. Senator Mitch McConnell, “McConnell Calls on IRS Commissioner to Resist Obama Administration Efforts to Muzzle Free Speech,” Office of Senator Mitch McConnell. Retrieved on February 3, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=5102c641-48de-4262-a431-619f8e06340b (January 30, 2014).

²⁰⁵ U.S. Representative Dave Camp, “Letter to Secretary Lew,” Congress of the United States. Retrieved on February 26, 2014. Available at: http://waysandmeans.house.gov/uploadedfiles/13014_camp_to_lew_regs.pdf (January 30, 2014).

²⁰⁶ “TRANSCRIPT: Bill O’Reilly interviews President Obama,” *Fox News*. Retrieved on February 6, 2014. Available at: <http://www.foxnews.com/politics/2014/02/02/transcript-bill-oreilly-interviews-president-obama/> (February 2, 2014).

²⁰⁷ Rick Manning, “Obama’s IRS intimidation has no place in America,” *The Hill*. Retrieved on February 6, 2014. Available at: <http://thehill.com/blogs/pundits-blog/the-administration/197408-obamas-irs-intimidation-has-no-place-in-america> (February 4, 2014).

February 4, 2014: In another joint letter, House Oversight and Government Reform Committee Chairman Darrell Issa and Economic Growth, Job Creation, and Regulatory Affairs Subcommittee Chairman Jim Jordan write to IRS Commissioner John Koskinen requesting that the IRS not consider the proposed 501(c)(4) regulations and that the Committee receive information as to how the proposed regulations came into being. “As written, the Administration’s proposed rule will stifle the speech of social welfare organizations and will codify and systematize targeting of organizations whose views are at odds with those of the Administration....we also have serious concerns about the process by which the Administration promulgated this rule.”²⁰⁸ The letter also details congressional testimony from former IRS Acting Commissioner Stephen T. Miller, in which he alludes that the IRS targeting of conservative groups was a response to pressure from Democrats in Congress: “I mean, I think we were – we had, you know, Mr. Levin complaining bitterly to us about – Senator Levin complaining bitterly about our regulation that was older than me...And, you know, we were being asked to take a look at that. And so we were thinking about what things could be done.”²⁰⁹

February 5, 2014: During a House Ways and Means Oversight Subcommittee hearing with newly installed IRS Commissioner John Koskinen, House Ways and Means Chairman Dave Camp reveals a June 2012 e-mail exchange between a Treasury Department attorney and IRS officials in the Tax Exempt Organizations Division, including former Director Lois Lerner, about “off-plan” conversations regarding 501(c)(4) groups. “Mr. Camp noted that in this case ‘off-plan’ appears to mean ‘hidden from the public.’ He added that committee interviews with IRS officials have found that the new 2013 rules were in the works as early as 2011, meaning the Administration has ‘fabricated the rationale’ for this new regulation.”²¹⁰ Koskinen also indicates during the hearing that the number of public comments on the proposed (c)(4) rulemaking – over 21,000 at the time of the hearing – is the highest on record that the Agency has received on a Notice of Proposed Rulemaking.²¹¹

February 5, 2014: In a letter to Commissioner Koskinen, members of the Republican Leadership in the House and Senate as well as Republicans from the House Appropriations, Senate Finance, and House Ways and Means Committees strongly encourage the IRS not to go forth with the proposed rule changes for 501(c)(4)s because it “continu[es] to target the first amendment rights of [the] same grass-roots groups” targeted in the IRS scandal. The letter continues: “This proposed rule is an affront to free speech itself. It poses a serious and undeniable threat to the ability of ordinary Americans to freely participate in the democratic process. That’s why groups all along

²⁰⁸ U.S. Representatives Darrell Issa and Jim Jordan, “Letter to Commissioner Koskinen,” United States House Committee on Oversight and Government Reform. Retrieved on February 7, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/02/2014-02-04-DEI-JDJ-to-Koskinen-IRS-c4-Rule.pdf> (February 4, 2014), p. 1.

²⁰⁹ *Ibid.*, p. 9.

²¹⁰ Editorial, “Obama’s IRS ‘Confusion,’” *The Wall Street Journal*. Retrieved on February 6, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304181204579365161576171176> (February 5, 2014).

²¹¹ “GOP leaders urge new IRS boss to scrap rule they claim would muzzle free speech,” *Fox News*. Retrieved on February 6, 2014. Available at: <http://www.foxnews.com/politics/2014/02/06/gop-leaders-urge-new-irs-boss-to-scrap-rule-claim-would-muzzle-free-speech/> (February 6, 2014).

the political spectrum, from the ACLU to the Chamber of Commerce, and the citizens who support them, are increasingly concerned about its effect.”²¹²

February 5, 2014: Representatives Gerry Connolly (D-VA) and Matt Cartwright (D-PA) request an investigation of Treasury Inspector General for Tax Administration J. Russell George, expressing concern about George’s May 2013 audit of the IRS, which revealed that “the IRS used inappropriate criteria that identified for review Tea Party and other organizations applying for tax-exempt status.”²¹³

February 5, 2014: Cause of Action, a nonpartisan 501(c)(3) investigative organization, requests that the IRS extend the public comment period on the Agency’s proposed 501(c)(4) rulemaking and files a lawsuit to “delay the IRS issuing a final rule until the IRS produces responsive records; and order the IRS to re-open the comment period on the proposed rule after the IRS produces all responsive records.”²¹⁴

February 6, 2014: One week after his previous speech on the subject (see January 30, 2014 entry), Senator McConnell speaks on the Senate floor against the proposed 501(c)(4) regulations: “Under the Administration’s proposed regulations, many citizen groups could be prohibited from participating in some of the most basic civic engagement activities...Grassroots groups shouldn’t be persecuted for doing the very things Americans expect them to do – they shouldn’t be forced to shut down for engaging in the very kind of educational activities the 501(c)4 designation was designed to support. The idea is to shut up and shut down the voices that oppose the Administration’s priorities – and it comes on the heels of a long-running pet project of this Administration to expose conservative donors to harassment in order in order to dry up their funding.”²¹⁵

February 6, 2014: Catherine Engelbrecht, founder of True the Vote, the grassroots election-integrity outfit, files a formal ethics complaint with the Office of Congressional Ethics over the conduct of House Oversight and Government Reform Committee Ranking Member Elijah Cummings. Engelbrecht’s complaint alleges that Representative Cummings “misrepresented his authority as a Member of Congress to intimidate me and others associated with me, and which may be responsible for a series of incursions into my personal, organizational and business affairs by various federal agencies, agents and bureaucracies over the past four years.”²¹⁶

²¹² U.S. Senator Mitch McConnell et al., “Letter to Commissioner Koskinen,” Congress of the United States. Retrieved on February 6, 2014. Available at: http://www.speaker.gov/sites/speaker.house.gov/files/UploadedFiles/IRS%20letter_140205.PDF (February 5, 2014), p. 1.

²¹³ Josh Hicks, “Two Democrats call for investigation of IRS watchdog who led targeting probe,” *The Washington Post*. Retrieved on February 10, 2014. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/02/07/two-democrats-call-for-investigation-of-irs-watchdog-who-led-targeting-probe/> (February 7, 2014).

²¹⁴ “Cause of Action Sues IRS Over Proposed Regulations Affecting Nonprofits,” Cause of Action. Retrieved on February 6, 2014. Available at: <http://causeofaction.org/cause-action-sues-irs-proposed-regulations-affecting-nonprofits/> (February 5, 2014).

²¹⁵ U.S. Senator Mitch McConnell, “McConnell: Proposed IRS Rule Designed to Stifle Administration Critics,” Office of Senator Mitch McConnell. Retrieved on February 6, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=1ec79f29-242b-4078-8956-232ea741724f (February 6, 2014).

²¹⁶ “Conservative activist claims Rep. Cummings tried to ‘intimidate’ her, files complaint,” *Fox News*. Retrieved on February 10, 2014. Available at: <http://www.foxnews.com/politics/2014/02/06/conservative-activist-claims-rep-cummings-tried-to-intimidate-her-files/> (February 6, 2014).

February 7, 2014: In a letter to IRS Commissioner Koskinen complaining about the “millions of dollars” of taxpayer money “Congressional Republicans are wasting” through requests to the IRS for documents pertaining to the six ongoing investigations into the Agency’s targeting of conservative groups, Ranking Member of the House Ways and Means Committee, Sander Levin (D-MI), and Ranking Member of the House Oversight and Government Reform Committee, Elijah Cummings, request documentation with “accounting of taxpayer dollars and federal employee time spent to date on these investigations.”²¹⁷

February 10, 2014: A coalition of 11 groups who advocate for greater regulation of political speech write to members of the House Ways and Means Committee, urging them to vote against a bill by Ways and Means Committee Chairman Dave Camp that would delay implementation of the IRS’s proposed rules for 501(c)(4) organizations for a year (see January 14, 2014 entry). The letter implores Committee members not to delay the rulemaking because the signees believe that delay of the proposed rulemaking “will only serve to prolong the opportunity for the abuses of the tax laws that have resulted in hundreds of millions of dollars of undisclosed “dark” money flowing into federal elections.”²¹⁸

February 11, 2014: Senator Mitch McConnell again takes to the Senate floor, this time to promote legislation called the “Stop Targeting of Political Beliefs by the IRS Act of 2014” (S. 2011), which would prohibit the proposed 501(c)(4) regulations from becoming law: “Instead of putting safeguards in place to protect our civil liberties, the Obama Administration is now dragging the IRS back in the opposite direction. It’s now pushing a regulation that would actually entrench and encourage the harassment of groups that dare to speak up and engage in the conversation. It’s trying to intimidate into silence those who send donations to civic groups too. Predictably, the Obama Administration has tried to spin these regulations as some sort of ‘good government’ measure – as reforms initiated in response to the IRS scandal. But, of course, we know that that’s simply not true. In recent days, we learned that these regulations – regulations designed to suppress free speech – have been in the works for years. So let’s be clear: all of this is simply unacceptable.”²¹⁹

February 11, 2014: Senators John Cornyn (R-TX), Orrin Hatch, and Jeff Flake (R-AZ) also speak on the Senate floor to rally support for S. 2011, the “Stop Targeting of Political Beliefs by the IRS Act of 2014” (see previous entry). Cornyn warns that the proposed 501(c)(4) regulations will “institutionalize the role of the IRS as the speech police.”²²⁰ Hatch highlights the importance of S. 2011: “That’s why this legislation we’ve introduced today is so important. We need to send a

²¹⁷ U.S. Representatives Sander Levin and Elijah Cummings, “Letter to Commissioner Koskinen,” Congress of the United States. Retrieved on February 10, 2014. Available at: <http://democrats.waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/LevinCummingsIRSletter-2-7.pdf> (February 7, 2014), p. 1-2.

²¹⁸ Americans for Campaign Reform et al., “Vote No on Bill to Delay and Prohibit New IRS Rules on 501(c)(4) Standards.” Retrieved on February 11, 2014. Available at: <http://www.democracy21.org/wp-content/uploads/2014/02/Groups-letter-to-Congress-re-IRS-rulemaking-2-10-14-22.pdf> (February 10, 2014), p. 2.

²¹⁹ U.S. Senator Mitch McConnell, “Republican Senators Introduce Bill to Halt Proposed IRS Free Speech Restrictions,” Office of Senator Mitch McConnell. Retrieved on February 12, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=7f8ab008-83e4-4f63-b119-fabe46338b78&ContentType_id=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=0fd6ddca-6a05-4b26-8710-a0b7b59a8f1f (February 11, 2014).

²²⁰ U.S. Senator John Cornyn, “Does Anyone Really Think The IRS Needs More To Do?,” Office of Senator John Cornyn. Retrieved on February 12, 2014. Available at: <https://www.youtube.com/watch?v=Cta0bKrYIXE> (February 11, 2014).

message to the administration that it can't tamper with the rules of free speech just because it doesn't like what's being said."²²¹ Flake encourages the IRS to make amends with the public: "It's time to end the intimidation and harassment. Let's preserve the First Amendment rights of all groups, regardless of their ideology, especially those that commit themselves to improving our society. And let's restore the public's faith in the ability of the IRS to fairly administer our nation's tax laws."²²²

February 11, 2014: The House Ways and Means Committee votes on a party line basis in favor of H.R. 3865 (see January 14, 2014 entry), taking a key step towards delaying the IRS's proposed 501(c)(4) regulations. "These rules are a blatant attempt to legalize and institutionalize targeting by the IRS, and are designed to put conservative groups out of business," Ways and Means Committee Chairman Dave Camp explained. "It is no wonder the IRS tried to develop this rule behind closed doors and out of the public's view. This legislation will put a hold on these proposed rules until Congress completes its investigation into the IRS's abuses."²²³ The vote comes after Camp reveals that Committee investigations found that the IRS also targeted established conservative tax-exempt groups for audits, and not just those groups applying for tax-exempt status.²²⁴

February 11, 2014: Chief Deputy Whip Peter Roskam (R-IL) sends a letter to lead Department of Justice investigator for the IRS targeting scandal Barbara Bosserman detailing his expectations regarding the unbiased principles with which the investigation should be conducted. Acknowledging the firestorm Bosserman faces considering her prior donations to President Obama and the Democratic Party, Roskam says his "principle interest is in finding out what happened, who is responsible, and ultimately achieving justice for those injured throughout this process."²²⁵

February 12, 2014: Amid cries of disapproval from both conservative and liberal leaning groups, experts are beginning to doubt the likelihood that the IRS's proposed 501(c)(4) regulations will move forward. Tax attorney Marcus Owens, a former high-ranking official at the IRS, said "the regulations are dead in the water." With more than 23,000 public comments overwhelmingly in opposition to the proposed regulations, "critics and supporters of the proposal agree that the vehement objections could delay or even derail the rules. Tax experts now expect the Treasury

²²¹ U.S. Senator Orrin Hatch, "Hatch Slams 501(c)(4) Proposed Rules; Backs Bill to Delay Implementation," Office of Senator Orrin Hatch. Retrieved on February 12, 2014. Available at: <http://www.hatch.senate.gov/public/index.cfm/2014/2/hatch-slams-501-c-4-proposed-rules-backs-bill-to-delay-implementation> (February 11, 2014).

²²² U.S. Senator Jeff Flake, "Sen. Flake's Remarks on Flake-Roberts Bill to Prevent IRS Targeting, Preserve Free Speech," Office of Senator Jeff Flake. Retrieved on February 12, 2014. Available at: http://www.youtube.com/watch?v=qatG-PJky-g&list=UUPSnrXko_G21KzwgXmOZaeQ&feature=share (February 11, 2014).

²²³ U.S. Representative Dave Camp, "Ways and Means Committee Votes to Block IRS Regulations Designed to Put Conservative Groups Out of Business," Office of Representative Dave Camp. Retrieved on February 12, 2014. Available at: <http://camp.house.gov/news/documentsingle.aspx?DocumentID=369731> (February 11, 2014).

²²⁴ John D. McKinnon, "Camp: IRS Targeted Established Conservative Groups for Audits, Too," *The Wall Street Journal*. Retrieved on February 12, 2014. Available at: <http://blogs.wsj.com/washwire/2014/02/11/camp-irs-targeted-conservative-groups-for-audits/?KEYWORDS=%22irs%22> (February 11, 2014).

²²⁵ U.S. Representative Peter Roskam, "Letter to Barbara Bosserman," Congress of the United States. Retrieved on February 12, 2014. Available at: https://roskam.house.gov/sites/roskam.house.gov/files/wysiwyg_uploaded/Bosserman%20Letter%20-%20FINAL%20-%20SIGNED_1.pdf (February 11, 2014), p. 1.

Department to pull back the regulations and rewrite them – or perhaps even withdraw them completely.”²²⁶

February 12, 2014: A growing chorus of tax attorneys indicate that the IRS’s proposed rules governing 501(c)(4) organizations violate the Paperwork Reduction Act of 1995, which requires government agencies to accurately estimate the paperwork burdens of newly proposed programs on the public. According to a letter submitted to the Office of Management and Budget on behalf of the nonprofit watchdog group Judicial Watch, “The [IRS] fails to mention, let alone review and evaluate as required under [the Paperwork Reduction Act], the burden of the collection of information arising out of its replacement of longstanding language.”²²⁷

February 13, 2014: Echoing the actions of Democratic Congressmen before the IRS scandal came to light in May 2013, several vulnerable Democratic Senators publicly prod the IRS to regulate 501(c)(4) organizations more aggressively. According to Senator Mark Pryor (D-AK), “That whole 501(c)(3), 501(c)(4) [issue], those are IRS numbers. It is inherently an internal revenue matter. There are two things you don’t want in political money, in the fundraising world and expenditure world. You don’t want secret money, and you don’t want unlimited money, and that’s what we have now.” For her part, Senator Jeanne Shaheen called spending by 501(c)(4) groups “outrageous.”²²⁸

February 18, 2014: 29 Senators send a letter to IRS Commissioner John Koskinen asking him to suspend the IRS’s proposed rulemaking for 501(c)(4) groups. According to the co-signers, “The IRS is not the appropriate agency to regulate political activity as the proposal delineates given its lack of subject-matter expertise and role as impartial administrator of our nation’s tax laws. At a minimum, the IRS should not finalize any regulations related to political activity that would jeopardize the rights established by the First Amendment or be applied selectively to tax-exempt organizations.”²²⁹

February 19, 2014: Senators Chuck Grassley (R-IA), Jeff Sessions (R-AL), Ted Cruz, and Mike Lee (R-UT) send a letter to FBI Director James Comey inquiring as to the scope and methodology of the FBI’s routine reviews of campaign finance filings with the FEC. In particular, the Senators express concern with the FBI’s indictment of Dinesh D’Souza (see second January 23, 2014 entry), which they believe to be politically motivated: “To dispel this sort of public perception that Mr. D’Souza may have been targeted because of his outspoken criticisms of the President, it is important for the FBI to be transparent regarding the precise origin of this investigation.”²³⁰

²²⁶ Matea Gold, “IRS plan to curb politically active groups threatened by opposition from both sides,” *The Washington Post*. Retrieved on February 12, 2014. Available at: http://www.washingtonpost.com/politics/irs-plan-to-curb-politically-active-groups-threatened-by-opposition-from-both-sides/2014/02/12/99dcfd2a-932a-11e3-b46a-5a3d0d2130da_story.html (February 12, 2014).

²²⁷ Patrick Howley, “Claims: Obama administration’s new nonprofit rules violate the Paperwork Reduction Act,” *The Daily Caller*. Retrieved on February 13, 2014. Available at: <http://dailycaller.com/2014/02/12/claims-obama-administrations-new-nonprofit-rules-violate-the-paperwork-reduction-act/#ixzz2tBeZvz5B> (February 12, 2014), p. 2.

²²⁸ Alexander Bolton, “Vulnerable Dems want IRS to step up,” *The Hill*. Retrieved on February 13, 2014. Available at: <http://thehill.com/homenews/senate/198298-vulnerable-dems-want-irs-to-step-up> (February 13, 2014).

²²⁹ U.S. Senator Jeff Flake et al., “Letter to Commissioner Koskinen,” United States Senate. Retrieved on February 20, 2014. Available at: http://www.flake.senate.gov/public/_cache/files/3466bab8-b367-48fb-85a9-6f0121d37a28/sen.-flake-letter-to-irs-commissioner-koskinen.pdf (February 18, 2014), p. 1.

²³⁰ U.S. Senator Charles E. Grassley et al., “Letter to Director Comey,” United States Senate Committee on the Judiciary. Retrieved on February 20, 2014. Available at: http://images.politico.com/global/2014/02/21/2014-02-19_ceg_sessions_cruz_lee_to_fbi_routine_reviews.html (February 19, 2014), p. 1.

February 19, 2014: Speaking at a District of Columbia Bar Association event on the IRS's proposed rulemaking for 501(c)(4) organizations, Marcus Owens, a partner with Caplin & Drysdale and a former employee of the IRS's Exempt Organizations Division, notes: "The only question is whether the proposed rules will be withdrawn before the midterm election, not whether they will be finalized. They just aren't workable." Panelists at the event also noted that if the proposed rules are finalized, they are likely to be litigated.²³¹

February 24, 2014: In order to continue the House Committee on Ways and Means investigation of the IRS scandal, Committee Chairman Dave Camp writes a letter to IRS Commissioner John Koskinen requesting "fulfillment of a document request" made nearly eight months prior. Camp threatens "using compulsory process to compel the [documents]," should the IRS continue to avoid handing over the requested documents.²³²

February 24, 2014: Eleven organizations favoring greater regulation of political speech write a letter to members of the House Representatives encouraging them to vote no on H.R. 3865 (see January 14, 2014, February 10, 2014, and third February 11, 2014 entries), saying the proposed 501(c)(4) regulations the bill intends to halt are vital to prevent "abuses of the tax laws that have resulted in hundreds of millions of dollars of "dark money" flowing into federal elections." The letter says there is "no legitimate justification" for the one-year delay proposed by H.R. 3865.²³³

February 25, 2014: Senator Ted Cruz weighs in with a public comment opposing the proposed 501(c)(4) regulations: "It is disturbing that the IRS is proposing new rules that would attempt to further limit the free speech rights of Americans, while the IRS and the Department of Justice still refuse to provide the American people with all the facts surrounding the IRS's targeting of certain organizations based on their political activity." The letter continues: "The IRS should not be used as a tool for partisan warfare. And the federal government must respect the First Amendment rights of our citizens. The proposed new rules do neither."²³⁴

February 25, 2014: As answers continue to elude those investigating the IRS targeting scandal, House Oversight and Government Reform Committee Chairman Darrell Issa and the Committee intend to revisit the questions surrounding Lois Lerner's pleading of the Fifth following her opening statement to the Committee insisting she was innocent during a hearing last May. At the time, some Republican members claimed "she had waived her right by making the statement" of

²³¹ Diane Freda, "IRS Proposed Rules on 501(c)(4) Politicking Going Nowhere, Risk Litigation, Attorneys Say," *BNA Money & Politics Report* (\$). Retrieved on February 20, 2014. Available at: http://news.bna.com/mpdm/MPDMMWB/split_display.adp?fedfid=41884373&vname=mpebulallissues&fn=41884373&jd=41884373 (February 19, 2014).

²³² U.S. Representative Dave Camp, "Letter to Commissioner Koskinen," Congress of the United States. Retrieved on February 26, 2014. Available at: http://waysandmeans.house.gov/uploadedfiles/2.24.14_camp_to_irs_document_request.pdf (February 24, 2014).

²³³ Americans for Campaign Reform et al., "Vote No on H.R 3865, a Bill to Restrict New IRS Rules on 501(c)(4) Standards," Democracy 21. Retrieved on February 26, 2014. Available at: <http://www.democracy21.org/wp-content/uploads/2014/02/Letter-to-House-2-24-14.pdf> (February 24, 2014), p. 2.

²³⁴ U.S. Senator Ted Cruz, "Comments on IRS NPRM, REG-134417-13," United States Senate. Retrieved on February 26, 2014. Available at: <http://www.scribd.com/doc/209182441/Comments-from-Sen-Ted-Cruz-on-Proposed-Rules-that-Allow-the-IRS-to-Stifle-Free-Speech#download> (February 25, 2014), p. 1-2.

innocence. Issa writes a letter to Lerner’s attorney indicating the Committee will discuss the matter on March 5.²³⁵

February 25, 2014: With a rapidly approaching floor vote on H.R. 3865 – the bill that would delay action on the proposed 501(c)(4) regulations for one year – the White House releases a statement threatening to veto the bill if it reaches the President’s desk. The White House claims the bill prevents the IRS “from administering the tax code more effectively and from providing greater clarity to organizations seeking tax-exempt status.”²³⁶

February 26, 2014: Lois Lerner’s attorney responds to Darrell Issa’s request for her to re-appear before the House Oversight and Government Reform Committee (see second February 25, 2014 entry), asking him to revoke the Committee’s summons due to Lerner being “the subject of numerous threats on her life and safety.” Lerner’s attorney further claims that she will invoke her Fifth Amendment rights again if called before the Committee, and “will decline to answer unless she is ordered to do so by a United States District Court or receives immunity.”²³⁷

February 26, 2014: All six Republican members of the House Committee on House Administration, including Chairman Candice Miller (R-MI), submit public comments on the IRS rulemaking. In a statement announcing the comments, Chairman Miller said: “We cannot allow the expansion of the IRS’ role in the regulation of political activity and give them carte blanche authority to drive our nation’s political conversation, especially given the recent scandal involving the agency’s improper targeting of ideologically conservative groups. We urge the IRS to, at a minimum, delay their proposed regulations respective effective dates until after the elections, and no sooner than January 1, 2015. These proposed regulations are rooted in the belief that social welfare activity does not include political activity. But one can think of few activities intended more clearly to promote the general welfare of the United States than engaging in the political process.”²³⁸

February 26, 2014: House Judiciary Committee Chairman Bob Goodlatte (R-VA) comments to the IRS in opposition to the proposed 501(c)(4) rulemaking. According to Goodlatte, “These proposed regulations not only would chill Americans’ First Amendment protections, they also, in light of the investigations regarding the inappropriate treatment of tax-exempt applicants by the Internal Revenue Service (‘IRS’), appear to codify the IRS’s agenda to thwart the political activities of conservative-leaning groups.”²³⁹

²³⁵ John D. McKinnon, “Panel Seeks New Testimony by Former IRS Official Over Tea-Party Targeting,” *The Wall Street Journal*. Retrieved on February 26, 2014. Available at: <http://blogs.wsj.com/washwire/2014/02/25/panel-seeks-new-testimony-by-former-irs-official-over-tea-party-targeting/?KEYWORDS=%22irs%22> (February 25, 2014).

²³⁶ Bernie Becker, “White House threatens veto of House IRS bill,” *The Hill*. Retrieved on February 26, 2014. Available at: <http://thehill.com/blogs/on-the-money/domestic-taxes/199250-white-house-threatens-veto-of-house-irs-bill> (February 25, 2014).

²³⁷ Andrea Drusch, Rachael Bade, and Lauren French, “Lawyer to Darrell Issa: Lois Lerner facing threats,” *Politico*. Retrieved on February 26, 2014. Available at: <http://www.politico.com/story/2014/02/darrell-issa-seeks-lois-lerner-irs-testimony-103977.html> (February 26, 2014).

²³⁸ U.S. Representative Candice S. Miller, “Chairman Miller: We Must Protect Free Speech from Abuse by the IRS” CHA Press Office. Retrieved on February 26, 2014. Available at: <http://cha.house.gov/press-release/chairman-miller-we-must-protect-free-speech-abuse-irs> (February 26, 2014).

²³⁹ U.S. Representative Bob Goodlatte, “Re: Comments in Response to Notice of Proposed Rulemaking on “Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities,” House of Representatives Committee on the Judiciary. Retrieved on February 27, 2014. Available at: <http://www.campaignfreedom.org/wp-content/uploads/2014/02/2014-02->

February 26, 2014: H.R. 3865, the “Stop Targeting of Political Beliefs by the IRS Act,” passes the House by a vote of 243-176, with 14 Democrats voting in favor of the bill. Speaker John Boehner (R-OH) releases a statement, saying that “The taxman has no business targeting citizens for their political views. None whatsoever. On behalf of every American fed up with the IRS’s antics, I call on Senate Democrats to allow a vote on this bill immediately.”²⁴⁰

February 26, 2014: In a hearing of the House Appropriations Committee’s Subcommittee on Financial Services and General Government, IRS Commissioner John Koskinen tells Committee members that “the chances of [the 501(c)(4) rulemaking] getting finalized before the November election are fairly slim.” He further tells members of the Committee that the IRS is likely to hold a public hearing on the proposed rules and potentially another round of public comment before they are finalized.²⁴¹

February 26, 2014: Senator Sheldon Whitehouse gives a speech on the Senate floor blaming legislative gridlock and the Senate’s failure to act on climate change legislation on “the evils of *Citizens United*.” Whitehouse continues by calling the decision “one of the worst and most disgraceful decisions ever made by the Supreme Court,” and further faults the Koch brothers for gridlock in Congress.²⁴²

February 26, 2014: After accusing Americans for Prosperity, a group with funding from the Koch brothers, of lying in all ads critical of Democrats who supported Obamacare on the Senate floor, Senate Majority Leader Harry Reid re-evaluates his statement a few hours later: “I can’t say that every one of the Koch brothers ads are a lie, but I’ll say this ... the vast, vast majority of them are. It’s too bad that they are trying to buy America. And it’s time that the American people spoke out against this terrible dishonesty of these two brothers, who are about as un-American as anyone that I can imagine.” Reid focused on the “hundreds of millions of dollars” being spent to discredit Obamacare, continuing the trend of demonizing the Kochs for their success in the oil business.²⁴³

February 27, 2014: In response to Senator Majority Leader Harry Reid’s floor remarks calling the Kansas-native Koch brothers “un-American” the day before (see seventh February 26, 2014 entry), Kansas GOP Senators Pat Roberts and Jerry Moran take to the Senate floor to defend the Koch brothers. Roberts defends their actions as legal, and Moran compares Reid’s action to those of Joseph McCarthy, noting that “It’s troubling that there is a reflexive reaction in Congress to

[26_Chairman-of-the-House-Committee-on-the-Judiciary_IRS_Comments-On-Proposed-501c4-Rulemaking.pdf](#) (February 26, 2014), p. 1.

²⁴⁰ Speaker of the House John Boehner, “House Votes to Protect First Amendment, Stop IRS Overreaching,” Office of Speaker of the House John Boehner. Retrieved on February 26, 2014. Available at: <http://www.speaker.gov/press-release/house-votes-protect-first-amendment-stop-irs-overreaching?Source=GovD> (February 26, 2014).

²⁴¹ Stephen Dinan, “IRS says planned tea party crackdown rules won’t be in place by November,” *The Washington Times*. Retrieved on February 27, 2014. Available at: <http://www.washingtontimes.com/news/2014/feb/26/new-irs-rules-tea-party-wont-be-ready-election/> (February 26, 2014), p. 1.

²⁴² U.S. Senator Sheldon Whitehouse, “Citizens United, Congressional Gridlock, and Climate Change,” Office of Senator Sheldon Whitehouse. Retrieved on February 27, 2014. Available at: <http://www.whitehouse.senate.gov/news/speeches/citizens-united-congressional-gridlock-and-climate-change> (February 26, 2014).

²⁴³ Burgess Everett, “Harry Reid tempers Koch criticism,” *Politico*. Retrieved on February 27, 2014. Available at: <http://www.politico.com/story/2014/02/harry-reid-koch-brothers-103986.html#ixzz2uXAiMREq> (February 26, 2014).

label people who disagree with you as un-American. This tactic didn't end in 1950 and indeed it continues today.”²⁴⁴

February 27, 2014: Before a hearing of the House Oversight and Government Reform Committee's Subcommittee on Economic Growth, Job Creation and Regulatory Affairs, Jenny Beth Martin, President and Co-Founder of the Tea Party Patriots, reveals that her organization has finally received its tax-exempt status from the IRS, nearly three years after the organization submitted its initial application.²⁴⁵

February 27, 2014: Senator Mitch McConnell speaks on the Senate floor about the proposed 501(c)(4) regulations, saying it's "inappropriate to hand this kind of power to any Administration." In speaking on the last day for the public to comment on the proposed rules, McConnell calls on the IRS to "leave the First Amendment alone," concluding his speech with a call to action for the IRS commissioner: "Commissioner Koskinen: Do the right thing. Stop this regulation.”²⁴⁶

February 27, 2014: Led by Senator Sheldon Whitehouse, a total of 15 Democratic Senators and Bernie Sanders (I-VT) write to the IRS supporting the intent of the proposed rulemaking, but asking the IRS to go farther in regulating the activity of 501(c)(4) organizations. In their letter, the Senators suggest a 5 to 15 percent cap on the amount of political activity allowed by (c)(4) organizations. In asking the IRS to go even further in its rulemaking, the Senators demand: "In particular, the new rules must make clear that it is impermissible for political operatives to create what are for all practical purposes PACs, obtain 501(c)(4) status for those PACs, and then spend essentially unlimited money to influence elections without disclosing their donors, as is now common practice.”²⁴⁷

February 27, 2014: Senator Carl Levin submits a public comment to the IRS, expressing support for the proposed rulemaking and recommending that the final rule only permit 501(c)(4) organizations to engage in an "insubstantial" amount of newly-defined "candidate related political activity.”²⁴⁸ Levin had previously written to the IRS, requesting that the Agency take an active role in investigating 501(c)(4) organizations for potential abuses of their tax-exempt status (see September 19, 2012 entry).

²⁴⁴ Ramsey Cox, "Moran: Reid's attacks on Koch brothers rings of 1950s McCarthyism," *The Hill*. Retrieved on March 5, 2014. Available at: <http://thehill.com/blogs/floor-action/senate/199512-moran-reids-attacks-on-kochs-rings-of-mccarthyism#ixzz2ucjywafr > (February 27, 2014).

²⁴⁵ Mark Hrywna, "Congress Gets Nearly 100K Comments On Advocacy Rules," *The NonProfit Times*. Retrieved on March 5, 2014. Available at: <http://www.thenonproffitimes.com/news-articles/congress-gets-nearly-100k-comments-on-advocacy-rules/> (February 27, 2014).

²⁴⁶ U.S. Senator Mitch McConnell, "McConnell to the IRS: Leave the First Amendment Alone," Office of Senator Mitch McConnell. Retrieved on February 27, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=d3cffe1f-d569-4eb9-9ea1-f347a682d70d&ContentType_id=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=0fd6ddca-6a05-4b26-8710-a0b7b59a8f1f (February 27, 2014).

²⁴⁷ U.S. Senator Sheldon Whitehouse et al., "Comments on Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities," United States Senate. Retrieved on February 28, 2014. Available at: <http://www.whitehouse.senate.gov/download/?id=909cd508-041a-40b4-a75c-69761bc994c3&download=1> (February 27, 2014), p. 4.

²⁴⁸ U.S. Senator Carl Levin, "Proposed Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities, RIN (1545-BLSI)," United States Senate Committee on Homeland Security and Governmental Affairs. Retrieved on February 28, 2014. Available at: http://www.levin.senate.gov/download/irs_comment_letter022714 (February 27, 2014), p. 3.

February 27, 2014: U.S. Representative Chris Van Hollen, Democracy 21, and the Campaign Legal Center submit joint comments to the IRS in favor of the proposed rulemaking governing 501(c)(4) organizations. The comments urge the Agency to separate the targeting scandal from the current rulemaking: “Although the agency has been remiss in failing to start this rulemaking earlier, it is now underway and the agency should move forward with determination to take the steps necessary to restore effective disclosure of campaign money to elections in this country, by closing the loopholes that have allowed undisclosed money to flow into campaigns since *Citizens United*. The IRS should not allow false and misleading claims about the purpose of this rulemaking to deter it from the clear need to adopt new rules and prevent future abuses of the tax laws.”²⁴⁹

February 27, 2014: U.S. Representative Lloyd Doggett (D-TX) weighs in on the proposed IRS rulemaking governing 501(c)(4) organizations, touting the proposed rule as necessary to combat the *Citizens United* decision: “But in the past few years, in the wake of the United States Supreme Court’s *Citizens United* decision, the use of section 501(c)(4) social welfare organizations as an instrument through which to funnel secret contributions to political campaigns has exploded.” The comments conclude by urging the IRS to prohibit 501(c)(4) organizations from engaging in any political activity, in excess of *de minimis* amounts.²⁵⁰

February 27, 2014: Senator Ron Johnson (R-WI) submits public comments to the IRS, calling on the Agency to withdraw its proposed rulemaking governing 501(c)(4) organizations: “I urge the IRS to abandon this cynical, unconstitutional attempt to limit free speech. It is a rule worthy of an autocracy. It is a rule that insults our founders and every American citizen.”²⁵¹

February 27, 2014: 81 members of the House Republican Study Committee submit joint comments to the IRS highly critical of the proposed rule: “Rescinding the rights of organizations which seek to do nothing more than ensure that their members have the most updated, relevant information before taking part in one of our most sacred traditions – voting – goes against the liberty these types of organizations have enjoyed for more than 50 years, and is an affront to the free speech rights established in the Bill of Rights.” The undersigned “request that this proposed Rule be abandoned.”²⁵²

February 27, 2014: Republican FEC Commissioners Lee Goodman, Matthew Petersen, and Caroline Hunter submit public comments to the IRS encouraging the Agency to “harmonize its

²⁴⁹ U.S. Representative Chris Van Hollen et al., “Comments on REG-134417-13 (relating to definition of “candidate-related political activity,” United States House of Representatives. Retrieved on March 11, 2014. Available at: http://www.campaignlegalcenter.org/images/D21-CLC-Van_Hollen_Comments_on_IRS_rulemaking_definition_comments_FINAL_-_2-27-14.pdf (February 27, 2014), p.15.

²⁵⁰ U.S. Representative Lloyd Doggett, “Re: Comments in Response to Notice of Proposed Rulemaking (“NPRM”) on Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities,” Congress of the United States House of Representatives. Retrieved on March 10, 2014. Available at: <http://www.regulations.gov#!documentDetail;D=IRS-2013-0038-133615> (February 27, 2014).

²⁵¹ U.S. Senator Ron Johnson, “Comments on IRS NPRM, REG 134417-13,” United States Senate. Retrieved on February 28, 2014. Available at: <http://www.ronjohnson.senate.gov/public/cache/files/107de767-80c1-490d-8d07-42cea72443b9/johnson-comments-to-irs.pdf> (February 27, 2014), p. 2.

²⁵² U.S. Representative Steve Scalise et al., “Letter to Mr. Koskinen,” Congress of the United States. Retrieved on March 10, 2014. Available at: http://rsc.scalise.house.gov/uploadedfiles/irs_comment_2.27.14.pdf (February 27, 2014), p. 1.

policies and definition of ‘candidate-related political activity’ with the FEC’s policies and definitions.”²⁵³

February 27, 2014: Democratic FEC Commissioners Ann Ravel and Ellen Weintraub also submit public comments to the IRS focusing on “public interest in the disclosure of political spending.” Their comments encourage the IRS not to look to the FEC to define “political activity”: “The proposed rules outlined in the NPRM contain only limited cross-references to the FEC’s regulations, leaving most important determinations in the hands of the IRS. This is a reasonable approach. We encourage the IRS to pursue clear guidance that represents the best of its independent judgment.”²⁵⁴

February 27, 2014: After 90 days, the public comment period closes on the IRS rulemaking governing 501(c)(4) organizations.²⁵⁵ All told, 143,730 individuals and organizations weigh in on the proposed regulation, with the vast majority of comments in opposition to the rulemaking.²⁵⁶ At the last minute, two prominent left-leaning groups, the Alliance for Justice and the National Association for the Advancement of Colored People, submit substantive comments to the IRS critical of the proposed rulemaking.²⁵⁷

February 27, 2014: U.S. District Court Judge John D. Bates dismisses the lawsuit filed by Citizens for Responsibility and Ethics in Washington (CREW) against the Internal Revenue Service to force the agency to promulgate a rulemaking prohibiting 501(c)(4) organizations from engaging in political activity (see May 21, 2013 entry). Judge Bates rules that CREW lacks standing in the case as a 501(c)(3) organization, because it is speculative whether a change in IRS regulations governing section 501(c)(4) organizations would cause these groups to disclose their donors or whether any rulemaking would improve CREW’s organizational mission.²⁵⁸

February 27, 2014: In remarks to attendees of the Democratic National Committee’s Winter Meeting in Washington, D.C., in reference to political spending by the Koch brothers, Vice

²⁵³ FEC Chairman Lee E. Goodman et al., “Re: Comments in Response to Notice of Proposed Rulemaking on ‘Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities,’” Federal Election Commission. Retrieved on March 10, 2014. Available at: http://electionlawblog.org/wp-content/uploads/Goodman_Petersen_Hunter_IRS-Comment.pdf (February 27, 2014), p. 4.

²⁵⁴ Commissioners Ann M. Ravel and Ellen L. Weintraub, “RE: Proposed Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities,” Federal Election Commission. Retrieved on March 10, 2014. Available at: http://www.fec.gov/members/ravel/statements/irs_guidance_for_tax-exempt_social_welfare_organizations.pdf (February 27, 2014), p. 1, 6.

²⁵⁵ “Guidance for Tax-Exempt Social Welfare Organizations on Candidate-Related Political Activities (REG-134417-13),” Regulations.gov. Retrieved on February 28, 2014. Available at: <http://www.regulations.gov/#!docketDetail:D=IRS-2013-0038> (February 27, 2014).

²⁵⁶ Matea Gold, “An amazing number of people care about a single IRS rule change,” *The Washington Post*. Retrieved on March 5, 2014. Available at: http://www.washingtonpost.com/blogs/the-fix/wp/2014/02/28/an-amazing-number-of-people-care-about-a-single-irs-rule-change/?tid=pm_politics_pop (February 28, 2014).

²⁵⁷ Diane Freda, “Opposition to Proposed 501(c)(4) Rules Rises; Concerns Remain Over Secret Money,” *BNA Money & Politics Report* (\$). Retrieved on March 5, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=42307851&vname=mpebulallissues&fcn=2&wsn=497440500&fn=42307851&split=0 (February 27, 2014).

²⁵⁸ *Citizens for Responsibility and Ethics in Washington v. Department of Treasury*, No. 13-732, (D.D.C. Feb. 27, 2014). Available at: http://www.citizensforethics.org/page/-/PDFs/Legal/CREW%20v.%20IRS%20%28Rulemaking%20Petition%29/2-27-14_CREW_v_IRS_Rulemaking_Opinion.pdf?nocdn=1.

President Joe Biden quips that “Money can’t buy an election when you’re selling a bad set of goods.”²⁵⁹

March 4, 2014: Following his remarks a week earlier (see seventh February 26, 2014 entry), Senator Majority Leader Harry Reid continues his public attacks on the Koch brothers in a speech on the Senate floor: “The oil baron Koch brothers are very good at protecting and growing their prodigious future and fortune. There’s nothing un-American about that. But what is un-American is when shadowy billionaires pour unlimited money into our democracy to rig the system to benefit themselves and the wealthiest one percent.” According to the article, “Reid is leading a concerted election-year strategy by Democrats to demonize the Koch brothers, starting on the Senate floor.”²⁶⁰

March 5, 2014: In her first appearance before Congress since a hearing of the House Oversight and Government Reform Committee over nine months earlier, at which she made an opening statement and then pleaded the Fifth (see May 22, 2013 entry), Lois Lerner again invokes the Fifth Amendment on advice of counsel, when asked questions by members of the House Oversight and Government Reform Committee. Committee Chairman Darrell Issa abruptly adjourns the hearing amid speculation that the Committee will vote to hold Lerner in contempt of Congress.²⁶¹

March 5, 2014: At a press conference, Lois Lerner’s lawyer, William Taylor III, reveals that Lerner has “given a lengthy interview to Justice Department prosecutors within the last six months, as part of the agency’s investigation into IRS targeting of conservative tea-party groups for burdensome special scrutiny as they sought tax-exempt status.” This revelation prompts outrage from members of the House Oversight and Government Reform Committee, before which Lerner, the former IRS Exempt Organizations Division Director, has declined to testify twice (see May 22, 2013 entry and first March 5, 2014 entry).²⁶²

March 5, 2014: House Republicans investigating the IRS scandal release e-mails documenting former IRS Exempt Organizations Division Director Lois Lerner and her staff’s preoccupation with the Supreme Court’s 2010 decision in *Citizens United v. FEC*. In one instance, Lerner forwarded an e-mail to her colleagues containing an EO Tax Journal blog that quoted a story warning about “educational organizations woven by the fabulously rich Koch brothers to foster their own financial interest by political means.” Building on a growing belief that the Washington IRS office was the reason behind Tea Party groups’ delayed applications for tax-exempt status, another e-mail from IRS Manager Holly Paz to Cincinnati-based Program Manager Cindy Thomas

²⁵⁹ Alexander Mallin, “Joe Biden Shrugs Off Threat of Koch Bros. Money Against Democrats,” *ABC News*. Retrieved on March 5, 2014. Available at: <http://abcnews.go.com/blogs/politics/2014/02/joe-biden-shrugs-off-threat-of-koch-bros-money-against-democrats/> (February 27, 2014).

²⁶⁰ Burgess Everett, “Harry Reid continues showdown with Kochs,” *Politico*. Retrieved on March 5, 2014. Available at: <http://www.politico.com/story/2014/03/harry-reid-koch-brothers-104248.html?hp=17> (March 4, 2014).

²⁶¹ Josh Hicks, “Tempers flare after Lois Lerner declines to testify about IRS targeting,” *The Washington Post*. Retrieved on March 5, 2014. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/03/05/tempers-flare-after-lois-lerner-declines-to-testify-about-irs-targeting/> (March 5, 2014).

²⁶² John D. McKinnon, “Former IRS Official Lerner Gave Interview to DOJ,” *The Wall Street Journal*. Retrieved on March 7, 2014. Available at: <http://blogs.wsj.com/washwire/2014/03/06/former-irs-official-lerner-gave-interview-to-doj/> (March 6, 2014).

reads, “Can you please send me a copy of the Crossroad (sic) Grassroots Policy Strategies ... application? Lerner wants Judy to take a look at it so she can summarize the issues for Lois.”²⁶³

March 5, 2014: A coalition of eleven organizations advocating for greater regulation of political speech send a letter to Secretary of the Treasury Jack Lew and IRS Commissioner John Koskinen, requesting that the IRS “proceed expeditiously with the rulemaking proceeding,” claiming that “The IRS revisions of its regulations governing section 501(c)(4) tax status became essential following the 2010 *Citizens United* decision and the resulting explosion of secret money in federal elections.”²⁶⁴

March 5, 2014: During a hearing of the Senate Finance Committee, Treasury Secretary Jack Lew characterizes the improper treatment of conservative groups applying for tax-exempt status as “bad judgment” and not political motivation on the part of the screeners. When questioned during the hearing about the IRS rulemaking governing 501(c)(4) organizations, Lew admits that IRS Commissioner John Koskinen and Treasury’s Assistant Secretary for Tax Policy have the power to sign off on stopping the proposed rules.²⁶⁵

March 11, 2014: The House Oversight and Government Reform Committee releases an investigative report on the IRS targeting scandal, entitled “Lois Lerner’s Involvement in the IRS Targeting of Tax-Exempt Organizations.” The 141-page report excoriates Lerner, the former IRS Exempt Organizations Division Director, and details through numerous previously unreleased e-mail exchanges Lerner’s involvement in the targeting scandal. The report determines that Lerner “created unprecedented roadblocks for Tea Party organizations, worked surreptitiously to advance new Obama Administration regulations that curtail the activities of existing 501(c)(4) organizations – all the while attempting to maintain an appearance that her efforts did not appear, in her own words, “per se political.” The report concludes by condemning Lerner: “Most damning of all, even when she found that the actions of subordinates had not adhered to a standard that could be defended as not “per se political,” instead of immediately reporting this conduct to victims and appropriate authorities, Lerner engaged in efforts to cover it up. She falsely denied to Congress that criteria for scrutiny had changed and that disparate treatment had occurred. The actions she took to broaden scrutiny to non-conservative applicants were consistent with efforts to create plausible deniability for what had happened – a defense that the Administration and its most hardcore supporters have repeated once unified outrage eroded over one of the most divisive controversies in American politics today.” No Democrats on the Committee signed off on the report.²⁶⁶

²⁶³ Rachael Bade, “GOP: Emails show IRS staff obsessed with Citizens United,” *Politico*. Retrieved on March 6, 2014. Available at: <http://www.politico.com/story/2014/03/lois-lerner-citizens-united-104279.html> (March 5, 2014), p 1-2.

²⁶⁴ Americans for Campaign Reform et al., “Letter to Secretary Lew and Commissioner Koskinen,” Democracy 21. Retrieved on March 6, 2014. Available at: <http://www.democracy21.org/wp-content/uploads/2014/03/LETTER-FROM-REFORM-GROUPS-TO-TREASURY-SECRETARY-LEW-AND-IRS-COMMISSIONER-KOSKINEN-3-5.pdf> (March 5, 2014), p. 1-2.

²⁶⁵ Diane Freda and Aaron Lorenzo, “Lew Says IRS Treatment of Conservative Groups Result of Bad Judgment, Not Politics,” *BNA Money & Politics Report* (\$). Retrieved on March 6, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=42513513&vname=mpebulallissues&fcn=1&wsn=497428000&fn=42513513&split=0 (March 5, 2014).

²⁶⁶ Committee on Oversight and Government Reform, “Lois Lerner’s Involvement in the IRS Targeting of Tax-Exempt Organizations,” U.S. House of Representatives. Retrieved on March 11, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/03/Lerner-Report1.pdf> (March 11, 2014), p. 5, 48.

March 13, 2014: In a speech on the Senate floor, Republican Leader Mitch McConnell again (see January 30, 2014, February 6, 2014, and February 27, 2014 entries) calls on the Obama Administration to abandon the proposed IRS rulemaking governing 501(c)(4) groups: “So if the agency wants to regain trust and return to its true mission, then it’s simply got to get out of the speech regulation business altogether. And the Obama Administration can do that.” McConnell concludes: “All it has to do is listen to the American people who are speaking out in record numbers – and put an end, for good, to the idea that the law should be used to harm political enemies. Let’s protect the First Amendment and restore integrity to the IRS.”²⁶⁷

March 13, 2014: In a Senate floor speech of his own, Majority Leader Harry Reid again attacks the Koch brothers, calling them “two oil barons...trying to rig the political system to favor the rich and especially favor themselves.” The speech marks the seventh time in several weeks that Reid has attacked the Kochs in public. A spokesman for Koch Industries, Robert Tappan, responds to Reid’s comments on behalf of the Kochs: “For the sitting majority leader to go out on the floor of the Senate and single out two individuals and try to demonize them because they’re exercising their First Amendment rights ... we find that very, very troubling.”²⁶⁸

March 20, 2014: On behalf of the House Committee on Oversight and Government Reform, Chairman Darrell Issa and Representative Jim Jordan send a letter to Attorney General Eric Holder requesting information from the Department of Justice regarding its interview of former IRS Exempt Organizations Division Director Lois Lerner, believing that the information will inform the Committee’s ongoing investigation of the IRS targeting scandal. According to Issa and Jordan: “As a part of its Constitutional obligation to perform oversight of the Executive Branch, the Committee is entitled to all material relating to the Department’s interview of Lois Lerner.” However, citing “the Department’s stated law-enforcement interests,” the Committee only requests a limited amount of material relating to the interview.²⁶⁹

March 20, 2014: In a letter dated March 10, 2014, the Department of Justice denies Senator Ted Cruz’s request for a Special Counsel to be appointed to the Department’s investigation of the IRS scandal, saying the “appointment is not warranted.”²⁷⁰ Cruz criticizes the Department’s decision in the press, saying Attorney General Holder “has chosen to reject the bipartisan tradition of the Department of Justice of putting rule of law above political allegiance.”²⁷¹

²⁶⁷ U.S. Senator Mitch McConnell, “McConnell Urges Obama Administration to Reject Anti-First Amendment Rule,” Office of Senator Mitch McConnell. Retrieved on March 13, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=754006ac-6f50-4869-b9e2-9f87fca2e998&ContentType_id=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=b9ad8a82-099c-461d-99e1-b8565e492a8c (March 13, 2014).

²⁶⁸ Gabriel Debenedetti, “Reid steps up fight with Koch ‘oil barons’ over Republican funding,” *Reuters*. Retrieved on March 14, 2014. Available at: <http://www.reuters.com/article/2014/03/13/usa-politics-reid-idUSL2N0MA0W820140313> (March 13, 2014).

²⁶⁹ U.S. Representatives Darrell Issa and Jim Jordan, “Letter to Attorney General Eric Holder,” United States House Committee on Oversight and Government Reform. Retrieved on March 21, 2014. Available at: <http://online.wsj.com/public/resources/documents/LettertoHolder.pdf> (March 20, 2014), p. 2.

²⁷⁰ Peter J. Kadzik, “Letter to Senator Ted Cruz,” U.S. Department of Justice Office of Legislative Affairs. Retrieved on March 21, 2014. Available at: <http://www.cruz.senate.gov/files/documents/DOJ%20Special%20Prosecutor%20Response.pdf> (March 10, 2014), p. 1.

²⁷¹ Josh Hicks, “Eric Holder declines Ted Cruz’s request for special prosecutor in IRS case,” *The Washington Post*. Retrieved on March 21, 2014. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/03/20/eric-holder-declines-ted-cruzs-request-for-special-prosecutor-in-irs-case/> (March 20, 2014).

March 20, 2014: Speaking at the Washington Nonprofit Legal and Tax Conference, new IRS Director of Exempt Organizations, Tamera Ripperda, reveals that 90 percent of the backlogged applications for 501(c)(4) tax-exempt status have been closed. This figure includes those conservative organizations targeted for undue scrutiny by the IRS and those whose applications had been pending for more than 120 days at the time of the Treasury Inspector General for Tax Administration's May 14, 2013 report (see March 2010 entry), formally announcing the IRS scandal. Ripperda states that her goal is for her Division to close the oldest cases by the end of June 2014.²⁷²

March 20, 2014: The IRS announces that it will hold a public hearing on the proposed rulemaking governing the permissible activity of 501(c)(4) organizations, which received over 145,000 mostly negative comments from concerned citizens and organizations during its 90-day public comment period on Regulations.gov. The rules are not likely to be finalized before the November 2014 midterm elections, according to IRS Commissioner John Koskinen.²⁷³

March 25, 2014: As Senator Harry Reid leads the attacks of the politically-active, libertarian Koch brothers (see seventh February 26, 2014, March 4, 2014, and second March 13, 2014 entries) in a coordinated Democratic Party effort in the run-up to the 2014 midterm elections to smear the sibling billionaires', a bipartisan George Washington University Battleground poll reveals that 52 percent of respondents do not know who Charles and David Koch are. Despite concerted efforts to demonize the brothers, analysts note that "beyond their low name identification, the reality is that voters almost never use campaign finance or money in politics as a voting issue. Yes, in polls people will say there is too much money in politics and that it's a bad thing. But, time and time again in actual elections they don't vote on it."²⁷⁴

March 25, 2014: The House's General Counsel's Office releases a memo agreeing with House Oversight and Government Reform Committee Chairman Darrell Issa that contempt charges can be pursued against former IRS Exempt Organizations Division Director Lois Lerner, fueling the ongoing debate between Committee Republicans and Democrats as to whether contempt charges may be pursued. In a 22-page memo, the General Counsel's Office determines that "the committee had satisfied the constitutional requirements for pursuing contempt charges." Committee Ranking Member Elijah Cummings pushes back on this assertion, claiming Republicans did not follow constitutional steps to pursue contempt charges. William Taylor, Lerner's attorney, also doubts about the General Counsel's Office's claims, saying, "No witness can be held in contempt unless the chairman of the committee specifically orders him to testify. Chairman Issa said that if [Lerner] continued to assert her privilege, the committee 'may may (sic) proceed to consider whether she

²⁷² Diane Freda, "IRS's New Exempt Organizations Director Plans to Tackle Backlogged Applications," *BNA Money & Politics Report* (\$). Retrieved on March 21, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=43327641&vname=mpebulallissues&fcn=3&wsn=497397000&fn=43327641&split=0 (March 20, 2014).

²⁷³ Diane Freda, "IRS to Hold Public Hearing on 501(c)(4) Proposed Rules, Treasury Official Says," *BNA Money & Politics Report* (\$). Retrieved on March 21, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=43327642&vname=mpebulallissues&fcn=2&wsn=497396500&fn=43327642&split=0 (March 20, 2014).

²⁷⁴ Chris Cillizza, "Koch Zero? Why Democrats are going to have a hard time enraging people about campaign finance.," *The Washington Post*. Retrieved on March 28, 2014. Available at: <http://www.washingtonpost.com/blogs/the-fix/wp/2014/03/25/why-attacking-the-koch-brothers-probably-wont-work/> (March 25, 2014).

will be held in contempt.’ He did not order her to testify and advise her that if she did not she would be held in contempt.”²⁷⁵

March 26, 2014: At a House Oversight and Government Reform Committee hearing with IRS Commissioner John Koskinen, Committee Chairman Darrell Issa accuses the Agency of “stonewalling” the Committee’s investigation into the IRS’s targeting of conservative-leaning nonprofit groups by not handing over all of the previously subpoenaed e-mails pertaining to the investigation. Issa indicates that the Committee could hold Koskinen in contempt of Congress for noncompliance if he does not release the requested e-mails. Koskinen responds to Issa: “‘If you want them all, we’ll give them all to you,’ though he said it would take years to do so.”²⁷⁶

March 27, 2014: In an appearance on *MSNBC*’s “Morning Joe,” Senator Chuck Schumer gives an interview to defend Senate Majority Leader Harry Reid, after a recent poll reveals that the Majority Leader is less popular than the Koch brothers. In defending Senator Reid, Schumer says: “David Koch’s commercials – which are huge amounts of money – I think they should not be allowed.” Schumer continues by characterizing David Koch’s political spending as “un-American.”²⁷⁷

April 1, 2014: In comments on the Senate floor regarding the Fiscal Year 2015 budget proposal released by Congressional Republicans, Senate Majority Leader Harry Reid described the GOP proposal as “Kochtopia.” Continuing his strategy of vilifying the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, and first March 25, 2014 entries), Reid further explained his comments: “We might as well call it the Koch budget because that’s what they’re doing, protecting the Koch brothers.” He also called the budget proposal “a path to prosperity for ‘the really rich’ only and the Koch brothers ‘power-hungry tycoons.”²⁷⁸

April 2, 2014: The Supreme Courts hands down its decision in *McCutcheon v. FEC*. In a 5-4 opinion authored by Chief Justice John Roberts, the Court strikes down the federal aggregate limit on overall political giving by individuals as unconstitutional under the First Amendment. According to Roberts: “The Government may no more restrict how many candidates or causes a donor may support than it may tell a newspaper how many candidates it may endorse.”²⁷⁹

April 2, 2014: During a speech at the National Press Club, IRS Commissioner John Koskinen gives an update on the status of the IRS’s proposed rulemaking governing 501(c)(4) organizations. According to Koskinen: “During the comment period, which ended in February, we received more than 150,000 comments. That’s a record for an IRS rulemaking comment period. In fact, if you take all the comments on all Treasury and IRS draft proposals over the last seven years and double

²⁷⁵ Josh Hicks, “House lawyers say panel can pursue contempt charges against Lois Lerner,” *The Washington Post*. Retrieved on March 28 2014. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/03/26/house-lawyers-say-panel-can-pursue-contempt-charges-against-lois-lerner/> (March 26, 2014).

²⁷⁶ David S. Joachim, “House Oversight Leader Accuses I.R.S. Commissioner of Stonewalling Inquiry,” *The New York Times*. Retrieved on March 28, 2014. Available at: http://www.nytimes.com/2014/03/27/us/politics/house-republican-accuses-irs-head-of-stonewalling.html?ref=internalrevenueservice&_r=2 (March 26, 2014).

²⁷⁷ *National Review*, “Schumer Downplays Kochs’ Charitable Efforts, Calls Them ‘UnAmerican,’” YouTube. Retrieved on April 1, 2014. Available at: <https://www.youtube.com/watch?v=5y4OPzJq74#t=112> (March 27, 2014).

²⁷⁸ Kathleen Hunter, “‘Kochtopia:’ Reid on Ryan’s Budget,” *Bloomberg*. Retrieved on April 2, 2014. Available at: <http://go.bloomberg.com/political-capital/2014-04-01/kochtopia-reid-on-ryans-budget/> (April 1, 2014).

²⁷⁹ *McCutcheon v. Federal Election Comm’n*, 572 U.S. ___, No. 12-536 slip op. at 15 (2014) (Roberts, C.J. for the plurality).

that number, you come close to the number of comments we are now beginning to review and analyze. It's going to take us a while to sort through all those comments, hold a public hearing, possibly repropose a draft regulation and get more public comments. This means that it is unlikely we will be able to complete this process before the end of the year." Koskinen also speaks to public concerns that the IRS was acting in a partisan manner during the IRS scandal: "I want to reassure everyone listening to me today that the IRS is an agency of career civil servants who are dedicated to serving the American taxpayer in a fair and impartial manner. That's how it's always been, and that's how it will stay on my watch."²⁸⁰

April 2, 2014: Democratic FEC Vice Chairwoman Ann Ravel pens a scathing op-ed in the *New York Times* criticizing the Agency's three Republican Commissioners – Chairman Lee Goodman, Caroline Hunter, and Matthew Petersen – as responsible for the FEC "failing to enforce the nation's campaign finance laws." Ravel further insinuates that the FEC's "failure to investigate [independent groups like Crossroads GPS] is indefensible." She also warns that this trend of non-investigation is "putting our democracy in jeopardy."²⁸¹

April 3, 2014: A day after Ravel's blistering critique of the Republican FEC Commissioners in the *New York Times* (see third April 2, 2014 entry), GOP Commissioner Caroline Hunter angrily responds to Ravel at a public FEC meeting: "Should we investigate every 501(c)4 that makes [independent expenditures]?...you're happy if someone is enforcing the law as you see it, not as it is written." Hunter further explained that Ravel's op-ed might confuse campaign finance attorneys about the Commission's position on enforcement cases. In response, Ravel declines to comment, stating that she desires to further engage with her colleagues in private.²⁸²

April 3, 2014: A representative from the FBI responds to the letter from four Republican senators (see first February 19, 2014 entry) inquiring as to the circumstances surrounding the Dinesh D'Souza case. In its letter, the FBI refuses to explain the Agency's investigation of Dinesh D'Souza for alleged campaign finance violations. Stephen Kelly of the FBI's Congressional Affairs Office states in the letter that he "could not answer specific questions about the D'Souza case because it is pending in court."²⁸³

April 4, 2014: Mozilla CEO Brendan Eich is forced to step down from his position at the company he co-founded in 1998, as a result of his \$1,000 2008 donation to the campaign for California Proposition 8, the ballot initiative that banned gay marriage in California. This donation was revealed in 2012, but Eich's promotion to CEO in March of 2014 reignites the passions of company stakeholders, who ignored Eich's repeated assurances to LGBT Mozilla employees for equality in

²⁸⁰ John Koskinen, "Prepared Remarks of Commissioner of Internal Revenue Service John Koskinen before the National Press Club," Internal Revenue Service. Retrieved on April 3, 2014. Available at: <http://www.irs.gov/uac/Newsroom/Prepared-Remarks-of-Commissioner-of-Internal-Revenue-Service-John-Koskinen-before-the-National-Press-Club-2014> (April 2, 2014).

²⁸¹ Ann M. Ravel, "How Not to Enforce Campaign Laws," *The New York Times*. Retrieved on April 4, 2014. Available at: <http://www.nytimes.com/2014/04/03/opinion/how-not-to-enforce-campaign-laws.html?smid=tw-share&r=0> (April 2, 2014).

²⁸² Peter Olsen-Phillips, "Day after McCutcheon, FEC Commissioners clash over dark money," Sunlight Foundation. Retrieved on April 4, 2014. Available at: <http://sunlightfoundation.com/blog/2014/04/03/day-after-mccutcheon-fec-commissioners-clash-over-dark-money/> (April 3, 2014).

²⁸³ Kenneth P. Doyle, "FBI Fends Off Senators' Questioning About D'Souza Campaign Finance Case," *BNA Money & Politics Report* (\$). Retrieved on April 21, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=45058287&vname=mpebulallissues&fn=45058287&jd=45058287 (April 18, 2014).

the workplace. “Mozilla Executive Chairwoman Mitchell Baker, [Eich’s] longtime business partner who now defends the need for his resignation, said this about discovering that he gave money to the Proposition 8 campaign: ‘That was shocking to me, because I never saw any kind of behavior or attitude from him that was not in line with Mozilla’s values of inclusiveness.’ It’s almost as if that donation illuminated exactly nothing about how he’d perform his professional duties.”²⁸⁴

April 4, 2014: *The Atlantic* contributing editor Peter Beinart advocates scrutinizing wealthy political donors more than politicians, suggesting that the press needs to devote more coverage to examining these donors than elected officials: “The media, for the most part, still treats elected officials as the key players in our political process. They get most of the scrutiny. Mega-donors, by contrast, are permitted a substantial degree of anonymity. Now that must change.” Arguing that donors are the true policy changers, Beinart says, “[i]t’s no longer enough to have one reporter covering the ‘money and politics’ beat. Special correspondents should be assigned to cover key mega-donors, and should work doggedly to make their private influence public.” Beinart cites the “47 percent” comment of then-Presidential candidate Mitt Romney in 2012 and the “cling to guns or religion” comment of then-Presidential candidate Barack Obama in 2008 as evidence that politicians cater to donors rather than the American people. “Every time a mega-donor hosts a fundraiser for a politician, journalists should do everything they legally and ethically can to find out what transpired. When television stations and op-ed pages give Beltway pseudo-scholars a platform, they should identify the mega-donors who pay their salaries.”²⁸⁵

April 7, 2014: The House Oversight and Government Reform Committee releases a staff report, “Debunking the Myth that the IRS Targeted Progressives: How the IRS and Congressional Democrats Misled America about Disparate Treatment,” which examines the claims made by Congressional Democrats about what groups the IRS targeted and explains why the claims were inaccurate. “[T]he Administration and congressional Democrats have seized upon the notion that the IRS’s targeting was not just limited to conservative applicants... [T]here is simply no evidence that any liberal or progressive group received enhanced scrutiny because its application reflected the organization’s political views.” The claims tackled by the Committee report include assertions by Congressional Democrats that progressive groups were also targeted by the IRS and that liberal groups like ACORN, Emerge America, and Occupy Wall Street were subjected to similar scrutiny to that experienced by conservative groups applying for tax-exempt status.²⁸⁶

April 7, 2014: In another Senate floor speech vilifying the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, and April 1, 2014 entries), Senate Majority Leader Harry Reid suggests Republicans should wear Koch insignias on their suits in the same way NASCAR drivers wear the logos of their corporate sponsors: “NASCAR fans can easily find their favorite drivers by simply looking at the cars as they fly by, because there

²⁸⁴ Conor Friedersdorf, “Mozilla’s Gay-Marriage Litmus Test Violates Liberal Values,” *The Atlantic*. Retrieved on April 10, 2014. Available at: <http://www.theatlantic.com/politics/archive/2014/04/mozillas-gay-marriage-litmus-test-violates-liberal-values/360156/> (April 4, 2014).

²⁸⁵ Peter Beinart, “Mega-Donors Are Now More Important Than Most Politicians,” *The Atlantic*. Retrieved on April 10, 2014. Available at: <http://www.theatlantic.com/politics/archive/2014/04/mega-donors-are-now-more-important-than-most-politicians/360192/> (April 4, 2014).

²⁸⁶ “New Oversight Report Debunks Myth that Liberal Groups were Targeted by IRS,” United States House Committee on Oversight and Government Reform. Retrieved on April 10, 2014. Available at: <http://oversight.house.gov/release/new-oversight-report-debunks-myth-liberal-groups-targeted-irs/> (April 7, 2014).

are corporate emblems on the hood of the car ... for our clothing here in the Senate, we don't bear commercials logos. Many Republicans might as well wear Koch insignias. While they don't wear Koch Industries' ties and jackets, they display their sponsors proudly through their actions here in the United States Senate." Reid's attack is another in a campaign by Democrats to cast Republicans in a wealthy, unrelatable light leading up to the 2014 midterm elections.²⁸⁷

April 7, 2014: In response to Democratic Federal Election Commission colleague Ann M. Ravel's opinion piece blaming the three Republican Commissioners for failing to enforce campaign finance laws (see third April 2, 2014 entry), Republican FEC Chairman Lee Goodman and his fellow GOP Commissioners Caroline Hunter and Matthew Petersen write a letter to the editor insisting that the three Commissioners "enforce the law as written by Congress and construed by the courts, not as our colleague and her 'reformer' allies wish it were."²⁸⁸

April 8, 2014: To energize and mobilize Democratic voters in the 2014 midterm elections, Senate Democrats and liberal groups commence a strategy to paint conservative Supreme Court justices as politically biased in the wake of the April 2014 *McCutcheon v. FEC* decision, which deemed the federal aggregate contribution limit on overall political giving unconstitutional on First Amendment grounds (see first April 2, 2014 entry). This strategy was also utilized by Democrats after the 2010 *Citizens United* case to influence and pressure the Court before the challenge of the Affordable Care Act's individual mandate in *NFIB v. Sebelius*. With the pending decision in the *Hobby Lobby* case, which challenges the Affordable Care Act's contraceptive mandate, Democrats repeat their pressure tactics on the conservative justices: "Democrats and allied groups say the court has become a champion of powerful corporate interests over middle-class families... Democrats have signaled to conservative justices that an even greater uproar would ensue if they struck down language in the Affordable Care Act mandating employers include birth control in their employee healthcare coverage."²⁸⁹

April 8, 2014: Senate Republican Leader Mitch McConnell takes to the Senate floor again (see January 30, 2014, February 6, 2014, February 27, 2014, and first March 13, 2014 entries), requesting that IRS Commissioner John Koskinen "stop this proposed regulation, just as the Secretary of the Treasury told us he could do if he wanted," referring to the proposed IRS rulemaking that would severely curb the activity of 501(c)(4) groups. "So Commissioner Koskinen needs to live up to what he told the Senate when we confirmed him — when he led us to believe he'd be an independent voice for reform. And as I've said before, Commissioner Koskinen has a choice. He can be a hero, like the IRS Commissioner who stood up to Nixon. Or he can be just another pawn of the Administration. Both Congress and the American people expect him to make the right decision."²⁹⁰

²⁸⁷ Burgess Everett, "Harry Reid: GOP should wear Koch insignia," *Politico*. Retrieved on April 10, 2014. Available at: <http://www.politico.com/story/2014/04/harry-reid-koch-brothers-nascar-105437.html?hp=r8> (April 7, 2014).

²⁸⁸ Lee E Goodman, Caroline C. Hunter, and Matthew S. Petersen, "Chiding an F.E.C. Colleague," *The New York Times*. Retrieved on April 11, 2014. Available at: http://www.nytimes.com/2014/04/10/opinion/chiding-an-fec-colleague.html?smid=pl-share&_r=1 (April 9, 2014).

²⁸⁹ Alexander Bolton, "Dems seek to demonize justices," *The Hill*. Retrieved on April 10, 2014. Available at: <http://thehill.com/homenews/senate/202898-dems-the-left-seeking-to-demonize-justices> (April 8, 2014).

²⁹⁰ U.S. Senator Mitch McConnell, "McConnell Calls on IRS Commissioner to Squash Obama Administration Anti-Free Speech Rule," Office of Senator Mitch McConnell. Retrieved on April 10, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=ba2a2a1-c0d8-4d1c-a213-

April 9, 2014: The House Ways and Means Committee votes along party lines to refer Lois Lerner, former Director of Exempt Organizations Division at the IRS, to the Justice Department for criminal prosecution. The letter to Attorney General Eric Holder points to three specific actions of Lerner: improper use of her position to influence agency action, impeding official investigations, and risking disclosure of or actually disclosing confidential taxpayer information. After the vote, Committee Chairman Dave Camp states: “This investigation has uncovered serious, unprecedented actions taken by Lois Lerner that deprived conservative groups of their rights under the Constitution... Today’s action highlights specific wrongdoing for the Department of Justice to pursue. DOJ has a responsibility to act, and Lois Lerner must be held accountable. It is also important that the American people know what really occurred at the IRS, so this powerful agency cannot target American taxpayers ever again.”²⁹¹ William Taylor III, Lerner’s lawyer, characterizes the move as “just another attempt by Republicans to vilify Ms. Lerner for political gain.” Even before a formal response to the referral has been issued, “DOJ officials already have expressed skepticism that their investigation will produce any criminal charges.”²⁹²

April 9, 2014: House Speaker John Boehner releases a statement on the House Ways and Means Committee’s criminal referral of Lois Lerner to the Department of Justice: “The Ways & Means Committee, led by Chairman Camp, has conducted a serious and thorough investigation of the IRS, uncovering abuses and criminal acts that should be prosecuted to the fullest extent of the law. The House has also passed legislation to stop the IRS from targeting Americans over their political beliefs, but the president and Senate Democrats continue to block the bill. Our investigations at the Ways & Means and Oversight & Government Reform Committees continue. As I’ve said, if Lois Lerner continues to refuse to testify, then the House will hold her in contempt. And we will continue to shine the light on the administration’s abusive actions and use every tool at our disposal to expose the truth and ensure the American people get the answers they deserve.”²⁹³

April 9, 2014: Ranking Member Elijah Cummings receives a letter from House Oversight and Government Reform Committee Chairman Darrell Issa and five subcommittee chairmen questioning Cummings’ involvement in the targeting of conservative election-integrity group True the Vote. According to the letter: “Although you have previously denied that your staff made inquiries to the IRS about conservative organization True the Vote that may have led to additional agency scrutiny, communication records between your staff and IRS officials—which you did not disclose to Majority Members or staff—indicates otherwise. As the Committee is scheduled to consider a resolution holding Ms. Lerner, a participant in responding to your communications that you failed to disclose, in contempt of Congress, you have an obligation to fully explain your staff’s undisclosed contacts with the IRS.” E-mails revealed as part of the Committee’s IRS investigation

[71b6087de78d&Content_Type_id=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=0fd6ddca-6a05-4b26-8710-a0b7b59a8f1f](http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=375999) (April 8, 2014).

²⁹¹ Sarah Swinehart, “Ways and Means Committee Refers Lois Lerner to Department of Justice for Criminal Prosecution,” United States House Committee on Ways and Means. Retrieved on April 10, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=375999> (April 9, 2014).

²⁹² John D. McKinnon, “Lois Lerner Pushed for IRS Action Against Crossroads, House Panel Says,” *The Wall Street Journal*. Retrieved on April 10, 2014. Available at: <http://blogs.wsj.com/washwire/2014/04/09/lois-lerner-pushed-for-irs-action-against-crossroads-house-panel-says/> (April 9, 2014).

²⁹³ Speaker of the House John Boehner, “Speaker Boehner Comments on the Criminal Referral for Lois Lerner,” Office of Speaker of the House John Boehner. Retrieved on April 11, 2014. Available at: <http://www.speaker.gov/press-release/speaker-boehner-comments-criminal-referral-lois-lerner> (April 9, 2014).

demonstrate that Cummings' staff communicated with the IRS about True the Vote, and asked questions of the organization nearly identical to those of the IRS, "suggesting that the IRS discussed particular sensitivities about True the Vote's tax information as a result of your request."²⁹⁴ For his part, Cummings, who has continued to call the Committee's investigations of the IRS a partisan sideshow that's wasting time and money, denies any involvement in the targeting of True the Vote.²⁹⁵

April 9, 2014: New evidence in the IRS targeting scandal surfaces, revealing "that [Lois] Lerner actively corresponded with liberal campaign-finance groups Democracy 21 and the Campaign Legal Center, which had asked the IRS to investigate if conservative groups including Crossroads GPS were violating their tax-exempt status. After personally meeting with the two liberal outfits, Ms. Lerner contacted the director of the Exempt Organizations Examinations Unit in Dallas to ask why Crossroads had not been audited." In January 2013, Lerner also requested that her staff examine five "controversial dark money groups" (as defined by ProPublica): Americans for Responsible Leadership, Freedom Path, Rightchange.com, America is Not Stupid, and A Better America. Democracy 21 and Campaign Legal Center also pressured the IRS to change their rules governing 501(c)(4) regulations in their correspondence with Lerner.²⁹⁶

April 9, 2014: The Office of Special Counsel, an independent federal investigative and prosecutorial agency, announces three cases in which IRS employees are accused of violating federal law. One worker reportedly chanted the spelling of President Barack Obama's last name to encourage taxpayers to reelect him in 2012. "Significant disciplinary action" is being sought in this case. Another IRS employee "will serve a 14-day suspension for promoting partisan political views while assisting a taxpayer during the 2012 election season. The worker admitted to Hatch Act violations after a recorded conversation revealed she had shared anti-Republican opinions with a customer. OSC quoted the employee saying: 'Republicans already [sic] trying to cap my pension and ... they're trying to take women back 40 years.'" The third case resulted in the issuance of "cautionary guidance" to an IRS taxpayer-assistance office, where pro-Obama paraphernalia – including stickers, buttons, clothing, and screensavers – were present, a clear violation of the Hatch Act, which prevents federal employees from participation in partisan campaign activities.²⁹⁷

April 10, 2014: After hours of debate, the House Oversight and Government Reform Committee votes 21-12 along party lines to hold former IRS Director of Exempt Organizations Division, Lois Lerner, in contempt of Congress. Committee Chairman Darrell Issa indicates that lawmakers "need Ms. Lerner's testimony to complete our oversight work and bring truth to the American

²⁹⁴ U.S. Representative Darrell Issa et al., "Letter to Ranking Member Cummings," United States House Committee on Oversight and Government Reform. Retrieved on April 10, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/04/2014-04-09-OGR-Chairmen-to-EEC-True-the-Vote.pdf> (April 9, 2014), p. 1, 5.

²⁹⁵ CJ Ciaramella, "IRS Gave House Oversight Democrats Info on Targeted Conservative Group," *The Washington Free Beacon*. Retrieved on April 11, 2014. Available at: <http://freebeacon.com/issues/irs-gave-house-oversight-democrats-info-on-targeted-conservative-group/> (April 9, 2014).

²⁹⁶ "IRS at the Crossroads," *The Wall Street Journal*. Retrieved on April 11, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702303910404579490041470592588?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB10001424052702303910404579490041470592588.html> (April 9, 2014).

²⁹⁷ Josh Hicks, "Watchdog: IRS workers urged taxpayers to reelect Obama, disparaged GOP," *The Washington Post*. Retrieved on April 10, 2014. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/04/09/irs-employees-urged-taxpayers-to-vote-for-obama-disparaged-republicans-watchdog-says/> (April 9, 2014).

people.” The measure proceeds to the House floor, where Speaker John Boehner predicts majority support for the contempt charges.²⁹⁸

April 10, 2014: In an interview on *Fox News* Channel’s “Fox and Friends,” Senator Joe Manchin (D-WV) defends the Koch brothers against the attack strategy led by Senate Majority Leader Harry Reid to vilify and demonize the brothers as a means of rallying support among the Democratic base. “I mean, I don’t agree with their politics or philosophically, but, you know, they’re Americans, they’re doing— paying their taxes, [t]hey’re not breaking the law. They’re providing jobs,” Manchin says.²⁹⁹

April 14, 2014: IRS Commissioner John Koskinen announces that the IRS will likely “re-propose a redefined rule [governing the permissible activities of 501(c)(4) organizations] and ask for more public comment.” It’s widely speculated that the IRS is revising the proposed rule (see November 26, 2013 entry) due to record-setting widespread and bipartisan opposition to the proposal’s original iteration (see twelfth February 27, 2014 entry).³⁰⁰

April 15, 2014: The organization, Tea Party Patriots, sues the IRS, demanding documents relating to the Agency’s proposed rule governing the permissible activities of 501(c)(4) organizations (see November 26, 2013 entry). Officials from the Tea Party Patriots announce that they “want[] to learn more about the specific roles of former IRS official Lois Lerner and other Obama administration officials in developing these regulations that led to the special targeting.” The group, which was one of many harassed by the IRS as part of the scandal surrounding conservative-leaning groups applying for 501(c)(4) tax-exempt status, had previously filed a Freedom of Information Act request with the IRS to obtain the aforementioned documents in December 2012, but was not granted them by the Agency.³⁰¹

April 15, 2014: The Republican National Committee (RNC) sues the IRS for not complying with its May 2013 Freedom of Information Act document request of Agency documents relating to the Tea Party harassment scandal. According to a statement by RNC Chairman Reince Priebus, “If the IRS and the Obama administration don’t have anything to hide, why not answer the request? Their delays and distractions make Americans think they’re trying to cover up their actions, just like ex-IRS employee Lois Lerner. We’re going to keep fighting to hold the IRS and Obama administration accountable because Americans deserve a government that treats them fairly and not one that harasses them because of their beliefs nor an administration that goes after its perceived political enemies.”³⁰²

²⁹⁸ “House panel votes to hold ex-IRS official Lerner in contempt of Congress,” *Fox News*. Retrieved on April 10, 2014. Available at: <http://www.foxnews.com/politics/2014/04/10/house-panel-to-hold-contempt-vote-on-ex-irs-official-lerner/> (April 10, 2014).

²⁹⁹ Lucy McCalmont, “Dem senator defends the Koch brothers,” *Politico*. Retrieved on April 11, 2014. Available at: <http://www.politico.com/story/2014/04/dem-senator-defends-the-koch-bros-105570.html> (April 10, 2014).

³⁰⁰ Benjamin Goad, “IRS to tackle political spending rule again,” *The Hill*. Retrieved on April 15, 2014. Available at: <http://thehill.com/blogs/regwatch/finance/203519-irs-to-revise-political-spending-rule-for-non-profits> (April 14, 2014).

³⁰¹ Alex Pappas, “After IRS stonewalls, Tea Party Patriots sues for documents on targeting,” *The Daily Caller*. Retrieved on April 16, 2014. Available at: <http://dailycaller.com/2014/04/15/after-irs-stonewalls-tea-party-patriots-sues-for-documents-on-targeting/> (April 15, 2014).

³⁰² Katie Pavlich, “RNC Sues IRS Over Information Stonewalling on Targeting Scandal,” *Townhall.com*. Retrieved on April 16, 2014. Available at: <http://townhall.com/tipsheet/katiepavlich/2014/04/15/rnc-sues-irs-over-information-stonewalling-n1824597> (April 15, 2014).

April 15, 2014: Citizens for Responsibility and Ethics in Washington files a rulemaking petition with the SEC in another effort to mandate the disclosure of political spending by business entities (see November 30, 2013 entry). According to CREW’s petition: “The many problems that voluntary disclosure policies have created demonstrate conclusively they are no substitute for regulations that would provide a clearly delineated, unambiguous, and uniform set of disclosure requirements for all public companies.”³⁰³

April 16, 2014: New e-mails attained through a Freedom of Information Act request by the government watchdog group, Judicial Watch, reveal that officials from the Department of Justice contacted IRS Exempt Organizations Division Director Lois Lerner to determine “whether tax exempt groups could be criminally prosecuted for ‘lying’ about political activity.” According to an e-mail from Lerner to former IRS Acting Commissioner Steven T. Miller’s Chief of Staff, Nikole C. Flux: “I got a call today from Richard Pilger Director Elections Crimes Branch at DOJ ... He wanted to know who at IRS the DOJ folks [sic] could talk to about Sen. Whitehouse idea at the hearing that DOJ could piece together false statement cases about applicants who ‘lied’ on their 1024s --saying they weren’t planning on doing political activity, and then turning around and making large visible political expenditures. DOJ is feeling like it needs to respond, but want to talk to the right folks at IRS to see whether there are impediments from our side and what, if any damage this might do to IRS programs. I told him that sounded like we might need several folks from IRS.” The e-mail comes roughly a month after a Senate Judiciary Committee Subcommittee on Crime and Terrorism hearing convened by Subcommittee Chairman Senator Whitehouse to urge the IRS and DOJ to investigate and prosecute 501(c)(4) groups (see first April 9, 2013 entry).³⁰⁴

April 16, 2014: In an interview with *The Washington Post*, IRS Commissioner John Koskinen sheds more light on the Agency’s plans for its proposed rulemaking governing the permissible activities of 501(c)(4) social welfare organizations. In reiterating the IRS’s intention to move forward with a modified version of the rulemaking, Koskinen explains: “My bottom line is that it’s in everyone’s interest to have clarification. My position since I started more than four months ago is that we ought to have clarity, and that any rule that comes out ought to be fair and easy to administer.” Koskinen also reveals during the interview that the IRS will likely hold a public hearing on the original iteration of its proposed rulemaking around midsummer, but notes that “[t]he rule-making process, however, is likely to continue through the end of the year.”³⁰⁵

April 17, 2014: In a scathing *Huffington Post* article, Senator Bernie Sanders accuses “the Koch brothers and other extraordinarily wealthy families” of intending to “spend billions of dollars to elect right-wing candidates” into high positions of governance. According to Sanders: “These billionaires already own much of our economy. That, apparently, is not enough. Now, they want

³⁰³ “Report: Voluntary Corporate Political Spending Disclosure Does Not Work,” Citizens for Responsibility and Ethics in Washington. Retrieved on April 21, 2014. Available at: <http://www.citizensforethics.org/legal-filings/entry/report-voluntary-corporate-political-spending-disclosure-does-not-work> (April 15, 2014).

³⁰⁴ Katie Pavlich, “BREAKING: New Emails Show Lois Lerner Was in Contact With DOJ About Prosecuting Tax Exempt Groups,” *Townhall.com*. Retrieved on April 16, 2014. Available at: <http://townhall.com/tipsheet/katiepavlich/2014/04/16/breaking-new-emails-show-lois-lerner-contacted-doj-about-prosecuting-tax-exempt-groups-n1825292> (April 16, 2014).

³⁰⁵ Josh Hicks, “IRS chief committed to new rules for nonprofits despite conservative resistance,” *The Washington Post*. Retrieved on April 17, 2014. Available at: http://www.washingtonpost.com/politics/federal-government/irs-chief-committed-to-new-rules-for-nonprofits-despite-conservative-resistance/2014/04/16/c369de2e-c593-11e3-bf7a-be01a9b69cf1_story.html (April 16, 2014).

to own the United States government as well.” Sanders further blames the *Citizens United* (see first January 21, 2010 entry) and *McCutcheon* (see first April 2, 2014 entry) decisions for what he sees as permitting dangerous political spending by corporate entities and wealthy individuals like the Koch brothers, and warns about the brothers’ conservative-libertarian agenda, calling them “the most important and powerful players in American politics” who are “moving the Republican Party to the extreme right.” Sanders concludes his attack against the Koch’s by stating that they will support candidates who wish to repeal all legislation from “the past 80 years that has protected the middle class, the elderly, the children, the sick and the most vulnerable in this country,” in an effort to create “an oligarchic form of society in which the economic and political life of the nation are controlled by a handful of billionaire families.”³⁰⁶

April 17, 2014: In a wide-ranging interview with the *Las Vegas Review Journal*, Senate Majority Leader Harry Reid tacitly acknowledges the speech-chilling effects of the Democratic-backed DISCLOSE Act (see February 11, 2010, July 27, 2010, September 23, 2010, March 21, 2012, July 10, 2012, and second July 16, 2012 entries), in response to a question by the interviewer about the Supreme Court’s 2010 *Citizens United* decision: “The DISCLOSE Act would stop a lot of money. Those people that go with the secret money, they do it because they don’t want anybody to know they’re giving the money.” During the interview, Reid also refuses to retreat from his persistent attacks of the Koch brothers.³⁰⁷

April 23, 2014: Senate Majority Leader Harry Reid’s campaign against the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, April 1, 2014, and second April 7, 2014 entries) catches up to him as the Louisiana Republican Party files a complaint with the Senate Ethics Committee accusing Reid of “improperly using his official Senate website and Twitter account for partisan attacks on billionaire brothers Charles and David Koch.” Louisiana GOP Executive Director Jason Dore suggests that “it is appalling that Harry Reid would use taxpayer resources to breach Senate ethics rules.”³⁰⁸

April 23, 2014: Senator John McCain (R-AZ) identifies the Supreme Court’s *Citizens United* (see first January 21, 2010 entry) and *McCutcheon* (see first April 2, 2014 entry) decisions as “the worst since Dred Scott” at a Harvard University forum. (The 1857 *Dred Scott* decision was a notorious ruling by the Supreme Court that African Americans were not U.S. citizens, regardless of whether they were slaves or free individuals.) Claiming “[w]e’re at the height of corruption thanks to the United States Supreme Court,” McCain predicts “a major scandal” will occur due to “too much money washing around” from allegedly unknown sources. “‘Since when is money speech?’” McCain opines. ‘If money is speech, then the person with the most money speaks the loudest.’”³⁰⁹

³⁰⁶ U.S. Senator Bernie Sanders, “Who Are the Koch Brothers and What Do They Want?,” *Huffington Post*. Retrieved on April 21, 2014. Available at: http://www.huffingtonpost.com/rep-bernie-sanders/who-are-the-koch-brothers_b_5165995.html (April 17, 2014).

³⁰⁷ Steve Sebelius, “Reid on Kochs, politics and civility,” *Las Vegas Review Journal*. Retrieved on April 23, 2014. Available at: <http://www.reviewjournal.com/politics/slash-politics/reid-kochs-politics-and-civility> (April 18, 2014).

³⁰⁸ Shadee Ashtari, “Louisiana GOP Files Ethics Complaint Against Harry Reid,” *The Huffington Post*. Retrieved on April 25, 2014. Available at: http://www.huffingtonpost.com/2014/04/24/louisiana-gop-harry-reid_n_5207875.html?utm_hp_ref=politics (April 24, 2014).

³⁰⁹ Rebecca Shabad, “McCain predicts ‘major scandal’ on campaign finance,” *The Hill*. Retrieved on April 24, 2014. Available at: <http://thehill.com/blogs/ballot-box/campaign-committees/204228-sen-mccain-on-campaign-finance-rulings-i-predict-a-major-fixzz2zp4yXIaw> (April 23, 2014).

April 24, 2014: Following the release of e-mails obtained through a FOIA request by Judicial Watch (see first April 16, 2014 entry), showing contact between Lois Lerner and a Justice Department official regarding the potential for criminal prosecutions of tax-exempt groups, House Republicans add the possible role played by the Justice Department to their investigation of the IRS targeting scandal. According to news reports, “Republicans are trying to show that IRS targeting of conservative groups was politically motivated and driven by high-level Democratic officials.” One of the e-mails made public by Judicial Watch from the Justice Department to Lois Lerner states: “I have been asked to run something by you.” As a result, Republican members of the House Oversight and Government Reform Committee request an interview with Richard Pilger, Director of the Justice Department’s Election Crimes Branch, and author of at least some of the e-mail correspondence.³¹⁰

April 25, 2014: House GOP leaders release a memo listing their priorities for the month of May, which includes a vote by the full House to hold former IRS Exempt Organizations Division Director Lois Lerner in contempt of Congress. The House Oversight and Government Reform Committee previously approved a contempt resolution (see first April 10, 2014 entry). According to the memo from Majority Leader Eric Cantor (R-VA): “Thorough investigations by the Oversight and Government Reform Committee as well as the Ways and Means Committee have revealed findings that indicate that Ms. Lerner played a central role in the illegal targeting of conservative groups by the IRS....The House will consider the Contempt of Congress resolution in May unless she agrees to testify before the Oversight Committee.”³¹¹

April 28, 2014: Former IRS Exempt Organizations Division Director Lois Lerner’s lawyer, William W. Taylor III, requests an opportunity to address the full U.S. House of Representatives prior to a planned May vote to hold her in contempt of Congress for failing to answer House Oversight and Government Reform Committee questions pertaining to her role in the IRS scandal. “Holding Ms. Lerner in contempt would not only be unfair and, indeed, un-American, it would be flatly inconsistent with the Fifth Amendment as interpreted by the Supreme Court,” writes Taylor. House Republicans respond by noting that “Lerner can avoid being held in contempt at any time by testifying fully and honestly, but she has chosen not to.” Appearances before the full House are usually reserved for members of Congress, foreign leaders, dignitaries, and the President.³¹²

April 28, 2014: Representative Chris Van Hollen challenges critics of disclosure, and specifically Senate Minority Leader Mitch McConnell, at an address at the American Enterprise Institute promoting his proposed legislation, the DISCLOSE Act (see April 29, 2010, February 9, 2012, and January 3, 2013 entries). Van Hollen also states his support for a revision of the rules governing political activity by 501(c)(4) organizations in the wake of the IRS scandal. Insisting on a discussion of principle over policy, he argues that conservatives have gone back on their previous commitment to disclosure of money in politics. He further claims that his DISCLOSE Act would

³¹⁰ John D. McKinnon, “House Republicans Intensify Probe Into IRS,” *The Wall Street Journal*. Retrieved on April 25, 2014. Available at: <http://blogs.wsj.com/washwire/2014/04/24/house-republicans-intensify-probe-into-irs/?KEYWORDS=%22irs%22> (April 24, 2014).

³¹¹ John D. McKinnon, “House to Vote in May on Holding IRS Official Lois Lerner in Contempt,” *The Wall Street Journal*. Retrieved on April 28, 2014. Available at: <http://blogs.wsj.com/washwire/2014/04/25/house-to-vote-in-may-on-holding-irs-official-lois-lerner-in-contempt/?KEYWORDS=%22irs%22> (April 25, 2014).

³¹² Stephen Ohlemacher, “Lawyer for Ex-IRS Official Asks to Address House,” *ABC News*. Retrieved on April 29, 2014. Available at: <http://abcnews.go.com/Politics/wireStory/lawyer-irs-official-asks-address-house-23501932> (April 28, 2014).

not harm freedom of expression at all and says, “You can’t avoid disclosure because you might get your feelings hurt or face public backlash. That’s part of the rough and tumble of a vibrant democracy and a spirited debate.”³¹³

April 28, 2014: Senate Majority Leader Harry Reid again attacks the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, April 1, 2014, second April 7, 2014, and first April 23, 2014 entries), this time blaming them for House Republicans’ inaction on Senate-passed legislation that would extend unemployment benefits and raise the minimum wage. According to Senator Reid: “Their billionaire sugar-daddies aren’t interested in helping middle class Americans get a fair shot. Charles and David Koch aren’t concerned with the long-term unemployed families, and so the Republicans that they sponsor in the House of Representatives are content to do nothing for the long-term unemployed.”³¹⁴

April 30, 2014: A constitutional amendment sponsored by Senator Tom Udall, S.J. Res. 19 (see first June 18, 2013 entry), is promoted by Senate Democrats as a method of overturning the *Citizens United* (see first January 21, 2010 entry) and *McCutcheon* (see first April 2, 2014 entry) Supreme Court decisions by rewriting the First Amendment. Senate Democrats plan to schedule a floor vote on the amendment in 2014, likely in May. In announcing the news, amendment cosponsor and Senate Rules and Administration Committee Chairman Chuck Schumer declares: “The Supreme Court is trying to take this country back to the days of the robber barons, allowing dark money to flood our elections. That needs to stop, and it needs to stop now. The only way to undo the damage the court has done is to pass Senator Udall’s amendment to the Constitution, and Senate Democrats are going to try to do that.” The amendment authorizes Congress and the states the power to regulate campaign financing in three ways: (1) grants authority to regulate or limit fundraising and spending for federal or state candidates to Congress and the states; (2) grants authority to regulate or limit independent expenditures from independent groups to Congress and the states; and (3) protects future campaign finance legislation from Supreme Court review.³¹⁵

April 30, 2014: IRS Commissioner John Koskinen announces that the IRS is set to begin analyzing the over 150,000 public comments received in the three month public comment period that ended on February 27 (see twelfth February 27, 2014 entry) for the proposed 501(c)(4) rulemaking governing the permissible activities of social welfare organizations. According to Koskinen: “We’re going to have some summer help with lawyers coming to help us with the preliminary bucketing, as it were, to put them in the right buckets and then counsel will take a look at them all and review them all.” Regarding the potential for form comments, Koskinen says: “It doesn’t mean you would discount them. In fact, if 42,000 people all said the same thing, it would be important to know that 42,000 people felt that way. It’s clear we’ve got a lot of very thoughtful comments, and they all deserve to be read and reviewed.” After the review of all public comments is complete and a public hearing is held, likely in midsummer, a revised version of the regulations

³¹³ Erin Dooley, “Top Democrat Challenges GOP’s McConnell on Campaign Finance,” *ABC News*. Retrieved on April 29, 2014. Available at: <http://abcnews.go.com/blogs/politics/2014/04/top-democrat-challenges-gops-mcconnell-on-campaign-finance/> (April 28, 2014).

³¹⁴ Niels Lesniewski, “Reid: Koch Brothers Aren’t Interested in Unemployment Extension, Minimum Wage,” *Roll Call*. Retrieved on April 29, 2014. Available at: <http://blogs.rollcall.com/wgdb/reid-koch-brothers-arent-interested-in-unemployment-extension-minimum-wage/?dcz> (April 28, 2014).

³¹⁵ Alexander Bolton, “Senate Democrats plan vote to reverse Citizens United decision,” *The Hill*. Retrieved on May 1, 2014. Available at: <http://thehill.com/homenews/senate/204788-senate-democrats-plan-vote-to-reverse-citizens-united-decision> (April 30, 2014).

will likely be issued, and public comments will be accepted and considered on the revised proposal.³¹⁶

April 30, 2014: Former IRS Exempt Organizations Division Director Lois Lerner's attorney, William W. Taylor III's, request to defend Lerner before the House votes on whether to hold Lerner in contempt is rejected by House Leadership (see first April 28, 2014 entry). "Ms. Lerner can avoid being held in contempt at any time by testifying fully and honestly, but she has chosen not to," says Michael Steel, spokesman for Speaker of the House John Boehner.³¹⁷

April 30, 2014: In a Senate Rules and Administration Committee hearing on the effects of the *McCutcheon* decision (see first April 2, 2014 entry) on campaign finance, FEC Vice Chairwoman Ann Ravel answers questions regarding an FEC lawyer who resigned over Hatch Act violations shortly before the hearing. The employee in question posted "dozens of partisan political tweets, including many soliciting campaign contributions to President Obama's 2012 reelection campaign and other political campaigns, despite Hatch Act restrictions that prohibit FEC and other 'further restricted' employees from such activity." Ravel is asked by Committee Ranking Member Pat Roberts if anti-Republican views similar to the resigned employee's opinions are widely held at the Commission. Ravel, who was speaking in her capacity as the former Chairwoman of California's Fair Political Practices Commission rather than in her current position as FEC Vice-Chairwoman notes that she was unable to "speak on behalf of the FEC," but adds: "I will tell you that the FEC responded very quickly to that issue when it came to the attention of people within the agency." Ravel also says that "the employee's activities were 'totally inappropriate' and that an internal investigation found them to be isolated."³¹⁸

May 1, 2014: The Sunlight Foundation and Campaign Legal Center file a complaint with the Federal Communications Commission alleging that 11 television stations are violating the FCC's political ad disclosure rules.³¹⁹

May 2, 2014: House Majority Leader Eric Cantor announces that the House will vote on a resolution requesting that Attorney General Eric Holder appoint a Special Counsel to the Department of Justice's investigation of the IRS scandal. According to Cantor: "To date, it appears the Department of Justice has taken no action on this referral. It is time for Attorney General Holder to appoint a special counsel to investigate the IRS targeting scandal and bring the appropriate charges against those responsible. There can be no doubt the IRS scandal has undermined the

³¹⁶ Lydia Beyoud, "Koskinen: Review of 150,000 Comments On Proposed 501(c)(4) Rules Set to Begin," *BNA Money & Politics Report* (\$). Retrieved on May 1, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=45777231&vname=mpebulallissues&fn=45777231&jd=45777231 (April 30, 2014).

³¹⁷ Diane Freda, "House Leaders Reject Lerner Attorney's Request to Address Congress on Her Behalf," *BNA Money & Politics Report* (\$). Retrieved on May 1, 2014. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=45777229&vname=mpebulallissues&fn=45777229&jd=45777229 (April 30, 2014).

³¹⁸ Eliza Newlin Carney, "Senator Questions Hatch Act Violation at FEC," *Roll Call*. Retrieved on May 1, 2014. Available at: <http://blogs.rollcall.com/beltway-insiders/senator-questions-fec-hatch-act-violation/> (April 30, 2014).

³¹⁹ Kathy Kiely, "How TV stations are letting political advertisers play hide and seek," Sunlight Foundation. Retrieved on May 2, 2014. Available at: <http://sunlightfoundation.com/blog/2014/05/01/how-tv-stations-are-letting-advertisers-play-hide-and-seek/> (May 1, 2014).

public's trust in our government. This is far too serious a matter to leave to the discretion of partisan political appointees no matter who is in the White House.”³²⁰

May 6, 2014: Democratic staff on the House Oversight and Government Reform Committee release a 68-page report, “No Evidence of White House Involvement or Political Motivation in IRS Screening of Tax-Exempt Applicants,” which makes public only select portions of 39 interviews conducted by the Committee with IRS and Treasury Department staffers. According to the report, “the overwhelming evidence before the Committee reveals no political motivation or White House involvement in the screening of tax-exempt applications,” despite Republican claims of evidence to the contrary.³²¹

May 6, 2014: Campaign Legal Center Executive Director J. Gerald Hebert and Democracy 21 President Fred Wertheimer write to IRS Commissioner John Koskinen and Director of Exempt Organizations Tamera Ripperda to request that the Agency “deny tax exempt status as a ‘social welfare’ organization to Crossroads GPS.” According to the authors: “The IRS should deny section 501(c)(4) exempt status to Crossroads GPS, which is being used to funnel huge amounts of secret money into federal elections, and end its phony claim of being a ‘social welfare’ organization.”³²²

May 7, 2014: The House of Representatives votes to hold former IRS Exempt Organizations Division Director Lois Lerner in contempt of Congress for her failure to testify before the House Oversight and Government Reform Committee about her role in the IRS scandal after being subpoenaed (see April 25, 2014 entry). The 231-187 vote occurs largely along party lines, with six Democrats voting in favor of the contempt resolution. Following the vote, Lerner’s lawyer, William Taylor III, releases a statement characterizing the vote’s sole purpose as “keep[ing] the baseless IRS ‘conspiracy’ alive through the midterm elections.” According to Federal law, the matter is now to be referred to a local U.S. attorney, who has a duty to bring the matter before a grand jury.³²³

May 7, 2014: The House of Representatives votes to approve a resolution urging the Department of Justice to appoint an independent special prosecutor to investigate the IRS scandal (see May 2, 2014 entry). The 250-168 vote receives bipartisan support, with 26 Democrats voting in favor of the resolution. According to reports, “Republicans believe a Justice Department investigation [of

³²⁰ U.S. Representative Eric Cantor, “Leader Cantor Announces House Vote Calling On Holder To Appoint Special Counsel In IRS Investigation,” Office of Majority Leader Eric Cantor. Retrieved on May 2, 2014. Available at: <http://majorityleader.gov/newsroom/2014/05/leader-cantor-announces-house-vote-calling-on-holder-to-appoint-special-counsel-in-irs-investigation.html> (May 2, 2014).

³²¹ Democratic Staff Report, “No Evidence of White House Involvement or Political Motivation in IRS Screening of Tax-Exempt Applicants,” U.S. House of Representatives Committee on Oversight and Government Reform. Retrieved on May 8, 2014. Available at: <http://democrats.oversight.house.gov/uploads/Cummings%20Report%20on%2039%20IRS%20Transcripts%20050614.pdf> (May 6, 2014), p. 13.

³²² J. Gerald Hebert and Fred Wertheimer, “Application for section 501(c)(4) status by Crossroads GPS,” Democracy 21. Retrieved on May 6, 2014. Available at: <http://www.democracy21.org/wp-content/uploads/2014/05/Letter-to-IRS-from-Democracy-21-and-Campaign-Legal-Center-re-Tax-Status-of-Crossroads-GPS-5-6-14.pdf> (May 6, 2014), p. 1, 3.

³²³ John D. McKinnon, “House Votes to Hold Former IRS Official Lois Lerner in Contempt,” *The Wall Street Journal*. Retrieved on May 8, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304655304579548460233880566?KEYWORDS=%22irs%22&mg=reno64-wsj> (May 7, 2014).

the IRS scandal] has been muzzled by higher-ups. It is likely Republicans would seek to make Justice Department inaction a campaign issue, and the issue also could lead to court challenges.”³²⁴

May 7, 2014: House Ways and Means Oversight Subcommittee Chairman Charles Boustany Jr. reveals that nearly one in ten donors to three Tea Party organizations, whose donor lists were inappropriately collected and kept by the IRS, were audited, significantly above the standard one percent audit average. During the IRS scandal, 24 conservative groups applying for tax-exempt status were improperly asked for their donor lists by the IRS. After initially telling Congress that these donor lists were destroyed, the IRS discovered that donor lists from three groups remained intact. In response to a request by House Ways and Means Committee Chairman Dave Camp, according to the IRS, “10 percent [of donors to these three groups] were audited — substantially higher than the average rate of 1 percent of average Americans who are audited each year.”³²⁵

May 7, 2014: In another in a series of Senate floor speeches bashing the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, April 1, 2014, second April 7, 2014, first April 23, 2014, and third April 28, 2014 entries), Senate Majority Leader Harry Reid blames the brothers for being one of the main causes of climate change. According to Reid: “While the Koch brothers admit to not being experts on the matter, these billionaire oil tycoons are certainly experts at contributing to climate change. That’s what they do very well. They are one of the main causes of this. Not a cause, one of the main causes.” Later in his speech, Reid faults the Kochs for the stalling of an energy efficiency bill on the Senate floor.³²⁶

May 7, 2014: Current FEC Chairman Lee Goodman, a Republican appointee, warns in an interview of future attempts at media regulation by the FEC, due to what some on the left perceive as a growing threat of conservative influence in the media. According to Goodman, “[t]he right has begun to break the left’s media monopoly, particularly through new media outlets like the internet, and I sense that some on the left are starting to rethink the breadth of the media exemption and internet communications.” Currently, media outlets benefit from a longstanding exemption from FEC regulations, known as the “press exemption,” that allows media entities to promote and endorse candidates without limit. “The picking and choosing has started to occur,” cautions Goodman. “There are some in this building [the FEC] that think we can actually regulate” the media. If that occurs, says Goodman, “then I am concerned about disparate treatment of conservative media.”³²⁷

May 8, 2014: Two days short of a year after the IRS scandal was revealed (see May 10, 2013 entry), the IRS agrees to turn over all of former IRS Exempt Organizations Division Director Lois Lerner’s e-mails to House Ways and Means Committee investigators. According to Committee Chairman Dave Camp, “[w]hile it is good that we are finally getting these emails, it should never have taken this long. The agency is finally doing what is right and hopefully this is the last of the

³²⁴ *Ibid.*

³²⁵ Stephen Dinan, “House Republicans find 10% of tea party donors audited by IRS,” *The Washington Times*. Retrieved on May 8, 2014. Available at: <http://www.washingtontimes.com/news/2014/may/7/house-republicans-find-10-of-tea-party-donors-audi/> (May 7, 2014), p. 1.

³²⁶ Burgess Everett, “Reid: Kochs ‘main causes’ of climate change,” *Politico*. Retrieved on May 9, 2014. Available at: <http://www.politico.com/story/2014/05/harry-reid-koch-brothers-climate-change-106441.html> (May 7, 2014).

³²⁷ Paul Bedard, “FEC chair warns that conservative media like Drudge Report and Sean Hannity face regulation – like PACs,” *The Washington Examiner*. Retrieved on May 8, 2014. Available at: <http://washingtonexaminer.com/fec-chair-warns-conservative-media-drudge-hannity-face-regulation-like-pacs/article/2548163> (May 7, 2014).

delays. It is almost a year to the day since Lois Lerner ‘apologized’ for the IRS’s targeting of conservative groups, and we need to get to the bottom of this. These documents are critical to an investigation that is holding the IRS accountable and ensuring the constitutional rights of these groups are never trampled on again.”³²⁸

May 8, 2014: In an MSNBC interview, Senate Majority Leader Harry Reid again blasts the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, April 1, 2014, second April 7, 2014, first April 23, 2014, third April 28, 2014, and fourth May 7, 2014 entries), claiming that “[t]hese are the two richest people in the world and they are in it to make money. That’s their whole goal here. To add zeroes to their billions.” In response to a question about significant Republican donor and Nevada resident Sheldon Adelson, Reid changes his tune, saying “He’s in it because he has certain ideological views. Now, Sheldon Adelson’s social views are in keeping with the Democrats. On choice, on all kinds of things. So, Sheldon Adelson don’t pick on him. He’s not in it to make money.”³²⁹

May 9, 2014: During a speaking engagement in Massachusetts, Vermont Senator Bernie Sanders blames “the libertarian billionaire Koch brothers of being responsible for the scandalous Veterans Affairs backlog, which has caused an untold number of veterans to die while awaiting treatment.”³³⁰

May 12, 2014: In response to the Sunlight Foundation and Campaign Legal Center’s joint complaint to the Federal Communications Commission (see May 1, 2014 entry) alleging that 11 television stations are violating the FCC’s political ad disclosure rules, the FCC sends strongly worded letters to the 11 named TV stations, requiring the stations in question to “demonstrate they have complied with disclosure rules and regulations” within two weeks of receiving the letter. In a statement about the Agency’s response to the Sunlight Foundation-Campaign Legal Center complaint, FCC Chairman Tom Wheeler notes that the FCC “take[s] political file complaints seriously.”³³¹

May 14, 2014: More previously unreleased e-mails obtained through a Freedom of Information Act request by the nonprofit group Judicial Watch (see first April 16, 2014 and April 24, 2014 entries) bolster the contention that IRS officials in Washington D.C. were handling applications for tax-exempt status by Tea Party organizations, despite many statements to the contrary by IRS officials, who claimed the cases were being handled by lower-level workers in Cincinnati, when news of the targeting scandal first broke (see May 10, 2013 entry). According to news reports: “Internal Revenue Service emails...document active direction by the federal tax agency’s

³²⁸ U.S. Representative Dave Camp, “IRS to Turn Over All Lerner Emails to Ways & Means,” United States House Committee on Ways and Means. Retrieved on May 9, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=379375> (May 8, 2014).

³²⁹ Jonathan Topaz, “Harry Reid: Not all billionaires are alike,” *Politico*. Retrieved on May 8, 2014. Available at: <http://www.politico.com/story/2014/05/harry-reid-koch-brothers-sheldon-adelson-106484.html?hp=r1> (May 8, 2014).

³³⁰ Brendan Bordelon, “Socialist Senator Bernie Sanders Declares Koch Brothers Responsible for VA Scandal,” *The Daily Caller*. Retrieved on May 28, 2014. Available at: <http://dailycaller.com/2014/05/13/socialist-senator-bernie-sanders-declares-koch-brothers-responsible-for-va-scandal/> (May 13, 2014).

³³¹ Kathy Kiely, “FCC Chair Tom Wheeler taking ‘seriously’ complaint about political advertisers,” Sunlight Foundation. Retrieved on May 13, 2014. Available at: <http://sunlightfoundation.com/blog/2014/05/12/fcc-chair-tom-wheeler-taking-seriously-complaint-about-political-advertisers-transparency-fail/> (May 12, 2014).

headquarters in targeting Tea Party and conservative nonprofit applicants during the 2010 and 2012 campaigns.”³³²

May 14, 2014: In a sweeping interview with *Buzzfeed*, Senate Majority Leader Harry Reid announces his support for a constitutional amendment that effectively amends the First Amendment by granting Congress the ability to set strict new limits on political spending (see first June 18, 2013 and first April 30, 2014 entries). Reid justifies the need for this constitutional amendment by evoking the Koch brothers: “It’s been tried before, we should continue to push this and it should become our issue. That really puts the Koch brothers up against it. We believe and I believe that there should be spending limits. We’re going to push a constitutional amendment so we can limit spending because what is going on today is awful.” When asked about his frequent criticisms of the Koch brothers (see seventh February 26, 2014, March 4, 2014, second March 13, 2014, first March 25, 2014, April 1, 2014, second April 7, 2014, first April 23, 2014, third April 28, 2014, fourth May 7, 2014, and second May 8, 2014 entries), Reid ominously responds: “The Koch Brothers, I’m not walking away from them. I’m going to be on their tail for the whole campaign because if they think Romney was watched closely by me, that’s nothing compared to what it’s going to be like with the Koch Brothers.”³³³

May 15, 2014: On the Senate floor, Senate Majority Leader Harry Reid formally announces his plan to hold a vote on a constitutional amendment granting Congress the ability to set strict new limits on political spending. In his announcement, Reid says: “The Supreme Court has equated money with speech, so the more money you have the more speech you get, and the more influence in our democracy. That is wrong.”³³⁴ Reid continues by connecting the need for such an amendment to the Koch brothers: “More and more we see Koch Industries, Americans for Prosperity, one of their shadowy front groups, dictating the results of primaries and elections across the country. Behind these nonvoting organizations are massively wealthy men hoping for a big monetary return on their political donations. When the candidates they bankroll get into office, the winners inevitably begin to legislate their sponsor’s business plans.” Responding on the Senate floor, Senate Minority Leader Mitch McConnell harshly criticizes the amendment, declaring: “Today’s proposal by the Senate Majority Leader represents an all-out assault on the right to free speech, a right which undergirds all others in our democracy. It’s also a clear sign of just how desperate elected Washington Democrats have become in their quest to hold onto power.”³³⁵

May 19, 2014: Upon hearing of House Minority Leader Nancy Pelosi’s plans to attend a screening of a film highly critical of the Koch brothers, “Koch Brothers Exposed: 2014 Edition,” in the Capitol Visitor Center, House Administration Committee Chairwoman Candice Miller writes to

³³² Mark Tapscott, “New IRS emails describe Washington direction of Tea Party targeting efforts,” *The Washington Examiner*. Retrieved on May 15, 2014. Available at: <http://washingtonexaminer.com/new-irs-emails-describe-washington-direction-of-tea-party-targeting-efforts/article/2548426> (May 14, 2014).

³³³ John Stanton and Kate Nocera, “Harry Reid Backs Constitutional Amendment To Limit Koch Brothers’ Influence,” *Buzzfeed*. Retrieved on May 19, 2014. Available at: <http://www.buzzfeed.com/johnstanton/harry-reid-backs-constitutional-amendment-to-limit-koch-brot> (May 14, 2014).

³³⁴ Igor Bobic and Michael McAuliff, “Harry Reid Proposes Changing Constitution To Block The Koch Brothers,” *The Huffington Post*. Retrieved on May 19, 2014. Available at: http://www.huffingtonpost.com/2014/05/15/harry-reid-campaign-finance_n_5329917.html (May 15, 2014).

³³⁵ Siobhan Hughes, “Reid Calls for Amending Constitution to Limit Campaign Money,” *The Wall Street Journal*. Retrieved on May 19, 2014. Available at: <http://blogs.wsj.com/washwire/2014/05/15/reid-calls-for-amending-constitution-to-limit-campaign-money/> (May 15, 2014).

Pelosi to warn that her attendance at the movie screening may violate House and Senate rules. According to Miller's letter, "using the Capitol Visitor Center for the film 'may cross the line into partisan politics.'" Rules regarding usage of the Capitol complex decree that "no audio visual presentations in the [Capitol Visitor Center] may premiere, preview, showcase, or publicize a film." A spokesperson for the Minority Leader responds that the rules "don't apply to rooms in the House side of the visitor center."³³⁶

May 20, 2014: House Oversight and Government Reform Committee Chairman Darrell Issa subpoenas the Justice Department over failures to comply with document requests and to answer the Committee's questions related to the DOJ's contact with then-IRS Exempt Organizations Division Director Lois Lerner about potentially criminally investigating tax-exempt groups (see April 24, 2014 entry). According to a letter accompanying Issa's subpoena, when the Committee interviewed Richard Pilger, Director of the Justice Department's Election Crimes Branch, Justice Department lawyers directed Pilger not to answer the Committee's questions "an astounding 34 times." According to Issa, the DOJ's actions lead the Committee "to conclude the department is not seriously committed to cooperating with the committee's investigation."³³⁷

May 20, 2014: In response to claims by House Administration Committee Chairwoman Candice Miller that attendance by Senate Majority Leader Harry Reid and House Minority Leader Nancy Pelosi at the screening of a film critical of the Koch brothers in the Capitol Visitor Center may violate House and Senate rules, Reid responds by criticizing Republicans for supporting the Koch brothers (see May 19, 2014 entry). According to Reid, Miller's comments demonstrate how the Koch brothers' "tentacles are in every part of the Republican congressional establishment."³³⁸

May 20, 2014: Conservative author, filmmaker, and ardent critic of President Obama, Dinesh D'Souza, unexpectedly enters a guilty plea in court "to a charge that he used straw donors to make \$20,000 in illegal contributions to Republican Senate candidate Wendy Long in 2012." D'Souza had previously maintained his innocence in the matter (see second January 23, 2014 entry).³³⁹

May 21, 2014: A 501(c)(4) organization, The Voters Trust, offers a \$1 million bounty to "anyone who can provide 'smoking gun' evidence to implicate IRS leadership or members of the Obama administration who purposefully targeted conservative and tea party-affiliated groups." According to The Voters Trust, to qualify for the reward, an individual needs to offer "relevant evidence including emails, eye-witness accounts, or testimony of political targeting of Americans by the

³³⁶ Lauren French, "Nancy Pelosi criticized on Koch film," *Politico*. Retrieved on May 20, 2014. Available at: <http://www.politico.com/story/2014/05/nancy-pelosi-koch-film-106855.html> (May 19, 2014).

³³⁷ John D. McKinnon, "GOP Lawmaker Issa Issues Subpoena to Justice Dept. Over IRS Targeting," *The Wall Street Journal*. Retrieved on May 21, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702304422704579574253228687132?KEYWORDS=%22irs%22&mg=reno64-wsj> (May 20, 2014).

³³⁸ Seung Min Kim, "Harry Reid defends screening of Koch film," *Politico*. Retrieved on May 22, 2014. Available at: <http://www.politico.com/story/2014/05/harry-reid-koch-brothers-exposed-2014-candice-miller-106898.html?hp=119> (May 20, 2014).

³³⁹ Josh Gerstein, "Dinesh D'Souza enters guilty plea in straw donor case," *Politico*. Retrieved on May 20, 2014. Available at: <http://www.politico.com/story/2014/05/dinesh-dsouza-pleads-guilty-illegal-campaign-contribution-106882.html> (May 20, 2014).

IRS or the Obama administration that has not previously been reported.” The organization plans on crowdsourcing the funding for the bounty.³⁴⁰

May 21, 2014: In a speech on the Senate floor, Kansas Senator Pat Roberts accuses Senate Majority Leader Harry Reid of having a “Koch addiction,” due to Reid’s almost daily criticisms of the Koch brothers, both of whom are Kansas residents. According to Roberts, “[p]ractically every morning, our Leader starts our session by giving a speech personally attacking David and Charles Koch and their families.” According to news reports, Reid has mentioned the Koch brothers at least 134 times on the Senate floor to date.³⁴¹

May 21, 2014: The conservative 501(c)(4) organization of Supreme Court fame, Citizens United (see first January 21, 2010 entry), sues New York Attorney General Eric Schneiderman “over his interpretation of how much information the organization is legally obliged to disclose about its donors.” At issue in the lawsuit are regulations imposed by Schneiderman’s office that require a nonprofit that spends more than \$10,000 on state and local elections to disclose its donors, regardless of whether or not the nonprofit is primarily political in nature (see December 11, 2012 and June 5, 2013 entries).³⁴²

May 22, 2014: The IRS quietly releases a statement that it will likely revise its proposed rulemaking governing the permissible activities of 501(c)(4) organizations (see November 26, 2013 entry), release a revised rulemaking likely in early 2015, and hold a public hearing after the revised rulemaking is released: “Last November, Treasury and the IRS proposed a new regulation governing political activity of section 501(c)(4) organizations. The proposal generated over 150,000 written comments — the most comments ever received by Treasury and IRS on a proposed tax regulation. Consistent with our standard rulemaking process, we intend to review those comments carefully, take into account public feedback, and consider any necessary changes. Consistent with what Commissioner Koskinen has previously stated, it is likely that we will make some changes to the proposed regulation in light of the comments we have received. Given the diversity of views expressed and the volume of substantive input, we have concluded that it would be more efficient and useful to hold a public hearing after we publish the revised proposed regulation. Treasury and the IRS remain committed to providing updated standards for tax-exemption that are fair, clear, and easier to administer.” IRS Commissioner Koskinen had previously stated that the IRS would hold a hearing on the originally proposed regulations in midsummer 2014 (see second April 16, 2014 and second April 30, 2014 entries).³⁴³

³⁴⁰ Sara Carter, “\$1 Million Bounty to be Offered for ‘Smoking Gun’ in IRS Targeting Scandal,” *TheBlaze*. Retrieved on May 22, 2014. Available at: <http://www.theblaze.com/stories/2014/05/21/1-million-bounty-to-be-offered-for-smoking-gun-in-irs-targeting-scandal/> (May 21, 2014).

³⁴¹ Chuck Ross, “INTERVENTION: Pat Roberts Addresses Harry Reid’s ‘Koch Addiction’ [VIDEO],” *The Daily Caller*. Retrieved on May 28, 2014. Available at: <http://dailycaller.com/2014/05/21/intervention-pat-roberts-addresses-harry-reids-koch-addiction-video/> (May 21, 2014).

³⁴² Maggie Haberman, “Citizens United to sue over donor info,” *Politico*. Retrieved on May 21, 2014. Available at: <http://www.politico.com/story/2014/05/citizens-united-sue-eric-schneiderman-ny-attorney-general-david-bossie-donor-information-106953.html?hp=r2> (May 21, 2014).

³⁴³ “IRS Update on the Proposed New Regulation on 501(c)(4) Organizations,” The Internal Revenue Service. Retrieved on May 24, 2014. Available at: <http://www.irs.gov/uac/Newsroom/IRS-Update-on-the-Proposed-New-Regulation-on-501%28c%29%284%29-Organizations> (May 22, 2014).

May 22, 2014: The IRS's announcement that it will likely revise its proposed rulemaking governing the permissible activities of 501(c)(4) organizations (see first May 22, 2014 entry) evokes strong reactions from several elected officials. House Ways and Means Committee Chairman Dave Camp releases a statement praising the IRS for abandoning the flawed proposal: "This proposed rule was wrong from the start. The American people spoke out loud and clear against it, and hopefully the IRS and the Obama administration will think twice before ever trying to go down this path again. If they do, we will continue to defend Americans' First Amendment rights." By contrast, Senator Chuck Schumer expresses dissatisfaction with the IRS's announcement that it is likely revising its proposal: "The only hope we have is, when the IRS goes back, they don't succumb to any form of political pressure and enact a very tough rule...."³⁴⁴ In analyzing the IRS's announcement, nonprofit tax lawyer Cleta Mitchell, who represents multiple Tea Party groups that were harassed by the IRS, warns that "[t]hey've taken a half-step...[b]ut before they rewrite regulations in secret, they need to have a hearing before they come up with new proposed regulations.... We have absolutely no idea what they're doing, what they're changing."³⁴⁵

May 22, 2014: House Oversight and Government Reform Committee Chairman Darrell Issa and Economic Growth, Job Creation and Regulatory Affairs Subcommittee Chairman Jim Jordan send a joint letter to Attorney General Eric Holder requesting an interview with Jack Smith, Chief of the Department of Justice's Public Integrity Section. Following statements made by Richard Pilger, Director of the Department of Justice's Election Crimes Branch, in his interview with the Committee (see first May 20, 2014 entry), Issa and Jordan write: "The Committee's transcribed interview of Richard Pilger presents further troubling information about the Department's contemplated prosecution of nonprofit groups for false statements. It is apparent that the Department's leadership, including Public Integrity Section Chief Jack Smith, was closely involved in engaging with the IRS in [the] wake of *Citizens United* and political pressure from prominent Democrats to address perceived problems with the decision."³⁴⁶

May 22, 2014: In the midst of another proxy voting season in which shareholders are voting on proposals by activist investors that would limit or prohibit business entities from spending money on politics (see September 25, 2013 entry), *The Wall Street Journal* reports that these speech chilling proposals continue to be overwhelmingly opposed by shareholders. "Of the 94 shareholder proposals on corporate political spending or lobbying introduced this year, 52 have already been voted on, according to filings at the Securities and Exchange Commission. A mere 22.2% of shareholders supported political disclosure, virtually unchanged from last year. Some 25 are rewarmed proposals that saw their support weaken, and more than 75% got fewer votes than in 2013."³⁴⁷

³⁴⁴ John D. McKinnon, "Proposed Rules on Tax-Exempt Groups Face Revision," *The Wall Street Journal*. Retrieved on May 24, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702303480304579578392641014478> (May 22, 2014).

³⁴⁵ Todd Beamon, "GOP Slams Proposed IRS Changes on Nonprofits," *Newsmax*. Retrieved on May 24, 2014. Available at: <http://www.newsmax.com/Newsfront/Cleta-Mitchell-free-speech/2014/05/22/id/572976/> (May 22, 2014).

³⁴⁶ U.S. Representatives Darrell Issa and Jim Jordan, "Letter to Attorney General Holder," United States House Committee on Oversight and Government Reform. Retrieved on May 24, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/05/2014-05-22-DEI-Jordan-to-Holder-DOJ-Jack-Smith-transcribed-interview.pdf> (May 22, 2014), p. 3.

³⁴⁷ Editorial, "Good News in the Proxy Wars," *The Wall Street Journal*. Retrieved on May 24, 2014. Available at: <http://online.wsj.com/news/articles/SB10001424052702303980004579576281696502364?KEYWORDS=%22campaign+finance%22&mg=reno64-wsj> (May 22, 2014).

May 27, 2014: In a callback to his February floor speech on the issue (see sixth February 26, 2014 entry), Senator Sheldon Whitehouse pens an op-ed in *The Providence Journal* on the urgent need for legislation to address climate change. In justifying why the Senate has failed to pass legislation to remedy perceived climate change issues, Whitehouse blames the Supreme Court’s decision in *Citizens United v. FEC* (see first January 21, 2010 entry). According to Whitehouse, “the polluters have had a political field day since the Citizens United decision allowed unlimited dark money into our elections — what one newspaper called the “tsunami of slime.” That one-sided assault is coming to an end as environmental money begins to match the polluters in elections. The environmental money will still be less, but it has the advantage of a truthful message.”³⁴⁸

June 3, 2014: At a Senate Judiciary Committee hearing on Senator Tom Udall’s proposed constitutional amendment that would amend the First Amendment (see first June 18, 2013, first April 30, 2014, second May 14, 2014, and May 15, 2014 entries), Senator Ted Cruz blasts the proposal for granting Congress unlimited power to regulate speech. According to Cruz, the amendment “would give Congress the power to muzzle Planned Parenthood and the National Right to Life. Forty-two Democrats have signed their name to giving Congress the right to muzzle the Sierra Club, to muzzle the National Rifle Association and the Brady Center on Handgun Violence, to muzzle Michael Moore and Dinesh D’Souza, to muzzle the teamsters and the National Education Association, to muzzle the NAACP, to muzzle the Anti-Defamation League to muzzle pastors and priests and rabbis who organize their parishioners to be involved in politics.” In contrast, Senate Majority Leader Harry Reid testifies that “[o]ur involvement in government should not be dependent on our bank account balances. The American people reject the notion that money gives the Koch brothers, corporations or special interest groups a greater voice in government than a mechanic, a lawyer, a doctor, a health-care worker.”³⁴⁹

June 5, 2014: MoveOn.org Political Action, a left-leaning organization that, among other issues, advocates for greater regulation of political speech, hosts a screening of a film critical of the Koch brothers (see May 19, 2014 and second May 20, 2014 entries) outside of the apartment of David Koch, one of the subjects of the documentary. According to a MoveOn.Org Political Action spokesperson, “[w]hen Americans learn about how David and Charles Koch are spending their wealth to try to buy our democracy and advance their own selfish agenda, they raise their voices to fight back.”³⁵⁰

June 9, 2014: A House Oversight and Government Reform Committee investigation of the IRS scandal reveals that the “Service transmitted a 1.1 million-page database of information concerning tax-exempt organizations to the Federal Bureau of Investigation in the run-up to the 2010 election, including confidential taxpayer information that shouldn’t have been shared.” According to Committee Chairman Darrell Issa, the database “contained confidential taxpayer information protected by federal law.” Following this revelation, the IRS admits that “it recently identified 33

³⁴⁸ U.S. Senator Sheldon Whitehouse, “Sheldon Whitehouse: Climate Change in a tsunami of denial,” *The Providence Journal*. Retrieved on May 28, 2014. Available at: <http://www.providencejournal.com/opinion/commentary/20140527-sheldon-whitehouse-climate-change-in-a-tsunami-of-denial.ece> (May 27, 2014).

³⁴⁹ Rebecca Ballhaus, “Why Is Ted Cruz Defending Planned Parenthood?,” *The Wall Street Journal*. Retrieved on June 5, 2014. Available at: <http://blogs.wsj.com/washwire/2014/06/03/why-is-ted-cruz-defending-planned-parenthood/?KEYWORDS=%22campaign+finance%22> (June 3, 2014).

³⁵⁰ Hannah Hess, “Koch Brothers Exposed’ Screening Set for David Koch’s Apartment,” *Roll Call*. Retrieved on June 9, 2014. Available at: <http://blogs.rollcall.com/hill-blotter/koch-brothers-exposed-screening-set-for-new-york-city-protest/?dcz> (June 5, 2014).

tax returns on the disks—out of a total of 12,000 returns—that inadvertently included ‘some nonpublic information.’” Richard Pilger, Director of the Justice Department’s Election Crimes Branch “told congressional investigators recently that he contacted the IRS in January 2011 for help in obtaining ‘certain tax information’ to assist with a ‘specific investigation’”...but “couldn’t discuss that matter because of taxpayer privacy” (see first April 16, 2014 entry).³⁵¹

June 11, 2014: In response to questions from members of the House Judiciary Committee, FBI Director James Comey testifies that “FBI investigators didn’t examine the database [from the IRS], which included private taxpayer information that isn’t supposed to be shared without a judge’s order (see June 9, 2014 entry).” According to Comey: “The only thing that was done, (was) analysts looked at the table of contents.” Comey also tells the Committee that the FBI has returned the database to the IRS.³⁵²

June 13, 2014: The IRS informs the House Ways and Means Committee that the Service has lost more than two years’ worth of e-mails from January 2009 – April 2011 from former IRS Exempt Organizations Division Director Lois Lerner to outside agencies due to a computer crash. According to Committee Chairman Dave Camp: “The fact that I am just learning about this, over a year into the investigation, is completely unacceptable and now calls into question the credibility of the IRS’s response to Congressional inquiries.” Camp continues: “Just a short time ago, Commissioner Koskinen promised to produce all Lerner documents. It appears now that was an empty promise. Frankly, these are the critical years of the targeting of conservative groups that could explain who knew what when, and what, if any, coordination there was between agencies.”³⁵³

June 16, 2014: The House Oversight and Government Reform Committee releases a staff report, “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” which examines the role of the media, Congressional Democrats, and activist groups advocating for greater regulation of political speech in triggering the IRS scandal. Building off the Committee’s previous report (see first April 7, 2014 entry), “[t]his report chronicles the public statements about the *Citizens United* decision, the DISCLOSE Act, and nonprofit political speech made by President Obama, his senior White House advisors, and other prominent Democrats throughout 2010. These officials spoke loudly and repeatedly about overturning *Citizens United*, mandating reporting requirements for nonprofit political speech, and criticizing donors to nonprofits for engaging in anonymous political speech. When considered in this light, it is apparent that the IRS targeting of conservative tax-exempt applicants initiated and progressed in the context of intense political pressure...”³⁵⁴

³⁵¹ John D. McKinnon, “IRS Sent FBI Database on Nonprofit Groups in 2010, GOP Lawmakers Say,” *The Wall Street Journal*. Retrieved on June 10, 2014. Available at: <http://online.wsj.com/articles/irs-sent-fbi-database-on-nonprofit-groups-in-2010-gop-lawmakers-say-1402339311?KEYWORDS=%22irs%22> (June 9, 2014).

³⁵² Devlin Barrett, “FBI Returns Taxpayer Information It Got From IRS,” *The Wall Street Journal*. Retrieved on June 12, 2014. Available at: <http://online.wsj.com/articles/fbi-returns-taxpayer-information-it-got-from-irs-1402504785?KEYWORDS=devlin+barrett> (June 11, 2014).

³⁵³ Sarah Swinehart, “IRS Claims to Have Lost Over 2 Years of Lerner Emails,” United States House Committee on Ways and Means. Retrieved on June 14, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=384506> (June 13, 2014).

³⁵⁴ “How Politics Led the IRS to Target Conservative Tax-Exempt Applicants for their Political Beliefs,” United States House Committee on Oversight and Government Reform. Retrieved on June 16, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/06/How-Politics-Led-to-the-IRS-Targeting-Staff-Report-6.16.14.pdf> (June 16, 2014), p. 4.

June 16, 2014: House Oversight and Government Reform Committee Chairman Darrell Issa issues a subpoena to Internal Revenue Service Commissioner John Koskinen to testify before Congress regarding the Service's revelations that its lost Lois Lerner's e-mails sought by congressional investigators working on the IRS scandal (see June 13, 2014 entry). Chairman Issa writes to Commissioner Koskinen to criticize the IRS for the Agency's handling of Committee requests pertaining to the scandal: "For too long, the IRS has promised to produce requested — and, later, subpoenaed — documents, only to respond later with excuses and inaction. Despite your empty promises and broken commitments to cooperation, the IRS still insists on flouting Constitutional congressional oversight."³⁵⁵

June 16, 2014: House Ways and Means Committee Chairman Dave Camp and Oversight Subcommittee Chairman Charles Boustany Jr. send a joint letter to President Obama asking when the White House learned that the IRS had lost critical Lois Lerner e-mails (see June 13, 2014 entry) and requesting the provision of any Lerner e-mails to or from anyone in the Executive Office of the President. According to the letter: "we are writing to request critical assistance that only the White House can provide.... The Committee is in possession of some Lerner emails for this time period, but only those written to or from other IRS employees. Any emails written to or from Lerner and persons outside of the IRS would, according to the agency's own admission, be lost."³⁵⁶

June 17, 2014: The IRS reveals that it is unable to produce e-mails from six additional IRS employees involved in the targeting of conservative groups. The announcement comes shortly after the previous week's revelation that the IRS lost over 2 years of e-mails sent to and from Lois Lerner to people outside of the IRS (see June 13, 2014 entry). House Ways and Means Committee Chairman Dave Camp and Oversight Subcommittee Chairman Charles Boustany Jr. release a joint statement, saying, "[i]t looks like the American people were lied to and the IRS tried to cover-up the fact it conveniently lost key documents in this investigation.... This entire investigation has been slow-walked by the Administration while they denied any wrongdoing and tried blaming 'low-level' workers in Cincinnati — all of which we have proven to be wrong."³⁵⁷

June 17, 2014: Senate Minority Leader Mitch McConnell comments on the revelation that the IRS lost e-mails at the center of the targeting scandal embroiling the Agency (see June 13, 2014 entry), asking why the lost e-mails were not discovered sooner and imploring the administration to recommit itself to the investigation. According to McConnell: "The latest claim by the IRS is that it somehow lost a full two years-worth of emails from the woman in charge of the IRS department at the center of the scandal. But Congress submitted a request for these emails over a year ago. And they're suddenly telling us this now? The committees investigating the scandal need those emails in order to figure out who knew what and when — and to determine whether any coordination was going on between the IRS and anyone outside the agency. So I'll be interested

³⁵⁵ Susan Ferrechio, "Darrell Issa subpoenas IRS commissioner over lost Lois Lerner emails," *The Washington Examiner*. Retrieved on June 17, 2014. Available at: <http://washingtonexaminer.com/issa-subpoenas-irs-chief-over-lost-lerner-emails/article/2549798> (June 16, 2014).

³⁵⁶ Sarah Swinehart, "Ways and Means Action on 'Lost' Lerner Emails," United States House Committee on Ways and Means. Retrieved on June 17, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=384659> (June 16, 2014).

³⁵⁷ Sarah Swinehart, "EXPOSED: IRS kept secret for months, more than just Lerner emails lost," United States House Committee on Ways and Means. Retrieved on June 17, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=384708> (June 17, 2014).

to see what the IRS Commissioner has to say about all this when he testifies next week. But please, let's just skip past the 'dog ate my homework' excuses, buried in a late Friday news dump. The President promised to work 'hand in hand' with Congress on this matter. So his Administration needs to live up to that promise. Immediately."³⁵⁸

June 18, 2014: In an interview with *The Center for Public Integrity*, IRS Commissioner John Koskinen reaffirms the Agency's commitment to re-issuing regulations to police the political activity of 501(c)(4) organizations (see November 26, 2013 and first May 22, 2014 entries). According to Koskinen: "There are three issues: What should be the definition, to whom should it apply and how much ... can you do before you jeopardize your exemption? The next resolution will differ from the first draft because it will deal with all three questions." Based on Koskinen's comments, speculation exists that the revised iteration of the rulemaking may apply to 501(c)(5) labor unions and 501(c)(6) trade associations. According to Koskinen, the IRS expects to release the revised rulemaking in early 2015.³⁵⁹

June 18, 2014: By a party line 5-4 vote, the Senate Judiciary Committee's Subcommittee on the Constitution, Civil Rights, and Human Rights approves a modified version of Senator Tom Udall's constitutional amendment proposal to amend the First Amendment (see first June 18, 2013, first April 30, 2014, second May 14, 2014, May 15, 2014, and June 3, 2014 entries), setting the stage for likely eventual passage by the full Senate Judiciary Committee.³⁶⁰

June 19, 2014: Despite a continued push from activist investors wishing to stifle the political speech of business entities, the midway mark of the 2014 proxy season once again (see September 25, 2013 entry) witnesses substantial opposition by investors to corporate disclosure resolutions. According to the Manhattan Institute's Center for Legal Policy's Proxy Monitor, in 2014, "[t]he most commonly introduced type of proposal, as in 2013 and 2012, involved companies' political spending or lobbying, but none of these proposals passed...while shareholder support for such proposals has averaged only 19 percent, essentially unchanged from 2012."³⁶¹

June 24, 2014: Staying true to a promise made over a year earlier (see first May 15, 2013 entry), Senator Sheldon Whitehouse holds a joint press conference along with Senators Michael Bennet, Richard Blumenthal (D-CT), Chuck Schumer, and Elizabeth Warren (D-MA) to re-introduce the previously failed DISCLOSE Act (see July 27, 2010, September 23, 2010, February 9, 2012, March 21, 2012, and second June 16, 2012 entries), which would impose onerous and speech-stifling disclosure requirements on a broad swath of organizations. In explaining the justification for the legislation (S. 2516), Whitehouse remarks: "[s]ince the Supreme Court's disastrous

³⁵⁸ U.S. Senator Mitch McConnell, "McConnell Questions 'Lost' IRS Scandal Emails," Office of Senator Mitch McConnell. Retrieved on June 17, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=d7dfd35-9f60-4c81-8132-6a84d9a7d5c8&ContentTypeId=c19bc7a5-2bb9-4a73-b2ab-3c1b5191a72b&Group_id=0fd6ddca-6a05-4b26-8710-a0b7b59a8f1f (June 17, 2014).

³⁵⁹ Julie Patel, "IRS chief promises stricter rules for 'dark money' nonprofit groups," *The Center for Public Integrity*. Retrieved on June 19, 2014. Available at: http://www.publicintegrity.org/2014/06/18/14960/irs-chief-promises-stricter-rules-dark-money-nonprofit-groups?utm_source=iwatchnews&utm_medium=web&utm_campaign=rss&utm_reader=feedly (June 18, 2014).

³⁶⁰ Stephen Dinan, "Democrats draft amendment to curb election spending," *The Washington Times*. Retrieved on June 19, 2014. Available at: <http://www.washingtontimes.com/news/2014/jun/18/democrats-draft-amendment-to-curb-election-spending/> (June 18, 2014).

³⁶¹ James R. Copland, "2014 Proxy Season Midterm Report," Manhattan Institute's Center for Legal Policy's Proxy Monitor. Retrieved on June 25, 2014. Available at: http://www.proxymonitor.org/Forms/pmr_08.aspx (June 19, 2014).

Citizens United decision, a torrent of dark money has swept through our political system, giving corporations and billionaires the ability to buy and sell elections.” Although the Act’s sponsors promise a vote in 2014, the legislation is expected to face stiff opposition from Republicans in Congress, and is described as a way to “score political points” in an election year.³⁶²

June 24, 2014: David Ferriero, Archivist of the United States, testifies before the House Oversight and Government Reform Committee “that the Internal Revenue Service did not act lawfully when it failed to report the loss of emails” from former IRS Exempt Organizations Division Director Lois Lerner to third parties (see June 13, 2014 entry). Ferriero testifies that he was never notified of the computer crash that resulted in the lost e-mails.³⁶³

June 24, 2014: *The Wall Street Journal* reveals that the IRS likely broke the law under the Federal Rules of Civil Procedure by losing former Exempt Organizations Division Director Lois Lerner’s e-mails (see June 13, 2014 entry). Due to ongoing litigation between a pro-Israel group, Z Street, and the IRS, over the IRS’s increased scrutiny of the group’s application for tax-exempt status, in order “to determine whether the organization’s activities contradict the Administration’s public policies,” the IRS is required by law to preserve all e-mail correspondence under a “litigation hold,” as some e-mails could be relevant to the ongoing litigation. Because of this, the federal District of Columbia Circuit court judge handling the Z Street case has the authority to “force the IRS to explain and answer for its ‘willful spoliation’ of email evidence.”³⁶⁴

June 24, 2014: Under a consent judgment, the IRS agrees to pay \$50,000 in damages to the National Organization for Marriage (NOM), “as a result of the unlawful release of the [organization’s confidential donor information to a group] that is NOM’s chief political rival” (see October 3, 2013 and October 30, 2013 entries). According to NOM Chairman John C. Eastman, his organization is “delighted that the IRS has now been held accountable for the illegal disclosure of our list of major donors from our tax return.”³⁶⁵

June 25, 2014: House Ways and Means Committee Chairman Dave Camp reveals that former IRS Exempt Organizations Division Director Lois Lerner sought to refer Senator Chuck Grassley for IRS examination in December 2012, after mistakenly receiving an invitation for a speaking engagement intended for Senator Grassley. E-mails show Lerner was deterred by others in her office. According to Representative Camp, “[w]e have seen a lot of unbelievable things in this investigation, but the fact that Lois Lerner attempted to initiate an apparently baseless IRS examination against a sitting Republican United States Senator is shocking.”³⁶⁶

³⁶² Eliza Newlin Carney, “Democrats Reintroduce DISCLOSE Act,” *Roll Call*. Retrieved on June 25, 2014. Available at: <http://blogs.rollcall.com/beltway-insiders/democrats-reintroduce-disclose-act/?dcz> (June 24, 2014).

³⁶³ T. Becket Adams, “From bad to worse: Official testifies IRS did not follow law when handling Lois Lerner’s emails,” *The Washington Examiner*. Retrieved on June 25, 2014. Available at: http://washingtonexaminer.com/from-bad-to-worse-official-testifies-irs-did-not-follow-law-when-handling-lois-lerners-emails/article/2550131?custom_click=rss (June 24, 2014).

³⁶⁴ Editorial, “IRS Email Jeopardy,” *The Wall Street Journal*. Retrieved on June 25, 2014. Available at: <http://online.wsj.com/articles/irs-lost-email-jeopardy-1403653430> (June 24, 2014).

³⁶⁵ Ken McIntyre, “IRS Admits Wrongdoing, to Pay \$50,000 in Leaking of Marriage Group’s Tax Return,” *The Daily Signal*. Retrieved on June 25, 2014. Available at: <http://dailysignal.com/2014/06/24/irs-admits-wrongdoing-pay-50000-leaking-marriage-groups-tax-return/> (June 24, 2014).

³⁶⁶ Sarah Swinehart, “REVEALED: GOP Senator Targeted by Lerner,” United States House Committee on Ways and Means. Retrieved on June 30, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=385938> (June 25, 2014).

June 25, 2014: A *Fox News* poll shows that 76% of Americans believe the lost e-mails of former IRS Exempt Organizations Division Director Lois Lerner (see June 13, 2014 entry) were “deliberately destroyed,” with only 12% believing the e-mails were “destroyed accidentally.” The poll also reveals growing support for continuing Congressional investigations of the IRS targeting scandal, with 74% in favor, up from 67% in mid-April of 2014.³⁶⁷

July 1, 2014: The IRS announces changes to its policy for reviewing applications for tax-exempt status of 501(c)(3) charities. Under the new policy, approximately 80 percent of the organizations seeking 501(c)(3) tax-exempt status will no longer be screened by the IRS. Instead, they will be asked to fill out a single form (1023-EZ), certify that the organization does not exceed certain income and asset limits, and pay a \$400 processing fee. This represents a significant change from previous IRS policy; the IRS had rejected this change in 2012, but has now adopted it in light of the tea party harassment scandal affecting the Exempt Organizations Division. IRS Commissioner John Koskinen believes the change will result in “efficiencies [that] will translate into a faster and better review” for larger 501(c)(3) organizations, who will not be able to participate in the expedited application process.³⁶⁸

July 9, 2014: New e-mails released by the House Oversight and Government Reform Committee reveal that IRS employees frequently communicate via an internal instant messaging system, on which messages are not automatically archived. Then-IRS Exempt Organizations Division Director Lois Lerner had asked about the archiving capability of the messaging system in early April 2013, writing, “I was cautioning folks about email and how we have had several occasions where Congress has asked for emails and there has been an electronic search for responsive emails so we need to be cautious about what we say in emails. Someone asked if [instant messaging] conversations were also searchable don't know, but told them I would get back to them. Do you know?” Lerner received an answer that the system is not generally archived, but has the functionality for archiving, and that generally all conversations should be treated as if they are saved. Lerner replied, “Perfect.”³⁶⁹

July 9, 2014: In reference to the IRS targeting scandal, pro-regulation group Public Citizen’s Lisa Gilbert writes in *The Hill* that “the real scandal is lawmakers willing to reduce the IRS’s funding rather than spend time finding real solutions for the definition of political activity for nonprofits.” Gilbert suggests that the IRS harassment scandal and resultant problems at the Agency are due to a lack of financial resources, employee training and unclear regulations for handling applications for tax-exempt status.³⁷⁰

July 10, 2014: The Senate Judiciary Committee approves S.J. Res. 19 (see first June 18, 2013 and first April 30, 2014 entries), sending Senator Tom Udall’s constitutional amendment proposal,

³⁶⁷ Peter Wehner, “Obama’s Effort to Dismiss IRS Scandal Backfires,” *The Wall Street Journal*. Retrieved on June 30, 2014. Available at: <http://blogs.wsj.com/washwire/2014/06/25/obamas-effort-to-dismiss-irs-scandal-backfires/?KEYWORDS=%22irs%22> (June 25, 2014).

³⁶⁸ Massimo Calabresi, “IRS to Rubber-Stamp Tax-Exempt Status for Most Charities After Scandal,” *Time*. Retrieved on July 15, 2014. Available at: <http://time.com/2979612/irs-scandal-tax-exempt-tea-party-political-groups-john-koskinen/> (July 13, 2014).

³⁶⁹ John D. McKinnon, “Emails Point to IRS Officials Using Instant Messages,” *The Wall Street Journal*. Retrieved on July 11, 2014. Available at: <http://online.wsj.com/articles/emails-point-to-irs-officials-using-instant-messages-1404936144?KEYWORDS=%22irs%22> (July 10, 2014).

³⁷⁰ Lisa Gilbert, “IRS funding controversy overlooks real solutions,” *The Hill*. Retrieved on July 11, 2014. Available at: <http://thehill.com/blogs/pundits-blog/economy-budget/211626-irs-funding-controversy-overlooks-real-solutions> (July 9, 2014).

which would permit Congress explicit authority to regulate spending in elections, to the full Senate. The measure narrowly passes the Committee on a contentious 10-8 vote along party lines. The Senate is likely to consider the measure in September.³⁷¹

July 10, 2014: U.S. District Judge Emmet G. Sullivan orders the IRS to provide explanation, under oath, for the lost e-mails from former IRS Exempt Organizations Division Director Lois Lerner that the IRS claims are unrecoverable after Lerner's computer experienced a 2011 hard drive crash (see June 13, 2014 entry). The order comes in response to a FOIA lawsuit filed by Judicial Watch, seeking information related to the IRS targeting of conservative groups applying for tax-exempt status. Judge Sullivan also assigns a federal magistrate, John Facciola, to seek alternative means of obtaining the missing IRS records. The order gives the IRS until August 10, 2014 to comply.³⁷²

July 10, 2014: *The Washington Free Beacon* obtains a copy of the prepared remarks given by Democracy Alliance President Gara LaMarche at a private donor conference in April 2014. In those remarks, LaMarche explains that advancing campaign finance "reform" is crucial to the group's larger mission of furthering various Democratic and progressive causes. According to LaMarche, "dealing with the distorting effect of money on our politics is a prerequisite to every other advance we seek." The Democracy Alliance is an umbrella organization of donors who strategically coordinate their donations to groups that advocate for a progressive agenda. LaMarche's comments undercut proponents' claims that the goal of campaign finance restrictions supported by the Democracy Alliance and allied groups are for the purpose of reducing corruption.³⁷³

July 11, 2014: On the heels of U.S. District Judge Emmet G. Sullivan's order for the IRS to explain its missing e-mails (see second July 10, 2014 entry), U.S. District Judge Reggie B. Walton orders the IRS to provide further explanation on the missing e-mails of Lois Lerner and other IRS employees (see June 13, 2014 entry). The order comes as a result of a lawsuit brought against the IRS by election-integrity organization True the Vote. Walton also requests information about the Treasury Inspector General for Tax Administration's investigation of the missing e-mails.³⁷⁴

July 15, 2014: House Democrats formally introduce a companion (H.J. Res. 119) to a constitutional amendment (see first June 18, 2013 entry) that would amend the First Amendment by allowing Congress to regulate all campaign spending and fundraising, in an effort to overturn

³⁷¹ Fredreka Schouten, "Senate panel advances plan to get money out of politics," *USA Today*. Retrieved on July 11, 2014. Available at: <http://www.usatoday.com/story/news/politics/elections/2014/07/10/judiciary-constitutional-amendment-campaign-money/12476851/> (July 10, 2014).

³⁷² John D. McKinnon, "U.S. Judge Orders IRS to Explain Lost Emails," *The Wall Street Journal*. Retrieved on July 11, 2014. Available at: <http://online.wsj.com/articles/u-s-judge-orders-irs-to-explain-lost-emails-1405015820?KEYWORDS=%22irs%22> (July 10, 2014).

³⁷³ Lachlan Markay, "Democracy Alliance President: Campaign Finance Reform a Means to Push Liberal Policy Goals," *The Washington Free Beacon*. Retrieved on July 15, 2014. Available at: <http://freebeacon.com/politics/democracy-alliance-president-campaign-finance-reform-a-means-to-push-liberal-policy-goals/> (July 10, 2014).

³⁷⁴ Stephen Ohlemacher, "Second Federal Judge Wants Info on Lost IRS Emails," *The Associated Press*. Retrieved on July 12, 2014. Available at: <http://abcnews.go.com/Politics/wireStory/federal-judge-info-lost-irs-emails-24526482> (July 11, 2014).

the Supreme Court's decisions in *Citizens United* (see first January 21, 2010 entry) and *McCutcheon v. FEC* (see first April 2, 2014 entry).³⁷⁵

July 16, 2014: The *Wall Street Journal* reports that the Justice Department is investigating the loss of former IRS Exempt Organizations Division Director Lois Lerner's e-mails (see June 13, 2014 entry), as part of its criminal probe into the IRS's treatment of conservative groups applying for tax-exempt status. According to the prepared testimony of Deputy Attorney General James Cole, the Justice Department is "investigating the circumstances of the lost emails from [former IRS official Lois Lerner's] computer."³⁷⁶

July 16, 2014: House Ways and Means Committee Chairman Dave Camp and Oversight Subcommittee Chairman Charles Boustany Jr. request that pro-speech regulation group Democracy 21 provide all communications, including e-mails, between the organization and former IRS Exempt Organizations Division Director Lois Lerner. According to Camp and Boustany's joint statement, "[o]ur investigation has found close coordination between Democracy 21 and Lerner. Lerner knew no limits – when she received a complaint about a conservative group she took direct and immediate action. Since the IRS has destroyed over two years of Lerner emails, these documents are central to determining the full extent of the IRS's targeting of conservatives. We expect Democracy 21 will fully cooperate with the Committee so we can get all the facts."³⁷⁷

July 17, 2014: At a hearing of the House Oversight and Government Reform Committee, Deputy Attorney General James Cole testifies that the Justice Department learned of the 2011 hard drive crash of former IRS Exempt Organizations Division Director Lois Lerner, which resulted in the loss of two years' worth of e-mails (see June 13, 2014 entry), through "press reports," despite the Justice Department's ongoing investigation into the Agency's political targeting of conservative groups. Cole explains that Justice Department investigators were "looking at many different forms and sources and it didn't become apparent there were missing emails."³⁷⁸ Cole also testifies at the hearing that there is no need for the Department to assign a special prosecutor to the case, saying, "[i]t is very, very rare to use a special prosecutor." According to Cole, he and Attorney General Eric Holder determined that the investigation "didn't meet any sort of standard to warrant a special prosecutor."³⁷⁹

July 17, 2014: The IRS strikes a deal with the atheist organization Freedom From Religion Foundation (FRFF), who had filed suit against the IRS, alleging insufficient enforcement of rules against churches advocating for candidates in violation of their tax-exempt status. The details of the agreement remain unknown, but the IRS and FRFF agree to a joint request to dismiss the

³⁷⁵ Lauren French, "House Democrats to unveil campaign finance amendment," *Politico*. Retrieved on July 15, 2014. Available at: <http://www.politico.com/story/2014/07/campaign-finance-amendment-house-democrats-108877.html#ixzz37TS2qx4n> (July 14, 2014).

³⁷⁶ John D. McKinnon, "Justice Department Investigates Lost IRS Emails," *The Wall Street Journal*. Retrieved on July 17, 2014. Available at: <http://online.wsj.com/articles/lost-irs-emails-to-be-investigated-by-justice-dept-1405544018> (July 16, 2014).

³⁷⁷ Sarah Swinehart, "Emails Between Lerner and Democracy 21 Sought," United States House Committee on Ways and Means. Retrieved on July 17, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=388050> (July 16, 2014).

³⁷⁸ Rachael Bade, "GOP skeptical of Justice IRS probe," *Politico*. Retrieved on July 18, 2014. Available at: <http://www.politico.com/story/2014/07/irs-emails-doj-probe-gop-skeptical-109051.html#ixzz3719DzpYv> (July 17, 2014), p. 1.

³⁷⁹ Bernie Becker, "Justice: No need for IRS special prosecutor," *The Hill*. Retrieved on July 18, 2014. Available at: <http://thehill.com/policy/finance/212559-justice-no-need-for-irs-special-prosecutor#ixzz37190WtAb> (July 17, 2014).

lawsuit. FRFF Co-President Annie Laurie Gaylor calls the agreement “a victory” in a press release. The release elaborates “[t]he IRS has now resolved the signature authority issue necessary to initiate church examinations. The IRS also has adopted procedures for reviewing, evaluating and determining whether to initiate church investigations.” The joint agreement opens the door for the IRS to monitor speech at churches to determine if it is political in nature.³⁸⁰

July 22, 2014: House Ways and Means Committee investigators announce that the supposedly damaged hard drive of former IRS Exempt Organizations Division Director Lois Lerner (see June 13, 2014 entry) may have been merely scratched, but contained recoverable data. The IRS had previously said that the hard drive crash, which led to the loss of two years’ worth of e-mails, was damaged beyond repair. “It is unbelievable that we cannot get a simple, straight answer from the IRS about this hard drive,” says Ways and Means Committee Chairman Dave Camp. “The Committee was told no data was recoverable and the physical drive was recycled and potentially shredded. To now learn that the hard drive was only scratched, yet the IRS refused to utilize outside experts to recover the data, raises more questions about potential criminal wrong doing at the IRS.”³⁸¹

July 23, 2014: Testifying before the House Oversight and Government Reform Committee, IRS Commissioner John Koskinen reveals that the Agency has effectively halted its internal investigation into the missing e-mails of former Exempt Organizations Division Director Lois Lerner. The hearing was called in response to assertions that Lerner’s damaged hard drive may still contain recoverable data (see July 22, 2014 entry). Koskinen assures the Committee that the IRS will continue to comply with the Treasury Inspector General for Tax Administration’s investigation into the hard drives, saying, “I agreed with [the inspector general’s office] that they would do the investigation, we wouldn’t do anything to interfere with that – I wouldn’t, and none of our people would, talk to anybody about it.”³⁸²

July 23, 2014: The Senate Rules and Administration Committee holds a hearing on S. 2516, also known as “The DISCLOSE Act of 2014,” the most recent iteration of legislation that has been introduced, but repeatedly failed to advance, in past Congresses (see July 27, 2010, September 23, 2010, February 9, 2012, March 21, 2012, second June 16, 2012, and first June 24, 2014 entries). At the hearing, the bill’s author, Senator Sheldon Whitehouse, argues that, “[p]assing the DISCLOSE Act would at least make transparent the anonymous money pouring into elections, and would signal to the American people that Congress is committed to fairness and openness.”³⁸³ Senate Rules and Administration Committee Ranking Minority Member Pat Roberts counters that, “[t]he majority has attempted to use disclosure as a means to erect a new regulatory scheme to

³⁸⁰ “FFRF, IRS settle suit over church politicking,” Freedom From Religion Foundation. Retrieved on August 11, 2014. Available at: <http://ffrf.org/news/news-releases/item/20968-ffrf-irs-settle-suit-over-church-politicking> (July 17, 2014).

³⁸¹ Sarah Swinehart, “Lerner Hard Drive Was ‘Scratched,’” United States House Committee on Ways and Means. Retrieved on July 23, 2014. Available at: <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=388731> (July 22, 2014).

³⁸² Josh Hicks, “IRS chief says agency no longer probing missing e-mails,” *The Washington Post*. Retrieved on March 6, 2015. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2014/07/23/irs-chief-says-agency-no-longer-probing-missing-e-mails/> (July 23, 2014).

³⁸³ U.S. Senator Angus King, “King Leads Senate Committee in Pushing for Greater Campaign Finance Transparency,” Office of Senator Angus King. Retrieved on July 23, 2014. Available at: <http://www.king.senate.gov/newsroom/press-releases/king-leads-senate-committee-in-pushing-for-greater-campaign-finance-transparency> (July 23, 2014).

silence their opponents.”³⁸⁴ Senator Roberts also cites the IRS scandal as a reason to resist further government regulation of speech, saying, “[i]f the IRS targeting scandal has taught us anything, it should be that giving federal bureaucrats control over the political activity of American citizens is a recipe for disaster.”³⁸⁵ Senate Minority Leader Mitch McConnell echoes these sentiments, adding that “these continual efforts to weaken voter participation in our elections poses a real threat to the right of free speech in this country.”³⁸⁶

July 29, 2014: The House Oversight and Government Reform Committee releases a staff report offering 15 policy solutions to prevent future harassment scandals at the IRS, titled, “Making Sure Targeting Never Happens: Getting Politics Out of the IRS and Other Solutions.” Among the numerous suggestions, the report recommends a straightforward approach for preventing future targeting by removing political determinations from the IRS entirely. “The solution is obvious and ought to be noncontroversial: Congress must disentangle politics from the IRS. To regain the trust of American taxpayers, the IRS must return to its traditional role as a dispassionate administrator of the federal tax code. The IRS must not be an agency that determines what is and what is not political speech and, correspondingly, whether a social-welfare group receives a tax-exemption for making political speech. Political speech can help advance the social welfare and social-welfare groups should be allowed to advance the debate about issues important to the nation.”³⁸⁷

August 1, 2014: Senate Majority Leader Harry Reid schedules a procedural vote on S.J. Res. 19 (see first June 18, 2013, first April 30, 2014, and first July 10, 2014 entries) for September 8, when the Senate returns from its summer recess. The constitutional amendment from Senator Tom Udall grants Congress and the states the power to regulate and limit fundraising, spending, and in-kind equivalents to advocate for the election or defeat of candidates, and would effectively amend the First Amendment. Senate Minority Leader Mitch McConnell calls the vote a political stunt, saying, “[t]his latest Democrat effort to abridge political speech is little more than a craven attempt to substitute the incumbent-protection desires of Washington Democrats for a fundamental right that the Constitution guarantees to all Americans.”³⁸⁸

August 7, 2014: In response to a rulemaking petition from the Campaign Legal center, Common Cause, and the Sunlight Foundation, the Federal Communications Commission opens a public commenting process about plans to expand political ad disclosure requirements to cable and satellite television providers (see February – March 2013 entry). The plan requires providers to publicly disclose airtime bought by political candidates in “political files” hosted on an online database operated by the FCC. The FCC’s fast response to the petition is regarded as highly

³⁸⁴ U.S. Senator Pat Roberts, “Senator Roberts: DISCLOSE Act Suppresses Free Speech,” Office of Senator Pat Roberts. Retrieved on July 23, 2014. Available at: http://www.roberts.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=992239dc-9e69-4ca5-bd6f-246d7de4db1c (July 23, 2014).

³⁸⁵ *Ibid.*

³⁸⁶ U.S. Senator Mitch McConnell, “McConnell Speaks in Defense of the First Amendment,” Office of Senator Mitch McConnell. Retrieved on July 23, 2014. Available at: http://www.mcconnell.senate.gov/public/index.cfm?p=PressReleases&ContentRecord_id=6c6c976b-7fcb-4dad-ab38-592af157639b (July 23, 2014).

³⁸⁷ “Making Sure Targeting Never Happens: Getting Politics Out of the IRS and Other Solutions,” United States House Committee on Oversight and Government Reform. Retrieved on August 11, 2014. Available at: <http://oversight.house.gov/wp-content/uploads/2014/07/29-Getting-Politics-Out-of-the-IRS-and-Other-Solutions.pdf> (July 29, 2014), p. 3.

³⁸⁸ Ramsey Cox, “Reid schedules vote in September on amending the Constitution,” *The Hill*. Retrieved on August 11, 2014. Available at: <http://thehill.com/blogs/floor-action/senate/214089-reid-sets-up-vote-to-reverse-citizens-united-decision> (August 1, 2014).

unusual. “This is about as fast as the FCC moves. This is lickety-split,” says Georgetown University Law Center’s Andy Schwartzman, who represents the petitioners.³⁸⁹

August 7, 2014: The State Republican Parties of New York and Tennessee file a lawsuit challenging a Securities and Exchange Commission rule preventing investment firms from managing a state’s assets for two years, if the company or its executives make campaign contributions to state officials, such as governors, with power over state contracts with investment advisors. According to the plaintiffs, the rule, established in 2011, forces firms to choose between “exercising a First Amendment right and retaining the ability to engage in professional activities,” and advantages certain candidates over others in fundraising capability.³⁹⁰

August 11, 2014: The Manhattan Institute’s Center for Legal Policy’s Proxy Monitor finds that 70 percent of all individually-sponsored shareholder proposals introduced in 2014 came from just three people and their family members. Many of these proposals attempt to require business entities to receive approval from a majority of a corporation’s shareholders before the firm may contribute to candidates or trade associations, and have failed to achieve majority support among shareholders (see September 25, 2013 and June 19, 2014 entries). With respect to this finding, the report suggests that SEC rules on shareholder resolutions could be better balanced to protect the majority of investors, noting, “[i]n protecting the average investor, the SEC should weigh the value afforded to investors who wish to “agitate” by submitting shareholder proposals against the prospect that such agitation imposes costs on other shareholders who are essentially unable to fight back.³⁹¹

August 14, 2014: U.S. District Judge Emmet G. Sullivan presses the IRS for additional information on the circumstances surrounding former IRS Exempt Organizations Division Director Lois Lerner’s missing e-mails (see June 13, 2014 entry), unsatisfied by the information contained in the IRS’s original sworn declaration accompanying his July 10, 2014 order (see second July 10, 2014 entry). According to reports, Sullivan “is seeking answers on four different fronts, including what efforts the IRS made to recover Lerner’s lost emails from alternate sources like an iPhone or Blackberry.”³⁹²

August 14, 2014: Campaign Legal Center Executive Director J. Gerald Hebert and Democracy 21 President Fred Wertheimer write to IRS Commissioner John Koskinen urging the Agency to move forward with the stalled rulemaking regulating the permissible activities of 501(c)(4) organizations (see April 14, 2014 entry). According to the authors, this rulemaking “presents the

³⁸⁹ Nancy Scola, “The FCC moves to expand political disclosure rules to cable,” *The Washington Post*. Retrieved on August 11, 2014. Available at: <http://www.washingtonpost.com/blogs/the-switch/wp/2014/08/07/the-fcc-moves-to-expand-political-disclosure-rules-to-cable/> (August 7, 2014).

³⁹⁰ Andrew Zajac, “Republicans Sue to End SEC Limit on State Donations,” *Bloomberg*. Retrieved on August 11, 2014. Available at: <http://www.bloomberg.com/news/2014-08-07/republicans-sue-to-end-sec-limit-on-state-donations.html> (August 7, 2014).

³⁹¹ James R. Copeland, “Frequent Filers: Shareholder Activism by Corporate Gadflies,” Manhattan Institute’s Center for Legal Policy’s Proxy Monitor. Retrieved on August 11, 2014. Available at: <http://www.proxymonitor.org/Forms/2014Finding5.aspx> (August 2014).

³⁹² Bernie Becker, “Judge issues new order in IRS lawsuit,” *The Hill*. Retrieved on August 19, 2014. Available at: <http://thehill.com/business-a-lobbying/215209-judge-issues-new-order-in-irs-lawsuit> (August 14, 2014).

IRS with the opportunity to fix its current regulations...that are being used by organizations to channel hundreds of millions of dollars in secret contributions into federal elections.”³⁹³

August 22, 2014: In a sworn affidavit submitted to U.S. District Court Judge Emmet G. Sullivan, the IRS reveals that no technical analysts attempted to search former Exempt Organizations Division Director Lois Lerner’s Blackberry device in an attempt to retrieve Lerner’s missing e-mails (see June 13, 2014 entry). Lerner’s government-issued Blackberry, which would likely have had some of her e-mails stored in the device’s memory, was destroyed by the IRS in June 2012 – after the congressional investigation into the IRS scandal was already underway.³⁹⁴ The IRS’s affidavit is part of a lawsuit brought by Judicial Watch (see second July 10, 2014 entry), a watchdog organization that has sued the Agency in court in an effort to gain additional information about the IRS scandal. After statements to the contrary from the IRS, Judicial Watch also learns that Lerner’s missing e-mails are backed up by a separate federal government e-mail back-up system, intended to avert a catastrophe occurring in Washington, D.C. According to Judicial Watch President Tom Fitton, “[e]verything we’ve been hearing about scratched hard drives, missing e-mails of Lois Lerner, other IRS officials, other officials in the Obama administration—it’s all been a pack of malarkey. There’s no such thing as Lois Lerner’s missing e-mails.”³⁹⁵

September 4, 2014: Judicial Watch obtains additional e-mails from the IRS via a Freedom of Information Act request (see first April 16, 2014, April 24, 2014, and first May 14, 2014 entries) that reveal the existence of a “secret research project” relating to donor lists the Agency illegally demanded from many conservative groups when reviewing their applications for tax-exempt status. It is unclear from the newly public e-mails what exactly this “secret research project” entailed. According to Tom Fitton, President of Judicial Watch, it is “up to the IRS” to clarify the nature of this project.³⁹⁶

September 5, 2014: The Senate Permanent Subcommittee on Investigations releases split reports regarding the Subcommittee’s investigation into the IRS’s targeting of conservative groups applying for tax-exempt status. The report from the majority, headed by Subcommittee Chairman Carl Levin, finds that “the IRS used inappropriate selection criteria, burdensome questions, and lengthy delays in processing applications for...tax-exempt status from both conservative and liberal groups,” and that the Treasury Inspector General for Tax Administration’s report (see May 14, 2013 entry) failed to indicate a lack of political bias on the part of the IRS. The report by the Subcommittee’s minority, led by Senator John McCain, counters these findings: “The inclusion

³⁹³ J. Gerald Hebert and Fred Wertheimer, “IRS rulemaking on political activities by non-profit organizations,” Campaign Legal Center. Retrieved on August 19, 2014. Available at: http://www.campaignlegalcenter.org/images/Letter_from_Democracy_21_Campaign_Legal_Center_to_IRS_regarding_501c4_regulations_8-14-14.pdf (August 14, 2014), p. 5.

³⁹⁴ Ian Tuttle, “IRS Destroyed Lois Lerner Blackberry After Congressional Inquiry Began, Never Searched It,” *National Review Online*. Retrieved on August 27, 2014. Available at: <http://www.nationalreview.com/corner/386337/irs-destroyed-lois-lerner-blackberry-after-congressional-inquiry-began-never-searched> (August 26, 2014).

³⁹⁵ *Washington Free Beacon* Staff, “Judicial Watch: Missing IRS Emails are Backed Up,” *The Washington Free Beacon*. Retrieved on August 27, 2014. Available at: <http://freebeacon.com/politics/judicial-watch-missing-irs-emails-are-backed-up/> (August 25, 2014).

³⁹⁶ John D. McKinnon, “Emails Raise New Questions About IRS Targeting,” *The Wall Street Journal*. Retrieved on September 8, 2014. Available at: <http://blogs.wsj.com/washwire/2014/09/04/emails-raise-new-questions-about-irs-targeting/?KEYWORDS=%22irs%22> (September 4, 2014).

of a scant few liberal groups by the IRS does not bear comparison to the targeting of conservative groups.”³⁹⁷

September 5, 2014: The IRS announces the loss of more e-mails due to computer crashes from five additional employees (see June 13, 2014 entry) involved in congressional investigations into the inappropriate targeting of conservative groups by the Agency. This news brings the total number of employee hard drives from which pertinent e-mails may be unrecoverable to more than 20.³⁹⁸

September 10, 2014: Conservative media organization Breitbart News Network announces its 2012 financial information is being audited by the IRS. According to Breitbart News Network Executive Chairman Stephen K. Bannon, “[t]he Obama administration’s timing on this is exquisite, but try as they might through various methods to silence us, we will only get more emboldened.” Fearing that the IRS audit of Breitbart News Network is a partisan attack in the mold of the IRS harassment scandal, due to the network’s extensive coverage of the scandal and resultant criticism of the Agency, Senator Ted Cruz writes to IRS Commissioner John Koskinen to inquire about the Agency’s motivations: “[f]or the IRS to behave like a partisan political organization, targeting media organizations whose views differ from the President’s, would represent a gross abuse of power.... I very much hope that is not the case.”³⁹⁹

September 11, 2014: The constitutional amendment proposal sponsored by Senator Tom Udall (see first June 18, 2013, first April 30, 2014, second May 14, 2014, May 15, 2014, June 3, 2014, second June 18, 2014, and first July 10, 2014 entries), which would overturn First Amendment protections for political speech, is voted down on the Senate floor after days of contentious debate by a vote of 54-42, falling far short of the two-thirds support necessary for passage.⁴⁰⁰

September 11, 2014: In remarks at a conference, FEC Chairman Lee Goodman and Vice Chairman Ann Ravel jointly announce that the Agency will be undertaking a rulemaking in order to bring its regulations in compliance with the Supreme Court’s decisions in *Citizens United* (see first January 21, 2010 entry) and *McCutcheon* (see first April 2, 2014 entry). According to Ravel, “[w]e’ve crafted an agreement that will allow the commission and the public to finally move forward, four years after *Citizens United*.” The expected rulemaking proposal is not expected to contain additional donor disclosure requirements for social welfare organizations.⁴⁰¹

September 22, 2014: In an exclusive interview with *Politico*, former IRS Exempt Organizations Division Director Lois Lerner defends her involvement in the IRS targeting scandal and explains

³⁹⁷ John D. McKinnon, “Republicans, Democrats on Senate Panel Issue Duelling Reports on IRS Controversy,” *The Wall Street Journal*. Retrieved on September 8, 2014. Available at: <http://blogs.wsj.com/washwire/2014/09/05/republicans-democrats-on-senate-panel-issue-duelling-reports-on-irs-controversy/?KEYWORDS=%22irs%22> (September 5, 2014).

³⁹⁸ Patrick Howley, “IRS: Five More Employees Lost Emails In Computer Crashes,” *The Daily Caller*. Retrieved on September 8, 2014. Available at: <http://dailycaller.com/2014/09/05/irs-five-more-employees-lost-emails-in-computer-crashes/?advD=1248,37911> (September 5, 2014).

³⁹⁹ Jonathan Topaz, “Breitbart claims IRS harassment,” *Politico*. Retrieved on September 12, 2014. Available at: <http://www.politico.com/story/2014/09/breitbart-news-audited-irs-110797.html?hp=114> (September 10, 2014).

⁴⁰⁰ Matea Gold, “Longshot campaign finance bill falls short,” *The Washington Post*. Retrieved on September 12, 2014. Available at: <http://www.washingtonpost.com/blogs/post-politics/wp/2014/09/11/longshot-campaign-finance-bill-falls-short/> (September 11, 2014).

⁴⁰¹ Benjamin Goad, “FEC strikes deal to revise campaign finance regs,” *The Hill*. Retrieved on September 12, 2014. Available at: <http://thehill.com/regulation/217444-fec-strikes-deal-to-revise-campaign-finance-regulations> (September 11, 2014).

her decision to invoke the Fifth Amendment when questioned by the House Oversight and Government Reform Committee (see May 22, 2013 entry). In her first press interview since the scandal broke, Lerner defiantly claims “I didn’t do anything wrong” and offers that “[r]egardless of whatever else happens, I know I did the best I could under the circumstances and am not sorry for anything I did.”⁴⁰² In response, House Oversight and Government Reform Committee Chairman Darrell Issa reaffirms his belief that Lerner should testify before Congress if she truly did nothing wrong: “If Lerner had nothing to hide and did nothing wrong in the IRS targeting scandal, she would have chosen to answer basic questions about her conduct instead of obstructing Congress’ investigation. Her decision to make unsubstantiated claims to a media outlet while claiming Fifth Amendment protections from answering Congress’ questions is telling.”⁴⁰³

October 2, 2014: In its review of the 2014 proxy season, the Manhattan Institute’s Center for Legal Policy’s Proxy Monitor finds that shareholder proposals limiting the speech rights of business entities continue to be overwhelmingly rejected (see September 25, 2013, June 19, 2014, and August 11, 2014 entries). According to the report, “[t]wenty-two percent of all 2014 shareholder proposals involved [restrictions on corporate political spending or lobbying], but 80 percent of shareholders, on average, voted against them, in line with earlier years. Among 329 such proposals introduced at Fortune 250 companies from 2006 through 2014, not a single one has received the support of a majority of voting shareholders over board opposition.”⁴⁰⁴

October 9, 2014: Over 4 ½ years after the Supreme Court’s decision in *Citizens United* (see first January 21, 2010 entry), the FEC approves a rulemaking by a 4-2 vote codifying the Court’s decision into law and updating the Commission’s regulations accordingly (see second September 11, 2014 entry). FEC Vice Chair Ann Ravel, a Democratic appointee, breaks rank with the other two Democratic appointees in voting for the rulemaking. In addition, by a unanimous 6-0 vote, the Commission passes a rulemaking implementing the High Court’s decision in *McCutcheon v. FEC* (see first April 2, 2014 entry) and erasing now unconstitutional FEC regulations. In an interview with *Politico*, Chairman Lee Goodman expresses the importance of the Commission’s actions: “This has been an impasse nearly five years in the making. It’s profoundly significant that the commission was able to discharge our fundamental constitutional responsibility today to make our regulations constitutional. That might sound like a perfunctory action — but it was actually quite profound in the history of this commission because of how long this impasse has festered.”⁴⁰⁵

October 17, 2014: The FEC announces an Advance Notice of Proposed Rulemaking (ANPRM) to update the Commission’s regulations in accordance with the Supreme Court’s decision in *McCutcheon v. FEC* (see first April 2, 2014 entry). All public comments on the ANPRM are due

⁴⁰² Rachael Bade, “Exclusive: Lois Lerner breaks silence,” *Politico*. Retrieved on September 29, 2014. Available at: <http://www.politico.com/story/2014/09/lois-lerner-breaks-silence-irs-scandal-111181.html> (September 22, 2014), p. 1.

⁴⁰³ “Issa renews call for Lerner to testify after media interview,” *Fox News*. Retrieved on September 29, 2014. Available at: <http://www.foxnews.com/politics/2014/09/22/lerner-remains-unapologetic-about-role-in-irs-scandal-in-exclusive-interview/> (September 22, 2014).

⁴⁰⁴ James R. Copland and Margaret M. O’Keefe, “Proxy Monitor: A Report on Corporate Governance and Shareholder Activism,” Manhattan Institute’s Center for Legal Policy’s Proxy Monitor. Retrieved on October 3, 2014. Available at: http://www.proxymonitor.org/pdf/pmr_09.pdf (October 2, 2014), p. 2.

⁴⁰⁵ Byron Tau and Kyle Cheney, “FEC votes suggest gridlock is easing,” *Politico*. Retrieved on October 16, 2014. Available at: <http://www.politico.com/story/2014/10/federal-election-commission-votes-111732.html?hp=r2> (October 9, 2014), p. 1.

to the Commission by January 15, 2015 in advance of a public hearing on the proposed rulemaking on February 11, 2015.⁴⁰⁶

October 23, 2014: A federal judge dismisses two lawsuits brought by more than forty conservative groups alleging violations of their First and Fifth Amendment rights as part of the IRS targeting scandal. U.S. District Court Judge Reggie Walton determines that because the IRS had since approved those groups' applications for tax-exempt status, the cases were essentially moot. *Politico* reports, "[t]he ruling, which the groups could appeal, has serious implications for tea party groups suing the IRS, suggesting they may never receive compensation for the long waits they endured for a ruling on their status."⁴⁰⁷

October 24, 2014: Democratic FEC Vice Chair Ann Ravel voices her intent to hold meetings in 2015 on the subject of regulating political speech on the Internet. The announcement follows a deadlocked FEC vote on whether an Ohio campaign featuring two videos critical of President Obama and uploaded for free on YouTube violated FEC rules, even though the videos were not paid advertising. Ravel writes in her statement: "A reexamination of the commission's approach to the internet and other emerging technologies is long over due."⁴⁰⁸ In response, Republican FEC Chairman Lee Goodman and the two other Republican Commissioners release a statement criticizing Ravel and arguing that the FEC has taken the appropriate approach to political speech on the Internet: "The Commission has been praised for its careful approach to regulating online political activity. Over the last decade, the Internet has had a profound democratizing effect on the political process and has led to increased participation in that process."⁴⁰⁹

October 30, 2014: FCC Chairman Tom Wheeler announces a Notice of Proposed Rulemaking that would require cable, satellite, and radio companies to make disclosure information about political advertisements available online. This information is already publicly available, but can only be accessed in person, at particular stations. For its part, broadcast television stations have been required to post such information on the FCC website since 2012 (see April 27, 2012 entry).⁴¹⁰

November 5, 2014: Representative Chris Van Hollen releases a public statement criticizing the *Citizens United* decision (see first January 21, 2010 entry) and urging greater regulation of political speech a day after the 2014 midterm elections, in which Republicans retained control of the House of Representatives and gained control of the Senate. According to Van Hollen: "The surge of

⁴⁰⁶ Myles Martin, "Commission Issues Interim Final Rule and ANPRM to Address Supreme Court Ruling in *McCutcheon*," Federal Election Commission. Retrieved on November 4, 2014. Available at: <http://www.fec.gov/pages/fecrecord/2014/november/mccutcheonrulemakings.shtml> (October 17, 2014).

⁴⁰⁷ Rachael Bade, "IRS notches legal victory in tea party cases," *Politico*. Retrieved on November 4, 2014. Available at: <http://www.politico.com/story/2014/10/irs-tea-party-legal-victory-112145.html#ixzz3H3sTRIWh> (October 23, 2014), p. 1.

⁴⁰⁸ Paul Bedard, "Dems on FEC move to regulate Internet campaigns, blogs, Drudge," *The Washington Examiner*. Retrieved on November 4, 2014. Available at: <http://www.washingtonexaminer.com/dems-on-fec-move-to-regulate-internet-campaigns-blogs-drudge/article/2555270> (October 24, 2014).

⁴⁰⁹ FEC Commissioners Lee E. Goodman, Caroline C. Hunter and Matthew S. Petersen, "Statement of Chairman Lee E. Goodman and Commissioners Caroline C. Hunter and Matthew S. Petersen Encouraging Public Comment on the Commission's Treatment of Online Political Activity," Federal Election Commission. Retrieved on November 4, 2014. Available at: http://www.fec.gov/members/statements/Goodman_Hunter_Petersen-Statement_Encouraging_Public_Comment.pdf (October 29, 2014), p. 2.

⁴¹⁰ Mario Trujillo, "FCC may change rules on ad-buy data," *The Hill*. Retrieved on November 4, 2014. Available at: <http://thehill.com/policy/technology/222392-fcc-circulating-political-ad-rule-for-cable-satellite-radio> (October 30, 2014).

outside secret money spent in this midterm election is simply repugnant. This epidemic began with the Supreme Court’s ruling in *Citizens United* and has only gotten worse. Congress must restore the integrity of our democratic process – the American people deserve a political system that is fair, transparent, and accountable. The DISCLOSE Act would help do that by ensuring that people know who is bankrolling the ads designed to influence their votes.”⁴¹¹ Van Hollen has previously sponsored several iterations of the DISCLOSE Act (see April 29, 2010, February 29, 2012, and January 3, 2013 entries), none of which have ever passed both the House and Senate.

November 21, 2014: On the Friday before the Thanksgiving holiday, the Treasury Inspector General for Tax Administration informs Congress that investigators have recovered nearly 30,000 e-mails from former Exempt Organizations Division Director Lois Lerner’s hard drive, previously characterized by IRS officials as unrecoverable (see June 13, 2014 entry). Congressional aides expect a several week delay before the content of the e-mails can be examined.⁴¹²

December 11, 2014: For the second consecutive year (see November 30, 2013 entry), the Securities and Exchange Commission releases its 2015 agenda without a proposed rulemaking requiring public companies to disclose their political spending.⁴¹³

December 18, 2014: In response to a rulemaking petition from the Campaign Legal Center, Common Cause, and the Sunlight Foundation (see first August 7, 2014 entry), the Federal Communications Commission announces a proposed rulemaking to expand the number of radio and television stations required to disclose detailed information in a public database about the political advertising they broadcast. The existing database contains information about “the spending, target audiences and principals of committees trying to influence public opinion,” according to the Sunlight Foundation. The rulemaking could expand the existing database by tens of thousands of cable television, satellite television, broadcast radio, and satellite radio stations.⁴¹⁴

December 22, 2014: Newly released e-mails from the Internal Revenue Service confirm that the Agency considered imposing gift taxes on donations to 501(c)(4) social welfare organizations (see May 12, 2011, June 3, 2011, and July 7, 2011 entries). Though it was reported in 2013 that large donors to the conservative 501(c)(4) group Freedom’s Watch had faced audits that attempted to impose gift taxes (see May 31, 2013 entry), then-IRS commissioner Douglas Shulman assured the public that the audits were “not part of any broader effort to look at donations” to (c)(4) organizations. However, internal IRS e-mails show that the Agency continued to consider imposing gift taxes on donations to 501(c)(4) groups. *The Wall Street Journal* reports that, “an attorney in the IRS chief counsel’s office wrote to his superiors that the ‘plan is to elevate the issue of asserting gift tax on donors to 501(c)(4) organizations,’ and seek a decision from the

⁴¹¹ U.S. Representative Chris Van Hollen, “Van Hollen Statement on Outside Secret Money Spent This Election Cycle,” Office of Representative Chris Van Hollen. Retrieved on November 6, 2014. Available at: <http://vanhollen.house.gov/media-center/press-releases/van-hollen-statement-on-outside-secret-money-spent-this-election-cycle> (November 5, 2014).

⁴¹² John D. McKinnon, “IRS Finds Missing Emails of Former Top Official Lerner in Targeting Probe,” *The Wall Street Journal*. Retrieved on November 24, 2014. Available at: <http://online.wsj.com/articles/irs-finds-missing-emails-of-former-top-official-in-targeting-probe-1416613857?KEYWORDS=%22irs%22> (November 21, 2014).

⁴¹³ Megan R. Wilson, “Top 10 lobbying victories of the year,” *The Hill*. Retrieved on January 4, 2015. Available at: <http://thehill.com/business-a-lobbying/226727-top-lobbying-victories-of-14> (December 11, 2014).

⁴¹⁴ Kathy Kiely, “Federal Communications Commission: Put cable political ad buys online,” *Sunlight Foundation*. Retrieved on January 4, 2015. Available at: <http://sunlightfoundation.com/blog/2014/12/18/federal-communications-commission-considers-putting-cable-political-ad-buys-online/> (December 18, 2014).

commissioner and the IRS chief counsel. In a mid-2011 memo disclosed by GOP lawmakers, a lawyer in the chief counsel’s office concluded that because there is no specific exemption, ‘a contribution to [a 501(c)(4)] organization is subject to gift tax.’”⁴¹⁵

December 23, 2014: The House Oversight and Government Reform Committee releases a staff report, “The Internal Revenue Service’s Targeting of Conservative Tax-Exempt Applicants: Report of Findings for the 113th Congress.” The extensive report, which totals over 200 pages, describes in detail the political context and Agency mismanagement that contributed to the targeting and mistreatment of conservative organizations applying for 501(c)(4) status. The report’s findings include further evidence that conservative groups were treated differently from other organizations, and that the IRS sought outside advice on finding ways to deny tax-exempt status to conservative organizations, which were described as “icky.” The report concludes, in part, “[c]onservative organizations were not just singled out because of their political beliefs—they were targeted by IRS officials and employees who expressed a general loathing toward them even while begrudgingly admitting that those organizations were in compliance with the only thing the IRS should care about: the federal tax code.”⁴¹⁶

January 5, 2015: IRS Spokeswoman Julianne Breitbeil announces that a revised IRS rulemaking regulating the permissible activities of 501(c)(4) social welfare organizations (see November 26, 2013 entry) would not be revised and re-issued for public comment in early 2015, as originally reported (see first June 18, 2014 entry). Absent action from the newly Republican-controlled Congress to block such a rulemaking from the Agency, experts predict that the rulemaking wouldn’t take effect until after the 2016 elections.⁴¹⁷

January 20, 2015: President Barack Obama criticizes “cynicism” in politics during the annual State of the Union Address, including a reference to so-called “dark money.” In his address, President Obama quips, “a better politics is one where we spend less time drowning in dark money for ads that pull us into the gutter...”⁴¹⁸

January 21, 2015: On the fifth anniversary of the decision in *Citizens United v. Federal Election Commission* (see first January 21, 2010 entry), which struck down a federal law on First Amendment grounds banning corporations and labor unions from spending money independently of campaigns to urge voters to support or oppose the candidates of their choice, President Obama issues a statement denouncing the ruling and mischaracterizing its effect: “Our democracy works best when everyone’s voice is heard, and no one’s voice is drowned out. But five years ago, a Supreme Court ruling allowed big companies – including foreign corporations – to spend unlimited

⁴¹⁵ John D. McKinnon, “IRS Considered Tax on Donations to Political Groups,” *The Wall Street Journal*. Retrieved on January 4, 2015. Available at: <http://www.wsj.com/articles/irs-considered-tax-on-donations-to-political-groups-1419297700> (December 22, 2014).

⁴¹⁶ “The Internal Revenue Service’s Targeting of Conservative Tax-Exempt Applicants: Report of Findings for the 113th Congress,” United States House Committee on Oversight and Government Reform. Retrieved on January 4, 2015. Available at: <http://oversight.house.gov/wp-content/uploads/2014/12/December-2014-IRS-Report.pdf> (December 23, 2014), p. 224-225.

⁴¹⁷ Theodor Meyer, “New IRS Rules on Dark Money Likely Won’t Be Ready Before 2016 Election,” *ProPublica*. Retrieved on January 6, 2015. Available at: <http://www.propublica.org/article/new-irs-rules-on-dark-money-likely-wont-be-ready-before-2016-election> (January 5, 2015).

⁴¹⁸ President Barack Obama, “Remarks of President Barack Obama – As Prepared for Delivery State of the Union Address,” The White House Office of the Press Secretary. Retrieved on March 6, 2015. Available at: <http://www.whitehouse.gov/the-press-office/2015/01/20/remarks-president-barack-obama-prepared-delivery-state-union-address> (January 20, 2015).

amounts of money to influence our elections. The Citizens United decision was wrong, and it has caused real harm to our democracy....”⁴¹⁹ A prominent opponent of the decision, Richard Hasen, opines that the President’s comments about the decision allowing foreign corporations to spend without limit in our elections is demonstrably false: “In fact, five years ago, in *Citizens United* the Court expressly refused to rule on whether a ban on foreign money in elections (individual, corporate, or otherwise) could be banned in elections. It left the foreign spending ban in place. So *Citizens United* did not allow ‘foreign corporations’ to ‘spend unlimited amounts of money to influence our elections.’”⁴²⁰

January 21, 2015: On the fifth anniversary of the *Citizens United* decision (see first January 21, 2010 entry), several Democratic members of Congress, backed by a coalition of pro-speech regulation activists, introduce a variety of legislation aimed at overturning the decision and further regulating political speech. Much of the legislation announced by the Democratic members of Congress, including the DISCLOSE Act (see July 27, 2010, September 23, 2010, February 9, 2012, March 21, 2012, second June 16, 2012, and first June 24, 2014 entries) and the Udall amendment to amend the First Amendment (see November 1, 2011, first June 18, 2013, and first September 11, 2014 entries), has been introduced in past Congresses, but ultimately failed to secure passage or serious consideration.⁴²¹

January 28, 2015: Congressman Paul Ryan (R-WI) and Senator Jeff Flake announce plans to introduce legislation (H.R. 599 and S. 283, respectively) to prevent the IRS from issuing new restrictions governing the speech of nonprofit organizations until at least December 31, 2017. In 2014, an iteration of H.R. 599 passed the House, but was never acted upon in the Senate (see fourth February 26, 2014 entry). At the time, President Obama threatened to veto the bill if it passed (see third February 25, 2014 entry). The legislation is motivated by concerns over inappropriate treatment of conservative groups by the IRS. House cosponsor Representative Peter Roskam explains, “Americans should never feel silenced or threatened by their own government. And yet the [proposed] IRS regulations targeting tax-exempt organizations would clamp down on political engagement, impeding even non-partisan efforts like voter registration drives and candidate forums.”⁴²²

January 28, 2015: During a Senate Judiciary Committee confirmation hearing for Attorney General-nominee Loretta Lynch, Senator Ted Cruz asks Lynch how she will handle the Department of Justice’s ongoing investigation into the IRS targeting scandal (see January 8, 2014 entry). Cruz specifically asks if Lynch will appoint a special prosecutor to investigate (see second March 20, 2014 entry): “Would you commit to this committee to appoint a special prosecutor to investigate the IRS abuse of power, who at the very least is not a major Obama donor?” Lynch

⁴¹⁹ President Barack Obama, “Statement from the President,” The White House Office of the Press Secretary. Retrieved on January 22, 2015. Available at: www.whitehouse.gov/the-press-office/2015/01/21/statement-president (January 21, 2015).

⁴²⁰ Rick Hasen, “More on Foreign Money, Citizens United, and President Obama’s Statement,” Election Law Blog. Retrieved on January 22, 2015. Available at: <http://electionlawblog.org/?p=69833> (January 21, 2015).

⁴²¹ Paul Blumenthal, “Democrats Link Middle Class Woes To Need For Campaign Finance Reform,” *The Huffington Post*. Retrieved on January 22, 2015. Available at: http://www.huffingtonpost.com/2015/01/21/democrats-campaign-finance-reform_n_6517648.html?1421872778 (January 21, 2015).

⁴²² John D. McKinnon, “GOP Plans Bill to Halt Proposed IRS Rules on Tax-Exempt Groups,” *The Wall Street Journal*. Retrieved on February 3, 2015. Available at: <http://www.wsj.com/articles/BL-WB-52563> (January 28, 2015).

declines to discuss the issue in detail, answering, “[m]y understanding is that the matter has been considered and the matter has been resolved.”⁴²³

February 3, 2015: In response to questions from reporters regarding the IRS’s stalled rulemaking governing the permissible activities of 501(c)(4) organizations (see first May 22, 2014 entry) following his appearance at a Senate Finance Committee hearing on the IRS’s fiscal year 2016 budget request, IRS Commissioner John Koskinen answers that “[i]t’s not clear when we’re going to be able to get to it. My only focus on 2016 is to make sure that whatever we do, it doesn’t look like we’re trying to influence the 2016 election.”⁴²⁴ In Koskinen’s written testimony to the Committee, he reveals that “[d]espite more than a decade of upgrades to the agency’s core business systems, [the IRS] still ha[s] very old technology running alongside our more modern systems.” Koskinen’s testimony continues, “[i]n regard to software, we still have applications that were running when John F. Kennedy was President.”⁴²⁵

February 9, 2015: In an exclusive interview with *Vox*, President Obama reiterates his support (see August 29, 2012 entry) for a constitutional amendment to overturn the Supreme Court’s decision in *Citizens United v. FEC* (see first January 21, 2010 entry), as a means of combating polarization. Obama notes that he “would love to see some constitutional process that would allow us to actually regulate campaign spending the way we used to, and maybe even improve it.” Obama’s comment comes on the heels of a failed vote in the Senate five months prior on a constitutional amendment that would effectively amend the First Amendment, supported exclusively by Senate Democrats (see first September 11, 2014 entry). In regards to polarization, Obama also quips: “You know there’ve been periods in the past where we’ve been pretty polarized. I think, there just wasn’t polling around. As I recall there was a whole civil war. That was a good example of polarization that took place.”⁴²⁶

February 10, 2015: *The Hill* reveals that its FOIA request “for 2013 emails and other correspondence between the IRS and the Treasury Inspector General for Tax Administration (TIGTA)” has been rebuffed. In particular, *The Hill*’s FOIA request sought e-mail correspondence between former IRS Exempt Organizations Division Director Lois Lerner and officials in the Department of the Treasury. According to *The Hill*, “TIGTA opted not to release any of the 512 documents covered by the request, citing various exemptions in the law. The Hill recently appealed the FOIA decision, but TIGTA denied the appeal.”⁴²⁷

⁴²³ David Weigel, “Ted Cruz Leads the New Conservative Crusade Against the IRS,” *Bloomberg*. Retrieved on February 3, 2015. Available at: <http://www.bloomberg.com/politics/articles/2015-01-29/ted-cruz-leads-the-new-conservative-crusade-against-the-irs> (January 28, 2015).

⁴²⁴ Richard Rubin, “IRS Chief: I Don’t Want to Be Seen As Influencing 2016,” *Bloomberg*. Retrieved on February 5, 2015. Available at: <http://www.bloomberg.com/politics/articles/2015-02-03/irs-chief-i-don-t-want-to-be-seen-as-influencing-2016> (February 3, 2015).

⁴²⁵ IRS Commissioner John A. Koskinen, “Written Testimony of John A. Koskinen, Commissioner, Internal Revenue Service, Before the Senate Finance Committee on IRS Budget and Current Operations,” U.S. Senate Finance Committee. Retrieved on February 3, 2015. Available at: <http://www.finance.senate.gov/imo/media/doc/2015%20JAK%20testimony%20SFC020315%20-%20FINAL.pdf> (February 3, 2015), p. 5.

⁴²⁶ Andrew Prokop, “President Obama: I’d love a constitutional amendment to reverse Citizens United,” *Vox*. Retrieved on February 14, 2015. Available at: <http://www.vox.com/2015/2/9/7992489/obama-citizens-united-constitutional-amendment> (February 9, 2015).

⁴²⁷ Bob Cusack, “Obama administration won’t release IRS targeting documents,” *The Hill*. Retrieved on February 14, 2015. Available at: <http://thehill.com/business-a-lobbying/232249-feds-wont-release-irs-targeting-documents> (February 10, 2015).

February 11, 2015: In response to its Advance Notice of Proposed Rulemaking (see October 17, 2014 entry) implementing the *McCutcheon v. FEC* decision (see first April 2, 2014 entry), the Federal Election Commission holds a public hearing to solicit comments from members of the public and election law practitioners on proposals before the Commission to further regulate political speech. Democratic appointees to the FEC “had forced the idea of the open hearing as a way for the masses to show their disgust with how the wealthy are buying our elections. Republican commissioners had resisted the session.” According to reports, “[t]he first several witnesses to line up were indeed opposed to the 1 percent purchasing elections,” followed by “several witnesses worried that the FEC would try to regulate Facebook, YouTube and the like.”⁴²⁸

February 26, 2015: A report in *Politico Magazine* reveals that nearly two years after the IRS targeting scandal was made public, at least a half-dozen conservative organizations applying for tax-exempt status are still waiting to have their applications approved or denied by the Agency. The article examines the devastating impacts delays have on affected groups, noting that “[t]he years-long delay has gutted these groups’ membership, choked their ability to raise funds, forced them to reserve pots of money for possible back taxes and driven them into debt to pay legal bills.” A retired IRS official quoted in the story characterizes these lengthy delays as “death by bureaucratic delay” and explains, “[w]hile I appreciate that some determinations involving exemption for organizations engaged in political activity can involve difficult decisions, a five-year wait is inexcusable... Justice delayed is justice denied.”⁴²⁹

February 26, 2015: Treasury Inspector General for Tax Administration J. Russell George testifies before the House Oversight and Government Reform Committee that TIGTA has found 32,774 unique e-mails from former Exempt Organizations Division Director Lois Lerner previously thought to be lost. IRS Commissioner John Koskinen had previously testified in July 2014 that the e-mails were unrecoverable because the back-up tapes on which they were stored had been recycled (see first July 23, 2014 entry). However, TIGTA Deputy Inspector General for Investigations Timothy Camus explains to the Committee that the tapes were easily found “right where you would expect them to be,”⁴³⁰ and were procured after TIGTA simply called and visited an IRS data back-up facility in West Virginia. Camus informs the Committee that the Agency is analyzing the newly recovered Lerner e-mails and that a criminal investigation is ongoing.⁴³¹

February 27, 2015: The Justice Department appears to be stepping up efforts to police ties between candidates and independent groups, following the conviction of a Republican political operative who illegally directed a Super PAC to purchase ads in support of a candidate whose campaign he managed. Such clear cases are a rarity, and *The Washington Post* notes that “[t]he

⁴²⁸ Dana Milbank, “The FEC’s farcical open hearing,” *The Washington Post*. Retrieved on February 14, 2015. Available at: http://www.washingtonpost.com/opinions/the-fecs-farcical-open-hearing/2015/02/11/bc3f2982-b233-11e4-827f-93f454140e2b_story.html?hpid=z5 (February 11, 2015).

⁴²⁹ Rachael Bade, “From IRS: ‘Death by delay,’” *Politico Magazine*. Retrieved on March 6, 2015. Available at: <http://www.politico.com/story/2015/02/irs-delay-tea-party-tax-exemptions-115514.html?Source=GovD> (February 26, 2015).

⁴³⁰ Josh Hicks, “Investigators probing for criminal activity with Lois Lerner’s missing emails,” *The Washington Post*. Retrieved on March 6, 2015. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2015/02/27/investigators-probing-for-criminal-activity-with-lois-lerners-missing-emails/> (February 27, 2015).

⁴³¹ Aaron E. Lorenzo, “IRS Watchdog Expects to Determine If Lerner E-Mails Are New Within a Week,” *BNA Money & Politics Report* (\$). Retrieved on March 6, 2015. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=64051163&vname=mpebulallissues&fcn=2&wsn=496757000&fn=64051163&split=0 (February 27, 2015).

few known cases in which federal prosecutors have investigated illegal coordination were driven by tips they received while pursuing other alleged crimes.” Nonetheless, Assistant Attorney General Leslie Caldwell confirms the Justice Department “will aggressively pursue coordination offenses at every appropriate opportunity,” in a statement announcing the conviction.⁴³²

March 2, 2015: A coalition of over fifty organizations, many dedicated to advocating for greater restrictions on political speech, write a letter urging President Obama to issue an Executive Order requiring “full disclosure of political spending by business entities receiving federal government contracts.” Groups signing on to the letter include Citizens for Responsibility and Ethics in Washington, Common Cause, Democracy 21, Public Citizen, Sunlight Foundation, and others. The letter warns, “[t]he flip side of transparency is secrecy and the specter of hundreds of millions of dollars in secret campaign cash coming from companies that derive much of their wealth from government contracts. In order to keep in check actual or perceived corruption in government contracting, it is imperative that there be full disclosure of campaign contributions and expenditures by federal government contractors.”⁴³³

March 4, 2015: On the heels of a DOJ conviction in an illegal coordination case (see February 27, 2015 entry), two groups favoring greater regulation of political speech, the Campaign Legal Center and Democracy 21, send a joint letter to the Department of Justice urging the Department to aggressively investigate the relationships between candidates and independent groups for potential cases of illegal coordination. According to the letter, “Democracy 21 and the Campaign Legal Center plan to monitor campaign finance activities in the 2016 election and, where appropriate, to bring to the attention of the Justice Department cases we believe warrant investigation and potential prosecution by the Department.” The letter continues, “[w]e strongly urge the Justice Department to continue to make clear that it will actively and vigilantly enforce the campaign finance laws against illegal coordination and other serious violations of the campaign finance laws that occur in the 2016 election cycle.”⁴³⁴

March 18, 2015: *The Hill* reports that Ronald Machen, the outgoing U.S. attorney for the District of Columbia, has not yet acted on a contempt of Congress charge filed in 2014 against former IRS Exempt Organizations Division Director Lois Lerner. The House of Representatives filed the charge in response to Lerner’s refusal to testify about her role in the IRS targeting scandal before the House Oversight and Government Reform Committee (see April 25, 2014 entry and first May 7, 2014 entry). Machen formally announced that he will step down on April 1, 2015. In response, Representative Jim Jordan releases a statement saying, “[h]opefully his replacement will do what’s

⁴³² Matea Gold and Colby Itkowitz, “Justice Department ramps up scrutiny of candidates and independent groups,” *The Washington Post*. Retrieved on March 6, 2015. Available at: http://www.washingtonpost.com/politics/justice-department-ramps-up-scrutiny-of-candidates-and-independent-groups/2015/02/27/f28409d8-be8e-11e4-8668-4e7ba8439ca6_story.html (February 27, 2015).

⁴³³ 99 Rise et al., “Take action on money in politics; immediately issue an executive order to promote transparency in government contracting.” Public Citizen. Retrieved on March 6, 2015. Available at: <http://www.citizen.org/documents/2015-sign-on-letter-for-govt-contracting.pdf> (March 2, 2015), p. 2.

⁴³⁴ J. Gerald Hebert and Fred Wertheimer, “Campaign finance issues in the 2016 national election cycle,” Democracy 21. Retrieved on March 6, 2015. Available at: <http://www.democracy21.org/wp-content/uploads/2015/03/DEMOCRACY-21-AND-CAMPAIGN-LEGAL-CENTER-LETTER-TO-JUSTICE-DEPARTMENT-ON-COORDINATION-3-4-15.pdf> (March 4, 2015), p. 4.

right and allow a grand jury to do its work. The American people deserve to know the truth about the IRS targeting scandal, and Lois Lerner’s testimony is key to uncovering that truth.”⁴³⁵

March 18, 2015: In an interview with *Politico*, IRS Commissioner John Koskinen reveals that the Agency may include political parties, political action committees, and 527 organizations in its forthcoming rulemaking redefining what is acceptable political activity for Section 501(c) organizations. “If it’s going to be a fair system, it needs to apply across the board,” says Koskinen. “[I]t shouldn’t just be [501]c4s. We need to make sure that as Congress has legislated in all of these areas, there’s a consistent and appropriate framework for [501]c3, [501]c4, [501]c5, [501]c6, 527s.” Political parties and political action committees already disclose their spending and the identity of their donors to the FEC, and 527s report the same information to the IRS.⁴³⁶

March 18, 2015: A coalition of eleven organizations dedicated to fighting for greater regulation of political speech, including the Brennan Center for Justice, Common Cause, Democracy 21, and Public Citizen, write a letter to members of the House of Representatives urging them to support the DISCLOSE Act of 2015 (see second January 21, 2015 entry). The letter asserts that constitutional concerns with the DISCLOSE Act are overstated and references past Supreme Court rulings upholding other disclosure provisions. The letter debates that, “[c]ampaign finance disclosure laws have been consistently upheld as constitutional by the Supreme Court for decades – starting with the Court’s landmark decision in 1976 in *Buckley v. Valeo* and as recently as 2010 in the Court’s *Citizens United* decision.”⁴³⁷

March 18, 2015: In a speech in Cleveland, President Obama offers remarks ostensibly in praise of mandatory voting laws, saying, “[o]ther countries have mandatory voting... It would be transformative if everybody voted, that would counteract money more than anything.” The President adds, “[i]f everybody voted, then it would completely change the political map in this country.” Senator Marco Rubio (R-FL) takes issue with the President’s remarks on an episode of *Fox News’* “Hannity,” saying, “[h]ere’s the point he refuses to point out or that he misses: Not voting is also a legitimate choice that some people make. I wish more people would participate in politics, too, but that is their choice. That is the choice of living in a free society.”⁴³⁸

March 25, 2015: The House Ways and Means Committee unanimously passes H.R. 1104, “the Fair Treatment for All Gifts Act.” In accordance with current IRS policy, the legislation explicitly prohibits the Service from levying gift taxes on donations to 501(c)(4) social welfare organizations, 501(c)(5) labor unions, and 501(c)(6) trade associations. Although gift taxes have traditionally not been collected on such donations, the IRS previously investigated the possibility

⁴³⁵ Jesse Byrnes, “Outgoing US attorney hasn’t acted on Lerner contempt charge,” *The Hill*. Retrieved on March 25, 2015. Available at: <http://thehill.com/policy/finance/236060-outgoing-us-attorney-hasnt-acted-on-lerner-contempt-charge> (March 18, 2015).

⁴³⁶ Hillary Flynn and Rachael Bade, “IRS may broaden rule to police political nonprofits,” *Politico*. Retrieved on March 25, 2015. Available at: <http://www.politico.com/story/2015/03/irs-may-broaden-rule-to-police-political-nonprofits-116206.html> (March 18, 2015).

⁴³⁷ Brennan Center for Justice et al., “Support and Co-sponsor the DISCLOSE 2015 Act (H.R. 430),” Campaign Legal Center. Retrieved on March 25, 2015. Available at: <http://www.campaignlegalcenter.org/sites/default/files/Watchdogs%20Disclose%20Act%20HR%20430%20Co-Sponsorship%203-18-15.pdf> (March 18, 2015), p. 1.

⁴³⁸ Ben Kamisar, “Rubio fires back at Obama: Not voting a ‘legitimate choice’,” *The Hill*. Retrieved on March 25, 2015. Available at: <http://thehill.com/blogs/ballot-box/236238-rubio-not-voting-a-legitimate-choice> (March 19, 2015).

of collecting gift taxes on contributions to 501(c)(4) groups in 2011 (see May 12, 2011 and July 7, 2011 entries).⁴³⁹

March 27, 2015: The Treasury Inspector General for Tax Administration releases a report, “Status of Actions Taken to Improve the Processing of Tax-Exempt Applications Involving Political Campaign Intervention,” which follows up on its 2013 report detailing the IRS’s inappropriate treatment of conservative and Tea Party groups applying for tax-exempt status (see May 14, 2013 entry). The report finds that “[t]he IRS has taken significant actions to eliminate the selection of potential political cases based on names and policy positions,” but notes that “the IRS does not have a clearly defined test for determining whether an organization’s request for exemption as a social welfare organization should be approved.” However, “[b]ecause the Department of the Treasury is in the process of drafting guidance, we are not making additional recommendations at this time.”⁴⁴⁰

March 31, 2015: In a seven-page letter to Speaker of the House John Boehner, outgoing U.S. attorney for the District of Columbia, Ronald Machen, informs the Speaker that the Department of Justice will not be pursuing contempt charges against former IRS Exempt Organizations Division Director Lois Lerner (see first March 18, 2015 entry). According to Machen’s letter, lawyers in the Justice Department determined that Lerner “did not waive her Fifth Amendment right by making an opening statement on May 22, 2013, because she only made a general claims (sic) of innocence.”⁴⁴¹

April 2, 2015: On the one-year anniversary of the Supreme Court’s decision in *McCutcheon v. FEC* (see first April 2, 2014 entry), which invalidated the federal aggregate limit on overall political giving by individuals as unconstitutional under the First Amendment, five Democratic Senators send a letter to President Obama, urging the President to sign an executive order requiring government contractors to disclose their political spending, including the trade groups they associate with (see March 2, 2015 entry). The five Senators signing the letter include Al Franken, Bernie Sanders, Tom Udall, Elizabeth Warren, and Sheldon Whitehouse. According to the letter, the executive order is needed because “congressional gridlock has made advancing some of the nation’s most important priorities impossible.”⁴⁴²

April 3, 2015: Three prominent advocates of greater regulation of political speech – Campaign Legal Center, Democracy 21, and Public Citizen – send a letter to IRS Commissioner John Koskinen disputing his recent statements regarding how much political activity by 501(c)(4) social welfare organizations is legally permissible. Whereas Commissioner Koskinen voiced the

⁴³⁹ Bernie Becker, “Ways and Means passes IRS bills,” *The Hill*. Retrieved on May 1, 2015. Available at: <http://thehill.com/policy/finance/237019-ways-and-means-passes-irs-bills> (March 25, 2015).

⁴⁴⁰ “Status of Actions Taken to Improve the Processing of Tax-Exempt Applications Involving Political Campaign Intervention,” Treasury Inspector General for Tax Administration. Retrieved on May 1, 2015. Available at: <http://www.treasury.gov/tigta/auditreports/2015reports/201510025fr.pdf> (March 27, 2015), p. 2, 24.

⁴⁴¹ John Bresnahan and Rachael Bade, “DOJ: No contempt charges for former IRS official Lois Lerner,” *Politico*. Retrieved on April 1, 2015. Available at: <http://www.politico.com/story/2015/04/lois-lerner-no-contempt-charges-justice-department-116577.html> (April 1, 2015).

⁴⁴² U.S. Senator Sheldon Whitehouse et al., “Senators Urging Administration to Require Government Contractors to Disclose Political Spending,” Office of Senator Sheldon Whitehouse. Retrieved on April 7, 2015. Available at: <http://www.whitehouse.senate.gov/news/release/senators-urging-administration-to-require-government-contractors-to-disclose-political-spending> (April 2, 2015).

traditional understanding of the law, saying “[i]f you spend at this point less than 49 percent of your money on politics, you can be a (c)(4),” the pro-regulation groups contend that “[c]ontrary to your statements, however, this is not the framework Congress set up. Congress did not authorize section 501(c)(4) groups to spend 49 percent of their money, or even ‘significant’ amounts, on political activities.”⁴⁴³

April 10, 2015: A coalition of seven prominent groups who oppose the Supreme Court’s decision in *Citizens United* (see first January 21, 2010 entry) and advocate for greater government regulation of political speech issue a strongly-worded statement in opposition to efforts on the state-level to call a constitutional convention for the purpose of overturning the *Citizens United* decision. According to the letter, “the call of a convention would place all of the constitutional rights and protections of individuals up for grabs. This includes protections that exist for civil rights, civil liberties, freedom of religion, freedom of speech, voting rights, privacy and many others. The role of the courts in protecting the rights of individuals and minority interests would also be subject to change.” The letter concludes: “a constitutional convention would imperil the work of our Founding Fathers and the more than 200 years of constitutional history that followed. Our groups strongly urge states to oppose adopting a call for a constitutional convention.”⁴⁴⁴

April 13, 2015: On the heels of reports that the IRS is considering expanding its stalled rulemaking (see first May 22, 2014 entry) governing the permissible activities of 501(c)(4) organizations to a variety of other groups (see second March 18, 2015 entry), Senate Finance Committee Chairman Orrin Hatch sends a stern letter to IRS Commissioner John Koskinen, warning the Commissioner that any such action by the IRS will likely result in a Congressional investigation. “The IRS is just beginning to recover its reputation, and your agency is just beginning to regain trust from lawmakers. Do not throw all of that away in a quixotic and bizarre mission to regulate the political activity of Americans. If you do so, in light of your agency’s recent history, your actions will be viewed with the presumption of political bias and bad faith. If you issue this proposed rule, Congress will have no choice but to investigate the reasons behind this power grab, be it political motivation or orders from officials at the Treasury Department or the White House.”⁴⁴⁵

April 13, 2015: In response to a question at a White House Press Briefing, Press Secretary Josh Earnest indicates, “I’m not particularly optimistic about the likelihood that we’ll be able to make substantial progress” in further regulating the existing campaign finance system in the final two years of President Obama’s time in office. This news comes amidst an aggressive effort by many members of the speech regulatory lobby to pressure the President to sign an executive order

⁴⁴³ Robert Weissman et al., “Standards for tax exemption for social welfare organizations,” Democracy 21. Retrieved on May 1, 2015. Available at: <http://www.democracy21.org/wp-content/uploads/2015/04/REFORM-GROUPS-LETTER-TO-KOSKINEN-4-3-15.pdf> (April 3, 2015), p. 1.

⁴⁴⁴ Brennan Center for Justice et al., “Reform Groups Strongly Oppose Efforts in the States to Call a Constitutional Convention,” Democracy 21. Retrieved on April 13, 2015. Available at: <http://www.democracy21.org/money-in-politics/press-releases-money-in-politics/reform-groups-strongly-oppose-efforts-in-the-states-to-call-a-constitutional-convention/> (April 10, 2015).

⁴⁴⁵ Senator Orrin Hatch, “Hatch Calls for IRS to Throw Out Proposed Rule Regulating Political Activity,” United States Senate Committee on Finance. Retrieved on April 14, 2015. Available at: <http://www.finance.senate.gov/newsroom/chairman/release/?id=28a89c42-1deb-4c34-b514-7b7f18e0ae14> (April 13, 2015).

requiring government contractors to disclose their political spending, including the trade groups they associate with (see March 2, 2015 and April 2, 2015 entries).⁴⁴⁶

April 14, 2015: Amidst a fundraising tour following the announcement of her presidential candidacy two days prior, presidential candidate Hillary Clinton (D) tells community college students at her first official campaign event that “[w]e need to fix our dysfunctional political system and get unaccountable money out of it once and for all – even if it takes a constitutional amendment.”⁴⁴⁷

April 15, 2015: The House of Representatives unanimously passes H.R. 1104, “the Fair Treatment for All Gifts Act” via voice vote. Speaking in support of the bill on the House floor, the measure’s sponsor, Congressman Peter Roskam, notes its broad base of support. “What is it that brings together the American Civil Liberties Union, Americans for Prosperity, the Human Rights Campaign, and the Tea Party Patriots all under one tent? Mr. Speaker, it is the Fair Treatment for All Gifts Act, H.R. 1104.”⁴⁴⁸ Democratic Congressman John Lewis also speaks in support of the bill, saying, “[t]his bill brings clarity to what has historically been uncertain tax treatment for contributions to social welfare organizations, agricultural associations, labor unions, and trade associations. With this bill, Mr. Speaker, amounts contributed to such organizations will not be subject to the gift tax.... Mr. Speaker, I urge all of my colleagues on both sides of the aisle to vote ‘yes’ for H.R. 1104.”⁴⁴⁹

April 28, 2015: The Treasury Inspector General for Tax Administration reveals that it has “found roughly 6,400 emails either to or from [former IRS Exempt Organizations Division Director Lois] Lerner sent between 2004 and 2013 that it” believes the IRS did not turn over to Congressional investigators. A spokesman for Senate Finance Committee Chairman Orrin Hatch says that the Committee hopes the new e-mails will help them conclude their investigation into the scandal and release their findings to the public. “After TIGTA produces their report regarding the missing data later this year, the Committee hopes to follow suit and move forward with the release of its bipartisan report on this issue.”⁴⁵⁰

April 30, 2015: A group of seventeen congressional Democrats introduce a bill, the “Keeping our Campaigns Honest Act,” that would force Super PACs to report the names of their biggest donors on TV ads. Super PACs already publicly disclose the identities of their donors; however, they are not required to list the names of individual donors on the ads themselves. Democratic Senator Bill Nelson announces that he will soon introduce a companion bill in the Senate. “In an era where

⁴⁴⁶ Kenneth P. Doyle, “White House: New Campaign Rules Unlikely As Record Spending Seen for 2016 Contest,” *BNA Money & Politics Report* (\$). Retrieved on April 14, 2015. Available at: http://news.bna.com/mpdm/MPDMWB/split_display.adp?fedfid=66863052&vname=mpebulallissues&jd=a0g5b3w2b5&split=0 (April 13, 2015).

⁴⁴⁷ Philip Rucker, “Hillary Clinton says she would support a constitutional amendment on campaign finance reform,” *The Washington Post*. Retrieved on April 14, 2015. Available at: <http://www.washingtonpost.com/blogs/post-politics/wp/2015/04/14/hillary-clinton-says-she-would-support-a-constitutional-amendment-on-campaign-finance-reform/> (April 14, 2015).

⁴⁴⁸ U.S. Representative Peter Roskam, “Fair Treatment for All Gifts Act,” *Congressional Record*. Retrieved on May 1, 2015. Available at: <https://www.congress.gov/crec/2015/04/15/CREC-2015-04-15-pt1-PgH2240.pdf> (April 15, 2015), p. 1.

⁴⁴⁹ U.S. Representative John Lewis, “Fair Treatment for All Gifts Act,” *Congressional Record*. Retrieved on May 1, 2015. Available at: <https://www.congress.gov/crec/2015/04/15/CREC-2015-04-15-pt1-PgH2240.pdf> (April 15, 2015), p. 1.

⁴⁵⁰ Bernie Becker, “Thousands of new Lerner emails found,” *The Hill*. Retrieved on May 1, 2015. Available at: <http://thehill.com/policy/finance/240388-watchdog-finds-new-lerner-emails> (April 28, 2015).

billions of dollars are being spent to market products and influence political races with TV advertising, it is high time that the FCC update its rules to ensure viewers know who actually is footing the bill for these advertisements,” Nelson proclaims.⁴⁵¹

May 2, 2015: In an interview with *The New York Times*, FEC Chair Ann Ravel labels the agency “worse than dysfunctional” and warns “[t]he likelihood of the laws being enforced is slim.” The *Times* reports that Ravel “plans on concentrating on getting information out publicly, rather than continuing what she sees as a futile attempt to take action against major violations,” for the duration of her tenure on the Commission. Fellow Democratic FEC Commissioner Ellen Weintraub endorses Ravel’s view of the agency, saying “[t]he few rules that are left, people feel free to ignore.” By contrast, Republican FEC Commissioner Lee Goodman challenges these assertions, stating “Congress set this place up to gridlock... This agency is functioning as Congress intended. The democracy isn’t collapsing around us.”⁴⁵²

May 10, 2015: In an appearance on CBS’s *Face the Nation*, potential presidential candidate, Senator Bernie Sanders, says of the *Citizens United* decision (see first January 21, 2010 entry) that, “[i]f elected president, I will have a litmus test in terms of my nominee to be a Supreme Court justice and that nominee will say that they are going to overturn this disastrous Supreme Court decision.”⁴⁵³

May 18, 2015: On the campaign trail in Iowa, presidential candidate Hillary Clinton announces her litmus test for potential Supreme Court nominees: “[t]he Supreme Court made a grave error with *Citizens United*. I will do everything I can to appoint Supreme Court justices who protect the right to vote and do not protect the right of billionaires to buy elections.” Prior to this announcement, Clinton had declared opposition to *Citizens United* (see first January 21, 2010 entry) as a pillar of her presidential campaign (see April 14, 2015 entry).⁴⁵⁴

May 22, 2015: *The New York Times* reports that the IRS may issue its revised rulemaking governing the permissible political activities of advocacy nonprofits and a wide variety of organizations as early as June 2015. The rulemaking is a response to the Agency’s shelved 2013 proposal (see first May 22, 2014 entry) that “drew widespread criticism from liberal and conservative groups” (see second April 22, 2014 entry).⁴⁵⁵

May 25, 2015: In a conversation with reporters in Arizona, Senator John McCain opines “that the worst decision the Supreme Court made was *Citizens United*, which has unleashed this flood of billions of dollars of unaccounted-for money that will sooner or later, that will lead to enough

⁴⁵¹ Julian Hattem, “Dems demand disclosure of super-PAC donors,” *The Hill*. Retrieved on May 1, 2015. Available at: <http://thehill.com/policy/technology/240668-dems-want-feds-to-force-disclosure-of-super-pac-donors> (April 30, 2015).

⁴⁵² Eric Lichtblau, “F.E.C. Can’t Curb 2016 Election Abuse, Commission Chief Says,” *The New York Times*. Retrieved on November 19, 2015. Available at: <http://www.nytimes.com/2015/05/03/us/politics/fec-cant-curb-2016-election-abuse-commission-chief-says.html> (May 2, 2015).

⁴⁵³ Eliza Collins, “Bernie Sanders takes dead aim on *Citizens United* ruling,” *Politico*. Retrieved on May 27, 2015. Available at: <http://www.politico.com/story/2015/05/bernie-sanders-takes-dead-aim-on-citizens-united-ruling-117792.html> (May 10, 2015).

⁴⁵⁴ Evan Halper and David Lauter, “Clinton says she’d make Supreme Court picks aimed at campaign finance reform,” *The Los Angeles Times*. Retrieved on May 27, 2015. Available at: <http://www.latimes.com/nation/politics/politicsnow/la-na-hillary-clinton-supreme-court-20150518-story.html> (May 18, 2015).

⁴⁵⁵ Nicholas Confessore, “I.R.S. Seeks to Define Political Activity for Nonprofits,” *The New York Times*. Retrieved on May 27, 2015. Available at: <http://www.nytimes.com/politics/first-draft/2015/05/22/i-r-s-seeks-to-define-political-activity-for-nonprofits/> (May 22, 2015).

corruption that we will have a reform.” McCain’s sentiments echo his earlier disdain for the Supreme Court’s decision (see second April 23, 2014 entry), which affirmed the right of corporations, associations, and labor unions to make independent expenditures in support of or opposition to candidates on First Amendment grounds (see first January 21, 2010 entry).⁴⁵⁶

May 26, 2015: Federal Communications Commission Chairman Tom Wheeler strongly indicates that his Agency will not amend existing rules regarding mandated disclaimers in political ads on television. Congressional Democrats had unsuccessfully attempted to pressure the Commission to amend its disclaimer rules to include the names of significant donors in political TV ads. This push for more expansive disclosure requirements comes after legislation, known as the KOCH Act (see April 30, 2015 entry), failed as an amendment to a bill in a House Energy and Commerce Committee subcommittee hearing. The bill would have legally forced the FCC to take up the issue. “Maybe you noticed,” quips FCC Chairman Wheeler, “we have a long list of difficult telecommunications related decisions that we are dealing with right now. And that will be our focus.”⁴⁵⁷

May 26, 2015: The IRS reveals that hackers gained access to the personal tax information of 104,000 tax filers from February through mid-May of 2015. The illegally accessed information includes several years’ worth of tax information – including social security numbers, addresses, birth dates, and tax filing status. “We’re confident that these are not amateurs but organized crime syndicates that not only we, but others in the financial industry are dealing with,” says IRS commissioner John Koskinen. The Commissioner believes that the hacking is likely unrelated to an increase in suspicious filings, which led to a 3,700 percent increase in fraud.⁴⁵⁸

May 26, 2015: Merriam-Webster opts to include a definition of so-called “dark money” in the unabridged version of their dictionary for 2015. Merriam-Webster defines “dark money” as “money contributed to nonprofit organizations (especially those classified as social welfare organizations and business leagues) that is used to fund political campaigns without disclosure of the donors’ identities.”⁴⁵⁹

May 27, 2015: Two longtime advocates of greater regulation of political speech, the Campaign Legal Center and Democracy 21, send a letter to U.S. Attorney General Loretta Lynch requesting that the Department of Justice open a criminal investigation into former Florida Governor Jeb Bush for possible violations of federal campaign finance laws. The groups allege that Bush is knowingly and illegally coordinating with a Super PAC, known as Right to Rise, and that Bush is a candidate for President, despite not filing forms to that end with the FEC or officially announcing his intentions to run for that office. Both groups acknowledge that campaign finance violations are generally handled by the FEC, but assert that the Department of Justice has the authority to bring

⁴⁵⁶ Joe Dana, “McCain: Citizens United ‘worst Supreme Court decision,’” *NBC 12 News*. Retrieved on May 28, 2015. Available at: <http://www.12news.com/story/opinion/joe-dana/2015/05/26/citizens-united-mccain-decision-dark-money/27967529/> (May 26, 2015).

⁴⁵⁷ Mario Trujillo, “Push to name donors in political ads hits FCC roadblock,” *The Hill*. Retrieved on May 27, 2015. Available at: <http://thehill.com/policy/technology/242974-push-to-name-donors-behind-political-ads-hits-fcc-roadblock> (May 26, 2015).

⁴⁵⁸ Lisa Rein and Jonnelle Marte, “Hackers stole personal information from 104,000 taxpayers, IRS says,” *The Washington Post*. Retrieved on May 27, 2015. Available at: <http://www.washingtonpost.com/blogs/federal-eye/wp/2015/05/26/hackers-stole-personal-information-from-104000-taxpayers-irs-says/> (May 26, 2015).

⁴⁵⁹ Emily Brewster, “A Growth Spurt,” Merriam-Webster Unabridged. Retrieved on May 28, 2015. Available at: <http://unabridged.merriam-webster.com/blog/2015/05/a-growth-spurt/> (May 26, 2015).

criminal charges against Bush, and request the appointment of a special prosecutor to seek such charges.⁴⁶⁰

May 28, 2015: Led by Chairman Paul Ryan, all 24 Republican members of the House Ways and Means Committee send a letter to U.S. Attorney General Loretta Lynch to formally inquire about the status of a previous Committee request (see first April 9, 2014 entry) for a DOJ investigation into the IRS targeting scandal. In April 2014, the Committee identified three potential criminal acts by former IRS Exempt Organizations Division Director Lois Lerner – her unequal treatment of the applications for tax-exempt status of certain conservative groups, her misleading statements to investigators when inquiring about that treatment, and her potential illegal disclosure of confidential tax information to individuals outside the Agency – and referred Lerner’s case to the Department of Justice for a criminal investigation.⁴⁶¹

June 3, 2015: Democratic Presidential candidate and former Maryland Governor Martin O’Malley announces that, as a condition for nomination to the Supreme Court under a potential O’Malley presidency, any nominee would have to agree to overturn *Citizens United* (see first January 21, 2010 entry): “I would appoint judges who don’t think corporations are people. We need to overturn *Citizens United*.” O’Malley joins fellow Democratic presidential candidates Hillary Clinton (see May 18, 2015 entry) and Bernie Sanders (see May 10, 2015 entry) in establishing an anti-*Citizens United* Supreme Court litmus test.⁴⁶²

June 4, 2015: Experts indicate that the Campaign Legal Center and Democracy 21’s request for a criminal investigation by the Department of Justice into potential violations of federal campaign finance law by former Florida Governor Jeb Bush (see May 27, 2015 entry) is unlikely to yield any results. Reports further suggest that the DOJ’s previous failures in high-profile campaign finance cases have dissuaded the Department from risking additional failure on cases outside the Department’s traditional purview.⁴⁶³

June 8, 2015: In an unprecedented move, Federal Election Commission Chair Ann Ravel and her fellow Democratic Commissioner Ellen Weintraub jointly petition their own agency to promulgate a rulemaking to force nonprofit groups to publicly report the private information of their supporters to the government. According to Ravel, this is the first time that a sitting Commissioner has petitioned the Agency in its 40-year history.⁴⁶⁴

⁴⁶⁰ J. Gerald Hebert and Fred Wertheimer, “Letter to Attorney General Loretta Lynch,” Democracy 21. Retrieved on June 23, 2015. Available at: <http://www.democracy21.org/wp-content/uploads/2015/05/FINAL-Letter-to-DOJ-re-Bush-Super-PAC-May-20151.pdf> (May 27, 2015).

⁴⁶¹ U.S Representative Paul Ryan et al., “Letter to Attorney General Loretta Lynch,” United States House Committee on Ways and Means. Retrieved on June 23, 2015. Available at: http://waysandmeans.house.gov/wp-content/uploads/2015/05/2015.05.28_WM-Reps-to-AG-Lynch_Lerner7.pdf (May 28, 2015).

⁴⁶² Sahil Kapur, “Democrats’ Supreme Court Litmus Test: *Citizens United*,” *Bloomberg*. Retrieved on June 23, 2015. Available at: <http://www.bloomberg.com/politics/articles/2015-06-04/democrats-supreme-court-litmus-test-citizens-united> (June 4, 2015).

⁴⁶³ Michelle Conlin and Emily Flitter, “U.S. authorities unlikely to stop 2016 election fundraising free-for-all,” *Reuters*. Retrieved on June 23, 2015. Available at: <http://www.reuters.com/article/2015/06/04/us-usa-election-enforcement-idUSKBN0OK0CI20150604> (June 4, 2015).

⁴⁶⁴ Fredreka Schouten, “Exclusive: Two FEC officials implore agency to curb 2016 election abuse,” *USA Today*. Retrieved on June 23, 2015. Available at: <http://www.usatoday.com/story/news/politics/elections/2016/2015/06/08/fec-commissioners-ravel-and-weintraub-petition-campaign-finance/28674981/> (June 8, 2015).

June 12, 2015: A variety of groups committed to greater regulation of political speech send a letter to President Obama urging him to fill any future vacancies at the Securities and Exchange Commission with nominees that support an effort by advocates of increased speech regulation to require business entities to report information about their affiliations with trade associations and other advocacy groups (see November 30, 2013 and December 11, 2014 entries). According to the letter, “[o]ne obvious issue that can and should serve as a litmus test for the selection of [SEC] nominees is the...petition calling for the agency to promulgate a rule requiring disclosure of corporate political spending information.”⁴⁶⁵

June 16, 2015: The IRS announces that it won’t release roughly 6,400 newly recovered e-mails from former Exempt Organizations Division Director Lois Lerner because some may be duplicates of previously released e-mails.⁴⁶⁶

June 23, 2015: 104 members of the House of Representatives and 26 members of the Senate send separate letters to President Obama urging the President to issue a previously shelved Executive Order (see April 20, 2011 entry) that would force government contractors to report their affiliations with advocacy organizations and trade associations.⁴⁶⁷

July 2, 2015: According to an internal report, investigators conclude that Internal Revenue Service employees erased 422 backup tapes containing the e-mails of former IRS Exempt Organizations Division Director Lois Lerner “by mistake, not as part of an attempt to destroy evidence.” The report describes an IRS employee as “blown away” that Lerner’s backup tapes were degaussed. The destruction of the 422 backup tapes resulted in the loss of roughly 24,000 of Lerner’s e-mails.⁴⁶⁸

July 7, 2015: Recently obtained documents through two separate Freedom of Information Act lawsuits by government watchdog Judicial Watch establish “extensive collaboration between the IRS and DOJ (and subsequently the FBI) to go after conservative groups with criminal charges.” Further, the documents demonstrate that “[t]he IRS likely violated federal law by illegally sharing 1.25 million pages of taxpayer information with DOJ, which were contained on nearly two dozen FBI backup tapes” (see June 9, 2014 and June 11, 2014 entries). The documents also reveal that the “DOJ wanted IRS officials who were scheduled to testify in front of Congress about the targeting scandal to turn over planned remarks to them first before delivering on Capitol Hill.”⁴⁶⁹

⁴⁶⁵ Lydia Wheeler, “Obama pushed to fill SEC vacancies with corporate-giving rules in mind,” *The Hill*. Retrieved on June 23, 2015. Available at: <http://thehill.com/regulation/244877-obama-pushed-to-fill-sec-vacancies-with-corporate-giving-rules-in-mind> (June 12, 2015).

⁴⁶⁶ Robert W. Wood, “IRS Won’t Release Lois Lerner Emails -- Because They Might Be Duplicates,” *Forbes*. Retrieved on June 23, 2015. Available at: <http://www.forbes.com/sites/robertwood/2015/06/16/irs-wont-release-lois-lerner-emails-because-they-might-be-duplicates/> (June 16, 2015).

⁴⁶⁷ U.S. Senator Sheldon Whitehouse et al., “Bicameral Call for Greater Transparency in Political Spending,” Office of Senator Sheldon Whitehouse. Retrieved on June 23, 2015. Available at: <http://www.whitehouse.senate.gov/news/release/bicameral-call-for-greater-transparency-in-political-spending> (June 23, 2015).

⁴⁶⁸ “Internal reports finds no evidence IRS employees told to destroy information,” *The Associated Press*. Retrieved on July 8, 2015. Available at: <http://www.usnews.com/news/politics/articles/2015/07/02/report-no-evidence-irs-employees-told-to-destroy-info> (July 2, 2015).

⁴⁶⁹ Katie Pavlich, “New Documents Show Extensive Collaboration Between IRS, DOJ to Criminally Prosecute Conservative Groups,” *Townhall.com*. Retrieved on July 8, 2015. Available at: <http://townhall.com/tipsheet/katiepavlich/2015/07/07/reconfirmed-irs-tried-to-get-conservative-groups-criminally-prosecuted-illegally-shared-info-with-doj-n2022245> (July 7, 2015).

July 20, 2015: Forty-seven House Democrats write to President Obama urging him to veto the Fiscal Year 2016 Financial Services Appropriations bill as approved by a House committee because of provisions that would prohibit executive agencies from issuing new rules to expand disclosure of contributors to nonprofit organizations. “The American people have a right to know who is bankrolling elections and who is attempting to influence their votes. If these legislative restrictions on transparency are not removed, we strongly urge you to veto this bill,” the letter says.⁴⁷⁰

July 21, 2015: In an appearance on the *Comedy Central* program “The Daily Show with Jon Stewart,” President Obama comments on the IRS scandal in response to an unrelated question, expressing his opinion that the “real” scandal was a lack of funding at the IRS. Obama tells Stewart: “I’ll give you an example: when there was that problem with the IRS. . . . [People said,] ‘Look, you have this back office, and they’re going after the tea party.’ Well, it turned out, no, Congress had passed a crummy law that didn’t give people guidance in terms of what it was they were trying to do. . . . But the truth of the matter is, is that there was not some big conspiracy there. They were trying to sort out these conflicting demands: you don’t want all this money pouring through not-for-profits, but you also want to make sure that everyone is being treated fairly. Now, the real scandal around the IRS right now is, is that it has been so poorly funded that . . . they cannot go after these folks who are deliberately avoiding tax payments.”⁴⁷¹ The current rules governing IRS treatment of nonprofits have been in effect, unchanged, since 1959.

July 22, 2015: In a keynote speech at a one-day conference jointly organized by the pro-regulation Brennan Center for Justice, Committee for Economic Development, and New York City Campaign Finance Board, FEC Chair Ann Ravel doubles-down on her desire for the Commission to revise its policy of exempting political speech on the Internet from regulation, unless the content is paid campaign ads (see October 24, 2014 entry). According to Ravel, “[i]t would be under the purview of the FEC to look at some of the issues that arise in new media and the impact of new media, in particular with respect to disclosure and ensuring that there is no corporate contributions, for example excessive contributions or contributions to a particular candidates for example.”⁴⁷²

July 23, 2015: The independent Government Accountability Office (GAO) releases a new report revealing a lack of documentation and transparency surrounding the IRS’s auditing process for nonprofits. The GAO report reveals the Agency had no documentation for roughly 25% of complaints from outside referrals, raising the possibility that some groups may have been flagged for audits by their political opponents. In some cases, the IRS never disclosed why a group was selected for audit.⁴⁷³ The report attracts the attention of Representative Peter Roskam, Chair of the House Ways and Means Committee’s Oversight Subcommittee. “It is disappointing that over two

⁴⁷⁰ Cristina Marcos, “Dems urge Obama to veto bill over campaign finance restrictions,” *The Hill*. Retrieved on July 30, 2015. Available at: <http://thehill.com/blogs/floor-action/house/248512-house-dems-urge-obama-to-veto-spending-bill-over-campaign-finance> (July 20, 2015).

⁴⁷¹ Matt Wolking, “President Obama: The Federal Government Just Isn’t Big Enough to Function Correctly,” Office of Speaker of the House John Boehner. Retrieved on July 30, 2015. Available at: <http://www.speaker.gov/general/president-obama-federal-government-just-isn-t-big-enough-function-correctly?Source=GovD> (July 22, 2015).

⁴⁷² Paul Bedard, “It’s back: FEC says regulating Internet, Google, Facebook under its ‘purview,’” *The Washington Examiner*. Retrieved on August 3, 2015. Available at: <http://www.washingtonexaminer.com/article/2569255> (July 30, 2015).

⁴⁷³ Editorial, “The Taxman’s Politics,” *The Wall Street Journal*. Retrieved on July 30, 2015. Available at: <http://www.wsj.com/articles/the-taxmans-politics-1437780279> (July 24, 2015).

years later, it is still possible that the IRS can select groups for adverse treatment based on their personal political, religious, or educational beliefs,” Roskam says. “There isn’t proper documentation of allegations or decisions to audit; there are a handful of gatekeepers with sweeping authority and broad discretion; and there is a broken referral committee process.”⁴⁷⁴

July 27, 2015: Representative Ron DeSantis (R-FL), Chairman of the House Oversight and Government Reform Committee’s Subcommittee on National Security, and Representative Jim Jordan, Chairman of the Oversight Committee’s Subcommittee on Health Care, Benefits and Administrative Rules, author a joint op-ed in *The Wall Street Journal* calling for the impeachment of IRS Commissioner John Koskinen. DeSantis and Jordan identify five “basic fiduciary duties” that Koskinen has breached by allowing the IRS to destroy evidence, failing to inform Congress of the destroyed evidence, providing false testimony to Congress, failing to correct the record after the fact, and failing to reform the IRS to respect First Amendment rights.⁴⁷⁵ That same day, House Oversight and Government Reform Committee Chairman Jason Chaffetz (R-UT) holds a press conference announcing plans to begin contempt proceedings against Koskinen. “Mr. Koskinen failed to testify truthfully. The statements he made to Congress were false, and there are consequences for misleading Congress,” Chaffetz says.⁴⁷⁶

July 28, 2015: Newly uncovered e-mails by watchdog group Judicial Watch demonstrate that the IRS intentionally sought to avoid Congressional scrutiny by sending groups meaningless letters to “buy time” and prevent them from complaining about lengthy delays in the tax-exempt status approval process. In a November 3, 2011 e-mail exchange between then-Exempt Organizations Division Director Lois Lerner and Cindy Thomas, a Program Manager in the Cincinnati office, the IRS admits to having hundreds of cases stacked up and awaiting action. Afraid of congressional pressure, Thomas ordered an inquiry letter to be sent to one of the organizations being held up simply to prevent them from complaining. “Just today, I instructed one of my managers to get an additional information letter out to one of these organizations – if nothing else to buy time so he didn’t contact his Congressional Office,” Thomas wrote in the e-mail to Lerner. Thomas said she feared a judge would order the IRS to move the applications more quickly. The e-mails confirm that IRS employees in Washington were deeply involved in decision-making concerning nonprofit groups’ applications for tax-exempt status. The IRS initially blamed the Cincinnati office for the delay (see first June 17, 2014 entry).⁴⁷⁷

July 29, 2015: The Senate Judiciary Subcommittee on Oversight, Agency Action, Federal Rights and Federal Courts convenes a hearing to question IRS Commissioner John Koskinen about the Agency’s cooperation with ongoing investigations into the targeting of Tea Party groups. Koskinen insists he has complied with investigations to the fullest extent possible and reiterates that the initial targeting was “totally inappropriate, it shouldn’t have happened, and it shouldn’t happen again.” Senator Chris Coons (D-DE) blames *Citizens United* (see first January 21, 2010 entry) for

⁴⁷⁴ Colin Diersing, “Watchdogs say more oversight of IRS needed as it investigates nonprofits,” *The Los Angeles Times*. Retrieved on July 30, 2015. Available at: <http://www.latimes.com/nation/la-na-irs-political-groups-20150723-story.html> (July 23, 2015).

⁴⁷⁵ U.S. Representatives Ron DeSantis and Jim Jordan, “The Stonewall at the Top of the IRS,” *The Wall Street Journal*. Retrieved on July 30, 2015. Available at: <http://www.wsj.com/articles/the-stonewall-at-the-top-of-the-irs-1438039060> (July 27, 2015).

⁴⁷⁶ Bernie Becker, “Republicans threaten contempt charges against Obama’s IRS chief,” *The Hill*. Retrieved on July 30, 2015. Available at: <http://thehill.com/policy/finance/249311-house-gop-to-obama-fire-irs-chief> (July 27, 2015).

⁴⁷⁷ Stephen Dinan, “Newly recovered Lois Lerner email shows IRS tried to cover up tea party targeting,” *The Washington Times*. Retrieved on July 30, 2015. Available at: <http://www.washingtontimes.com/news/2015/jul/28/new-irs-lerner-emails-show-block-congress-scrutiny/?page=all> (July 29, 2015).

leaving “the IRS to stand in the place of the Federal Election Commission.” The Subcommittee also hears from representatives of conservative groups who were targeted by the IRS.⁴⁷⁸

July 29, 2015: U.S. District Judge Emmet G. Sullivan orders the IRS to continue turning over documents sought by nonpartisan government watchdog group Judicial Watch relating to the IRS harassment scandal. The IRS had attempted to alter the agreed-upon schedule for providing documents to Judicial Watch, but refused to make the agreement official with the court. Noting that the initial orders were clear, Judge Sullivan writes, “[t]he government’s reasoning is nonsensical.” Sullivan warns, “[o]fficers of the court who fail to comply with court orders will be held in contempt.”⁴⁷⁹

August 5, 2015: The Senate Finance Committee releases its long-awaited, bipartisan report (see April 28, 2015 entry) into the origins of the IRS scandal, in which the Agency targeted conservative groups applying for tax-exempt status. Calling the IRS “delinquent,” the report highlights poor management practices at the Agency, which resulted in “heightened and inappropriate scrutiny” of conservative applicants for tax-exempt status. In particular, the report notes that the IRS granted only one conservative group tax-exempt status over a three-year period. Despite unanimity on the Committee regarding the IRS’s delinquency, Republican and Democratic members of the Committee disagree on other aspects of the scandal. Republicans conclude that “[t]he Committee found evidence that the administration’s political agenda guided the IRS’s actions with respect to their treatment of conservative groups.” By contrast, Democrats on the Senate Finance Committee attest that “[t]he results of this in-depth, bipartisan investigation showcase pure bureaucratic mismanagement.”⁴⁸⁰

August 24, 2015: In a court filing before U.S. District Judge Emmet G. Sullivan, the IRS publicly reveals for the first time the existence of a personal e-mail account used by former Exempt Organizations Division Director Lois Lerner to conduct IRS business. The account, organized under the name “Toby Miles,” appears to be a reference to Lerner’s dog.⁴⁸¹

August 31, 2015: Forty-two Democratic Senators, and two Independents that caucus with the Democratic Party, send a letter to Securities and Exchange Commission Chair Mary Jo White pressuring the Chair to act on a petition that “would require public companies to disclose to their shareholders how they use corporate resources for political activities” in advance of the Commission releasing its 2016 work agenda. For the past two years, the SEC has declined to

⁴⁷⁸ Sylvan Lane, “Ted Cruz presses IRS commissioner on non-profit targeting,” *The Dallas Morning News*. Retrieved on July 30, 2015. Available at: <http://trailblazersblog.dallasnews.com/2015/07/ted-cruz-presses-irs-commissioner-on-non-profit-targeting.html/> (July 29, 2015).

⁴⁷⁹ Stephen Dinan and Dave Boyer, “IRS gets lashing from judge for refusing to release Lerner emails, other documents,” *The Washington Times*. Retrieved on July 30, 2015. Available at: <http://www.washingtontimes.com/news/2015/jul/29/judge-threatens-irs-lawyers-contempt-lerner-emails/> (July 29, 2015), p. 1.

⁴⁸⁰ John D. McKinnon, “IRS Scrutiny of Conservative Groups Called ‘Delinquent’ in Senate Report,” *The Wall Street Journal*. Retrieved on August 11, 2015. Available at: <http://www.wsj.com/articles/irs-scrutiny-of-conservative-groups-called-delinquent-in-senate-report-1438813384> (August 5, 2015).

⁴⁸¹ Stephen Dinan, “IRS finds yet another Lois Lerner email account,” *The Washington Times*. Retrieved on August 26, 2015. Available at: <http://www.washingtontimes.com/news/2015/aug/24/irs-finds-yet-another-lois-lerner-email-account/> (August 24, 2015).

include such a petition on its agenda due to other more pressing priorities (see November 30, 2013 and December 11, 2014 entries).⁴⁸²

September 9, 2015: A cadre of groups advocating for greater restrictions on First Amendment speech rights send a letter to IRS Commissioner John Koskinen “urg[ing] the Internal Revenue Service to adopt new regulations that properly interpret the statutory eligibility requirements to qualify for tax-exempt status as a 501(c)(4) ‘social welfare’ organization.” The coalition letter further implores the Commissioner to issue regulations prohibiting 501(c)(4) advocacy nonprofits from spending more than 5 to 10 percent of their annual expenditures on advocacy activities.⁴⁸³

October 23, 2015: In a letter from Assistant Attorney General Peter Kadzik to members of Congress, Kadzik announces the Department of Justice’s long-awaited official decision not to file charges against former IRS Exempt Organizations Division Director Lois Lerner. The announcement also marks the end of the Justice Department’s investigation into the IRS targeting scandal, in which the Agency harassed conservative and Tea Party groups applying for tax-exempt status. According to Kadzik’s letter, the Department’s inquiry unearthed “substantial evidence of mismanagement, poor judgment and institutional inertia leading to the belief by many tax-exempt applicants that the IRS targeted them based on their political viewpoints. But poor management is not a crime.”⁴⁸⁴

November 2, 2015: Senate Judiciary Subcommittee on Oversight, Agency Action, Federal Rights and Federal Courts Chairman Ted Cruz pens a strongly worded letter to Attorney General Loretta Lynch asking the Department of Justice “to take specific steps to ensure that the Department preserves all of its Internal Revenue Service-related documents and information indefinitely.” Cruz explains that “[t]his Administration’s recent announcement that it does not intend to conduct or allow an appropriate criminal investigation of the IRS’s targeting of Tea Party and other conservative organizations has finally made it abundantly clear that the responsibility of ensuring a thorough, fair, and impartial investigation of IRS employees and their potential criminal conduct will fall to the next presidential administration, and relevant materials must be protected accordingly.”⁴⁸⁵

November 4, 2015: A joint letter signed by seven groups advocating for greater government control over political speech – Campaign Legal Center, Common Cause, Democracy 21, Issue One, League of Women Voters, Public Citizen, and Sunlight Foundation – urges Senators to reject several pro-First Amendment policy riders in an appropriations bill that allow parties to spend greater amounts in coordination with their candidates and prevent executive agencies from unilaterally issuing regulations that stifle political speech. According to the signers, “[e]normous damage was done to the campaign finance laws at the end of the congressional session last year

⁴⁸² U.S. Senator Jeffrey A. Merkley et al., “Letter to Chair Mary Jo White,” United States Senate. Retrieved on September 3, 2015. Available at: http://www.merkley.senate.gov/imo/media/doc/20150831_SECLetter.pdf (August 31, 2015), p. 1.

⁴⁸³ Campaign Legal Center et al., “Re: Standards for tax exemption for social welfare organizations,” Democracy 21. Retrieved on September 10, 2015. Available at: <http://www.democracy21.org/wp-content/uploads/2015/09/REFORM-GROUPS-LETTER-TO-IRS-ON-IMPROPER-501C4-REGULATIONS-9-9-15.pdf> (September 9, 2015), p. 1.

⁴⁸⁴ Evan Perez, “First on CNN: DOJ closes IRS investigation with no charges,” *CNN.com*. Retrieved on October 26, 2015. Available at: <http://www.cnn.com/2015/10/23/politics/lois-lerner-no-charges-doj-tea-party/index.html> (October 23, 2015).

⁴⁸⁵ U.S. Senator Ted Cruz, “Letter to Attorney General Loretta E. Lynch,” United States Senate Committee on the Judiciary. Retrieved on November 3, 2015. Available at: http://www.cruz.senate.gov/files/documents/Letters/20151102_DOJLynchLetter.pdf (November 2, 2015), p. 1.

by adding a new rider at the last minute to the Cromnibus Appropriations bill. This must not be allowed to happen again.”⁴⁸⁶

November 10, 2015: A group of eight Democratic Senators and three Democratic Congressmen write a joint letter to new Speaker of the House Paul Ryan, urging the Speaker to hold a vote in the House on the controversial DISCLOSE Act (see February 11, 2010 entry). The letter implores: “Mr. Speaker, if you are truly serious about restoring faith to this institution, then we ask that you allow Congress to vote on the DISCLOSE Act, which will bring some much-needed transparency to our campaign finance system.” Ryan previously voted against the DISCLOSE Act in 2010 (see June 24, 2010 entry).⁴⁸⁷

November 11, 2015: For the first time, Senate Minority Leader Harry Reid publicly calls for President Obama to sign an executive order requiring federal contractors to report more information about their political affiliations. A video produced by the group American Family Voices features Reid, along with 18 of his Democratic colleagues in Congress, reading Senator Sheldon Whitehouse’s letter to the President on the subject (see June 23, 2015 entry). “In our view, campaign finance disclosure is another issue that demands immediate action to restore the public’s faith in our democracy,” the letter opined.⁴⁸⁸

December 1, 2015: In public comments at a forum hosted by the Urban Institute, IRS Exempt Organizations Division Director Tamera Ripperda questions whether the IRS should mandate that nonprofit organizations report the names and addresses of their supporters to the Agency on a confidential document known as a “Form 990 Schedule B.” Ripperda, who holds the position previously occupied by Lois Lerner, acknowledges that mandatory organizational reporting of the Schedule B is controversial “due to inadvertent disclosure by the IRS and state regulators.” According to Ripperda, the IRS is examining the issue and discussing it with state charity regulators.⁴⁸⁹

The Center for Competitive Politics is a nonpartisan, nonprofit 501(c)(3) organization focused on promoting and protecting the First Amendment political rights of speech, assembly, and petition. It was founded in 2005 by Bradley A. Smith, a former Chairman of the Federal Election Commission. In addition to scholarly and educational work, the Center is actively involved in targeted litigation against unconstitutional laws at both the state and federal levels.

⁴⁸⁶ Campaign Legal Center et al., “Reject Damaging Campaign Finance Riders,” Democracy 21. Retrieved on November 19, 2015. Available at: <http://www.democracy21.org/wp-content/uploads/2015/11/SENATE-Reform-Group-Letter-Opposing-Campaign-Finance-Riders-11-4-15.pdf> (November 4, 2015), p. 1.

⁴⁸⁷ Mike Lillis, “Dems push Ryan on campaign finance reform,” *The Hill*. Retrieved on November 19, 2015. Available at: <http://thehill.com/homenews/house/259704-dems-push-ryan-on-campaign-finance-reform> (November 10, 2015).

⁴⁸⁸ Paul Blumenthal, Harry Reid Joins Call For Obama To Take Action On Dark Money,” *Huffington Post*. Retrieved on November 19, 2015. Available at: http://www.huffingtonpost.com/entry/harry-reid-obama-dark-money_56412a63e4b0b24aee4b8ab3 (November 11, 2015).

⁴⁸⁹ Jillian P. Diamant and Tomer J. Inbar, “Possible end to required disclosure of contributors,” *Lexology*. Retrieved on December 7, 2015. Available at: <http://www.lexology.com/library/detail.aspx?g=a43ecb44-f470-4333-b57d-5429f6e08a33/> (December 3, 2015).