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Alphabet Stink: DOJ Puts FBI On IRS, But Who's On AP?

The IRS has a lot of power. So does the Justice Department. So does the FBI. Now, in a kind of Power Alphabet Soup, perhaps we'll see who emerges victorious. Bad jokes aside, this is hardly funny. The IRS—the taxing agency that draws the lifeblood of our country—is supposed to be tough but even-handed. It isn't supposed to be wielded by anyone for political advantage. Richard Nixon found this out.

Now Attorney General Eric Holder launched a criminal investigation into allegations that top <u>IRS</u> officials targeted conservative groups for scrutiny. "The <u>FBI</u> is coordinating with the Justice Department to see if any laws were



Attorney General Eric Holder (Image credit: Getty Images via @daylife)

broken," Mr. Holder said. Congress isn't far behind, with committees lining up investigations into the IRS. Lois Lerner, the IRS Director of Exempt Organizations, said employees pulled applications for nonprofit status from groups including "Tea Party" and "patriot" names. Some groups were even asked for donor lists.

The <u>Treasury Inspector General for Tax Administration</u> released the bombshell that <u>Inappropriate Criteria Were Used to Identify Tax-Exempt</u>

Applications for Review. Sen. Orrin Hatch, R-Utah, has referred to the chilling, "Nixonian effect" of the IRS being used a political weapon. He has challenged IRS claims that only low-level staffers in Cincinnati did any flagging. Steven Miller, IRS Deputy Commissioner at the time, now is Acting Commissioner, and is alleged to have assured members of Congress there was no problem after allegedly being told there was.

Hatch alleges that Miller even explained the tax-exemption application process without disclosing Tea Party groups had been targeted. On July 25, 2012, Miller's testimony did not mention any additional scrutiny but Hatch says Miller was asked about it. Mr. Hatch calls it "Either the Greatest Cases of Incompetence that I've Ever Seen or it was the IRS Willfully Not Telling Congress the Truth."

At a June hearing, Rep. Kenny Marchant, R-Texas, told Miller that some taxexempt groups had complained of harassment. And Rep. Charles Boustany, R-La., had previously raised concerns with the IRS about complaints Tea Party groups were being harassed. In a June 15, 2012, letter to Boustany, Mr. Miller mentioned the IRS taking steps to "ensure consistency" but not any lists of trigger words like "Tea Party" and "patriot."

Another oops omission? By January of 2012, the IRS list was evidently updated to suggest scrutiny for organizations mentioning the Constitution or Bill of Rights. The House Ways and Means Committee, chaired by Camp, is holding a hearing on the issue Friday and Miller is scheduled to testify.

There could be some unfortunate hyperbole as people blow off steam over this. That is understandable. It is possible that there is an innocent explanation for all of this. It is possible that seemingly indelible dots were not connected. But it sure seems hard to imagine.

A full investigation and open discussion may not be a cure, but it is a good first step. And while we're talking initials, DOJ can't entirely be in the finger pointing business, for it has some explaining of its own to do about AP. See <u>Media organizations slam Justice Dept. over secret gathering of AP phone records</u>. Q.E.D.

Contact me at <u>Wood@WoodLLP.com</u>. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.