



Written by [Raven Clabough](#) on February 7, 2014

## E-mail Reveals IRS Proposed Rule Changes to Hurt Conservatives

Further investigation into the IRS scandal by the House Ways and Means Committee reveals that the Obama administration's Treasury Department and former IRS official Lois Lerner conspired to create new 501(c)(4) regulations to restrict the activity of conservative groups.

The *Daily Caller* reports,

The Treasury Department and Lerner started devising the new rules "off-plan," meaning that their plans would not be published on the public schedule. They planned the new rules in 2012, while the IRS targeting of conservative groups was in full swing, and not after the scandal broke in order to clarify regulations as the administration has suggested.



The proposed rules would impose stricter standards on what qualifies as political activity which would ultimately limit the practices of a number of non-profit groups.

Treasury official Ruth Madrigal wrote in a June 14, 2012 e-mail to Lerner and others obtained by Ways and Means and provided to *The Daily Caller*, "Don't know who in your organizations is keeping tabs on c4s, but since we mentioned potentially addressing them (off -plan) in 2013, I've got my radar up and this seemed interesting."

The proposed new rules would prohibit activities that were once acceptable for nonprofit groups and redefine them as "candidate-related political activity." Some of the activities would include holding voter registration drives and publishing voter guides.

Likewise, grants and donations provided by 501(c)(4) organizations to other non-profits would be subjected to new record-keeping rules and would be under greater scrutiny in order to ensure that the money will not be involved in "political activity" as newly defined.

New IRS Commissioner John Koskinen has claimed that the proposed new rules were an effort to "put to rest all of the issues surrounding applications for tax-exempt status," but Madrigal's e-mail to Lerner proves that those regulations were being drafted before the IRS scandal came to light, at a time when the IRS did not have a need to clarify anything.

The rules were "drafted in a manner, in my view, to shut down tea party groups" Ways and Means Chairman Rep. Dave Camp (R-Mich.) declared earlier this week.

"They are both over-broad and under-inclusive," said Foley & Lardner LLP partner Cleta Mitchell on the new rules. "They've taken everything that 501(c)(4) organizations do in the normal course of business



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and proposed to convert that all to candidate-related activity, even if a candidate is never mentioned.”

Mitchell added that the new rules are being “rushed through” to advance a political agenda. “The objective is to get the rules in place before the 2014 election,” she pointed out.

It is just one of many ways that the IRS had targeted conservative organizations.

The IRS scandal involves the Tax Exempt and Government Entities Division of the IRS openly targeting Tea Party and other conservative groups that applied for tax-exempt 501(c)(4) “social welfare” organization status between 2010 and 2012. Those groups faced additional audits and scrutiny by the federal agency. The audits cost the organizations tens of thousands of dollars and thousands of employee hours, and ultimately delayed the groups from receiving tax-exempt status.

According to the *Daily Caller*, “At least 292 conservative groups were subjected to unfair targeting between 2010 and 2012.”

Treasury Inspector General J. Russell George has been conducting an investigation into the IRS being used as a tool to target groups over the course of two election cycles, and has determined that the agency was using inappropriate criteria to identify tax-exempt applications for review by a team of specialists, including applications from organizations with “Tea Party,” “Patriots,” or “9/12” in their name.

And e-mails obtained by *National Review* indicate that the IRS was not the only organization involved in the systematic and deliberate targeting of conservative groups.

According to *National Review*, IRS official Lois Lerner exchanged e-mails with an attorney at the Federal Election Commission’s general counsel on two separate occasions wherein Lerner influenced the record before the FEC’s vote in the case of a conservative non-profit organization:

The correspondence suggests that the discrimination of conservative groups extended beyond the IRS and into the FEC, where an attorney from the agency’s enforcement division in at least one case sought and received tax information about the status of a conservative group, the American Future Fund, before recommending that the commission prosecute it for violations of campaign-finance law.

The *Daily Caller* adds,

Deputy assistant to the president for health policy Jeanne Lambrew, the most powerful official on Obamacare implementation within the White House, exchanged confidential taxpayer information with the IRS during the 2012 election. Lambrew hosted 155 White House meetings with IRS official Sarah Hall Ingram, with whom Lambrew exchanged the confidential information.

Revelations about the off-the-record plan for the new regulations has lawmakers calling for a halt on the newly proposed 501(c)(4) rules.

Rep. Camp is calling for the new regulations to be halted until the criminal investigations into the IRS scandal are complete:

If Treasury and the IRS fabricated the rationale for a rule change, it would tend to raise questions about the integrity of the rule-making process.

I want to be perfectly clear — this committee will fight any and all efforts to restrict the rights of groups to organize, speak out and educate the public, just as unions are allowed to do so. We will get to the bottom of this, and I expect the IRS to produce — quickly — the outstanding documents



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the committee has requested.

I believe the IRS has a long way to go in restoring its credibility. But, you can take a first step by complying with this committee's request and stopping all action against 501(c)(4) groups until the appropriate investigations are completed.

Meanwhile, the FBI investigation into the scandal has alleged that no criminal activity took place by the IRS, leading many to question the legitimacy of an investigation that is headed by Barbara Kay Bosserman, a trial lawyer in the Justice Department and a frequent and substantial donor to President Obama.

Rep. Darrell Issa, Chair of the House Oversight and Government Reform Committee, expressed a lack of confidence in the investigation in a letter to Attorney General Eric Holder that voiced concerns over Bosserman, who "has donated at least \$6,750" to the Democratic National Committee and to Obama's election campaign.

The FBI investigators have spent more than half a year investigating the scandal without contacting any of the 41 conservative groups that were victimized by the IRS actions, prompting some critics to call the investigation a "sham."



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