



Written by [Raven Clabough](#) on December 23, 2014

House Report Reveals Current Status of IRS Investigation

The Internal Revenue Service has been reeling from the fallout over the scandal involving the agency's targeting of conservative groups, and a new report is sure to intensify the agency's growing problems. The report, released December 23 by the Republican-led House Oversight and Government Reform Committee (HOGRC), reveals a number of significant findings, including that a top official with the IRS had considered going public with the agency's targeting of conservative groups prior to the 2012 presidential elections but decided against it.



The report addresses the IRS scandal involving 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 prevented or delayed the groups' receiving of tax-exempt status.

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

Though the HOGRC has not yet concluded its investigation, Chairman Darrell Issa (shown, R-Calif.) is preparing to hand his seat to Representative Jason Chaffetz (R-Utah) in January. The released report lays out where the committee's investigation currently stands.

The Hill writes, "The report says that the Oversight Committee's investigation will continue, noting that Treasury's inspector general for tax administration recently said it might have uncovered thousands of Lerner's emails previously thought to be lost."

The report indicates that there is no evidence that President Obama or any White House officials ordered the agency to target the conservative groups, but that there was a "culture of bias against conservative organizations among certain IRS employees," a culture that the report indicates was influenced by the Obama administration.

The authors indicate that the agency took cues from Obama's criticism of the Supreme Court's *Citizens United* ruling. "The rhetoric led the IRS to hold a deeply skeptical view of the merits of applications filed by new conservative groups," the GOP report says. The report, according to *The Hill*, asserts that the bias proves that the IRS is no longer a neutral tax collector. "Evidence shows an IRS responsive to the partisan policy objectives of the White House and an IRS leadership that coordinates with political appointees of the Obama administration," the report says.

For instance, former IRS official Lois Lerner admitted in May 2013, after Obama was reelected, that the allegations against the IRS were true. "They used names like Tea Party or Patriots and they selected cases simply because the applications had those



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names in the title," she said at the time. "That was wrong, that was absolutely incorrect, insensitive and inappropriate."

The 210-page report also finds that eight senior IRS officials could have stopped the IRS' targeting of conservative groups, and that a key IRS official had considered going public on the illegal behavior of the IRS but ultimately decided against it.

As Fox News noted, "Then-Deputy Commissioner Steven Miller wrote in an email in June 2012, about a month before a House Ways and Means subcommittee hearing, that he was weighing whether to testify to "put a stake" in the "c4" issue — apparently a reference to allegations about politics playing a role in the agency's denial of tax-exempt, 501(c)(4) status to conservative-leaning groups."

When Miller appeared at the July 25 hearing, however, he did not reveal what he knew about the agency's misconduct. The report determines that because Miller was not forthcoming, "he did a great disservice to the American taxpayers."

In fact, Miller testified before Congress six times between May 2012 and May 2013, when he was forced to resign, and did not reveal the truth about the agency's agenda. Miller did not even reveal the truth at his final hearing, where he referred to actions of the IRS as merely "poor service" but not politically motivated.

The report states: "Though Miller was never asked as directly as [Commissioner Doug] Shulman about the targeting ... Miller likewise never told Congress about the IRS misconduct. Miller's multiple missed opportunities to tell Congress about the targeting continued the IRS's pattern of failing to inform Congress."

The finding involving Miller is just one of several in the report. The writers also determined that the Obama administration's investigation into the IRS scandal is incomplete and that the administration has not been entirely cooperative.

"Only a month after Attorney General [Eric] Holder announced the administration's investigation, then-FBI Director Robert Mueller was unable to answer basic questions about the status," the report states. "Even as recently as July 2014, after the IRS informed Congress that it had destroyed two years of Lerner's e-mails, the FBI continued its refusal to provide any information about its investigation."

Even worse, the Department of Justice had considered pursuing criminal prosecutions against the tax-exempt groups based on information it received from the IRS.

The report also finds that the IRS failed to oversee its agency sufficiently.

"Congress created administrative oversight entities within the Executive Branch to ensure the IRS carries out its mission efficiently and responsibly," the report states. "These entities — specifically, the IRS Oversight Board and the Treasury Inspector General for Tax Administration — exist to ensure that IRS misconduct does not occur and, if it does, to identify and address it immediately. In the case of the IRS's targeting of conservative tax-exempt applicants, these administrative oversight entities failed in their missions."

Furthermore, the report contends that the agency's corruption has spread throughout the rank and file. One revenue agent in Cincinnati, for example, distinguished between tax exempt groups that serviced the poor. Another agent wrote this about an applicant in an e-mail: "This sounds like a bad org. This org gives me an icky feeling."

Regarding the influence of the IRS workers' political beliefs on their work, and the connection between the president's agenda and the IRS's actions, Issa wrote, "There is nothing wrong with career federal



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employees holding strong political beliefs ... but when political beliefs affect work, and these political beliefs align with those being openly and loudly espoused by the president of the United States and his political allies, there is at minimum a correlation.”

Not everyone on the House Committee believes the report’s findings to be conclusive.

Maryland Representative Elijah Cummings, the top Democrat on the House Oversight Committee, has accused the report’s authors of taking information out of context. Also among his criticisms is the fact that Issa leaked the report to the media but not to the rest of the congressional panel. “It is revealing that the Republicans — yet again — are leaking cherry-picked excerpts of documents to support their preconceived political narrative without allowing committee members to even see their conclusions or vote on them first,” said Cummings in a statement. “By leaking information to reporters on condition that they not disclose it to Democrats, Republicans are intentionally bypassing the normal congressional vetting process designed to distinguish fact from fiction,” he added.

Photo of House Oversight and Government Reform Committee Chairman Darrell Issa (R-Calif.): AP Images



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