



Written by [Bob Adelman](#) on May 16, 2013

## Exposure of IRS Malfeasance Erodes Confidence in Big Government

After accepting the resignation of Steven Miller, the acting commissioner of the Internal Revenue Service who was going to leave the agency in June anyway, and then reviewing [the Treasury's report on IRS malfeasance](#) in the "conservative charity targeting" scandal, President Obama [expressed the sentiments of many](#) on Wednesday:



I've reviewed the Treasury Department's watchdog's report, and the misconduct that it uncovered was inexcusable. It's inexcusable, and Americans are right to be angry about it, and I'm angry about it.

He then went on to say that [the IRS' problems are "fixable"](#) as long as Congress doesn't get "political" over the incident:

The good news, it's fixable. I'll do everything in my power to make sure nothing like this happens again, by holding the responsible parties accountable, by putting in place new checks and new safeguards, and, going forward, by making sure the law is applied as it should be — in a fair and impartial way....

[We will work] hand-in-hand with Congress to get this thing fixed [as long as it] does not smack of politics or partisan agendas.

House Speaker John Boehner (R-Ohio) was more direct, asking "Who's going to jail in this scandal?" while Senate Minority Leader Mitch McConnell (R-Ky.) [added](#): "We'll find out the answers to all these questions ... this is completely unacceptable in our free society."

To that end no fewer than six congressional committees are getting ready to ask those questions (who knew what, when, and why?), including the House Ways and Means Committee, which has scheduled hearings for Friday (to quiz the now-resigned IRS commissioner); the Senate Finance Committee; and the House Oversight and Government Reform Committee, which has already subpoenaed Holly Paz, John Shafer, and Joseph Herr — senior IRS officials closely connected with the targeting scandal for their testimonies on Monday.

In addition, Attorney General Eric Holder announced an investigation into the matter, and agreed to cooperate with a separate FBI investigation, saying "The facts will take us wherever they take us. This will not be about parties. This will not be about ideological persuasions. Anyone who has broken the law will be held accountable."

That's going to be a tall order. At present some facts are clear. Following the Supreme Court's decision in *Citizens United* in January 2010, which held that the First Amendment prohibits the government from



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restricting independent political expenditures by corporations, associations or labor unions, the IRS began receiving applications requesting tax-exempt status from numerous groups, including many associated with the Tea Party movement. [One of the first to apply and be granted tax-exempt status](#) was the Champaign Tea Party from Illinois.

And then it was 27 months before another group with conservative credentials was granted approval. A decision was made, somewhere, by someone, to single out applications with titles that included “Tea Party” or “patriots” and delay them while at the same time granting tax exemptions to other groups with names that included the words “Progress” or “Progressive” even though they were engaged in the same kind of behavior. Such groups as *Bus for Progress*, *Missourians Organizing for Reform* and *Progress Florida* found their applications approved promptly.

Someone [developed a protocol spreadsheet called “Be On the Look Out”](#), or BOLO, which agents were to use when determining which applications to expedite and which ones to investigate more thoroughly. Included on BOLO were:

- referenced words “Tea Party,” “Patriots” or “9/12 Project” in the case file
- outlined issues in the application that included government spending, government debt, or taxes
- advocating or lobbying to “make America a better place to live”
- statements in the case file that criticize how the country is being run
- advocating education about the Constitution and the Bill of Rights
- focus on challenging the Affordable Care Act — known by many as ObamaCare
- questioning the integrity of federal elections

The investigation which followed included demands for

- Resumés for all directors, officers, and key employees
- Estimated future budgets for several years
- Full copies of all web pages, including internal members-only pages
- Plans by any officers, employees, or family members of officers or employees to run for public office in the future
- Copies of every letter ever sent by the organizations to legislators
- Copies of “any contracts” or “training material” the groups may have exchanged with Koch foundations

An especially egregious example of the IRS’ approach is the charity founded by President Obama’s step-brother, Malik “Roy” Obama, called the [Barack H. Obama Foundation](#). Charles Johnson, [writing at the Daily Caller](#), called it “a shady charity” that had been operating illegally long before it received its tax exemption from the IRS. When its paperwork was finally submitted, it was granted approval in less than 30 days. As Johnson noted:

[The charity’s] president and founder, Abon’go “Roy” Malik Obama, is Barack Obama’s half-brother and was the best man at his wedding, but he has a checkered past. In addition to running his charity, Malik Obama ran unsuccessfully to be the governor of Siaya County in Kenya. He was accused of being a wife beater and seducing the newest of his twelve wives while she was a 17-



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year-old school girl.

When Ken Rutherford, founder of Landmine Survivor Corps, visited Kenya where “Roy” Obama was allegedly helping the poor, he brought with him 400 pounds of medical supplies to give to him. But upon speaking with him and learning about his “charity,” Rutherford concluded that “Roy” was a shifty “operator” and gave the supplies to a local clinic instead.

Nevertheless, Lois Lerner, head of the IRS tax-exempt-organizations division granting (or delaying) applications, signed off personally on Roy’s request and then, even more extraordinarily, granted his “charity” retroactive tax-exempt status dating back to 2008.

With the confluence of three major crises landing in the White House’s lap virtually within weeks of each other (Benghazi, the Department of Justice’s raid on the Associated Press’ e-mails, and now the “conservative charity targeting” scandal), the significance of a runaway government is beginning to sink into the minds of average Americans. [According to Rasmussen Reports](#), most voters think the IRS’ actions were politically motivated and that most of those involved “should be severely punished.”

Michael Gerson, writing for the liberal *Washington Post*, noted that this malfeasance and overreaching [only increase the degree of distrust](#) in the government held by American citizens:

As the ambitions of government in the Obama era have expanded, respect for the institution of government has reached new lows. These scandals add another layer of cynicism.

The practical political effects are very real. Who is more likely this month than last to trust the federal government with the implementation of Obamacare (in part by the IRS), the enforcement of new gun-control laws or the securing of the southern border?

After all the committee hearings and investigations are completed, it’s too easy to say that “after everything is said and done, much more will be said than done,” but a more desirable outcome may result as big government and its financial enforcement arm, the IRS, continue to lose credibility. That is critical before real, significant change can take place.

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