

BILL FLORES
MEMBER OF CONGRESS
17TH DISTRICT, TEXAS

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Congress of the United States
House of Representatives
Washington, DC 20515-4317

COMMITTEE ON THE BUDGET
COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON
ENERGY AND MINERAL RESOURCES
SUBCOMMITTEE ON
FISHERIES, WILDLIFE, OCEANS AND
INSULAR AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATION

March 7, 2012

Chairman Darrell Issa
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515

Chairman Issa,

It has recently been brought to my attention that the Internal Revenue Service sent a letter to the Waco Tea Party in my district requesting information relative to their 2010 application for 501(c)(4) tax exempt status. The IRS sent similar letters to other tea party organizations around the country earlier this year as well. Many of the questions the IRS asked the Waco Tea Party seem onerous and subjective. I have sent a letter to the IRS asking questions about the letter they sent which I have enclosed. I am concerned that the IRS is targeting tea party organizations around the country, requesting vague and intrusive information, which could infringe on their rights to freedom of association and freedom of speech. I request that your committee open an investigation into this issue with the tea parties and the IRS and hold a hearing to bring some of these questions and concerns to light.

Thank you for your attention to this matter. I look forward to your response.

Very respectfully yours,



Bill Flores
Member of Congress

Enclosure

BRYAN/COLLEGE STATION
2800 SOUTH TEXAS AVENUE, SUITE 403
BRYAN, TX 77802
PHONE: (979) 703-4037
FAX: (979) 703-8845

CLEBURNE
ONE NORTH WALNUT, SUITE 145
CLEBURNE, TX 76033
PHONE: (817) 774-2551
FAX: (817) 774-2220

WACO
400 AUSTIN AVENUE, SUITE 302
WACO, TX 76701
PHONE: (254) 732-0748
FAX: (254) 732-1755

Congress of the United States
House of Representatives
Washington, DC 20515-4317

March 7, 2012

Honorable Douglas H. Shulman
Commissioner
Room 3000 IR
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Shulman:

I am writing in regards to an Internal Revenue Service document sent to the Waco Tea Party dated February 1, 2012. The document is a request for more information relative to the Waco Tea Party's 2010 application for exemption.

In July 2010 the treasurer of the Waco Tea Party, which is located in my Congressional District, filed the necessary paperwork to apply for 501(c)(4) status with the IRS. The treasurer sent the necessary paperwork and the fee of \$850 to the IRS and filed form 990. Shortly thereafter, the Waco Tea Party received a letter from the IRS stating that they had received the application, and that the Waco Tea Party would be sent a follow-up letter that would state whether they had been approved or denied, or if additional information was required.

While the Waco Tea Party's status has since been "pending", they have filed form 990 each year, as instructed by the IRS. On February 7, 2012, The Waco Tea Party received a letter from the IRS requesting more information concerning the party's 501(c)(4) status. While much of the information the IRS is requesting is reasonable, some of the questioning is worded overly ambiguously or so onerously that it would be financially impossible to comply, especially given the 23 day response due date.

Given this circumstance of ambiguous questioning, subjective answers, a short turnaround time, and prolonged timing, I am requesting answers to the following questions:

- Why has the IRS taken 20 months to review this exemption application, yet the Waco Tea Party has only 23 days to answer?
- What specific reason is there for this delay and subsequent 23 day response time? What is the average turnaround time for the IRS to approve exemption applications?
- Many of the questions that were sent to the Waco Tea Party seem onerous and subjective. Does the IRS have standard procedures or forms it uses to request additional information from applicants seeking tax exempt status? Please provide any forms and related materials used.

- Are these questions asked of all 501(c)(4) applicants?
- Are these questions in the tax code or regulations? Please cite where in the code or regulations each of these 20 questions can be found.

Thank you for your attention to this matter. I look forward to your response.

Very respectfully yours,

A handwritten signature in black ink, appearing to read "Bill Flores". The signature is fluid and cursive, with the first name "Bill" and last name "Flores" clearly distinguishable.

Bill Flores
Member of Congress

Enclosure

Internal Revenue Service

[REDACTED]
Cincinnati, OH 45201

Date: February 1, 2012

Waco Tea Party
PO Box 5231
Waco, TX 76708

Department of the Treasury

Employer Identification Number:
[REDACTED]

Person to Contact – Group #:
[REDACTED]

Contact Telephone Numbers:

[REDACTED] Phone

[REDACTED] Fax

Response Due Date:

February 23, 2012

Dear Sir or Madam:

We need more information before we can complete our consideration of your application for exemption. Please provide the information requested on the enclosed Information Request by the response due date shown above. Your response must be signed by an authorized person or an officer whose name is listed on your application. Also, the information you submit should be accompanied by the following declaration:

Under penalties of perjury, I declare that I have examined this information, including accompanying documents, and, to the best of my knowledge and belief, the information contains all the relevant facts relating to the request for the information, and such facts are true, correct, and complete.

If we approve your application for exemption, we will be required by law to make the application and the information that you submit in response to this letter available for public inspection. Please ensure that your response doesn't include unnecessary personal identifying information, such as bank account numbers or Social Security numbers, that could result in identity theft or other adverse consequences if publicly disclosed. If you have any questions about the public inspection of your application or other documents, please call the person whose name and telephone number are shown above.

To facilitate processing of your application, please attach a copy of this letter and the enclosed Application Identification Sheet to your response and all correspondence related to your application. This will enable us to quickly and accurately associate the additional documents with your case file. Also, please note the following important response submission information:

- Please don't fax and mail your response. Faxing and mailing your response will result in unnecessary delays in processing your application. Each piece of correspondence submitted (whether fax or mail) must be processed, assigned, and reviewed by an EO Determinations specialist.
- Please don't fax your response multiple times. Faxing your response multiple times will delay the processing of your application for the reasons noted above.

Waco
[Redacted]

- Please don't call to verify receipt of your response without allowing for adequate processing time. It takes a minimum of three workdays to process your faxed or mailed response from the day it is received.

If we don't hear from you by the response due date shown above, we will assume you no longer want us to consider your application for exemption and will close your case. As a result, the Internal Revenue Service will treat you as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new application.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



[Redacted]
Exempt Organizations Specialist

Enclosure: Information Request
Application Identification Sheet

Waco
**Additional Information Requested:**

1. Please provide copies of your current web pages, including your Blog posts. Please provide copies of all of your newsletters, bulletins, flyers, newsletters or any other media or literature you have disseminated to your members or others. Please provide copies of stories and articles that have been published about you.
2. Provide copies of the pages of your social networking sites.
3. You provided a copy of your Articles of Incorporation that does not exhibit the State agency's date stamp. Please provide a copy exhibiting the date stamp.
4. Provide an updated roster of your Board and officers.
5. Provide your actual revenues and expenditures for 2010 and 2011, and a projection of your 2012 revenues and expenditures. Please be very explicit about your expenditures.
6. Provide copies of the action items you have sent to members and others by email or otherwise.
7. Provide copies of the agendas and minutes of any Board meetings and, if applicable, membership meetings, in which electoral issues were discussed or to which candidates for political office were invited.
8. Have you expressly endorsed or oppose candidates for public office or slates of candidates at public events, on your website, on your radio show or You Tube page, in your literature or in any other forum? Do you plan to do so in the current election cycle? If so, provide a list of candidates for political office you have expressly endorsed or opposed, and describe the occasion on which you made each endorsement.
9. Describe in detail any financial or other support you have given to candidates, slates of candidates, or political parties, or which you plan to give in the current election cycle.
10. List the community events, including rallies, you organized or took part in in the past, or plan to organize or participate in during the current election cycle. What are the dates on which they took place or will take place?
 - a. Describe the purpose of the event, and the issues that it addressed.
 - b. Provide copies of any materials disseminated to participants in the event.
 - c. If you permitted a candidate quā candidate to address the participants in any event, explain in detail.
11. List the dates of the radio shows in which candidates for political office were invited or in which candidates as candidates were mentioned by name. Please provide transcripts of the pertinent parts of those shows.
12. Submit copies of any candidate questionnaires you submit to candidates. How do you communicate the results of the questionnaires to the electorate? Provide copies of these communications.
13. Do you compile voter guides or distribute voter guides, either your own or those provided by others? Provide copies.
14. Provide copies of any documents you disseminate that rate incumbents or all candidates for political office. State the dates on which you disseminated these documents, and through which media.

Waco
[REDACTED]

15. Do any issue-related advocacy communications compare to the positions of candidates or slates of candidates on these issues with your positions? Provide copies of these communications. What percentage do these constitute of your issue-related advocacy communications?
16. Do you encourage eligible voters to educate themselves, register to vote, and vote?
 - a. Explain in detail how you do this. For example, do you conduct voter registration or get out the vote drives, or voter education?
 - b. In the course of conducting these activities do your members or volunteers urge the voters to support or oppose particular candidates or slates of candidates?
 - c. If not, describe how you ensure that these activities are conducted in a strictly non-partisan manner.
17. Do you have a close relationship with any candidate for public office or political party? If so describe fully the nature of that relationship.
18. Provide copies of any agreements you have with others for provision of goods or services, sharing of facilities or other cooperative arrangements, or anything else.
19. What percentage of your time is devoted to each of the following? What percentage of your resources?
 - a. Member events in which electoral issues, including the qualifications of candidates or slates of candidates are also discussed.
 - b. Organization/participation in public events. Within this category, what percentage involved some kind of intervention in the political process, including, but not exclusively, express or implicit endorsement or opposition to candidates or slates of candidates.
 - c. Express endorsements of candidates through press releases, advertising, member communications, radio shows, or other media.
 - d. Financial or other support to candidates, slates of candidates, or political parties.
 - e. Voter education and engagement activities which tend to support or oppose specific candidates or slates of candidates.
 - f. Issue-related advocacy communications. Within this category, what percentage include comparisons of the positions of candidates or slates of candidates on these issues with your positions?
 - g. Compilation and distribution of candidate questionnaires, voter guides, incumbent or candidate ratings, and so forth.
 - h. Member events in which only legislative issues are discussed.
 - i. Nonpartisan voter education or engagement activities.
 - j. Fundraising.
 - k. Website maintenance.
 - l. Other administrative, including officer travel and participation in conferences.
 - m. Other – please describe fully.

Waco
[REDACTED]

20. Apart from your responses to the preceding, estimate the percentage of your time and what percentage of your resources you will devote to activities in the 2012 election cycle, in which you will explicitly or implicitly support or oppose a candidate, candidates or slates of candidates, for public office.

PLEASE DIRECT ALL CORRESPONDENCE REGARDING YOUR CASE TO:

US Mail:

Internal Revenue Service
Exempt Organizations
[REDACTED]

Cincinnati, OH 45201
ATT: [REDACTED]

Street Address for Delivery Service:

Internal Revenue Service
Exempt Organizations
[REDACTED]

Cincinnati, OH 45202
ATT: [REDACTED]