

Timeline of Written Criteria for Identifying Potential Political Cases

The following illustrates the changes to the written criteria provided to Determinations Unit employees for identifying applications for the team of specialists.

Date	Criteria Developed or Actions Taken
Redacted	Redacted
March–April 2010	The Determinations Unit began searching for other requests for tax exemption involving the Tea Party, Patriots, 9/12 and I.R.C. § 501(c)(4) applications involving political sounding names, <i>e.g.</i> , “We the People” or “Take Back the Country.”
July 2010	Determinations Unit management requested its specialists to be on the lookout for Tea Party applications.
August 2010	First BOLO listing issued with criteria listed as “...various local organizations in the Tea Party movement...applying for exemption under 501(c)(3) or 501(c)(4).”
July 2011	Criteria changed to “Organizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4)” based on the concerns the Director, EO, raised in June 2011.
January 2012	Criteria changed to “Political action type organizations involved in limiting/expanding government, educating on the constitution and bill of rights, social economic reform/movement” based on Determinations Unit concerns that the July 2011 criteria was too generic.
May 2012	Criteria changed to “501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention (raising questions as to exempt purpose and/or excess private benefit).”

Comprehensive Timeline of Events

The following chart illustrates a timeline of events from **Redacted** through July 2012 involving the identification and processing of potential political cases. It shows that there was confusion about how to process the applications, delays in the processing of the applications, and a lack of management oversight and guidance. The timeline was developed using documentation provided by the EO function as well as numerous interviews with EO function personnel.

Date	Event	Additional Details	Source
Redacted	Redacted		Redacted
Around March 1, 2010	The Determinations Unit Group Manager asked a specialist to search for other Tea Party or similar organizations' applications in order to determine the scope of the issue. The specialist continued to complete searches for additional cases until the precursor to the BOLO listing was issued in May 2010.	Determinations Unit personnel indicated that they used the description Tea Party as a shorthand way of referring to the group of cases involving political campaign intervention rather than to target any particular group. The specialist used Tea Party, Patriots, and 9/12 as part of the criteria for these searches.	Interview
March 16–17, 2010	Ten Tea Party cases were identified. The Acting Manager, Technical Unit, Redacted	Not all of the ten cases had Tea Party in their names.	E-Mail
April 1–2, 2010	The new Acting Manager, Technical Unit, suggested the need for a Sensitive Case Report on the Tea Party cases. The Determinations Unit Program Manager agreed.		E-Mail
Redacted	Redacted		Redacted
April 5, 2010	A Determinations Unit specialist developed a list of 18 identified Tea Party cases during a search of applications. Three had already been approved as tax-exempt.	While the heading of the document listing these 18 cases referred to Tea Party cases, not all of the organizations listed had Tea Party in their names.	E-Mail
April 19, 2010	The first Sensitive Case Report was prepared by the Technical Unit.	Sensitive Case Reports are shared with the Director, Rulings and Agreements, and a chart summarizing all Sensitive Case Reports is provided to the Director, EO.	Documentation

Date	Event	Additional Details	Source
April 25, 2010	The Determinations Unit Program Manager requested Technical Unit contacts for the specialist assigned to work other Tea Party cases. Contacts were received. Redacted		E-Mail
May 17, 2010	The Determinations Unit specialist will send additional information request letters to the Technical Unit for review prior to issuance as part of the Technical Unit's attempt to provide assistance to the Determinations Unit.		E-Mail
Redacted	Redacted		Redacted
May 27, 2010	The Technical Unit began reviewing additional information request letters prepared by the Determinations Unit.		Interview and E-Mail
June 7, 2010	Determinations Unit began training its specialists on emerging issues to watch for, including an emerging issue referred to as Tea Party Cases.		Documentation
Redacted	Redacted		Redacted
Redacted	Redacted	Redacted	Redacted
July 2010	Determinations Unit management requested its specialists to be on the lookout for Tea Party applications.		E-Mail
Redacted	Redacted		Redacted
July 27, 2010	Prior to the BOLO listing development, an e-mail was sent updating the description of applications involving potential political campaign intervention and providing a coordinator contact for the cases. The description was changed to read, "These cases involve various local organizations in the Tea Party movement [that] are applying for exemption under 501(c)(3) or 501(c)(4)."		Interview and Documentation
August 12, 2010	The BOLO listing was developed by the Determinations Unit in order to replace the existing practice of sending separate e-mails to all Determinations Unit employees as to cases to watch for, potentially abusive cases, cases requiring processing by the team of specialists, and emerging issues. The description of applications involving potential political campaign intervention on the BOLO listing was the same description used in the July 27, 2010, e-mail.		Interview and Documentation
August 2010	The responsibility for applications involving potential political campaign intervention was moved to a different team of specialists as part of a group realignment within the Determinations Unit.		Interview and Documentation

Date	Event	Additional Details	Source
October 2010	Applications involving potential political campaign intervention were transferred to another Determinations Unit specialist. The specialist did not work on the cases while waiting for guidance from the Technical Unit.	Per the Director, Rulings and Agreements, there was a miscommunication about not working the cases while waiting for guidance.	Interviews
October 19, 2010	Technical Unit personnel forwarded a memorandum to their Acting Manager describing the work completed on the Tea Party cases by the Technical Unit. Included was a list of the cases the Technical Unit had assisted the Determinations Unit with.	The list included 40 cases, 18 of which did not have Tea Party in their names.	E-Mail
October 26, 2010	Determinations Unit personnel raised concerns to the Technical Unit with the approach being used to develop the Tea Party cases: Why does the Technical Unit need to review every additional information request letter when a template letter could be approved and used on all the cases?		E-Mail
November 16, 2010	A new coordinator contact for potential political cases was announced.		Interview and Documentation
November 16–17, 2010	A Determinations Unit Group Manager raised concern to the Determinations Unit Area Manager that they are still waiting for an additional information request letter template from the Technical Unit for the Tea Party cases. The coordinator had received calls from taxpayers checking on the status of their applications.		E-Mail
November 17, 2010	The Determinations Unit Program Manager discussed Tea Party cases with the Technical Unit manager. Review of the cases by the Technical Unit found that not all the cases had the same issues so a template letter had not been developed.		E-Mail
December 13, 2010	The Determinations Unit Program Manager asked the Technical Unit manager for a status on the Tea Party cases. The Technical Unit manager responded that they were going to discuss the cases with the Senior Technical Advisor to the Director, EO, shortly.		E-Mail
January 28, 2011	The Determinations Unit Program Manager requested an update on the Tea Party cases from the Technical Unit Acting Manager.		E-Mail
January 2011	A new person took over the Technical Unit Acting Manager role.		Interview
February 3, 2011	The Technical Unit Acting Manager provided an update to the Determinations Unit Program Manager on the cases being worked by the Technical Unit. Letters were being developed and would be reviewed shortly.		E-Mail
March 2, 2011	A Determinations Unit Group Manager reminded the Determinations Unit Program Manager to follow up with the Technical Unit on the status of the Tea Party cases.		E-Mail

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Redacted	Redacted		Redacted
March 31, 2011	The Determinations Unit Program Manager stated that, while waiting for assistance from the Technical Unit, the Determinations Unit still needed to work Tea Party cases to the extent possible.	This contradicts the October 2010 decision not to work cases until assistance is received from the Technical Unit and supports the statement of the Director, Rulings and Agreements, that there was a miscommunication about not working the cases while awaiting assistance.	E-Mail
Redacted	Redacted		Redacted
June 1–2, 2011	The Acting Director, Rulings and Agreements, requested criteria used to identify Tea Party cases from the Determinations Unit Program Manager. The Determinations Unit Program Manager requested criteria from a Determinations Unit Group Manager.		E-Mail
June 2, 2011	A Determinations Unit Group Manager provided criteria for identifying potential Tea Party cases to the Determinations Unit Program Manager. Information was then forwarded to the Acting Director, Rulings and Agreements.	These criteria are very different than the BOLO listing criteria available at the time.	E-Mail
Redacted	Redacted		Redacted
June 6, 2011	The Acting Director, Rulings and Agreements, commented that the criteria being used to identify Tea Party cases may have resulted in over-inclusion. Redacted		E-Mail
June 6, 2011	The Determinations Unit Program Manager mentioned that the Determinations Unit needed assistance from the Technical Unit to ensure consistency.		E-Mail

Date	Event	Additional Details	Source
June 29, 2011	<p>A briefing was held with the Director, EO. The briefing paper noted that the Determinations Unit sent cases that met any of the criteria below to a designated team of specialists to be worked:</p> <ul style="list-style-type: none"> • “Tea Party,” “Patriots,” or “9/12 Project” is referenced in the case file. • Issues include Government spending, Government debt, or taxes. • Education of the public via advocacy/lobbying to “make America a better place to live.” • Statements in the case file criticize how the country is being run. <p>Over 100 applications were identified by this time. It was decided to develop a guide sheet for processing these cases.</p>	<p>The briefing paper for the Director, EO, was prepared by Tax Law Specialists in the Technical Unit and the Guidance Unit and was reviewed by the Acting Manager, Technical Unit. A Guidance Unit specialist was the primary author of the briefing paper.</p> <p>During the briefing, the Director, EO, raised concerns over the language of the BOLO listing criteria. The Director, EO, instructed that the criteria be immediately revised.</p>	Documentation and E-Mail
July 5, 2011	<p>A conference call was held with the Technical Unit; the Director, EO; and the Determinations Unit Program Manager. They developed new criteria for identifying cases. The Determinations Unit Program Manager made changes to the BOLO listing. The criteria were changed to “organizations involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4).”</p>		E-Mail
July 5, 2011	<p>The EO function Headquarters office would be putting a document together with recommended actions for identified cases.</p>		E-Mail
July 23, 2011	<p>The Technical Unit was assigned a new person to coordinate with the Determinations Unit.</p>		E-Mail
July 24, 2011	<p>Work commenced on the guide sheet when the Acting Manager, Technical Unit, asked tax law specialists to draft a list of things for Determinations Unit specialists to look for when working these cases.</p>		E-Mail
August 4, 2011	<p>Rulings and Agreements office personnel held a meeting with Chief Counsel so that everyone would have the latest information on the issue.</p>		E-Mail
August 4, 2011	<p>A Guidance Unit specialist asked if Counsel would review a check sheet prior to issuance to the Determinations Unit. The Acting Director, Rulings and Agreements, responded that Counsel would review it prior to issuance.</p>		E-Mail
Redacted	Redacted		Redacted

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September 15, 2011	The Determinations Unit Program Manager sent a list of all identified cases to the Acting Director, Rulings and Agreements, so that the Technical Unit could complete a limited “triage” of the cases using available information from the electronic case files. A Technical Unit specialist reviewed the list to determine if any cases could be closed on merit or closed with an adverse determination letter. This “triage” was considered a third screening.		E-Mail
September 21, 2011	The draft guide sheet was sent for review and comment to various EO function Headquarters office employees.		E-Mail
October 2011	A new person took over as the Acting Director, Rulings and Agreements.		Interview
October 24, 2011	A Technical Unit manager forwarded initial “triage” results to the Determinations Unit.		E-Mail
October 25, 2011	Based on the categories and terminology used in the triage results spreadsheet, the Determinations Unit Program Manager was unclear what the Determinations Unit should do with the triage results – close cases, develop further, <i>etc.</i> – and requested the status on the guidance from the Technical Unit.		E-Mail
October 26, 2011	A Technical Unit specialist provided further explanation of the triage results in an e-mail to the Determinations Unit Program Manager.		E-Mail
October 30, 2011	The Determinations Unit Program Manager contacted the Acting Manager, Technical Unit, asking additional questions regarding the triage results and requesting a status update on the Technical Unit guidance. Redacted		E-Mail
November 3, 2011	An updated draft version of the guide sheet was sent to EO function employees for comment.		E-Mail
November 6, 2011	The Acting Manager, Technical Unit, had a Technical Unit specialist provide more details on the triage results, and informed the Determinations Unit Program Manager that the guidance was being reviewed prior to issuance.		E-Mail
November 6, 2011	The Acting Director, Rulings and Agreements, informed the Acting Manager, Technical Unit, and the Determinations Unit Program Manager that, based on feedback received, the guidance developed would not work in its present form – it was “too lawyerly” to be useful and needed the Determinations Unit input.		Interview and E-Mail
November 15, 2011	The Determinations Unit Program Manager forwarded the Technical Unit specialist’s triage results to the Senior Technical Advisor to the Director, EO, per the Director’s request.		E-Mail

Date	Event	Additional Details	Source
November 22, 2011	The Acting Manager, Technical Unit, forwarded the clarified triage results to the Determinations Unit Program Manager.		E-Mail
November 23–30, 2011	A new Determinations Unit coordinator was assigned oversight of the cases by a Determinations Unit Group Manager. The draft Technical Unit guidance was provided to the Group Manager. The coordinator began working cases after receiving the guidance in anticipation of a team being assembled to work the cases.		Interview and E-Mail
November 2011	The Determinations Unit specialist assigned the cases began working them after receiving the draft Technical Unit guidance.		Interview
December 7–9, 2011	A team of Determinations Unit specialists was created to review all the identified cases. An employee from Quality Assurance was also part of the team. The Technical Unit provided contacts for them.		E-Mail
December 16, 2011	The first meeting was held by the team of specialists.		Interview and E-Mail
January 2012	The first batch of letters requesting additional information for applications containing incomplete or missing information was issued by Determinations Unit specialists based, in part, on their reading of the draft guidance issued by the Technical Unit.		Interview and E-Mail
January 2012	A Determinations Unit specialist was tasked with performing a secondary screening of identified potential political cases to ensure that they involved political activities and not just general or lobbying advocacy.		Interviews
January 25, 2012	The BOLO listing criteria were again updated. The criteria was revised as “political action type organizations involved in limiting/expanding Government, educating on the Constitution and Bill of Rights, social economic reform/movement.” The coordinator contact was changed as well.		Interview and Documentation
February 27, 2012	A member of the team of specialists asked when to start issuing additional information request letters to applicants again.		E-Mail
February 27, 2012	The Determinations Unit Program Manager questioned why the team of specialists was not issuing additional information request letters. The Determinations Unit Group Manager for the team of specialists had told the team coordinator to stop developing template questions, not to stop issuing additional information request letters. The miscommunication was corrected on February 29, 2012.		E-Mail

Date	Event	Additional Details	Source
February 29, 2012	The Director, EO, requested that the Acting Director, Rulings and Agreements, develop a letter to clearly inform applicants what was going to happen if they did not respond to the additional information request letters and giving them more time for their responses.		E-Mail
February 29, 2012	The Director, EO, stopped any more additional information request letters from being issued on advocacy cases until new guidance was provided to the Determinations Unit. In addition, the Acting Director, Rulings and Agreements, discussed with the Determinations Unit Program Manager, about having specialists print out website information and asking the organizations to verify the information instead of asking for applicants to print out the website information.		E-Mail
February–March 2012	Numerous news articles began to be published with complaints from Tea Party organizations about the IRS's unfair treatment. Congress also began to show interest in the IRS's treatment of Tea Party organizations.		Documentation
March 2012	A new person became Acting Group Manager of the team of specialists.		Interview
March 1, 2012	A draft list of template questions was prepared by the team of specialists and forwarded to the Guidance Unit.	Questions included asking for donor information.	E-Mail
March 5, 2012	The Acting Manager, Technical Unit, established procedures for reviewing the first favorable determination letter drafted by the Determinations Unit.		E-Mail
Redacted	Redacted		Redacted
March 8, 2012	The Deputy Commissioner for Services and Enforcement requested that, if a taxpayer called about having to provide donor information, the Determinations Unit would allow them to not send the donor names but would inform them that the IRS may need it later.		E-Mail
March 8, 2012	The Acting Director, Rulings and Agreements, sent to the Determinations Unit Program Manager for comment a draft letter on giving applicants additional time to respond to the additional information request letters. The Determinations Unit Program Manager raised a concern of giving organizations that were not compliant with standard response timelines special treatment.		E-Mail
March 15, 2012	The Determinations Unit received guidance on how to handle different scenarios, based upon the status of their cases. Those I.R.C. § 501(c)(4) organizations that had not responded to an additional information request letter were issued another letter giving them an additional 60 days to respond. Those letters were to be issued by March 16, 2012. This additional time letter was a one-time occurrence.		Interview and E-Mail

Date	Event	Additional Details	Source
March 23, 2012, and March 27, 2012	The Senior Technical Advisor to the Acting Commissioner, Tax Exempt and Government Entities Division, and the Deputy Commissioner for Services and Enforcement discussed concerns with the media attention the Tea Party applications were receiving. The Deputy Commissioner for Services and Enforcement asked the Senior Technical Advisor to look into what was going on in the Determinations Unit and make recommendations.		Interview
April 2012	The Acting Director, Rulings and Agreements, learned that the BOLO listing criteria had been changed on January 25, 2012, and informed the Director, EO.		Interview
April 4, 2012	The Determinations Unit received the extension letter for issuance to I.R.C. § 501(c)(3) organizations that had not responded to a previous additional information request letter.		E-Mail
April 17, 2012	Tax Exempt and Government Entities Division Headquarters office employees received the Technical Unit triage results and the draft guidance provided by the Technical Unit. Template questions developed by the team of specialists were also provided.		E-Mail
April 23, 2012	Senior Technical Advisor to the Acting Tax Exempt and Government Entities Division Commissioner visited the Determinations Unit in Cincinnati, Ohio, with a group of EO function employees, and reviewed about half of the identified cases.		Interview
April 24, 2012	The Acting Director, Rulings and Agreements, requested that the Senior Technical Advisor to the Director, EO, review all the additional information request letters issued and identify troubling questions, which organizations received them, and which members of the team of specialists asked them.		E-Mail
April 25, 2012	The Senior Technical Advisor to the Director, EO, provided results of the additional information request letter review, including a list of troubling questions.	The results included the names of donors as a troubling question.	E-Mail
April 25, 2012	Chief Counsel's office provided additional comments on the draft guidance developed for the Determinations Unit.		E-Mail
May 8, 2012	The Determinations Unit Program Manager was informed that EO function Headquarters office employees planned to visit Cincinnati, Ohio, to provide training on cases and perform a review of the cases to recommend what additional actions, if any, were needed to make a determination.		E-Mail
May 9, 2012	The Director, Rulings and Agreements, asked about the process for updating the BOLO listing.		E-Mail

Date	Event	Additional Details	Source
May 14–15, 2012	Training was held in Cincinnati, Ohio, on how to process identified potential political cases. The Senior Technical Advisor to the Director, EO, took over coordination of the team of specialists from the Determinations Unit.		E-Mail
May 16, 2012	A joint team of Determinations Unit specialists and EO function Headquarters office employees began reviewing all potential political cases began in Cincinnati, Ohio. Cases were divided into four groups with recommendations for how to proceed: favorable determination, favorable with limited development, significant development, and probably adverse. This took around three weeks to complete. A worksheet was used to document the reviews.		E-Mail
May 17, 2012	The Director, Rulings and Agreements, issued a memorandum outlining new procedures for updating the BOLO listing. The BOLO listing criteria were updated again. New criteria reads: “501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6) organizations with indicators of significant amounts of political campaign intervention (raising questions as to exempt purpose and/or excess private benefit).”	Suggested additions and changes must be approved by a Determinations Unit coordinator, the Determinations Unit Program Manager, and the Director, Rulings and Agreements.	Interview and E-Mail
May 21, 2012	The EO function determined that the requested donor information could be destroyed or returned to the applicant if not used to make the final determination of tax-exempt status. It does not need to be kept in the administrative file. A letter would be issued to the organizations informing them that the donor information was destroyed.		Interview and E-Mail
May 24, 2012	A telephone call script was developed to inform some organizations that had not responded to the additional information requests that it was not necessary to send the requested information and that their applications had been approved. Also, an additional paragraph was developed for the determination letter.		E-Mail
May 2012	After the review of identified cases was completed, each Determinations Unit specialist working cases was assigned a Technical Unit employee to work with on the cases. The Technical Unit employee reviewed all additional information request letters prior to issuance. The Quality Assurance Unit began reviewing 100 percent of the cases prior to closure. The Quality Assurance Unit review will shift from 100 percent review to a sample review once a comfort level with the results of the quality review was achieved.		Interview
May 2012	A decision was made to refer cases to the Review of Operations Unit for follow-up if there were indications of political campaign intervention but not enough to prevent approval of tax-exempt status.		Interview and E-Mail

Date	Event	Additional Details	Source
June 4, 2012	A draft letter was developed to send to organizations that provided donor information. The letter would inform the organizations that the information was destroyed.		E-Mail
June 7, 2012	The Director, Rulings and Agreements, provided guidance on how to process cases now that they had been reviewed and divided into categories. Any new cases received would go through the same review process prior to assignment.		E-Mail
July 15, 2012	A new Acting Determinations Unit Group Manager was overseeing the team of specialists.		Interview