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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 12, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Holder:

Recently, the Treasury Inspector General for Tax Administration (TIGTA) published an audit report revealing that the Internal Revenue Service inappropriately targeted certain organizations applying for tax exempt status.¹ On June 3, 2013, I wrote TIGTA seeking to determine if the scope of such targeting expanded beyond tax exempt organizations. Specifically, I sought to determine if TIGTA was aware of any targeting of candidates for public office or their donors.

In response to my request, TIGTA reported knowledge of eight instances involving potential unauthorized access or disclosure of tax records belonging to political donors or candidates (see attached).² Although this may not be indicative of wide spread targeting, *any* instance is cause for concern. Even more alarming, in at least one instance TIGTA referred evidence of “willful unauthorized access” to the United States Attorney’s Office, but criminal prosecution was declined.³ Decisions such as these directly impact the political process and should be subject to the scrutiny of the American public.

So that I may better understand the rationale of the Department of Justice (DOJ) in declining the TIGTA investigations for criminal prosecution, please provide answers to the following questions:

¹ U.S. Treasury Inspector General for Tax Administration Audit Report 2013-10-053, May 14, 2013, *Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review*, <http://www.treasury.gov/tigta/auditreports/2013reports/201310053fr.pdf>.

² Letter from Inspector General J. Russell George to Senator Charles E. Grassley, Jul. 3, 2013.

³ *Id.*

1. At what level(s) and specific office(s) within the DOJ were the aforementioned TIGTA referrals reviewed?
2. Who made the decision to decline the investigations for criminal prosecution, and what was the rationale behind the declinations?
3. Did anyone from Main Justice review the referenced referrals?
4. Were you personally aware of these referrals from TIGTA?
5. To which political party do the victims in the declined investigations belong?

Thank you in advance for your cooperation in this matter. Please respond to these questions by July 26, 2013. Should you have any questions regarding this letter, please contact Jason Foster of my Committee staff at (202) 224-5225. I look forward to your prompt response.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

Cc: The Honorable J. Russell George
Inspector General
Treasury Inspector General for Tax Administration
U.S. Department of the Treasury
1401 H Street, NW, Suite 469
Washington, D.C. 20005

ATTACHMENT

ATTACHMENT



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20005

INSPECTOR GENERAL
FOR TAX
ADMINISTRATION

July 3, 2013

The Honorable Charles Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

This letter responds to your June 3, 2013 letter requesting information on TIGTA investigations. On June 21, 2013, we held an in-person briefing with your staff, which generated a follow-up e-mail on June 25, 2013 that clarified and supplemented your original request.

You requested information on TIGTA investigations involving audits of political candidates and unauthorized accesses to tax records of political candidates or donors. In our briefing with staff, we noted that we do not track statistically by category whether cases involve political candidates or donors. However, we have conducted a search of our records to identify the cases in which the political activity of a complainant or victim was noted in the case tracking system as relevant to the matter under review. This includes cases involving candidates or donors themselves, as well as their spouses and entities associated with political donors and candidates. We have identified the following information as responsive to your request.

Question One:

Since 2006, in how many instances has TIGTA found evidence that the IRS targeted for audit any candidates for public office? In our meeting, your staff expanded this request to include allegations and investigations on this topic.

We did not identify any closed cases from 2006 to the present involving allegations that the IRS targeted for audit candidates for public office. We are currently reviewing two allegations on this topic.

Question Two:

Since 2006, in how many instances has TIGTA found evidence that the confidential tax records of any political donor or candidate for public office were inappropriately accessed by any IRS employee or other Federal or State government officials? In our

Letter to the Honorable Charles Grassley
July 3, 2013
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meeting, your staff expanded this request to include allegations and investigations on this topic.

We identified eight items involving allegations of unauthorized access or disclosure of tax records of political donors or candidates.

Our reviews determined that in four of these eight cases, the allegations were not substantiated by evidence. In one case, we determined that no access occurred, and, in three cases, access occurred, but there were legitimate business reasons for the access.

In the other four of the eight cases, we found evidence that unauthorized access or disclosure occurred. In three of these cases, we determined that the unauthorized access or disclosure occurred, but was inadvertent and there was no evidence of willfulness. We referred one of these three cases to the Department of Justice for additional review, and the Department of Justice concurred with our assessment that there was no willfulness and declined prosecution. In the fourth case, we presented evidence of a willful unauthorized access to the Department of Justice, but the case was declined for prosecution.

As we have discussed, we believe this is the level of detail that we are able to provide on these cases consistent with the confidentiality restrictions of 26 U.S.C. § 6103. We can provide additional details on these cases if authorized by the Chairman of the Committee on Finance.

I hope this information is helpful. If you or your staff has any questions, please contact me at 202-622-6500 or Deputy Inspector General for Investigations Tim Camus at 202-927-7160.

Sincerely,

A handwritten signature in cursive script that reads "J. Russell George".

J. Russell George
Inspector General