

Weekly Update: IRS Scandal Gets Worse

SEPTEMBER 16, 2016

Democratic Senator Sought DOJ and IRS Prosecutions of Conservatives

It wasn't just Obama's Internal Revenue Service that sought to suppress conservative voices in order to help him retain the presidency in 2012.

We learned further of a dangerous enterprise involving a key Democratic Senator and the Obama Justice Department from [72 pages](#) of Justice documents we released this week. They reveal email conversations between Department of Justice officials and the staff of Sen. Sheldon Whitehouse (D-RI) regarding the criminal prosecution of Tea Party and other conservative groups for fanciful violation of IRS rules.

The conversations were in preparation for a briefing by Justice Department officials for Sen. Whitehouse's staff and for a Senate Judiciary Subcommittee on Crime and Terrorism hearing on April 9, 2013. One internal agency [email exchange](#) indicates Sen. Whitehouse's interest in seeking criminal prosecution of groups targeted by the IRS:

From: Erb, William (OLA)

Sent: Monday, April 08, 2013 4:54 PM

To: Raman, Mythill (CRM) [REDACTED] (CRM); Wroblewski, Jonathan (CRM); Hulser, Raymond (CRM); Smith, Jack (CRM); Burton, Faith (OLA); Levine, Doug (OLA); Suleiman, Daniel (CRM); Lerner, Daniel J. (CRM); Shatz, Eileen M. (TAX); O'Brien, Paul (CRM); [REDACTED] (CRM); [REDACTED] (CRM); Cimino, Ronald A. (TAX)

Cc: Buretta, John (CRM); Agrast, Mark D. (OLA); [REDACTED] (CRM)

Subject: RE: New Whitehouse question regarding Campaign Finance Investigation and Prosecution

Importance: High

All: New question from Sen. Whitehouse. Sen. Whitehouse is likely to ask AAAG Raman whether the Department of Justice is too deferential to IRS in deciding to prosecute 501(c) organizations that make fraudulent statements regarding their political activities in their IRS filings. Sen. Whitehouse is curious why, for example, if a 501(c) tax organization files were leaked, and they clearly showed that make false statements, why the Department of Justice wouldn't prosecute the case by itself and not wait for the IRS. Looping in the Tax Division who also can help CRIM come up with a quick response. Thanks, Bill.

We uncovered the documents through a federal [court order](#) in a Judicial Watch Freedom of Information Act (FOIA) [lawsuit](#) ([Judicial Watch v Department of Justice](#) (No. 1:14-cv-01239)).

Later, at the Judiciary Subcommittee hearing, Sen. Whitehouse [asked](#) why the Department of Justice wasn't prosecuting political groups on its own, independently of the IRS.

"I would urge that the Department and the Service get together and rethink whether in these two specific areas, which I think bear little resemblance to traditional tax violations and are in fact very plain-vanilla criminal cases, whether or not that deference to the IRS is actually serving the public interest at this point, or whether the Department could not proceed to ... put together a criminal case showing a fairly straightforward false statement or a fairly [straightforward] shell corporation disclosure violation."

The newly released emails show that following the hearing, at the request of Justice Department lawyers, Sen. Whitehouse's staff sent over examples of the organizations Whitehouse had in mind for prosecution. They included American Future Fund, Crossroads GPS, Americans for Responsible Leadership, Freedom Path, American is Not Stupid, Inc., RightChange.com II, and A Better America Now. All of these are conservative organizations.

The new emails also show [collaboration](#) in the Department of Justice with officials in the IRS in preparing for the hearing. The IRS sent a draft of its [planned testimony](#) for the hearing to the Justice Department. Judicial Watch previously exposed a [plan](#) by the Obama IRS and Justice Department prosecutors to pursue criminal charges against the very Tea Party and anti-Obama groups that the IRS was targeting. We uncovered two years ago how Lerner described the impetus for the left-wing prosecution effort in 2013 [email](#) to top IRS staff:

As I mentioned yesterday — there are several groups of folks from the FEC world that are pushing tax fraud prosecution for c4s who report they are not conducting political activity when they are (or these folks think they are). One is my ex-boss Larry Noble (former General Counsel at the FEC), who is now president of Americans for Campaign Reform. This is their latest push to shut these down. One IRS prosecution would make an impact and they wouldn't feel so comfortable doing the stuff.

So, don't be fooled about how this is being articulated – it is ALL about 501(c)(4) orgs and political activity.

But in an [email](#) sent a few minutes earlier, Lerner acknowledged prosecutions would evidently be at odds with the law:

Whether there was a false statement or fraud regarding an [*sic*] description of an alleged political expenditure that doesn't say vote for or vote against is not realistic under current law. Everyone is looking for a magic bullet or scapegoat — there isn't one. The law in this area is just hard.

The Obama administration prosecution effort seemingly ended with the exposure of the IRS targeting in a May 2013 [report](#) by the Treasury Inspector General for Tax Administration (TIGTA). IRS official Lois Lerner did not [reveal the targeting](#) until just before the report's release, in response to a [planted question](#) at an American Bar Association conference.

What's going on here is obvious: an abuse of power by Democrats in Congress, who wanted to intimidate and possibly jail Obama's political opponents to help secure Obama's reelection. Americans should know that the courts have recently concluded that the Obama IRS abuses haven't stopped – even as we approach another presidential election.

A 2013 [study](#) by scholars from the American Enterprise Institute and the John F. Kennedy School of Government at Harvard University found that, “had the Tea Party groups continued to grow at the pace seen in 2009 and 2010, and had their effect on the 2012 vote been similar to that seen in 2010, they would have brought the Republican Party as many as 5 – 8.5 million votes compared to Obama's victory margin of 5 million.”

Will the IRS help the Left steal another election in 2016?