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ONE HUNDRED THIRTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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June 18, 2013

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to inform you that I am making available to Members of Congress and the public the full transcript of an interview with the IRS Screening Group Manager in Cincinnati, which was conducted jointly by the Oversight Committee and the Ways and Means Committee as part of our investigation into the identification and screening of Tea Party applicants for tax-exempt status. I am attaching a copy of this transcript, with redactions of specific names to protect individual privacy.

Transcript Shows No White House Involvement or Political Motivation

This interview transcript provides a detailed first-hand account of how these practices first originated, and it debunks conspiracy theories about how the IRS first started reviewing these cases. Answering questions from Committee staff for more than five hours, this official—who identified himself as a “conservative Republican”—denied that he or anyone on his team was directed by the White House to take these actions or that they were politically motivated.

Instead, the Screening Group Manager explained that the very first case at issue in this investigation was initially flagged by one of his own screeners in February 2010. He told us he agreed that this case should be elevated to IRS employees in Washington because it was a “high profile” application in which the organization indicated that it would be engaging in political activity. He explained that he initiated the first effort to gather similar cases in order to ensure their consistent treatment, and that he took this action on his own, without any direction from his superiors, and without any political motivation. He also confirmed that one of his screeners developed terms subsequently identified by the Inspector General as “inappropriate,” such as “Patriot” and “9/12 project,” but that he did not become aware that his screener was using these terms until more than a year later.

These statements from the Screening Group Manager directly contradict several serious and unsubstantiated accusations made by you and several other Republican Committee Chairmen over the past month. For example:

- On May 14, 2013, you stated: “This was the targeting of the president’s political enemies effectively and lies about it during the election year, so that it wasn’t discovered until afterwards.”¹
- On June 3, 2013, House Appropriations Committee Chairman Hal Rogers stated: “Of course, the enemies list out of the White House that IRS was engaged in shutting down or trying to shut down the conservative political viewpoint across the country—an enemies list that rivals that of another president some time ago.”²
- On June 12, 2013, Ways and Means Committee Chairman Dave Camp stated: “We know it didn’t originate in Cincinnati.”³

To be clear, I am not suggesting that IRS employees in Washington, D.C. played no role in these activities. For example, the Inspector General has already reported that Lois Lerner, the Director of Exempt Organizations at the IRS, became aware of the use of inappropriate criteria in 2011. The Inspector General also identified a document called a “Be on The Lookout,” or BOLO, that directed IRS employees in Cincinnati to send these applications to a specific group within the Cincinnati office that was coordinating with IRS employees in the Exempt Organizations Technical Unit in Washington, D.C. According to the Inspector General, after Ms. Lerner learned of the terms used by the screeners, she immediately ordered a halt to the use of these terms, resulting in a change to the BOLO in July 2011 to apply to all organizations “involved with political, lobbying, or advocacy for exemption under 501(c)(3) or 501(c)(4).”⁴

These facts are a far cry from accusations of a conspiracy orchestrated by the White House to target the President’s political enemies. At this point in the investigation, not one witness who has appeared before the Committee has identified any involvement by any White House officials in the identification or screening of Tea Party applicants for tax exempt status, and the Committee has obtained no documents indicating any such involvement.

¹ *Issa on IRS Scandal: “Deliberate” Ideological Attacks*, CBS This Morning (May 14, 2013) (online at www.cbsnews.com/video/watch/?id=50146771n).

² *Chairman Hal Rogers Talks IRS Targeting and Spending*, Fox News (June 3, 2013) (online at <http://youtu.be/AzXaJF09A1c>).

³ *Ways and Means Chairman: IRS Targeting of Tea Party Groups Didn’t Start in Ohio*, The Hill (June 12, 2013) (online at <http://thehill.com/blogs/on-the-money/domestic-taxes/304965-camp-irs-targeting-didnt-start-in-cincinnati>).

⁴ Treasury Inspector General For Tax Administration, *Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review* (May 14, 2013).

Release of Full Transcript of Screening Group Manager

Although you committed on June 2 to release the full transcripts of Committee interviews with IRS employees, you wrote to me nine days later reversing your position and arguing instead that taking such action would be “reckless” and “undermine the integrity of the Committee’s investigation.”⁵ Since you did not raise these objections previously, I wrote to you on June 13, 2013, seeking clarification to ensure that we proceed in a responsible and considered manner. Unfortunately, you failed to respond to my letter, and you declined to provide answers to any of the questions I raised.

In my June 13 letter, I also provided you with a copy of the transcript of the Committee’s interview with the Screening Group Manager, with names redacted to protect individual privacy. In order to provide the public with the most comprehensive information possible without jeopardizing the Committee’s investigation, I asked you to review this transcript and identify any specific text you believe should be withheld from the American people, as well as the specific reason you believe it should be concealed. I requested that you provide any additional proposed redactions by June 17, 2013. You did not identify any specific text you believe should be withheld for any reason, and you did not identify any text that would compromise the Committee’s investigation if released.

In my June 13 letter, I also proposed that our staffs meet to discuss a bipartisan procedure to handle these types of issues in the future. Although I fundamentally disagree with the unsubstantiated claims you have made about the IRS matter being driven by the White House to attack the President’s political enemies, I wanted to give you appropriate deference in conducting Committee investigations. I hoped we could focus on a bipartisan approach that maximizes transparency and accuracy, but your staff refused several follow-up requests to meet with my staff on this issue.

Rather than working together in a bipartisan manner, you apparently directed your staff to spend the weekend engaging in the same activity you condemned as “reckless” less than a week earlier. Based on multiple press reports, you apparently reversed your position—yet again—and allowed select reporters to come into the Committee’s offices over the weekend to review full, unredacted transcripts from several interviews conducted by Committee staff. For example:

- *USA Today* reported that you allowed its reporters to review the full transcript of IRS official Holly Paz: “USA TODAY reviewed all 222 pages of the transcript of her interview.”⁶

⁵ Letter from Chairman Darrell E. Issa to Ranking Member Elijah E. Cummings (June 11, 2013).

⁶ *At IRS, “Tea Party” Could Mean “Liberal,” Official Says*, *USA Today* (June 17, 2013) (online at www.usatoday.com/story/news/politics/2013/06/16/irs-paz-targeting-tea-party/2426773/).

- The *Wall Street Journal* reported that you also allowed its reporters to review the full Paz transcript: “The Wall Street Journal reviewed the transcript of her interview in recent days.”⁷
- *Reuters* reported that you allowed its reporters to review the full Paz transcript as well: “Reuters has reviewed the interview transcript.”⁸
- The *Associated Press* reported that you allowed its reporters to review not only the full Paz transcript, but also transcripts of interviews with two other IRS officials: “The Associated Press has reviewed transcripts from three interviews—with Paz and with two agents, Gary Muthert and Elizabeth Hofacre.”⁹
- *Politico* also reported that its reporters were given access to full transcripts of interview “conducted by the House Oversight and Government Reform Committee and reviewed by POLITICO.”¹⁰

It is difficult to understand why you changed your mind again so quickly after arguing last week that disclosing full transcripts would undermine the Committee’s investigation. As a result of your actions, some of your own colleagues are now requesting that you disclose all of the transcripts. For example, Republican Senator Rob Portman stated: “Let’s see everything. Let’s see it all. And let’s see all the transcripts and you know let’s have a fair, objective analysis of this.”¹¹ He added: “I don’t know what their reasons are, but I think all of us should be able to get access to those transcripts.”¹²

⁷ *IRS Inquiry Finds Problems, Puzzles*, Wall Street Journal (June 16, 2013) (online at <http://online.wsj.com/article/SB10001424127887323836504578549651025554128.html>).

⁸ *Political Optics Overlooked in “Tea Party” Review: IRS Official*, Reuters (June 16, 2013) (online at www.reuters.com/article/2013/06/17/us-usa-tax-irs-idUSBRE95G00F20130617).

⁹ *IRS Official in DC Involved in Scrutiny of Tea Party Groups, Contradicts Earlier Claims*, Associated Press (June 17, 2013) (online at http://hosted.ap.org/dynamic/stories/U/US_IRS_INVESTIGATION?SITE=INKEN&SECTION=HOME&TEMPLATE=DEFAULT).

¹⁰ *Hill Focuses on D.C. IRS Official Holly Paz*, Politico (June 16, 2013) (online at www.politico.com/story/2013/06/hill-focus-turns-to-disciplined-irs-leader-92884.html?hp=f1).

¹¹ *Fox 19 Takes IRS Investigation to Washington D.C.*, Fox 19 (June 12, 2013) (online at www.fox19.com/category/240225/video-landing-page?clipId=8982493&autostart=true).

¹² *Why Some IRS Interview Transcripts Are Not Being Released*, Fox19 Cincinnati (June 14, 2013) (online at www.fox19.com/story/22598218/why-some-transcripts-of-irs-interviews-are-not-being-released).

Despite your multiple reversals on this issue, there appears to be one constant in your approach: you have not shared one word from the interview transcript of the IRS Screening Group Manager in Cincinnati who provided the most relevant information about how this entire process began. This is the only transcript you evidently do not want the American people to see.

I do not believe this approach is a responsible, fair, or legitimate way to conduct the Committee's investigation. I have now given you ample opportunity to explain your objections to releasing the transcript of the interview of the Screening Group Manager. You have not provided any compelling or consistent rationale for continuing to conceal this information from Members of Congress or the American public, and you have identified no House rule or Committee rule that prohibits such a release.

For all of these reasons, I believe releasing this transcript serves the best interest of Congress and the American people by ensuring that there is an accurate and fair picture of the management challenges facing the IRS and that recommendations for legislative reform are appropriately crafted to address the specific problems identified as a result of our oversight efforts.

Renewed Request for Bipartisan Approach

In my letter to you on June 13, 2013, I requested that our staffs work together to develop a bipartisan protocol for handling interview transcripts going forward rather than continuing to release excerpts to select reporters outside of any hearing, report, letter, or other official action by Committee Members. Since that effort was unsuccessful, I now request that we meet to discuss this matter personally, and I continue to believe that the Committee is capable of conducting a truly bipartisan investigation of this issue that serves the best interests of the American people.

Sincerely,


Elijah E. Cummings
Ranking Member