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Opening Statement Rep. Elijah E. Cummings, Ranking Member

Subcommittee on Economic Growth, Job Creation and Regulatory Affairs Hearing on "Examining the Justice Department's Response to the IRS Targeting Scandal"

July 17, 2014

Thank you, Chairman Jordan, and welcome to you, Deputy Attorney General Cole.

For more than a year, Republicans have claimed that the White House directed the IRS to target conservative groups. But now that we have conducted our investigation, we know the truth: there is no evidence to suggest that the White House played any role in directing or developing the search terms identified by the Inspector General as "inappropriate" or any other aspect of how IRS employees processed these applications.

We have now conducted 42 interviews, and they make very clear that an IRS screening agent in Cincinnati developed these inappropriate criteria on his own. We also know from his supervisor, who described himself as a "conservative Republican," that he did this not for political reasons, but because he was trying to treat similar cases consistently. Not one of the witnesses we interviewed, including senior officials at the IRS, the Treasury Department, and the Justice Department, identified any White House role in this process.

Our investigation also confirmed the findings of the Inspector General, whose audit stated that IRS employees reported that they were "not influenced by any individual or organization outside the IRS." The Inspector General has testified repeatedly before Congress that he has identified no evidence of any White House role or political motivation.

So now Republicans have a different argument, although they are still trying to somehow link this to the White House. Now they claim that the targeting of conservative groups is a massive government-wide conspiracy involving the President, the IRS, the Securities and Exchange Commission, the Federal Election Commission, and numerous other agencies, all coordinated in response to the Supreme Court's decision in *Citizens United*.

They claim that the Justice Department is a key player in this conspiracy. They accuse the Department of engaging in criminal activity by obstructing this Committee. They claim the Department is delaying or even closing down its own investigation for political reasons. And they claim that the appointment of a special counsel is needed.

Mr. Chairman, our staff prepared a detailed, 32-page memo that sets forth the Top Ten most egregious accusations against the Department of Justice, as well as specific responses showing why each one is unsubstantiated. I ask unanimous consent that this memo be entered into the official hearing record.

Let me address just one of these allegations. Last month, Chairman Issa and Chairman Jordan sent a letter to the Attorney General claiming that the Department conspired with the IRS to compile an illicit registry with more than a million pages of confidential taxpayer information in order to criminally prosecute conservative groups for their political speech.

Here is what their letter said: “the IRS transmitted 21 disks containing over 1.1 million pages of nonprofit tax-return information—including confidential taxpayer information protected by federal law—to the Federal Bureau of Investigation in October 2010.” Their letter then accused the Department of working with the IRS “to assemble a massive database of nonprofit groups,” which they called “an illicit and comprehensive registry.”

These accusations are complete nonsense. There is no illicit registry, there was no singling out of conservative groups, the vast majority of information was available to the general public, and this information was never used for any investigation or prosecution.

In 2010, the IRS provided Form 990s not only from conservative groups, but from all groups “regardless of political affiliation.” And it wasn’t until earlier this year—more than three years later—that the Department discovered that a very limited amount of confidential taxpayer information was stored on those disks. This was an inadvertent error that affected only 33 of the 12,000 forms on those disks—less than half of 1%.

The bottom-line is that these disks were never even reviewed by the FBI or used as part of any investigation or prosecution. On May 29, the Department wrote a letter to the Committee stating as follows:

“FBI advises that upon receipt of the disks, an analyst imported the index, which is set forth in one of the disks, into a spreadsheet, but did nothing further with the disks, and to the best of our knowledge, the information contained on the disks was never utilized for any investigative purpose.”

Where is the so-called “illicit” registry? The fact is that it simply does not exist.

This is not the basis of a White House scandal. This is the latest example of Republicans desperately searching for one, and then using any excuse they can to manipulate the facts until they no longer have any resemblance to the truth.

Our Committee has now held ten hearings on this issue, and the IRS has spent more than \$18 million responding to congressional investigations. It is time to stop wasting millions of taxpayer dollars and start focusing on reforms to help our government work more effectively and efficiently for the American people.