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December 1, 2004

The Honorable Mark W. Everson
Commissioner, Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Everson:

Thank you for your November 16, 2004, response to the inquiry that I, along with Congressman Stark and Congressman Conyers, made about the Internal Revenue Service's recently initiated investigation challenging the tax-exempt status of the NAACP. In my opinion, your letter raises more questions than it answers. Therefore, I request your response to the following:

1. In your letter, you assure me that the IRS has not received any request from the White House, or any political appointee in the Federal Government, to examine any entity for political campaign activity in connection with the 2004 Presidential Campaign. Have you received any such request from the Republican National Committee, one of its entities, or any other outside political group?
2. Your letter also says that the IRS has received two letters from Members of Congress requesting that the IRS look at one or more organizations in the area. Was the audit of the NAACP generated by a letter (or "third party referral") from a Member of Congress? Is the NAACP entitled to know the basis of its examination, including the IRS's review of any third-party referral materials or related information?
3. Your letter provides a brief explanation of the process for selecting organizations for examination to determine if they have intervened in a political campaign. In doing so, you state that the IRS has reviewed

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information alleging improper political intervention in the 2004 Presidential election cycle of more than 100 charities, churches, and other (c)(3) groups. How many non-church organizations, other than the NAACP, were sent an audit letter from the IRS two weeks before 2004 election?

4. Your letter describes a “committee” of IRS tax-exempt experts which was created in the summer of 2004 to review allegations of political intervention. Who, specifically, is on this committee? Are any non-career employees or non-IRS employees involved with this committee?
5. Your letter describes how this committee is run out of the IRS Tax-Exempt Organization Division. This internal “contact program” sounds much like the IRS’s earlier (and controversial) “independent review process” which you shut down upon becoming Commissioner after the Division acted to restore the tax-exempt status of groups connected with former House Leader Gingrich for violating the prohibition on political activities. How and when was this committee created? Are there any IRS employees serving on the new committee that also served on the earlier independent review process panel?
6. Your letter states that more than 60 organizations were selected for review by the committee and that about one-third of the referrals were not selected for examination because the referrals did not show that the organizations engaged in political campaign intervention. How many of the approximately 40 organizations selected for examination were non-churches and were sent IRS examination letters between August 31 and November 2, 2004? How do these 40 selected organizations break down by type of (c)(3)?

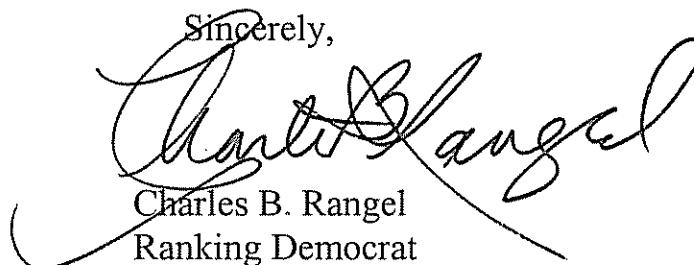
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As the Ranking Member of the Committee on Ways and Means, I think it is important that I have the answers to these tax-related questions on an expedited and publicly disclosable basis. The timing of the NAACP audit by the IRS continues to be extremely suspect and a threat to the most respected civil rights organization in the United States. I look forward to your response.

Sincerely,

A handwritten signature in black ink, reading "Charles B. Rangel". The signature is written in a cursive style with a large, sweeping flourish at the end.

Charles B. Rangel
Ranking Democrat

cc: The Honorable Fortney Pete Stark
The Honorable John Conyers, Jr.