



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

June 27, 2014

The Honorable Tamara W. Ashford
Acting Assistant Attorney General
Tax Division
Department of Justice
950 Pennsylvania Avenue, N.W.
Room 4333
Washington, DC 20530


Attention: Civil Trial Section
Trial Attorneys Richard G. Rose and Richard A. Schwartz

Re: Freedom from Religion Foundation, Inc. v. John Koskinen, Commissioner of the Internal Revenue Service, Civil Action No. 12-CV-818, U.S. District Court for the Western District of Wisconsin
Your Ref: 5-86-3005, CMN 2013100360

In response to your request for information in the above referenced case, I advise on two points:

1. Subsequent to the publication of proposed regulations on section 7611 of the Internal Revenue Code on August 5, 2009, the IRS has processed several cases involving churches using procedures designed to ensure that the protections afforded to churches by the Church Audit Procedures Act are adhered to in all enforcement interaction between the IRS and churches. The procedures require the reasonable belief determination under section 7611(a) to be made by the Commissioner, TEGE, either directly or as concurrence to the determination made by the Director, Exempt Organizations.

2. Our written procedures for our Dual Track process for information items (a.k.a. referrals) alleging violation of the political intervention prohibition of section 501(c)(3) require evaluation of the information item by our Review of Operations ("ROO") unit and then the Political Activities Referral Committee ("PARC"). With regard to these referrals that concern violations by churches, the PARC has determined that as of June 23, 2014, 99 churches merit a high priority examination. Of these 99 churches, the number of churches alleged to have violated the prohibition during 2010 is 15, during 2011 is 18, during 2012 is 65, and during 2013 is one.



MARY A. EPPS
Acting Director, EO Examinations