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LAWRENCE J. BRADY
STAFF DIRECTOR

September 18, 2013

The Honorable Jacob Lew
Secretary
Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Dear Mr. Secretary:

The Committee on Oversight and Government Reform continues to investigate the Internal Revenue Service's inappropriate treatment of certain applicants for tax-exempt status. Documents obtained by the Committee appear to show that senior Treasury Department officials – including then-Secretary Timothy Geithner and General Counsel Christopher Meade – may have been aware of the IRS's misconduct as early as 2012. We therefore write to reiterate our previous request for all Treasury Department material to assist the Committee's investigation.

In May 2013, at the outset of this investigation, President Obama pledged the full cooperation of his Administration, promising to work “hand in hand” with Congress as “it performs its oversight role.”¹ This spirit of cooperation was short-lived. In July 2013, only weeks after he called the misconduct “inexcusable,”² President Obama began calling the IRS's improper treatment of tax-exempt applicants a “phony” scandal.³ Other senior Administration officials followed suit.⁴ On July 28, during an interview with *Fox News Sunday*, you stated that ongoing investigations into the IRS's actions are “creating the kind of sense of a phony scandal.”⁵ The same day, on NBC's *Meet the Press*, you explained that “we have to distinguish reality from the part that is phony” with respect to the IRS's mistreatment of tax-exempt applicants.⁶

These attempts to downplay the ongoing investigation are troubling in light of documents that suggest that senior officials in the Treasury Department may have known about the IRS's

¹ The White House, Statement by the President (May 15, 2013).

² *Id.*

³ The White House, Remarks by the President on Jobs for the Middle Class (July 30, 2013); The White House, Remarks of President Barack Obama, Weekly Address (July 27, 2013); The White House, Remarks by the President on the Economy – Jacksonville, FL (July 25, 2013); The White House, Remarks by the President on the Economy – Knox College, Galesburg, IL (July 24, 2013).

⁴ The White House, Press Briefing by Press Secretary Jay Carney (July 31, 2013).

⁵ *Fox News Sunday* (Fox News television broadcast July 28, 2013) (interview with Treasury Secretary Jacob Lew).

⁶ *Meet the Press* (NBC television broadcast July 28, 2013) (interview with Treasury Secretary Jacob Lew).

misconduct earlier than acknowledged. An e-mail obtained by the Committee shows that Treasury Inspector General for Tax Administration J. Russell George planned to attend a “Secretary’s meeting” at the Treasury Department on June 4, 2012.⁷ Material prepared for Inspector General George’s use at this meeting included information that TIGTA had “documentation” showing that tax-exempt applicants were “targeted” by the IRS “based on the organizations’ name or political beliefs.”⁸ The same day, according to a TIGTA timeline, Mr. George had a separate meeting with Treasury Department General Counsel Christopher Meade to brief him on the IRS misconduct.⁹ Finally, TIGTA’s audit log shows that on April 17, 2013, you requested and subsequently received that same day a briefing by Mr. George – almost a month before Lois Lerner first publicly acknowledged the targeting.¹⁰

This information raises serious questions about the awareness of the Treasury Department in the IRS’s mistreatment of tax-exempt applications. Despite this troubling revelation, you have yet to fully comply with our earlier requests for material relevant to the investigation. On June 13, 2013, we joined Chairman Camp and Chairman Boustany in requesting all Treasury Department documents and communications referring or relating to the IRS’s misconduct.¹¹ On June 27, Alastair Fitzpayne, Assistant Secretary for Legislative Affairs, responded that the Department had “identified and enclosed a set of material responsive to the Committees’ inquiries.”¹² The Department, however, produced only about 350 pages of responsive documents and did not provide any responses to several of our requests.

The American people deserve to know the full extent and breadth of the IRS’s misconduct and the Treasury Department’s awareness of this misconduct. If the Treasury Department does not fully comply with the Committee’s request of June 13, 2013, by October 2, 2013, the Committee will be forced to consider use of compulsory process. Thank you for your attention to this matter.

Sincerely,



Darrell Issa
Chairman



Jim Jordan
Chairman
Subcommittee on Economic Growth,
Job Creation and Regulatory Affairs

⁷ See E-mail from Michael Phillips, Treasury Inspector Gen. for Tax Admin., to J. Russell George, Treasury Inspector Gen. for Tax Admin. (June 1, 2012).

⁸ *Id.*

⁹ Treasury Inspector Gen. for Tax Admin., What is the Timeline of TIGTA’s Involvement with this Tax-Exempt Issue?

¹⁰ Treasury Inspector Gen. for Tax Admin., Audit Log.

¹¹ Letter from Darrell Issa & Jim Jordan, H. Comm. on Oversight & Gov’t Reform, & Dave Camp & Charles Boustany, H. Comm. on Ways & Means, to Jacob Lew, Dep’t of the Treasury (June 13, 2013).

¹² Letter from Alastair Fitzpayne, Dep’t of the Treasury, to Darrell Issa, H. Comm. on Oversight & Gov’t Reform (June 27, 2013).

The Honorable Jacob Lew
September 18, 2013
Page 3

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

The Honorable Matthew A. Cartwright, Ranking Minority Member
Subcommittee on Economic Growth, Job Creation and Regulatory Affairs