

Internal Revenue Service
Director, Exempt Organizations

Department of the Treasury
P.O. Box 2508 - EP/EO
Cincinnati, OH 45201

Date: DEC 28 2001

Employer Identification Number:
[REDACTED]

Person to Contact I.D. Number:
[REDACTED]

Contact Telephone Numbers:
[REDACTED] Phone
[REDACTED] FAX

In Reply Refer To:
[REDACTED]

Dear Sir or Madam:

We have considered your application for exemption from Federal income tax under the provisions of Internal Revenue Code of 1986 and its Regulations. Based on the available information that you do not qualify for exemption, our conclusion is set forth in the

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Consideration was given to whether you qualify for exemption under other subsections of section 501(c) of the Code. However, we have concluded that you do not qualify under another subsection.

Your application indicates that you were incorporated under [REDACTED] as a social political organization, that will be uniting and working with the community (family and friends of prisoners) and Corrections and prisoners to help bring about productive advancement to Corrections in [REDACTED] and throughout the United States of America.

You originally filed Form 1023 and requested recognition of exemption under section 501(c)(3). However, upon our initial review of that application, we determined that your activities would not qualify for exemption under that section. We recommended that you consider applying for exemption under section 501(c)(4) to which you agreed.

You stated that your organization was brought into existence out of a need for friends and family sharing their support for persons incarcerated. To that end, your organization will conduct the following activities.

1. Accept reports of incidents as reported by incarcerated persons.
2. Accept complaints as reported by friends and family members of incarcerated persons.
3. Study the political effects of local and state lawmakers and administrators.
4. Report the findings of #3 to all persons represented in # 1 and 2.

EIN: [REDACTED]

5. Study the political intentions of candidates running for political office in [REDACTED].
6. Report findings to all persons represented in # 1 and 2.
7. Promote citizens taking interest in political issues, taking action by promoting the citizens' right to participation in a vote.

Your activities are to include participating in political activity through the interviewing of candidates for office and providing information to voter registrants with a focus towards advancing correctional prison systems.

Item 7 of your bylaws state that you will register as a "Lobby" for the Productive Advancement of Prison Reform and for solicitation of funds for these purposes. Item 9 states that you will keep your members and the public apprised of those political officials who are working for and against the productive advancement of corrections.

Your income will be derived from contributions, gifts, and grants from individuals, foundations and corporate America. Your expenses will consist of compensation of officers, other salaries, and occupancy fees. Although not listed among the proposed expenses submitted with your application, you have indicated that you will incur expenses for lobbying as well as publishing activities.

Section 501(c)(4) of the Internal Revenue Code provides for the exemption from Federal income taxes of organizations not organized for profit but operated exclusively for the promotion of social welfare, or local association of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. An organization embraced within this section is one that is operated primarily for the purpose of bringing about civic betterment and social improvement. A "social welfare" organization will qualify for exemption as a charitable organization if it falls within the definition of "charitable" set forth in paragraph 1.501(c)(3)-1(d)(2) and is not an "action" organization as set forth in paragraph 1.501(c)(3)-1(c)(3) of the Income Tax Regulations.

Section 1.501(c)(4)-1(a)(2)(ii) provides that the promotion of social welfare does not include direct or indirect participation in political campaigns on behalf of or in opposition to any candidate for public office. Thus, an organization exempt under IRC 501(c)(4) may engage

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in political campaign activities if those activities are not the organization's primary activity.

Revenue Ruling 67-368, published in Cumulative Bulletin 1967-2, page 194, denied exemption to an organization under section 501(c)(4) whose primary activity was rating candidates for public office because such activity did not constitute "the promotion of social welfare".

You stated that the idea behind family and friends being involved is political, as the primary requirement for membership is that each member be a registered voter. You also stated that large voting blocks influence elections, and influence how large amounts of money can be spent. You further stated that money and votes are the god and lifeblood of today's politicians, and it is your primary goal to obtain the real power of families and friends of prisoners to bring positive and productive reforms to a dismal department known as the [REDACTED]

On the basis of the information provided, we have concluded that you do not qualify for tax exempt status as an organization described in section 501(c)(4) of the Code because you do not meet the operational test within section 1.501(c)(4)-1(a)(2) of the Income Tax Regulations since your primary function is direct and indirect participation or intervention in political activity.

In accordance with this determination, you are required to file Federal income tax returns on Form 1120.

If you are in agreement with our proposed denial, please sign and return one copy of the enclosed Form 6018, Consent to Proposed Adverse Action.

If you do not agree with our determination, you may request consideration of this matter by the Office of Regional Director of Appeals. To do this, you should file a written appeal as explained in the enclosed Publication 892. Your appeal should give the facts, law, and any other information to support your position. If you want a hearing, please request it when you file your appeal and you will be contacted to arrange a date. The hearing may be held at the regional office, or, if you request, at any mutually convenient district office. If you will be represented by someone who is not one of your principal officers, that person will need to file a power of attorney or tax information authorization with us.

If you do not appeal this determination within 30 days from the date of this letter, as explained in Publication 892, this letter will become the final determination in this matter.

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Appeals submitted which do not contain all the documentation required by Publication 892 will be returned for completion.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations

Enclosures:
Publication 892
Form 6018