

NO PROTEST RECEIVED
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Date [REDACTED]

Surname [REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

You were incorporated under the laws of the [REDACTED] on [REDACTED]. Your purpose, as stated in your articles of incorporation, is to "conduct a campaign to restore democracy to the republic of [REDACTED]. Your bylaws set forth additional purposes, including pointing out the lack of human rights and good governance in [REDACTED], establishment of [REDACTED], extricating the relatives of exiled [REDACTED], and re-establishing democracy and a multi-party system of government in [REDACTED].

The prior government of [REDACTED] was overthrown by a military coup on [REDACTED]. Your organizers are people who were part of the prior government. Since the coup, elections have been held, but some political parties and members of the prior government were not allowed to participate.

You intend to conduct a program that includes a monthly newsletter and submitting position papers to [REDACTED]. You also plan to purchase broadcast time to inform the public about the current deficiency of democratic and human rights that exist in [REDACTED]. You hope to have various exiled [REDACTED] leaders make speeches to civic groups, human rights organizations, universities, and receptive governments. You also hope to broadcast a radio program to [REDACTED], to counter the views expressed by media controlled by supporters of the current government. One of your goals is to have economic sanctions on [REDACTED] increased in order to force the current government to hold fair and open elections. You also believe that "more public outcry about the lack of good governance and respect for basic human value that currently exists in [REDACTED] will also advance the restoration of democracy in [REDACTED].

[REDACTED]

You intend to provide security for former [REDACTED] officials because of death threats made against them by supporters of the current government. You have estimated that [REDACTED] % of your resources will be devoted to providing security. You also plan to use some of your funds to get relatives of former leaders out of [REDACTED]. You state that these individuals are in danger from the current regime.

Section 501(c)(3) of the Code provides, in part, for the exemption from federal income tax for corporations organized and operated exclusively for charitable, scientific or educational purposes, provided no part of the corporations net earnings inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(c)(1) of the Income Tax Regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities are not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(c)(3) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if it is an 'action' organization. An organization is an 'action' organization if a substantial part of its activities is attempting to influence legislation by propaganda or otherwise. For this purpose, an organization will be regarded as attempting to influence legislation if the organization contacts, or urges the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation; or advocates the adoption or rejection of legislation. An organization is also an 'action' organization if it participates or intervenes, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office. Finally, an organization is an 'action' organization if it has the following two characteristics: (a) Its main or primary objective or objectives (as distinguished from its incidental or secondary objectives) may be attained only by legislation or a defeat of proposed legislation; and (b) it advocates, or campaigns for, the attainment of such main or primary objective or objectives as distinguished from engaging in nonpartisan analysis, study, or research and making the results thereof available to the public. In determining whether an organization has such characteristics, all the surrounding facts and circumstances, including the articles and all activities of the organization, are to be considered.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized exclusively for any of the purposes specified in section 501(c)(3)

[REDACTED]

unless it serves public, rather than private interests. Thus, an organization applying for tax exemption under section 501(c)(3) must establish that it is not organized or operated for the benefit of private interests.

Rev. Rul. 57-449, 1957-2 C.B. 622, holds that a trust to pay a certain sum to all the individuals enrolled in a certain school on a particular date was held to be a private trust, not a charitable trust, because the beneficiaries were a group of identifiable individuals.

Rev. Rul. 67-293, 1967-2 C.B. 185, describes an organization substantially engaged in promoting legislation to protect or otherwise benefit animals and concludes that it is not exempt from tax under section 501(c)(3) of the Code, even though the legislation it advocates may be beneficial to the community, and even though most of the attempts to influence legislation may be indirect.

Rev. Rul. 73-440, 1973-2 C.B. 177, holds that a nonprofit organization that attempts to influence and advocates changes in the laws of a foreign country is an action organization within the meaning of section 1.501(c)(3)-1(c)(3) of the regulations and therefore does not qualify for exemption under section 501(c)(3) of the Code.

Rev. Rul. 74-117, 1974-1 C.B. 128, describes a nonprofit organization formed to implement an orderly change of administration of the office of Governor of a State by assisting the Governor-elect, during the period between his election and inauguration in screening and selecting applicants for State appointive offices and preparing a legislative message and program reflecting the party's platform and budget. While the people of the jurisdiction may well derive a substantial benefit from the activities of this organization, its predominant purpose is to effectuate changes in the government's policies and personnel which will make them correspond with the partisan political interests of both the Governor-elect and the political party he represents. Since the activities are partisan in nature and are directed to a substantial extent to the adoption of legislation, the organization is an 'action' organization as described in section 1.501(c)(3)-1(c)(3) of the regulations.

Your main purpose is the return of [REDACTED] to democratic rule, including the holding of free and fair elections. This is the goal of all your other activities, including radio broadcasts, speeches, and publications. The holding of such elections would require, among other things, the repeal of various edicts promulgated by the current government of [REDACTED] which prohibit the participation of various individuals and groups in the electoral process. You cannot qualify for exemption under section 501(c)(3) of the Code if your primary objective

[REDACTED]

may be attained only by legislation; and if you campaign for the attainment of that primary objective as distinguished from engaging in nonpartisan analysis, study, or research and making the results thereof available to the public. See section 1.501(c)(3)-1(c)(3) of the regulations.

It makes no difference that you are attempting to influence and advocate changes in the laws of a foreign country, as opposed to the United State. See Rev. Rul. Rev. Rul. 73-440. Likewise, it does not matter that the changes you advocate may be beneficial to the community, or that the people of [REDACTED] may derive a substantial benefit from the activities of your organization. See Rev. Rul. 67-293 and Rev. Rul. 74-117. Since more than an insubstantial part of your activities are not in furtherance of an exempt purpose, you do not qualify for exemption as an organization described in section 501(c)(3) of the Code.

Furthermore, even if you otherwise qualified for exemption, the degree of private benefit fostered by some of your activities would preclude exemption. First, the provision of security services on the scale described in your application is a personal expenditure for the benefit of the named individuals, and does not further any exempt purpose. Thus, you do not meet the requirement of section 1.501(c)(3)-1(d)(1)(ii) of the regulations that you serve public, rather than private interests.

Second, while aiding refugees is generally considered to be a charitable purpose, providing assistance to a small group of named individuals is not. A charitable organization must be set up for the benefit of an indefinite class of individuals, not for specific persons. A corporation organized and operated for the benefit of specific individuals is not charitable, even if the specific individuals in question are in need of assistance. See Rev. Rul. 57-449.

Accordingly, based on all the facts and circumstances, we conclude that you do not qualify for recognition of exemption under section 501(c)(3) of the Code. Contributions to you are not deductible under section 170 and you are required to file federal income tax returns.

You have the right to protest this ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement must be submitted within 30 days of the date of this letter and must be signed by one of your officers. You also have a right to a conference in this office after your statement is submitted. If you want a conference, you must request it when you file your protest statement. If you are to be represented by

[REDACTED]

someone who is not one of your officers, he/she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements.

If you do not protest this proposed ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key District Director. Thereafter, any questions about your federal income tax status should be addressed to that office. The appropriate State officials will be notified of this action in accordance with section 6104(c) of the Code.

You will expedite our receipt of your reply by using the following address on the envelope:

[REDACTED]
[REDACTED]
[REDACTED]

Sincerely yours,

[REDACTED]
[REDACTED]
[REDACTED]

Code	[REDACTED]	[REDACTED]		
Surname	[REDACTED]	[REDACTED]		
Date	[REDACTED]	[REDACTED]		