



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

March 21, 2001

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Dear XXXXXXXXXXXXXXX:

I apologize for the delay in responding to your letter dated December 18, 2000, on behalf of your constituent xxxxxxxxxxxx. xxxxxxxx has requested an investigation into the political activities of the xx xxxxxxxxxxxxxxxxxxxxxxxxx. He maintains the xxxxx's tax-exempt status should be revoked because it participated in political activities, which are prohibited under section 501(c)(3) of the Internal Revenue Code (the Code) for charitable organizations.

To be recognized as exempt from federal income tax under section 501(c)(3) of the Code, an organization must be organized and operated exclusively for charitable purposes. An organization is not operated exclusively for charitable purposes if it participates in political campaign activities, which include making oral statements for or against any political candidate for elective office. For example, in *Christian Echoes National Ministry, Inc. v. United States*, the court revoked the organization's tax-exempt status because it used its broadcasts to attack candidates and incumbents it considered too liberal. An absolute prohibition exists against engaging in these activities.

We forwarded xxxxxxxxxxxx information to our Exempt Organizations Examination, Programs & Review office for appropriate action.

We appreciate xxxxxxxx advising us of a tax-exempt organization's possible violation of the Code. The Code includes taxpayer privacy provisions, which were enacted by the Congress to protect the privacy of tax returns and tax return information of all taxpayers. We cannot disclose what action, if any, the IRS may take using the information xxxxxxxx provided.

I can tell you, however, we maintain an ongoing examination program to ensure tax-exempt organizations meet the legal requirements for tax exemption and comply with

the tax laws. When an examination shows an organization is not complying with the tax laws, we take appropriate action.

If xxxxxxxx has more information about this matter, he can send it to:

EO Examination, Programs & Review
T:EO:E:PR
Internal Revenue Service
1100 Commerce Street
Dallas, TX 75242

I appreciate your bringing this matter to our attention. If you have any questions, please call xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, of this office at xxxxxxxxxxxxxxxx.

Sincerely,

/s/ by Tom Miller

Steven T. Miller
Director, Exempt Organizations