



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities

Date:
06/29/2026
Employer ID number:

Form you must file:

Person to contact:

Release Number: 202639002
Release Date: 9/25/26
UIL Code: 501.03-00, 501.03-05, 503.01-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:
Letter 437
Redacted Letter 4034
Letter 4038



**Department of the Treasury
Internal Revenue Service**

Date:
05/07/2026
Employer ID number:

Person to contact:
Name:
ID number:
Telephone:
Fax:

Legend:
B = Date
C = State

UIL:
501.03-00
501.03-05
503.01-00

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

Facts

You submitted Form 1023, *Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*.

You incorporated on B, in the State of C. You are organized to help combat veterans heal from post-traumatic stress disorder (PTSD) by operating a program whereby you will provide immersive, non-combat deployment experiences that blend certified adventure therapy activities with trauma-informed clinical care.

Your program will consist of 90-day therapeutic deployments that will include exposure activities to high-stress environments—such as skydiving, scuba diving, and motorsports—combined with licensed therapy and peer support to reduce suicide risk and create a safe space for veterans to process trauma, build resilience, and rediscover purpose. These activities are conducted throughout the United States and internationally.

You will conduct fundraising to provide your program free of charge to U.S. military veterans who apply and meet your requirements, which will include proof of PTSD diagnosis or referral, valid passport for international travel, and willingness to participate in a supervised ayahuasca ceremony for trauma integration and symbolic closure.

You state the supervised ayahuasca ceremony will be lawfully conducted in foreign countries by trained professionals. You will not administer, transport, manufacture, or handle any controlled substances in the U.S. or any other country.

Ayahuasca contains a Schedule I hallucinogenic controlled substance prohibited for use under federal law in the U.S. without a valid exemption granted by the federal government. You did not provide proof of such an exemption.

You will consider making reasonable modifications to program requirements on a case-by-case basis, but you will not permit modifications that fundamentally alter your program or create a direct threat to the safety of your participants or others. Therefore, veterans who cannot meet your program requirements, including participation in the supervised ayahuasca ceremony, generally will not be eligible to participate in your program.

Several unsuccessful attempts were made to contact you regarding your responses to our additional information requests. The attempts were unsuccessful due to either voicemail boxes not being set up or full. In addition, attempts were made to research other viable contact information online, but we were not successful in locating any such contact information.

Law

IRC Section 501(c)(3) provides for the recognition of exemption of organizations that are organized and operated exclusively for religious, charitable, educational, or other purposes as specified in the statute. No part of the net earnings may inure to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)(1) states that, in order to be exempt as an organization described in IRC Section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational or the operational test, it is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) 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 IRC Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

21 U.S. Code Section 812(c), Sch. I (c)(6), (8), (10), (12) and (15), list Dimethyltryptamine (the active ingredient in the Ayahuasca plant), Ibogaine, Marijuana, Peyote, and Psilocybin, respectively, as hallucinogenic substances and includes them on Schedule I of the Schedules of Controlled Substances.

21 U.S. Code Section 841(a)(3), known as The Controlled Substances Act, states it is illegal for anyone to knowingly or intentionally manufacture, distribute, dispense, or possess with intent to manufacture, distribute, or dispense, a controlled substance.

Rev. Rul. 71-460, 1971-2 C.B. 231, holds that an organization which conducted part of its charitable activities in foreign countries was exempt under IRC Section 501(c)(3). Since its activities were charitable within the meaning of Section 501(c)(3) when carried on within the United States, the same activities conducted for the same purposes abroad did not preclude the organization from qualifying for exemption.

Rev. Rul. 75-384, 1975-2 C.B. 204, holds that a nonprofit organization that sponsored antiwar protest demonstrations in which demonstrators were urged to violate local ordinances and commit acts of civil disobedience did not qualify for exemption under IRC Section 501(c)(3). Even though the organization itself was not committing any illegal acts on its own, the ruling stated that all charitable organizations are subject to the requirement that their purposes cannot be illegal or contrary to public policy. Citing the law of trusts, the organization did not qualify for tax-exempt status where its primary activity involved encouraging individuals to commit illegal acts on foreign soil,

Rev. Rul. 80-278, 1980-2 C.B. 1975 states that an organization that engages in activities that are illegal or contrary to a clearly defined and established public policy is not operated exclusively for an exempt purpose.

In Better Business Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy a claim for exemption regardless of the amount of otherwise exempt purposes.

In Iowaska Church of Healing v. Werfel, 105 F.4th 402, 412 (D.C. Cir. 2024), the Court affirmed the IRS's denial of tax-exempt status to an organization promoting the use of an illegal substance, without a Controlled Substances Act exception, which violated public policy and, as a result, was not operated exclusively for exempt purposes. As a result, the organization was not entitled to exemption from income tax under IRC Section 501(c)(3).

Pius XII Academy, Inc. v. Commissioner, T.C. Memo. 1982-97, affd. 711 F.2d 1058 (6th Cir. 1983), provides that an organization must establish through the administrative record that it operates as an exempt organization. Denial of exemption may be based solely upon failure to provide information describing in adequate detail how the operational test will be met.

In La Verdad v. Commissioner, 82 T.C. 215 (1984), the administrative record did not demonstrate that the organization would operate exclusively in furtherance of an exempt purpose. Therefore, denial of organization's request for tax-exempt status was reasonable.

Ohio Disability Association v. Commissioner, T.C. Memo 2009-261 (2009), states denial is justified because responses to requests for additional information failed to supplement the initial application or clarify purposes and activities, and generalizations did not provide sufficient detail to determine that the organization would be operated exclusively for exempt purposes.

Application of law

IRC Section 501(c)(3) and Treas. Reg. Section 1.501(c)(3)-1(a)(1) set forth two main tests to qualify for exempt status. You do not meet the operational test under IRC Section 501(c)(3) because you do not operate exclusively in furtherance of an exempt purpose as required under Treas. Reg. Section 1.501(c)(3)-1(c)(1).

Your activities consist of 90-day therapeutic deployments for U.S. combat veterans with trauma-informed clinical care, peer and group support, and certified adventure therapy activities to promote beneficial treatment for PTSD. To participate in these activities, the use of a Schedule I controlled substance per 21 U.S. Code Section 812(c) is generally required. You did not provide proof of an exemption issued by a permitting U.S. authority for ayahuasca to be medically used in the treatment of PTSD or for any other purpose for which you are organized.

Per Rev. Rul. 71-460, organizations may conduct activities in foreign countries and qualify for exemption only if those same activities also qualify for exemption under U.S. law. Thus, organizations may not engage in activities in foreign countries which are contrary to U.S. laws, regulations, or otherwise, and still qualify for exemption under IRC Section 501(c)(3). Therefore, by generally requiring participation in a supervised ayahuasca ceremony, which involves a controlled substance illegal under U.S. law, you are not operating exclusively for exempt purposes as required by Treas. Reg. Section 1.501(c)(3)-1(c)(1).

Accordingly, you are not like the organization granted exemption in Rev. Rul. 71-460. Unlike this organization, you will not exclusively further exempt purposes because your supervised ayahuasca ceremony will contravene federal law for exemption purposes. This precludes exemption under IRC Section 501(c)(3).

Your primary activity, which requires participation in a guided retreat involving the use of a Schedule 1 drug or substance, constitutes a substantial non-exempt purpose that destroys your claim for exemption, regardless of the presence of additional exempt purposes per Better Business Bureau of Washington, D.C., Inc.

Organizations exempt under IRC Section 501(c)(3) may not engage in activities that are illegal. You are like the organization denied exemption in Rev. Rul. 75-384, because you will also encourage and generally require participation in activities which will be illegal under U.S. law. Even if activities are conducted internationally, it is not the laws of those countries which control for federal tax exemption purposes; it is the laws of the U.S. Therefore, your participation in a supervised ayahuasca ceremony precludes you from exemption under IRC Section 501(c)(3), even if you yourself are not violating any laws on U.S. soil.

Participation in ayahuasca ceremonies is illegal on its face without an exemption issued by a federal authority or other permitting agency per Iowaska Church of Healing. In that court case, it was found that the church's religious use of same substance was illegal without exemption from a permitting authority, and the IRS had no authority to assess whether the church's proposed Schedule I drug use warranted a religious exemption. In response to the Agent's requests for additional information, you did not indicate that you received a CSA exemption from the DEA. Therefore, you failed to demonstrate that you operate in furtherance of an exempt purpose.

Your initial application for tax-exempt status and responses to requests for additional information did not otherwise demonstrate you satisfy the operational test under IRC Section 501(c)(3) per Pius XII Academy, Inc. v. Commissioner and La Verdad, and our attempts to contact you were unsuccessful. Therefore, as stated in Ohio Disability Association, your request for exemption is denied because your responses failed to supplement your initial application and clarify your purposes and activities.

Conclusion

Based on the facts you provided, we conclude that you are not operated exclusively for exempt purposes within the meaning of IRC Section 501(c)(3), as your activities will further an illegal activity under U.S. law without proof of an exemption from the federal government. Accordingly, you do not meet the requirements for exemption under IRC Section 501(c)(3).

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization: Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

Contacting the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements