

CC:TEGE Bi-weekly Report
October 25, 2010

Litigation

Z Street v. Commissioner (U.S.D.C. for the Eastern Dist. of Penn.): (GL-135689-10).
On October 15, 2010, Chief Counsel sent a defense letter to DOJ recommending that a

Attorney Client Privilege

Plaintiff had filed a Form 1023 application for § 501(c)(3) status on December 28, 2009. Plaintiff's claimed purposes are to support the right of the Jewish people to their own state and to advocate against concessions to, negotiations with, or appeasement of terrorists. After the plaintiff responded to questions from EO Determinations, the case was referred to the Touch and Go (TAG) group, a unit of EO Determinations that has expertise in screening applications involving potential links to terrorist organizations. In making the referral the agent looked at a checksheet that lists a number of countries, including Israel, where nonprofits have been identified as assisting terrorist organizations. At the time that checksheet was used, EO had distributed for use a revised checksheet that does not list Israel: at this time it is not clear why the agent used the outdated check sheet. On August 25, 2010, the plaintiff filed suit in District Court. The Complaint alleged that there is an "Israel Special Policy" governing applications for tax-exempt status by organizations that deal with Israel and that this policy requires intense scrutiny of such applications and an enhanced risk of denial if made by organizations that espouse or support positions inconsistent with the Obama Administration's policies on Israel. The plaintiff seeks an injunction barring application of the alleged special policy to its pending application and an order requiring the IRS to make a determination expeditiously.

Attorney Client Privilege

Attorney Client Privilege

Attorney Client Privilege

The answer is due November 1, 2010. William Miller, AC John Walsh, ABC Casey Lothamer and STR Michael Blumenfeld are working on this case.

6103 Third Party Return Information

ZST401-001499