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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE TARGETING OF CONSERVATIVE GROUPS BY THE IRS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement at a committee hearing examining the Internal Revenue Service's (IRS) targeting of conservative groups:

Thank you, Mr. Chairman, for convening this important hearing. You and I do not always agree on all of the issues, but on this point we agree – despite some claims to the contrary, the IRS targeting of citizens for their political views is, in fact, a scandal.

It undermines Americans' trust that their government will enforce the law without regard for political beliefs or party affiliation.

Make no mistake, this hearing, and the investigation that will follow, are absolutely critical.

Over the weekend, a senior White House official said Republicans are on a "partisan fishing expedition," and that we are conducting "trumped up hearings."

I hope they are not referring to what this Committee is doing, or to this hearing that we are having today.

This would be very disconcerting, particularly after last week when the President said he was committed to working with Congress to find the truth.

These hearings are not some sideshow designed to distract from the President's agenda. I hope that the President and his administration aren't attempting to distract us from getting to the bottom of this.

This committee is going to pursue this matter, wherever it leads.

The Internal Revenue Service is one of the most powerful agencies in our government. It has a broader reach than almost any other government entity. Indeed, many law-abiding

Americans are already afraid of the IRS.

That being the case, the American people have a right to expect that the IRS will exercise its authority in a neutral, non-biased way. We need to work together to make sure that is precisely what it does.

Any hint of political bias or partisanship at the IRS needs to be taken seriously.

Sadly, as we'll discuss during today's hearing, there appears to have been more than a hint of political bias in the IRS's processing of applications of groups applying for tax-exempt status.

We have a report from the Treasury Inspector General for Tax Administration (TIGTA) indicating that the use of inappropriate political criteria was all too common in the evaluation of these applications.

So far, here's what we know.

We know that, between 2010 and 2012, conservative groups applying for tax exempt status were targeted by the IRS and subjected to increased levels of scrutiny.

We know that these groups were targeted because they had the words "tea party" or "patriots" in their name or because they said in their applications that they wanted to do things like "make America a better place to live."

We know that these conservative groups were asked invasive and inappropriate questions about their donors, their positions on various issues, and the political affiliations of their officers and directors.

We know that some of these groups' applications were delayed for more than three years, even as applications for groups friendly to the President and liberal causes were promptly approved.

We know that, despite some early claims to the contrary, knowledge of this operation extended beyond the processing center in Cincinnati and that IRS officials in Washington, D.C. were aware of the program at an early stage.

We have also seen evidence that employees in other IRS offices besides Cincinnati scrutinized conservative organizations to an unreasonable degree. In spite of what the IRS has said publicly, it has become clear that this problem was not limited to a few employees in Cincinnati.

And, we know that, by June 2012 at the latest, the number two official at the Department of Treasury, Deputy Secretary Neal Wolin, was aware that there was an ongoing

TIGTA inquiry into these issues.

Here's what we don't know.

We don't know why the targeting began.

We are concerned about the extent to which senior officials at the IRS and Department of Treasury became aware of these practices, when they found out, and what they did or did not do to put a stop to them.

And, perhaps most important, we want to know why the IRS purposefully misled Congress when they led us to believe that no groups were being targeted when we repeatedly raised this issue with the agency last year.

This, to me, is one of the most disturbing elements of this story.

On multiple occasions in 2012, I spearheaded letters from Republican Senators to then-IRS Commissioner Shulman asking questions about the IRS's processing of applications for tax exempt status and the reports that the process had become politicized.

I received two separate responses from Acting Commissioner Steven Miller, who was, at that time, serving as the Deputy Commissioner for Services and Enforcement.

Neither of these responses even hinted at the possibility that the targeting was going on, even though these officials in Washington were certainly aware that a number of conservative groups had, in fact, been targeted.

Indeed, despite multiple efforts during the 2012 election campaign to find out the facts about this targeting program, the IRS did not decide to come clean until the release of the TIGTA report was imminent and their hand was forced.

And, even then, one of the top IRS officials, in consultation with the Department of Treasury, chose to disclose that it had targeted innocent organizations by responding to a planted question at a press conference.

The American people deserve to know the truth about what went on here. And, they deserve to know why the truth was kept from them for so long.

Were the top IRS officials willfully blind to what was going on?

Or, were they simply holding out until after the election?

While the targeting of conservative groups in the review process has received most of the attention thus far, it's not the only problem that needs to be addressed.

I am, of course, referring to the fact that, in 2012, one of the IRS offices that were targeting conservative groups' applications also improperly disclosed confidential information about some of the same groups to a left-leaning media organization called ProPublica.

This revelation comes on the heels of other allegations that the IRS disclosed to activist groups and media outlets, confidential information – including donor information – submitted by conservative nonprofits.

We need to look closely at these allegations as well.

So, as you can see, Mr. Chairman, there are a lot of problems at the IRS. I'm glad that, thus far, members of both parties have recognized the need to address these issues.

Mr. Chairman, I'm pleased to be working with you on this investigation and I hope that we'll continue to work together on a bipartisan basis to get to the bottom of this.

I want to assure our colleagues and the American people that we're going to find out exactly what happened here and we're going to do everything we can to make sure it doesn't happen again.

The only way to fully address these issues and to restore the credibility of the IRS is to have a full accounting of the facts.

And, one way or another, we're going to learn the facts about what went on here. I hope that we can do so with the full and complete cooperation of the Obama administration.

Today's hearing is just the first step in this process. Thank you, Mr. Chairman.

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