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Internal Revenue Service
EO Classification
1100 Commerce Street
MC 4900 DAL
Dallas, TX 75242

March 15, 2011

Re: Crossroads GPS

Dear EO Classification:

I am writing on behalf of Protect Our Elections, a coalition of NGOs dedicated to clean and accountable government representing more than a million members, to urge the IRS to deny the 501c4 status of Crossroads GPS, or if it has been granted in a final determination, to revoke it. In short, Crossroads GPS has misused its 501c4 status to engage in partisan political activity to the detriment of society and in violation of the statute.

I am enclosing four documents in support of this request: first, a Complaint we filed on October 13, 2010, with the Federal Election Committee urging that it find that Crossroads GPS violated the Federal Election Campaign Act by engaging in political activity as a c4 rather than as a 527; second, a complaint we filed with the Department of Justice on October 13, 2010, requesting criminal prosecution of Crossroads GPS for violating the FECA; a second letter to the DOJ we filed on January 28, 2011, requesting prosecution of American Crossroads/Crossroads GPS for acting as a "shadow RNC" without complying with the laws governing the RNC; and a September 28, 2010, letter from Senator Max Baucus to the Director of the IRS requesting an investigation into c4 organizations misusing their tax status to engage in political activity. Please consider the arguments made in these documents during your review of this request.

Karl Rove, who created American Crossroads/Crossroads GPS, announced last week that he plans to raise \$120 million for the organizations to defeat Democrats in 2012. See enclosed articles. He makes no secret of the fact that his Crossroads GPS, a c4, is engaged in partisan political activity. In fact, as these articles make clear, he brags about the fact that he raised \$71 million in 2010, the bulk of which was secret money for Crossroads GPS.

C4 is not intended to provide a means for partisans to raise and spend millions of dollars to influence elections. It is not intended to shield donors from disclosure in

elections. It is not intended as a money-laundering vehicle to hide funds or move funds that should have been used under 527.

Our elections have been corrupted by organizations such as Crossroads GPS using secret money to further a partisan agenda. This is not allowed under 501c4. Crossroads GPS is not acting in the public welfare but rather against it. The bulk of its funding is not from ordinary Americans concerned about issues but rather from corporate barons who are only concerned about the corporate bottom line. We know from public documents that four billionaires provided 91% of the money for Rove's American Crossroads group. *See* enclosed article. So we can only imagine the corporate interests that provided the money to Crossroads GPS.

Your own website has a page dealing with 501c4 social welfare organizations, which underscores just how far Crossroads GPS has subverted the law.

“To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare. ...

To be operated exclusively to promote social welfare, an organization must operate primarily to further the common good and general welfare of the people of the community (such as by bringing about civic betterment and social improvements). ...

The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity. However, any expenditure it makes for political activities may be subject to tax under section 527(f).” <http://www.irs.gov/charities/nonprofits/article/0,,id=96178,00.html>

In sum, Crossroads GPS is not operated to promote the social welfare, the common good, or the general good of the community. Instead, its sole purpose is to promote partisan politics that inure to the benefit of large corporate interests by participating and intervening in political campaigns on behalf of or in opposition to candidates for public office.

We strongly urge the IRS to deny 501c4 status to Crossroads GPS and to accompany that denial with a public statement that c4 status will not be granted to organizations that engage in partisan political activity supporting particular political candidates or party.

Please me know if you have any questions.

Sincerely,

Kevin Zeese
Attorney at Law
301-996-6582

cc: Lois Lerner, Director of Exempt Organizations