

March 22, 2018

The Honorable David J. Kautter
Acting Commissioner
Internal Revenue Service
1111 Constitution Ave., N.W.
Washington, DC 20224

By electronic mail (IRS.Commissioner@IRS.gov) and First Class mail

Dear Acting Commissioner Kautter:

Citizens for Responsibility and Ethics in Washington (“CREW”) respectfully requests the Internal Revenue Service (“IRS”) investigate whether Freedom Frontier, a nonprofit organization exempt from taxation pursuant to section 501(c)(4) of the Internal Revenue Code (“Code”), failed to file its 2016 tax return on time.

Freedom Frontier’s Failure to File Its Tax Return on Time

Freedom Frontier is a nonprofit corporation established in Texas in 2011 and granted tax-exempt status the same year.¹

As a section 501(c)(4) tax-exempt organization, Freedom Frontier is required to file annual Form 990 tax returns.² The tax returns must be filed within four and a half months after the end of the organization’s fiscal year.³ For organizations like Freedom Frontier that use a calendar year cycle, the annual Form 990 is due on May 15 of the following year.⁴ The IRS automatically grants one three-month extension, and tax-exempt organizations may request – and are routinely granted – a second three-month extension for reasonable cause.⁵

Freedom Frontier’s 2016 Form 990 initially was due May 15, 2017. If the organization received both of the allowable three-month extensions, Freedom Frontier’s 2016 Form 990 due date was November 15, 2017.

To date, the IRS does not appear to have received Freedom Frontier’s 2016 Form 990 tax return. Public information about tax-exempt organizations is available in the IRS’s Exempt Organizations Business Master File Extract (“EO BMF”), which “includes cumulative

¹ Freedom Frontier, 2015 Form 990, Amended, *available at* http://990s.foundationcenter.org/990_pdf_archive/451/451582354/451582354_201512_990O.pdf; Freedom Frontier, Form 1024, *available at* <https://www.documentcloud.org/documents/3249807-Freedom-Frontier-IRS-Form-1024.html>.

² 26 U.S.C. § 6033(a)(1); Treas. Reg. § 1-6033-2(a).

³ Treas. Reg. § 1-6033-2(e).

⁴ See <https://www.irs.gov/charities-non-profits/political-organizations/exempt-organization-filing-requirements-form-990-due-date>.

⁵ See <https://www.irs.gov/charities-non-profits/political-organizations/exempt-organization-filing-requirements-extending-due-date-for-form-990>.

information on exempt organizations” with data that is “extracted monthly,” is “available by state and region,” and represents “the most recent information the IRS has for these organizations.”⁶ The EO BMF was updated most recently on March 12, 2018.

CREW searched the comma separated value EO BMF files for each region on March 13, 2018 using the term “Freedom Frontier,” and located a listing for Freedom Frontier in the District of Columbia. According to that listing, the most recent information available for the group covers the tax period ending in December 2015, meaning it was extracted from Freedom Frontier’s amended 2015 Form 990. By contrast, the EO BMF already contains 2016 tax year information for other nonprofits. For instance, One Nation, a section 501(c)(4) tax-exempt organization based in Virginia, filed its 2016 Form 990 on November 15, 2017.⁷ The EO BMF listing for One Nation includes information through the tax period ending December 2016.

Freedom Frontier’s 2016 Form 990 itself does not appear available from the IRS. On November 17, 2017, CREW submitted a Form 4506-A request to the IRS’s Return and Income Verification Services Unit in Ogden, Utah for Freedom Frontier’s 2016 Form 990.⁸ CREW has not yet received a response to that request. On March 16, 2018, CREW followed up by calling the IRS using the Tax Exempt and Government Entities Customer Account Services phone number to ask about Freedom Frontier’s 2016 Form 990 tax return. The IRS representative who took CREW’s call said that if the information from the 2016 return was not in the EO BMF, it meant the agency had not received it yet. In addition, outside services such as Guidestar that provide the public information about tax-exempt organizations, including Form 990 tax returns provided to them by the IRS, do not appear to have Freedom Frontier’s 2016 Form 990.⁹

In a further attempt to obtain Freedom Frontier’s 2016 Form 990, CREW also sent a letter requesting it from the organization on November 28, 2017, using the address listed in Part VI, Section C, Line 20 of Freedom Frontier’s amended 2015 Form 990.¹⁰ CREW has not yet received a response to that request. On March 8, 2018, CREW called Freedom Frontier to request its 2016 Form 990 using the phone number listed in Part VI, Section C, Line 20 of the group’s amended 2015 Form 990 and left a voicemail when the call was not answered. CREW’s phone call has not yet been returned.

⁶ See <https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-EO-BMF>; https://www.irs.gov/pub/irs-soi/EO_info.pdf.

⁷ One Nation, 2016 Form 990, available at <https://www.documentcloud.org/documents/4251744-One-Nation-990-2016.html>.

⁸ A copy of the November Form 4506-A request is attached as Exhibit A.

⁹ See <https://www.guidestar.org/profile/45-1582354>.

¹⁰ Freedom Frontier, 2015 Form 990, Amended, Part VI, Section C, Line 20; A copy of the letter is attached as Exhibit B.

Violation

26 U.S.C. § 6033

Tax-exempt organizations are required to file annual Form 990 tax returns, and must file them on time.¹¹ Those tax returns are due within four and a half months after the end of the organization's fiscal year.¹² Tax-exempt organization with more than \$1 million in gross receipts may be penalized up to \$100 per day for filing late.¹³

Freedom Frontier's 2016 tax return was due May 15, 2017 and no later than November 15, 2017 if the group received the two allowed extensions, meaning that if the return has still not been filed it is between 127 and 311 days late. In addition, Freedom Frontier's gross receipts must have been more than \$1 million during its 2016 tax year. According to Federal Election Commission ("FEC") records, Freedom Frontier contributed \$4,425,000 to independent expenditure-only committees in 2016.¹⁴ Since Freedom Frontier reported on its 2015 tax return that it ended the year with \$311,293 in net assets, the organization could not have contributed \$4,425,000 to political committees without having gross receipts of more than \$1 million during its 2016 tax year.¹⁵

This is not the first time Freedom Frontier has had issues filing its tax return. In 2016, Freedom Frontier initially filed a Form 990-N for its 2015 tax year, telling the IRS it raised no more than \$50,000.¹⁶ After CREW publicly reported that Freedom Frontier's filing of Form 990-N was inconsistent with the fact that the organization had contributed \$250,000 to an independent expenditure-only committee in 2015, Freedom Frontier filed an amended 2015 tax return in April 2017, disclosing that the organization actually had raised \$1,185,000 in 2015 and spent \$873,707.¹⁷

¹¹ 26 U.S.C. § 6033(a)(1); Treas. Reg. § 1-6033-2(a).

¹² Treas. Reg. § 1-6033-2(e).

¹³ 26 U.S.C. § 6033(n); 26 U.S.C. § 6652(c)(1)(A)(ii); Treas. Reg. § 1-6033-2(f). The maximum penalty for late filing for a group with gross receipts of more than \$1 million is \$50,000. 26 U.S.C. § 6652(c)(1)(A)(ii).

¹⁴The Palmetto PAC, FEC Form 3X April Quarterly Report, April 15, 2016, available at <http://docquery.fec.gov/pdf/296/201604159012437296/201604159012437296.pdf>; Security is Strength PAC, FEC Form 3X July Quarterly Report, Amended, Oct. 27, 2016, available at <http://docquery.fec.gov/pdf/349/201610279036646349/201610279036646349.pdf>; LG PAC, FEC Form 3X July Quarterly Report, July 15, 2016, available at <http://docquery.fec.gov/pdf/084/201607159020596084/201607159020596084.pdf>; ; LG PAC, FEC Form 3X October Quarterly Report, Oct. 14, 2016, available at <http://docquery.fec.gov/pdf/014/201610149032519014/201610149032519014.pdf>; LG PAC, FEC Form 3X Pre-General Report, Oct. 27, 2016, available at <http://docquery.fec.gov/pdf/137/201610279036919137/201610279036919137.pdf>.

¹⁵ Freedom Frontier, 2015 Form 990, Amended, Part I, Line 22.

¹⁶ Freedom Frontier, 2015 Form 990-N, available at <https://apps.irs.gov/app/eos/displayEPostcard.do?dispatchMethod=displayEpostInfo&ePostcardId=4020075&ein=451582354&exemptTypeCode=&isDescending=false&totalResults=385&postDateTo=&ein=451582354&ein1=&dispatchMethod=displayEpostInfo&ePostcardId=2345232&state=TX&postDateFrom=&country=US&city=&searchChoice=ePostcard&indexOfFirstRow=0&sortColumn=ein&resultsPerPage=250&names=freedom+frontier&zipCode=&deductibility=>

¹⁷ Matt Corley, *Who Filed A False Report? A Super PAC or The Dark Money Group That Funded It?*, *Citizens for Responsibility and Ethics in Washington*, March 1, 2017, available at <https://www.citizensforethics.org/filed-false->

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Conclusion

Based on the publicly available information, Freedom Frontier apparently failed to file its 2016 tax return on time and is at least 127 days late in filing. Therefore, the IRS should investigate Freedom Frontier and, should it find that Freedom Frontier has violated its obligations under the Code, take appropriate action.

Thank you for your prompt attention to this matter.

Sincerely,



Noah Bookbinder
Executive Director
Citizens for Responsibility and Ethics in Washington

[report-super-pac-dark-money-group-funded/](https://www.citizensforethics.org/following-crew-report-dark-money-group-amends-taxes-discovers-missing-million/); Matt Corley, *Following CREW Report, Dark Money Group Amends Taxes, Discovers Missing Million*, *Citizens for Responsibility and Ethics in Washington*, August 17, 2017, available at <https://www.citizensforethics.org/following-crew-report-dark-money-group-amends-taxes-discovers-missing-million/>; Freedom Frontier, 2015 Form 990, Amended.

EXHIBIT A

Request for Public Inspection or Copy of Exempt or Political Organization IRS Form

▶ **Type or print clearly. Request may be rejected if the form is incomplete or illegible.**
 ▶ **Information about Form 4506-A and its separate instructions is at www.irs.gov/form4506.**

TIP You may not have to complete Form 4506-A to get the copies you need.

- **Internet. Form 8871**, Political Organization Notice of Section 527 Status, and **Form 8872**, Political Organization Report of Contributions and Expenditures, are available for inspection from the Internet. The website address for both forms is www.irs.gov/polorgs.
- **Public disclosure by the organization.** Exempt or political organizations must make their returns, reports, notices, and exempt applications available for public inspection. You can visit the organization to inspect the material instead of requesting it from the IRS. The organization may be able to mail the copies to you.
- **Form 990-N (e-Postcard) annual electronic notice is available for inspection on IRS.gov using Exempt Organization Select Check (see instructions).**

1 Exempt or political organization. Complete a separate Form 4506-A for each organization.

Name Freedom Frontier -- INCLUDE SCHEDULE B	Employer identification number 45-1582354
Address PO BOX 60049	
City or town, state or province, country, and ZIP or foreign postal code WASHINGTON, DC 20039	

2 Requester

Name Citizens for Responsibility and Ethics in Washington	Contact person Walker Davis
Address 455 Massachusetts Ave NW	Phone 202-408-5565
City or town, state or province, country, and ZIP or foreign postal code Washington, DC 20001	Date 11/17/2017

3 Category of requester: Commercial user Non-commercial scientific institution Media Educational institution All others

You must check a box. Name of Media Outlet _____

4 Reason for request. All requesters except for commercial users must provide an explanation of how the records will be used to avoid being charged the commercial rate. Attach additional sheets if necessary.

Research

Lines 5-9. For each applicable form, check the box(es) for the item(s) you are requesting. You may request more than one form. For each form requested, check either the copy, inspection, DVD, or Sample DVD box and enter the specific tax year(s), as indicated. If ordering a partial set on DVD or Sample DVD, indicate the format, state(s), and month(s) requested.

Note. DVD and Sample DVD are not available for individual exempt organizations.

5 Form 990, Form 990-EZ:

<p>a Paper request: <input checked="" type="checkbox"/> Copy <input type="checkbox"/> Inspection</p> <p>Tax year(s) or period(s) requested: <u>2016</u> ; _____ ; _____</p> <p style="text-align: center;">YYYYMM YYYYMM YYYYMM</p>	<p>b DVD request: <input type="checkbox"/> DVD <input type="checkbox"/> Sample DVD</p> <p>Format: <input type="checkbox"/> Alchemy <input type="checkbox"/> Raw</p> <p>State(s): _____ ; _____ ; _____</p> <p>Calendar year(s): _____ ; _____ ; _____</p>
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6 Form 990-PF:

<p>a Paper request: <input type="checkbox"/> Copy <input type="checkbox"/> Inspection</p> <p>Tax year(s) or period(s) requested: _____ ; _____ ; _____</p> <p style="text-align: center;">YYYYMM YYYYMM YYYYMM</p>	<p>b DVD request: <input type="checkbox"/> DVD <input type="checkbox"/> Sample DVD</p> <p>Format: <input type="checkbox"/> Alchemy <input type="checkbox"/> Raw</p> <p>State(s): _____ ; _____ ; _____</p> <p>Calendar year(s): _____ ; _____ ; _____</p>
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7 Form 990-T (501(c)(3) organizations filed after August 17, 2006):

<p>a Paper request: <input type="checkbox"/> Copy <input type="checkbox"/> Inspection</p> <p>Tax year(s) or period(s) requested: _____ ; _____ ; _____</p> <p style="text-align: center;">YYYYMM YYYYMM YYYYMM</p>	<p>b DVD request: <input type="checkbox"/> DVD <input type="checkbox"/> Sample DVD</p> <p>Format: <input type="checkbox"/> Alchemy <input type="checkbox"/> Raw</p> <p>State(s): _____ ; _____ ; _____</p> <p>Calendar year(s): _____ ; _____ ; _____</p>
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8 Form 5227 (for tax years beginning after December 31, 2006):

<p>Paper request: <input type="checkbox"/> Copy <input type="checkbox"/> Inspection</p> <p>Tax year(s) or period(s) requested: _____ ; _____ ; _____</p> <p style="text-align: center;">YYYYMM YYYYMM YYYYMM</p>	<p>9 <input type="checkbox"/> Form 1023 <input type="checkbox"/> Form 1023-EZ <input type="checkbox"/> Form 1024</p> <p><input type="checkbox"/> Determination Letter</p> <p><input type="checkbox"/> Updated Determination Letter</p>
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IRS Use Only

The form requested above was inspected by (name of requester)	IRS office where inspection was made
Signature of employee present at inspection	Date

EXHIBIT B

November 28, 2017

Freedom Frontier
4515 Perrin St
Grove City, OH 43123

To Whom It May Concern:

Pursuant to the Internal Revenue Code (“Code”) and Internal Revenue Service (“IRS”) regulations, Citizens for Responsibility and Ethics in Washington (“CREW”) hereby requests a copy of Freedom Frontier’s 2016 Form 990 tax return, filed with the IRS, including all schedules, attachments, and supporting documents.

The Code and IRS regulations require all entities organized under section 501(c) to make their annual tax returns available for inspection and copying. 26 U.S.C. § 6104(d)(1); 26 C.F.R. § 301.6104(d)–1(a). IRS regulations require 501(c) organizations to provide an exact copy of the filed tax return, including all information furnished to the IRS on the return and all schedules, attachments, and supporting documents. 26 C.F.R. § 301.6104(d)–1(b)(4)(i). The Code and IRS regulations permit an organization not to publicly disclose the name or address of any contributor to the organization provided to the IRS on Schedule B. 26 U.S.C. § 6104(d)(3)(A); 26 C.F.R. § 301.6104(d)–1(b)(4)(ii). However, the organization must make available to the public all other information provided to the IRS on the Schedule B, including the total amount of contributions from each contributor. *See* Schedule B, General Instructions, Public Inspection, at 5 (2012) (“All other information, including the amount of contributions . . . is required to be made available for public inspection unless it clearly identifies the contributor.”); Instructions for Form 990 Return of Organization Exempt from Income Tax, Appendix D, at 74-75 (2012); *see also* 26 C.F.R. § 301.6104(b)–1(b)(2). CREW specifically requests a copy of Freedom Frontier’s Schedule B filed as part of its 2016 Form 990 tax return.

Fees for copying the return must be reasonable and cannot exceed the applicable per-page copying charges for IRS Freedom of Information Act (“FOIA”) requests, plus actual postage costs. 26 C.F.R. § 301.6104(d)–1(d)(3). The current per-page copying charge for IRS FOIA requests is 20 cents per page. *See* IRS Freedom of Information Act Guidelines, Appendix B (*available at*: http://www.irs.gov/pub/irs-utl/irs_foia_guide.pdf). If payment for copying is required in advance, please notify me immediately at (202) 408-5565.

Form 990 tax returns requested in writing must be provided within 30 days of receipt of the request. 26 U.S.C. § 6104(d)(1)(B); 26 C.F.R. § 301.6104(d)–1(d)(2)(ii). Failure to comply with this request can result in civil fines up to \$10,000 per report requested, and an additional fine of \$5,000 for a willful failure to comply. 26 U.S.C. §§ 6652(c)(1)(C), 6685.

Please send the requested documents to Matt Corley, Citizens for Responsibility and Ethics in Washington, 455 Massachusetts Ave, NW Washington, D.C. 20001 or mcorley@citizensforethics.org.

If you have any questions about this request, please contact me at (202) 408-5565.

Sincerely,

Matt Corley
Chief Investigator
Citizens for Responsibility and Ethics in
Washington