

# United States Senate

August 27, 2013

The Honorable Daniel I. Werfel  
Acting Commissioner  
Internal Revenue Service  
1111 Constitution Avenue Nw  
Washington, D.C. 20224

Dear Commissioner Werfel:

In light of recent revelations that have generated distrust and even greater animosity from many Americans toward the IRS, I write seeking clarification and explanation for more potentially worrisome agency actions. Specifically, I am troubled by recent news that the IRS intends to target veterans by requiring veteran service organizations to provide DD-214 Forms to account for every member at posts around the country.

There is no group of Americans I hold in higher regard than our nation's veterans. Their service and sacrifices have allowed us to live in the strongest, freest, and greatest country in the world. Yet even after they return home from war, veterans in America continue to fight battles. Many struggle to find a job, face difficulties accessing quality health care services, or wait senselessly long periods of time for their benefits claims to be processed by the federal government. The last thing veterans should have to worry about is their privacy within veteran service organizations or the ability of those organizations to endure seemingly arbitrary IRS audits and the severe financial penalties that could ensue.

This news is deeply concerning to me and the thousands of veterans I represent in Kansas. It appears as though this requirement was published in the January 2011 Internal Revenue Manual, outlined in Part 4, Chapter 76, Section 26 for Veterans' Organizations. I request that the following questions be specifically addressed in a written response:

- What legal authority does the IRS have in carrying out a mandate for personal, military service records? Was this mandate reviewed by IRS general counsel? Please provide documentation that gives the IRS the authority to collect this information.
- Under whose leadership was this mandate initiated, for what direct purpose, and who had approving authority for this mandate?

- Were veteran service organizations ever specifically notified of the requirement? If so, please provide the documentation that was issued to these organizations. If not, please explain why organizations were not notified.
- Is it true that an organization unable or unwilling to provide this information could be charged penalty fees of \$1,000 per day? Please provide clarification regarding the penalty for noncompliance.

At a minimum, I ask that the IRS cease carrying out this mandate until further review. We must be certain that the privacy of our nation's heroes is respected. Given the American public's increased frustration with the IRS and the failures of government bureaucracy at large, I am disappointed that such a policy targeting America's servicemen and women would be a priority for the IRS. We must never forget that our country has a responsibility to protect its veterans who have put their lives on the line to defend our freedoms, and they deserve our utmost respect.

Sincerely,

A handwritten signature in blue ink that reads "Jerry Moran". The signature is written in a cursive, slightly stylized font.

Senator Jerry Moran