



U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
1139 LONGWORTH HOUSE OFFICE BUILDING
Washington, DC 20515

November 20, 2024

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Dear Commissioner Werfel:

I write today to reiterate my demand that the Internal Revenue Service (“IRS”) revoke the Alliance for Global Justice’s (“the Alliance”) tax-exempt status due to its financial support for its fiscally sponsored project, Samidoun, and to provide you with updated information regarding this organization. I also wrote a letter to you on September 24, 2024, which is attached for reference, and addresses the same subject.¹ Less than three weeks after I sent that letter, Samidoun was designated by the U.S. Department of the Treasury’s (“Treasury”) Office of Foreign Assets Control as a “sham charity” that serves as a fundraiser for terrorist organizations.² Despite Samidoun’s designation, and the Alliance’s financial support of Samidoun, the IRS has yet to revoke the Alliance’s tax-exempt status. Given this information and recent developments, it is clear that the Alliance’s tax-exempt status should be revoked.

This case is not complicated, which makes the failure to revoke the Alliance’s tax-exempt status both concerning and confusing. As you know, if a nonprofit organization conducts substantial activities that do not further its exempt purposes, such activity may result in the loss of the organization’s tax-exempt status.³ Additionally, the IRS has found that conducting illegal activity is inconsistent with tax exemption, and the agency has stated that “planning and sponsoring such activities are incompatible with charity and social welfare.”⁴ Furthermore, and of most importance in this case, under Section 501(p) of the IRC, organizations designated as terrorist organizations cannot maintain tax-exempt status.⁵ This is evidenced by the fact that the IRS has suspended or revoked the tax-exempt status of multiple terrorist organizations, including

¹ H. Comm. on Ways and Means, *Ways and Means Chairman Smith Demands IRS Revoke Tax-Exempt Status of Organizations Fueling Chaos, Illegal Conduct, and Antisemitic Activity in the U.S., Including those with Possible Ties to Terrorist Networks* (Sept. 24, 2024), <https://waysandmeans.house.gov/2024/09/24/ways-and-means-chairman-smith-demands-irs-revoke-tax-exempt-status-of-organizations-fueling-chaos-illegal-conduct-and-antisemitic-activity-in-u-s-including-those-with-possible-ties-to-terrorist-ne/>.

² U.S. Department of Treasury, *United States and Canada Target Key International Fundraiser for Foreign Terrorist Organization PFLP*, Press Release (Oct. 15, 2024), <https://home.treasury.gov/news/press-releases/jy2646>.

³ Better Business Bureau of Washington, D.C. v. United States, 326 U.S. 279, 283 (1945).

⁴ *Id.*

⁵ Justin Chung, *Suspending the Tax-Exempt Status of Terrorist and Terrorist Supporting Organizations: H.R. 6408 in Context*, CONGRESSIONAL RESEARCH SERVICE (June 7, 2024), <https://crsreports.congress.gov/product/pdf/LSB/LSB11176>.

Letter to The Honorable Daniel Werfel

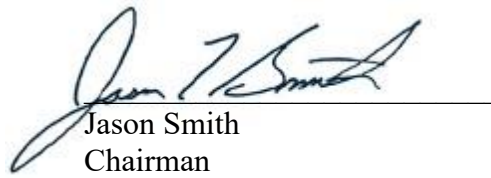
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the Benevolence International Foundation, Inc., the Global Relief Foundation, Inc., and the Holy Land Foundation for Relief and Development.⁶ Additionally, the IRS previously revoked the tax-exempt status of organizations that could not show that it directed funding exclusively for charitable purposes as required under the IRC.⁷ Given Samidoun's designation by the Treasury as a terrorist organization, coupled with the fact that the Alliance fiscally sponsors and provides support for Samidoun, the IRS must revoke the Alliance's tax-exempt status immediately.

As such, I ask again that you, as Commissioner of the IRS, use your authority to make certain that the IRS moves as quickly as possible to revoke the tax-exempt status of the Alliance to ensure that no more American taxpayer dollars flow through the Alliance or Samidoun to terrorist organizations. Thank you in advance for your time, cooperation, and response. If you have any questions, please contact Ways and Means Majority staff at (202) 225-3625.

Sincerely,



Jason Smith
Chairman
Committee on Ways and Means

⁶ U.S. Department of the Treasury, *Press Release: Treasury and IRS Suspend Tax Exempt Status of Three Organizations Identified with Terrorism*, U.S. DEPARTMENT OF THE TREASURY (Nov. 14, 2003), <https://home.treasury.gov/news/press-releases/js1004>; Internal Revenue Service, *Suspensions pursuant to Code Section 501(p)*, INTERNAL REVENUE SERVICE (accessed Nov. 6, 2024), <https://www.irs.gov/charities-non-profits/charitable-organizations/suspensions-pursuant-to-code-section-501p>.

⁷ Internal Revenue Service Determination Letter, Release Number 201712014 (Mar. 24, 2017), <https://www.irs.gov/pub/irs-wd/201712014.pdf>.