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Republican-linked Group Draws Calls for its Investigation by IRS

Crossroads Grassroots Policy Strategies (Crossroads GPS) is a non-profit, pro-Republican group that has spent millions of dollars in supporting Republican candidates for public office or running down Democrat ones. As a non-profit making organization, it is not obligated to reveal the identities of its donors and supporters. Together with a related support group, they have been running advertising campaigns to the tune of \$14 million denigrating Democrats and supporting Republicans in eight states running for Senate.

Their actions have drawn calls by two organizations for the IRS to investigate their activities. These two organizations, Democracy 21 and Campaign Legal Center, are groups that have been lobbying for tougher campaign financing laws. The two groups filed an official complaint with the IRS last Tuesday, requesting the agency to launch an investigation to determine if Crossroads GPS has gone against its tax-exempt status by infringing on laws that prohibit such organizations from supporting or opposing candidates running for public office.

On the same day as the official complaint was lodged with the IRS, Crossroads GPS and its affiliate, American Crossroads announced more advertising campaigns worth in excess of \$4 million to support certain candidates in Senate elections.

Crossroads GPS was the brainchild of Republican strategic advisors Karl Rove and Ed Gillespie. Along with American Crossroads, they have raised some \$32 million this year

for its activities. Unlike Crossroads GPS, its affiliate company American Crossroads was formed under a different section of the tax code that makes it mandatory to declare the identities of its donors. American Crossroads is not subject to the complaint made by Democracy 21 and Campaign Legal Center.

The two organizations, Crossroads GPS and American Crossroads have run advertisements in support of GOP candidates or opposing Democrats in Florida, Kansas, Illinois, Washington State, Nevada, Kentucky, Colorado and Pennsylvania.

A spokesman for Crossroads GPS has written off the complaint by Democracy 21 and Campaign Legal Center as 'baseless' because various other liberal groups have spent \$400 million in undisclosed money supporting candidates in 2008 without any complaint lodged against them.

On its part, Democracy 21 president Fred Wertheimer disclosed that after the 2004 elections, his organization and Campaign Legal Center called for the investigation of two other pro-Democratic groups, America Coming Together and the Media Fund. As a result, the FEC reached an agreement with the groups after finding they have spent more than \$150 million and violated FEC rules in the process.