

1 manipulate the rules and operate social welfare groups as de  
2 facto political action committees;

3 Three, an underresourced agency that has thus far  
4 failed to do its job fully to hold the largest offenders  
5 accountable;

6 And, four, champions of gridlock who have blocked  
7 Congress from passing disclosure legislation.

8 Congress never intended for social welfare groups to be  
9 conduits for secret political spending. Citing public  
10 reports about their political spending operations, some  
11 campaign finance reform advocates have urged the IRS to  
12 investigate groups on the left like Priorities USA and on  
13 the right like the American Action Network. But there is no  
14 example of this phenomenon more flagrant than Crossroads  
15 GPS, a purported (c) (4) founded in 2010 by Karl Rove and  
16 others, which has spent significant amounts of money  
17 influencing campaigns. It is the sister organization of the  
18 super PAC American Crossroads, which discloses its donors.  
19 Crossroads GPS, however, does not.

20 American Crossroads' own political director said in  
21 2010, "...some donors didn't want to be disclosed, and  
22 therefore, a (c) (4) was created." The FEC General Counsel  
23 concluded that Crossroads GPS' major purpose in 2010 was  
24 Federal Committee activity and should have registered as a  
25 political committee, but a gridlocked FEC split 3-3 on