



U.S. Department of Justice

Office of the Associate Attorney General

Deputy Associate Attorney General

Washington, D.C. 20530

March 27, 1996

TO: Elena Kagan

FROM: Fran Allegra *FA*

SUBJECT: Charities Bill

Attached are two cases that discuss the public benefits doctrine -- see, in particular, the Bob Jones case. Also I have glanced through the **Cumulative List of Organizations Described in Section 170(c)**<sup>1</sup> published by the Internal Revenue Service. The book is extraordinarily long (two volumes, about 5,000 pages, and fine print) and lists organizations alphabetically. As a result it is not particularly feasible to read through the entire thing. The listings do not include the National Rifle Association or the Klu Klux Klan. However, there could be a foundation that serves the same interests as these organizations listed under an unexpected name.

For now, I think we need to be cautious in picking examples of organizations. If you have other names you want me to run down in the **Cumulative List**, I would be glad to check them out. Generally though, if the provision in the bill is viewed as largely coterminous with 501(c)(3) -- and in terms of limitations it may well be viewed that way -- we probably need to be careful about suggesting that "bad" organizations will qualify for the provision in the bill as it would suggest we are allowing "bad" organization to qualify for tax-exempt status.

Let me know if you need additional information.

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<sup>1</sup> The requirements of Section 170(c), which authorizes deductions for contributions, track the key provisions in Section 501(c)(3). 170(c) allows deductions for entities "organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes ..."

Q - have old Rock proposal?

24 USC  
501c3 -  
c4

Fran Allegra - ~~Proposed~~ Volunteer liability bill

3/27/96

No exist problems - tracks lay. held to computer w/ IA.

Not same as Rock proposal -

a1 - gov't entities

a2 - vol orgs

↓  
rel orgs

problematic: ~~not~~ gov't not same as charities

←  
music corps - fixing road.

only vols in music corps.

a1

Hardly a horrible problem - don't need Fed IV.

Bad gov't orgs -

not NRA - then are terms of art.

not KKK

↓

jud interp of 501c3?

"conducted for ~~public~~ public  
benefit"

fran ctr. interp of 501c3.

→ 501c3 - actually more inclusive.