



Center for the Defense of Free Enterprise

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March 4, 2002

Hand Delivery

Commissioner Charles O. Rossotti
Commissioner of Internal Revenue Service (N:C)
1111 Constitution Avenue, NW
Washington, DC 20224

Re: People for the Ethical Treatment of Animals, Inc.

Dear Commissioner Rossotti:

This is to apprise the Internal Revenue Service (“IRS”) of what we believe is a flagrant breach of U.S. tax laws by the People for the Ethical Treatment of Animals (“PETA”), an allegedly I.R.C. 501(c)(3) tax-exempt charitable organization based in Norfolk, Virginia. Publicly available information strongly suggests that PETA induces or encourages the commission of unlawful acts. PETA or its members have been accused of among other things:

- Supporting the Animal Liberation Front (ALF), an FBI-declared domestic terrorist group, by acting as a media conduit and providing legal defense funds for a convicted ALF felon linked to PETA;
- Stealing trade secrets;
- Advocating arson; and
- Assaulting business executives

U.S. taxpayers subsidize such activities by permitting PETA’s donors to deduct payments to the organization as charitable contributions on their federal income tax returns. The Internal Revenue Service should carefully review PETA’s activities to determine whether the organization’s activities are illegal or contrary to public policy and how they further the organization’s exempt purpose. We believe the record shows that the IRS should consider revoking PETA’s tax exempt status.

DISCUSSION

I. General Corporate Description

A Virginia corporation originally founded in Delaware in 1980, PETA is an animal rights organization allegedly organized and operated around the principal that “animals are not ours to eat, wear, experiment on, or use for entertainment.” See, PETA website at www.peta.org/mc/facts/fsm2.html. Animal welfare has long been a perfectly acceptable charitable purpose under the IRC. PETA, however, has not been, and is not being, operated exclusively to further PETA’s charitable purpose. Instead, as discussed in detail below, PETA induces and encourages the commission of unlawful acts as part of its organizational operations and has paid legal fees for a convicted felon linked to PETA. PETA’s actions flagrantly disregard the lives and property of others.

Attachments One, Two, Three and Four hereto are PETA's IRS Form 990 for the 1998-2001 fiscal years. Attachment Five sets forth the federal law as applicable to charitable organizations such as PETA.

The return for the tax period ending July 31, 1998, states that PETA's total revenue for the period equaled \$12,785,275 of which \$11,826,870 was attributed to "direct public support." PETA reported spending \$14,543,860. Of these expenditures, PETA reported that only \$88,469 was spent on efforts to influence legislation and public opinion.¹

The return for the tax period ending July 31, 1999, states that PETA's total revenue for the period equaled \$17,232,717 of which \$16,239,631 was collected from "direct public support." PETA reported spending \$16,487,851. Of these expenditures, \$44,153 was spent on efforts to influence legislation and public opinion.²

The return for the tax period ending July 31, 2000, states that PETA's total revenue for the period equaled \$15,834,435 of which \$14,300,804 was collected from "direct public support." PETA reported spending \$17,668,699. Of these expenditures, \$140,182 was spent on efforts to influence legislation and public opinion.³

The return for the tax period ending July 31, 2001, states that PETA's total revenue for the period equaled \$13,867,001 of which \$13,000,949 was collected from "direct public support." PETA reported spending \$13,499,614. Of these expenditures \$102,319 was spent on efforts to influence legislation and public opinion.⁴

It is also interesting to note that during each of these years, PETA's largest expenditures were for fund-raising (\$2,572,665 in FY 2000), an amount which did not include the \$1,133,907 spent on services related to the annual PETA Hollywood Gala in Los Angeles, California.

II. PETA Has Engaged in a Pattern of Activity for over a Decade that Warrants Immediate Revocation of its Status as a 501(c)(3) Charitable Organization.

For a charitable organization that was created to prevent harm to animals, PETA spends an inordinate amount of time inciting and/or encouraging others to commit unlawful acts and justifying these tactics by comparing the plights of animals to some of the worst historical human atrocities.⁵ It is a deeply disturbing pattern of activity.

PETA's close connections with terrorist organizations such as the Animal Liberation Front ("ALF") merit close scrutiny by all relevant levels of federal and state governments. ALF is an underground group of activists known for firebombing fur stores, breaking into labs to "liberate" animals and destroy research and other illegal acts.

"ALF is classified by the FBI as a terrorist organization. A 1993 U.S. Department of Justice report documented 313 fire-bombings, acts of vandalism, physical assaults, and other illegal acts committed by animal rights extremists in the United States over the last decade and a half. ALF has taken credit for many of these."⁶

Attachment Six is a list compiled by the Foundation for Biomedical Research⁷ documenting illegal or unlawful activity by groups such as ALF and PETA. PETA has urged members to support its Activist Defense Fund to "help pay the legal fees of individuals accused of liberation-related activities that lead to arrests and court hearings."⁸

Not only does PETA not blame ALF, PETA has served as a conduit for information that the ALF wants to publicize—a fact acknowledged by PETA president.⁹ The day after the 1989 raid at the University of Arizona in which terrorists destroyed research on cryptosporidium, PETA issued press statements for ALF and released videotapes taken during the break-in. The day after a 1989 Texas Tech University raid where researchers had been studying sleep disorders, including Sudden Infant Death Syndrome, PETA offered statements to the press.¹⁰

PETA has even provided financial support to ALF. PETA paid \$27,000 in legal fees when ALF member Roger

Troen was arrested in connection with a 1986 raid at the University of Oregon. After Troen's conviction, PETA paid another \$34,900 in fines.¹¹

Despite the significant dangers that a group such as ALF poses, PETA has called ALF the "Army of the Kind" claiming that it is "certainly not a 'terrorist' group and that the members "act courageously, risking their freedom and careers to stop the terror inflicted every day on animals in laboratories."¹² In a new author's note in her book about the Animal Liberation Front, "Free the Animals," Newkirk wrote, "Determined to cause economic injury to the exploiters, ALF members burn down their emptied buildings and smash their vehicles to smithereens. Perhaps, after reading this book, you will find that you cannot blame them."¹³

In February of 1992 the Animal Liberation Front destroyed the lab of Richard Aulerich, a professor of animal science at Michigan State University who focused on mink research. PETA issued a press release on ALF's behalf describing the supposed conditions in which the animals were kept. PETA called the research worthless. According to PETA, animal rights activists were "incensed" that Aulerich was receiving funding from the USDA and Commerce Department as well as from the EPA and the National Oceanic and Atmospheric Administration. In addition to Aulerich's work, the research of Karen Chou, an assistant professor of animal science, was destroyed. Her work used mouse and boar sperm to determine how toxicity affected the reproductive performance of a species (a method ALF condones). PETA spokesperson, Steven Simmons, stated that although the damage to her data may not have been intentional, "her objectives are questionable, whether or not her processes are just."¹⁴ PETA and ALF are against any commercial application of animal research and the use of federal dollars to promote such work.

In 1995, Rodney Coronado, a member of ALF, pleaded guilty and was sentenced to 57 months in prison for the destruction of the lab at Michigan State University. PETA sent \$45,200 to the convicted felon's legal support committee.¹⁵

In the government's sentencing memorandum for *U.S. vs. Coronado* (Attachment Seven), the U.S. Attorney stated:

"Forensic evidence discovered during the investigation confirmed that Coronado played an important role in planning and executing the ALF's campaign of terrorism. Investigators learned that immediately before and after the MSU arson, a Federal Express package had been sent to a Bethesda, Maryland address from an individual identifying himself as 'Leonard Robideau'. The first package went to Ingrid Newkirk, PETA's founder. . . The second package was intercepted by employees of Federal Express after they discovered that a phony account number had been used to send the package. This second package contained documents that had been stolen from Dr. Aulerich during the MSU raid. Also in this package was a videotape of a perpetrator of the MSU crime, disguised in a ski mask. It had been sent from a drop box adjacent to the Ann Arbor hotel where Coronado had rented a room. Analysis of the handwriting on the freight bill for the Federal Express package showed it to be Coronado's.

Search warrants also disclosed evidence that the defendant [Coronado] was an active participant in illegal activity on behalf of animals. The first warrant was executed at the home of Maria Blanton, a longtime PETA member who had agreed to accept the first Federal Express package from Coronado after being asked to do so by Ingrid Newkirk. Records found during the search of Blanton's home demonstrated that Coronado and others had planned a raid at Tulane University. These records showed that Coronado, Alex Pacheco (another PETA founder) and others had planned a burglary at Tulane University's Primate Research Center in 1990. (In 1990, Tulane housed the 'Silver Springs Monkeys', a group of lab monkeys that had been the focus of furious criticism by PETA.) The records seized included surveillance logs; code names for Coronado, Pacheco and others; burglary tools; two-way radios; night vision goggles; phony identification for Coronado and Pacheco, and animal euthanasia drugs. The Tulane burglary did not occur, presumably because the monkeys were sent elsewhere immediately before the raid was scheduled to occur."¹⁶

Putting aside the issues raised by this sentencing memorandum,¹⁷ we do not believe taxpayers should be funding the defense and paying portions of the fines for individuals prosecuted for such violent acts.

Based on undercover operations in 1994 and 1995, PETA has claimed that 75,000 horses are forced to suffer to produce Premarin, an estrogen replacement therapy made from pregnant mares' urine (PMU). The drug is also used to help prevent and treat osteoporosis and heart disease. The PETA website was replete with claims that the horses were kept in "tiny stalls for six months at a stretch" and that they were given limited drinking water to yield more concentrated estrogens.¹⁸

In response to the claims Wyeth-Ayerst Laboratories, the only manufacturer of Premarin, conducted inspections of the PMU ranches. There are approximately 500 in Alberta, Manitoba, Saskatchewan, and North Dakota. U.S. and Canadian officials also investigated the claims and subsequently found them to be baseless.

"Representatives from several government agencies and humane organizations, including the Alberta, Manitoba, and Saskatchewan Ministries of Agriculture, the U.S. Department of Agriculture (USDA), the Canadian Farm Animal Care Trust (CANFACT), and the American Association of Equine Practitioners (AAEP), visited the farms. While some isolated deficiencies in care were noted, no widespread problems adversely affecting the health or well-being of the mares were found. Said the Alberta Minister of Agriculture: 'In general, the practices used are very good.' The USDA concluded that 'allegations of abuse and inhumane treatment were unfounded. . . In general, we found the horses were receiving good to excellent care.'¹⁹

In protest against Wyeth-Ayerst, PETA intended to slosh human urine over the walls of the company's Philadelphia headquarters in July of 1994.²⁰ While confirmation that the plans were carried out cannot be found, three PETA members were reportedly arrested in Philadelphia that day for trespassing and disorderly conduct. Two were also charged with assault. All were accused of spraying urine on police officers during the protest.²¹

Two PETA investigators got jobs as security guards in the lab of Boys Town National Research Hospital in Omaha, Nebraska, where Edward Walsh and JoAnn McGee had been studying congenital deafness by studying kittens. In August 1996, PETA filed a 53-page complaint with government regulators, accompanied by nearly 10 hours of videotapes. "The government found the lab in compliance with federal policy except for recordkeeping deficiencies that were subsequently corrected. But as a result of the PETA-inspired publicity, Boys Town stopped experimenting on kittens." Walsh and McGee were the target of death threats, bomb threats and harassing phone calls—some of them directed against their 5-year old son and Walsh's elderly mother.²²

In 1996, a PETA operative (Michele Rokke) gained employment with Huntingdon Life Sciences, Inc., the US subsidiary of a London-based group. During her employment Michelle Rokke surreptitiously videotaped the lab and stole 8,000 pages of documents.²³ PETA used the stolen material to make allegations of animal abuse against the lab.

Huntingdon filed suit against PETA claiming the employee's actions constituted theft of trade secrets and a violation of a confidentiality agreement. Huntingdon also filed a lawsuit under the federal anti-racketeering statute, claiming that PETA's pattern of infiltrating and attacking various groups constituted a campaign "to defraud and extort businesses." A federal judge refused to dismiss the racketeering charges,²⁴ and the lawsuit settled in December of 1997. According to the terms of the settlement, PETA had to return or destroy all videotapes and documents taken from Huntingdon and was permanently refrained from interfering with the lab's business relationships. PETA was also barred from further undercover operations against Huntingdon for a period of five years.²⁵

Michele Rokke, a PETA investigator, made secret videotapes of a New Jersey veterinarian named Howard Baker while employed as an assistant in his clinic from June 1996 until April 1997. The videotapes led to Baker being charged with animal cruelty. He was fined \$3,500, ordered to provide community service. Additionally, his license was revoked.

A state Superior Court judge threw out the criminal convictions stating that they were not supported by credible evidence and that the chief witness against Baker was biased.²⁶ While his license was reinstated, Baker's reputation was arguably destroyed. Baker subsequently filed suit accusing Rokke and PETA of defamation and malicious prosecution.²⁷ The current status of the suit is unknown.

In December of 1996, an animal rights activist walked up to Vogue magazine editor Anna Wintour's table at the Four Seasons restaurant and dropped a dead raccoon on her plate.²⁸ The incident was one of a series stemming from Ms. Wintour's dispute with PETA. Subsequently, Anna look-alikes paraded around in bloody fur coats and zealots spray-painted a trail of bloody paw prints on the steps of Ms. Wintour's home and painted the words "fur hag" near her doorstep.²⁹

PETA president and director Ingrid Newkirk has expressed her own wish to commit arson. At a 1997 animal rights convention she stated, "I wish we all would get up and go into the labs and take the animals out or burn them down." In 1999 she told the Chronicle of Higher Education, "I find it small wonder that the laboratories aren't all burning to the ground. If I had more guts, I'd light a match."³⁰

In February of 1998, seven PETA activists were arrested for a paint splashing protest at the Council of Fashion Designers of America bash. PETA's Dan Matthews said that PETA was targeting Anna Wintour, who was being honored at the event.³¹ The next night, another PETA member was arrested and charged with criminal trespass for hurling a pie at designer Michael Kors at the Oscar de la Renta show.³² Later in the month, a PETA member was arrested for throwing a pie in the face of Procter & Gamble CEO John Pepper.³³

When challenged with the notion that violence may not be in the best interest of the animal rights movement, PETA responds openly. In 1998 animal rights activist Freeman Wicklund wrote an article for "Animal's Agenda" arguing that the animal rights movement should adopt a non-violent approach. In response, Bruce Friedrich,³⁴ PETA's vegan campaign coordinator, called the views "obscene."

"According to Friedrich, there are so few animal rights activists and such concerted opposition to the movement's goals that a nonviolent strategy will never work. Instead, 'Direct action which utilizes a broader range of tactics, including secrecy and sabotage, is far more challenging, and consequently, more effective. . . Considering the power of our opposition, can you imagine where we would be without surprise direct actions and the secrecy required for so much of what we do?'"³⁵

In January of 1999, 12 PETA members were arrested after they set fire to bales of hay on the Capitol steps to protest government plans to help the pork industry. Capitol police said that "three of the 12 were arrested after the incident and charged with igniting an incendiary charge on the Capitol grounds, arson and destruction of property, all felonies."³⁶

In June of 1999, an individual was charged with first-degree arson for allegedly starting a fire on the steps of the Iowa capitol to protest the World Port Expo in Des Moines, Iowa. While PETA spokesperson Dawn Carr told the Des Moines Register that the fire was not planned as part of the protest; one day later, Ms. Carr posted a \$6,500 cash bond for the jailed individual. The fire was one of two fires set at PETA protests between January and June of 1999. In January of 1999, 12 people were arrested at a PETA protest in Washington, DC, after a fire was set in bales of hay set up as part of the protest.³⁷

In 1999, an anonymous animal rights activist group called "The Justice Department" sent razor blade booby-trapped letters to over 80 scientists. None of the scientists were injured by the threatening letters. Shortly afterwards, PETA's president sent letters to editors of newspapers in cities where the victimized scientists resided stating, "Perhaps the mere idea of receiving a nasty missive will allow animal researchers to empathize with their victims for the first time in their lousy careers."³⁸

Also in 1999, when Vogue editor Anna Wintour's father died, PETA sent flowers with a card that read, "Please remember all the animals who lose their parents because of the insensitivity of people who promote fur."³⁹

Two PETA members "posing as New York University journalism students were arrested in January 2000 after disrupting a City Hall press conference, decrying Mayor Rudolph Giuliani's support of the Ringling Bros. Circus, which they accuse of animal cruelty." The protesters were charged with felony counts of burglary and criminal impersonation and one misdemeanor count of disorderly conduct.⁴⁰

Chrissie Hynde and three other PETA members were arrested in March of 2000 for shredding hundreds of dollars worth of leather clothes in New York. Ms. Hynde was charged with criminal mischief after she pulled a knife and launched a slash attack on a suede shirt in the display window of The Gap.⁴¹

In May of 2000, PETA member Arathi Jayaram ran onto a stage at a government "nutrition summit" and hit U.S. Agriculture Secretary Dan Glickman with a tofu pie. A PETA spokesperson stated that the organization was upset that the Secretary would not "acknowledge that a meat-based diet is killing people."⁴²

A PETA special projects coordinator was arrested in New York and charged with criminal mischief and littering for chanting "Fur Money is Blood Money" and "throwing blood-colored paint and red money in the driveway of a mansion hosting a Hillary Clinton fund-raiser."⁴³

According to a July 26, 2000, Associated Press story, out of the 2,103 animals that PETA "rescued" during 1999, 1,325 of them were euthanized. The organization's budget during the same year was over \$17 million, its cash reserves at the time exceeded \$4 million.⁴⁴ PETA spent less than \$3,955 of its \$12 million in fiscal year 1995 and \$6,100 of its \$10.9 million in fiscal 1996 for shelter programs.⁴⁵

In August/September of 2000, PETA was forced to apologize to New York Mayor Giuliani for exploitive billboards erected with the mayor's image with a milk mustache and "Got prostate cancer?" emblazoned on the billboard.⁴⁶ The Republican mayor had dropped out of the U.S. Senate race in May of 2000 after discovering that he had prostate cancer.

There has been a great deal of debate regarding the accuracy and appropriateness of PETA's advertising campaigns.

"Current prostate cancer research does not support the well-funded and often tasteless anti-milk advertising campaign of [PETA], according to nutrition and cancer experts at an Aug. 31 scientific conference in Washington, D.C. According to an article in the Sept. 1 Washington Post, scientific evidence does not support the suggestion that milk causes prostate cancer. At a conference sponsored by the American Institute for Cancer Research, the scientists said that while some studies may suggest a link between dairy products and prostate cancer, so far 'it's only a faint hint,' said John D. Potter of Seattle's Fred Hutchinson Cancer Research Center. Potter chaired an expert panel that prepared a recent report for the AICR on diet and cancer prevention. 'The claim that milk and milk products increase the risk of prostate cancer is a serious abuse of the scientific data to date,' Potter said."⁴⁷

In the December/January 2000 issue of "Genre," PETA's Dan Mathews was asked to name men of the 20th century he admired. He named serial killer Andrew Cunanan "because he got Versace to stop doing fur."⁴⁸

At the "Animal Rights 2001" conference, Friedrich stated:

"If we really believe that animals have the same right to be free from pain and suffering at our hands, then, of course we're going to be blowing things up and smashing windows. . . I think it's a great way to bring

about animal liberation, considering the level of suffering, the atrocities. I think it would be great if all of the fast-food outlets, slaughterhouses, these laboratories, and the banks that fund them exploded tomorrow. I think it's perfectly appropriate for people to take bricks and toss them through the windows. . .Hallelujah to the people who are willing to do it."

Alex Pacheco, PETA's former director, now head of an animal rights fundraising company, stated "Arson, property destruction, burglary and theft are 'acceptable crimes' when used for the animal cause."⁴⁹

There has been a recent concern that members of the movement might (with the open endorsement of PETA) purposely bring in diseases to destroy meat industries. In May of 2001, PETA called on the organizers of the World Dairy Expo to cancel the event because of concerns about foot-and-mouth disease—a seemingly innocuous request. Friedrich; however, went on to express hopes that the disease (which crippled much of the livestock industry in the UK) would come to North American sparing animals a trip to the slaughterhouse. While Friedrich stated in a phone interview that he would not intentionally infect animals in the US, he did state in his letter that he would be traveling to the UK immediately prior to the planned expo and would be attending the expo. Friedrich stated that introducing the disease in the US was "not something PETA would do, but it's something we would welcome in this country for the positive effect on animals. People need to understand that if they're eating meat, they're promoting cruelty to animals."⁵⁰

These sentiments were unabashedly shared by PETA's president. In an interview she stated, "I openly hope that it [foot-and-mouth disease] comes here. It will bring economic harm only for those who profit from giving people heart attacks and giving animals a concentration camp-like existence. It would be good for animals, good for human health and good for the environment."⁵¹

In July of 2001, two PETA members were arrested inside the original Wendy's restaurant in Columbus when they shouted, "This Wendy's is closed for animal cruelty. Wendy's tortures animals."⁵²

Bruce Friedrich was arrested on July 19, 2001, after he charged naked at President Bush as he arrived at Buckingham Palace. Prosecutors later dropped the disorderly behavior charges.⁵³

PETA has also attacked other validly operating charitable organizations such as the March of Dimes because those organizations do not necessarily agree with the strict PETA philosophy that animals are not ours to use for any reason whatsoever. In response to a donation to an Oregon Primate Research Center by the March of Dimes, PETA erected a billboard in Salem, Oregon, in July 2001 featuring a picture of a caged female monkey with wires attached to her reading "March of Dimes: Helping or Hurting?" The group also planned to protest the March of Dimes offices in Eugene and Portland (Oregon) as part of a statewide campaign. PETA campaign coordinator Jay Kelly⁵⁴ stated, "We felt it was a great place to run the billboard, so we can let people in Oregon know that when they donate to the March of Dime their donations could be supporting cruel and ineffective animal research."⁵⁵ Remember that PETA's philosophy is that *any* animal research is per se "cruel and ineffective" — a philosophy which is continually debated by the scientific community.

PETA has even set up a website located at www.marchofcrimes.com attacking the March of Dimes because it has "funneled millions of dollars into laboratory studies on primates, rats, mice, cats, dogs, rabbits. . ." ⁵⁶ The site goes on to list gruesome incidents in animal testing which were purportedly funded by the March of Dimes. Perhaps the most offensive part of the PETA website is a note to employees and volunteers of the March of Dimes which states the following:

"If you are a March of Dimes employee or volunteer and have information you want to share about March of Dimes - funded animal experiments, [please click here](#). Your identity will be kept strictly confidential."

This sort of solicitation runs completely contrary to the spirit and tradition of "charitable" organizations.

In August of 2001, four members of PETA were charged with misdemeanor charges including disorderly conduct and trespassing after a lunchtime demonstration inside a Wendy's restaurant.⁵⁷

Exploiting an incident in which a Florida boy's arm was torn off by a shark, PETA, in September of 2001, tried to commission a billboard in Pensacola, Florida, reading, "Would you give your right arm to know why sharks attack? Could it be revenge? Go vegetarian." PETA was forced to drop the ad campaign. "At least one company turned PETA down, but PETA didn't give up until a shark killed a 10-year-old boy at a Virginia beach. Then sharks killed one tourist and maimed another in the surf off North Carolina's Outer Banks."⁵⁸

PETA has recently made news headlines because of the release of the organization's Form 990 for FYE 2001. Apparently, PETA paid \$1,500.00 to the North American Earth Liberation Front on April 20, 2001 (Attachment Four). The "Earth Liberation Front" is a radical environmentalist group which has claimed responsibility for \$25 million worth of damage to resorts, lumber mills, research labs and numerous other businesses and institutions since 1996.⁵⁹ While the exact relationship, if any, between these two organizations is unclear, this payment should be closely examined.

Conclusion

PETA is required by law to be operated **exclusively** for the charitable purpose of prevention of cruelty to animals. It is not. PETA openly and actively induces and encourages unlawful acts by planning and sponsoring events such as those described in detail above. These are not isolated incidents. PETA's pattern of encouraging unlawful activity goes back more than ten years. Its activities are completely inconsistent with its allegedly charitable purpose. The U.S. government and the I.R.S. should not tolerate this flagrant abuse of the privilege to operate as a tax-exempt charitable organization. Nor should U.S. taxpayers be required to subsidize such outrageous and unlawful conduct.

Commissioner Rossotti, we urge you to promptly initiate an investigation into PETA's activities and revoke PETA's status as a tax-exempt organization.

Very truly yours,



Ron Arnold
Executive Vice President

cc: Evelyn A. Petschek
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ATTACHMENT 5

Applicable Law

Internal Revenue Code (the “IRC”) Section 501(c)(3) provides:

“Corporations, and any community chest, fund, or foundation, organized and operated *exclusively* for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic affiliates or equipment), or *for the prevention of cruelty to children or animals*, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.” [Emphasis added.]

Treas. Reg. Section 1.501(c)(3)-1(d)(2) provides that the term “charitable” is used in the Code in its generally accepted legal sense and includes lessening the burdens of government and promotion of social welfare by organizations designed (1) to lessen neighborhood tensions; (ii) to eliminate prejudice and discrimination; (iii) to defend human and civil rights secured by law; or (iv) to combat community deterioration and juvenile delinquency. Finally, the fact that an organization, in carrying out its exempt purpose, advocates social or civic changes or presents opinion on controversial issues with the intention of molding public opinion or creating public sentiment to an acceptance of its views does not preclude such organization from qualifying under Code Section 501(c)(3) so long as it is not an “action” organization as defined by the Treas. Reg. 1.501(c)(3)-1(c)(3). An action organization is an organization which engages in a substantial amount of lobbying and/or participates or intervenes directly or indirectly in any political campaign on behalf of or in opposition to any candidate for public office.

Charitable organizations are given a good deal of latitude by the Code and the IRS. The general IRS position on the range of permissible activities is to be set forth in General Counsel Memorandum 37858 in which the IRS stated that in evaluating activities “a careful analysis must be made as to (1) whether the organization’s purposes are within the scope of section 501(c)(3); (2) whether the organization’s activities are illegal, contrary to public policy, or in conflict with express statutory restrictions or limitations; and (3) whether the organization’s activities are in furtherance of its exempt purposes and reasonably related to the accomplishment of such purposes.”⁶⁰ See also, Rev. Rul. 71-447, 1971-2 C.B. 230.

The IRS reiterated this position in its General Counsel Memoranda 36153. In that instance, the IRS was asked whether an organization that was formed to promote world peace by educating and informing the public, but that planned and sponsored public demonstrations at which members, pursuant to the organization’s plans, committed acts of civil disobedience, qualified as a charitable organization. The IRS concluded that such an organization was not operated exclusively for charitable purposes and did not qualify for exempt status.

In *Bob Jones University v. United States*, 461 U.S. 574 (1983), the IRS revoked Section 501(c)(3) status for two private schools that pursued policies which discriminated against minorities with regard to admissions policies and advocated segregation of the student body. The schools sued to obtain a refund of taxes paid as a result of the revocation. In addition to finding that the IRS policy stated in Rev. Rul 71-447 was correct and that the IRS properly applied its policy to both petitioners in revoking their tax-exempt status, the Supreme Court held that an examination of the IRC’s framework and the background of congressional purposes reveals unmistakable evidence that underlying all relevant parts of the IRS is the intent that entitlement to tax exemption depends on meeting certain common-law standards of charity—namely, that an institution seeking tax-exempt status must serve a public purpose and not be contrary to established public policy. Thus to warrant exemption under Section 501(c)(3), an institution must fall within a category specified in that section and must demonstrably serve and be in harmony with the public interest, and the institution’s purpose must not be so at odds with the common community conscience as to undermine any public benefit that might otherwise be conferred.

Notes

¹¹ 1997 Form 990, Schedule A, Part VI-A.

² 1998 Form 990, Schedule A, Part VI-A.

³ 1999 Form 990, Schedule A, Part VI-A.

⁴ 2000 Form 990, Schedule A, Part VI-A.

⁵ PETA president and co-founder Ingrid Newkirk once stated, "Six million Jews died in concentration camps, but six *billion* broiler chickens will die this year in slaughterhouses." See, Cal Thomas, "Animal advocates condone beastly acts," Austin American-Statesman, Editorial, Pg. A19, June 19, 1997.

⁶ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," May 1997, at www.capitalresearch.org/ap/ap-0797.html.

⁷ See, www.fbresearch.org.

⁸ "Animal-Rights Actions; Common Criminals," *The Virginian-Pilot*, May 29, 1996, Front, pg. A8.

⁹ Bill Hendrick, "Meet the Meat-Haters: Virginia-Based Peta Will Do Almost Anything to Get its Animal Rights Message Out," The Atlanta Constitution, Dixie Living, Pg. 1M, December 12, 1999.

¹⁰ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," at www.capitalresearch.org/ap/ap-0797.html.

¹¹ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," at www.capitalresearch.org/ap/ap-0797.html.

¹² Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," May 1997, at www.capitalresearch.org/ap/ap-0797.html.

¹³ Brian Carnell, "Debunking the animal rights movement: PETA and Animal Rights Violence," for AnimalRights.Net, November 16, 2001, at www.animalrights.net/articles/2001/000229.html.

¹⁴ Matthew Devins, "Researcher Vows to Continue Work Despite Animal Activists' Assault," The Scientist, June 8, 1982, at www.the-scientist.com/yr1992/june/devfins_p3_920608.html.

¹⁵ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," at www.capitalresearch.org/ap/ap-0797.html.

¹⁶ Government's Sentencing Memorandum, *U.S. v. Coronado*, No. 1:97-CR-116, U.S. District Court for the Western District of Michigan, Southern Division.

¹⁷ We put forth the attached memorandum for the purpose of drawing your attention to the fact that the allegations have been publicly made that PETA members/officers had at least prior knowledge of violent acts being planned and in other instances may have helped plan. We are aware of no convictions of PETA members stemming from the violent ALF attacks in the early 1990s. Aside from unsubstantiated statements in articles, we have no further information confirming or disputing purported PETA involvement in such acts.

¹⁸ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," May 1997, at www.capitalresearch.org/ap/ap-0797.html.

¹⁹ Daniel T. Oliver, "Animal Welfare vs. Animal Rights: The Case of Peta," May 1997, at www.capitalresearch.org/ap/ap-0797.html.

²⁰ Ann Oldenburg, "Animals' best friends / PETA plays hardball for its cause / Tactics get results and raise hackles," *USA Today*, July 27, 1994, Life, Pg. 1D.

²¹ Paul Leavitt & Maria Puente, "Border blockade called a success," *USA Today*, July 28, 1994, News pg. 3A.

²² Bill Sizemore, "Peta: Lean and Mean Norfolk-Based Group's Zeal Pushes the Envelope Too Far for Some," The Virginian-Pilot, Pg. A-1, December 3, 2000.

²³ See, www.fbresearch.org/huntingdon.html.

²⁴ See, attached opinion dated November 14, 1997, from Hon. Henry Coke Morgan, Jr., U.S. District Judge.

²⁵ See, www.fbresearch.org/huntingdon.html.

²⁶ "Judge overturns animal cruelty conviction of E. Brunswick veterinarian," *The Associated Press State & Local Wire*, April 15, 2000, State and Regional.

²⁷ Mitchel Maddux, "Secret Agent for Animals Draws Veterinarian's 1 Suit," *The Record* (Bergen County, NJ), November 24, 2000, News, Pg. A1.

²⁸ Michael Lewittes and K.C. Baker, "Fur Flies in Face of Mag Editor," *Daily News* (New York), December 20, 1996, News, pg. 4.

²⁹ "Vogue Fights Peta Beef with Beef," *The New York Post*, December 19, 1997, Pg. 8.

³⁰ Brian Carnell, "Debunking the animal rights movement: PETA and Animal Rights Violence," for AnimalRights.Net, November 16, 2001, at www.animalrights.net/articles/2001/000229.html.

³¹ K.C. Baker and Corky Siemaszko, "Fur Flies at Style Gala," *Daily News* (New York), February 9, 1998, News, pg. 13.

³² Evelyn Nussenbaum, "Second Peta Attack Disturbs Runway Show," *The New York Post*, February 10, 2000, Pg. 18.

³³ Dean Narciso, "Procter & Gamble Chief Gets Pie Thrown in Face," *The Columbus Dispatch*, February 13, 1998, News, pg. 8D.

³⁴ Freidrich has thrown a glass of water at London's visiting mayor in Washington, D.C., when he didn't like the mayor's answer to a question about pigeon food and spent over a year in prison for destroying government property during a hammer attack on an Air Force fighter plane. See, www.guestchoice.com/activistcash/bio_detail.cfm?BIO_ID=1460.

³⁵ See, <http://www.animalrights.net/articles/2001/000229.html>.

³⁶ Cassandra Burrell, "Animal Rights Protesters Set Fire at Capitol, Are Arrested," *The Associated Press State & Local Wire*, January 13, 1999, Business News.

³⁷ Brian Carnell, "PETA Protester Charged With Arson," AnimalRights.Net, July 5, 1999, at www.animalrights.net/articles/1999/000044.html.

³⁸ See, www.hopeanddiscovery.org/threats/. See, for example, Letter from Ingrid Newkirk, The Atlanta Journal and Constitution, Editorial Section, Pg. 10A, November 1, 1999.

³⁹ James Gill, "Animal Nuts Get Worked Up About Rats," *The Times-Picayune*, June 21, 2000, Metro, pg. B07.

⁴⁰ Edward Mann, "Protesters posing as New York U. students arrested at Giuliani press," *University Wire*, January 26, 2000.

⁴¹ Stephen Romei, "Hell for Leather Lovers," *The Australian*, March 22, 2000, Features, pg. 14.

⁴² Associated Press, "Cabinet Official Gets Pie in Face," Dayton Daily News, May 31, 2000.

⁴³ "Grafton man arrested for anti-fur protest at Clinton fund raiser," *The Associated Press State & Local Wire*, June 26, 2000, State and Regional.

⁴⁴ Matthew Barakat, "High-Profile Peta Euthanizes More Than 1,000 Last Year," The Associated Press State & Local Wire, July 26, 2000.

⁴⁵ See, www.guestchoice.com/activistcash/org_blackeye.cfm?ORG_ID=21.

⁴⁶ "Peta drops Giuliani ad campaign, apologizes to NY mayor," *The Associated Press*, September 1, 2000, Domestic News.

⁴⁷ "PETA Anti-Milk Claims Unfounded, Cancer Researchers Say," at www.fbresearch.org/press-milk-body.html, August 7, 2000.

⁴⁸ Brian Carnell, "Debunking the animal rights movement: PETA and Animal Rights Violence," for AnimalRights.Net, November 16, 2001, at www.animalrights.net/articles/2001/000229.html.

⁴⁹ "Peta's Push to Punish People," posted July 1, 2000, at http://www.consumerfreedom.com/article_detail.cfm?ARTICLE_ID=57.

⁵⁰ Meg Jones, "PETA welcomes foot-and-mouth disease," Milwaukee Journal Sentinel, at www.jsonline.com/news/state/may01/peta25052401a.asp, May 24, 2001.

⁵¹ Alen Elsner, "Animal Rights Leader Hopes Disease Comes to U.S.," for Reuters on April 2, 2001, can be found at www.fbresearch.org/press-newkirk-docy.html.

⁵² "Ohio Headlines," *Dayton Daily News*, July 18, 2001.

⁵³ "Naked Protester Escapes Charges," The Daily Telegraph (London), August 4, 2001, P. 13.

⁵⁴ This was the same campaign coordinator who was physically dragged from a March of Dimes fundraiser in November of 2001 for disrupting the event. See, "PETA Activist Blasts Organizers for Sponsoring Animal Torture," found in the Peta news section of www.peta.org released November 16, 2001.

⁵⁵ "Peta targets March of Dimes in Oregon Campaign," *The Associated Press State & Local Wire*, August 5, 2001, State and Regional Section.

⁵⁶ See, www.marchofcrimes.com.

⁵⁷ "Four animal rights activists arrested demonstrating at Wendy's," *The Associated Press State & Local Wire*, August 20, 2001, State and Regional.

⁵⁸ Jac Wilder VerSteege, "Shark-Lovers' Plea Takes On Water," *The Palm Beach Post*, September 11, 2001, Opinion, pg. 12A.

⁵⁹ "Promotion for environmental extremist group ends quietly," The Associated Press State & Local Wire, July 28, 2001.

⁶⁰ G.C.M. 37858; 1979 GCM Lexis 46.