



ALL SAINTS CHURCH

PRESS RELEASE

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All Saints Church, Pasadena Demands Correction and Apology From the IRS

In response to a letter closing the two-year old IRS examination, All Saints Church, Pasadena announced today that it has formally referred the numerous procedural and legal errors of the exam to the Commissioner of the Internal Revenue Service and demanded correction and an apology.

On September 10, the Church received a letter from the IRS that simultaneously closed the dormant examination—without challenge to the Church’s tax-exempt status and without the audit ever actually taking place —and concluded without explanation that the sermon in question constituted intervention in the 2004 Presidential election. All Saints Church’s Rector, the Rev. J. Edwin Bacon, Jr. expressed great concern about the IRS closing letter and its implications for freedom of the pulpit at All Saints Church. He said, “While we are pleased that the IRS examination is finally over, the IRS has failed to explain its conclusion regarding the single sermon at issue. Synagogues, mosques, and churches across America have no more guidance about the IRS rules now than when we started this process over two long years ago. The impact of this letter leaves a chilling effect cast over the freedom of America’s pulpits to preach core moral values. We have no choice but to demand clarification on this matter with the IRS.”

All Saints has also learned that certain IRS officials may have breached the Church’s confidentiality rights in inappropriate conversations with high-level Department of Justice personnel, which heightens the Church’s concern that the exam may have been influenced by partisan political considerations.

Because of the serious implications of these defects, the Church has also referred its concerns to the Treasury Inspector General for Tax Administration. All Saints Church expects an explanation of exactly which elements of the single guest sermon the IRS contends to be political campaign intervention. The Church also expects an explanation for the agency’s failure to comply with the statutorily-mandated procedures.

Rev. Bacon is concerned about the ambiguity of the IRS's action. "The letter is impossible to interpret, and I for one am left wondering whether we will be investigated again the next time I am called to preach about the war, poverty or any other social and moral issues. We have no more guidance about the IRS's rules than when we started this process over two long years ago."

The Church remains committed to pursuing answers in this case, believing it has no choice but to clarify the IRS's inconsistent and vague guidance. Rev. Bacon explains that "All Saints Church has a moral duty to pursue this matter, wherever it may take us. We have a responsibility to advocate not only for All Saints Church, but for other organizations struggling to navigate the murky waters of the IRS rules distinguishing between issue advocacy and partisan intervention. This ruling by the IRS does nothing to clarify the boundaries, and therefore perpetuates the intimidation inherent in the threat of IRS investigations based on inferences rather than fact. This leaves me wondering whether we will be investigated again the next time I am called to preach against war, poverty, bigotry or any other of our core moral values as they relate to current social issues and policies."

BACKGROUND:

The IRS commenced the investigation on June 9, 2005, raising questions about a guest sermon delivered by the Rev. Dr. George Regas. The guest sermon, entitled "If Jesus Debated Senator Kerry and President Bush," addressed the moral and religious implications of various social issues facing our country today. The Rev. Dr. Regas explicitly stated that he did not intend to tell the congregation how to vote and that "good people of profound faith will be for either George Bush or John Kerry for reasons deeply rooted in their faith." The IRS has alleged that this sermon constituted prohibited political campaign intervention.

FOR MORE INFORMATION:

For a comprehensive press packet containing information regarding the IRS examination, and to schedule interviews with All Saints clergy, please contact Keith Holeman, All Saints' Director of Communications, at 626.583.2739 or kholeman@allsaints-pas.org.