EXHIBIT O

July 7, 2014

Honorable John Koskinen, Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224–0002

Dear Commissioner Koskinen:

You will find enclosed a USB Flash Drive containing 9,392 Form 990 information returns of exempt organizations purchased from the IRS that include Social Security Numbers (SSNs). The returns have all been redacted on the enclosed drive as well as on our copy of the data on our servers. We have also notified GuideStar, the Foundation Center, and the Economic Research Institute of these results.

Let me first state that I realize you have many fundamental and important issues to deal with since your very recent assumption of duties as Commissioner of the Internal Revenue Service. The Exempt Organizations group has had numerous problems, and I know you are dealing with those as well as severe budget constraints and numerous investigations. Let me also convey my personal thanks for your long record of integrity and competence in your decades of public service.

As you have seen with the recent issues of e-mail preservation, the proper use of Information Technology is a core issue at the Internal Revenue Service. The Exempt Organizations database is simply yet another example of that fundamental problem. However, the Exempt Organizations database is more than just another computer system, it is a vital source of market information for one of our most important economic sectors.

Under 26 USC §6104, Congress has mandated the "publicity of information required from certain exempt organizations," a mandate that dates back to 1958 (72 Stat. 1660). The Exempt Organizations database plays the same role for the nonprofit sector that the SEC EDGAR database plays for our public markets and the Patent database plays for our intellectual property marketplace. The information helps direct investment and makes the sector more accountable. The law requires that you distribute this database.

However, the law is also very specific that knowingly distributing a database that contains hundreds of thousands of Social Security Numbers is illegal. The IRS has chosen in the past to ignore the problem, although everybody I've talked to at the IRS, Treasury, and Congressional staff have readily acknowledged that the problem exists. I have heard a number of convoluted explanations as to why the IRS cannot deal with this massive privacy breach. None of those explanations are convincing.

For the last two years, I have spent considerable time working on this database, including personally processing 7,634,050 Form 990s on over 2,000 DVDs. For the last two years, I've worked on the privacy problems and have made considerable progress. However, despite an inordinate number of letters to you, your predecessors, their staff, your Inspector General, and open government staff at Treasury and the White House, the IRS has simply refused to take any steps to fix the exempt organizations database.

This is not a technology problem, this is a people problem, and I would strongly urge the IRS to reach out and ask for help. Chief Technology Officer Todd Park, Chief Information Officer Steven VanRoekel, Archivist of the United States David Ferriero, and numerous other officials are familiar with technology and are in a position to help you bring in outside resources.

The Exempt Organizations database is crying out for modernization. The issue of detection and redaction of SSNs is an interesting computer science problem and I'm sure you could some very talented assistance in academia. The President has directed you and all other agencies to move towards machine-processable data and to undertake a number of open government initiatives, and release of the e-file versions of the Form 990 is clearly covered under those directives.

There are some very simple steps you can take that would have an immense impact on our nonprofit sector:

- Clean up SSNs in your existing database and put procedures in place to screen incoming returns and outgoing data feeds for potential problems. Put in place a feedback loop so people can notify you when problems are found.

- Stop distributing the database as a series of DVDs for $2900 per year as low-resolution TIFF images. There is no excuse not to distribute the data in bulk online and certainly no excuse not to have PDF files for each return on the IRS web site for individual and bulk access.

- Because you need to stop selling the existing database while you clean it up, this is an ideal time to release e-file data for large organizations, a release that would be immensely popular and of great use to Internet services, charity sites, grant-giving foundations, and law enforcement personnel.

Please ask somebody to help you. The IRS can do amazingly good work and has some very talented and dedicated staff. I know you have severe resource constraints. But, tough times demand more action not less. You can help your staff in their mission by bringing in any number of outside resources that share your goal of a more effective and transparent nonprofit marketplace and begin playing offense instead of defense.

Please don't hesitate to contact me if I may provide you with additional information.

Best regards,

Digitally signed by Carl Malamud
DN: cn=Carl Malamud, o=Public.Resource.Org, ou, email=carl@media.org, c=US
Date: 2014.07.07 07:56:20 -07'00'

Carl Malamud
Public.Resource.Org

July 7, 2014

Mr. J. Russell George, Inspector General
Treasury Inspector General for Tax Administration
1401 H Street, NW, Suite 469
Washington, DC 20005

Dear Mr. George:

You will find enclosed a USB Flash Drive containing 9,392 Form 990 information returns of exempt organizations purchased from the IRS that include Social Security Numbers (SSNs). The returns have all been redacted on the enclosed drive as well as on our copy of the data on our servers. We have also notified GuideStar, the Foundation Center, and the Economic Research Institute of these results.

I am writing to you because I believe distribution and sale of the Form 990 by the IRS with full knowledge that they contain a large number of SSNs is against the law. As Congressmen Boustany and Johnson stated in a July 23, 2013 letter to Mr. Werfel, Ms. Lois Lerner stated the following in a speech on March 21, 2013:

> *That reminds me that last year I was talking a lot about Social security numbers on 990s. I won't give you the lecture again because I did it last year but basically The Chronicle of Philanthropy did a big study showing that a lot of Social Security Numbers were on the 990s. We cannot redact Social Security numbers on the 990s unless they are on the Schedule B. Legally, the only thing we can redact is Schedule B. We do have a process when we see them, we put them on disk and we sell them to folks [laughter] -- not the Social Security numbers, the 990s.*

> *We do put a notice when we're selling them to purchasers of a disk saying there is personal information such as Social Security numbers on the disk, so you may want to redact them, before you make it public, but we don't have any control over their doing that. So that's a reminder. I don't think it's happening anymore. Most of the personal data was I think pre-2009.*

Let's unpack those statements. I spoke with Ms. Lerner and Mr. Joseph A. Grant, Deputy Commissioner of the Tax Exempt and Government Entities Division, on September 20, 2012 and we discussed at length the issue of ongoing release of SSNs. As you can also see from the enclosed audit, the problem continues to this day. Ms. Lerner's statement was not true and she knew that when she gave that speech. Ms. Lerner also states that a notice is furnished to purchasers of the disks warning them of SSNs. I've been purchasing these disks since 2008 and I have never seen such a notice. That statement is also not true.

Ms. Lerner goes on to state that the IRS cannot redact SSNs because under the law they do not have that authority. However, in my July 2, 2013 audit of the Section 527

database, I informed you of a large number of SSNs on the irs.gov web site, which resulted in a July 15, 2013 letter of inquiry to Acting Commissioner Werfel from 42 members of Congress. In his September 16, 2013 response, Acting Commissioner Werfel stated "we have the authority to redact this information before the filings become publicly available." That resulted in the December 6, 2013 changes to Section 3.20.13.3.2 of the Internal Revenue Manual with instructions to redact SSNs, but only for Section 527 political organizations.

The continued sale of the Form 990 with full knowledge that they contain SSNs is a clear violation of 26 USC §6103, which guards against the disclosure of confidential tax information. As IRS Publication 4761 ("Protecting Federal Tax Information for Government Employees") states, "the definition of return information includes…any information, besides the return itself, that IRS obtained from any source" and thus clearly includes any attachments to the Form 990, whether required or not.

IRS Publication 1075 ("Tax Information Security Guidelines") is explicit that Social Security Numbers are covered under the definition of Federal Taxpayer Information (FTI). Willful violation of these prohibitions by a federal employee is a felony under 26 USC §7213, punishable by a fine of up to $5,000 or up to five years in jail, or both.

I have heard a number of reasons advanced as to why the IRS does not reject returns with SSNs or redact them when they find them. One is Ms. Lerner's assertion that redaction would be altering a federal document which would be illegal. That is, of course, nonsense. A second is that if the IRS starts redacting returns, but misses some of the SSNs, that would somehow increase liability, and therefore a better solution is to ignore the problem altogether. A more practical solution would consist of 3 steps:

- When a return is received, if it obviously contains SSNs, reject the return as you would a return with a missing signature. Obvious examples are a set of Form W–2 or Form 1099 reports attached to the end of a return.

- Do a rudimentary scan of returns before distributing the monthly feeds. This won't catch all SSNs, but it will certainly find egregious breaches, such as the 275–page listing of scholarship winners, their home address, and their SSN published by a private foundation.

- Provide a place where individuals may notify the IRS when they see an SSN.

Continued distribution of the Exempt Organization database with full knowledge that it contains numerous privacy breaches is illegal and is exposing IRS staff to criminal liability. The practice must be stopped.

Please don't hesitate to contact me if I may provide you with additional information.

Best regards,

Digitally signed by Carl Malamud
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Carl Malamud
Public.Resource.Org

July 7, 2014

Honorable David Ferriero
Archivist of the United States
National Archives and Records Administration
700 Pennsylvania Avenue, N.W.
Washington, D.C. 20408

Dear Archivist Ferriero:

You will find enclosed a USB Flash Drive containing 9,392 Form 990 information returns of exempt organizations purchased from the IRS that include Social Security Numbers (SSNs). The returns have all been redacted on the enclosed drive as well as on the copy of the data on our servers. We have also notified GuideStar, the Foundation Center, and the Economic Research Institute of these results.

I am providing this information to you for two reasons. First, because the Form 990 is a federal record and is ultimately stored in your facilities, it is important that you know that the information on some of these returns violates the provisions of 26 USC §6103 which prohibits the disclosure by federal employees of private information such as Social Security Numbers. I hope you will also consider the enclosed drive as a federal record and preserve it in the National Archives.

The second reason I am writing to you is that I believe the issues in the Exempt Organizations group at the IRS is indicative of a broader problem of records management in the federal government. Recent controversy over the preservation of email is only the tip of an iceberg that reaches into the overall information technology practices of the IRS. These practices are not atypical of other federal agencies and I believe they impact your ability to carry out your responsibilities under the Federal Records Act, the Administrative Procedures Act, and other relevant statutes.

The records management issues with the Exempt Organizations database start at the point of ingest, where low-resolution scans are made of incoming paper returns. E-filed returns are also immediately transformed into low-resolution bitmaps. It is unclear to me in examining the IRS Records Control Schedules if they are providing to you the electronic version of the e-filed information. It is also my understanding that the IRS maintains a 7-year archive of Exempt Organization returns.

Since e-filing for exempt organizations started in 2008, two questions come to mind. First, will the IRS be furnishing you e-filed returns in MEF format as part of the archiving process? Second, if you do receive e-file data, is there a procedure for Public.Resource.Org to obtain that information in electronic form for the 2008 releases, data that I believe you will be receiving shortly?

The system for processing the Exempt Organization returns is based on Windows XP, an unsupported operating system from Microsoft, with a complex Oracle application which is inappropriate for such a simple document processing task. The end result is that the records you are required to preserve may or may not be available. Likewise, as you saw with the recent email issue, existing procedures resulted in the destruction of federal records and a failure to notify you of that loss.

My point is that I believe the National Archives needs to reach beyond a narrow definition of records management and beginning providing advice and counsel on a broader basis, such as how agencies can preserve their email without relying on individuals to print out documents. Such a more expansive view of your role can be found in the actions of your predecessor, Archivist Robert D.W. Connor, who not only established the National Archives but also spent considerable time working across the entire government to change the way agencies managed records.

Today, the issue of records management is tied into the issue of appropriate use of Information Technology. We've seen countless examples of IT projects so poorly designed they don't meet the needs of the agencies in carrying out their mission. If the agency can't carry out their mission, they certainly are not managing their records properly, making your job impossible. You've seen those fiascos at Healthcare.Gov, we're seeing that now at the Veterans' Administration, and you experienced it personally with the Electronic Records Archives system at NARA.
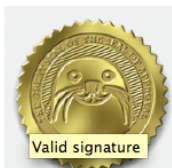
Archivist Connor provided leadership across the government, going so far as to ask President Roosevelt to convene a meeting of the heads of all the agencies to discuss what in those days would be considered a technical and clerical set of tasks. Today, Information Technology has that same geeky feel, but the time is right to get even the most senior policy makers to understand that improper use of IT is crippling our civil service and making the job of the Archivist difficult if not impossible.

I would thus strongly encourage you to take a leadership role in IT reform, using your position to get your peers who head other agencies to take the issue seriously. For a start, perhaps you could reach out to Commissioner Koskinen, who I know would appreciate any help he can get in sorting through the Exempt Organizations database.

In particular, the Commissioner might find instructive your experience at the Office of the Federal Register, which was able to switch from an antiquated system for publishing the Official Journals of Government to a much nicer system that was created by volunteers as an open source project, and then hosted in the cloud until OFR developed the expertise to fully take the system over. The IRS could do the same thing.

Please don't hesitate to contact me if I may provide you with additional information.

Best regards,

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Valid signature

Carl Malamud
Public.Resource.Org

July 7, 2014

Honorable Jacob J. Lew
Attn: Mr. Adewale Adeymo
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Lew:

You will find enclosed a USB Flash Drive containing 9,392 Form 990 information returns of exempt organizations purchased from the IRS that include Social Security Numbers (SSNs). The returns have all been redacted on the enclosed drive as well as on the copy of the data on our servers. We have also notified GuideStar, the Foundation Center, and the Economic Research Institute of these results.

It is imperative that the Department of the Treasury take immediate steps to stem the breach of Social Security Numbers available for sale from the IRS, a breach that affects schoolchildren, veterans, community leaders, and others whose personal identity information is being recklessly distributed by the government.

There are some simple steps that the IRS should take:

- Temporarily stop selling the existing backfile and clean it up. This is what the IRS did with the Section 527 Political Organizations database after we discovered similar issues. This is not hard and it needs to be done.

- Start screening incoming returns for obvious SSNs and issue a warning or reject a filing with suspected SSNs. Likewise, the outgoing monthly bulk feed needs to be screened for obvious errors.

- Nobody can find all problems and people will continue to screw up their filings, so the IRS needs to provide a feedback loop where groups such as mine as well as individuals who find problems can contact the IRS and let them know.

- The IRS could easily participate in the privacy clearinghouse that we maintain with our colleagues at other organizations that work with the bulk data.

While these simple steps can help deal with the privacy issues, I believe there is an opportunity here that you should seize. While the IRS pulls the existing backfile to be cleaned up, you can get the e-file version of the database ready for immediate release. Instead of continuing to play defense, this is an opportunity to do something positive.

Currently, the IRS requires e-filing for all large exempt organizations and makes it optional for smaller ones. Under your Fiscal Year 2015 Revenue Proposals, you have requested that the Congress authorize mandatory e-filing as well as the release of that information "in a machine readable format in a timely manner, as provided in

regulations." However, that proposal would have a 3-year transition period after enactment, and there would be additional delays based on notice and comment periods for the regulations. Your current plan does something in 5 years, but you could do that today. The data is public already and formatting the e-file data for release is trivial.

Based on my extensive experience examining the Form 990, I can tell you that there are far fewer SSN issues in the e-filed returns. That is because they are typically for larger organizations, the filing mechanism is more structured, and professionals are typically involved in the filing and provide a reality check. It is also much easier to find SSNs that are part of the returns, particularly those that are in the structured fields.

Your staff has explained their reluctance to release all e-file information today based on what they view as a possible consequence of smaller filers perceiving the e-file return as "more transparent" and therefore giving them a disincentive to e-file and instead submitting paper returns. I'm not sure I believe that this effect would be more than trivial, but an easy compromise is to only release the e-file information for the large filers who do not have the paper option.

Releasing the e-file information would be a huge hit on the net. Internet services such as LinkedIn and Google (as well as a raft of innovative startups who want to be the next LinkedIn or Google) would immediately be able to parse this information, which is based on the well-understood XML data format. State law enforcement officials have repeatedly asked for more efficient access to Form 990 information so they can more effectively monitor organizations in their jurisdictions. Many large foundations, including the Gates, Hewlett, Kellogg, Knight, and Rockefeller Foundations and the Carnegie Corporation have publicly called for the release of this information.

I've spent considerable time looking over the open government plans for agencies throughout the government, and it is my considered belief that the accomplishments and plans listed in the Treasury Open Government Initiative are, if you will permit me to be frank, overly modest and halfhearted. I think you can do much better, and release of e-file information in the Exempt Organizations database is a perfect example of how you could do better.

Please don't hesitate to contact me if I may provide you with additional information.

Best regards,

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Carl Malamud
Public.Resource.Org

July 7, 2014

Mr. Todd Park
Chief Technology Officer and Special Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Park:

You will find enclosed a USB Flash Drive containing 9,392 Form 990 information returns of exempt organizations purchased from the IRS that include Social Security Numbers (SSNs). The returns have all been redacted on the enclosed drive as well as on our copy of the data on our servers. We have also notified GuideStar, the Foundation Center, and the Economic Research Institute of these results.

I am writing to you today for two reasons. First, the IRS needs help. The Exempt Organizations database is a mess. It has huge privacy problems. The IRS is ignoring the President's open government directives, in particular the requirement for the distribution of machine-processable information and the requirement to distribute data in bulk using modern technologies. The Exempt Organizations database is based on low-resolution scans, no release of e-file information, and a shockingly bad IT code base of Windows XP and a custom Oracle application.

Your work on healthcare.gov was a real inspiration to those of us who keep a close eye on government IT. It was an amazing turnaround and you and your "surge" team should be congratulated and have the thanks of the American people. I know you have now deployed similar teams at other hot spots, such as the Veterans Administration.

However, it is important that we not wait until the moment of crisis to solve problems. There are festering IT situations throughout the government and you need to put in place a mechanism that solves these smaller problems, such as the current Exempt Organizations fiasco. The IRS needs outside help on this issue and I hope you can provide the Commissioner with some suggestions how he can obtain that help.

If you have a chance to talk with the Commissioner, I hope you will also use that occasion to remind him of the President's requirement for machine-processable data and how that applies to the release of e-file returns from Exempt Organizations. I know this is an important issue for you and the President and I hope you will take the time to explain why to the Commissioner.

The second reason I am writing to you is that in the course of the extensive privacy audit I've conducted, I've noticed that there is a real lack of OCR and redaction tools that operate at scale. The underpinnings are there in tools such as tesseract, pdftk, ImageMagick, exiftool, and other open source components. However, nobody has put

them together in a way that would be useful to an organization such as the Internal Revenue Service as they process several million returns.

The need for such tools goes far beyond the IRS, and a toolkit would be very useful to other components of the federal government that have to deal with similar issues. The Administrative Office of the U.S. Courts, for example, has an ongoing problem with redaction of personal information, and there are numerous other federal databases that would benefit substantially from industrial-scale OCR. Such a toolkit would also be extremely useful to state and local governments who are trying to prepare large databases for public release.

As you and your colleagues in the White House begin to deal with the era of "big data," including the excellent Big Data and Privacy Review you have recently concluded, it is important that we think about tools that help our government agencies move beyond open government plans and start dealing with the actual operational details of releasing and maintaining government databases.

Again, my hearty congratulations to you on the healthcare.gov turnaround.

Please don't hesitate to contact me if I may provide you with additional information.

Best regards,

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Valid signature

Carl Malamud
Public.Resource.Org

July 7, 2014

President Barack Obama
Attn: Mr. John D. Podesta
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Obama:

I suspect I am not the first person who has a problem with the IRS who has decided to write to the President for help, but in this case I believe it is a problem we both share and would be grateful for a minute of your time. The immediate topic is the IRS Exempt Organizations database, but I believe the problems there are indicative of a much broader problem with how our government uses information technology.

Enclosed is a USB Thumb Drive which contains an audit I conducted of the IRS Exempt Organizations database, the annual reports of all nonprofit and political organizations. The audit contains evidence of several hundred thousand Social Security Numbers that are in the public reports sold by the IRS, personal privacy information of schoolchildren, veterans, community groups, and many others.

This audit is part of a 6-year effort to make this database better. In addition to redacting 9,392 returns with privacy breaches, we provided for the first time bulk access to 7,634,050 returns and have spent considerable time briefing administration and congressional officials about how this database could be made better.

While the IRS database is a bit of a disaster, by government standards it is definitely not an outlier. I worked closely with the House of Representatives on their database issues, including how they distribute video from hearings, and that system is also a bit of a disaster. We were able to make available for the first time an additional 14,000 hours of video from hearings, but we ultimately ran into an unhearing technical staff and capture by contractors that is unfortunately all too common in Washington.

Likewise, we spent considerable time working on the PACER database of U.S. Court fillings. While our work resulted in over 1 million cases becoming much more widely available using the RECAP system, it was been over the strong objections of the Administrative Office of the U.S. Courts (though our privacy audit received the thanks of the Judicial Conference and quite a few judges).

In the Executive Branch, we've had a few wins. With a little bit of assistance from me and heavy lifting from your staff at OSTP, the Federal Register and the Patent databases are both much more broadly available. But, as you experienced firsthand with healthcare.gov—and as I can tell you from my own work with NARA, the Smithsonian, the IRS, and numerous other agencies—there is a more fundamental problem.

The healthcare.gov system is perhaps an opportunity to learn. Only after the system was a total fiasco and became a nightly story on CNN was enough firepower brought to bear to begin solving the problem. We should all be immensely grateful to Mikey Dickerson and his team for their heroic effort (and I hope you will formally recognize their efforts as it was truly an amazing thing to fix that pile of spaghetti code).

Since you were elected, I've spent all of my efforts working on government IT, albeit from the outside. As such, I've paid very close attention to your open government initiatives, including your very impressive directives as well as initiatives such as 18F at GSA and your new team being assembled at OMB. I'm a big fan of Todd Park and Steve VanRoekel as well as their talented predecessors, Aneesh Chopra and Vivek Kundra.

However, if you will permit me to be frank, I don't think you are doing nearly enough. Inappropriate use of information technology is a $80 billion per year boondoggle in the federal government. Procurement is very, very broken. Because the tools we build for the civil service are so awful, bad IT has hobbled our entire federal government. You've seen firsthand how bad the computer tools you have to work with are, and you get nothing but the best in EOP. You can imagine how awful it is in the mission-oriented agencies, where dedicated public servants are forced to work with technology that is not just old but badly conceived and even more badly implemented.

I am reminded of the period after the Civil War when our federal bureaucracy was equally hobbled, in those days by the massive abuse of patronage and the lack of modern management methods in a bureaucracy that had ballooned. While there were many minor initiatives from a few dedicated staff in the agencies and at the White House, they weren't nearly enough. It was only after President Ulysses S. Grant created the U.S. Civil Service Commission that fundamental change started to take shape. After President Chester A. Arthur pushed for passage of the Pendleton Civil Service Reform Act and talented public servants like Theodore Roosevelt joined the Commission, a fundamental change started to spread throughout the entire federal bureaucracy.

Open government plans and directives are a start, but my experience working with government IT for several decades has convinced me that you need to do much more. I believe you will need the equivalent of the U.S. Civil Service Commission, to bring in people with the stature of Theodore Roosevelt and arm them with big sticks. Reform of how we procure and use technology is the most pressing issue when it comes to the effectiveness of our government and it must be addressed. The incremental steps are not enough, we need a total reboot of the system.

Best regards,

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