given date it might be, and it has certain appellate rights, administrative appellate rights.

Mr. PATMAN. In the courts?

Mr. COHEN. Both administrative, and in the courts.

Mr. PATMAN. But they have got to pursue their administrative rights first.

Mr. COHEN. That is right. I was in error a minute ago. The District Director does not get involved in the proposal to deny exempt status. It is the supervisor who authorizes this. When the organization is notified of the proposal to revoke its exempt status it has two levels of appeal. An appeal may first proceed within the district office, and then on to the national office. If the organization is still unsatisfied, it can appeal to the courts.

Mr. PATMAN. On page 4, you state that 82 cases were recommended for revocation. Now how many of those 82 cases stood up?

Mr. COHEN. Most of them are still pending. The process is over a 3-year period here. Many of those cases are within the last year or two.

Mr. PATMAN. We do not know where we stand on it.

Mr. COHEN. I can tell you how many final revocations there were.

Mr. PATMAN. Tell me that.

Mr. COHEN. I do not have the precise figure at this moment.

Mr. PATMAN. Put them in the record, of the 82 how many are final and how many are pending.

(The information follows:)

U. S. TREASURY DEPARTMENT,
COMMISSIONER OF INTERNAL REVENUE,
Washington, D.C., December 8, 1967.

Hon. WRIGHT PATMAN,
Chairman, Subcommittee, Foundation Study, Select Committee on Small Business, Washington, D.C.

Dear Mr. CHAIRMAN: During my appearance before your Subcommittee on November 16, 1967, you asked for the final action taken on the 82 cases involving recommended revocation of exempt status arising in fiscal years 1964–1967. We have been unable to assemble the data you wish for the 32 cases which arose in fiscal year 1964.

Of the remaining 50 cases (fiscal years 1965–1967), 28 resulted in revocation of exempt status, seven are presently pending in the courts or National Office, and 15 were closed without denial of exempt status.

With kind regards,

Sincerely,

SHELDON S. COHEN, *Commissioner.*

Mr. PATMAN. On page 3, line 5, of your statement, in your reference to audits, you refer to fiscal years 1964–67. Do yo mean the 4 years, 1964 through 1967, or 3 years, 1964 to 1967?

Mr. COHEN. I think 4 years.

Mr. PATMAN. Three years; yes.

In the last paragraph of page——

Mr. COHEN. In 1964, we were just getting the program underway.

Mr. PATMAN. Just getting it underway.

In the last paragraph of page 3 of your statement, you say that the IRS audited the books and records of 4,335 organizations and charitable trusts. Were these field audits, Mr. Cohen?

Mr. COHEN. Everyone of them. Everyone of them were field audits; yes, sir.

I would say that this is the only area that we use solely field audits. We do not use office audits.