

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

Z STREET, INC.,	)	
	)	
Plaintiff,	)	No. 2:10-cv-04307-CMR
	)	
v.	)	
	)	
DOUGLAS H. SHULMAN,	)	
IN HIS OFFICIAL CAPACITY AS	)	
COMMISSIONER OF INTERNAL	)	
REVENUE,	)	
	)	
Defendant.	)	

DECLARATION OF JON WADDELL

I, Jon Waddell, pursuant to 28 U.S.C. § 1746, do hereby declare as follows:

1. I am the Manager of Exempt Organizations Determinations Group 7830 (the Touch-and-Go or "TAG" Group). I have held this position since November, 2009. I have been employed by the IRS since August, 1998.
2. On July 23, 2010, Bill Angner, a Manager in the Exempt Organizations Determinations Group contacted me regarding Z Street's application for recognition of exempt status and whether or not a referral to the TAG group was appropriate.
3. On that date, I spoke with Bill and reviewed Z Street's application, including website printouts of Z Street's website, www.zstreet.org. I determined that a referral to the TAG group was appropriate because, among other things:
  - a. The application indicated that Z Sreet could be providing resources to organizations within Israel or facilitating the provision of resources to organizations within the state of Israel;

- b. Israel is one of many Middle Eastern countries that have a “higher risk of terrorism.” (I.R.M. 7.20.6.7.5.2(1). See also <http://www.state.gov/s/ct/rls/crt/2008/122433.htm>); and
    - c. A referral to TAG is appropriate whenever an application mentions providing resources to organizations in a country with a higher risk of terrorism.
- 4. A referral to the TAG group does not indicate that the organization supports terrorism, only that further development is necessary to ensure that the organization will put procedures in place to prevent resources from being used to support terrorism.
- 5. For instance, the TAG group ensures that organizations that may provide resources to countries with a heightened risk of terrorism:
  - a. Are aware of the Office of Foreign Assets Control (“OFAC”) requirements regarding providing funds to foreign countries;
  - b. Have procedures in place to ensure that resources are not diverted to individuals and organizations on the OFAC list; and
  - c. Have procedures in place to ensure that any grants they give are used for appropriate, charitable purposes.
- 6. Z Street’s application was not referred to the TAG group because of an “Israel Special Policy” as alleged in Z Street’s complaint.

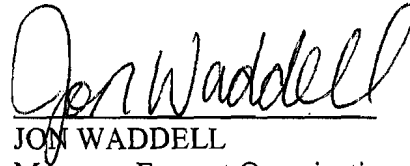
7. Z Street's application was not referred to the TAG group because its viewpoints on Israel contradict the viewpoints espoused by the Obama administration.

CERTIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on:

12/8/10



JON WADDELL

Manager, Exempt Organizations  
Determinations Group 7830, Internal  
Revenue Service.