

October 5, 2018

The Honorable David J. Kautter  
Acting Commissioner  
Internal Revenue Service  
1111 Constitution Ave., N.W.  
Washington, DC 20224

By electronic mail ([IRS.Commissioner@IRS.gov](mailto:IRS.Commissioner@IRS.gov)) and First Class mail

Dear Acting Commissioner Kautter:

Citizens for Responsibility and Ethics in Washington (“CREW”) respectfully requests the Internal Revenue Service (“IRS”) investigate whether America’s Renewable Future, Inc., a nonprofit organization exempt from taxation pursuant to section 501(c)(4) of the Internal Revenue Code (“Code”), willfully failed to file its 2015 and 2016 tax returns.<sup>1</sup>

America’s Renewable Future raised and spent significant amounts of money during 2015 and 2016, including political spending during the 2016 presidential primaries. While the group and its officers and agents apparently were aware of the requirement to file Form 990 tax returns, they failed to file them for three years. As a result, America’s Renewable Future appears to have violated the Code.

### **America’s Renewable Future’s Failure to File Its Tax Returns**

America’s Renewable Future is a section 501(c)(4) tax-exempt organization established in Iowa in 2014.<sup>2</sup> During 2014, Eric Branstad served as the group’s president, and Derek Eadon and Rick Schwarck served as its vice presidents.<sup>3</sup> Mr. Branstad is a political consultant and public affairs professional who recently served in the Trump administration.<sup>4</sup> Mr. Eadon is a political strategist and public affairs professional, and Mr. Schwarck is an ethanol industry executive.<sup>5</sup> These same three individuals were also officers of the group in 2015, according to a corporate filing.<sup>6</sup>

---

<sup>1</sup> CREW submits this letter in lieu of Form 13909; a copy is being sent to the Dallas office.

<sup>2</sup> America’s Renewable Future, Inc., Articles of Incorporation, filed Dec. 10, 2014; America’s Renewable Future, Inc., 2014 Form 990, available at [http://990s.foundationcenter.org/990\\_pdf\\_archive/472/472545525/472545525\\_201412\\_990O.pdf](http://990s.foundationcenter.org/990_pdf_archive/472/472545525/472545525_201412_990O.pdf).

<sup>3</sup> America’s Renewable Future, Inc., 2014 Form 990, Part VII.

<sup>4</sup> See Mercury Public Affairs website, Eric Branstad profile, available at <http://www.mercuryllc.com/experts/eric-branstad/>; William Petroski, Eric Branstad confirms he’ll likely head Trump’s 2020 Iowa campaign, *Des Moines Register*, Aug. 8, 2018, available at <https://www.desmoinesregister.com/story/news/politics/2018/08/08/donald-trump-2020-iowa-presidential-campaign-eric-branstad-head-republican-politics-caucus/933767002/>.

<sup>5</sup> See <https://www.linkedin.com/in/derekeadon>; Growth Energy website, Rick Schwarck profile, available at <https://growthenergy.org/about-us/structure-and-members/>.

<sup>6</sup> America’s Renewable Future, Inc., Biennial Report for an Iowa Nonprofit Corporation, filed Mar. 27, 2015 (attached as Exhibit A).

Tax documents, news reports, and political spending reports show America's Renewable Future was actively engaged in fundraising and spending during 2015 and 2016. According to America's Renewable Future's 2014 Form 990 tax return, it began 2015 with \$850,000 on hand.<sup>7</sup> The group received a \$1.25 million grant from section 501(c)(6) organization Growth Energy during 2015, according to Growth Energy's 2015 Form 990 tax return.<sup>8</sup> Other tax documents show America's Renewable Future received at least \$70,000 in grants from other organizations between 2015 and 2016.<sup>9</sup>

America's Renewable Future engaged in significant issue advocacy and political spending during 2015 and 2016. In 2015, the group funded radio advertisements, video advertisements, and direct mail criticizing Sen. Ted Cruz (R-TX), then a candidate for president, for his position on the Renewable Fuel Standard.<sup>10</sup> In addition, America's Renewable Future joined with chemical company DuPont to produce polling on the Renewable Fuel Standard, appeared at Iowa state events to promote ethanol interests, and maintained an active social media presence during 2015.<sup>11</sup>

In 2016, America's Renewable Future reported making \$297,729.80 in political expenditures for and against candidates for president during the presidential primaries,<sup>12</sup> and operated a custom recreational vehicle on the campaign trail in Iowa.<sup>13</sup>

As a section 501(c)(4) tax-exempt organization, America's Renewable Future is required to file annual Form 990 tax returns.<sup>14</sup> In addition, if a tax-exempt organization such as America's Renewable Future fails to file its tax returns for three consecutive years, its tax-exempt status is automatically revoked by law.<sup>15</sup>

---

<sup>7</sup> America's Renewable Future, Inc., 2014 Form 990, Part I, Line 22.

<sup>8</sup> Growth Energy, 2015 Form 990, Part VII, Section B, *available at* [http://990s.foundationcenter.org/990\\_pdf\\_archive/263/263542537/263542537\\_201512\\_990O.pdf](http://990s.foundationcenter.org/990_pdf_archive/263/263542537/263542537_201512_990O.pdf).

<sup>9</sup> Renewable Fuels Association, 2015 Form 990, Schedule I, *available at* [http://990s.foundationcenter.org/990\\_pdf\\_archive/521/521203707/521203707\\_201609\\_990O.pdf](http://990s.foundationcenter.org/990_pdf_archive/521/521203707/521203707_201609_990O.pdf); Iowa Corn Growers Association, 2015 Form 990, Schedule I, *available at* [http://990s.foundationcenter.org/990\\_pdf\\_archive/421/421036179/421036179\\_201608\\_990O.pdf](http://990s.foundationcenter.org/990_pdf_archive/421/421036179/421036179_201608_990O.pdf).

<sup>10</sup> Matt Corley, *Consultant behind ethanol group's anti-Cruz ads also heads Huckabee's super PAC*, *Citizens for Responsibility and Ethics in Washington*, Dec. 16, 2015, *available at* <https://www.citizensforethics.org/consultant-behind-ethanol-groups-anti-cruz-ads-also-heads-huckabees/>; *see also* <https://www.youtube.com/watch?v=RyOXCvg4hSg>.

<sup>11</sup> Christopher Doering, *Poll: Iowa caucusgoers favor candidates who back RFS*, *Des Moines Register*, Oct. 21, 2015, *available at* <https://www.desmoinesregister.com/story/money/agriculture/green-fields/2015/10/21/iowa-voters-ethanol/74327794/>; A Renewable Future (@AR\_Future), Twitter (Aug. 30, 2015), [https://twitter.com/AR\\_Future/status/638057267514863616](https://twitter.com/AR_Future/status/638057267514863616); A Renewable Future (@AR\_Future), Twitter (Aug. 17, 2015), [https://twitter.com/AR\\_Future/status/633270432712364032](https://twitter.com/AR_Future/status/633270432712364032); *see generally* [https://twitter.com/AR\\_Future/](https://twitter.com/AR_Future/).

<sup>12</sup> America's Renewable Future, Inc., FEC Form 3X, 2016 April Quarterly Report, Amended, May 24, 2016, *available at* <http://docquery.fec.gov/pdf/010/201605249017285010/201605249017285010.pdf>.

<sup>13</sup> A Renewable Future (@AR\_Future), Twitter (Jan. 5, 2016), [https://twitter.com/AR\\_Future/status/684458981163544576](https://twitter.com/AR_Future/status/684458981163544576).

<sup>14</sup> 26 U.S.C. § 6033(a)(1); Treas. Reg. § 1-6033-2(a). Tax-exempt organizations that terminate must file a Form 990 tax return for the year in which they terminate. 26 U.S.C. § 6043(b); Treas. Reg. § 1-6043-3(a)(1).

<sup>15</sup> 26 U.S.C. § 6033(j).

The IRS revoked America's Renewable Future's tax-exempt status on May 15, 2018,<sup>16</sup> and updated its website to reflect that it had taken this action on August 13, 2018.<sup>17</sup> Accordingly, despite its significant activity, including fundraising and spending, America's Renewable Future almost certainly did not file a Form 990 tax return for 2015 and 2016.<sup>18</sup>

America's Renewable Future and its officers and agents were aware of the requirement to file its Form 990 tax returns. First, the group did so for its 2014 tax year, with Mr. Eadon signing the tax return in May 2015.<sup>19</sup> Second, individuals involved with the group have been involved with other tax-exempt organizations that are required to file Form 990 tax returns. Mr. Schwarck has served as a director for another tax-exempt organization, and an attorney who worked for the group, Michael Francisco of MRD Law, represents nonprofit organizations and serves as chairman of the board of one.<sup>20</sup>

Third, America's Renewable Future and its officers and agents were notified by CREW of the requirement to file Form 990 tax returns, and their responses to CREW demonstrate their recognition that they knew they needed to file them. CREW called Mr. Branstad to request the forms on April 20, 2018. He expressed surprise that they were not available, and said the group closed down after the 2016 presidential caucus. Mr. Branstad referred CREW to Mr. Francisco, who he said had worked for the group. In response to two requests for these forms, Mr. Francisco told CREW that, according to "the organization," the forms were "filed in due course" and that they "were filed without being late." This apparently incorrect statement shows that America's Renewable Future's and its agents were aware of their requirement to file Form 990 tax returns for the group and understood they were due.

### **Violations**

#### **26 U.S.C. § 7203**

Under the tax code, every tax-exempt organization must file an annual return that reports the organization's gross income, receipts, disbursements, and other information.<sup>21</sup> If a tax-exempt organization terminates, it must file a return for that year.<sup>22</sup> Any person or organization required to file a return "who willfully fails to ... make such return" is guilty of a misdemeanor and subject to up to one year in prison and a fine of up to \$100,000.<sup>23</sup>

---

<sup>16</sup> See search results for "Americas Renewable Future" on IRS Tax Exempt Organization Search (attached as Exhibit B).

<sup>17</sup> *Id.*

<sup>18</sup> Nor did America's Renewable Future apparently file a Form 990 for 2017, during which it appears to have been inactive.

<sup>19</sup> America's Renewable Future, Inc., 2014 Form 990, Part II.

<sup>20</sup> Growth Energy, 2015 Form 990, Part VII, Section A; see <https://www.linkedin.com/in/michaelfrancisco/>; Michael Francisco Profile, Adopt A Love Story, available at <https://www.adoptalovestory.com/team/michael-francisco/>; see also Adopt A Love Story, 2016 Form 990, available at [http://990s.foundationcenter.org/990\\_pdf\\_archive/810/810961676/810961676\\_201612\\_990.pdf](http://990s.foundationcenter.org/990_pdf_archive/810/810961676/810961676_201612_990.pdf).

<sup>21</sup> 26 U.S.C. § 6033(a)(1).

<sup>22</sup> 26 U.S.C. § 6043(b); Treas. Reg. § 1-6043-3(a)(1).

<sup>23</sup> 26 U.S.C. § 7203.

Hon. David J. Kautter

October 5, 2018

Page 4

America's Renewable Future appears to have willfully failed to file tax returns for 2015 and 2016.<sup>24</sup> The organization engaged in significant fundraising and spending during both years. Other tax records show America's Renewable Future's 2015 receipts were well over a million dollars, and the group spent significant amounts around the 2016 presidential primaries, including nearly \$300,000 in reported political spending in 2016. Despite this activity, America's Renewable Future failed to file Form 990 tax returns for either 2015 and 2016.

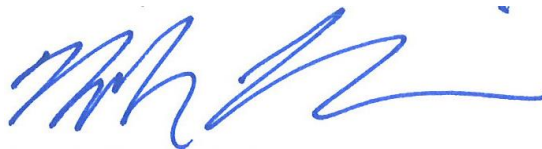
America's Renewable Future's failures to file appear to be willful. The group's history of filing its 2014 Form 990 and the experience of its officers and agents with tax-exempt organizations and filing Form 990 tax returns show they were aware of its obligation to file annual tax returns. In addition, CREW notified America's Renewable Future and its officers and agents of their requirement to file Form 990 tax returns, and their responses show they understood their obligations.

### **Conclusion**

Based on publicly available information, America's Renewable Future apparently willfully failed to file its 2015 and 2016 tax returns. Therefore, the IRS should investigate America's Renewable Future and, should it find the groups has violated its obligations under the Code, take appropriate action.

Thank you for your prompt attention to this matter.

Sincerely,



Noah Bookbinder  
Executive Director

---

<sup>24</sup> If America's Renewable Future was active in 2017, it also appears to have willfully failed to file a Form 990 tax return for that year.

**EXHIBIT A**



[< Back to Search Results](#)

# Americas Renewable Future Inc

EIN: 47-2545525 | Des Moines, IA, United States

## Auto-Revocation List ⓘ

Organizations whose federal tax exempt status was automatically revoked for not filing a Form 990-series return or notice for three consecutive years. Important note: Just because an organization appears on this list, it does not mean the organization is currently revoked, as they may have been reinstated.

**Exemption Type:** 501(c)(4)

**Exemption Reinstatement Date:**

**Revocation Date:** 05-15-2018

**Revocation Posting Date:** 08-13-2018

Page Last Reviewed or Updated: 6-Jul-2018

Share

Print



### Our Agency

### Know Your Rights

### Resolve an Issue

### Other Languages

### Related Sites

[About IRS](#)

[Taxpayer Bill of Rights](#)

[Respond to a Notice](#)

[Español](#)

[U.S. Treasury](#)

**EXHIBIT B**



PAUL D. PATE  
Iowa Secretary of State

IOWA 2015  
BIENNIAL REPORT  
for an  
IOWA NONPROFIT CORPORATION  
Required by Iowa Code  
Chapter 504

PAUL D. PATE  
Secretary of State

**FILED**

Date: 3/27/2015 11:52 AM  
Corp No: 490516  
Cert No: A15490516

1. Name of the corporation, its registered office and agent.

AMERICA' S RENEWABLE FUTURE, INC.  
ERIC BRANDSTAD  
510 EAST LOCUST ST STE 200  
DES MOINES IA 50309

2. The corporation has:  No officers

3. Officer(s):

Pres <input checked="" type="checkbox"/> Sec <input type="checkbox"/> Treas <input type="checkbox"/> Dir <input checked="" type="checkbox"/>			
Name ERIC BRANDSTAD			
Address 510 EAST LOCUST ST STE 200			
Address			
City DES MOINES	State IA	Zip 50309	Country USA
Pres <input checked="" type="checkbox"/> Sec <input type="checkbox"/> Treas <input type="checkbox"/> Dir <input checked="" type="checkbox"/>			
Name RICK SCHWARCK			
Address 1372 STATE LINE RD			
Address			
City ST. ANSGAR	State IA	Zip 50472	Country USA
Pres <input checked="" type="checkbox"/> Sec <input type="checkbox"/> Treas <input type="checkbox"/> Dir <input type="checkbox"/>			
Name DEREK EADON			
Address 4803 COACHLIGHT DR			
Address			
City WEST DES MOINES	State IA	Zip 50265	Country USA



Pres  Sec  Treas  Dir

Name

MONTE SHAW

Address

4315 TIMBERWOOD DR

Address

City

WEST DES MOINES

State

IA

Zip

50265

Country

USA

Pres  Sec  Treas  Dir

Name

AMANDA DE JONG

Address

2725 47TH ST

Address

City

DES MOINES

State

IA

Zip

30310

Country

USA

4. Address of the principal office of the corporation:

Name

AMERICA'S RENEWABLE FUTURE

Address

321 E WALNUT ST

Address

STE 300A

City

DES MOINES

State

IA

Zip

50309

Country

USA

5. Does the corporation have members? No
6. Does the corporation hold an interest in agricultural land in Iowa? No
7. Signed: TIA NEARMYER Capacity: OPERATIONS DIRECTOR