

Cause of Action Files IRS Complaint Against Enroll America For Violating the Internal Revenue Code

WASHINGTON – Today, [Cause of Action](http://www.causeofaction.org/) (<http://www.causeofaction.org/>) (CoA), a government accountability organization, filed a complaint before the Internal Revenue Service (IRS) asking for the IRS to revoke the charitable status of Enroll America, the nonprofit whose mission is to enroll individuals in the Patient Protection and Affordable Care Act's insurance exchanges. Enroll America is, the complaint alleges, improperly classified as a 501(c)(3) organization and therefore in violation of the Internal Revenue Code.

"If Enroll America is designed to benefit insurance companies instead of the American public, then its charitable status no longer applies," said Dan Epstein, executive director of Cause of Action. "An organization that has been granted tax deductible status but is actually depriving the American people of taxable revenue warrants an investigation."

Cause of Action is requesting an immediate investigation to address the following:

1. Enroll America does not operate as a 501(c)(3) charity; it is organized more like a trade association for the healthcare industry, employing marketing and political tactics to sell health insurance. Accordingly, Enroll America is not organized and operating exclusively for a charitable purpose.
2. The for-profit healthcare providers represented on EA's board of directors and advisory board stand to reap a substantial private benefit from EA that is not shared by its intended beneficiaries, meaning Enroll America fails the private inurement and private benefit doctrines.

Cause of Action will also be sending a letter to Covered California, California's state health exchange, to alert them of liabilities under federal and state laws and guidelines. Enroll America will be a liaison to state health exchanges across the country, such as Covered California, who manage the sale of health insurance policies. "The risk of spending federal money in wasteful, fraudulent or abusive ways as they fund outreach activities to enroll the uninsured should put state exchanges on high alert," said Dan Epstein. "Covered California creates a one-stop insurance marketplace, while conducting outreach similar to that of Enroll America, and we want these exchanges to be aware of the numerous laws and regulations that could present multiple liabilities for them as enrollment begins."

The complaint can be found [here](http://causeofaction.org/2013/07/29/irs-complaint-against-enroll-america-for-violating-several-provisions-of-the-internal-revenue-code/). (<http://causeofaction.org/2013/07/29/irs-complaint-against-enroll-america-for-violating-several-provisions-of-the-internal-revenue-code/>)

About Cause of Action:

Cause of Action is a non-profit, nonpartisan government accountability organization that fights to protect economic opportunity when federal regulations, spending and cronyism threaten it. For more information, visit www.causeofaction.org.