IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

YOUNG AMERICA'S FOUNDATION, a nonprofit corporation, 11480 Commerce Park Drive, Suite 600 Reston, VA 20191 *Plaintiff*, *v*. INTERNAL REVENUE SERVICE 1111 Constitution Ave., N.W. Washington, D.C. 20224; UNITED STATES DEPARTMENT OF THE TREASURY 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220; SCOTT BESSENT, in his official capacity as Secretary of the Treasury 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220; and FRANK J. BISIGNANO in his official capacity as Chief Executive Officer, Internal Revenue Service 1111 Constitution Ave., N.W. Washington, D.C. 20224 *Defendants*.	Civil Action No. 1:26-cv-2449 **VERIFIED COMPLAINT**

NATURE OF ACTION

1. The Internal Revenue Service ("IRS") requires the list of all substantial donors to thousands of nonprofit organizations on Form 990 Schedule B. This dragnet data collection subjects to government disclosure citizens' associations and political, religious, and cultural beliefs—all for

little gain by the government. Under *Americans for Prosperity Foundation v. Bonta*, 594 U.S. 595, 607 (2021) ("*AFPF*") and other landmark Supreme Court cases dating back to the Civil Rights era, *any* government demand for membership or donor lists must survive the First Amendment's exacting scrutiny. The universal collection of substantial donor data cannot survive this review. Worse, the IRS has actually allowed the tax information to be publicly disclosed, including disclosing the information of Young America's Foundation ("YAF"). This case seeks the end of the collection of substantial donors via injunctive and declaratory relief that 26 U.S.C. § 6033(b)(5) is unconstitutional under the First Amendment—both facially, and as-applied.

JURISDICTION

2. This Court has federal question jurisdiction, 28 U.S.C. § 1331, because this action arises under the First Amendment (U.S. CONST. amend. I), the Internal Revenue Code (26 U.S.C. § 1, *et. seq.*). This Court further has jurisdiction to grant relief under the Declaratory Judgment Act. *See* 28 U.S.C. §§ 2201 and 2202.

VENUE

3. Venue is proper under 28 U.S.C. §§ 1391(b)(1) ("a judicial district in which any defendant resides, if all defendants are residents of the State in which the district is located") and (b)(2) (the "district in which a substantial part of the events or omissions giving rise to the claim occurred").

PARTIES

4. Plaintiff Young America's Foundation ("YAF") is a 26 U.S.C. § 501(c)(3) nonprofit organization with a mission is to educate and inspire young Americans with the ideas of individual liberty, free enterprise, a strong national defense, and traditional values. YAF has helped thousands of students protect their First Amendment rights on campus through education, activism, and legal

initiatives across the country. YAF is supported by a variety of donors, the names and addresses of which must be disclosed on Form 990 Schedule B. *See* 26 U.S.C. § 6033(b)(5).

5. Defendant Internal Revenue Service ("IRS") is the chief tax collection agency of the United States and is a division of the United States Department of the Treasury.

6. Defendant United States Department of the Treasury is the cabinet-level department in charge of collection and disbursement of revenue from the federal fisc as well as the enforcement of the Internal Revenue Code.

7. Defendant Scott Bessent, as the Secretary of the Treasury, is responsible for the enforcement of 26 U.S.C. § 6033(b)(5). He is sued in his official capacity.

8. Defendant Frank J. Bisignano is Chief Executive Officer of the Internal Revenue Service and is therefore also responsible for the enforcement of 26 U.S.C. § 6033(b)(5) as the functional head of the IRS. He is sued in his official capacity.

FACTS

The IRS Collects Vast Amounts of Nonprofit Donor Data.

9. The administration and regulation of nonprofit organizations such as YAF is governed by the Internal Revenue Code, 26 U.S.C. § 1 *et seq*.

10. Specifically, § 501(c) provides for various organizations that are exempt from most taxation under 26 U.S.C.§ 501(a). Section 501(c)(3) governs YAF as a nonprofit corporation founded to educate and inspire young people nationwide with conservative ideas.

11. YAF is a § 501(c)(3) organization that meets the public support test of 26 U.S.C. § 170(b).

12. Under 26 U.S.C. § 6033, the Secretary of the Treasury, by and through the IRS, must collect certain information from § 501(c)(3) nonprofit organizations. 26 U.S.C. § 6033(b) ("Every organization described in section 501(c)(3) which is subject to the requirements of subsection (a)

shall furnish annually information, at such time and in such manner as the Secretary may by forms or regulations prescribe…").

13. This includes "the total of the contributions and gifts received by it during the year, and the names and addresses of all substantial contributors." 26 U.S.C. § 6033(b)(5).

14. Implementing this statutory requirement, the IRS mandates that nonprofit organizations like YAF file Form 990. *See* 26 C.F.R. § 1.6033-2(a)(1) ("every organization exempt from taxation under section 501(a) shall file an annual information return specifically setting forth its items of gross income, gross receipts and disbursements, and such other information as may be prescribed in the instructions"); 26 C.F.R. § 1.6033-2(a)(2)(i) ("Except as otherwise provided in this paragraph and paragraph (g) of this section, every organization exempt from taxation under section 501(a), and required to file a return under section 6033 and this section… shall file its annual return on Form 990.").

15. Form 990 discloses a variety of organizational information and financial information. 26 C.F.R. § 1.6033-2(a)(2)(ii) (listing everything from the names and addresses of officers, directors, or trustees to audited financial statements to compensation for key personnel); IRS "Returns of Organization Exempt from Income Tax." IRS, About Form 990, Return of Organization Exempt from Income Tax, https://www.irs.gov/pub/irs-pdf/f990.pdf (detailing various schedules for further disclosures).

16. Form 990 Schedule B is the "Schedule of Contributors" that is mandated by 26 U.S.C. § 6033(b) and regulated by 26 C.F.R. § 1.6033-2(a)(2)(ii)(F) (mandating the disclosure of "[t]he total of the contributions, gifts, grants, and similar amounts received by it during the taxable year, and, in the case of an organization described in section 501(c)(3), the names and addresses of all persons that contributed, bequeathed, or devised $5,000 or more (in money or other property)

during the taxable year."); IRS, "Schedule B (Form 990, 990-EZ, 990-PF), Schedule of Contributors," https://www.irs.gov/pub/irs-pdf/f990ezb.pdf.

17. For a public charity, which is "[a]n organization described in section 501(c)(3) which meets the 33 ⅓ percent-of-support test of the regulations under section 170(b)(1)(A)(vi)," the IRS requires "the name and address of a person who contributed, bequeathed, or devised $5,000 or more during the year only if his amount is in excess of 2 percent of the total contributions, bequests and devises received by the organization during the year." 26 C.F.R. § 1.6033-2(a)(2)(iii)(A). The "$5,000 or 2%" rule calculations are based on the aggregated gifts of any one person in a tax year. *See* 26 C.F.R. § 1.6033-2(a)(2)(iii)(C).

18. A "substantial contributor" is defined by cross-reference to 26 U.S.C. § 507(d)(2), which defines the term also for private foundations. 26 C.F.R. § 1.6033-2(a)(2)(iii)(F) (requiring disclosure of "the names and addresses of all persons who became substantial contributors (as defined in section 507(d)(2)) during the taxable year"). Under 26 U.S.C. § 507(d)(2)(A), a "substantial contributor" "means any person who contributed or bequeathed an aggregate amount of more than $5,000 to the private foundation, if such amount is more than 2 percent of the total contributions and bequests received by the foundation before the close of the taxable year of the foundation in which the contribution or bequest is received by the foundation from such person."

19. On information and belief, the IRS does not even use the donor information in Schedule B for routine enforcement of the tax laws. In 2020, the IRS promulgated a rule to exempt most 501(c) organizations from Schedule B disclosure. *See* IRS, Guidance Under Section 6033 Regarding the Reporting Requirements of Exempt Organizations, 85 Fed. Reg. 31959 (May 28, 2020). The 2020 regulation's preamble stated that "for the specific purpose of evaluating possible private benefit or inurement or other potential issues relating to qualification for exemption, the IRS can obtain

sufficient information from other elements of the Form 990 or Form 990-EZ and can obtain the names and addresses of substantial contributors along with other information, upon examination *as needed*." *Id.* at 31963 (emphasis added). The IRS also recognized that warehousing this information "poses a risk of inadvertent disclosure of information not open to public inspection," and that the "IRS has experienced incidents of inadvertent disclosure" in the past. *Id*.

20. On information and belief, the IRS still does not routinely use information on Schedule B. Last year, less than 9 percent of Form 990 returns (not counting private foundations) were examined by IRS personnel. *See* IRS, DATA BOOK, 2025 Pub. No. 55-B at 53, table 3-5 (May 2025) https://www.irs.gov/pub/irs-pdf/p55b.pdf (comparing the total returns of tax-exempt organization, employee retirement plan, government entity, tax-exempt bond returns, and related taxable returns examined, 7,914, with total examinations of Forms 990, 990–EZ, and 990–N, 889). And in 2024, less than 10 percent of Form 990 returns (not counting private foundations) were examined by IRS personnel. *See* IRS, DATA BOOK, 2024 Pub. No. 55-B at 53, table 21 (May 2025) https://www.irs.gov/pub/irs-prior/p55b--052025.pdf (comparing the total returns of tax-exempt organization, employee retirement plan, government entity, tax-exempt bond returns, and related taxable returns examined, 7,013, with total examinations of Forms 990, 990–EZ, and 990–N, 666).

21. On information and belief, Form 990 Schedule B-based information is not a priority for civil litigation by the government. In its 2024 report to Congress, the Taxpayer Advocate identified just "nine opinions in business cases issued during the reporting period on the deductibility of charitable contributions." NAT'L TAXPAYER ADVOCATE, ANNUAL REPORT TO CONGRESS 2024 at 157 (Dec. 31, 2024) https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_FullReport.pdf. And of these, most cases "arose due to the increased IRS focus on curtailing abuse in the syndicated conservation easement arena" regarding the value of land donations for

environmental purposes, *id*., not cash or cash-equivalent donations on Schedule B for public charities like YAF. For 2025, the National Taxpayer Advocate aggregated all charitable contribution issues with conservation easement cases, not applicable to a nonprofit like YAF. *See*, *e.g.*, NAT'L TAXPAYER ADVOCATE, ANNUAL REPORT TO CONGRESS 2025 at 151 (Jan. 28, 2026) https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2026/01/ARC_Publication-2104_2025_Web.pdf (defining its data tracking for charitable contributions to be defined as "Disputes in this issue category typically revolve around the valuation of non-cash donations (especially complex conservation easements) under IRC § 170, related substantiation requirements (contemporaneous written acknowledgments), and related percentage limitations based on AGI."); *id*. at 134 (identifying 12 cases in U.S. Tax Court); *id*. at 138 (identifying 2 cases in the court of appeals).

Nonprofits Face Penalties for Failure to Supply Form 990 Schedule B.

22. Disclosure of the nonprofit's donor list is not optional. *See* 26 C.F.R. § 1.6033-2(f) ("For penalties and additions to tax for failure to file a return and filing a false or fraudulent return, see sections 6652, 7203, 7206, and 7207.").

23. The IRS may seek civil penalties for failing to include complete and correct information on a nonprofit organization's Form 990, including the donor list on Schedule B. *See*, *e.g.*, 26 U.S.C. § 6652(c)(1). Currently, those penalties are $66,500 to the organization. *See* 26 U.S.C. § 6652(c)(1)(A) (setting initial penalties); 26 U.S.C. § 6652(c)(7) (providing for adjustment for inflation); IRS, Rev. Proc. 2025-32, 2025-45 I.R.B. 695 (2025) (table of current penalties).

24. Managers of a nonprofit organization are also liable, up to $6,500 from them personally. *See* 26 U.S.C. § 6652(c)(1)(B)(ii) (setting initial penalties); 26 U.S.C. § 6652(c)(7) (providing for adjustment for inflation); IRS, Rev. Proc. 2025-32, 2025-45 I.R.B. 695 (2025) (table of current penalties).

25. Criminal penalties attach too. Anyone who willfully fails to supply the IRS with the information it wants faces "in addition to other penalties provided by law, be[ing found] guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $25,000 ($100,000 in the case of a corporation), or imprisoned not more than 1 year, or both, together with the costs of prosecution." 26 U.S.C. § 7203.

26. Falsifying or destroying needed tax records is "a felony" subject to a fine of "not more than $100,000 ($500,000 in the case of a corporation), or imprison[ment] not more than 3 years, or both, together with the costs of prosecution." 26 U.S.C. § 7206; *see also* 26 U.S.C. § 7207 (penalizing the submission of "any list, return, account, statement, or other document, known by him to be fraudulent or to be false as to any material matter" to be "fined not more than $10,000 ($50,000 in the case of a corporation), or imprisoned not more than 1 year, or both").

The IRS Fails to Secure this Donor Data, Including YAF's Data.

27. Form 990 is available from the IRS for public inspection. 26 U.S.C. § 6104(d)(1). But the donor list—the names and addresses of the substantial contributors—is to be redacted and kept confidential. *See* 26 U.S.C. § 6104(d)(3)(A) ("In the case of an organization which is not a private foundation… or a political organization… paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization.").

28. But the IRS cannot secure the data. *See*, *e.g.*, Government Accountability Office, "Information Technology, IRS Needs to Address Operational Challenges and Opportunities to Improve Management," GAO-21-178T at 6-7 (Oct. 7, 2020) https://www.gao.gov/assets/gao-21-178t.pdf.

29. On September 26, 2025, the Government Accountability Office ("GAO") faulted the IRS for failing to fully comply with the government's own recommendations to better secure taxpayer

data. GAO, "Priority Open Recommendations: Internal Revenue Service," GAO-25-108066 at 2 (Sept. 26, 2025) https://www.gao.gov/products/gao-25-108066.

30. Charles Littlejohn, an IRS contractor, accessed and stole tax returns and return information of President of the United States and information from conservative entities and individuals. Ali Sullivan, "IRS Worker Gets 5 Years For Airing Tax Info On Trump, Others" Law360 Tax Authority (Jan. 29, 2024) https://www.cnn.com/2015/05/27/politics/irs-cyber-breach-russia/index.html.

31. Between August and October 2019, Littlejohn disclosed the President's tax return information to *The New York Times*. Treas. Inspector Gen. for Tax Admin ("TIGTA"), THOUSANDS OF NOTIFICATIONS TO TAXPAYERS AFFECTED BY THE LARGE-SCALE DATA BREACH WERE RETURNED UNDELIVERABLE, No. 2025-IE-R019 (May 27, 2025) https://www.tigta.gov/sites/default/files/reports/2025-08/2025ier019fr.pdf. TIGTA's Office of Investigations also reported that, "in July and August 2020, Littlejohn separately stole tax returns and return information associated with thousands of the nation's wealthiest individuals." TIGTA, LARGE-SCALE DATA BREACH at 1. By Littlejohn's own statements, was that this was an ideological task, saying he "acted out of a sincere, if misguided, belief I was serving the public interest." Nat'l Public Radio ("NPR"), "Ex-IRS contractor sentenced to 5 years in prison for leaking Trump's tax records," (Jan. 30, 2024) https://www.npr.org/2024/01/30/1227826718/ex-irs-contractor-sentenced-to-5-years-in-prison-for-leaking-trumps-tax-records.

32. YAF was one of the entities affected by Littlejohn's disclosures. YAF was initially notified by the IRS via letter dated December 16, 2024. *See* Exhibit A.

33. YAF was subsequently informed of further information disclosed by Littlejohn via letter dated October 21, 2025. *See* Exhibit B.

34. On information and belief, YAF believes that more of its private information was taken by Littlejohn and leaked to third parties, including donor information. *See*, *e.g.*, TIGTA, LARGE-SCALE DATA BREACH at 2–3 (noting "thousands of taxpayers did not receive the initial letters that the IRS mailed" to inform them of their data may be leaked as part of the breach).

35. YAF's situation is substantially similar to the harm realized by President Trump himself, whose information was also leaked by Littlejohn and disseminated publicly. The President recently filed a lawsuit in his personal capacity against the IRS over the disclosure of his tax return information. *See*, *e.g.*, Emma Bussey and Brooke Singman, *Trump files $10B lawsuit against IRS over alleged tax return leaks to major news outlets*, Fox News (Jan. 29, 2026) https://www.foxnews.com/politics/rump-files-10b-lawsuit-against-irs-over-alleged-tax-return-leaks-major-news-outlets.

36. Specifically, the President alleges that the IRS is at fault for failure to properly supervise Charles Littlejohn and the government is therefore responsible and liable for his actions. *See*, *e.g.*, Complaint ¶46, *Trump v. Int. Rev. Serv.* No. 1:26-cv-20609 (So. D. Fla, Miami Div., Jan. 29, 2026) ("Notwithstanding all of these data security failures, the IRS put, and continued to put long after this breach, Plaintiffs' and other United States taxpayers' confidential tax return information at risk.")

YAF's First Amendment Rights are Chilled.

37. YAF relies on financial and other support from individuals, corporations, and foundations that share its ideological views. YAF has helped thousands of students protect their First Amendment rights on campus through education, activism, and legal initiatives across the country. Without YAF, many conservative voices would have been banished from the marketplace of ideas

to the detriment of American students who should be seeking to challenge and broaden their perspectives.

38. Given the "hot button" nature of YAF's activities, many members and supporters of YAF prefer anonymity. For example, supporters sometimes call the office and ask to be removed from YAF's mailing list because they do not want to be "outed" as receiving mail from YAF. Student chapter members similarly sometimes do not want their roommates to know they associate with YAF's ideas lest they face retribution and harassment even when not in a public setting. YAF, its members, and its supporters, therefore guard their First Amendment freedom to associate privately.

39. The IRS has been unable to adequately safeguard YAF's donor list and, on information and belief, YAF faces the possibility of loss of funding and membership lest the next Littlejohn-type leak expose them to ideological foes.

CLAIM FOR RELIEF

Count One:
Declaratory and Injunctive Relief
Right of Association and Assembly (U.S. CONST. amend. I)

40. Plaintiff realleges and incorporates by reference paragraphs 1 through 39.

41. Under the First Amendment, all Americans have the right "to pursue their lawful private interests privately and to associate freely with others in so doing." *NAACP v. Ala. ex rel. Patterson*, 357 U.S. 449, 466 (1958). This "basic constitutional protection[]," *Kusper v. Pontikes*, 414 U.S. 51, 57 (1973), "'lies at the foundation of a free society,'" *Buckley v. Valeo*, 424 U.S. 1, 25 (1976) (per curiam) (quoting *Shelton v. Tucker*, 364 U.S. 479, 486 (1960)).

42. Therefore, to protect these rights, under *Americans for Prosperity Foundation v. Bonta*, 594 U.S. 595, 607 (2021) ("*AFPF*") and other cases, any government demand for membership or donor lists must survive the First Amendment's exacting scrutiny.

43. The exacting scrutiny "requires that there be a substantial relation between the disclosure requirement and a sufficiently important governmental interest" and that "the disclosure requirement be narrowly tailored to the interest it promotes." *Id*. at 611 (citations omitted).

44. Irresponsible disclosure of donor information to the broader public can also weigh in favor of finding a violation of an organization's right to privately associate. *See*, *e.g.*, *id*. at 604 (California disclosing Schedule Bs on public website).

45. Under 26 U.S.C. § 6033(b)(5), Defendants unconstitutionally deprive YAF, its members, and its supporters the right to freely associate and assemble privately—as protected by the First Amendment and articulated in Supreme Court precedent.

46. Defendants' donor disclosure demand is not substantially related to any sufficiently important government interest. While demanding universal donor disclosure, the IRS does not examine the vast majority of nonprofit returns nor does it litigate enforcement of violations of the charitable giving rules such that universal donor disclosure is warranted. *See AFPF*, 594 U.S. at 614 (criticizing California for demanding thousands of Schedule B lists but using very few in investigations or litigation).

47. Defendants' donor disclosure demand is not narrowly tailored to the interest it promotes. The information needed to enforce the nonprofit organization tax laws and regulations are readily available via other, more narrowly tailored alternatives to universal, up-front donor disclosure. *See id*. at 613 (the government "is not free to enforce *any* disclosure regime that furthers its interests. It must instead demonstrate its need for universal production in light of any less intrusive alternatives.") (emphasis in original).

48. Compelled donor disclosure under 26 U.S.C. § 6033(b)(5) and related Treasury Regulations do not survive exacting scrutiny facially.

49. Furthermore, the compelled disclosure and subsequent leak of YAF's tax information has injured YAF, its members, and its contributors the right to associate and assemble privately. On information and belief, Defendants have never used the donor data disclosed pursuant to 26 U.S.C. § 6033(b)(5) to review or enforce any tax law against the activities of YAF. *See AFPF*, 594 U.S. at 614 ("California does not rely on Schedule Bs to initiate investigations, and in all events, there are multiple alternative mechanisms through which the Attorney General can obtain Schedule B information after initiating an investigation."). But YAF's information has been publicly disclosed. *See id*. at 604 (California disclosing Schedule Bs on public website).

50. Compelled disclosure under 26 U.S.C. § 6033(b)(5) and related Treasury Regulations do not survive exacting scrutiny as applied to YAF.

51. YAF is entitled to declaratory judgment and injunctive relief prohibiting Defendants from collecting the names and addresses of its contributors under 26 U.S.C. § 6033(b)(5) and related Treasury Regulations.

PRAYERS FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and:

A. Declare that 26 U.S.C. § 6033(b)(5), 26 C.F.R. § 1.6033-2(a)(2)(ii)(F), and related Treasury Regulations' donor disclosure requirements facially violates the First Amendment.

B. Declare that 26 U.S.C. § 6033(b)(5), 26 C.F.R. § 1.6033-2(a)(2)(ii)(F), and related Treasury Regulations' donor disclosure requirements violates the First Amendment as applied to YAF and its donors.

C. Consistent with the declarations, issue injunctive relief against Defendants barring the government from compelling YAF to disclose contributor names and address under 26 U.S.C. § 6033(b)(5), 26 C.F.R. § 1.6033-2(a)(2)(ii)(F), and the related Treasury Regulations.

D. Award YAF nominal damages in the amount of $1 for the violation of its Constitutional rights.

E. Award YAF its costs and attorneys' fees pursuant to the Equal Access to Justice Act (28 U.S.C. § 2412), or any other applicable statute or authority.

F. Any other relief this Court may grant in its discretion.

Respectfully submitted,

s/ Tyler Martinez
Tyler Martinez (Atty. No. 1022937)
Joseph Henchman (Atty. No. 985625)
NATIONAL TAXPAYERS UNION FOUNDATION
122 C Street N.W., Suite 700
Washington, D.C. 20001
Telephone: (703) 683-5700
tmartinez@ntu.org
jbh@ntu.org

Counsel for Plaintiff

Dated: July 13, 2026

VERIFICATION

COMMONWEALTH OF VIRGINIA)
) ss.
COUNTY OF FAIRFAX)

I, Paul Matthews, declare as follows:

1. I am the Chief Financial Officer of the Plaintiff in this case, Young America's Foundation, Inc., and have personal knowledge of the company's operations and finances, including the details set forth in the foregoing Verified Complaint, which I have reviewed, and I could competently testify as to those matters.

2. I declare under penalty of perjury that the allegations in the foregoing Verified Complaint are true and correct to the best of my knowledge, except as to matters stated to be on information and belief, and as to such matters I certify that I verily believe the same to be true.

Paul B. Matthews
____

Subscribed and sworn before me this 9th day of this July, 2026.

Clare Hinshaw
____

Notary Public

My Commission Expires: 11/30/2029

CLARE CATHERINE HINSHAW
NOTARY PUBLIC
REG # 7760632
MY COMMISSION EXPIRES 11/30/2029
COMMONWEALTH OF VIRGINIA