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Has Congress or the federal government ever probed a nonprofit trade group as they are currently probing other kinds of nonprofits? Doesn't Congress have an oversight motive for probing nonprofits that may be subverting the free market during an affordable housing crisis, particularly when a nonprofit has tax exempt status?

Yes, Congress and federal agencies have a long history of investigating nonprofit organizations, including trade associations, with increased intensity recently. While current probes frequently focus on 501(c)(3) and 501(c)(4) groups regarding political, social, or environmental activities, trade groups (often 501(c)(6)) have been scrutinized for using their tax-exempt status to influence policy, engage in lobbying, or affect market conditions. Congressional Oversight and Investigations of Nonprofits Congress maintains that it has a clear oversight motive to investigate any tax-exempt organization, especially if it is believed that the group is: Subverting the Free Market/Collusion: In the 118th Congress (2023-2024), there were investigations into alliances of organizations for alleged collusion in promoting environmental, social, and governance (ESG) goals, which critics argued

distorted market mechanisms. Abusing Tax-Exempt Status: The House Ways and Means Committee has investigated the rise of "dark money" in 501(c)(3) and 501(c)(4) organizations. Misusing Federal Funds: Investigations have targeted nonprofits suspected of violating laws on foreign influence, national security, and misrepresenting capacity for government-supported projects. Inflating Housing Costs: While not always labeled "trade groups," housing nonprofits and developers have faced scrutiny for questionable spending of government funds, which can impact the availability of affordable housing. Specific Probes and Historical Context Trade Associations (501(c)(6)): Reports have highlighted how trade associations use their tax-exempt status to shield large lobbying expenditures, effectively acting as "slush funds" to influence policy. Immigrant NGOs (2025): House Republicans launched a massive investigation in June 2025 into over 200 non-governmental organizations (NGOs) to determine if they used taxpayer dollars to facilitate illegal activity at the border. "Dark Money" & Political Activity (2023-2024): The House Ways and Means Committee targeted nonprofits, including 501(c)(3) and 501(c)(4)s, for alleged improper use of charitable funds for political activity. Historical Examples: Investigations into tax-exempt foundations date back to 1953, when a select committee investigated whether prominent foundations were using resources for "subversive" activities. Current Trends in Non-Profit Probes (2025-2026) Since January 2025, there have been at least 32 major investigations targeting nonprofits, focusing on universities, environmental groups, and organizations supporting Palestinian rights. The legal bases for these inquiries often center on: Anti-discrimination laws (e.g., handling of antisemitism). Anti-terrorism and national security laws. Abuse of power and fraud. These investigations are supported by legislative actions, such as a 2024 House-passed bill that would allow the Treasury Department to revoke the tax-exempt status of any nonprofit deemed to be supporting terrorism."

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Congress has a long history of investigating nonprofit organizations, often using its oversight authority to scrutinize groups that may be perceived as subverting public interests or engaging in activities that conflict with their tax-

exempt status. Notable examples include the House Un-American Activities Committee's investigation of the ACLU in 1938 and the 1953 inquiry into tax-exempt foundations for allegedly supporting "un-American" activities.

#### ICNL The International Center for Not-for-Profit Law Current Investigations

As of the 2023-

2024 congressional session, there have been numerous investigations targeting nonprofits, with at least 43 separate inquiries reported. These investigations often focus on the activities of nonprofits that may be seen as politically motivated or misusing their tax-exempt status. The scrutiny has intensified in recent years, particularly regarding nonprofits involved in civic engagement and election administration, with allegations that some organizations have crossed the line into political activities.

#### ICNL The International Center for Not-for-Profit Law+2 Oversight Motives

Congress's oversight motives can be multifaceted. On one hand, there is a legitimate legislative purpose to ensure that nonprofits operate within the bounds of their tax-exempt status and do not engage in activities that could undermine the free market or public welfare, especially during crises like the affordable housing situation. On the other hand, there are concerns that investigations may be politically motivated, targeting organizations that hold differing views from those in power.

#### Protect Democracy+1 Implications for Nonprofits

Investigations can have significant implications for nonprofits, including resource drain, reputational damage, and potential referrals for further investigation by other federal entities like the IRS or the Justice Department. Nonprofits are expected to comply with federal laws and regulations, and failure to do so can result in civil or criminal penalties.

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In summary, while Congress does have oversight motives for probing nonprofits, particularly in the context of economic crises, the nature and intent of these investigations can vary, raising questions about political bias and the impact on civil society.

1. MHPProNews previously reported on specific concerns with respect to the Manufactured Housing Institute (MHI) and possible violations of its nonprofit status.

<https://www.manufacturedhomepronews.com/irs-complaint-subject-request-for-investigation-of-manufactured-housing-institute-mhi-is-accountability-ahead-for-mhi-leaders-accused-of-perjury-institutional-fiduciary-failures-mhville-fea/>  
<https://www.manufacturedhomepronews.com/management-by-objective-mbo-lens-road->

[to-housing-act-nahb-nar-plus-recent-manufactured-housing-institute-mhi-irs-form-990-v-mharr-when-inaction-or-distraction-speaks-loudly-mhville-fea/](#)

1. Recent reports and the interview linked below are potentially reasons for added scrutiny.

<https://manufacturedhousingassociationregulatoryreform.org/mharr-interview-with-mhprnews-exposes-continuing-manufactured-housing-industry-failures-in-post-production-sector-what-mark-weiss-said-about-mhi-and-pending-federal-legislation/>  
<https://www.manufacturedhomeprnews.com/whistleblower-tips-lesli-gooch-hard-hits-on-manufactured-housing-institute-torpedoing-and-3-cs-decision-makers-mhi-accused-of-deliberately-blocking-industry-growth-efforts-mhville-fea/>  
<https://www.manufacturedhomeprnews.com/5-checkmate-questions-manufactured-housing-institute-mhi-linked-tipster-shares-unique-insider-insights-with-mhprnews-post-louisville-manufactured-housing-show-exclusive-mhville-fea/>  
<https://www.manufacturedhomelivingnews.com/when-manufactured-housing-institute-ceo-lesli-gooch-publicly-opposed-resident-owned-communities-as-risky-scheme-in-right-of-first-refusal-legislation-part-of-claimed-monopolization-scheme-fea/> 5)

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## Facts

- **Congress is actively investigating nonprofits.**  
The International Center for Not-for-Profit Law (ICNL) tracks congressional investigations into nonprofits and reports **134 investigations** in its live tracker, with at least **43 investigations in 2023–2024** and **\*\*32** more already in the current Congress (2025–2026).
- **These probes explicitly include trade associations and policy-influencing nonprofits.**  
ICNL's analysis notes that investigations have targeted nonprofits over tax-exempt

abuse, foreign influence, national security, and misuse of funds—often where organizations are shaping policy or markets under the cover of tax exemption.

- **Nonprofit law and democracy advocates are warning their own sector.**  
Protect Democracy’s primer explains that Congress has “broad authority” to investigate nonprofits and that such inquiries are increasingly aimed at civil society actors, including nonprofits engaged in advocacy and policy work.
- **Sector media is signaling that congressional scrutiny is expanding.**  
The Chronicle of Philanthropy and allied commentary emphasize that committees like **House Ways and Means, House Oversight, House Judiciary, and Senate Finance** are especially likely to investigate nonprofits, including over tax-exempt status, political activity, and financial practices.
- **There is a specific, documented pattern of concern about nonprofits distorting markets.**  
ICNL’s analysis and related coverage describe investigations into alliances of organizations accused of collusion in ESG and other policy arenas, where critics say nonprofits are **subverting market mechanisms** while enjoying tax benefits.

On top of that general landscape, your prior MHPronews reporting has already:

- Filed or referenced **IRS-related complaints and investigative requests** involving the Manufactured Housing Institute (MHI) and its Form 990 behavior.
- <https://www.manufacturedhomepronews.com/irs-complaint-subject-request-for-investigation-of-manufactured-housing-institute-mhi-is-accountability-ahead-for-mhi-leaders-accused-of-perjury-institutional-fiduciary-failures-mhville-fea/>
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And you’ve documented **substantive allegations** that MHI:

- Is **failing or refusing** to press for full enforcement of existing federal laws (e.g., MHIA 2000, DTS) in ways that arguably benefit consolidators and harm affordable housing outcomes.
- Has been accused by insiders and MHARR of **deliberately blocking or slow-walking** industry growth and reforms.
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[post-production-sector-what-mark-weiss-said-about-mhi-and-pending-federal-legislation/](#)

- <https://www.manufacturedhomeprnews.com/whistleblower-tips-lesli-gooch-hard-hits-on-manufactured-housing-institute-torpedoing-and-3-cs-decision-makers-mhi-accused-of-deliberately-blocking-industry-growth-efforts-mhville-fea/>
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## Evidence

### 1. ICNL and sector-wide tracking of investigations

- ICNL’s **Congressional Investigations Tracker** explicitly follows “select investigations impacting nonprofit organizations since 2023,” confirming that Congress is already deeply engaged in oversight of nonprofits across ideological and functional lines.
- ICNL’s June 2025 analysis notes **dozens of investigations** in just two Congresses, with targets ranging from universities to advocacy groups and NGOs, often tied to questions of tax-exempt abuse, political activity, and national security.

### 2. Protect Democracy and best practices for nonprofits under investigation

- Protect Democracy’s primer underscores that **Congress’ authority to investigate nonprofits is broad**, and that committees are increasingly using that power against civil society organizations. It also stresses that investigations can be highly disruptive and politically charged.

### 3. The nonprofit sector’s own alarm bells

- Sector commentary (e.g., Alliance for Justice and others) describes nonprofits as “under siege,” with congressional investigations and funding threats prompting organizations to “shore up their defenses” and prepare for scrutiny.

### 4. The manufactured housing context and MHI

- Your prior FEA-style reports have already assembled:
- **IRS complaint materials** and Form 990 comparisons between MHI and MHARR.
- **Whistleblower testimony** alleging that MHI leadership is effectively aiding consolidation and suppressing robust enforcement of pro-competition, pro-consumer laws.
- **Documented public statements** by MHI’s CEO Lesli Gooch that appear to undermine resident-owned communities and other models that could threaten consolidator interests.

Taken together, those reports provide a **fact pattern** that aligns with several of the very triggers ICNL and others say are drawing congressional attention to nonprofits:

- Possible **abuse or distortion of tax-exempt status**.
- Potential **market manipulation or collusion** under the cover of a trade association.
- **Harm to public policy goals**, in this case, the availability of affordable housing.

Analysis

### 1. Has Congress or the federal government probed trade groups like MHI before?

Yes—in principle and in practice.

- Trade associations and 501(c)(6) groups have been scrutinized for using tax-exempt status to **shield lobbying and policy influence**, sometimes described as “slush funds” for corporate interests.
- Historically, Congress has investigated tax-exempt entities when there are allegations of:
- Subversion of public policy goals.
- Collusion or market distortion.
- Misuse of tax-exempt status for political or economic advantage.

So the **category** MHI sits in—trade association, policy-influencing, tax-exempt, operating in a crisis sector (affordable housing)—is squarely within the zone of organizations that Congress has already shown willingness to probe.

### 2. Does Congress have an oversight motive in a case like MHI’s?

On the face of it, yes.

- **Affordable housing is a declared national crisis.** When a trade association in that space is credibly accused of **blocking or distorting** the implementation of laws designed to expand affordable housing, that creates a textbook oversight rationale.
- If a tax-exempt trade group is alleged to be:
- **Aiding consolidation** at the expense of consumers and smaller competitors,
- **Failing its stated mission** while benefiting a narrow set of dominant members,
- Or **misrepresenting its advocacy** to policymakers and the public, then Congress and the IRS both have legitimate reasons to ask whether the organization is operating within the bounds of its tax-exempt purpose.

### 3. How do your prior reports fit into that oversight framework?

Your MHProNews/MHLivingNews work has already:

- **Documented specific behaviors** (e.g., failure to press for full enforcement of MHIA 2000 and DTS, opposition to resident-owned communities, legislative positioning that favors consolidators).
- **Raised formal questions** about MHI's Form 990 filings and whether its activities align with its exempt purpose.
- **Captured insider and whistleblower testimony** that alleges intentional market manipulation and strategic inaction.

From an oversight perspective, that body of work functions like a **dossier**: it doesn't prove guilt, but it lays out **probable cause for inquiry**.

### 4. Why might MHI be a logical next target in the current climate?

Given:

- The **scale and visibility** of the affordable housing crisis.
- The **documented underperformance** of manufactured housing relative to its legal potential.
- The **pattern of investigations** into nonprofits accused of distorting markets or misusing tax-exempt status.

MHI fits several risk markers:

- **Sectoral leverage:** It sits at the nexus of federal housing policy, finance, and zoning.



- **Market impact:** Its actions (or inactions) can materially affect production, competition, and consumer outcomes.
- **Tax-exempt shield:** It operates as a nonprofit while representing powerful corporate interests.

That combination makes it **plausible and rational** for Congress—or the IRS—to eventually ask whether MHI is:

- Advancing its stated mission, or
- Functioning as a vehicle for **market manipulation and consolidation** under a nonprofit label.

“Land the Plane” Summary for Your #5 Headline

**Working title:**

“Congress has Been Investigating Nonprofits. Will Manufactured Housing Institute (MHI) be Probed for Market Manipulation Violating Antitrust–Nonprofit Status–Harming Affordable Housing? FEA”

**Landing the plane:**

Congress is already investigating dozens of nonprofits—universities, advocacy groups, NGOs, and trade-linked entities—for alleged abuses of tax-exempt status, political activity, and market distortion. In that environment, a powerful 501(c)(6) trade association like the Manufactured Housing Institute—operating in the heart of an affordable housing crisis, while facing documented allegations of aiding consolidation, undermining resident-friendly models, and failing to press for full enforcement of pro-consumer federal laws—fits squarely within the profile of organizations that merit congressional and IRS scrutiny. Your prior FEA reports, whistleblower accounts, and Form 990 analyses don’t just raise abstract concerns; they collectively form a fact pattern that any serious oversight body could treat as a roadmap for a formal inquiry into whether MHI’s conduct is consistent with its tax-exempt status—or whether it has become a nonprofit shield for market manipulation that harms both competition and the very households federal housing policy is supposed to protect.

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**Abusing Tax-Exempt Status:** The House Ways and Means Committee has investigated the rise of "dark money" in 501(c)③ and 501(c)④ organizations.

**Misusing Federal Funds:** Investigations have targeted nonprofits suspected of violating laws on foreign influence, national security, and misrepresenting capacity for government-supported projects. Inflating

**Housing Costs:** While not always labeled "trade groups," housing nonprofits and developers have faced scrutiny for questionable spending of government funds, which can impact the availability of affordable housing. **Specific Probes and Historical Context** **Trade Associations (501(c) ⑥):** Reports have highlighted how trade associations use their tax-exempt status to shield large lobbying expenditures, effectively acting as "slush funds" to influence policy. **Immigrant NGOs (2025):** House Republicans launched a massive investigation in June 2025 into over 200 non-governmental organizations (NGOs) to determine if they used taxpayer dollars to facilitate illegal activity at the border. **"Dark Money" & Political Activity (2023-2024):** The House Ways and Means Committee targeted nonprofits, including 501(c)③ and 501(c)④s, for alleged improper use of charitable funds for political activity. **Historical Examples: Investigations into tax-exempt foundations** date back to 1953, when a select committee investigated whether prominent foundations were using resources for "subversive" activities. **Current Trends in Non-Profit Probes (2025-2026)** Since January 2025, there have been at least 32 major investigations targeting nonprofits, focusing on universities, environmental groups, and organizations supporting Palestinian rights. The legal bases for these inquiries often center on: Anti-discrimination laws (e.g., handling of antisemitism). Anti-terrorism and national security laws. Abuse of power and fraud. These investigations are supported by legislative actions, such as a 2024 House-passed bill that would allow the Treasury Department to revoke the tax-exempt status of any nonprofit deemed to be supporting



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ICNL's analysis notes that investigations have targeted nonprofits over tax-exempt abuse, foreign influence, national security, and misuse of funds—often where organizations are shaping policy or markets under the cover of tax exemption. <sup>2</sup>

- **Nonprofit law and democracy advocates are warning their own sector.**

Protect Democracy's primer explains that Congress has "broad authority" to investigate nonprofits and that such inquiries are increasingly aimed at civil society actors, including nonprofits engaged in advocacy and policy work. <sup>3</sup>

- **Sector media is signaling that congressional scrutiny is expanding.**

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- **There is a specific, documented pattern of concern about nonprofits distorting markets.**

ICNL's analysis and related coverage describe investigations into alliances of organizations accused of collusion in ESG and other policy arenas, where critics say nonprofits are **subverting market mechanisms** while enjoying tax benefits. <sup>2</sup>

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## Evidence

## 1. ICNL and sector-wide tracking of investigations

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- ICNL's June 2025 analysis notes **dozens of investigations** in just two Congresses, with targets ranging from universities to advocacy groups and NGOs, often tied to questions of tax-exempt abuse, political activity, and national security. <sup>2</sup>

## 2. Protect Democracy and best practices for nonprofits under investigation

- Protect Democracy's primer underscores that **Congress' authority to investigate nonprofits is broad**, and that committees are increasingly using that power against civil society organizations. It also stresses that investigations can be highly disruptive and politically charged. <sup>3</sup>

## 3. The nonprofit sector's own alarm bells

- Sector commentary (e.g., Alliance for Justice and others) describes nonprofits as "under siege," with congressional investigations and funding threats prompting organizations to "shore up their defenses" and prepare for scrutiny. <sup>4</sup>

## 4. The manufactured housing context and MHI

- Your prior FEA-style reports have already assembled:
  - **IRS complaint materials** and Form 990 comparisons between MHI and MHARR.
  - **Whistleblower testimony** alleging that MHI leadership is effectively aiding consolidation and suppressing robust enforcement of pro-competition, pro-consumer laws.
  - **Documented public statements** by MHI's CEO Lesli Gooch that appear to undermine resident-owned communities and other models that could threaten consolidator interests.

Taken together, those reports provide a **fact pattern** that aligns with several of the very triggers ICNL and others say are drawing congressional attention to nonprofits:

- Possible **abuse or distortion of tax-exempt status**.
- Potential **market manipulation or collusion** under the cover of a trade association.
- **Harm to public policy goals**, in this case, the availability of affordable housing.

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## Analysis

### 1. Has Congress or the federal government probed trade groups like MHI before?

Yes—in principle and in practice.

- Trade associations and 501(c)(6) groups have been scrutinized for using tax-exempt status to **shield lobbying and policy influence**, sometimes described as “slush funds” for corporate interests. <sup>2</sup>
- Historically, Congress has investigated tax-exempt entities when there are allegations of:
  - Subversion of public policy goals.
  - Collusion or market distortion.
  - Misuse of tax-exempt status for political or economic advantage.

So the **category** MHI sits in—trade association, policy-influencing, tax-exempt, operating in a crisis sector (affordable housing)—is squarely within the zone of organizations that Congress has already shown willingness to probe.

## 2. Does Congress have an oversight motive in a case like MHI’s?

On the face of it, yes.

- **Affordable housing is a declared national crisis.** When a trade association in that space is credibly accused of **blocking or distorting** the implementation of laws designed to expand affordable housing, that creates a textbook oversight rationale.
- If a tax-exempt trade group is alleged to be:
  - **Aiding consolidation** at the expense of consumers and smaller competitors,

- **Aiding consolidation** at the expense of consumers and smaller competitors,
- **Failing its stated mission** while benefiting a narrow set of dominant members,
- Or **misrepresenting its advocacy** to policymakers and the public, then Congress and the IRS both have legitimate reasons to ask whether the organization is operating within the bounds of its tax-exempt purpose.

### 3. How do your prior reports fit into that oversight framework?

Your MHProNews/MHLivingNews work has already:

- **Documented specific behaviors** (e.g., failure to press for full enforcement of MHIA 2000 and DTS, opposition to resident-owned communities, legislative positioning that favors consolidators).
- **Raised formal questions** about MHI's Form 990 filings and whether its activities align with its exempt purpose.
- **Captured insider and whistleblower testimony** that alleges intentional market manipulation and strategic inaction.

From an oversight perspective, that body of work functions like a **dossier**: it doesn't prove guilt, but it lays out **probable cause for inquiry**.

### 4. Why might MHI be a logical next target in the current climate?

Given:

- The **scale and visibility** of the affordable housing crisis.
- The **documented underperformance** of manufactured housing relative to its legal potential.
- The **pattern of investigations** into nonprofits accused of distorting markets or misusing tax-exempt status. <sup>2</sup>

MHI fits several risk markers:

- **Sectoral leverage:** It sits at the nexus of federal housing policy, finance, and zoning.
- **Market impact:** Its actions (or inactions) can materially affect production, competition, and consumer outcomes.
- **Tax-exempt shield:** It operates as a nonprofit while representing powerful corporate interests.

That combination makes it **plausible and rational** for Congress—or the IRS—to eventually ask whether MHI is:

- Advancing its stated mission, or
  - Functioning as a vehicle for **market manipulation and consolidation** under a nonprofit label.
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## **"Land the Plane" Summary for Your #5 Headline**

### **Working title:**

"Congress has Been Investigating Nonprofits. Will Manufactured Housing Institute (MHI) be Probed for Market Manipulation Violating Antitrust–Nonprofit Status–Harming Affordable Housing? FEA"

### **Landing the plane:**

Congress is already investigating dozens of nonprofits—universities, advocacy groups, NGOs, and trade-linked entities—for alleged abuses of tax-exempt status, political activity, and market distortion. <sup>1</sup> <sup>2</sup> In that environment, a powerful 501(c)(6) trade association like the Manufactured Housing Institute—operating in the heart of an affordable housing crisis, while facing documented allegations of aiding consolidation, undermining resident-friendly models, and failing to press for full enforcement of pro-consumer federal laws—fits squarely within the profile of organizations that merit congressional and IRS scrutiny. Your prior FEA reports, whistleblower accounts, and Form 990 analyses don't just raise abstract concerns; they collectively form a fact pattern that any serious oversight body could treat as a roadmap for a formal inquiry into whether MHI's conduct is consistent with its tax-exempt status—or whether it has become a nonprofit shield for market manipulation that harms both competition and the very households federal housing policy is supposed to protect.

<sup>1</sup> ICNL The International Center for Not-for-Profit Law

<sup>2</sup> ICNL The International Center for Not-for-Profit Law

<sup>3</sup> Protect Democracy

<sup>4</sup> AFJ

<https://copilot.microsoft.com/shares/YBznntKeNSxLWHgwPUyFL>