



Department of the Treasury  
Internal Revenue Service  
Tax Exempt and Government Entities  
PO Box 2508  
Cincinnati, OH 45201

FRIENDS OF FORGE FOUNDATION CORP  
777 BRICKELL AVENUE SUITE 1210  
MIAMI, FL 33131

**Date:**

March 17, 2020

**Employer ID number:**

36-4914409

**Person to contact / ID number:**

Oleg Berenson

ID# 3632629

**Contact telephone number:**

859-594-6252

**Contact fax number:**

888-981-7858

**Response due date:**

April 14, 2020

Dear Applicant:

**Why you are receiving this letter**

We need more information to consider the determination letter request you submitted on Form 1023-EZ.

**What you must do**

Please provide the information requested and follow the submission instructions. You must submit your response by the due date above.

**If you don't respond**

If you don't respond to the Information Request by the due date, or don't provide all the requested information, we may close your case without making a determination. If so, we won't refund any user fee you paid, and you'll need to submit a new request and any applicable user fee payment if you want us to reconsider your request. Alternatively, if you haven't established that you meet the requirements for exemption for the subsection requested, we may make an adverse determination.

In addition, if you don't provide the requested information by the due date, you may lose your rights to get a declaratory judgment. Under Internal Revenue Code (IRC) Section 7428(b)(2), you must exhaust all administrative remedies available to you within the IRS before a court will issue a declaratory judgment about your exempt status. This requirement means you must take all reasonable steps in a timely manner to secure a determination under IRS procedures, including providing the information we need to act on your request. If you fail to timely provide the requested information, you may lose your rights to obtain a declaratory judgment under Section 7428.

**Additional information**

If you have questions or need additional time to respond, call me at the number at the top of this letter. If you have concerns after speaking with me, you can call my supervisor Rachel Leifheit at 859-594-6341

**Letter 1312 (Rev. 4-2017)**

Catalog Number 35163W

FRIENDS OF FORGE FOUNDATION CORP  
36-4914409

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov) or call 1-877-777-4778

Sincerely,

*Oleg Berenson*

Oleg Berenson  
Exempt Organizations Specialist

Enclosure:  
Information Request

## Information Request First Request

### Information we need to make our determination

1. Include the following declaration with your response, signed and dated by an officer, director, trustee, or other governing body member (not an authorized representative). You can sign and date the statement below or reproduce it in the body of your signed response. The declaration must accompany responses per Revenue Procedure 2020-5 (updated annually).

*Under penalties of perjury, I declare that I have examined this information, including accompanying documents, and, to the best of my knowledge and belief, the information contains all the relevant facts relating to the request for the information, and such facts are true, correct, and complete.*



\_\_\_\_\_  
SIGN HERE

\_\_\_\_\_  
Date

2. Please provide a more detailed description of your past, present, and future activities. In general, you should include:

- a. What specific activities you conduct
- b. Who participates in the activities
- c. Where you conduct the activities
- d. When or how often the activities occur
- e. What fees, if any, are charged and how you determine them
- f. What percentage of your time and resources you spend on the activities

3. Your application indicates that you operate (or will operate) in a foreign country. Please provide the following:

1) Identify the specific countries (and regions within the countries) in which you operate.

2) Describe your operations in each country.

3) Please answer the following about grants you will make to organizations or individuals located in foreign countries:

- a. State the organizations to which you do (or will) distribute funds or goods, and if they have been recognized as tax-exempt by the IRS, state their exempt status.
- b. List any distributions (in funds or goods) you made to date, including the recipient, what and how much was disbursed, and how the distribution furthered your exempt purposes.
- c. Describe your process for reviewing and approving requests for funds or goods, including the pre-grant inquiries you conduct on potential grantees, and how you determine grant amounts.
- d. If you enter into a written grant agreement with grantees, submit representative copies of the grant agreements.
- e. If a grant recipient is eligible for repeated grants, explain whether they must reapply and continue to provide information regarding how funds or goods are used.
- f. Explain whether you accept donations earmarked for particular organizations or individuals.
- g. Specify how you will exercise control and responsibility over the use of any funds or goods granted to foreign organizations or individuals to ensure they are used properly (e.g., requiring grantees to

submit periodic reports, or accountings, engaging accountants to audit grantees, sending representatives or agents for field investigations, etc.).

- h. Specify to what extent, if any, you share board members or other key personnel with recipient organizations.

Please answer the following in regard to **Office of Foreign Assets Control (OFAC)** compliance:

- a. When you conduct activities in foreign countries, will you check the OFAC List of Specially Designated Nationals and Blocked Persons for names of individuals and entities with whom you are dealing to determine if they are included on the list?
- b. What other practices will you engage in to ensure that foreign expenditures or grants are not diverted to support terrorism or other non-charitable activities?
- c. Will you comply with all United States statutes, executive orders, and regulations that restrict or prohibit U.S. persons from engaging in transactions and dealings with designated countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by OFAC?
- d. Will you acquire from OFAC the appropriate license and registration where necessary?

**How to submit the requested information (do's and don'ts)**

- **Don't include** any personal identifying information like bank account or social security numbers that could result in identity theft or other adverse consequences if publicly disclosed. If we approve your application for exemption, we're generally required by law to make the application and the information you submit in response to this letter available for public inspection. If you have questions about the public inspection of your request or other documents, please call me.
- **Do include** the following declaration with your response, signed by one of your principal officers or directors:

**Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or modification contains all the relevant facts relating to the request, and such facts are true, correct, and complete.**

- **Do attach** a copy of the cover letter to your response. This enables us to quickly and accurately associate your response with your case file.
- **Do fax or mail** your response to:

**Fax:**  
888-981-7858  
ATT: Oleg Berenson  
Room 6403  
Group 7838

**US Mail:**  
Internal Revenue Service  
Exempt Organizations  
PO. Box 2508  
Cincinnati, OH 45201  
ATT: Oleg Berenson

**Street Address (delivery service):**  
Internal Revenue Service  
Exempt Organizations  
550 Main Street, Federal Building  
Cincinnati, OH 45202  
ATT: Oleg Berenson

Room 6403  
Group 7838

Room 6403  
Group 7838

- **Don't provide** multiple copies of your response. Providing more than a single response may result in unnecessary delays in processing your response. We must process, assign, and review each piece of correspondence submitted (whether fax or mail).
- **Do allow** adequate processing time if you want to call to verify we received your response. If you fax your response, allow a minimum of three workdays from the day you fax it. If you mail your response, allow a minimum of seven workdays from the day you mail it.

April 27, 2020

**INTERNAL REVENUE SERVICE  
EXEMPT ORGANIZATIONS  
PO BOX 2508  
CINCINNATI, OH 45201**

**ATT: OLEG BERENSON**

TAXPAYER : FRIENDS OF FORGE FOUNDATION CORP.

SS# : 36-4914409

RE : ADDITIONAL INFORMATION FORM 1023-EZ

Dear Mr. Berenson:

In representation of our above client FRIENDS OF FORGE FOUNDATION CORP., hereinafter FFFC, we submit this letter to provide the additional information you requested on your letter dated March 17, 2020:

1. Description of the past, present and future activities:

a. What specific activities you conduct?

FFFC main activity is raise conscience and attract donors inclined to provide economic help through grants and/or donations to sponsoring programs that facilitate a quality job placement to young people coming from low-income families through innovative training and work programs, in countries including, Argentina, Uruguay, Peru, Chile and Mexico.

To accomplish our mission, we bridge the gap between high school and work force. The Corporation will raise funds for entities in United States in order to keep and expand the activities into more countries in South, Central and North America.

b. Who participate in the activities?

In our activities will participate young people from low-income families in need of quality job placement.

c. Where you conduct the activities?

Activities will be conduct in Argentina, Uruguay, Peru, Chile, Mexico, and United States.

- d. When or how often the activities occur?

FFFC plan to present ourselves to calls for funds from **multilateral agencies** to finance projects that favors economically vulnerable people in youth issues, education and employment (such as the World Bank, European Union, United Nations, IAF) or donor **organizations** (Bill & Melinda Gates Foundation, United Way, among others) or **companies** (such as Bank of America, Citi, General Electric, Starbucks, Disney, among others) with an interest in helping to improve the situation of young people in Latin America

Also turn to single-people donors through our own website that we plan to develop in 2021 and campaigns to disseminate our cause. Board members will raise awareness of their business contacts to transform them into allies of the cause.

The digitization process we plan for the coming years will require allies that provide funds and/or in-kind donations (e.g. software licenses, or knowledge). IBM, Facebook, McAfee, Microsoft, are some of the allies in that field that we plan to contact to deepen the link from the USA.

Any donation we receive will be channeled by bank transfer/credit card and scrupulously complying with anti-money laundering regulations.

- e. What fees, if any, are charged and how you determine them?

There is not going to be any fee charged for the activities of raised money by grants and or donations in order to fulfill the mission and the vision of the organization.

- f. What percentage of your time and resources you spend on the activities?

We will be expending 100% of our time and resources in the activities.

2. Operations (or future operations) in foreign countries:

- 1) Identify the specific countries (and regions within the countries) in which you operate.

FFFC operate in the United States but will aid in the activities of Forge Foundation which operate in Argentina, Uruguay, Chile, Mexico, and Peru. See **Statement I** attached for the specific addresses.

- 2) Describe the operations in each country.

See **Statement II** for this question.

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3) Please answer the following about grants you will make to organizations or individuals located in foreign countries:

- a. State the organization to which you do (or will) distribute funds or goods, and if they have been recognized as tax-exempt by the IRS, state their exempt status.  
FFFC will distribute funds to Forge Foundation in Argentina, Uruguay, Chile, Mexico, and Peru. However, the objective is add more South, Central and North America countries to be able to participate of the distribution of funds in order to keep helping low-income young adult in a quality job placement.

Forge Foundation is Switzerland exempt organization created in 2005 and have affiliated exempt organizations in Argentina, Uruguay, Chile, Mexico, and Peru. None of these affiliated or the parent company have been recognized by as tax exempt by the IRS but have been recognized tax exempt status in each of the individual foreign countries.

- b. List any distribution (in funds or goods) you made to date including the recipient, what and how much was disbursed, and how the distribution furthered your exempt purposes.

At this moment, any activity involving distribution of funds have been made, since the organization is in the process to start attracting donors and requesting grants in the United States.

- c. Describe your process for reviewing and approving request for funds or goods, including the pre-grant inquiries you conduct on potential grantees, and how you determine grant amounts.

Any request of fund will require that FFFC should conduct a limited inquiry concerning the potential grantee before the grant is made. The inquiry should deal with matters such as the identity, past history and experience, management, activities, and practices of the grantee organization, and should be complete enough to give FFFC reasonable assurance that the grantee will use the grant for the purposes for which it is made. The scope of the inquiry might be expected to vary from case to case depending on the size and purpose of the grant, the period over which it is to be paid, and the prior experience which the grantor has had with respect to the grantee.

- d. If you enter into a written grant agreement with grantees, submit representative copies of the grant agreements.

We are not enter into any written grant agreement at this moment, but in case you need it will provide any grant agreement as soon we sign them.

- e. If a grant recipient is eligible for repeated grants, explain whether they must reapply and continue to provide information regarding how funds or goods are used.

Yes, any grant recipient eligible for repeated grants needs to reapply every year in order to continue to provide information regarding how funds are used.

- f. Explain whether you accept donations earmarked for particular organizations or individuals.

No, we will not accept donations earmarked for particular organizations or individuals since these types of contributions not tax deductible as charitable contributions.

- g. Specify how you will exercise controls and responsibility over the use of any funds or goods granted to foreign organizations or individuals to ensure they are used properly (e.g. requiring grantees to submit periodic reports, or accounting, engaging accountants to audit grantees, sending representative or agents for field investigation, etc.).

Yes, we will exercise controls and responsibility over the use of any fund granted to a foreign organization, periodic reports and accounting records of the way the funds were expend it will be requiring every year.

- h. Specify to what extent, if any, you share board members or other key personnel with recipients' organizations.

Mr. Salomon Mizrahi, President of Foundation Forge, is the President of FFFC, too. However, he does not have any power decision over the Board of Directors not voting power over any decision. The Board of Directors is the one who have all the power to decide over FFFC.

Compliance with the Office of Foreign Assets Control (OFAC):

- a. When you conduct activities in foreign countries, will you check the OFAC List of Specially Designated National and Blocked Persons for names of individuals and entities with whom you are dealing to determine if they are included in the list.

Yes, we establish an internal policy that require from us to check the OFAC List of Specially Designated National and Blocked Persons as part of our preliminary background check.

- b. What other practice will you engage in to ensure that foreign expenditures or grants are not diverted to support terrorism or other non-charitable activities?

A full background check of the organization will need it, as well FFFC will adhere to the Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities, established by the Office of Terrorism and Financial Crime, Treasury.

- c. Will you comply with all United States statutes, executive orders, and regulations that restrict or prohibits U.S. persons from engaging in transactions and dealings with designated countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by the OFAC?

Yes, FCCC will comply with all United States statutes, executive orders, and regulations that restrict or prohibits U.S. persons from engaging in transactions and dealings with designated

**INTERNAL REVENUE SERVICE  
EXEMPT ORGANIZATIONS  
PO BOX 2508  
CINCINNATI, OH 45201  
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countries, entities, or individuals, or otherwise engaging in activities in violation of economic sanctions administered by the OFAC.

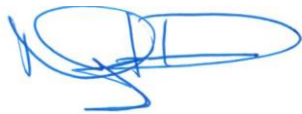
- d. Will you acquire from the OFAC the appropriate license and registration where necessary?

Yes, FFFC will acquire from the OFAC the appropriate license and registration where necessary

If you have any questions, please feel free to contact us.

Thank you for your attention.

Cordially,

A handwritten signature in blue ink, appearing to read 'N. Flores Done', with a stylized flourish at the end.

Nilmary Flores Done, CPA  
Manager  
[n.flores@uhy-pr.com](mailto:n.flores@uhy-pr.com)

## **STATEMENT I**

### Argentina

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**Centro de Formación Buenos Aires Sur**  
Av. Regimiento de Patricios 251  
(C1265ADC) CABA  
ARGENTINA  
Tel: (54 11) 4300 7823  
[argentina@foundationforge.org](mailto:argentina@foundationforge.org)

#### **Centros de Formación Buenos Aires Norte**

##### **Pilar**

Belgrano 290  
(1629) Pilar, Pcia. de Buenos Aires  
ARGENTINA  
Tel: (54 230) 466 469

##### **Escobar**

Bernardo de Irigoyen N° 290 «B»  
(1625) Escobar, Pcia. de Buenos Aires  
ARGENTINA  
Tel: (0348) 443 16 09

### Chile

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**Filial Chile y Centro de Formación Santiago de Chile**  
Av. Dublé Almeyda 5640  
Comuna de Ñuñoa, Santiago de Chile  
CHILE  
Cel.: (56 9) 57999343  
[chile@foundationforge.org](mailto:chile@foundationforge.org)

## **STATEMENT I**

### **México**

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#### **Filial México**

Invierno 17. Col. Merced Gómez  
(1600) Álvaro Obregón – D.F.  
MEXICO  
Tel: (52 55) 55 93 41 32  
[mexico@foundationforge.org](mailto:mexico@foundationforge.org)

### **Perú**

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#### **Centro de Formación Lima**

Av. Arequipa 3353  
(Lima 05) San Isidro, Lima  
PERU  
Tel: (51 1) 345 7585  
[peru@foundationforge.org](mailto:peru@foundationforge.org)

#### **Centro de Formación Los Olivos**

Av. Antunez de Mayolo 1363  
Los Olivos  
PERU  
Tel: (51 1) 306 0301

### **Uruguay**

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#### **Centro de Formación Montevideo**

Convención 1379  
(11100) Montevideo  
URUGUAY  
Tel: (598) 2908 0774  
[uruguay@foundationforge.org](mailto:uruguay@foundationforge.org)



## **STATEMENT II**

### **Argentina**

Forge Argentina was established in 2006 and currently provides training courses for young people with low economic resources at its headquarters in Barracas (City of Buenos Aires), Pilar (Province of Buenos Aires) and Escobar (Province of Buenos Aires).

In addition to its own operation, in 2017 The Fundación Cruzada Argentina incorporated the Forge methodology to open centers in the cities of Corrientes (province of Corrientes) and Resistencia (Chaco province), operating under the format of Franquicia Social, without the payment of any fees.

Also, the firm Mc Cain Foods opened a center under Forge methodology in the town of Balcarce (Province of Buenos Aires). See link for informational news about this agreement:

<https://www.iprofesional.com/management/276927-balcarce-fundaci%C3%B3n-forge-mat%C3%ADas-victory-McCain-lanzo-un-programa-de-primer-empleo-junto-a-Fundacion-Forge>

In 2019, 3,000 young people went through the program in Argentina. See news and You Tube videos at the below links:

<https://www.lanacion.com.ar/economia/fundacion-forge-una-receta-contr-el-desempleo-juvenil-nid1817621>

<https://www.youtube.com/watch?v=LjaPsuYc71A&t=40s>

<https://fondationforge.org/forge-participa-del-primer-bono-de-impacto-social/>

### **Chile**

Forge was incorporated in Chile in 2015. In 2019 I provide training to 1600 socio-economically vulnerable young people from Santiago and the surrounding area. Forge Foundation signed a collaboration agreement with the Ministry of Education of the Nation in 2018 to carry out joint actions.

More details about the work in this interview with CNN and in a news note from Robert Half, see below:

<https://www.youtube.com/watch?v=45b77qwAAOo>

<https://www.roberthalf.cl/blog/tendencias/empleo-juvenil-el-caso-de-la-fundacion-forge>

## **Mexico**

Forge Mexico was born in 2014. In 2019 it trained 1830 young people, in addition to his work training young people, and thanks to an agreement signed with CONALEP (National College of Technical Professional Education), in 2019 he trained free of charge more than 700 teachers from public schools, allowing part of the methodology developed by Forge to reach students in the classrooms.

See links below:

<https://www.gob.mx/conalep/articulos/conalep-y-fondation-forge-continuan-trabajando-por-el-fortalecimiento-de-la-educacion>

<https://www.youtube.com/watch?v=ln0U7ggW7Qw>

## **Peru**

Forge has been operating in Peru since 2012. In 2019, 2200 young people took the program. In addition, in 2019 she signed a Facebook agreement through which she freely trained more than 3000 women throughout Peru in entrepreneurial skills, through the program "She Makes History", see link below:

(<https://infomercado.pe/ella-hace-historia-facebook-capacitara-a-tres-mil-emprendedoras-digitales-del-peru/>)

Last year, 160 public high school teachers were also provided free training in various regions of the country. See links below:

<https://www.youtube.com/watch?v=FOFUC0Th7Lo&t=26s>

<https://www.youtube.com/watch?v=Lj5aTFhKoD0&t=200s>

## **Uruguay**

Forge Uruguay was born in 2007. In 2019, it trained 900 young people. Since 2017 Forge has provided its soft skills content free of charge to the "Jovenes a Programar" curriculum, carried out by the prestigious Ceibal Plan. See link below:

<https://infonegocios.biz/plus/fundacion-forge-renueva-sus-alianzas-publico-privadas-y-apunta-a-llegar-a-30-000-jovenes>)