



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: TIGTA report on whistleblowers
Da: Friday, June 9, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment on a new report from the Treasury Inspector General for Tax Administration, "The Informants' Rewards Program Needs More Centralized Management Oversight."

"Today's TIGTA report validates everything I've been saying about the benefits of an effective program to encourage whistleblowers as well as the need for Treasury and the IRS to overhaul the current IRS program that rewards individuals who blow the whistle on big tax cheats. My investigations into tax fraud have made it clear. Without a whistleblower to give you a road map, you can quickly get lost fighting tax schemes and shelters.

"The TIGTA report notes that the audits and exams based on whistleblower information are nearly twice as productive as normal IRS examinations. Even the IRS' own internal findings show that rewarding whistleblowers is one of the best ways to fight tax cheats.

"However, TIGTA's report also shows that even though Congress gave Treasury and the IRS the tools, in terms of broad legal authority to reward whistleblowers, the IRS hasn't gotten the job done. TIGTA's report makes clear that the IRS and Treasury still are far short in having a professional, effective office to benefit from whistleblowers. For example, in 76 percent of the claims rejected, TIGTA was unable to determine the rationale for the reviewer's decision to reject the claim. This has to stop. The IRS and Treasury are in a tough fight against tax cheats, and they need to put out the welcome mat for whistleblowers.

"I intend to raise this report and the overall issue with the nominees for secretary of Treasury and assistant secretary of Treasury for tax policy. I want a clear road map of reform so Treasury and the IRS no longer treat whistleblowers like skunks at the picnic."