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Doing the Right Thing: TIGTA, Integrity, and You



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Learning Objectives

- TIGTA's role in the investigation of alleged misconduct by tax preparers.
- How to recognize and report misconduct committed by IRS employees or paid preparers.
- When to report potential risks to IRS employee safety.



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What is TIGTA?

- Provides independent oversight of the IRS.
- Protects the integrity of Federal tax administration.
- Has three primary operating divisions:
 - Investigations
 - Audit
 - Inspections and Evaluations
- Detects and prevents waste, fraud, and abuse.



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I.R.C. § 6103

- Prohibits disclosure of tax returns and return information except as authorized by an exception contained in I.R.C. § 6103.



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Ethics and Integrity

(According to Webster's Dictionary)

- Ethics: A group of moral principles or set of values.
- Integrity: An uncompromising adherence to a code of moral, artistic or other values.



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Circular 230

- Circular 230, also known as Subtitle A, Part 10 of Title 31 of the CFR.
- Sets forth rules under which tax preparers can represent clients before the IRS.
- OPR oversees practice conduct.



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Preparer Misconduct

- False statements on Forms 2848, Power of Attorney and Declaration of Representative.
- Preparer fails to disclose that he or she is disbarred or otherwise unauthorized to appear before the IRS.



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Preparer Misconduct (cont.)

- Sending e-mails or fabricating documents purporting to be from the IRS.
- Improper disclosure of tax information.



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Preparer Misconduct (cont.)

Levy Release 1

Levy Release 2

Form 668-D (Rev. December 2001)	Department of the Treasury — Internal Revenue Service Release of Levy/Release of Property from Levy	
To General Contractors 5678 Example Way Bigcity, MA 02148	Taxpayer(s) ABC Importers 1234 Sample Street Smalltown, IL 60012	
	Identifying Number(s) 12-3456789	
A notice of levy was served on you and demand was made for the surrender of:		
<input type="checkbox"/> all property, rights to property, money, credits and bank deposits of the taxpayer(s) named above, except as provided in 6332(c) of the Internal Revenue Code—“Special Rule For Banks.” See the back of this form regarding this exception. <input checked="" type="checkbox"/> wages, salary and other income, now owed to or becoming payable to the taxpayer(s) named above.		
The box checked below applies to the levy we served on you.		
Release of Levy		
<input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credits, and bank deposits of the taxpayer(s) named above are released from the levy. <input checked="" type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income now owed to or becoming payable to the taxpayer(s) named above are released from the levy.		
Release of Property from Levy		
<input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all property, rights to property, money, credits, and bank deposits greater than \$ _____ are released from the levy. The levy now attaches only to this amount. <input type="checkbox"/> The last payment we received from you was \$ _____ dated _____. The amount the taxpayer still owes is \$ _____. When this amount is paid to the Internal Revenue Service, the levy is released. If you sent us a payment after the last payment date shown, subtract that from the amount you send now. <input type="checkbox"/> Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income <input type="checkbox"/> greater than <input type="checkbox"/> less than \$ _____ each _____ are released from the levy, now owed to or becoming payable to the taxpayer(s) named above.		
Dated at _____ (Place)	New Town, NY (City)	June 2, 2010 (Date)
Signature _____ (Signature)	Telephone Number 202-555-1234	Title Revenue Officer
Part 1— To Addressee	Cat. No. 20450C	www.irs.gov
		Form 668-D (Rev. 12-2001)

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Preparer Misconduct (cont.)





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Preparer Misconduct (cont.)





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Preparer Misconduct (cont.)

Unauthorized Disclosure of protected tax Information





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Beware of these Schemes!

- False IRS Websites
- Hyperlink on spam e-mail
- Phishing
- IRS Impersonation Scams
 - E-mail
 - Phone



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Official IRS E-mail?

2013 Tax Return Report! – Temporary Items

Message

Delete Reply Reply All Forward Move Junk Unread Categorize Follow Up

2013 Tax Return Report!
Internal Revenue Service
Sent: Wednesday, March 12, 2014 at 8:23 PM
To: Your_2013_TaxReturnReport.zip (265.6 KB) [Preview](#)

Dear Member

Your 2013 tax return is under investigation, attached is a copy of the report. Kindly download, read and get back to us as soon as possible

Thanks

Internal Revenue Service
915 Second Avenue, MS W180
Seattle, WA 98174-0041
(206) 220-6011
<http://www.irs.gov/>



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Suspicious E-mails

1. Forward the suspect e-mail to **phishing@irs.gov**.
2. Delete it from your computer.
 - DO NOT reply, open any attachments, or click on any links.
 - The IRS will never request personal or financial information by e-mail, texting, or any social media.



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Impersonation Scams

- “Largest Ever” phone fraud scam.
- Calls to taxpayers in nearly every State.
- Callers claim intended victims owe taxes and must pay using a pre-paid debit card or wire transfer.
- Victims who refuse to pay threatened with arrest, deportation, or loss of a business or driver’s license.



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Top Six States Affected By Phone Scams (By Dollar Amount of Loss)

- California
- New York
- Virginia
- Texas
- Florida
- Illinois



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Traits of Scam Callers

- Use common names and fake IRS badge numbers
- Know the last four digits of the victim's Social Security Number.
- Make caller ID information appear as if the IRS is calling.
- Send bogus IRS e-mails to support their scam.
- Call a second time claiming to be the police or DMV, and the caller again supports their claim.



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Victims of IRS Impersonation

(PHONE OR E-MAIL SCAMS)

- Call the IRS at (800) 829-1040 (*if victim knows or thinks taxes are owed*)
- Call the TIGTA Hotline at (800) 366-4484 (*if victim knows no taxes are owed*)
- Contact bank if financial information given to scammer.



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Contact TIGTA



TIGTA

Treasury Inspector General for Tax Administration

Promoting Integrity in the administration of Internal Revenue laws

Hotline
Important Notices
Recovery Act
Treasury | IRS

[Home](#) [About TIGTA](#) [Audit](#) [Investigations](#) [Inspections & Evaluations](#) [Publications](#) [Careers](#) [Contact](#)



TAXPAYERS: Beware of IRS Impersonators! Don't become a victim this filing season... [read more](#).
If you believe you have been a victim of an IRS Impersonation Scam, [contact us](#).

Main

► [IRS Impersonation Scam Reporting](#)

[Report Fraud, Waste, & Abuse](#)

[FAR Contractor Reporting](#)

[Whistleblower Retaliation Reporting](#)

✉ [Subscribe to Email Updates](#)

Enter Email Address

IRS Impersonation Scam Reporting

If you believe you have been a victim of an IRS Impersonation Scam, please fill out the form below.

What kinds of things should you report?

Please read the [press release](#) describing IRS Impersonation Scams.

ONLINE FORM

Information regarding the IRS Impersonation Scam(s) you wish to report:

Date of Incident:

Did you suffer a financial loss? Yes No

If **Yes**, enter amount: \$

How did you pay the impersonator?

If **Other**, enter method:

Did you provide the impersonator with any personal or sensitive information? Yes No



► [IRS Impersonation Scam Reporting](#)

► [Report Fraud, Waste, & Abuse](#)



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Preparer Misconduct – 2013 Case

- Maria Colvard
- Extortion by use of threats and Impersonation
- Faces up to 20 years in prison if convicted



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Preparer Misconduct – 2013 Case

- Cynthia Lozano
- Federal tax fraud and identity theft
- Received over \$1 million in fraudulent refunds and purchased 20 properties
- DOJ seeks to forfeit properties



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Preparer Misconduct – 2012 Case

- Neil Thomsen Sentenced for Conspiracy and Aggravated ID Theft





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How Can You Protect Federal Tax Administration?

- **Report** instances of tax preparer or IRS employee misconduct.
- **Report** allegations of potential risks to IRS employee safety.



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Doing the Right Thing: First Scenario



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Doing the Right Thing: Second Scenario



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Recent TIGTA Reports (Office of Audit)

- Alimony
- Amended Tax Return and Processing
- Identity Theft



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Recent TIGTA Reports

(Office of Inspections & Evaluations)

- IRS Executive Long-term Travel Taxability
- ARRA Section 1603 Energy Investment Tax Credit
- Evaluation of the Tax Gap



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How to Contact TIGTA

- E-mail us:
complaints@tigta.treas.gov
- Call us: 1-800-366-4484
 - 24 hours a day, seven days a week