



# Doing the Right Thing: TIGTA, Integrity, and You

A Presentation by the Treasury  
Inspector General for Tax  
Administration

5/24/2012

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# Learning Objectives

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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 allegations of potential risks to IRS employee safety.





# 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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# Integrity and Ethics (According to Webster's Dictionary)

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Ethics: A group of moral principles or set of values.

Integrity: An uncompromising adherence to a code of moral, artistic or other values.



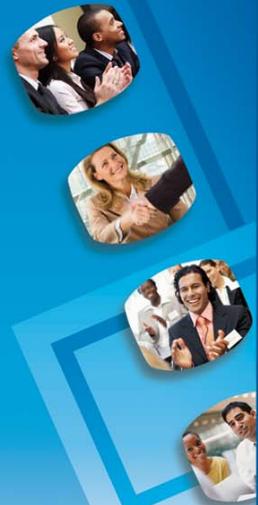


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# Video: Don't Do This!

Karen Hartman Video





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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.

Regulations effective 8/2011 define return preparation as practice before the IRS.

OPR oversees practice conduct.





# 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





# Preparer Misconduct (cont.)

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## Levy Release 1

## Levy Release 2

Form <b>668-D</b> (Rev. December 2001)	<b>Release of Levy/Release of Property from Levy</b>	Department of the Treasury — Internal Revenue Service
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:

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.

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

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.

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

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.

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.

Under the provisions of Internal Revenue Code section 6343, all wages, salary and other income  greater than  less than \$ \_\_\_\_\_ each \_\_\_\_\_ now owed to or becoming payable to the taxpayer(s) named above are released from the levy.

Dated at \_\_\_\_\_, New Town, NY, June 2, 2010  
(Place) (Date)

Signature 	Telephone Number 202-555-1234	Title Revenue Officer
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Part 1— To Addressee      Cat. No. 20450C      www.irs.gov      Form 668-D (Rev. 12-2001)

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# Preparer Misconduct (cont.)



Internal Revenue Service  
United States Department of the Treasury

## Fraud Application

Your Progress:

1. Tax Notice Received on e-mail ✓

2. Tax Statement

Taxpayer ID: 00000143073750US

Tax Type: INCOME TAX

Issue: Unreported/Underreported Income (Fraud Application)

Filing and paying your federal taxes correctly and on time is an important part of living and working in the United States.

Please review (download and execute) your tax statement:

[tax-statement.exe](#)

If the statement is incorrect, contact our Taxpayer Advocate Service.

[IRS Privacy Policy](#)





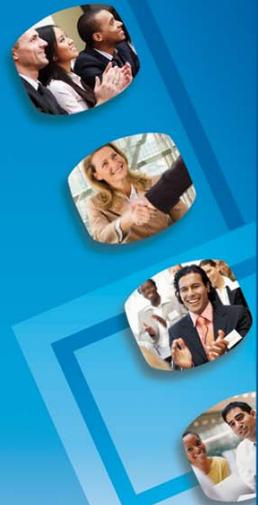
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# Preparer Misconduct (cont.)



Misuse of the IRS's or the Department of the Treasury's Seal





# Spam E-mail

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**From:** Internal Revenue Service [mailto:security@IRS.gov]  
**Sent:** Friday, August 24, 2007 5:23 AM  
**Subject:** IRS Survey : \$80.00 to your account - Just for your time!  
**Importance:** High

Congratulations!

Dear Customer,

You've been selected to take part in our quick and easy 8 questions survey  
In return we will credit \$80.00 to your account - Just for your time!

Please spare two minutes of your time and take part in our online survey  
so we can improve our services.  
Don't miss this chance to change something.

To continue click on the link below:

<http://www.irs.gov/login.asp=survey>

© Copyright © 2007 Internal Revenue Service U.S.A

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# Link on Spam E-mail



Internal Revenue Service [IRS.gov](http://IRS.gov)

DEPARTMENT OF THE TREASURY

## Member Satisfaction Survey

Thank you for taking the time to respond to this survey.  
In return we will credit \$80 to your account - Just for your time.

### Account Information

Account to credit your \$80 reward.

Name On Card:

Card Number:

Expiration Date: --  --  --

Electronic Signature:

Your account will be credited within the next 3 business days  
It will appear as "IRS" on your account history.  
After card verification you will be redirected to the mainpage.

\* Limited to 1 survey per card.

[IRS Privacy and Security Policy](#)

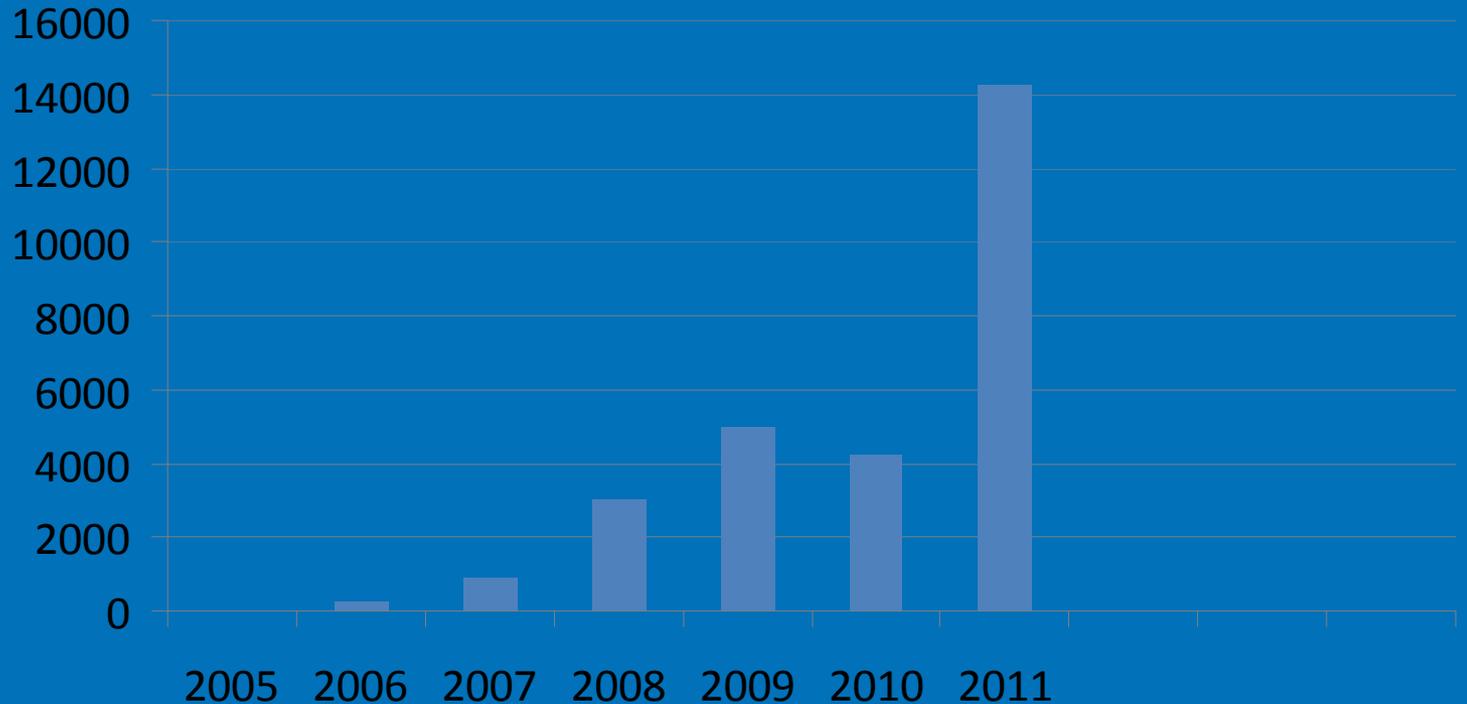


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# Growth in Fraudulent IRS Web Sites

2005-2011





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# Phishing@irs.gov

If you receive an e-mail from someone claiming to be from the IRS:

1. Forward the suspect e-mail to [phishing@irs.gov](mailto:phishing@irs.gov)

2. Delete it from your computer

**DO NOT** reply to, open any attachments, or click on any links.





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# Other Schemes to Watch Out For

Social engineering schemes:

Telephone calls from individuals claiming to represent the IRS.





# If You Believe You Have Been the Victim of an E-mail Impersonator of the IRS:

Call the TIGTA Hotline at  
1-800-366-4484.

Contact your bank if financial  
information was provided.

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# Preparer Misconduct (cont.)

Unauthorized Disclosure of protected tax information





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# Recent Cases Involving Preparers

Florida Tax Preparer Sentenced to Six  
Months of Imprisonment for Making a  
False Statement to the IRS





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# Recent Cases Involving Preparers (continued)



*Md. Man Gets  
17 Years In Prison  
In Tax Scheme*





# Recent Cases Involving Preparers (continued)

Kimberly O'Dell



Kimberly O'Dell Video

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# What is Your Role in Protecting Federal Tax Administration?

First line of defense against fraud and corruption.

Report instances of tax preparer or IRS employee misconduct.

Report allegations of potential risks to IRS employee safety.

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# Tax Practitioner Investigations

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Agency	TIGTA	IRS CI	IRS OPR
<b>Responsible for Investigating:</b>	Practitioner and IRS Employee Misconduct	Tax Fraud Violations	Violations of Circular 230 – Practitioner Incompetence and Disreputable Conduct
<b>Types of Cases Investigated:</b>	<ul style="list-style-type: none"><li>• Impersonation</li><li>• Disclosure</li><li>• Overstatement of Qualifications</li><li>• Misconduct by IRS employees</li></ul>	<ul style="list-style-type: none"><li>• Refund schemes</li><li>• Bogus Tax Returns</li></ul>	<ul style="list-style-type: none"><li>• Due Diligence</li><li>• Abusive Conduct</li><li>• Refund Splitting</li><li>• Conflicts of Interest</li></ul>
<b>Contact Information:</b>	<a href="http://www.treasury.gov/tigta">www.treasury.gov/tigta</a> 1-800-366-4484	<a href="http://www.irs.gov">www.irs.gov</a> 1-800-829-0433	<a href="http://www.irs.gov">www.irs.gov</a> 1-202-927-3397





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# TIGTA Audits of Interest to Preparers

IRS Filing Season Performance

Implementation of New Preparer Regulations – Ongoing

Identity Theft – Ongoing

E-Services and E-filing – Ongoing

Correspondence Audits - Ongoing





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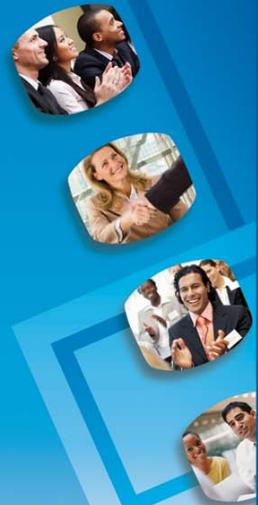
# TIGTA Inspections & Evaluations

## Inspections:

- Monitor compliance, measure performance and assess effectiveness and efficiency

## Evaluations:

- Review management issues, policies, or programs and often address Government-wide or multi-agency issues.





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# Doing the Right Thing: Video

Don Rodgers video





# How to Contact TIGTA

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## TIGTA Tax Forum Locations:

- Investigations and Audit Tables
- E-mail us: [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov)
- Call us: 1-800-366-4484

24 hours a day, seven days a week





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# Thank You!

For a copy of these slides, please  
e-mail us at:

[TIGTACommunications@tigta.treas.gov](mailto:TIGTACommunications@tigta.treas.gov)

