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IRSNationwide Tax FORUM 2013

Doing the Right Thing: TIGTA, Integrity, and You

A Presentation by the Treasury Inspector General for Tax Administration

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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.

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.

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.

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.

Preparer Misconduct (cont.)

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

Preparer Misconduct (cont.)

Levy Release 1

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:

☐ 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 (Place) June 2, 2010 (Date)

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)

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

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☐ 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.

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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 Statemen**

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

Preparer Misconduct (cont.)

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Spam E-mail

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

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DPIIKGTBTSSGSEVFIDPKREBINPMXIHZIXLFBLP

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Link on Spam E-mail

Internal Revenue Service 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:

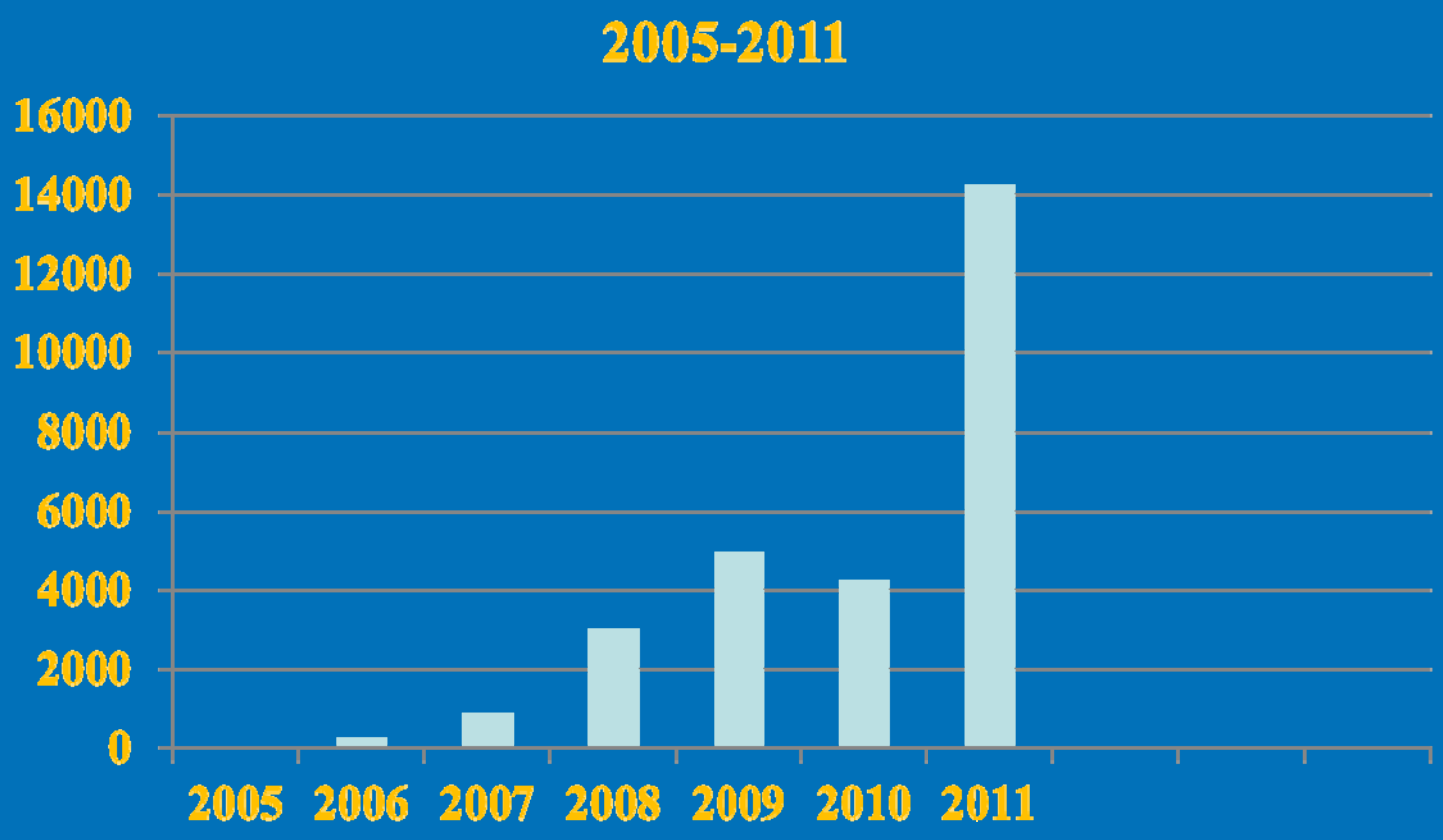
Your account will be credited within the next 3 business days
It will appear as "IRS" on your account history.
Afther card verification you will be redirected to the mainpage.

*** Limited to 1 survey per card.**

Submit

IRS Privacy and Security Policy

Growth in Fraudulent IRS Web Sites



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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.
  2. Delete it from your computer
  - DO NOT reply, open any attachments, or click on any links.

Other Schemes to Watch Out For

- Social engineering schemes:
  - Telephone calls from individuals claiming to represent the IRS.

If You Believe That 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.

Preparer Misconduct (cont.)

Unauthorized Disclosure of protected tax information

Recent Case Involving a Tax Preparer

Louisiana Tax Preparer and former IRS employee pleads guilty to conflict of interest for owning a private tax business while working as an IRS manager.

Other Cases Involving Preparers (cont.)

- California Tax Preparer charged with conspiracy and aggravated identity theft.

Other Cases Involving Preparers (cont.)

- Kimberly O'Dell

Video here

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.

Doing the Right Thing: First Scenario

Video 2 Here

Doing the Right Thing Second Scenario

Video 3 Here

TIGTA Audits of Interest to Preparers

- IRS Filing Season Performance
- Return Preparer Visitations
- Identity Theft – Ongoing
- Noncash Charitable Contribution Reporting Requirements
- Correspondence Audits – Ongoing

TIGTA Inspections & Evaluations

- Inspections:
  - Monitor compliance, measure performance, and assess effectiveness and efficiency.
- Evaluations:
  - Review management issues, policies, or programs and often address Governmentwide or multi-agency issues.

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Recent I&E Reports

- Public Transportation Subsidy Program
- Union Time
- Relocation and Post of Duty Neutral
- Exchange of Information
- Recovery Act lessons learned
- Recovery Act procurement invoices and reporting

How to Contact TIGTA

- **TIGTA Tax Forum Locations:**
  - **Investigations and Audit Tables**
  - **E-mail us: 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