MEMORANDUM FOR COMMISSIONER, LARGE BUSINESS AND INTERNATIONAL COMMISSIONER, SMALL BUSINESS/SELF-EMPLOYED COMMISSIONER, TAX EXEMPT AND GOVERNMENT ENTITIES CHIEF, CRIMINAL INVESTIGATION DIRECTOR, WHISTLEBLOWER OFFICE

FROM: Kirsten B. Wielobob
Deputy Commissioner for Services and Enforcement

SUBJECT: IRS Whistleblower Program

In the approximately ten years since the IRS established the Whistleblower Office (WO), we have used information submitted by whistleblowers to collect $3.4 billion in additional tax liabilities and pay over $465 million in awards. Recently, we reviewed the program to ensure we are maximizing the value whistleblowers add to our compliance strategies.

As a result, we have changed where we process claims. The Initial Claims Evaluation (ICE) unit was moved from WO to the Small Business/Self-Employed Operating Division. The ICE unit will continue to receive and control whistleblower claims, as well as refer claims to the appropriate Business Operating Division (BOD) for classification. As before, all claims classified as potential 7623(b) are assigned for BOD subject matter expert (SME) review (some smaller dollar claims under section 7623(a) may also be assigned for SME review). SMEs should review claims for alleged tax noncompliance and determine whether to pursue action based on the information before involving Counsel in an evidentiary review.

Another change we made is to emphasize communications within the program. Going forward, a SME should consider whether to conduct a debriefing interview with the whistleblower for all claims assigned to the SME. A whistleblower may have insight and information not evident from a submission that can help the IRS understand complex issues or hidden relationships. The whistleblower also may be able to explain and clarify documents submitted with the Form 211, Application for Award for Original Information, or identify connections between the taxpayer and others involved in the alleged tax noncompliance.

A SME should document in eTrak any decisions about conducting or not conducting a debriefing interview, as well as the content of the debriefing. Debriefings may be
unnecessary for certain claims, such as where all of the information is public or the alleged tax noncompliance is clear (e.g., double set of books or treating employees as independent contractors). The BODs should provide separate guidance for SMEs illustrating situations that must be discussed with management, where debriefing is not needed, or when participation from Counsel is not necessary.

We have made significant progress on our whistleblower program over the decade since it stood up. We look forward to continuing to improve the program and ensuring strong support for whistleblowers across IRS.

cc: Chief Counsel
    Chief, Appeals