

United States Senate

WASHINGTON, DC 20510

April 25, 2014

The Honorable John A. Koskinen
Commissioner of Internal Revenue
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Koskinen:

According to the Internal Revenue Service's 2011 FERDI report, 1,289 federal employees at the U.S. Department of the Treasury have a balance owed of \$9,312,010 on their federal taxes. Additionally, the Associated Press reported on April 22, 2014 that, "Other examples of misconduct by [IRS] workers getting bonuses included misusing government credit cards for travel, drug use, violent threats and fraudulently claiming unemployment benefits."

I am extremely disappointed by the IRS's actions. These reports are absolutely unacceptable. This comes at a particularly frustrating time when our country faces serious fiscal challenges and a soaring \$17 trillion national debt. As the federal agency tasked with administering the U.S. tax code, the revelation of this double standard, coupled with the misuse of taxpayer dollars, completely undermines confidence in the government's ability to carry out its responsibilities in a manner worthy of the public's trust.

The American people demand accountability, and nothing less. Please respond to the following questions:

1. How many IRS employees who have misused their government credit card received a monetary bonus, and time-off awards? How were the government credit cards misused? Furthermore, what disciplinary actions were taken to penalize the aforementioned employees?
2. To date, how many IRS employees owe taxes and how much do they owe? What steps have been taken, including wage garnishment, to ensure that taxes owed by IRS employees are paid in a timely manner?
3. Does the IRS intend to demand return of bonuses from IRS employees who have been cited for misconduct related to waste, fraud, and abuse of taxpayer funds? Please provide a written justification explaining why, if any, IRS employees as identified in the Treasury Inspector General For Tax

Administration's report that was released on April 22, 2014, would not be required to pay back their bonuses.

4. According to the IRS Restructuring and Reform Act of 1998 [P.L. 105-206], an IRS employee can be terminated for the "willful failure to file any return of tax required under the Internal Revenue Code of 1986 on or before the date prescribed therefor (including any extensions), unless such failure is due to reasonable cause and not to willful neglect." Since 1998, how many IRS employees have been terminated for not filing taxes? How many IRS employees in violation have received a penalty without termination?
5. Additionally, an IRS employee can be terminated for "willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect" [P.L. 105-206]. Since 1998, how many IRS employees have been terminated for not paying taxes owed? How many IRS employees in violation have received a penalty without termination?

The IRS needs to take action and enforce current law in order to ensure that IRS's employees pay for their taxes. IRS employees who fail to comply with this law, should be immediately dismissed, not rewarded.

Thank you for your attention to my request. Please provide the requested information no later than May 24, 2014.

Sincerely,



Deb Fischer
United States Senator