



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

JUL 13 2012

The Honorable Charles E. Grassley
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter of June 21, 2012, to Secretary Geithner and Commissioner Shulman regarding the Internal Revenue Service (IRS) Whistleblower Program. Because your letter includes questions regarding the guidance process, it was referred to me.

Our current intent is to issue a single, comprehensive package of proposed regulations that address each of the topics listed in Commissioner Shulman's June 15, 2012, letter. While it is difficult to set a precise schedule for issuing guidance, these regulations are on the Treasury Department Priority Guidance Plan, and the Treasury Department and IRS are working together diligently on them. A draft of the proposed regulations has been prepared, and officials from Treasury's Office of Tax Policy met with officials from the IRS to discuss the proposed regulations, on Monday, July 2, and Thursday, July 5, 2012. That draft is currently being reviewed and revised by officials at the Treasury Department and IRS. Although we cannot guarantee specific dates for review by particular offices or for release of the regulations, we anticipate proposed regulations to enter the IRS/Treasury clearance process around the end of August and to be issued by early fall of this year. We would be willing to meet with you and your staff at the beginning of August to update you on our progress.

We understand that the IRS met with the Department of Justice (DOJ) and Securities and Exchange Commission (SEC) to discuss their whistleblower programs. The IRS, DOJ, and SEC have shared ideas and plan to continue working together to make sure the programs are as successful as possible while minimizing duplication or conflict to the extent legally possible.

With regard to your question about Title 31 penalties, we are analyzing this issue in connection with the draft proposed regulations, but I understand that the IRS will provide further information on the support for its position in a separate response.

Your letter also raises a number of specific questions requesting information from the IRS. It is my understanding that the IRS will be sending you this information in a separate response.

Sincerely,

Emily S. McMahon
Acting Assistant Secretary (Tax Policy)