



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

July 25, 2012

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

Dear Senator Grassley:

Thank you for your letter of July 20, 2012, to Secretary Geithner and Commissioner Shulman regarding the Internal Revenue Service (IRS) Whistleblower Program.

In response to your question about the responsibility for drafting regulation, generally, the IRS Office of Chief Counsel has primary responsibility for drafting Treasury regulations promulgated under the Internal Revenue Code. However, the content of those regulations is developed in a collaborative process that includes staff from Treasury's Office of Tax Policy and other offices within the IRS – in this case that includes the Whistleblower Office, the Office of the Deputy Commissioner, and the Office of Chief Counsel. Before a regulation is published, it must be approved by both the IRS and Treasury.

Consistent with the regular practice, the Office of Chief Counsel has prepared a draft of the whistleblower regulations, which is currently being reviewed by several IRS and Treasury officials. While it is my understanding that staff from the IRS has had meetings and conversations with the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) to discuss their Whistleblower Programs, staff from the Office of Tax Policy has not yet met with the DOJ or SEC about the draft regulations. We expect to meet with the SEC to discuss the guidance this week and with DOJ in the near future.

Your letter also raised the possibility of legislative changes to the IRS whistleblower program. We will happily make our staff available to work with you and your staff on legislative proposals.

Sincerely,

Emily S. McMahon  
Acting Assistant Secretary (Tax Policy)

cc: The Honorable Douglas L. Shulman, Commissioner, Internal Revenue Service