



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

April 12, 2024

The Honorable Charles E. Grassley  
Ranking Member  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter of April 4, 2024, which references two special agents employed by IRS Criminal Investigation ("IRS-CI"). Last year, these two employees claimed whistleblower status and submitted information to Congress concerning a particular taxpayer. As I have communicated to you in the past, I wholeheartedly agree with your sentiment that we must be supportive of whistleblowers. I have long believed it to be essential to good government that public sector employees have ample mechanisms available to them to report potential fraud, waste, and abuse – and that employees feel comfortable and secure making such reports.

Your letter inquires as to whether the IRS is conducting an investigation concerning the two employees. Please note that there is no such IRS investigation.<sup>1</sup> Nor would there typically be in the circumstances you describe. As a general matter, when there are concerns or allegations of potential unlawful activity by IRS personnel relating to their tax administration duties—which could include allegations of unlawful tax disclosure, allegations of retaliation or other prohibited personnel practices, or any other violation of law, regulation, or duty—it is the IRS's standard practice to refer these matters to the Treasury Inspector General for Tax Administration ("TIGTA"). This places the decision on whether to pursue an investigation, not with the IRS, but with an independent and separate authority. The IRS then awaits any appropriate guidance or recommendations from TIGTA and acts, as warranted, with the benefit of TIGTA's fact-finding and analysis. This approach is consistent with a longstanding Department of Treasury directive,<sup>2</sup> and it ensures that the relevant questions are independently reviewed, in a manner that is protective of our mission, complies with all legal obligations, and safeguards the rights of the relevant employees and of any impacted taxpayers. As a result, and as stated above, there has not been, nor is there, any IRS investigation of

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<sup>1</sup> Likewise, we are not aware of any Department of Justice ("DOJ") investigation of the sort referenced in your letter. As you know, a taxpayer has filed a lawsuit alleging that the two agents and their attorneys unlawfully disclosed confidential information protected by Section 6103 of the Internal Revenue Code via appearances in the media and other public disclosures. The Department of Justice is defending the United States in that lawsuit.

<sup>2</sup> See Treasury Order 115-01 ¶ 8 (May 24, 2018).

the two employees you reference.

I want to reiterate that the importance of reporting waste, fraud, and abuse, and of protecting whistleblowers from unlawful retaliation, is a sentiment that is engrained in the IRS's culture, and that the senior leadership team and I fully support from a good government standpoint. And, as noted above, it is reflected in the Treasury Department's policies. It is also important that employees comply with the various laws governing the disclosure of information relevant to tax administration. These laws are also critical to our mission. They protect the rights of taxpayers, safeguard the integrity of judicial proceedings, ensure that our data and operations are secure, and serve other essential purposes. Accordingly, as we have discussed in our prior correspondence, the IRS has underscored its commitment to support whistleblowers while endeavoring to provide guidance to employees as to how they might lawfully report potential fraud, waste, or abuse, including to Congress. We have elicited input from various stakeholders, including in the Inspector General community, as to how best to strike this balance. We appreciate the feedback we have received, and we have integrated it into recent employee messaging and training on whistleblowing.

Again, I appreciate your interest in ensuring whistleblowers are protected. I hope the above is helpful to you. If you have any further questions, or if we may be of any further assistance to you, please do not hesitate to contact me. Alternately, a member of your staff may contact Amy Klonsky, IRS's National Director of Legislative Affairs, at [REDACTED]

Sincerely,

Daniel I.  
Werfel

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I. Werfel  
Date: 2024.04.12  
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Daniel I. Werfel  
Commissioner

cc: The Honorable Michael E. Horowitz, Inspector General  
U.S. Department of Justice

The Honorable Heather M. Hill, Acting Inspector General for Tax Administration  
U.S. Department of the Treasury

The Honorable Hampton Dellinger, Special Counsel  
U.S. Office of Special Counsel

Enclosure