

Tax Alert



Robert W. Wood THE TAX LAWYER

TAXES 6/16/2015

IRS Won't Release Lois Lerner Emails -- Because They Might Be Duplicates

Eureka! The IRS says it may have found 6,400 more emails from Lois Lerner. What do they say? Who are they targeting? We don't know, as the IRS says it won't release them. The reason?

This is a good one. Not only the IRS, but the Obama Justice Department is weighing in on this. We need to be sure we have not already released these emails, they say. After all, they might be duplicates. We don't even want members of Congress to see these until we can determine if we already provided them.

<u>Judicial Watch</u>, which has filed Freedom of Information Act (FOIA) requests and lawsuits, is mystified. After all, the Treasury Department's Inspector General for Tax Administration or TIGTA already checked for copies.

66 Even though TIGTA already identified and removed emails that were duplicates, the IRS is in 'the process of conducting further manual deduplication of the 6,400' emails, rather than reviewing them in response to Judicial Watch's FOIA requests that are more than two years old now," he said.



IRS Commissioner John Koskinen appears before a House Oversight and Government Reform Committee hearing on 'IRS Obstruction: Lois Lerner's Missing E-Mails, Part I' on Capitol Hill in Washington on June 23, 2014. The hearing focused on the missing e-mails from the hard drive of former director of the IRS's Exempt Organizations Division Lois Lerner. (Photo credit: NICHOLAS KAMM/AFP/Getty Images)

Lois Lerner got a pass on prosecution and even got <u>nice bonuses</u>. President Obama said there was <u>not a smidgen of corruption</u> at the IRS. He said any missteps were innocent and entirely the fault of bonehead decisions in local offices.

But the <u>Prevent Targeting at the IRS Act</u> passed unanimously along with <u>several other measures</u> to rein in the IRS. The IRS has not exactly seamlessly cooperated. Mr. Koskinen who runs the IRS has had a prickly relationship with investigators and with Congress. He has sometimes appeared to be annoyed that he is being asked any questions at all.

Of course, the IRS said in 2014 (a little late?) that Ms. Lerner's computer crashed in 2011. Oops, no one's fault that we lost a few years' worth of emails. We kept being reminded how hard the IRS looked and how terribly expensive it was that the IRS had to do this. But the inspector general found about 35,000 emails from recycled back-up tapes.

It then turned out that the key IRS IT people weren't even asked to look at back up tapes. Isn't this a little insulting? The IRS's admission that it couldn't find Lerner's emails reinvigorated congressional investigations into the IRS. Of course, the IRS sort of apologized in May 2013 for singling out Tea Party groups seeking tax-exempt status. But the seeming cover-up doesn't exactly seem sorry.

One email from former IRS firebrand Lois Lerner is particularly revealing. Sure, she said she did nothing wrong, she was the victim, and she still took the Fifth. But in February 2012, she wanted to

"put together some training points to help them [IRS staffers] understand the potential pitfalls" of revealing too much information to Congress. This is the IRS version of don't tell. You might have assumed that retired but officially silent Lois Lerner—who ran a key IRS division—might face charges.

Congress found her in contempt after she professed her innocence, and thereafter took the Fifth. Much later, she broke her silence to Politico, saying she did nothing wrong, claiming that she was the victim. The U.S. Attorney's Office was supposedly considering prosecution, but now it announced she is off the hook and will not be charged with contempt. So said a seven-page letter the U.S. Attorney—on his last day in office—sent to Speaker John A. Boehner with the news and its rationale.

Wouldn't some answers be nice? There is arguably no part of the government more important than our tax system. Our country cannot exist without it. Our tax code and how we administer it could be improved. Yet it is still a system with integrity, one that is administered mostly on the honor system. IRS employees deserve better than the black eye they are getting over this mess. American taxpayers deserve better too.

For alerts to future tax articles, follow me on Forbes. You can reach me at <u>Wood@WoodLLP.com</u>. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.