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IRS Rehires Hundreds Of Problem Former Employees

As an employer, would you rehire a former employee guilty of misconduct? Say, someone you caught falsifying official forms, peeking at secured confidential files, or misusing company property? How about rehiring *hundreds* of such misbehaving workers? These aren't trick questions. Most employers breathe a sigh of relief when such an employee departs. You don't hire them *back*.

Rehiring is for someone you *want* back, *not* someone who was a problem. But the IRS may be different from your average employer. So suggests a new [report](#) by the Treasury Inspector General for Tax Administration. The watchdog report says the IRS rehired *hundreds* of former employees with prior substantiated conduct or performance issues.

The Inspector General identified hundreds of rehires despite prior substantiated conduct or performance issues. Some were serious. They ranged from unpaid taxes, unauthorized access to taxpayer information, leave abuse, falsification of official forms, unacceptable performance, misuse of IRS property, and off-duty misconduct. The Treasury Inspector General for Tax Administration concluded that the rehires pose increased risks to the IRS and taxpayers.



In many cases, the problems cropped up *again* after the person was rehired, the report reveals. Of the more than 7,000 former employees the IRS hired between January 2010 and September 2013, 824 had prior performance and conduct issues. In fairness, the IRS did a lot of rehiring of former employees. And most of the rehires did not have performance or conduct issues.

The report cites a former problem employee whose file was explicitly marked “Do Not Rehire” because the person was “absent without leave for 312 hours.” Guess what? He was rehired anyway. 141 former employees were rehired even though they had prior substantiated tax issues. What’s worse, five of them were known to the IRS as having willfully failed to file their federal tax returns. No problem, they were rehired.

During the audit, IRS officials stated that prior conduct and performance issues do not play a significant role in deciding the candidates who are best qualified for hiring. But since then the IRS has indicated it will work to improve its hiring practices. All of this comes at a time when the IRS budget has been cut, and when the agency is facing increasing scrutiny.

Recently, key Senators, including Sen. Orrin Hatch (R-UT) and all other Republicans on the Finance Committee, fired off this [letter](#) to IRS Commissioner John Koskinen. The letter was in response to the IRS chief’s warning of a bad tax filing season due to budget cuts. It’s not budget cuts that are to blame, the Senators, suggested, it’s IRS waste. Some of the IRS expenses that bothered the Senators? How about these hard to understand IRS moves:

- Paying millions of dollars in bonuses and giving tens of thousands of paid vacation hours to employees with recently substantiated conduct issues and disciplinary actions, including bonuses to 1,100 employees owing back taxes;

- Spending over \$23 million and more than 500,000 working hours devoted to union activity, as well as hundreds of thousands of dollars for union travel expenses;
- Spending billions of dollars *every year* on information technology systems – roughly twenty percent of its entire budget.

The IRS has a difficult and important job to do. But it isn't clear that most of the problems with the agency are budgetary.

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