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White House illegally received private citizen tax data from the IRS

By Rick Moran

This is something of a shocker. An IRS watchdog group, Cause of Action, filed a FOIA request looking for documents from the IRS regarding the agency sharing private tax data with the White House.

Although the IRS denied the existence of such documents, the Treasury Inspector General for Tax Administration (TIGTA) sent a letter to the group admitting that the IRS had thousands of such documents, but that the group was prevented from seeing them due to federal privacy laws.

AT reader Charles Lipson calls it a "Catch-22" benefiting the IRS:

- 1) The IRS and Treasure Department declared it had never shared such information.
- 2) For the plaintiff to prove its counterclaim, the federal judge ruled the plaintiff is entitled to see any taxpayer documents the IRS did share with the White House.
- 3) Despite the IRS denial, the IRS Inspector General searched its files and found about 2,500 such documents. That is a huge cache.
- 4) Now, the Treasury Department and IRS are refusing to turn over these responsive documents to the judge and plaintiff.
- 5) The IRS's Catch-22 reason: it would be illegal for them to turn over any documents they might have illegally shared since they are prohibited by Federal law from disclosing this taxpayer information.

The term "Catch 22" is often used loosely. But this IRS gambit is a true case. In the Joseph Heller's wonderful book, the only way a soldier or pilot can be excused from dangerous missions is to be declared mentally ill. There is only one way to be declared mentally ill is to file a form seeking that designation. Unfortunately, if you file such a form, you must be sane enough to understand how to escape from combat, so you are not insane. Result: application denied. As the Army psychiatrist, Dr. Daneeka, says, ""Sure there's a catch. . . Catch-22. Anyone who wants to get out of combat duty isn't really crazy."

That is EXACTLY the strategy the IRS/Treasury Department are pursuing under this White House. The main difference is that Joseph Heller's book was (a) funny and (b) consistent with our Constitution protections and the rule of law.

Gee...what do you suppose the White House wanted with 2,500 pages of private citizens' tax data? I can't imagine why they would want it (sarc/off).

It's hard to find a defense for this, but when vetting a candidate for an executive branch position, the White House can apparently request tax information from the IRS as long as the candidate signs off on it. At least some of those 2,500 pages of tax data is probably related to the vetting process.

But Robert Wood, writing at Forbes, clearly sees the potential bombshell nature of these revelations:

The data may seem unimportant, and hopefully it will turn out to be. Still, the privacy protections for taxpayer data held by the IRS are among the most sensitive parts of the tax law. That makes any alleged transgressions of these rules serious. It makes this topic arguably the worst part of the IRS scandal so far.

You may recall the IRS releasing private tax information from an anti-gay marriage group – including a list of donors, who were then predictably harrassed. So it is not beyond imagining that dozens of administration opponents were targeted for intimidation or destruction.

Now it looks like we'll never know.