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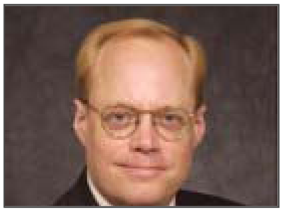

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61% Of IRS Employees Caught Willfully Violating Tax Law Aren't Fired, May Get Promoted

The IRS is in hot water again according to a searing new government report. The report reveals that IRS employees caught *willfully* violating the tax law are unlikely to be fired. Yet amazingly, a 1998 law specifically directs the head of the IRS he must fire them. The IRS fired only 39% of employees found to be willful tax cheats.

The news comes at a time when the IRS image is tarnished and public confidence is low. Knowing that some IRS employees willfully broke the tax law, were caught, and that the IRS looked the other way is disturbing. The willful cheating included overstating expenses, repeatedly missing the tax deadline, and even claiming a tax credit for first-time home-buyers without purchasing a house.

In 10 years, the IRS caught 1,580 of its employees willfully violating tax law. Rather than firing them, in 61 percent of the cases, the willful cheaters were given counseling, reprimands or suspensions. What's more, some actually received bonuses or were promoted within a year of being caught red-handed. Just consider these findings:

- Over 10 years, the IRS identified nearly 130,000 suspected cases of tax violations by its own employees.
- IRS concluded about 10 percent were actual violations.
- Of 13,000 cases, 1,580 were intentional cheaters.
- But the managers refused to fire the employees 61% of the time.
- More than 2,000 employees had multiple red flags during the decade.
- Investigators pulled a sample of 15 cases where an employee had repeated intentional violations, and found that even there, the majority were allowed to remain on the job.

The Treasury Inspector General who issued the report said, "Given its critical role in federal tax administration, the IRS must ensure that its employees comply with the tax law in order to maintain the public's confidence." And for many of the 61% of the cheating employees who were saved, no one seems to know why. Often, there is no documentation of the reasons.

"Willful violation of the law by IRS employees should not be taken lightly, and the IRS commissioner should fully document decisions made to retain employees whom management has proposed be terminated," said Inspector General Russell George. Reading the report is an eye-opener. Rep. Peter Roskam (R-Ill.), the chairman of the House Ways and Means subcommittee overseeing the IRS, said, "The gulf of trust between taxpayers and the IRS has never been wider, and the IRS can and must do better."

The IRS has 82,000 full-time employees. The vast majority are honest and do their jobs to the best of their abilities. Most IRS employees do not deserve yet another black eye. But the report reveals disturbing facts about IRS leadership. In 364 cases of intentional cheating, the Inspector General found that 108 of them were not fired, but were given raises or promotions within a year of being caught.

This isn't the first shocking hit for the IRS. Apart from the targeting scandal, there have been other gaffes with employees. Earlier this year, the Inspector General learned that the IRS rehired hundreds of employees who were fired for misconduct. Falsifying official forms, perusing confidential files, or misusing company property are not enough of a black mark, it seems. That report by the Treasury Inspector General identified hundreds of rehires despite serious problems when they were fired.

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