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# Grassley Blows Whistle On IRS Whistleblower Program

The IRS Whistleblower Program has been controversial. Although UBS whistleblower [Bradley Birkenfeld](#) collected a whopping \$104 million, most claims fizzle. Birkenfeld was the key informant about UBS offshore accounts. His was the domino that brought banks and U.S. taxpayers to their knees before the IRS and Justice Department. See [UBS' Bradley Birkenfeld Gets \\$104 Million, Blows Doors Off IRS Whistleblower Program](#).



(Photo credit: Wikipedia)

But since then, many claimants hoping to cash in on key information given to the IRS have come up empty. And not, it appears, because their information is no good. President Obama nominated [John Koskinen](#), former chairman of [Freddie Mac](#), to be the next IRS Commissioner. There's no question the tax agency is in disarray, and there's no indication Koskinen knows much about taxes, no matter how competent an administrator he may be.

But Senate Finance Committee Senior Member Charles Grassley (R-Iowa) is pushing on the nominee in a letter [here](#). Much of his focus is on whistleblowers. There are many whistleblowers but few are getting money out of the process. The IRS created a [Whistleblower Office](#) reporting to the IRS Commissioner to implement the law. See [Whistleblower/Informant Award](#).

Mr. Grassley isn't happy that the IRS Whistleblower Office has been slow to process cases and make rewards. The program is so bad that some disgruntled whistleblowers have been going to Tax Court to try to roust the IRS. But rousting the IRS is a tough sell.

Take William Prentice Cooper III, who took on the IRS in [Cooper v. Commissioner](#). An attorney, Cooper claimed evidence that estate tax scofflaws failed to pay millions in estate tax and generation-skipping tax. Cooper claimed the IRS could grab up to \$200 million in tax.

Sen. Grassley notes that payouts are few and far between. IRS agents refuse to fully utilize the dirt they are given. Whistleblowers who put their whole careers on the line have to wait years in the dark. And forthcoming proposed regulations will make it worse, Grassley claims.

The IRS has managed to foster distrust between whistleblowers and the IRS. With little consistency or follow-through, there have even been suggestions that the IRS has been misleading. Given the miserable record, Grassley asks the President's nominee for the top IRS job to review the work and role of the IRS Whistleblower Office.

Senator Grassley notes that revenue matters. He even notes that President Obama has made it clear that the federal government needs more revenue. Before increasing taxes on the millions of law-abiding Americans who voluntarily comply with the tax law, says Grassley, what about all those billions of tax dollars out there that aren't getting collected?

That's exactly where the Whistleblower Office should come in. Many claimants turn in tax cheats. The Treasury Department and the IRS should make every effort to collect. Unpaid whistleblowers are demoralized and might stop coming forward. When that happens, we all lose.

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