



Robert W. Wood

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IRS Encourages Illegals To Steal SSNs, Plus 13 More Sobering Tax Day Facts

The April 15 frenzy came late this year, due to a weekend, plus the oddity of DC holiday laws. Whether you have already filed your 2015 return, are filing it the 18th at the last minute, or have gone on extension, everyone is thinking taxes. It would be nice to think that all the money goes for a good cause. It would be nice to think that everyone pays their fair share. It would be nice to think that the IRS does a good job with the even-handed enforcement of the law. But some of these points may give you some doubt.

Let's start with the amazing one—that the [IRS admits it encourages illegals to steal Social Security Numbers for taxes](#). Amazingly, IRS Commissioner Koskinen admitted that as long as the information is being used only to fraudulently obtain jobs, the IRS was OK with it. In fact, he said that the IRS actually had an interest in *helping* the illegal immigrants to crook these rules. Perhaps this is also a Social Security Administration problem, but it sure seems odd to have *any* [agency chief encouraging illegal immigrant theft of SSNs](#).



Here are 13 more zingers.

1. In January 2015, the National Taxpayer Advocate warned that budget cuts and reduced IRS staffing were leading to the worst levels of customer service from the IRS since 2001. Boy, was she right.
2. In May 2015, the IRS announced that its 'Get Transcript' system was hacked. Nine months later, in February of 2016, IRS said the Get Transcript hack was way worse than it previously admitted, compromising 724,000 taxpayer records.
3. In December 2015, an IRS employee handling identity theft was arrested—accused of stealing taxpayer identities. She later pleaded guilty.
4. In February 2016, IRS said a cyber-attack with 101,000 stolen Social Security numbers generated PIN numbers intended for fraudulently filed tax returns.
5. The IRS targeting of conservatives remains unsolved. Former IRS official Lois Lerner admitted targeting, and the Inspector General [issued a report](#) confirming targeting. But Ms. Lerner [took the Fifth](#), went on [administrative leave](#) the next day, and retired with full pension.
6. As it was happening, the IRS paid \$70 million in bonuses. Ms. Lerner received \$42,000; former Commissioner Miller received \$100,000.
7. On February 3, 2014, President Obama told Fox News there was "[not a smidgen of corruption](#)" at the IRS.
8. On May 7, 2014, the House of Representatives held Ms. Lerner in contempt of Congress.
9. On June 13, 2014 (Friday the 13th!), the IRS *first* claimed it lost Ms. Lerner's emails from 2009 to 2011. The IRS said hard drives and backups were destroyed. The IRS erased 422 backup tapes containing up to 24,000 Lerner emails. In November-December 2014, the Inspector General recovered 30,000 Lerner emails after all.
10. On September 22, 2014, Ms. Lerner broke her silence to [Politico](#) and said *she* was the victim. However, court documents showed that the DOJ met with Ms. Lerner as early as 2010 about conservative groups.
11. Republicans have repeatedly called for IRS Commissioner Koskinen to step down. They wrote [letters to President Obama](#) requesting Koskinen's removal.
12. Republicans even passed a [resolution](#) to impeach Commissioner

Koskinen, claiming that the IRS chief violated the public trust by:

- Failing to comply with a subpoena, and failing to locate and preserve IRS records.
- Failing to testify truthfully; providing false and misleading information. He testified that the IRS turned over all Lerner emails, then said they could not be recovered.
- Failing to notify Congress key evidence was missing. The IRS knew Ms. Lerner's emails were missing in February 2014. However, the IRS did not notify Congress until June 2014 – four months later, long after the White House and Treasury Department were notified.

13. In March 2015, a watchdog report revealed that over 100,000 federal employees had evaded some or all of their taxes. [The report](#) said even some IRS employees cheat. Plus, even if they are caught *willfully* violating the tax law, they are *unlikely* to be fired. A 1998 law *specifically directs* the head of the IRS he *must* fire them. Even so, the IRS fired only 39% of employees found to be willful tax cheats.

The IRS is terribly important, as is the tax revenue it collects. Happy Tax Day America.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.