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Robert W. Wood THE TAX LAWYER

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IRS Leaker Of IRS Tax Data To The Press Is Charged With Tax Crimes



An Internal Revenue Service consultant has been charged with disclosing a cache of tax return information without authorization. You can read about the <u>charges here</u>. The charges are not proven, but according to court documents, Charles Littlejohn, 38, of Washington, D.C., while working at the IRS as a government contractor, stole tax return information associated with a

high-ranking government official (called "Public Official A") and disclosed it to a news organization (here, called "News Organization 1"). The allegations say that Mr. Littlejohn also 'stole' tax return information for thousands of the nation's wealthiest individuals, and disclosed this tax return information to another news organization (News Organization 2).

Littlejohn is charged with one count of unauthorized disclosure of tax returns and return information. If convicted, he faces a maximum penalty of five years in prison. This case does not involve one taxpayer or even a manageable number of people. *ProPublica* received very large amounts of IRS data on numerous of the wealthiest U.S. taxpayers, covering more than a decade. There were specific income details, their tax liabilities and payments, and more specific data detailing their investments and audit results.

At the time, *ProPublica* claimed it it did not know the identity of the source for the leaked data. It also said that it had not solicited the data. According to news reports at the time, the leaker only revealed that he or she was concerned about IRS enforcement, or more like a lack of IRS enforcement. And the particular concern, perhaps not surprisingly, was about high high-income taxpayers. Were they paying their fair share? That seemed to be the question that the leaker or alleged leaker wanted to have asked.

Does the IRS and the rest of the government care about such disclosures? You bet, and federal law is harsh on this subject. Leaks of taxpayer data face strict consequences. Section 6103 of the Internal Revenue Code requires confidentiality for tax return information. Section 7213 of the tax code sets out the consequences of authorized disclosures of such information. There is a fine of up to \$5,000 or five years in prison, or both. If you consider that many tax crimes do not result in long term imprisonment, the potential for up to five years is a lot.

And it has happened before. Back in 2021, a former Treasury Department employee got a six month sentence for leaking certain items to the press—a real drop in the bucket compared to the tax return data the ProPublica received in this case. To be clear, the IRS consultant Mr. Charles Littlejohn, has not been convicted of *anything*, these are just charges, in the form of a criminal information. The Justice Department release includes the required statement that all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The watchdog called the Treasury Inspector General for Tax Administration—shortened to TIGTA—is also investigating the case.

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