

*Funding Freedom:  
Safeguarding America's Tax System*



**TREASURY**  
**INSPECTOR GENERAL**  
**for**  
**TAX ADMINISTRATION**

# *Objectives*

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- **Discuss the creation of the TIGTA organization (RRA '98)**
- **Discuss the responsibilities of TIGTA's audit and investigations functions**
- **Provide information on ways to prevent fraud, waste, and abuse**

# *Background*



*As an Office of Inspector General, TIGTA is governed by the IG Act of 1978, as amended, and the RRA 98:*

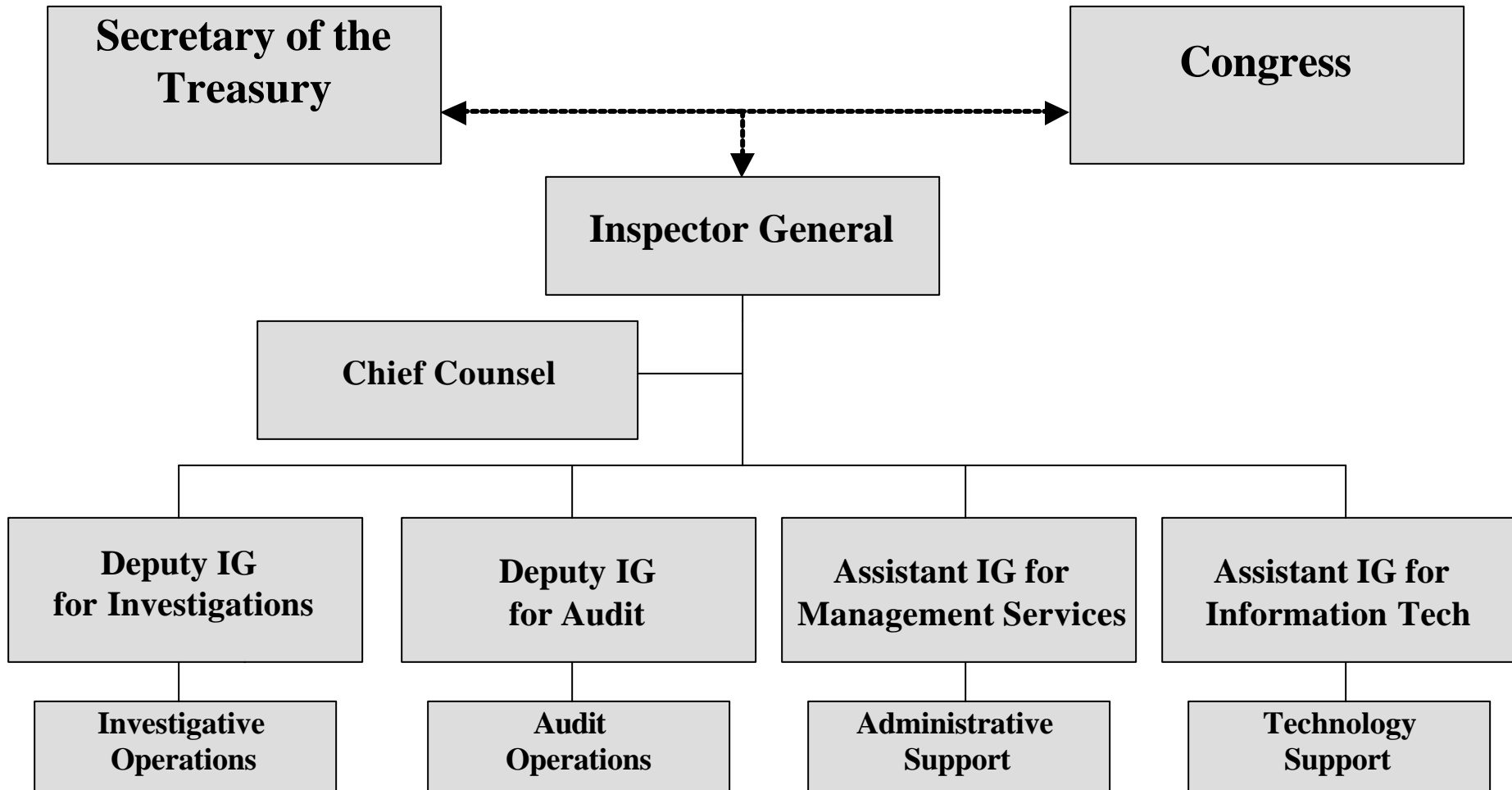
- Audit and investigative responsibilities
- Congressional reporting requirements
- Full access to all IRS records

# ***TIGTA Responsibilities***

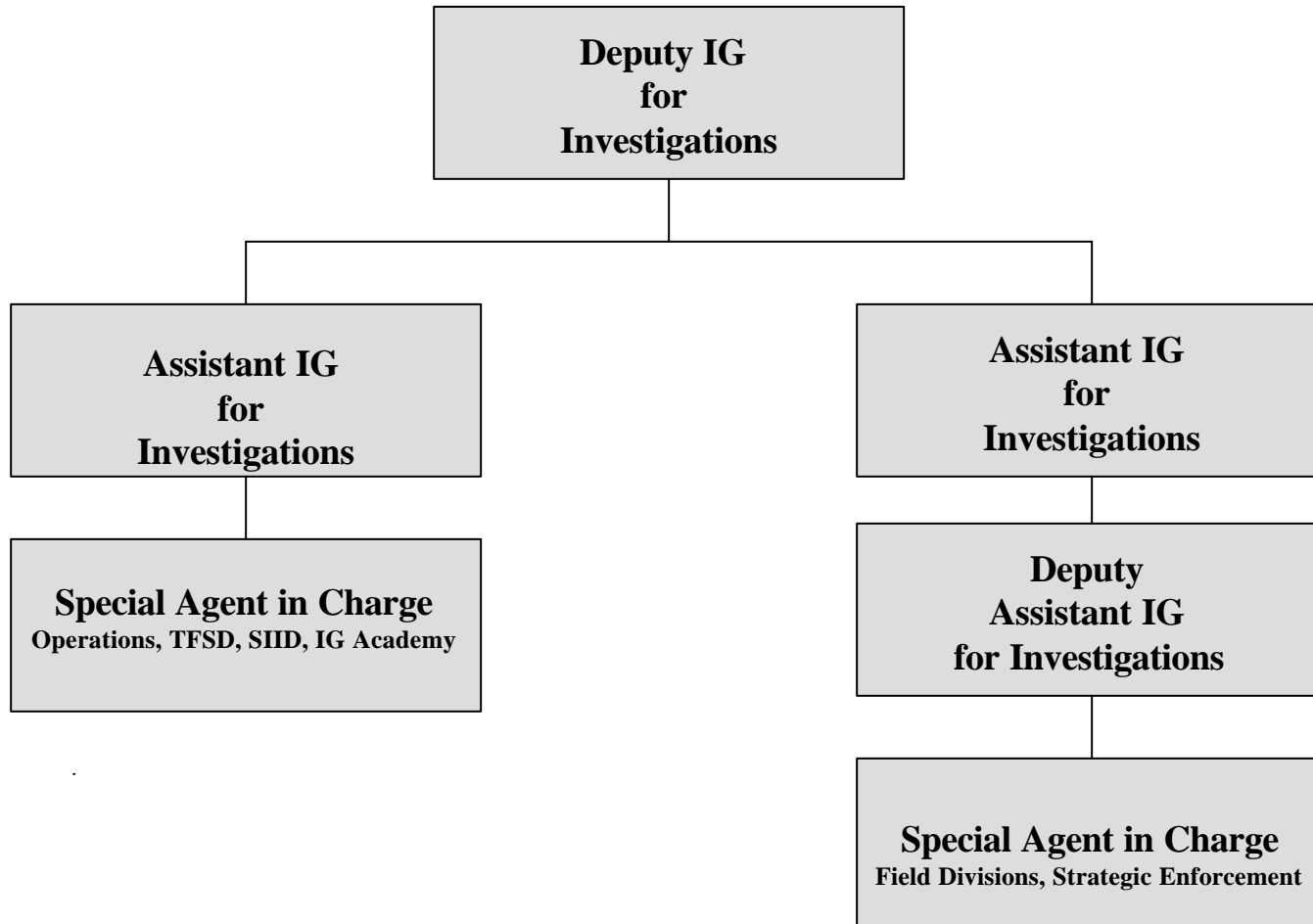


- Conduct and supervise independent and objective audits and investigations of IRS programs
- Investigate threats, assaults, and corrupt interference against IRS employees, facilities, and data infrastructure
- Investigate allegations of administrative and criminal misconduct of IRS employees
- Recommend actions to resolve systemic weaknesses and deficiencies in the operations of the IRS
- Inform the Secretary of the Treasury and the Congress of serious problems facing the IRS and the IRS' progress in resolving them

# *Organizational Structure*

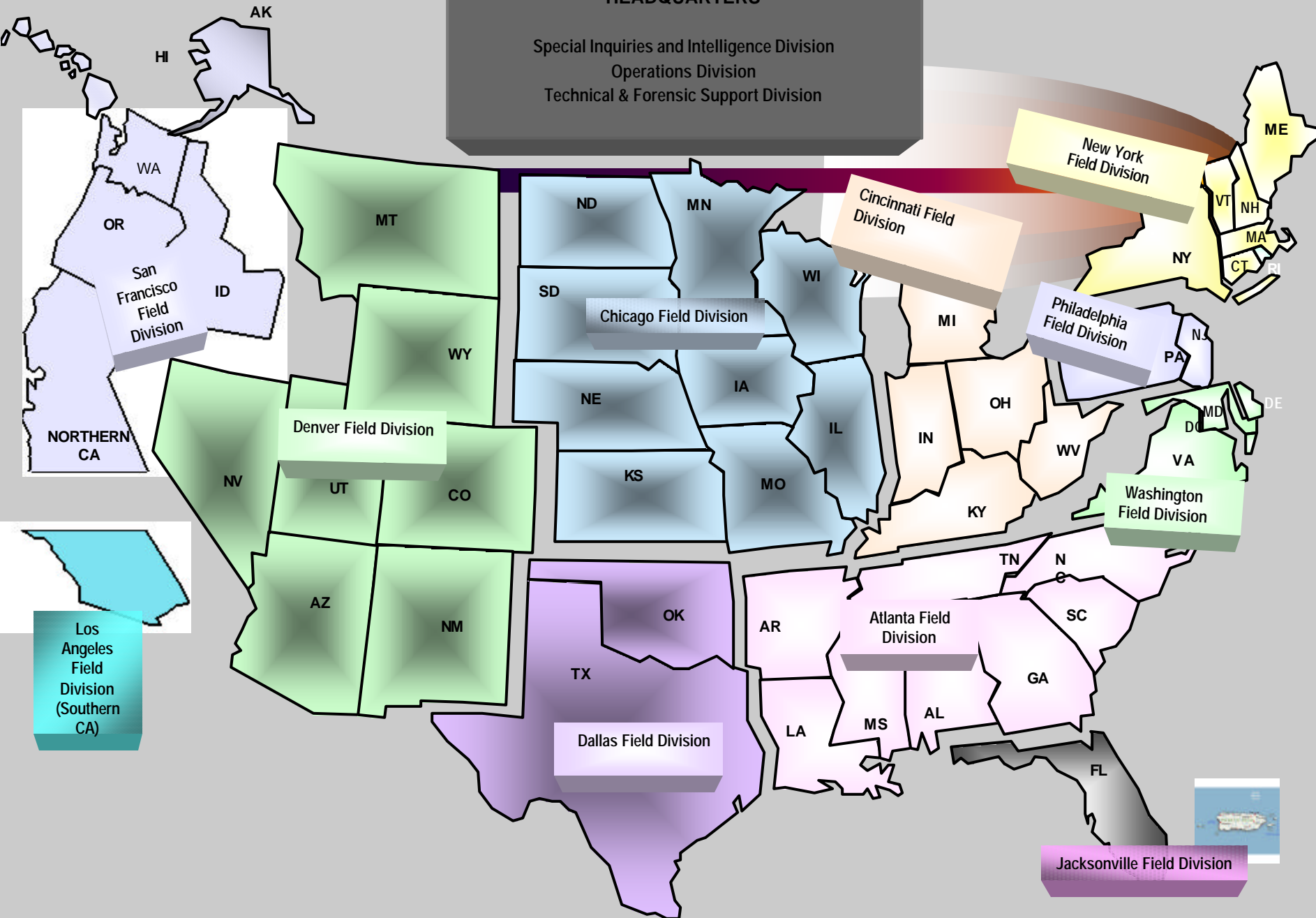


# Office of Investigations



## HEADQUARTERS

Special Inquiries and Intelligence Division  
Operations Division  
Technical & Forensic Support Division



# *Office of Audit*



**Deputy Inspector General for Audit**

**Assistant Inspector General  
Information Systems Programs**

**Assistant Inspector General  
Wage & Investment  
Income Programs**

**Assistant Inspector General  
Headquarters Operations & Tax  
Exempt Organizations Programs**

**Assistant Inspector General  
Small Business  
and Corporate Programs**



# *Office of Audit*

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- Statutory reviews
- Financial reviews
- Performance audits
- Internal control reviews

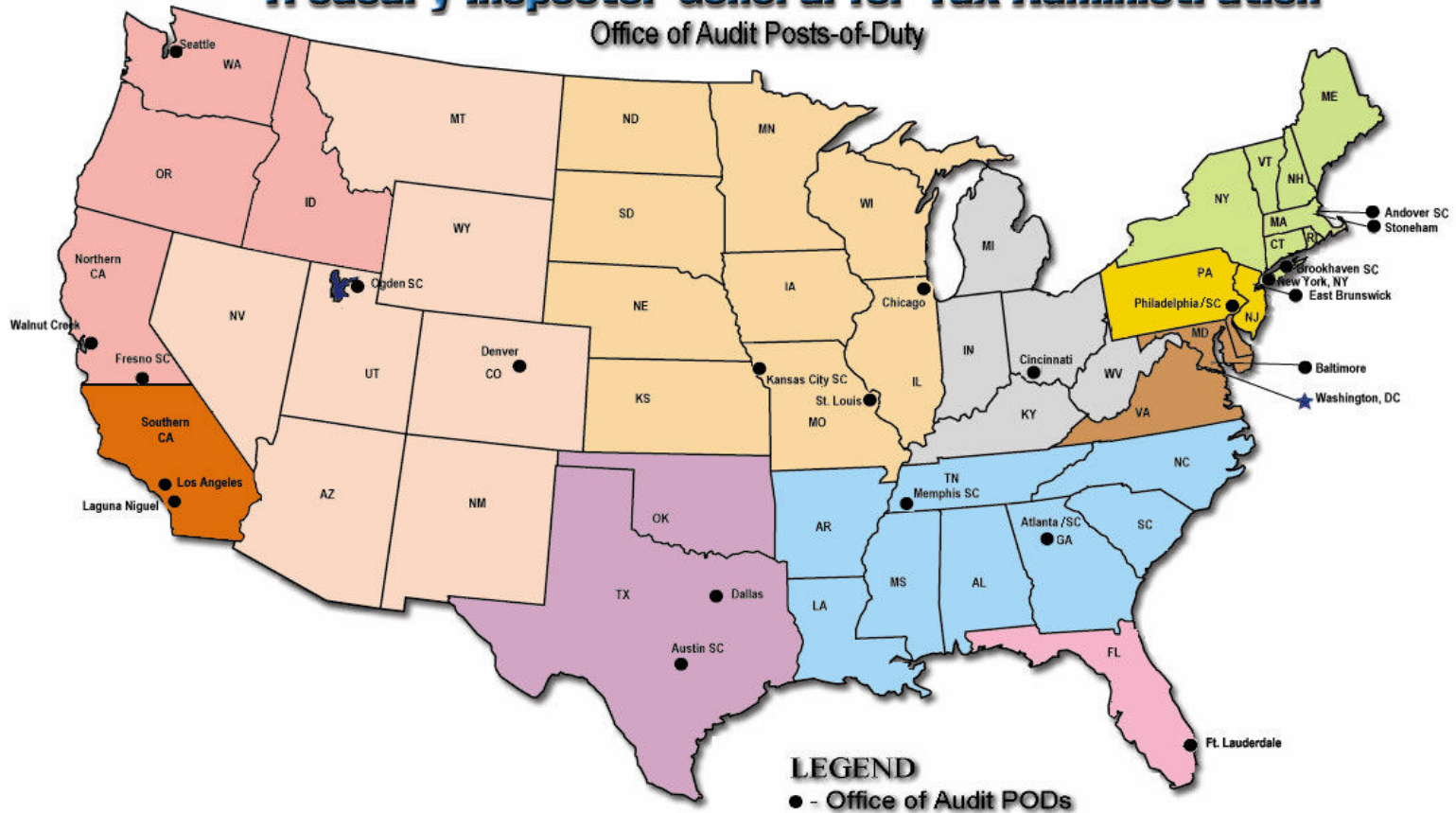
# *Audit Process*

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- Annual Audit Plan
- Engagement Letter
- Opening Conference
- Fieldwork
- Discussion Draft Report/Exit Conference
- Formal Draft (request written response)
- Final Report (incorporates IRS' response)
- Follow-up on Corrective Action taken on Recommendations

# Treasury Inspector General for Tax Administration

Office of Audit Posts-of-Duty



# *Office of Investigations*

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## **Conducts investigative programs that:**

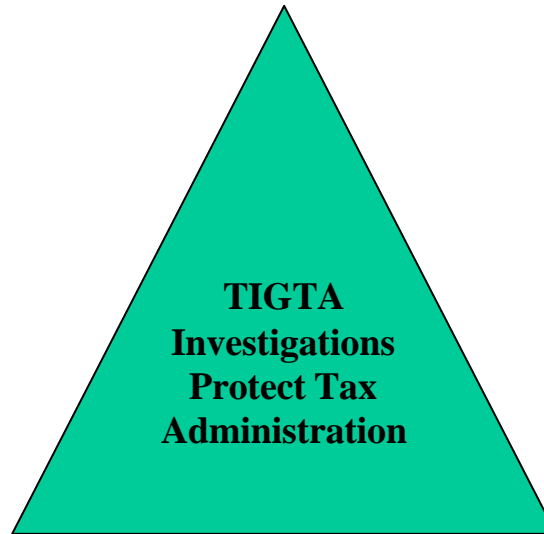
- Investigate external threats to IRS employees, facilities and data infrastructure
- Protect the integrity of the IRS
- Detect and prevent fraud and abuse
- Investigate allegations of IRS employee misconduct

*Collect Revenue Due to the Federal Government (Treasury Goal)*

**TIGTA OI GOAL:**

**Protect Treasury's Ability To Collect Revenue**

**Employee Integrity**



**External Attempts to  
Corrupt Tax Administration**

**Employee and  
Infrastructure Security**

# *Examples of Investigations*

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## *IRS Employee Integrity:*

- IRS Employee pled guilty to stealing over \$191,000 in remittances
- IRS Special Agent sentenced to 30 months for soliciting a bribe from an attorney
- IRS employee charged with unauthorized access and altering IRS computer records

# *Examples of Investigations*

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## *IRS Employee and Infrastructure Security:*

- Murder-for-hire-plot - Preparer solicited the murder of two witnesses who would testify against him in an IRS investigation
- Bomb threat at IRS building results in arrest
- Individual indicted for providing uncertified bomb detection dogs to the IRS

# *Examples of Investigations*



## *External Attempts to Corrupt Tax Administration:*

- Individual indicted for impersonating an IRS official in a scheme involving \$1.9 million
- Former CPA sentenced for fraud in excess of \$1 million - use of fictitious IRS letters
- Preparer convicted of impersonating an IRS official
- Individual pleads guilty to bribing an IRS official



*TIGTA has a Strategic Enforcement Division (SED) responsible for the agency's computer investigations program:*

- Computer intrusion/hacking investigations
- Computer investigative support and evidence recovery
- Unauthorized accesses to IRS computers

# *To Report Fraud, Waste, or Abuse*

## **You may:**

- Remain anonymous
- Call our Hotline at 1-800-366-4484
- Write to: TIGTA, P.O. Box 589, Ben Franklin Station, Washington, D.C. 20044-0589
- Visit TIGTA's web site at [www.treas.gov/tigta](http://www.treas.gov/tigta)
- Call the IRS Taxpayer Advocate at 1-877-777-4778 for tax problem assistance.