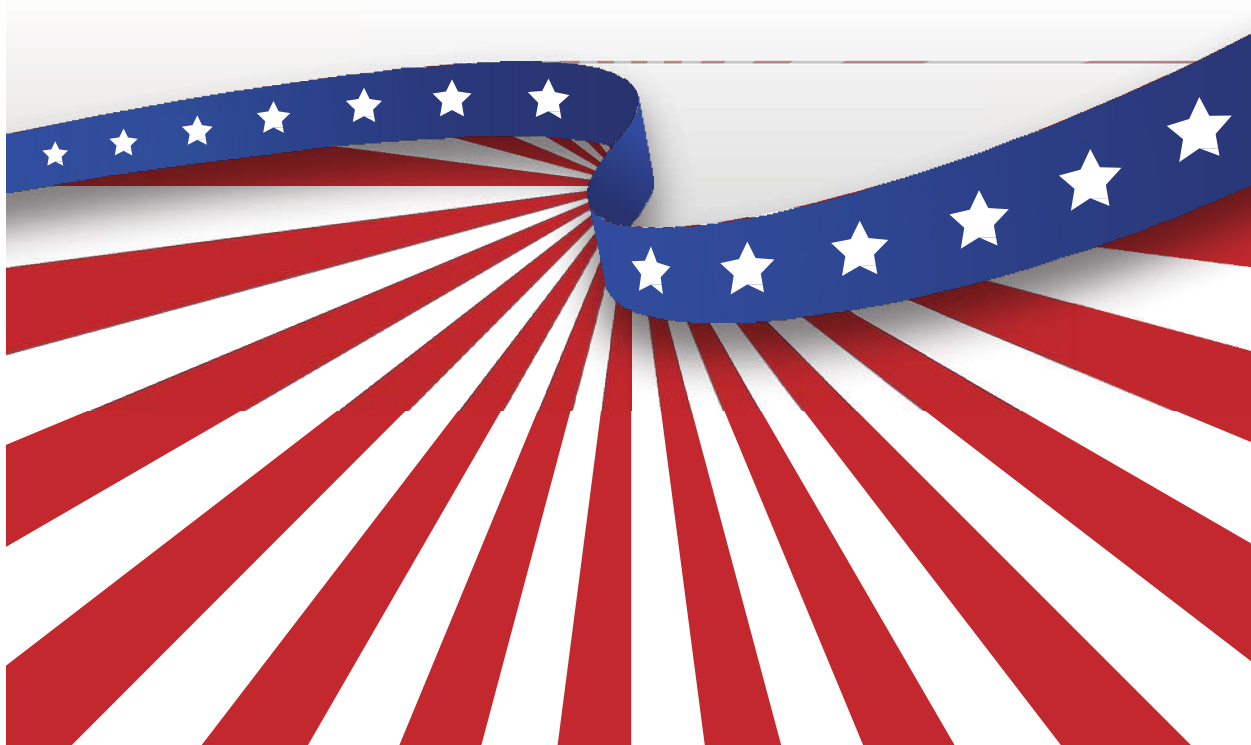




# IRS Whistleblower Program

Fiscal Year 2017

Annual Report to Congress



## Table of Contents

<b>Message from the Director .....</b>	<b>3</b>
<b>Background and Program Evolution .....</b>	<b>4</b>
<b>Program Developments .....</b>	<b>5</b>
Guidance and Operations .....	5
Staffing .....	6
Figure 1: Whistleblower Office Staffing, Fiscal Years 2015 to 2017 .....	6
Outreach and Communications.....	7
<b>Administrative Priorities and Issues.....</b>	<b>7</b>
Administrative Guidance.....	7
Issues of Interest.....	7
<b>Fiscal Year 2017 Whistleblower Program Results .....</b>	<b>9</b>
Awards Paid, Fiscal Years 2015 to 2017 .....	9
Total Claims Related to Awards and Average Days to Process Awards, Fiscal Years 2015 to 2017 ....	10
Total Stand-Alone, Master, and Related Claim Numbers by Month in Fiscal Year 2017 .....	11
Fiscal Year 2017 Receipts, by Operating Division.....	12
Claims Received, Open, and Closed, Fiscal Years 2015 to 2017 .....	13
Open IRC § 7623(b) Claims as of Fiscal Year 2017.....	14
Processes for Open IRC § 7623(a) and § 7623(b) Claims .....	15
Closure Reasons for Fiscal Year 2017 .....	16
<b>Glossary of Terms .....</b>	<b>18</b>

## Message from the Director

In Fiscal Year (FY) 2017, we continued our ambitious efforts to implement improvements and enhancements to the Whistleblower Office and the Whistleblower Program in response to recommendations from the Government Accountability Office (GAO), Treasury Inspector General for Tax Administration (TIGTA), and our internal Lean Six Sigma (LSS) organizational review.

Looking back at our achievements over the past two years, the Internal Revenue Service (IRS) Whistleblower Office has paid an astounding 660 awards versus 655 awards paid over the prior six-year period between FY 2010 and 2015. The Whistleblower Office improved communications with stakeholders, for example, the Whistleblower Office issued guidance explaining the Whistleblower Claim Process and guidance to the Operating Divisions regarding contracts with whistleblowers under Internal Revenue Code (IRC) § 6103(n). The Whistleblower Office also (i) significantly reduced aged IRC § 7623(a) claims; (ii) stabilized the workforce; and (iii) lowered the inventory of open claims by 21 percent to below the FY 2014 level. In an effort to provide information to whistleblowers about their pending claim at the earliest possible date, when possible, the Whistleblower Office issues Preliminary Award Recommendation Letters (PARLs) months in advance of the Refund Statute Expiration Date (RSED).

Since 2007, information submitted by whistleblowers has assisted the IRS in collecting \$3.6 billion in revenue, and, in turn, the IRS has approved more than \$499 million in monetary awards to whistleblowers. In FY 2017, the Whistleblower Office made 242 awards to whistleblowers totaling \$33.9 million (before sequestration), which includes 27 awards under IRC § 7623(b). This represents a 50 percent increase in the number of IRC § 7623(b) awards as compared to 18 awards paid in FY 2016. However, the total number of awards and the total amounts collected were down by 42 percent and 48 percent, respectively. Award dollars to whistleblowers as a percentage of amounts collected increased to 17.8 percent from 16.6 percent. Whistleblower claims assigned in FY 2017 were down 13 percent from those submitted in FY 2016, and closures decreased by 31.6 percent. The IRS rejected 33 percent fewer claims as compared to FY 2016 from whistleblowers because the allegations were considered “Not Specific, Credible, or are Speculative in Nature”.

In closing, we encourage anyone with specific and credible information about a tax noncompliance matter to provide this information to the Government by filing a claim on Form 211, Application for Award for Original Information, with the Whistleblower Office.



**Lee D. Martin**

Director, Whistleblower Office



---

*In FY 2017 the Whistleblower Office made 242 awards to whistleblowers totaling \$33.9 million dollars and had a 50 percent increase in IRC § 7623(b) awards paid.*

---

# Background and Program Evolution

The Tax Relief and Health Care Act of 2006 (the Act) added Internal Revenue Code (IRC) § 7623(b), which enacted significant changes in the IRS award program for whistleblowers. The Act set a new framework for the consideration of whistleblower submissions and established the Whistleblower Office within the IRS to administer that framework. The Act requires that the Secretary of the Treasury conduct an annual study and report to Congress on the use of IRC § 7623. The results obtained include any legislative or administrative recommendations for IRC § 7623 and its application. This report discusses the IRS Whistleblower Program activities for FY 2017 in satisfaction of the reporting obligations under the Act.

Operating at the direction of the Commissioner of the IRS, the Whistleblower Office coordinates with other IRS units, analyzes information submitted, and makes award determinations. If a submission does not meet the criteria for IRC § 7623(b) consideration, the IRS may consider it for an award pursuant to its discretionary authority under IRC § 7623(a). A whistleblower must meet several conditions to qualify for the IRC § 7623(b) award program. The information must be:

- Signed and submitted under penalties of perjury.
- Related to an action in which the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed \$2,000,000; and
- Related to a taxpayer, and for individual taxpayers only, one whose gross income exceeds \$200,000 for at least one of the tax years in question.

If the information meets the above conditions and substantially contributes to an administrative or judicial action that results in the collection of tax, penalties, interest, additions to tax, or additional amounts, the IRS will pay an award of at least 15 percent, but not more than 30 percent of the collected proceeds resulting from the administrative or judicial action (including related actions). The award percentage decreases for cases based principally on information disclosed in certain public sources or when the whistleblower planned and initiated the actions that led to the underpayment of tax. Whistleblowers may appeal the Whistleblower Office's award determinations under IRC § 7623(b) to the United States Tax Court (Tax Court).

The IRS pays awards from collected proceeds, and as such, payments cannot be made until the taxpayer has exhausted all appeal rights and the taxpayer no longer can file a claim for refund. Therefore, typically the IRS does not make award payments for several years after the whistleblower has filed a claim.

# Program Developments

## Guidance and Operations

On August 12, 2014, Treasury and the IRS published final regulations in the Federal Register.<sup>1</sup> The final regulations added necessary clarification and provided additional guidance regarding whistleblower claims under IRC § 7623. Specifically, the regulations provide guidance on submitting information regarding tax underpayments or violations, filing claims for award, and the whistleblower administrative proceedings applicable to claims for award under IRC § 7623. The regulations also provide guidance on the determination and payment of awards, and provide definitions of key terms used in IRC § 7623. Finally, the regulations confirm that the director, officers, and employees of the Whistleblower Office are authorized to disclose return information to the extent necessary to conduct whistleblower administrative proceedings. Further, the Deputy Commissioner for Services and Enforcement issued a memorandum, on August 4, 2017, highlighting the value of whistleblower information and emphasizing consideration of debriefing the whistleblower to gain a better understanding of issues.<sup>2</sup>

TIGTA completed an audit of the Whistleblower Office in FY 2016 that resulted in ten recommendations. The Whistleblower Office implemented nine of the ten recommendations during FY 2017. Based on the recommendations, the Whistleblower Office developed key performance and organizational metrics as well as an internal customer satisfaction survey to complete a Balanced Measures System. The Whistleblower Office also developed and implemented a quality review process to capture systemic and process deficiencies. The Whistleblower Office initiated updates to various correspondence, policies, procedures, and the Internal Revenue Manual (IRM) to improve program administration.

Completing the final recommendation from GAO, the Whistleblower Office issued guidance with respect to communications with whistleblowers under IRC § 6103(n) contracts. While frequently it is in the best interest of tax administration to obtain all information from a whistleblower as part of the Form 211 and the initial debriefing, there may be instances when ongoing interaction with a whistleblower during an examination can assist in a timely and complete understanding of issues. The legislative history accompanying the expansion of IRC § 7623 indicates that, to the extent disclosure of return information is required for purposes of such assistance, the disclosure should be pursuant to a contract for tax administration under IRC § 6103(n).

During FY 2018, the Whistleblower Office will continue to focus on IRC § 7623(b) claims while emphasizing timely interactions with stakeholders.

---

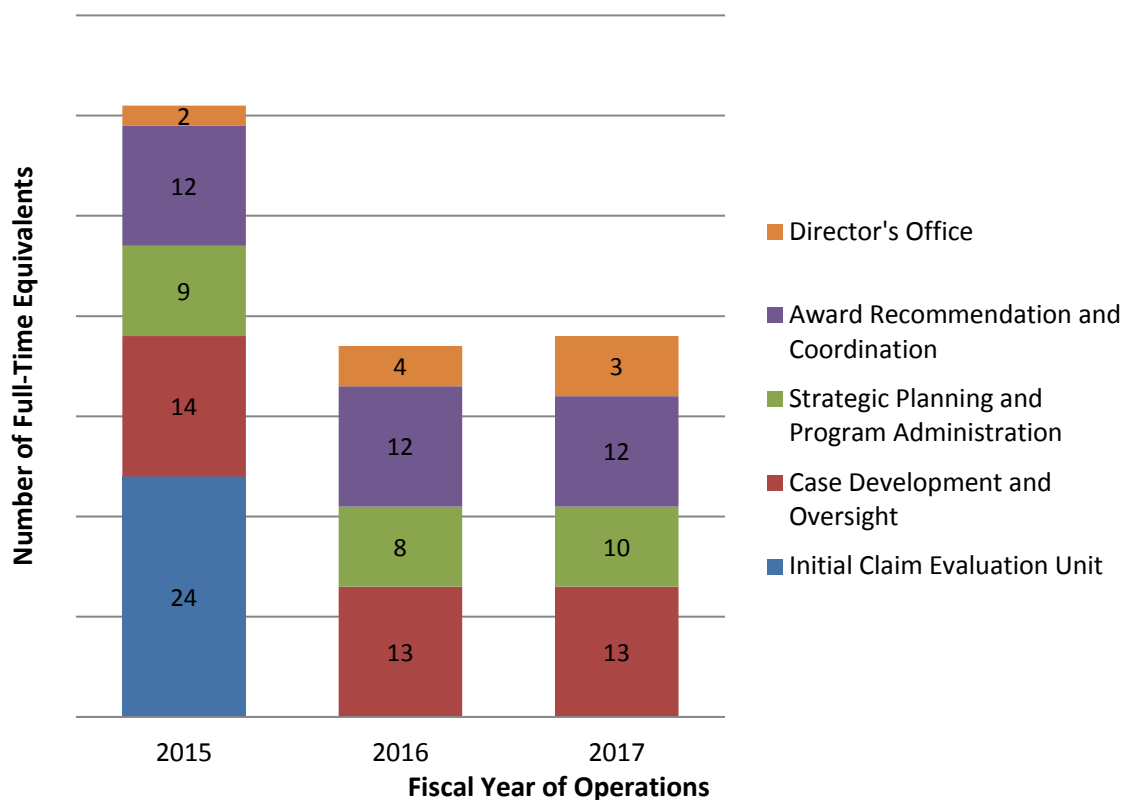
<sup>1</sup> <https://www.federalregister.gov/articles/2014/08/12/2014-18858/awards-for-information-relating-to-detecting-underpayments-of-tax-or-violations-of-the-internal>

<sup>2</sup> [https://www.irs.gov/pub/whistleblower/2017\\_wo\\_dcse\\_memo\\_%20debriefing.pdf](https://www.irs.gov/pub/whistleblower/2017_wo_dcse_memo_%20debriefing.pdf)

## Staffing

In FY 2017, the Whistleblower Office staff was comprised of 38 full time employees with decades of experience in a broad array of IRS compliance programs.

**Figure 1: Whistleblower Office Staffing<sup>3</sup>, Fiscal Years 2015 to 2017**



<sup>3</sup> The Initial Claim Evaluation (ICE) Unit in the Whistleblower Office was realigned to the Small Business and Self-Employed (SB/SE) organization on July 10, 2016. Although these employees are not represented in the staffing numbers for fiscal years 2016 and 2017, the Whistleblower Office still uses the ICE Unit employees who are dedicated to intake and classification of the whistleblower claims; these employees, however, are now in the SB/SE organization to allow for the immediate deployment of additional resources when there is an increase in the volume of incoming claims.

## Outreach and Communications

The Whistleblower Office maintains a page on the IRS Intranet for IRS personnel and provides articles for internal newsletters and speakers for professional education events. There is also a dedicated page on the IRS website, [www.irs.gov](http://www.irs.gov),<sup>4</sup> which provides information for the public about the Whistleblower Program. The website includes links to the final regulations, the Form 211, Application for Award for Original Information, and Publication 5251, The Whistleblower Claim Process and Timeline, which provides information on filing a whistleblower claim for award, the timeline for each step in the claim process, and common reasons for rejection or denial of claims. Additionally, Acknowledgment Letters, letters sent by the Whistleblower Office to whistleblowers to acknowledge receipt of a claim, were updated to indicate that address changes must be sent in writing to the Whistleblower Office, and to reference Publication 5251.

The IRS implemented a Service-wide Knowledge Management (SKM) initiative in FY 2016 to address the loss of expertise due to attrition. In response to this initiative, in FY 2017, the Whistleblower Office created a virtual library containing guidance for employees working whistleblower cases.

The Whistleblower Office has continued its outreach efforts utilizing IRS social media accounts as well as publicly subscribed newsletters. The Whistleblower Office utilized Twitter to announce the publication of the FY 2016 Annual Report to Congress. @IRSNews, @IRStaxpros, and the E-Tax Professionals Newsletter have continued to garner many views. The Whistleblower Office also shares relevant information regularly with stakeholders through its listserv.

Whistleblower Office representatives continue to make presentations to share program developments with professional groups representing taxpayers and whistleblowers, including the Taxpayers Against Fraud Education Fund, the National Whistleblower Day Celebration, the New York University 9<sup>th</sup> Annual Tax Controversy Forum and various foreign government tax agencies. By participating in these functions, the Whistleblower Office obtains an outside perspective on the Program. The Whistleblower Office also provided consultation to other federal agencies and tax administration agencies from other nations, as they evaluated options for establishing their own whistleblower award programs.

## Administrative Priorities and Issues

### Administrative Guidance

The Whistleblower Office is collaborating with the Office of Chief Counsel and Treasury to consider amending the final regulations under IRC § 7623 to improve the administration of the Whistleblower Program. Administrative guidance may be considered in FY 2018 and, if so, the IRS will provide notice and request public comment on any proposed regulations.

### Issues of Interest

---

<sup>4</sup> <http://www.irs.gov/uac/Whistleblower-Informant-Award>



## 1. Rules on access to and disclosure of taxpayer information could provide stronger protection for taxpayers.

Since FY 2010, the Whistleblower Office's Annual Reports have noted concerns regarding the disclosure of taxpayer information to whistleblowers. IRC § 6103 provides authority for the IRS to disclose taxpayer information to whistleblowers in certain, limited instances. Currently, the IRS uses the authority of IRC § 6103(k)(6), which provides that return information may be disclosed as part of an investigation to the extent necessary in obtaining information, to communicate with whistleblowers where appropriate. The IRS also continues to look for appropriate cases to enter agreements under IRC § 6103(n). Neither authority, however, precisely addresses the circumstances in which most disclosures to whistleblowers arise. Thus, the IRS continues to support amendments proposed in the Senate that would both specifically authorize necessary investigative disclosures by the IRS to whistleblowers under IRC § 6103(k) and at the same time ensure protection of taxpayer's return information by extending the criminal penalties associated with any unauthorized re-disclosures by whistleblowers receiving such information. See S. 762-115<sup>th</sup> Congress: IRS Whistleblower Improvements Act of 2017.<sup>5</sup>

Additional taxpayer protections remain necessary with respect to disclosures made during the administrative award determination process and resulting appeals to the Tax Court. The IRS makes disclosures in the administrative proceeding and before the Tax Court, pursuant to the authority of IRC § 6103(h)(4). In conjunction with such disclosures, the IRS requires confidentiality agreements and the Tax Court issues protective orders to limit the ability of whistleblowers to re-disclose a taxpayer's return information. The effectiveness of these tools is limited. There is no restraint on whistleblowers re-disclosing return information following the completion of the administrative and judicial processes.

The absence of such protections has become more relevant in the context of extensive Tax Court discovery into taxpayer examination files. It is fundamentally unfair to the taxpayer (and potentially damages our system of tax administration) to be subject to the public release of confidential return information resulting from proceedings to which the taxpayer is not a party and otherwise has no interest.

## 2. The law does not provide for whistleblower protection.

IRC § 7623 continues to lack any statutory protections from retaliation for whistleblowers providing information to the IRS. Providing whistleblowers with a zone of protection from economic or physical harm is imperative to the success of any whistleblower program as Congress has recognized in other whistleblower statutes. No individual should suffer any reprisals for providing truthful information to the IRS. Accordingly, the IRS continues to support amendments proposed in the Senate that would provide explicit anti-retaliation protections for individuals submitting information to the IRS. See S. 762 – 115<sup>th</sup> Congress: IRS Whistleblower Improvements Act of 2017.

The need for greater protection of whistleblowers is amplified as sophisticated taxpayers are increasingly attempting to learn the existence or identity of a whistleblower. The IRS remains committed to protecting the identity and even the existence of whistleblowers. Nonetheless, the defenses available to the IRS to maintain the confidentiality of whistleblowers are limited at best and additional statutory protections are necessary.

---

<sup>5</sup> <https://www.congress.gov/bill/115th-congress/senate-bill/762/text>



# Fiscal Year 2017 Whistleblower Program Results

Under IRC § 6103, returns and return information are confidential, unless an exception applies. There is no exception in IRC § 6103 that permits the publication of data on identifiable, individual whistleblowers. The IRS may, however, disclose information in aggregate form when the data cannot be associated with, or otherwise identify a taxpayer (or whistleblower). In compliance with these disclosure rules, summary data on awards paid, receipts, closures, and claim status appear in this report.

## Awards Paid, Fiscal Years 2015 to 2017

Table 1 provides current and historical information on awards paid and collections attributable to whistleblower information, prior to the sequestration reduction described below. The number and amounts of awards paid each year can vary significantly, especially when a small number of high-dollar claims are resolved in a single year. The year in which an award is paid is generally not the year in which collections occurred because the IRS must wait until there is a final determination of tax, which means that the taxpayer has exhausted all appeal rights and no longer has an ability to claim a refund.

In March 2013, the Office of Management and Budget issued a notice regarding the impact of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. This law required reductions in expenditures, also known as sequestration, starting March 1, 2013. The applicable sequester reduction may change from year-to-year. As applied to payments under IRC § 7623, the required reductions in FY 2017 were 6.9 percent of the amount that would otherwise have been payable. Sequestration reductions totaling \$2,344,511 were applied to awards paid during FY 2017.

Since 2007, the Whistleblower Office made awards in the amount of \$499,174,673 based on the collection of \$3,609,932,724. In FY 2017, the IRS made 242 awards, totaling \$33,979,873 prior to the sequestration reduction; the total award amount represents 17.8% of total amounts collected. In FY 2017, 27 of the award payments made involved IRC § 7623(b) claims.

**Table 1: Amounts Collected and Awards under IRC § 7623, Fiscal Years 2015 to 2017**

	FY 2015	FY 2016	FY 2017
<b>Total Claims Related to Awards</b>	204	761	367
<b>Total Number of Awards</b>	99	418	242
<b>Total IRC § 7623(b) Awards</b>	19	18	27
<b>Collections over \$2,000,000</b>	11	16	19
<b>Total Amounts of Awards<sup>6</sup></b>	\$103,486,236	\$61,390,910	\$33,979,873
<b>Amounts Collected</b>	\$501,317,481	\$368,907,298	\$190,583,750
<b>Awards as a Percentage of Amounts Collected.</b>	20.6%	16.6%	17.8%

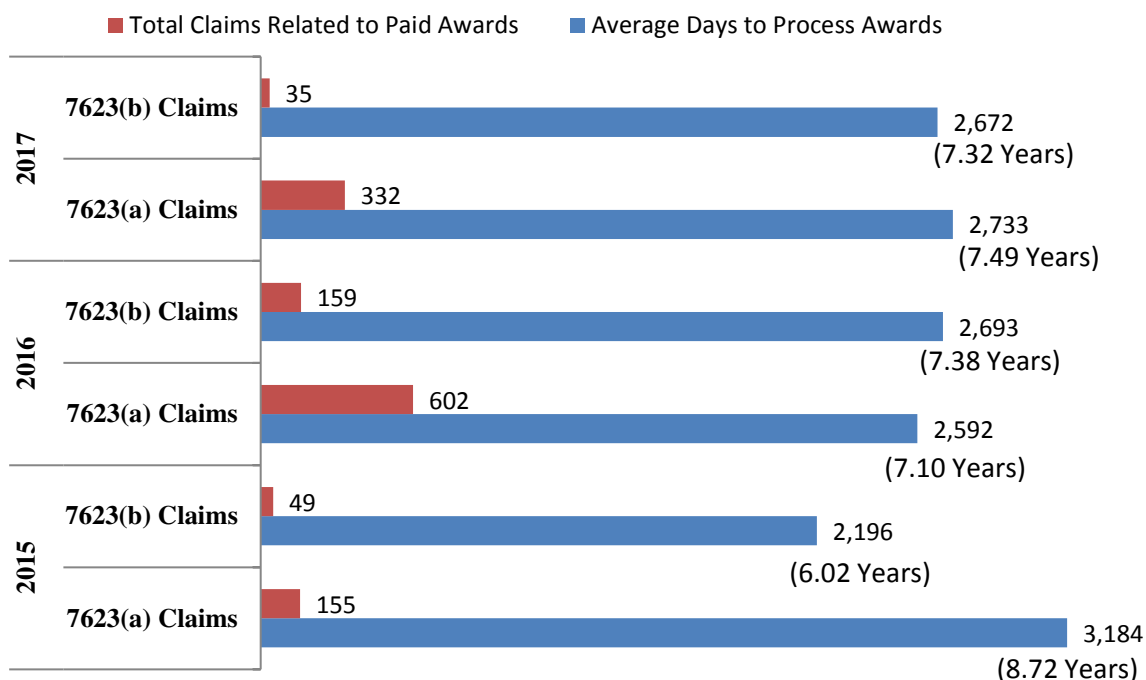
NOTE: Data reported as of September 30, 2017

<sup>6</sup> "Total Amount of Awards" is prior to the sequestration reduction.

## Total Claims Related to Awards and Average Days to Process Awards, Fiscal Years 2015 to 2017

Figure 2 provides the average processing days for award claims paid under IRC § 7623(a) and 7623(b). Typically, the IRS does not determine awards for at least seven years after the whistleblower has filed a claim because a payment cannot be made until there is a final determination of tax. This is consistent with information provided to whistleblowers that awards may not be paid until several years after receipt of the claim.

**Figure 2: Total Claims Related to Awards<sup>7</sup> and Average Days to Process Awards by Claim Type, Fiscal Years 2015 to 2017**

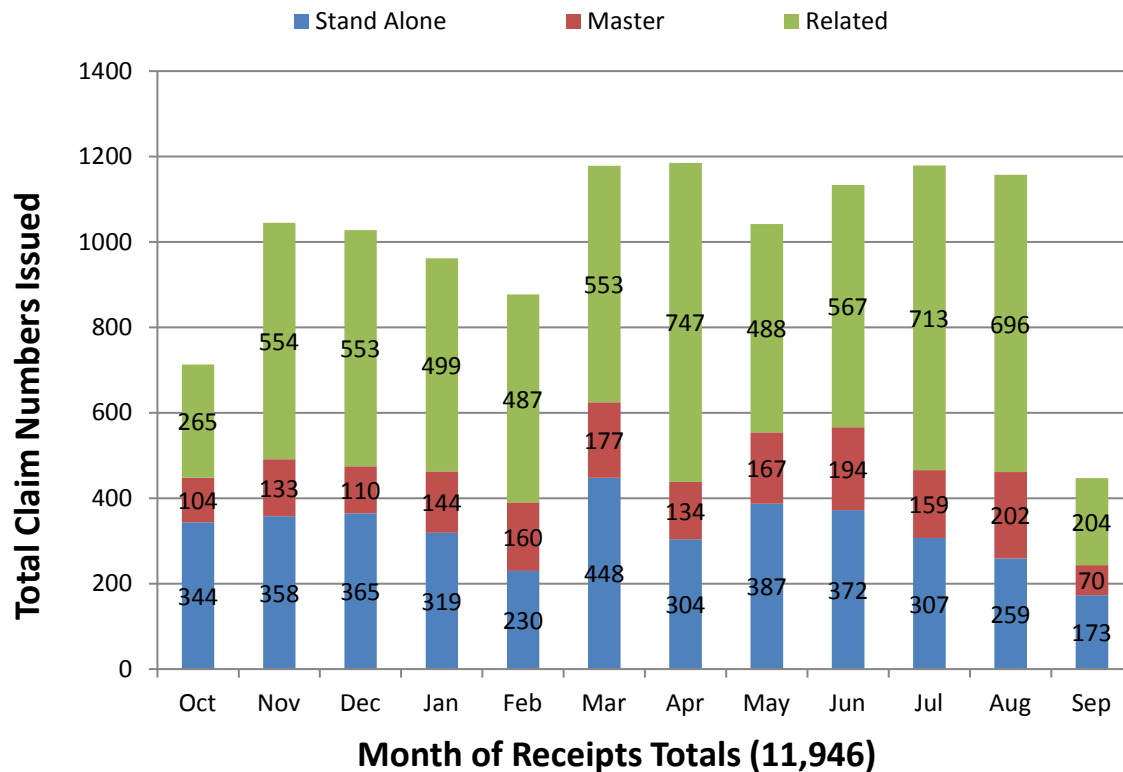


<sup>7</sup> Figure 2 only reflects claims paid in full as of September 30, 2017.

## Total Stand-Alone, Master, and Related Claim Numbers by Month in Fiscal Year 2017

Figure 3 identifies trends and fluctuations as they pertain to Form 211, Application for Award for Original Information, submissions to the Whistleblower Office and claim numbers issued each month in FY 2017. Figure 3 identifies the submissions as stand-alone, master, and related claim numbers. Stand-alone claim numbers are defined as submissions identifying one taxpayer. Generally, multiple claim numbers are assigned when the claim submission identifies multiple taxpayers. When multiple taxpayers are identified, the claim is then subsequently identified by a master claim number, with related claim numbers. For each master claim number identified below, there are at least two related claim numbers.

**Figure 3: Total Claim Numbers Issued by Month in Fiscal Year 2017**



## Fiscal Year 2017 Receipts, by Operating Division

Table 2 below provides additional information on submissions received in FY 2017. This table identifies the IRS operating divisions to which claim numbers are assigned for review and action. Matters involving taxpayers with assets of more than \$10 million are under the jurisdiction of the Large Business and International Division (LB&I), while matters involving businesses and individuals that do not meet that threshold are generally assigned to SB/SE. These two operating divisions receive most of the whistleblower claims. While the jurisdiction of the Tax Exempt and Government Entities Division (TE/GE) encompasses a wide range of taxpayers and tax issues, that division receives relatively few whistleblower claims. A claim initially assigned to LB&I, SB/SE or TE/GE may be referred to Criminal Investigation if development of the case by the civil operating division reveals a potential criminal violation. The Whistleblower Office also makes a limited number of direct referrals to Criminal Investigation, such as cases where the allegations relate to illegal source income or other matters where development by a civil operating division would be unnecessary or inappropriate.

The table also identifies the claim types. Claims listed as IRC § 7623(b) include any claim that appears to have the potential to exceed the \$2 million threshold under IRC § 7623(b)(5)(B), with all others classified as IRC § 7623(a) claims.

**Table 2: Fiscal Year 2017 Receipts, by Operating Division**

		Claim Type <sup>8</sup>		
Operating Division		7623(a)	7623(b)	Total
CI	Submissions	26	26	52
	Claim Numbers	53	136	189
LB&I	Submissions	223	47	270
	Claim Numbers	991	135	1,126
SBSE	Submissions	3,785	158	3,943
	Claim Numbers	9,817	569	10,386
TEGE	Submissions	119	40	159
	Claim Numbers	153	89	242
Not Specified <sup>9</sup>	Submissions	4	-	4
	Claim Numbers	3	-	3
Total Submissions		4,157	271	4,428
Total Claim Numbers		11,017	929	11,946

NOTE: Data reported as of September 30, 2017

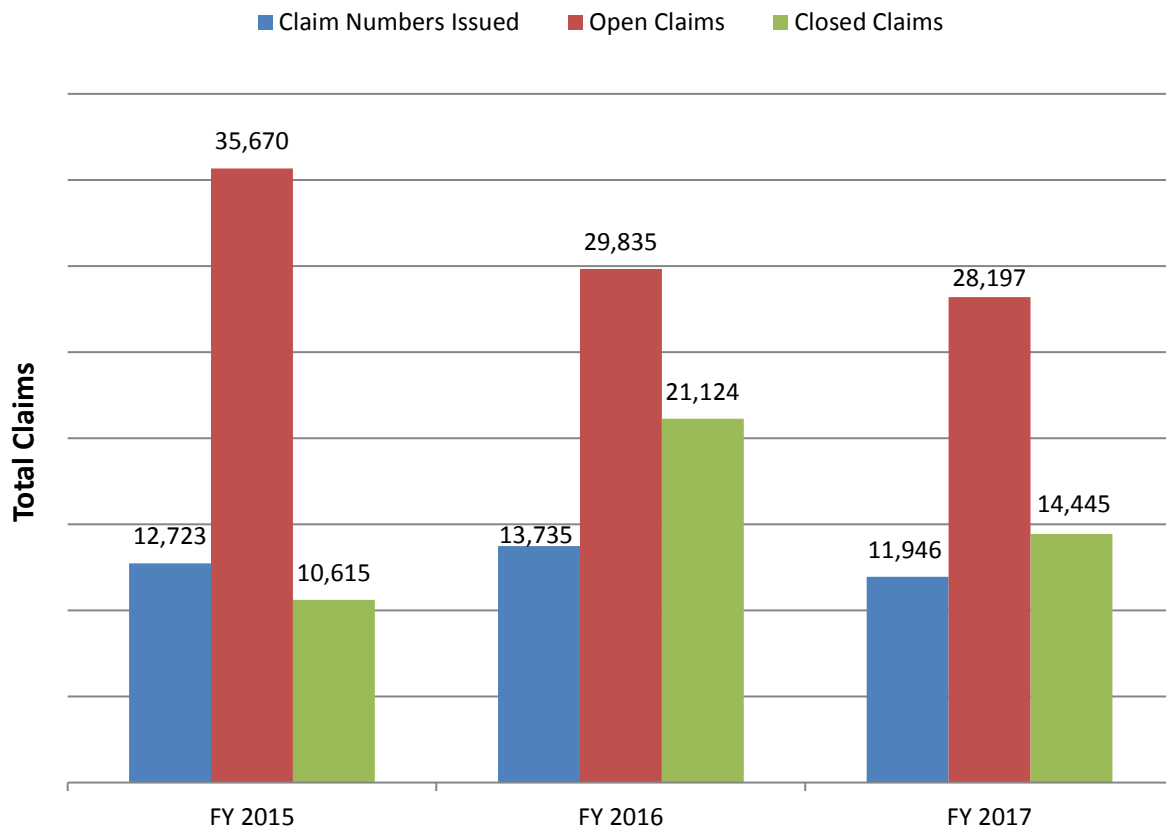
<sup>8</sup> The designation of a claim as a potential IRC § 7623(b) claim should not be treated as final and is contingent on the results of IRS actions that will often not be known for years and ultimately, may or may not reach the \$2 million threshold.

<sup>9</sup> The operating division is not specified for some claims because there may be more than one operating division with responsibility for the issues identified, or the claim may be incomplete.

## Claims Numbers Issued, Open, and Closed, Fiscal Years 2015 to 2017

Figure 4 provides information on claims received, claims remaining open, and claims that were closed in each fiscal year from 2015 to 2017.

**Figure 4: Claims Numbers Issued, Open, and Closed** <sup>10</sup>

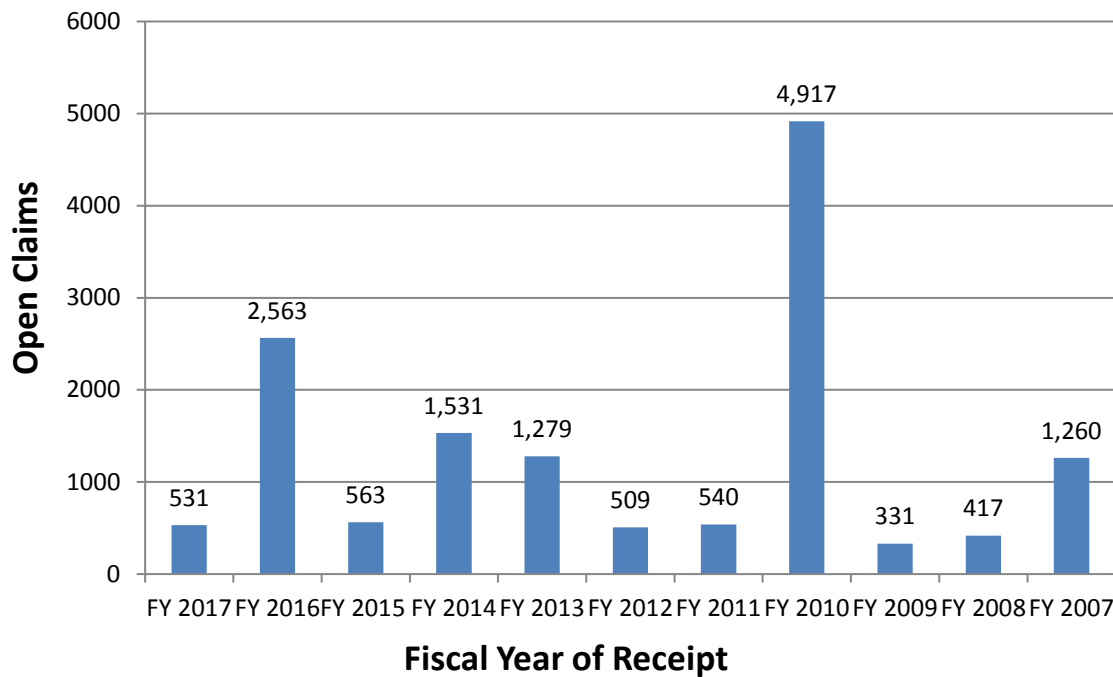


<sup>10</sup> The data presented in this table may not align completely with prior year data reported. As the IRS continues to work a claim and learns more about the characteristics of the claim, the case management information is updated. The data presented in this table is captured as of a certain date and is a snap shot in time. The data is dynamic and changes can occur after the date the data is presented. Closed claims volume in FY 2016 was higher due to the elimination of back-logged inventories.

## Open IRC § 7623(b) Claims as of Fiscal Year 2017

Figure 5 shows the number of IRC § 7623(b) claims remaining open as of September 30, 2017, by year received. The Whistleblower Office uses information provided by the whistleblower to determine whether a claim has the potential to result in an amount in dispute exceeding the \$2,000,000 threshold for IRC § 7623(b). The designation as a potential IRC § 7623(b) claim is not treated as final. Potential IRC § 7623(b) claims are identified during initial review of the whistleblower's Form 211 submission by the ICE Unit, and then forwarded to subject matter experts (SMEs) in the IRS operating divisions. The SME then determines whether the whistleblower's information will be provided to field offices for further investigation, taking into consideration the quality of the information provided, IRS enforcement priorities and, in some cases, legal limitations on the use of the information submitted.

**Figure 5: Open IRC § 7623(b) Claims since Enactment**



## Processes for Open IRC § 7623(a) and § 7623(b) Claims

Table 3 reflects a summary of statuses for open IRC § 7623(a) and § 7623(b) claims. For FY 2017, the statuses were organized into processing phases that provide an overview of where each claim is situated in the claim's lifecycle as of September 30, 2017.

**Table 3: Status of Open IRC § 7623(a) & § 7623(b) Claims**

Processes <sup>11</sup>	Claim Numbers
Intake/Classification 7623(a)	1,672
7623(b)	33
OD Field/Investigation 7623(a)	2,622
7623(b)	3,887
OD Field/Suspense 7623(a)	5,141
7623(b)	8,881
Appeals 7623(a)	280
7623(b)	239
Preliminary Award Evaluation 7623(a)	182
7623(b)	198
Interim Award Assessment 7623(a)	429
7623(b)	111
Collection/Suspense 7623(a)	3,003
7623(b)	723
Award/Suspense 7623(a)	342
7623(b)	258
Final Review 7623(a)	25
7623(b)	17
Litigation <sup>12</sup> 7623(a)	59
7623(b)	95
<b>Total</b>	<b>28,197</b>

NOTE: Data reported as of September 30, 2017

<sup>11</sup> Please refer to the "Glossary of Terms" for a complete description of the processing phases outlined under the "Processes" listed in Table 3.

<sup>12</sup> There are an additional 302 claims that are currently in litigation. Table 3, however, identifies only open claims, and the 302 claims closed prior to litigation.



## Closure Reasons for Fiscal Year 2017

In FY 2017, the Whistleblower Office closed 14,445 claims, a 31.6 percent decrease from FY 2016 closures. The four most common factors for closures were:

- Rejected claims with either a non-specific, non-credible, or speculative allegation.
- The issues were below the threshold for IRS action.
- The information was already known to the IRS, lack of resources to pursue a claim, or due to a survey (no tax effects).
- Claims denied due to insufficient time remaining on the statute of limitations or the statute expired before the Form 211 was submitted.

Additional items of interest regarding the various reasons for closure are listed below.

- There may be multiple closure reasons associated with a claim.
- When a submission identifies multiple taxpayers, different closure reasons could apply to different taxpayers, based on the results of IRS actions regarding each taxpayer. For example, there may be an award paid with respect to one taxpayer and a denial due to a “no change” result with respect to another taxpayer.
- The closure reasons distinguish between examinations that find no additional taxpayer liability and those in which a liability was found on issues other than those identified by the whistleblower. Awards are paid only when the IRS proceeds based on the information provided by the whistleblower. When the information provided by the whistleblower has no relevance to the assessments, the claim is denied and the closure reason applied is “Claim Denied - Whistleblower Issues Was ‘No Change’.”

Table 4 provides a summary of the closure reasons for closures that occurred during FY 2017. The data was grouped into similar categories and is displayed as a percentage of the total closures.

**Table 4: FY 2017 Closure Reasons, All Closures from Any Year of Receipt**

Closure Reasons	Total Closures	Percent of Total Closures	Average Number of Days from Receipt to Closure
Claim Rejected - Allegations are not Specific, Credible, or are Speculative in Nature	8,259	57%	337
Claim Denied - Issues Below Threshold for IRS Action	1,572	11%	574
Claim Denied - Information Already Known, or Lack of Resources, or Survey Other	1,376	10%	1,378
Claim Denied - Insufficient Time Remaining on Statute of Limitations or Statute Expired Before Form 211 Submission	894	6%	770
Claim Denied - Examination Result Was "No Change" or Whistleblower Issues Was "No Change," or no Title 26 Collected Proceeds	845	6%	1,563
Closed – Unable to Contact/Undeliverable Whistleblower	375	3%	2,844
Claims Paid in Full in 2017	367	3%	2,880
Claim Rejected - Failure to File Form 211, or Sign Form 211 Under Penalties of Perjury, or Incomplete Form 211	331	2%	447
Anonymous Referred to 3949-A Program	131	Less than 1%	190
Closed - Deceased Whistleblower Claims	104	Less than 1%	2,917
Claim Denied – No Collected Proceeds (Uncollectible)	63	Less than 1%	2,875
Administrative Error – (Duplicate Records Created in Error)	52	Less than 1%	611
Closed – Other (Used as a General Closure That Does Not Fall Within One of The Specific Closure Reasons)	42	Less than 1%	1,478
Closed – Non-Compliant Whistleblower	27	Less than 1%	4,881
Claim Rejected - Ineligible Whistleblower	7	Less than 1%	1,965
<b>Total Closures</b>	<b>14,445</b>	<b>100%</b>	

NOTE: Data reported as of September 30, 2017

## Glossary of Terms

<b>Appeals</b>	This process involves the status on claims in which the taxpayer has sought review by the IRS appeals function or the courts.
<b>Award/Suspense</b>	This process includes cases which have been suspended, and cases in which the payment has been received but is awaiting the expiration of the statute of limitations on the taxpayer's claim for refund.
<b>Collection/Suspense</b>	The Collection/Suspense process involves the monitoring of tax accounts associated with claims for payment of the deficiencies.
<b>Final Review</b>	The Final Evaluation process includes Award Recommendation Memos and letters for rejections and denials, which have been approved, or are awaiting approval from management.
<b>Intake/Classification</b>	The Intake/Classification process includes claims submitted to the Initial Claim Evaluation (ICE) Unit for review and analysis. The ICE Unit builds the claims, and the claims are then sent to the operating divisions' classification function for further review. The primary function of this process is to determine which claims require additional review from the Whistleblower Office or the Operating Division (OD). This process includes claims which have no current status, claims which require additional information, incomplete claims, new claims, and claims awaiting classification.
<b>Interim Award Assessment</b>	The Award process includes the review of all claims which have been returned from the ODs that require additional review. The current statuses in this process include approvals for award percentages, award evaluations, final award approval, final award processing, Form 11369 award recommendation and coordination review, reviewing the results of the OD's to determine whether sufficient information exists to make an award decision, managerial Preliminary Award Recommendation Letter (PARL) approval, and the review of pending rejection and denial letters.
<b>Litigation</b>	The Litigation process includes the status for claims in which the whistleblower has sought litigation regarding an award determination made on the whistleblower's claim.
<b>OD Field/Investigation</b>	The OD Field/Investigation process includes claims sent to the various ODs for investigation after classification's review. The current statuses included in this process are claims under OD Field Examination, claims being reviewed by the OD's Subject Matter Experts, and claims under initial review by the Criminal Investigation Division prior to accepting the claim for investigation.
<b>OD Field/Suspense</b>	Claims submitted often include multiple taxpayers, potential related taxpayers, and claims which might fall under the Tax Equity and Fiscal Responsibility Act (TEFRA). The OD Field/Suspense process includes claims which are awaiting the closure of an associated claim, to allow all claims to be closed out simultaneously. This process includes the status for claims in which the case is suspended because the OD is evaluating a bulk claim involving a large number of taxpayers, or the claim still has related claims in process, or the claims are awaiting the resolution of a TEFRA key case.

**Preliminary Award Evaluation** The Preliminary Award Evaluation process involves claims with current statuses including administrative proceedings for either rejections or denials, or for PARLs.