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IRS Whistleblower Office notes ongoing efforts as July 30 anniversary approaches; \$1.1 billion paid to date to whistleblowers

With a key anniversary approaching, the IRS Whistleblower Office today highlighted the ongoing work being done by the office, including paying \$1.1 billion in awards to more than 2,500 whistleblowers.

"Whistleblower information has been an incredibly effective aid to IRS compliance efforts," said IRS Whistleblower Office Director John Hinman. "Since issuing its first award in 2007 through fiscal year 2022, the IRS has paid \$1.1 billion in awards to over 2,500 whistleblowers based on the successful collection of \$6.6 billion from non-compliant taxpayers."

The IRS <u>Whistleblower Office</u> was established in 2007 to administer claims from whistleblowers that identify taxpayers who may not be complying with tax laws or other laws the IRS administers, enforces or investigates. Actionable claims contain specific, timely, and credible information. A whistleblower may qualify for an award when use of the whistleblower's information results in proceeds collected.

The awards paid to whistleblowers generally range between 15 to 30 percent of the proceeds collected and attributable to their information. To date, in fiscal year 2023, the IRS has paid awards of \$75.1 million to whistleblowers for information that led to the successful collection of over \$274.6 million in tax, penalties, fines, and interest.

The nation's tax system is built on the principle of voluntary compliance, and whistleblowers play a key role there. When this principle is observed, taxpayers file tax returns and pay their taxes timely and accurately without the need for compliance activity by the IRS. Voluntary compliance is aided by the knowledge that non-compliance with tax laws will be addressed through examinations, collection actions, criminal investigations and other tax enforcement work.

Although the IRS uses increasingly sophisticated data analytics and other methods to detect noncompliance with tax laws, it needs help from whistleblowers – people with firsthand knowledge of non-compliance who are willing to share what they know so the IRS can investigate it when warranted.

Whistleblower information that the IRS can act on is an important component of effective tax administration and contributes to identifying non-compliance and <u>reducing the tax gap</u>. The IRS appreciates the valuable assistance it has received from whistleblowers and the tremendous support the whistleblower practitioner community provides to the Whistleblower Program.

The continued success of the IRS <u>Whistleblower Program</u> is dependent on people who come forward to the IRS with information on tax fraud and tax non-compliance, and on the dedicated IRS workforce that supports this program.

National Whistleblower Appreciation Day is recognized on July 30 because America's first whistleblower law was passed by the Continental Congress on July 30, 1778. The <u>first law related to whistleblowers on tax violations</u> was enacted almost 90 years later in March 1867.