

Congress of the United States
Washington, DC 20515

June 9, 2021

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Rettig:

We write to express serious concern about what appears to be an egregious and illegal breach of taxpayer privacy stemming from the apparent leak of confidential taxpayer information to the media outlet ProPublica. Confidential taxpayer information was allegedly published on June 8, 2021, in an article titled “The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax.”¹ The article states that “ProPublica has obtained a vast trove of Internal Revenue Service data on the tax returns of thousands of the nation’s wealthiest people, covering more than 15 years.” ProPublica’s description of the data and the nature of the information published strongly suggests that the information could have only come from within the IRS. ProPublica’s use of tax data to effectively provide politicized advocacy for targeting classes of taxpayers for yet more IRS information scrutiny adds to concerns about the massive IRS data breach.

Anyone accessing or releasing confidential personal tax information from the IRS without necessary approvals faces severe penalties and must be prosecuted. Our tax system relies to a great extent on voluntary compliance, and the vast majority of Americans are compliant. Violating confidentiality, as seems to be the case with leaks to ProPublica or its sources, does great damage to taxpayers’ confidence in the IRS and the tax system.

ProPublica claims that it does not know the identity of its source and that it does not know if the information came to them from inside or outside the IRS. There seem to be only three equally serious possibilities: IRS employees committed felonies by providing legally protected private taxpayer information to ProPublica; IRS information security systems are severely compromised; or the ProPublica story is false and manufactured. Those possibilities are deeply concerning, as they indicate that taxpayer information is not safe at the IRS or political operatives are manufacturing false stories.

This extraordinary breach of taxpayer data is the second such serious, high-profile breach in the last year.² And it comes at a time when the Biden Administration has proposed a drastic increase in the amount of private, sensitive information reported to the IRS by financial institutions about deposits or withdrawals made by any individual or business in savings, checking, or other accounts of as little as \$600. Taxpayers who are already concerned about having their local

¹ <https://www.propublica.org/article/the-secret-irs-files-trove-of-never-before-seen-records-reveal-how-the-wealthiest-avoid-income-tax>.

² <https://www.nytimes.com/interactive/2020/09/27/us/donald-trump-taxes.html>.

banks turned into monitoring and reporting agents of the IRS now must also worry about whether data collected and reported to the agency are secure. If this can happen to the wealthiest Americans or even the President of the United States, it could happen to any American taxpayer.

At a hearing before the Senate Finance Committee on June 8, 2021, you stated that the IRS has already taken actions to launch an investigation and is cooperating with entities outside of the IRS who are investigating as well. You also stated that it is your hope that people are prosecuted if violations of law are identified. We are pleased to see quick action to determine the source of the leaks. It is essential that Congress be informed throughout this process, particularly given the implications for the Biden Administration's pending proposal on tax compliance. Therefore, we ask that you provide answers to the following questions:

1. When did the IRS learn about the alleged disclosure to ProPublica?
2. Has the IRS confirmed that the information allegedly provided to ProPublica originated at the IRS?
3. Has the matter been referred to the Department of Justice (DOJ) for criminal investigation?
4. Given that the matter has been referred to the Treasury Inspector General for Tax Administration (TIGTA), will there be a separate investigation by the Office of Inspector General of the Treasury Department and are there any conflicts presented by multiple investigations?
5. Are the investigations underway insulated from any possible political pressures?
6. Have DOJ and/or TIGTA opened formal investigations?

We ask that you provide answers to these questions in a detailed briefing to our staffs. We ask that this briefing include a detailed description of all the steps the IRS has taken and is taking to investigate and address this issue. Given the seriousness of these issues, we ask that you provide the briefing by June 15, 2021.

Finally, we ask that you also provide regular updates to our staffs on the progress of the investigation(s) and ultimately provide a final explanation of the findings upon completion.

Sincerely,



Mike Crapo
Ranking Member
Senate Committee on Finance



Kevin Brady
Republican Leader
Committee on Ways and Means