



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 02, 2024

The Honorable Hampton Dellinger
Special Counsel
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

RE: OSC File No. DI-24-000971

Dear Mr. Dellinger:

This letter responds to your letter of August 5, 2004, referring a whistleblower's allegation that the IRS may have violated a law, rule, or regulation. The whistleblower alleged the IRS violated the Internal Revenue Manual by making changes to the curriculum for basic training for IRS Criminal Investigations (CI) Special Agents that had not been reviewed by the CI Training Council. The whistleblower further alleged that the changes resulted in Special Agents being inadequately prepared to investigate financial crimes and added redundant general law enforcement training.

This matter was referred to the Treasury Inspector General for Tax Administration (TIGTA) for investigation. That office concluded its investigation and transmitted the attached report to the Department on November 25, 2024.

TIGTA's review found that the IRS had made changes to the curriculum without following its established processes. It also found that some core financial investigation instruction had been replaced with general law enforcement training. However, it did not substantiate the whistleblower's allegations that new CI special agents were inadequately prepared to investigate financial crimes, or that the replacement law enforcement training was redundant.

After interviewing the whistleblower, TIGTA also investigated whether IRS had improperly adjusted the test scores of certain students. TIGTA found that IRS had removed questions from completed exams if 50% or more of a class had answered incorrectly, and that this procedure was not documented in the applicable grading policy.

TIGTA provided IRS with an evaluation report making specific recommendations to address the control weaknesses identified in its review, and IRS agreed to implement the recommendations.

In light of IRS's agreement to implement TIGTA's recommendations, I conclude no further action is required and will close this matter. If you have any questions, please contact [REDACTED] at (202) 622-6966.

Sincerely,

A handwritten signature in cursive script that reads "Janet Yellen".

Janet Yellen

Attachment

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



**Review of Matters Referred to the U.S. Department of
the Treasury by the Office of Special Counsel
(OSC File No. DI-24-000971)**



TREASURY INSPECTOR GENERAL for Tax Administration

DATE: November 25, 2024

MEMORANDUM FOR: THE HONORABLE ADDAR LEVI, ACTING GENERAL COUNSEL

FROM: Heather M. Hill *Heather Hill*
Acting Inspector General, Treasury Inspector General for Tax
Administration

SUBJECT: Review of Matters Referred to the U.S. Department of the Treasury by
the Office of Special Counsel (OSC File No. DI-24-000971)
(Referral Report No.: IE-24-050-CR)

Attached for your review is our response to a referral made to the U.S. Department of the Treasury by the Office of Special Counsel (OSC File No. DI-24-000971).

The overall objective of this review was to evaluate concerns raised by a whistleblower that officials at the U.S. Department of the Treasury, Internal Revenue Service, Criminal Investigation, Office of Strategy, National Criminal Investigation Training Academy in Glynco, Georgia, engaged in conduct that may constitute a violation of law, rule, or regulation; gross mismanagement; and a gross waste of funds.

If you have any questions, please contact me or [REDACTED] Deputy Inspector General for Inspections and Evaluations.

Attachment

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Background

On August 14, 2024, the Acting Inspector General, Treasury Inspector General for Tax Administration (TIGTA), received a memorandum from the Acting General Counsel, U.S. Department of the Treasury (Treasury), referring to TIGTA an Office of Special Counsel (OSC) request for an investigation of a whistleblower's allegation that officials at the Internal Revenue Service (IRS) Criminal Investigation (CI) Division, Office of Strategy, National Criminal Investigation Training Academy (NCITA), in Glynco, Georgia, engaged in conduct that may constitute a violation of law, rule, or regulation; gross mismanagement; and a gross waste of funds.¹ The Treasury memorandum requested that TIGTA initiate, on an expedited basis, an appropriate review of these matters and issue a report consistent with the requirements of 5 U.S.C. § 1213 to be submitted to the Secretary of the Treasury.

As detailed in the OSC referral, the whistleblower has been a certified legal instructor at NCITA periodically for over 25 years and has trained over 2,700 new IRS CI special agents. The whistleblower claims that, since the beginning of the NCITA Director's tenure in September 2021, changes were made to the CI special agent training, specifically to the Special Agent Investigative Techniques program (SAIT), that violate agency rules, undercut the IRS CI's ability to fulfill its mission, and result in excessive and unjustifiable costs.

The OSC requested that the Treasury investigate specific allegations and issue a written report consistent with the requirements of 5 U.S.C. § 1213 (including subsection (d)). The allegations, which the Treasury referred to TIGTA for investigation, include:

- Contrary to the Internal Revenue Manual (IRM) (*i.e.*, IRS internal guidelines), curriculum changes to the SAIT training portion of the NCITA's Special Agent Basic Training program (hereafter referred to as the SAIT training program) have not undergone review by the CI Training Council since at least October 2022, but likely since September 2021, when the NCITA Director assumed their role.²
- Due to the cumulative impact of the following actions by, or during the tenure of, the NCITA Director, new IRS CI special agents are inadequately prepared to investigate financial crimes, thus imperiling the IRS CI's mission to enforce tax and other financial laws under the IRS's purview because of the following actions:
 - Failing to convene the CI Training Council to approve SAIT training program curriculum changes as required by the IRM.
 - Reducing core financial investigative lessons by 45 classroom hours for incoming IRS CI special agents in the SAIT training program.

¹ The NCITA is a Federal Law Enforcement Training Accreditation (FLETA) academy. As such, the NCITA is responsible for developing, monitoring, and delivering formalized training programs and on-the-job training, and for scheduling and conducting training in accordance with FLETA academy standards.

² According to IRM 9.2.1.3.3 (2013), during the SAIT training, students learn how to investigate the specific violations of federal law under CI's jurisdiction. A detailed evaluation of the trainee's performance in all segments of recruit training is sent to the trainee's respective field office management upon successful completion of the SAIT training. Satisfactory completion of the SAIT training is required to retain employment as a special agent.

- Weakening the SAIT training program standards to pass a greater number of Special Agent Trainees (SATs), so that the failure rate of students in recent years is artificially low compared to its historical average.
- Hiring more IRS CI special agents without accounting or tax backgrounds.
- Hiring IRS CI special agents at greater numbers due to approved funding under the Inflation Reduction Act of 2022 (IRA), signed into law in August 2022.³
- Core financial investigative hours have been replaced by 38 hours of general law enforcement lessons duplicative of those taught by the Federal Law Enforcement Training Center (FLETC) in its Criminal Investigator Training Program (CITP), which all IRS CI SATs must complete prior to the SAIT training program. Because the classes are redundant, the expenditure is disproportionate to the benefit reasonably expected to be accrued by the government.
- Any additional, related allegations of wrongdoing discovered during the investigation of the foregoing allegations.

Executive Summary

Overall, our evaluation found a lack of CI Senior Executive Team oversight of changes (*i.e.*, curriculum, test grading, and replacement of instructors) to the SAIT training program during the time frame covered by our assessment (September 2021 to August 2024). For example, the CI Training Council, which is to include the Chief, CI; Deputy Chief, CI; and members of the CI Senior Executive Team has not been in place since 2019. IRS internal guidelines state that the mission of the CI Training Council is to review CI training programs, proposals, and changes to ensure consistency with CI's mission.

When we discussed with CI management the absence of their review and approval of SAIT training program changes, they indicated that the NCITA Director is solely responsible for establishing the process for replacing and/or changing the SAIT curriculum. However, the process of deciding which training methods and materials are to be replaced and/or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees. CI management noted that emails are used to document the CI Senior Executive Team approval of SAIT curriculum changes implemented by the NCITA Director. Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested copies of the emails, none were provided.

In addition, our evaluation identified that the NCITA Director made several SAIT curriculum changes, reduced core financial investigative lessons replacing them with general law enforcement lessons and removed Criminal Tax (CT) Counsel attorneys from instructing legal components of two SAIT training courses. These actions were taken without the required coordination, review, and approval of the CI Senior Executive team.

We confirmed that the NCITA leadership's practice of changing some students' SAIT training program failing test scores to passing ones did not comply with written policy. Specifically, our

³ Pub. L. No. 117-169, 136 Stat. 1818.

review of select SAIT training program test results for all SATs for tests taken between December 22, 2023, and August 14, 2024, identified eight SATs who received a test score of 78 percent.⁴ However, their official training transcript reflected a passing score of 80 percent. The changing of their scores, approved by the NCITA Director, resulted in these students not being required to retake the test pursuant to SAIT training program requirements. This practice is inconsistent with the NCITA *SAIT Training Program Evaluation Policy*, with no oversight or approval from the CI Senior Executive Team.

Finally, our assessment of SAIT curriculum changes confirmed that some core financial investigative hours were replaced by general law enforcement lessons. However, these lessons were not duplicative of those taught by FLETC in its CITP. As such, we believe the expenditures for these changes were reasonable. However, the CI Senior Executive Team did not approve these changes, as required by the IRM.

As it relates to the specific allegations we were requested to investigate, our review substantiated one allegation and partially substantiated another. Figure 1 provides an overview of our assessment of these allegations.

Figure 1: Overview of TIGTA’s Assessment of Allegations

Description of Allegation	Status
Contrary to the IRM, curriculum changes to the SAIT portion of NCITA’s Special Agent Basic Training program have not undergone review by the CI Training Council since at least October 2022, but likely since September 2021, when the NCITA Director assumed their role.	Substantiated
New CI special agents are inadequately prepared to investigate financial crimes, thus imperiling IRS CI’s mission to enforce tax and other financial laws under the IRS’s purview.	<p>Not Substantiated However, TIGTA identified:</p> <ul style="list-style-type: none"> • A reduction of 35.5 core financial investigative hours. • Eight instances where test scores were changed to a passing score without documented justification or approval.
Core financial investigative hours have been replaced by 38 hours of general law enforcement lessons duplicative of those taught by the FLETC in its CITP, which all IRS-CI SATs must complete prior the SAIT training program. Because the classes are redundant, the expenditure is disproportionate to the benefit reasonably expected to be accrued by the government.	<p>Partially Substantiated:</p> <ul style="list-style-type: none"> • Core financial investigative hours were replaced but were not duplicative. • Changes to curriculum did not have approval per agency requirements.

Source: Results of TIGTA analysis of allegations listed in the Treasury’s referral to TIGTA.

In addition to the allegations referred to TIGTA by the Treasury, we reviewed additional allegations of wrongdoing raised by the whistleblower. Specifically, in our interview with the whistleblower, they raised the following additional allegations relating to the SAIT training program that we then reviewed:

⁴ TIGTA evaluators reviewed all multiple-choice test results from December 22, 2023, and August 14, 2024. For all SATs who received a score lower than 80 percent and graduated from the SAIT training program, TIGTA evaluators reviewed each the SATs’ transcripts to determine how the tests were documented.

- Criminal Tax (CT) Counsel attorneys were removed from instructing legal components in two SAIT courses.
- Questionable grading practices by NCITA leadership weaken SAIT training program standards.

We conducted this review in accordance with Quality Standards for Federal Offices of Inspector General issued by the Council of the Inspectors General on Integrity and Efficiency (August 2021). These standards require that the work adhere to the professional standards of independence, due professional care, and quality assurance and follows procedures to ensure accuracy of the information presented. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. We provided the IRS with a separate evaluation report that includes specific recommendations of actions the IRS needs to take to address the control weaknesses we identified with the SAIT training program. In response, CI management agreed to take the following actions:

- CI will re-establish the CI Training Council. The CI Training Council will consist of Executive and Senior leadership from CI with voting members and advisory members to the Council. In addition, CT leadership will serve as an advisory member on the CI Training Council upon formation.
- CI will review the SAIT training courses to determine what lessons should involve CT Counsel attorneys.
- CI will review the *SAIT Student Evaluation Policy* to ensure consistency amongst all students' grades and evaluations. In addition, the NCITA Director will be provided with internal guidance outlining the process and procedures for reviewing test grading to ensure adherence to and compliance with SAIT program evaluation policies and increase transparency, consistency, and fairness.

Changes to Special Agent Investigative Techniques Training Were Not Approved

We identified several SAIT curriculum changes made from September 2021 to August 2024. The results of these changes impacted the curriculum course load as new classes were added, classes were eliminated, and the overall hours of individual classes were either increased or reduced. However, the CI Senior Executive Team did not review and approve these changes nor were there any documents to support the justification for these changes.

In addition, the whistleblower alleged that new special agents are inadequately prepared to investigate financial crimes, thus imperiling IRS CI's mission to enforce tax and other financial laws under the IRS's purview. We determined that actions taken by the NCITA Director could be perceived by the whistleblower as weakening the standards for SAIT training, which could impact the investigative preparedness of the special agents. However, as previously noted, we did not substantiate this allegation.

IRM guidelines state that the CI Senior Executive Team provides advice and counsel to the Chief, CI, relative to major issues and policy decisions regarding CI training.⁵ The CI Senior Executive Team reviews CI training programs, proposals, and changes to ensure consistency with the CI mission. The CI Senior Executive Team serves as a curriculum review board for the NCITA training program, which directly supports the Accreditation Standards set forth by the Federal Law Enforcement Training Accreditation Board of Directors.

When we discussed with CI management the absence of their review and approval as required, they noted that they have not had any type of formal curriculum review board in place since 2019. CI management indicated that the NCITA Director is solely responsible for establishing the process for replacing and/or changing the SAIT curriculum. However, the process of deciding which training methods and materials are to be replaced and/or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees.

CI management noted that emails are used to document the CI Senior Executive Team approval of SAIT curriculum changes implemented by the NCITA Director. Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested the email documentation of the approvals, none were provided.

IRS Continues to Increase Its Hiring of Special Agents in Support of Its Strategic Goal to Increase Enforcement

In the referral received, the whistleblower noted that the IRS increased its hiring of CI special agents due to additional funding received from IRA. Our evaluation confirmed IRS is increasing its hiring of CI special agents resulting from the increased funding from the IRA. The IRS received approximately \$79.4 billion in supplemental funding when the President signed IRA into law in August 2022. Congress subsequently rescinded approximately \$21.6 billion in IRA funding reducing the available funding to approximately \$57.8 billion.⁶ The IRA supplemental funding is available to the IRS through September 30, 2031.

A significant amount of the IRA supplemental funding was allocated for increased enforcement efforts. Specifically, enforcement efforts include such things as determining and collecting taxes owed, providing legal and litigation support, and conducting criminal investigations (including investigative technology), as well as digital asset monitoring and compliance activities to enforce criminal statutes related to violations of Internal Revenue laws and other financial crimes. As such, the IRS continues to increase its hiring of special agents to address issues known to have a high, ongoing risk of noncompliance or complexity, such as digital assets and listed transactions.

NCITA Director and leadership team do not make eligibility determinations for special agent hiring requirements

In the referral received, the whistleblower noted additional IRS CI special agents had been hired without accounting or tax backgrounds. The CI management team and the NCITA Director and leadership team are not involved in establishing special agent hiring eligibility requirements or

⁵ IRM 9.2.1.1(1) (2023).

⁶ Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, 138 Stat. 460 (rescinding \$20.2 billion); Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10 (rescinding \$1.4 billion).

ensuring these requirements are met when individuals are hired. IRS Human Resource Specialists are responsible for ensuring that hiring eligibility requirements are met. However, as it relates to specific experience and/or educational requirements to be hired as a special agent, we reviewed recent listed job announcements for special agents and found that they require either:

- Specialized experience related to the investigation of criminal violations (*e.g.*, suspected crimes or alleged fraud) that provided the specific knowledge, skills, and abilities to successfully perform the duties of an IRS special agent. To be qualifying, this experience must have been acquired in investigative work related to the accounting or auditing of business or commercial practices of subjects investigated.
- Specialized education experience which included, or was supplemented by, at least 15 semester hours (23 quarter hours) in accounting, plus an additional nine semester hours (14 quarter hours) from among the following fields: business law, economics, finance, tax law, or money and banking.

Core financial investigative lessons were reduced from Special Agent Investigative Techniques training

Our comparison of the 2020 SAIT curriculum (prior to September 2021, when the NCITA Director assumed their role), with the 2024 SAIT curriculum confirmed that core financial investigative lessons were reduced by over 35 hours and replaced with 38 hours of general law enforcement lessons.⁷ These changes were made at the direction of the NCITA Director. As noted above, the IRS could not provide documentation showing approval by the CI Senior Executive Team for these curriculum changes. Figure 3 details the changes identified for the core financial investigative lessons from 2020 to 2024.

⁷ During this review, TIGTA did not evaluate whether the 35.5 hours of core financial investigative lessons, or the 38 hours of general investigative training (or some combination therein) would have better prepared the SATs for their roles in CI.

Figure 3: The NCITA Director Reduced the Core Financial Investigative Lessons Curriculum by 35.5 Hours from 2020 to 2024

Federal Law Enforcement Training Academy Accreditation Class Name	2020 Curriculum Hours	2024 Curriculum Hours	Change
Interviewing	27	12	-15
Bank Deposit Practical Exercise	6	0	-6
Forensic Tax Accounting and Financial Analysis (Part I and Part II)	9.5	4	-5.5
International Investigations	4	2	-2
Report Writing Practical Exercise	14	12	-2
Net Worth and Expenditures Method of Proof	6	4	-2
Property Transactions	4	2	-2
Intent	3	2	-1
Role of Legal Counsel	1	0	-1
Law Enforcement Writing	1	0	-1
Tax Refund Fraud	6	5	-1
Elements of the Crime	7	6.5	-.5
Report Writing/Sentencing Guidelines	22	22	0
Grand Jury Practical Exercise	2.5	4	+1.5
Bank Deposits Method of Proof	6	8	+2
Total	119	83.5	-35.5

Source: TIGTA analysis of curriculum documents received from the IRS.

The NCITA Director noted that curriculum changes were in response to:

- Policy-related decisions. For example, one class was added to the curriculum after an internal agency memorandum was issued pertaining to attorney-client privilege and evidence.
- An executive order. An executive order was issued mandating the requirement for a de-escalation class, which was added to the curriculum by the NCITA Director.⁸
- Feedback from CI Field Operations. For example, instances where feedback is provided by the field pertaining to certain changes in law enforcement procedures that would then need to be incorporated into the curriculum.

Criminal Tax Counsel attorneys were removed from instructing legal components of two Special Agent Investigative Techniques training courses

In our discussion with the whistleblower, they raised an allegation regarding the removal of CT Counsel attorneys as instructors from two SAIT training courses. Specifically, as of October 2021,

⁸ Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety*, 87 FR 32945 (2022).

the CT Counsel attorneys were removed as instructors from teaching the legal portion of these two courses:

- Currency Violations
- Money Laundering and Asset Forfeiture (Title 31 Violations)

We reviewed the prior curriculum for these two courses and confirmed that prior to October 2021, these two courses were a joint instruction effort by CT Counsel attorneys and CI special agents. The NCITA Director approved the removal of CT Counsel attorneys as instructors, stating money laundering and Title 31 violations cases do not involve CT Counsel attorneys when encountered in the field. The NCITA Director approved a change to have special agents teach these courses in lieu of the CT Counsel attorneys. We were informed by the NCITA Director that some of the learning objectives for these courses were also changed and consolidated into other courses.

In our discussion with representatives from the IRS Office of Chief Counsel, we were informed that the changes to the legal curriculum portions of these training courses were done without consultation with CT Counsel. Specifically, the NCITA Director did not consult with CT Counsel when making curriculum changes on tax law related lessons. The IRM states that CT Counsel attorneys who are assigned to teach at FLETC are responsible for serving as the primary legal instructor and have the capacity to exercise overall program and policy responsibility for the substantive criminal tax teaching provided at FLETC.⁹

Finally, as with the other changes we noted in this report that were made to the SAIT training program, we were not provided with evidence of an approval by the CI Senior Executive Team for the removal of CT Counsel attorneys from instructing the legal portion of these two courses.

Questionable grading practices could be perceived as weakening Special Agent Investigative Techniques training standards

In our interview with the whistleblower, they raised an allegation regarding NCITA leadership changing some SAIT training program test scores. The whistleblower believes that these actions weakened special agent academic standards to pass more students.

Our review of select SAIT training program test results for tests taken by all students between December 22, 2023, and August 14, 2024, identified eight SATs who received a failing test score of 78 percent. However, their official training transcripts reflected a passing test score of 80 percent. As a result, these students were not required to retake the test pursuant to SAIT training program requirements. The NCITA Director approved the changes made to these test scores.

The *SAIT Student Evaluation Policy*¹⁰ states that a test score below 80 percent on any exam, or failing a practical exercise, will constitute a failing grade. For a failed exam, students will be retested within three days. Failure to pass the retest may result in removal from the SAIT training program. There are procedures to provide students with counseling for the failed area. The policy also allows a student to challenge a test question on an individual basis, which requires a

⁹ IRM 30.3.2.4.1.4(1) (2012).

¹⁰ The *SAIT Student Evaluation Policy* was designed specifically for application at the NCITA. The application of the policy is in addition to all other IRS and Treasury policies, rules, and procedures.

written justification for the challenge, individual review, and approval if found to have merit. No documentation was provided to us supporting that these students were retested, received counseling, or received credit due to a challenge being granted.

During our discussions with the NCITA Director, we were informed that under certain circumstances, some questions on completed exams are removed and credited to the students' score if 50 percent or more of the class fails a particular question. The NCITA Director referred to this process as "discounting." The NCITA Director explained the circumstances for which discounting would take place are:

- The skill is above the level of a basic training course.
- There are multiple correct answers or no correct answer.

However, the practice of discounting or crediting exam questions is not included in the current or prior versions of the *SAIT Training Program Evaluation Policy* or in the *Supervisory Academy Instructor Handbook*.¹¹ According to the grading criterion in the *Supervisory Academy Instructor Handbook*, "any deviation from the standard grading policies and procedures puts NCITA in a tenuous position." When we asked CI management to explain their justification as to test score changes for the eight students, they responded that this was due to a test question being credited to the class. No additional explanation or documentation was provided to support the justification for the test score changes.

Finally, we found the questions that are being discounted are not tracked by NCITA staff or management personnel. As detailed previously, students' official training transcripts do not reflect the actual test scores and differ from the recorded test scores. While the *SAIT Training Program Evaluation Policy* allows individual students to challenge specific questions, there are no written procedures which allow NCITA staff to eliminate questions from the test for all students after the test has been taken. These actions were taken without a written policy to support them, and no official records or documentation related to the changes were maintained.

Special Agent Investigative Techniques Curriculum Changes Are Not Duplicative of Criminal Investigator Training Program Classes

Our assessment of the SAIT curriculum changes found that although the core financial investigative hours were replaced by general law enforcement lessons, these lessons were not duplicative of those taught by FLETC in its CITP.¹² Also, some CITP classes had similar names to those added to the SAIT but were not the same classes. Specifically, the curriculum changes we identified were made for the following reasons:

- Courses were not included in CITP and were added in response to a CI policy directive.
- Courses were not included in CITP but required per an executive order.
- Additional learning and training opportunities were provided that were not given during CITP.

¹¹ The *Supervisory Academy Instructor Handbook* was created as a desk reference and guide detailing the duties and responsibilities unique to the academy front-line supervisory position, including the coordination of the SAIT training program.

¹² This training was related to the requirement to teach de-escalation techniques to special agents.

Figure 4 provides a summary of the curriculum changes made to the SAIT and our conclusion that they were not duplicative training courses.

Figure 4: SAIT Curriculum Changes

Course	TIGTA Analysis	Basis for Analysis
High-Risk Traffic Stops	Not a Duplicate Class	Both NCITA and FLETC reported that High-Risk Traffic Stops has been removed from the CITP curriculum and is only offered during SAIT. TIGTA confirmed the removal of this class upon reviewing the CITP curriculum as of July 1, 2024. High-Risk Traffic Stops was initially added to the SAIT curriculum between January and February 2023, due to an agency directive after an incident occurred involving IRS employees.
High-Risk Traffic Stops Lab 1	Not a Duplicate Class	
High-Risk Traffic Stops Lab 2	Not a Duplicate Class	
High-Risk Traffic Stops Night Lab	Not a Duplicate Class	
Law Enforcement Skills & Fundamentals	Not a Duplicate Class	This class was added to the curriculum based on an Executive Order 14074, <i>Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety</i> , implemented in May 2022. TIGTA determined that this class is not duplicative due to the requirement that the agency provide this training and the additional learning opportunities and skills that are being provided that are not given during the CITP.
De-Escalation Night Lab	Not a Duplicate Class	TIGTA determined that this class is not duplicative due to the additional learning opportunities and skills that are being provided that are not given during the CITP.

Source: TIGTA analysis of curriculum documents received from the IRS and discussions with the NCITA Director.

While the above-mentioned courses replaced some core financial investigative training hours, the lessons were not duplicative of those taught by FLETC in its CITP. As such, we believe the expenditures for these changes were reasonable. However, the CI Senior Executive Team did not approve these changes, as required by the IRM.

Appendix I

Employee Identification Key

██████████ CT Counsel Attorney (Alleged Whistleblower)

██████████ Chief, CI

██████████ Deputy Chief, CI

██████████ CT Counsel Attorney

██████████ NCITA Director

Appendix II

Abbreviations

CI	Criminal Investigation
CITP	Criminal Investigator Training Program
CT	Criminal Tax
FLETA	Federal Law Enforcement Training Accreditation
FLETC	Federal Law Enforcement Training Center
IRA	Inflation Reduction Act of 2022
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
NCITA	National Criminal Investigation Training Academy
OSC	Office of Special Counsel
SAIT	Special Agent Investigative Techniques
SAT	Special Agent Trainee
TIGTA	Treasury Inspector General for Tax Administration



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



IRS Needs to Improve Oversight of the Special Agent Criminal Investigative Techniques Training Program

April XX, 2026

Report Number: 2025-IE-R006

Note: The issuance of this Final Report was held due to a pending investigation with the Office of Special Counsel. This review was conducted from August through October 2024, and the IRS provided a response to the Draft report on November 12, 2024.

This report remains the property of the Treasury Inspector General for Tax Administration (TIGTA) and may not be disseminated beyond the Internal Revenue Service without the permission of TIGTA. This report may contain confidential return information protected from disclosure pursuant to I.R.C. § 6103(a). Such information may be disclosed only to Department of the Treasury employees who have a need to know this information in connection with their official tax administration duties.

HIGHLIGHTS: IRS Needs to Improve Oversight of the Special Agent Criminal Investigative Techniques Training Program

Final Evaluation issued on Month XX, 2024

Report Number 2025-IE-R006

Why TIGTA Did This Evaluation

This evaluation was initiated based on a referral received from the U.S. Office of Special Counsel regarding a whistleblower who alleged a lack of management oversight of the IRS Criminal Investigation (CI) Special Agent Investigative Techniques (SAIT) training. The overall objective of this evaluation was to assess the adequacy of IRS CI's leadership oversight of the SAIT training program.

Impact on Tax Administration

The IRS CI serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.

The National Criminal Investigation Training Academy (NCITA) is the program office responsible for overseeing the trainings of CI special agents. All special agents must satisfactorily complete the Special Agent Basic Training Program at the NCITA.

The SAIT training program is a portion of the Special Agent Basic Training Program that teaches students how to investigate the specific violations of Federal law under CI's jurisdiction. Satisfactory completion of the SAIT is required to retain employment as a special agent.

What TIGTA Found

Overall, our evaluation found a lack of the CI Senior Executive Team's oversight of changes (*i.e.*, curriculum, test grading, replacement of instructors) to the SAIT training program during the time frame covered by our assessment (September 2021 to August 2024). For example, we identified the following changes and deviations from internal training policy requirements that occurred without coordination, review, and approval by the CI Senior Executive Team:

- SAIT curriculum changes, such as replacing core financial investigative lessons with general law enforcement lessons.
- Deviation from test scoring practices outlined in the *SAIT Training Program Evaluation Policy*. We confirmed that the NCITA leadership's practice of changing some students' SAIT training program failing test scores to passing ones did not comply with written policy. Our review of select results for tests taken by all students between December 22, 2023, and August 14, 2024, identified eight students who received a test score of 78 percent. However, their official training transcript record reflected a passing score of 80 percent. The changing of their scores resulted in these students not being required to retake the test pursuant to SAIT training program requirements.

We also identified a deviation from internal guidelines requiring consultation with CT Counsel attorneys when changing legal portions of curriculum. Internal guidelines state that CT Counsel who are assigned to teach at FLETC are responsible for serving as the primary legal instructor and have the capacity to exercise overall program and policy responsibility for the substantive criminal tax teaching provided at FLETC.

Finally, the CI Training Council has not been formally in place since 2019, but the CI Senior Executive Team remained responsible for changes to CI training programs in the absence of the Council.

What TIGTA Recommended

We made five recommendations in this report. Specifically, the IRS should: (1) either reestablish the CI Training Council or update internal guidelines outlining new processes and procedures that CI Senior Executives will follow to review and approve changes to the SAIT training program; (2) review SAIT training courses to identify those that involve legal components to determine if CT Counsel attorneys should be instructors; (3) ensure that representatives from the Office of Chief Counsel are consulted when proposing/making curriculum changes on tax related lessons; (4) initiate a review of the *SAIT Training Program Evaluation Policy* to ensure that the policy currently reflects the CI Senior Executive Team's test grading policies; and lastly, (5) establish processes and procedures that regularly review test grading to ensure adherence to and compliance with SAIT training program evaluation policies.

The IRS agreed with all of the recommendations in this report.



TREASURY INSPECTOR GENERAL

for Tax Administration

DATE: April XX, 2026

MEMORANDUM FOR: CHIEF, CRIMINAL INVESTIGATION

FROM: [REDACTED]
Deputy Inspector General for Inspections and Evaluations

SUBJECT: Final Evaluation Report – IRS Needs to Improve Oversight of the Special Agent Criminal Investigative Techniques Training Program (Evaluation No.: IE-25-026)

This report presents the results of our review to assess the adequacy of Internal Revenue Service Criminal Investigation's leadership oversight of the Special Agent Investigative Techniques Training Program. This review is part of our Fiscal Year 2025 Annual Program Plan and addresses the major management challenge of *Human Capital*.

Management's complete response to the draft report is included as Appendix II. If you have any questions about this report, you may contact me or [REDACTED], Chief of Staff, Inspections and Evaluations.

Attachment

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Background

This evaluation was initiated based on a memorandum from the Acting General Counsel, U.S. Department of the Treasury (Treasury), received on August 14, 2024, referring TIGTA to an Office of Special Counsel (OSC) request for an investigation. The OSC referred a whistleblower's allegation regarding a lack of management oversight of the Internal Revenue Service (IRS) Criminal Investigation (CI) Special Agent Investigative Techniques (SAIT) training.

The National Criminal Investigation Training Academy (NCITA) is the program office within the IRS CI responsible for overseeing the training of CI special agents. The NCITA is located at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia, and is responsible for developing, scheduling, conducting, and monitoring its classroom training programs and on-the-job training.¹ The IRS CI serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.

The SAIT training is one of the four phases that special agent trainees (SATs) must complete to successfully pass the Special Agent Basic Training Program. During the SAIT training, students learn how to investigate the specific violations of federal law under CI's jurisdiction in accordance with internal guidance. SATs receive tax law training with an emphasis on criminal violations of the tax law and develop the necessary skills to investigate potential criminal violations of tax laws and related offenses. Satisfactory completion of the SAIT is required to retain employment as a special agent.²

Roles and responsibilities for the oversight of SAIT training

IRS internal guidelines state that the CI Training Council will provide advice and counsel to the Chief, CI relative to major issues and policy decisions regarding CI training.³ The Council membership consists of the Chief, CI; Deputy Chief, CI; and members of the CI Senior Executive Team. The Council reviews CI training programs, proposals, and changes to ensure consistency with CI's mission. The Council also serves as a curriculum review board for the NCITA training program; this directly supports the accreditation standards set forth by the Federal Law Enforcement Training Accreditation Board of Directors. The CI Training Council has not been formally in place since 2019, but the CI Senior Executive Team remained responsible for changes to CI training programs in the absence of the Council. Additionally, the IRS CI Office of Strategy develops, supports, and measures CI's business plans and priorities to achieve the IRS enforcement strategies and objectives. The NCITA Director is responsible for developing, maintaining, and overseeing the policies and procedures relevant to the internal guidance and ensuring program compliance.

¹FLETC was established in 1975 to create standardized training across agencies. Through strategic partnerships, FLETC prepares the federal law enforcement community to safeguard America's people, property, and institutions. Upon arrival at FLETC, all SATs will report for the Pre-Basic Orientation Training Program, Criminal Investigation Training Program, and SAIT training. Upon successfully completing SAIT training, a special agent will then report to their post of duty to commence their assigned duties.

² Internal Revenue Manual (IRM) 9.2.1.3.3 (2013).

³ IRM 9.2.1.1(1) (2023).

Internal guidance further provides that when assigned to FLETC, the Criminal Tax (CT) Counsel in the IRS Office of Chief Counsel will serve as the primary legal instructor on the CI teaching cadre at FLETC. Internal guidance provides that, when assigned to FLETC, the CT Counsel serves as Special Counsel in this capacity and exercises overall program and policy responsibilities for the substantive criminal tax teaching provided at FLETC.⁴

Results of Review

Overall, our evaluation found that the CI Senior Executive Team did not exercise oversight of changes (*i.e.*, curriculum, test grading, and replacement of instructors) to the SAIT training program during the time frame covered by our assessment (September 2021 to August 2024). For example, we identified that the following changes and deviations from internal training policy requirements occurred without coordination, review, and approval by the CI Senior Executive Team:

- SAIT curriculum changes, such as reducing core financial investigative lessons and replacing them with general law enforcement lessons.
- Deviation from test scoring practices outlined in the *SAIT Training Program Evaluation Policy*. We confirmed that the NCITA leadership's practice of changing some students' SAIT training program failing test scores to passing ones did not comply with written policy. Our review of select results for tests taken by all students between December 22, 2023, and August 14, 2024, identified eight students who received a test score of 78 percent.⁵ However, their official training transcript record reflected a passing score of 80 percent. The changing of their scores resulted in these students not being required to retake the test pursuant to SAIT training program requirements.

We also identified a deviation from internal guidelines requiring consultation with CT Counsel attorneys when changing legal portions of curriculum. Internal guidelines state that CT Counsel who are assigned to teach at FLETC are responsible for serving as the primary legal instructor and have the capacity to exercise overall program and policy responsibility for the substantive criminal tax teaching provided at FLETC.

Finally, our evaluation found that the CI Training Council, which was established to review CI training programs, proposals, and changes to ensure consistency with CI's mission, has not been in place since 2019, but the CI Senior Executive Team remained responsible for changes to CI training programs in the absence of the Council. When we discussed with CI management the absence of their review and approval of the SAIT training program changes, they indicated that NCITA leadership is solely responsible for establishing the process for replacing or changing the SAIT curriculum. However, the process of deciding which training methods and materials is to be replaced or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees. CI management noted that emails are used to document the CI Senior Executive Team approval of SAIT curriculum changes implemented by NCITA leadership.

⁴ IRM 30.3.2.4.1.4(1) (2012).

⁵ TIGTA evaluators reviewed all multiple-choice test results from December 22, 2023, and August 14, 2024. For all SATs who received a score lower than 80 percent and graduated from the SAIT Training Program, TIGTA evaluators reviewed each trainee's transcript to determine how the tests were documented.

Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested copies of the emails, none were provided.

Changes to the Special Agent Investigative Techniques Training Were Not Approved

We identified several SAIT curriculum changes made from September 2021 to August 2024. The results of these changes impacted the curriculum course load as new classes were added, classes were eliminated, and the overall hours of individual classes were either increased or reduced. Specifically, these changes included reducing core financial investigative lessons by over 35 hours, replacing them with 38 hours of general law enforcement lessons, and restructuring class hours which resulted in an overall reduction in the curriculum duration (from 66 to 64 days). The CI Senior Executive Team did not review and approve these changes nor were there any documents to support the justification for these changes.

Internal guidelines state that the CI Training Council (comprised of the CI Senior Executive Team) provides advice and counsel to the Chief, CI, relative to major issues and policy decisions regarding CI training. The CI Senior Executive Team reviews CI training programs, proposals, and changes to ensure consistency with CI's mission. The CI Senior Executive Team serves as a curriculum review board for the NCITA training program; this directly supports the Accreditation Standards set forth by the Federal Law Enforcement Training Accreditation Board of Directors.

When we discussed with CI management the absence of their review and approval as required, they noted that they have not had any type of formal curriculum review board in place since 2019. CI management indicated that NCITA leadership is solely responsible for establishing the process for replacing or changing the SAIT curriculum. However, the process of deciding which training methods and materials is to be replaced or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees.

CI management noted that emails are used to document the CI Senior Executive Team approval of the SAIT curriculum changes implemented by the NCITA leadership. Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested copies of the emails, none were provided.

From 2020 to 2024 core financial investigative lessons were reduced by over 35 hours and replaced with 38 hours of general law enforcement lessons

Our comparison of the 2020 SAIT curriculum with the 2024 SAIT curriculum confirmed that core financial investigative lessons were reduced by over 35 hours and replaced with 38 hours of general law enforcement lessons. However, these lessons were not duplicative of those taught by FLETC in its Criminal Investigation Training Program. Also, some Criminal Investigation Training Program classes had similar names to those added to the SAIT but were not the same classes. These changes were made at the direction of NCITA leadership. As noted previously, the IRS could not provide documentation showing approval by the CI Senior Executive Team for these curriculum changes. Figure 1 details the changes identified in the core financial investigative lessons from 2020 to 2024.

**IRS Needs to Improve Oversight of the
Special Agent Criminal Investigative Techniques Training Program**

Figure 1: NCITA Leadership Reduced the Core Financial Investigative Lessons Curriculum by 35.5 Hours from 2020 to 2024

Federal Law Enforcement Training Academy Accreditation Class Name	2020 Curriculum Hours	2024 Curriculum Hours	Change
Interviewing	27	12	-15
Bank Deposit Practical Exercise	6	0	-6
Forensic Tax Accounting and Financial Analysis (Part I and Part II)	9.5	4	-5.5
International Investigations	4	2	-2
Report Writing Practical Exercise	14	12	-2
Net Worth and Expenditures Method of Proof	6	4	-2
Property Transactions	4	2	-2
Intent	3	2	-1
Role of Legal Counsel	1	0	-1
Law Enforcement Writing	1	0	-1
Tax Refund Fraud	6	5	-1
Elements of the Crime	7	6.5	-.5
Report Writing/Sentencing Guidelines	22	22	0
Grand Jury Practical Exercise	2.5	4	+1.5
Bank Deposits Method of Proof	6	8	+2
Total	119	83.5	-35.5

Source: TIGTA's analysis of curriculum documents received from the IRS.

NCITA leadership noted that curriculum changes were in response to:

- Policy-related decisions. For example, one class was added to the curriculum after an internal agency memorandum was issued pertaining to attorney-client privilege and evidence.
- An executive order. An executive order was issued mandating the requirement for a de-escalation class, which was added to the curriculum by NCITA leadership.
- Feedback from CI Field Operations. For example, instances where feedback is provided by the field pertaining to certain changes in law enforcement procedures that would then need to be incorporated into the curriculum.

During this review, TIGTA did not evaluate whether the 35.5 hours of core financial investigative lessons, or the 38 hours of general law enforcement training (or some combination therein) would have better prepared the SATs for their roles in CI.

While there appears to be a basis for the changes, the approval and documentation by the CI Senior Executive Team would have ensured that the changes were consistent with CI's mission. Reducing core financial investigative lessons in the SAIT training program without justification or approval could impact the investigative preparedness for SATs.

Changes were made to the legal portions of the SAIT curriculum without consulting with the IRS Office of Chief Counsel

During our review, we identified that changes were made to the legal portions of the SAIT curriculum in at least two courses:

- Currency Violations
- Money Laundering and Asset Forfeiture

Changes to these courses included consolidating material into other courses and changing the instructors who were assigned as CT Counsel. In our discussion with representatives from the IRS Office of Chief Counsel, we were informed that the changes to the legal curriculum portions of these training courses were done without consultation with CT Counsel attorneys. Specifically, NCITA leadership did not consult with CT Counsel attorneys when making curriculum changes on tax law related lessons. The IRM states that CT Counsel attorneys who are assigned to teach at FLETC are responsible for serving as the primary legal instructor and have the capacity to exercise overall program and policy responsibility for the substantive criminal tax teaching provided at FLETC.

Finally, as with the other changes we noted in this report that were made to the SAIT training program, we were not provided with evidence of an approval by the CI Senior Executive Team for the removal of CT Counsel attorneys from instructing the legal portion of these two courses.

The Chief, Criminal Investigation, should:

Recommendation 1: Either reestablish the CI Training Council or update internal guidelines outlining new processes and procedures that CI Senior Executives will follow to review and approve changes to the SAIT training program.

Management's Response: The IRS agreed with this recommendation and stated that it will reestablish the CI Training Council. The CI Training Council will consist of Executive and Senior Leadership from IRS-CI and there will be voting members and advisory members to the Council.

Recommendation 2: Review SAIT training courses to identify those that involve legal components to determine if CT Counsel attorneys should be instructors.

Management's Response: The IRS agreed with this recommendation and stated that it will review the SAIT training courses to determine what lessons should be instructed by the Office of Chief Counsel CT attorneys. Changes to the placement of CT attorneys in course delivery will be reviewed by the CI Training Review Council.

Recommendation 3: Ensure that representatives from the Office of Chief Counsel are consulted when proposing/making curriculum changes on tax related lessons.

Management's Response: The IRS agreed with this recommendation and stated that CT leadership will serve as an advisory member on the CI Training Council upon reformation.

Grading Practices Did Not Comply with the Special Agent Investigative Techniques Training Standards

Our review of select SAIT training program test results for tests taken by all students between December 22, 2023, and August 14, 2024, identified eight students who received a failing test score of 78 percent. However, their official training transcripts reflected a passing test score of 80 percent. As a result, these students were not required to retake the test pursuant to SAIT training program requirements.

The *SAIT Student Evaluation Policy* states that a test score below 80 percent on any exam, or failing a practical exercise, will constitute a failing grade.⁶ For a failed exam, students will be retested within three days. Failure to pass the retest may result in removal from the SAIT training program. There are procedures to provide students with counseling for the failed area. The policy also allows students to challenge a test question on an individual basis, which requires a written justification for the challenge, individual review, and approval if found to have merit. No documentation was provided to us supporting that these students were retested, received counseling, or received credit due to a challenge being granted.

During our discussions with NCITA leadership, we were informed that under certain circumstances, some questions on completed exams are removed and credited to the students' score if 50 percent or more of the class fails a particular question. NCITA leadership referred to this process as "discounting." NCITA leadership explained the circumstances for which discounting would take place are:

- The skill is above the level of a basic training course.
- There are multiple correct answers or no correct answers.

However, the practice of discounting or crediting exam questions is not included in the current or prior versions of the *SAIT Training Program Evaluation Policy* or in the *Supervisory Academy Instructor Handbook*.⁷ According to the grading criterion in the *Supervisory Academy Instructor Handbook*, any deviation from the standard grading policies and procedures puts NCITA in a tenuous position. When we asked CI management to explain their justification as to the test score changes for the eight students, they responded that this was due to a test question being credited to the class. No additional explanation or documentation was provided to support the justification for the test score changes.

Finally, we found the questions that are being discounted are not tracked by the NCITA staff or management personnel. As detailed previously, students' official training transcripts do not reflect the actual test scores and differ from the recorded test scores. While the *SAIT Training Program Evaluation Policy* allows individual students to challenge specific questions, there are no written procedures which allow NCITA staff to eliminate questions from the test for all students after the test has been taken. These actions were taken without a written policy to support them, and no official records or documentation related to the changes were maintained.

⁶ The student evaluation policy was designed specifically for application at the NCITA. The application of the policy is in addition to all other IRS and Treasury policies, rules, and procedures.

⁷ The *Supervisory Academy Instructor Handbook* was created as a desk reference and guide detailing the duties and responsibilities unique to the academy front-line supervisory position, including the coordination of the SAIT Training Program.

**IRS Needs to Improve Oversight of the
Special Agent Criminal Investigative Techniques Training Program**

The Chief, Criminal Investigation, should:

Recommendation 4: Initiate a review of the SAIT Training Program Evaluation Policy to ensure that the policy currently reflects the CI Senior Executive Team's test grading policies.

Management's Response: The IRS agreed with this recommendation and stated that it will review the Student Evaluation Policy and include executive level oversight to ensure consistency amongst all student's grades and evaluations to ensure all students are treated fairly.

Recommendation 5: Establish processes and procedures that regularly review test grading to ensure adherence to and compliance with the SAIT training program evaluation policies.

Management's Response: The IRS agreed with this recommendation and stated that it will outline the process and procedures for reviewing test grading to ensure adherence to and compliance with SAIT program evaluation policies and increase transparency, consistency, and fairness.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this project was to assess the adequacy of the IRS Criminal Investigation's leadership oversight of the SAIT training program. To accomplish our objective, we:

- Assessed the CI Senior Executive Team's oversight of the SAIT training program including involvement in the review of the program, proposals for changes to the program, and/or changes to ensure consistency with CI's mission.
- Reviewed changes made to the SAIT training program during the period September 2021 to August 2024 to determine the level of the CI Senior Executive Team's involvement in the review and approval of any changes identified.
- Reviewed all multiple-choice test results from December 22, 2023, and August 14, 2024. For all SATs who received a score lower than 80 percent and graduated from the SAIT training program, TIGTA evaluators reviewed each trainee's transcript to determine how the tests were documented.
- Reviewed internal policies and procedures and internal program guidance.
- Assessed the overall impact of any changes made to the SAIT training program as it relates to the preparation of individuals hired as special agents to investigate financial crimes.

Performance of This Review

This review was performed with information obtained from the IRS CI NCITA personnel located in Glynco, Georgia during the period August through October 2024. We conducted this evaluation in accordance with the Council of the Inspectors General for Integrity and Efficiency Quality Standards for Inspection and Evaluation. Those standards require that the work adheres to the professional standards of independence, due professional care, and quality assurance and followed procedures to ensure accuracy of the information presented. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Data Validation Methodology

We performed tests to assess the reliability of data from the IRS CI multiple-choice tests. We evaluated the data by (1) performing electronic testing of required data elements, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for purposes of this report.

Management's Response to the Draft Report



Criminal Investigation

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

November 12, 2024

MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR INSPECITONS AND
EVALUATIONS

FROM:

[REDACTED]
Chief, IRS-Criminal Investigation

SUBJECT:

Draft Evaluation Report – IRS Needs to Improve Oversight of
the Special Agent Criminal Investigative Techniques Training
Program (IE-25-026)

Thank you for the opportunity to review and comment on the subject draft evaluation report. We appreciate the opportunity to review the Internal Revenue Service (IRS) Criminal Investigation's leadership oversight of the Special Agent Investigative Techniques (SAIT) training program.

IRS Criminal Investigation (IRS-CI) serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law. The SAIT training program is essential to the work done to accomplish CI's mission. For this reason, we continuously evaluate and look for opportunities to improve this program. We look forward to implementing improvements consistent with this report. The recommendations in this report align with many goals we have identified as priorities. Our work has already begun to refine and improve.

Attached is our response to your recommendation(s). If you have any questions, please contact [REDACTED], Executive Director, Strategy, IRS-CI at 281-330-5422.

Attachment:

RECOMMENDATION 1

Either reestablish the CI Training Council or update internal guidelines outlining new processes and procedures that CI Senior Executives will follow to review and approve changes to the CI SAIT program.

CORRECTIVE ACTION

We agree. IRS-CI will reestablish the CI Training Council. We are currently drafting the CI Training Council Charter to reflect the processes and procedures for review and approval of changes to the SAIT program. The CI Training Council will consist of Executive and Senior Leadership from IRS-CI and there will be voting members and advisory members to the council.

IMPLEMENTATION DATE

February 28, 2025

RESPONSIBLE OFFICIAL

Executive Director, Strategy, IRS-CI

CORRECTIVE ACTION MONITORING PLAN

The Deputy Director of Strategy will work with the Director, NCITA to finalize the charter for Chief, CI approval.

RECOMMENDATION 2

Review SAIT training courses to identify those that involve legal components to determine if CT Counsel attorneys should be instructors.

CORRECTIVE ACTION

We agree. IRS-CI will review the SAIT training courses to determine what lessons should be instructed by Office of Chief Counsel – Criminal Tax (CT) attorneys. Moving forward, changes to the placement of CT attorneys in course delivery will be reviewed by the CI Training Review Council.

IMPLEMENTATION DATE

June 30, 2025

RESPONSIBLE OFFICIAL

Executive Director, Strategy, IRS-CI

CORRECTIVE ACTION MONITORING PLAN

The Director, NCITA will provide a recommendation on what lessons should involve CT attorneys to the CI Training Review Council. Based on this consultation, the Director, NCITA will coordinate with CT leadership to schedule courses and instructors.

RECOMMENDATION 3

Ensure that representatives from the Office of Chief Counsel are consulted when proposing/making curriculum changes on tax related lessons.

CORRECTIVE ACTION

We agree. CT leadership will serve as an advisory member on the CI Training Council upon reformation.

IMPLEMENTATION DATE

June 30, 2025

RESPONSIBLE OFFICIAL

Executive Director, Strategy, IRS-CI

CORRECTIVE ACTION MONITORING PLAN

The Executive Director, Strategy will ensure that SAIT curriculum changes on tax related issues are raised in quarterly meetings between Strategy and CT leadership.

RECOMMENDATION 4

Initiate a review of the SAIT Training Program Evaluation Policy to ensure that the policy currently reflects CI Senior Executive Team test grading policies.

CORRECTIVE ACTION

We agree. Under the new CI Training Council Charter, the CI Training Council will review the Student Evaluation Policy. This process will include executive level oversight. We will ensure that the Student Evaluation Policy provides for consistency amongst all students' grades and evaluations to ensure all students are treated fairly.

IMPLEMENTATION DATE

February 28, 2025

RESPONSIBLE OFFICIAL

Executive Director, Strategy, IRS-CI

CORRECTIVE ACTION MONITORING PLAN

We will draft the CI Council Training Charter to include procedures for review of the Student Evaluation Policy that include executive level oversight.

RECOMMENDATION 5

Establish processes and procedures that regularly review test grading to ensure adherence to and compliance with SAIT program evaluation policies.

CORRECTIVE ACTION

We agree. Moving forward, a memorandum from the Deputy Director, Strategy to the Director, NCITA will outline the process and procedures on reviewing test grading to ensure adherence to and compliance with SAIT program evaluation policies increase transparency, consistency, and fairness.

IMPLEMENTATION DATE

June 30, 2025

RESPONSIBLE OFFICIAL

Executive Director, Strategy, IRS-CI

CORRECTIVE ACTION MONITORING PLAN

The Deputy Director of Strategy will forward the memorandum to the Executive Director of Strategy and will forward the recommendation to the CI Training Council for approval.

Appendix III

Abbreviations

CI	Criminal Investigation
CT	Criminal Tax
FLETC	Federal Law Enforcement Training Center
IRS	Internal Revenue Service
NCITA	National Criminal Investigation Training Academy
SAIT	Special Agent Investigative Techniques
TIGTA	Treasury Inspector General for Tax Administration

Appendix IV

Employee Identification Key

██████████	Criminal Tax Attorney (Alleged Whistleblower)
██████████	Chief, Criminal Investigation
██████████	Executive Director, Strategy
██████████	Deputy Chief, CI
██████████	NCITA Director



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

June 6, 2025

The Honorable Doug Collins
Acting Special Counsel
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

RE: OSC File No. DI-24-000971

Dear Mr. Collins,

This letter responds to the U.S. Office of Special Counsel's (OSC) request of January 30, 2025, for a supplemental report addressing information relating to a whistleblower's allegation that the IRS may have violated a law, rule, or regulation.

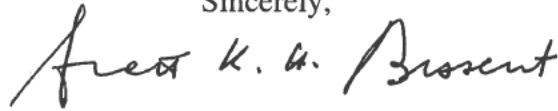
The whistleblower alleged the IRS violated the Internal Revenue Manual by making changes to the curriculum for basic training for IRS Criminal Investigations (CI) Special Agents that had not been reviewed by the CI Training Council. The whistleblower further alleged that the changes resulted in Special Agents being inadequately prepared to investigate financial crimes and added redundant general law enforcement training.

This matter was initially referred to the Treasury Inspector General for Tax Administration (TIGTA) for investigation on August 14, 2024. That office concluded its investigation and Secretary Yellen transmitted TIGTA's report to OSC on December 2, 2024. TIGTA's review found that the IRS had made changes to the curriculum without following its established processes. However, it did not substantiate the whistleblower's allegations that new CI special agents were inadequately prepared to investigate financial crimes.

After receiving OSC's January 30, 2025 request, the matter was referred back to TIGTA. TIGTA performed an additional review of the Special Agent Investigative Techniques training program in response to OSC's follow up request. TIGTA concluded its investigation and transmitted the attached letter report on May 16, 2024.

TIGTA provided IRS with an evaluation report making specific recommendations to address the control weaknesses identified in its review, and IRS agreed to implement all of TIGTA's recommendations. In light of IRS's agreement to implement TIGTA's recommendations, I conclude no further action is required and will close this matter. If you have any questions, please contact [REDACTED] at (202) 622-6966.

Sincerely,

A handwritten signature in black ink that reads "Scott K. H. Bessent". The signature is written in a cursive style with a horizontal line underlining the name.

Scott K. H. Bessent

Attachment



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

INSPECTOR GENERAL
FOR TAX
ADMINISTRATION

May 16, 2025

VIA ELECTRONIC TRANSMISSION

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: OSC File No. DI-24-000971 Referral – 5 U.S.C. § 1213(c)

Dear Secretary Bessent:

On January 30, 2025, the U.S. Office of Special Counsel (OSC) requested that TIGTA provide a supplemental report addressing specific requested information related to a whistleblower allegation (see Appendix I). The whistleblower alleged the Internal Revenue Service (IRS) violated the Internal Revenue Manual (IRM) by making changes to the curriculum for basic training for IRS Criminal Investigations (CI) Special Agents that had not been reviewed by the CI Training Council. The whistleblower further alleged that the changes resulted in Special Agents being inadequately prepared to investigate financial crimes, jeopardizing the IRS CI's mission to enforce tax and other financial laws under the IRS's purview by:

- Failing to convene the CI Training Council to approve curriculum changes, in accordance with IRM requirements;
- Reducing the core financial investigative lessons by 45 classroom hours for incoming Special Agent Trainees;
- Weakening the academic standards to pass a greater number of Special Agent Trainees so the failure rate of students is artificially low compared to its historical average;
- Hiring more Special Agents without accounting or tax backgrounds; and
- Hiring Special Agents at greater numbers using approved funding from the Inflation Reduction Act of 2022.

We performed an additional review of the Special Agent Investigative Techniques (SAIT) training program in response to OSC's follow up request, and our findings are discussed below.

1. Impact on Special Agent Trainee's preparedness to conduct financial investigations

In accordance with IRS guidelines and policies, the Special Agent Basic Training Program (SABT) is an accredited training program conducted at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. Newly appointed Special Agents must satisfactorily complete the following training:

- a. Phase 1—Pre-Basic Orientation Training Program
- b. Phase 2—Criminal Investigator Training Program
- c. Phase 3—SAIT
- d. Phase 4—On-the-Job Training

Our initial review focused on changes made to the curriculum of the SAIT training program (Phase 3 of the SABT) between September 2021 and August 2024. The SABT is not complete until the Special Agent Trainees complete all four phases. We determined several changes were made to the SAIT curriculum, including the reduction of total class hours identified by the whistleblower as “core financial investigative classes.” We completed a second review of the core financial investigative hours completed as part of the SAIT training program, comparing the class curriculum from calendar years (CY) 2021 to 2024. While we identified a reduction of total class hours, the subject matter of each class was still being taught as part of the curriculum. According to CI management, a contract was procured through FLETC to assist with various areas of the SABT modernization, including improving the SAIT curriculum. This project was implemented in July 2022.

We also interviewed CI management officials from various field offices to determine whether newly graduated Special Agent Trainees are prepared to conduct financial investigations. Each official interviewed commented that the Special Agent Trainees were sufficiently trained and have the basic skills to complete financial investigations after completing the SAIT training program. The management officials stated they had no concerns when asked specifically about the Special Agent Trainees' ability to conduct financial investigations. Additionally, one CI management official stated that they had the opportunity to observe classes and had no concerns with the financial investigations training material.

According to IRS guidelines and policies, every new Special Agent Trainee is assigned a qualified on-the-job instructor to actively assist in completing on-the-job training (Phase 4 of the SABT), and reaching the full professional level of the position.¹ For these reasons, we are not able to substantiate the claim made by the whistleblower that newly graduated Special Agent Trainees are less or inadequately prepared to conduct financial investigations.

2. Response on CI Special Agent Trainee hiring practices

The whistleblower alleged that the National Criminal Investigation Training Academy hired more Special Agents without accounting or tax backgrounds. On November 8, 2022, the IRS was first granted Direct Hire Authority for the Criminal Investigator 1811

¹ IRM 9.2.1.3.4 (2011).

series (Special Agent) position. According to IRS management, from CY 2021 to 2024, there were 717 new Special Agents hired (including 365 under the Direct Hire Authority). The IRS Human Capital Office (HCO) is responsible for ensuring that applicants meet specific Office of Personnel Management (OPM) qualification standards for these positions.² Even under the Direct Hire Authority, applications must be reviewed by HCO to ensure the qualification standards are met.

We requested documents used for hiring the 717 applicants from HCO and initially received documents for 363 applicants. Due to competing demands and limited resources, HCO was unable to timely provide documentation for the remaining 351 applicants and requested that we take a sample of them.

To become a Special Agent, the applicant must meet the following qualification standards:

- **Education:** Any field of study that included or was supplemented by at least 15 semester hours in accounting, and 9 semester hours from among the following or closely related fields: finance, economics, business law, or money and banking.
----- **Or** -----
- **Experience:** Successful, responsible accounting and business experience that required knowledge and application of accounting and auditing principles and general business practices, and that demonstrated the ability to analyze and comprehend accounting and bookkeeping records, financial statements, related reports and automated systems.

For General Schedule (GS) positions above the GS-5 pay scale, the experience must be in or related to investigations of criminal violations that provided the specific knowledge, skills, and abilities to perform successfully the duties of the position. This experience must have been acquired in investigative work related to the accounting, auditing, business, or commercial practices of investigative subjects. Additional requirements allow for appointment to higher pay grades based on proof of possession of a Certified Public Accountant certificate. Also, the OPM guidelines list other requirements such as: a satisfactory report of character and background investigation (including a tax audit), the ability to operate a motor vehicle, maintain firearms qualifications, age requirements, and general medical requirements.³

We reviewed the initial 363 documents received and determined that:

- 168 applicants met the requirements based on both education and experience,
- 132 applicants met the requirements based on education,
- 61 applicants met the requirements based on experience, and

² OPM, General Schedule Qualification Standards. Department of the Treasury Criminal Investigator – Treasury Enforcement Agent 1811. Individual Occupational Requirements, IRS Special Agent positions (last accessed February 2025).

³ OPM, General Schedule Qualification Standards. Department of the Treasury Criminal Investigator – Treasury Enforcement Agent 1811. Individual Occupational Requirements, IRS Special Agent positions (last accessed February 2025).

- 2 applicants did not meet the eligibility requirements for the appointed grade level. The two applicants were hired in CYs 2022 and 2023, respectively.

As a result of this finding, the IRS confirmed they are taking steps to correct these two appointments. When asked what caused these erroneous appointments, the IRS responded that qualification determinations are made by Human Resources Specialists in accordance with OPM qualification standards, and errors were made in determining the qualifications of these two applicants. Since the time of these hirings, the IRS instituted new formalized two-year training plans for all Human Resources Specialists and a new quality review program to prevent similar errors from occurring again.

We conducted a statistically valid random sample of the remaining 351 applicants and reviewed the supportive hiring documents for 95 of the remaining applicants.⁴ We did not find any deviations from the established OPM hiring requirements for these 95 applicants. Specifically, we determined that 69 met the requirements based on education, 16 met the requirements based on experience, and 10 met the requirements for both education and experience.

In total, we reviewed hiring documents for 458 applicants and determined that for 456 applicants, the IRS adhered to the OPM hiring requirements for IRS Special Agents for the period of CYs 2021 to 2024. While we determined an additional two applicants did not meet the eligibility requirements for their appointed grade level, we were unable to substantiate that the IRS hired more Special Agents without accounting or tax backgrounds.

3. Comparison of historical averages for SAIT program student failure rate

We requested a list of all attendees and those who graduated from the SAIT program between August 2021 and August 2024, to determine whether the failure rate of students is artificially low compared to its historical average. According to CI management, the National Criminal Investigation Training Academy does not retain or maintain such historical data. However, CI management manually created a list to identify Special Agent Trainees who either graduated or repeated the training program. According to the list provided, 762 Special Agent Trainees graduated between August 2021 and August 2024, with an average graduation rate of 90 percent. The graduation rates between August 2021 and August 2024 were:

- 94 percent of the students in the SAIT program graduated in 2021.
- 95 percent of the students in the SAIT program graduated in 2022.
- 90 percent of the students in the SAIT program graduated in 2023.
- 85 percent of the students in the SAIT program graduated in 2024.

⁴ The random sample was 99 applicants but the IRS could not retrieve the supportive documents of 4 of them. According to the IRS, this was due to a change in the hiring system causing HCO to no longer have access to the documents.

Based on the lack of historical data and increases in the failure rate of students over the last three years, we were unable to substantiate the whistleblower claim that the failure rate was artificially lower for the SAIT program than its historical average.

4. Review of SAIT program multiple-choice test results for period of September 2021 to August 2024

During our initial review, we identified eight Special Agent Trainees who during the period of December 22, 2023, through August 14, 2024, received passing scores on a multiple-choice exam when, in fact, they failed the exam. As stated in our initial report, the SAIT Student Evaluation Policy specifies that a test score below 80 percent on any exam, or failing a practical exercise, will constitute a failing grade. For a failed exam, students will be retested within three days (known as a remedial exam). Failure to pass the retest may result in removal from the SAIT program.

We reviewed all SAIT program multiple-choice test results for the period of September 2021 to August 2024. We identified an additional 16 Special Agent Trainees that received a failing score on an exam, but the student transcript reflected a passing score. CI management responded that:

- 10 of the 16 Special Agent Trainees had exam questions that were discounted and credit provided for, resulting in a passing score.
- 5 of the 16 Special Agent Trainees received a passing score on the remedial exam, resulting in an overall passing score, but they were not able to provide us with copies of the remedial exams. Therefore, we could not validate the information they provided.
- For the remaining SAT, there was an undocumented decision made by the National Criminal Investigation Training Academy Director or Assistant Director to change the transcript and update the test score to the minimum passing score of 80 percent.

As detailed in our initial report, there are no written procedures allowing National Criminal Investigation Training Academy staff to eliminate questions after students have completed the exam. These actions were taken without a written policy, and no official record or documentation related to the changes were maintained. Our two reviews have identified that this issue involved 24 Special Agent Trainees' student records for the period of September 2021 to August 2024.

5. SAIT curriculum review response for CI Training Council

According to CI management, the reinstated CI Training Council will conduct reviews of the curriculum changes implemented since September 2021.

6. Response on agency actions for changes in SAIT program

As of December 2024, the National Criminal Investigation Training Academy Director was permanently reassigned, and an acting Director was put into place. The IRS anticipates that this new Director will be appointed into a permanent Director position in June 2025.

Based on our evaluation, several weaknesses associated with management's oversight of the SAIT curriculum were identified. IRS management agreed to all our recommendations and has reevaluated its policies and reinstated the CI Training Council. According to CI management, formal disciplinary action based on our findings is not being considered at this time. CI management indicated that the identified deficiencies were not limited to one individual. They believe a more appropriate approach is to establish clear expectations and policy to mitigate future issues. However, if evidence of intentional misconduct is subsequently discovered, CI management may consider disciplinary action, if appropriate.

Sincerely,



Heather M. Hill
Acting Inspector General

Attachment: Appendix I, Reported Results: Review of Matters Referred to the U.S. Department of the Treasury by the Office of Special Counsel (OSC File No. DI-24-000971), issued November 25, 2024.

Appendix I

Reported Results: Review of Matters Referred to the U.S. Department of the Treasury by the Office of Special Counsel (OSC File No. DI-24-000971)

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Review of Matters Referred to the U.S. Department of the Treasury by the Office of Special Counsel (OSC File No. DI-24-000971)



TREASURY INSPECTOR GENERAL
for Tax Administration

DATE: November 25, 2024

MEMORANDUM FOR: THE HONORABLE ADDAR LEVI, ACTING GENERAL COUNSEL

FROM: Heather M. Hill *Heather Hill*
Acting Inspector General, Treasury Inspector General for Tax
Administration

SUBJECT: Review of Matters Referred to the U.S. Department of the Treasury by
the Office of Special Counsel (OSC File No. DI-24-000971)
(Referral Report No.: IE-24-050-CR)

Attached for your review is our response to a referral made to the U.S. Department of the Treasury by the Office of Special Counsel (OSC File No. DI-24-000971).

The overall objective of this review was to evaluate concerns raised by a whistleblower that officials at the U.S. Department of the Treasury, Internal Revenue Service, Criminal Investigation, Office of Strategy, National Criminal Investigation Training Academy in Glynco, Georgia, engaged in conduct that may constitute a violation of law, rule, or regulation; gross mismanagement; and a gross waste of funds.

If you have any questions, please contact me or [REDACTED], Deputy Inspector General for Inspections and Evaluations.

Attachment

Review of Matters Referred to the U.S. Department of the Treasury by the Office of Special Counsel
(OSC File No. DI-24-000971)

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**Review of Matters Referred to the U.S. Department of the Treasury by the Office of Special Counsel
(OSC File No. DI-24-000971)**

Background

On August 14, 2024, the Acting Inspector General, Treasury Inspector General for Tax Administration (TIGTA), received a memorandum from the Acting General Counsel, U.S. Department of the Treasury (Treasury), referring to TIGTA an Office of Special Counsel (OSC) request for an investigation of a whistleblower's allegation that officials at the Internal Revenue Service (IRS) Criminal Investigation (CI) Division, Office of Strategy, National Criminal Investigation Training Academy (NCITA), in Glynco, Georgia, engaged in conduct that may constitute a violation of law, rule, or regulation; gross mismanagement; and a gross waste of funds.¹ The Treasury memorandum requested that TIGTA initiate, on an expedited basis, an appropriate review of these matters and issue a report consistent with the requirements of 5 U.S.C. § 1213 to be submitted to the Secretary of the Treasury.

As detailed in the OSC referral, the whistleblower has been a certified legal instructor at NCITA periodically for over 25 years and has trained over 2,700 new IRS CI special agents. The whistleblower claims that, since the beginning of the NCITA Director's tenure in September 2021, changes were made to the CI special agent training, specifically to the Special Agent Investigative Techniques program (SAIT), that violate agency rules, undercut the IRS CI's ability to fulfill its mission, and result in excessive and unjustifiable costs.

The OSC requested that the Treasury investigate specific allegations and issue a written report consistent with the requirements of 5 U.S.C. § 1213 (including subsection (d)). The allegations, which the Treasury referred to TIGTA for investigation, include:

- Contrary to the Internal Revenue Manual (IRM) (*i.e.*, IRS internal guidelines), curriculum changes to the SAIT training portion of the NCITA's Special Agent Basic Training program (hereafter referred to as the SAIT training program) have not undergone review by the CI Training Council since at least October 2022, but likely since September 2021, when the NCITA Director assumed their role.²
- Due to the cumulative impact of the following actions by, or during the tenure of, the NCITA Director, new IRS CI special agents are inadequately prepared to investigate financial crimes, thus imperiling the IRS CI's mission to enforce tax and other financial laws under the IRS's purview because of the following actions:
 - Failing to convene the CI Training Council to approve SAIT training program curriculum changes as required by the IRM.
 - Reducing core financial investigative lessons by 45 classroom hours for incoming IRS CI special agents in the SAIT training program.

¹ The NCITA is a Federal Law Enforcement Training Accreditation (FLETA) academy. As such, the NCITA is responsible for developing, monitoring, and delivering formalized training programs and on-the-job training, and for scheduling and conducting training in accordance with FLETA academy standards.

² According to IRM 9.2.1.3.3 (2013), during the SAIT training, students learn how to investigate the specific violations of federal law under CI's jurisdiction. A detailed evaluation of the trainee's performance in all segments of recruit training is sent to the trainee's respective field office management upon successful completion of the SAIT training. Satisfactory completion of the SAIT training is required to retain employment as a special agent.

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- Weakening the SAIT training program standards to pass a greater number of Special Agent Trainees (SATs), so that the failure rate of students in recent years is artificially low compared to its historical average.
- Hiring more IRS CI special agents without accounting or tax backgrounds.
- Hiring IRS CI special agents at greater numbers due to approved funding under the Inflation Reduction Act of 2022 (IRA), signed into law in August 2022.³
- Core financial investigative hours have been replaced by 38 hours of general law enforcement lessons duplicative of those taught by the Federal Law Enforcement Training Center (FLETC) in its Criminal Investigator Training Program (CITP), which all IRS CI SATs must complete prior to the SAIT training program. Because the classes are redundant, the expenditure is disproportionate to the benefit reasonably expected to be accrued by the government.
- Any additional, related allegations of wrongdoing discovered during the investigation of the foregoing allegations.

Executive Summary

Overall, our evaluation found a lack of CI Senior Executive Team oversight of changes (*i.e.*, curriculum, test grading, and replacement of instructors) to the SAIT training program during the time frame covered by our assessment (September 2021 to August 2024). For example, the CI Training Council, which is to include the Chief, CI; Deputy Chief, CI; and members of the CI Senior Executive Team has not been in place since 2019. IRS internal guidelines state that the mission of the CI Training Council is to review CI training programs, proposals, and changes to ensure consistency with CI's mission.

When we discussed with CI management the absence of their review and approval of SAIT training program changes, they indicated that the NCITA Director is solely responsible for establishing the process for replacing and/or changing the SAIT curriculum. However, the process of deciding which training methods and materials are to be replaced and/or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees. CI management noted that emails are used to document the CI Senior Executive Team approval of SAIT curriculum changes implemented by the NCITA Director. Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested copies of the emails, none were provided.

In addition, our evaluation identified that the NCITA Director made several SAIT curriculum changes, reduced core financial investigative lessons replacing them with general law enforcement lessons and removed Criminal Tax (CT) Counsel attorneys from instructing legal components of two SAIT training courses. These actions were taken without the required coordination, review, and approval of the CI Senior Executive team.

We confirmed that the NCITA leadership's practice of changing some students' SAIT training program failing test scores to passing ones did not comply with written policy. Specifically, our

³ Pub. L. No. 117-169, 136 Stat. 1818.

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review of select SAIT training program test results for all SATs for tests taken between December 22, 2023, and August 14, 2024, identified eight SATs who received a test score of 78 percent.⁴ However, their official training transcript reflected a passing score of 80 percent. The changing of their scores, approved by the NCITA Director, resulted in these students not being required to retake the test pursuant to SAIT training program requirements. This practice is inconsistent with the NCITA *SAIT Training Program Evaluation Policy*, with no oversight or approval from the CI Senior Executive Team.

Finally, our assessment of SAIT curriculum changes confirmed that some core financial investigative hours were replaced by general law enforcement lessons. However, these lessons were not duplicative of those taught by FLETC in its CITP. As such, we believe the expenditures for these changes were reasonable. However, the CI Senior Executive Team did not approve these changes, as required by the IRM.

As it relates to the specific allegations we were requested to investigate, our review substantiated one allegation and partially substantiated another. Figure 1 provides an overview of our assessment of these allegations.

Figure 1: Overview of TIGTA's Assessment of Allegations

Description of Allegation	Status
Contrary to the IRM, curriculum changes to the SAIT portion of NCITA's Special Agent Basic Training program have not undergone review by the CI Training Council since at least October 2022, but likely since September 2021, when the NCITA Director assumed their role.	Substantiated
New CI special agents are inadequately prepared to investigate financial crimes, thus imperiling IRS CI's mission to enforce tax and other financial laws under the IRS's purview.	<p>Not Substantiated</p> <p>However, TIGTA identified:</p> <ul style="list-style-type: none"> • A reduction of 35.5 core financial investigative hours. • Eight instances where test scores were changed to a passing score without documented justification or approval.
Core financial investigative hours have been replaced by 38 hours of general law enforcement lessons duplicative of those taught by the FLETC in its CITP, which all IRS-CI SATs must complete prior the SAIT training program. Because the classes are redundant, the expenditure is disproportionate to the benefit reasonably expected to be accrued by the government.	<p>Partially Substantiated:</p> <ul style="list-style-type: none"> • Core financial investigative hours were replaced but were not duplicative. • Changes to curriculum did not have approval per agency requirements.

Source: Results of TIGTA analysis of allegations listed in the Treasury's referral to TIGTA.

In addition to the allegations referred to TIGTA by the Treasury, we reviewed additional allegations of wrongdoing raised by the whistleblower. Specifically, in our interview with the whistleblower, they raised the following additional allegations relating to the SAIT training program that we then reviewed:

⁴ TIGTA evaluators reviewed all multiple-choice test results from December 22, 2023, and August 14, 2024. For all SATs who received a score lower than 80 percent and graduated from the SAIT training program, TIGTA evaluators reviewed each the SATs' transcripts to determine how the tests were documented.

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- Criminal Tax (CT) Counsel attorneys were removed from instructing legal components in two SAIT courses.
- Questionable grading practices by NCITA leadership weaken SAIT training program standards.

We conducted this review in accordance with Quality Standards for Federal Offices of Inspector General issued by the Council of the Inspectors General on Integrity and Efficiency (August 2021). These standards require that the work adhere to the professional standards of independence, due professional care, and quality assurance and follows procedures to ensure accuracy of the information presented. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. We provided the IRS with a separate evaluation report that includes specific recommendations of actions the IRS needs to take to address the control weaknesses we identified with the SAIT training program. In response, CI management agreed to take the following actions:

- CI will re-establish the CI Training Council. The CI Training Council will consist of Executive and Senior leadership from CI with voting members and advisory members to the Council. In addition, CT leadership will serve as an advisory member on the CI Training Council upon formation.
- CI will review the SAIT training courses to determine what lessons should involve CT Counsel attorneys.
- CI will review the *SAIT Student Evaluation Policy* to ensure consistency amongst all students' grades and evaluations. In addition, the NCITA Director will be provided with internal guidance outlining the process and procedures for reviewing test grading to ensure adherence to and compliance with SAIT program evaluation policies and increase transparency, consistency, and fairness.

Changes to Special Agent Investigative Techniques Training Were Not Approved

We identified several SAIT curriculum changes made from September 2021 to August 2024. The results of these changes impacted the curriculum course load as new classes were added, classes were eliminated, and the overall hours of individual classes were either increased or reduced. However, the CI Senior Executive Team did not review and approve these changes nor were there any documents to support the justification for these changes.

In addition, the whistleblower alleged that new special agents are inadequately prepared to investigate financial crimes, thus imperiling IRS CI's mission to enforce tax and other financial laws under the IRS's purview. We determined that actions taken by the NCITA Director could be perceived by the whistleblower as weakening the standards for SAIT training, which could impact the investigative preparedness of the special agents. However, as previously noted, we did not substantiate this allegation.

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IRM guidelines state that the CI Senior Executive Team provides advice and counsel to the Chief, CI, relative to major issues and policy decisions regarding CI training.⁵ The CI Senior Executive Team reviews CI training programs, proposals, and changes to ensure consistency with the CI mission. The CI Senior Executive Team serves as a curriculum review board for the NCITA training program, which directly supports the Accreditation Standards set forth by the Federal Law Enforcement Training Accreditation Board of Directors.

When we discussed with CI management the absence of their review and approval as required, they noted that they have not had any type of formal curriculum review board in place since 2019. CI management indicated that the NCITA Director is solely responsible for establishing the process for replacing and/or changing the SAIT curriculum. However, the process of deciding which training methods and materials are to be replaced and/or changed is coordinated with and supported by members of the CI Senior Executive Team or their designees.

CI management noted that emails are used to document the CI Senior Executive Team approval of SAIT curriculum changes implemented by the NCITA Director. Although CI management stated that approval by the CI Senior Executive Team of SAIT curriculum changes was documented in emails, when TIGTA evaluators requested the email documentation of the approvals, none were provided.

IRS Continues to Increase Its Hiring of Special Agents in Support of Its Strategic Goal to Increase Enforcement

In the referral received, the whistleblower noted that the IRS increased its hiring of CI special agents due to additional funding received from IRA. Our evaluation confirmed IRS is increasing its hiring of CI special agents resulting from the increased funding from the IRA. The IRS received approximately \$79.4 billion in supplemental funding when the President signed IRA into law in August 2022. Congress subsequently rescinded approximately \$21.6 billion in IRA funding reducing the available funding to approximately \$57.8 billion.⁶ The IRA supplemental funding is available to the IRS through September 30, 2031.

A significant amount of the IRA supplemental funding was allocated for increased enforcement efforts. Specifically, enforcement efforts include such things as determining and collecting taxes owed, providing legal and litigation support, and conducting criminal investigations (including investigative technology), as well as digital asset monitoring and compliance activities to enforce criminal statutes related to violations of Internal Revenue laws and other financial crimes. As such, the IRS continues to increase its hiring of special agents to address issues known to have a high, ongoing risk of noncompliance or complexity, such as digital assets and listed transactions.

NCITA Director and leadership team do not make eligibility determinations for special agent hiring requirements

In the referral received, the whistleblower noted additional IRS CI special agents had been hired without accounting or tax backgrounds. The CI management team and the NCITA Director and leadership team are not involved in establishing special agent hiring eligibility requirements or

⁵ IRM 9.2.1.1(1) (2023).

⁶ Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, 138 Stat. 460 (rescinding \$20.2 billion); Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10 (rescinding \$1.4 billion).

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ensuring these requirements are met when individuals are hired. IRS Human Resource Specialists are responsible for ensuring that hiring eligibility requirements are met. However, as it relates to specific experience and/or educational requirements to be hired as a special agent, we reviewed recent listed job announcements for special agents and found that they require either:

- Specialized experience related to the investigation of criminal violations (*e.g.*, suspected crimes or alleged fraud) that provided the specific knowledge, skills, and abilities to successfully perform the duties of an IRS special agent. To be qualifying, this experience must have been acquired in investigative work related to the accounting or auditing of business or commercial practices of subjects investigated.
- Specialized education experience which included, or was supplemented by, at least 15 semester hours (23 quarter hours) in accounting, plus an additional nine semester hours (14 quarter hours) from among the following fields: business law, economics, finance, tax law, or money and banking.

Core financial investigative lessons were reduced from Special Agent Investigative Techniques training

Our comparison of the 2020 SAIT curriculum (prior to September 2021, when the NCITA Director assumed their role), with the 2024 SAIT curriculum confirmed that core financial investigative lessons were reduced by over 35 hours and replaced with 38 hours of general law enforcement lessons.⁷ These changes were made at the direction of the NCITA Director. As noted above, the IRS could not provide documentation showing approval by the CI Senior Executive Team for these curriculum changes. Figure 3 details the changes identified for the core financial investigative lessons from 2020 to 2024.

⁷ During this review, TIGTA did not evaluate whether the 35.5 hours of core financial investigative lessons, or the 38 hours of general investigative training (or some combination therein) would have better prepared the SATs for their roles in CI.

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Figure 3: The NCITA Director Reduced the Core Financial Investigative Lessons Curriculum by 35.5 Hours from 2020 to 2024

Federal Law Enforcement Training Academy Accreditation Class Name	2020 Curriculum Hours	2024 Curriculum Hours	Change
Interviewing	27	12	-15
Bank Deposit Practical Exercise	6	0	-6
Forensic Tax Accounting and Financial Analysis (Part I and Part II)	9.5	4	-5.5
International Investigations	4	2	-2
Report Writing Practical Exercise	14	12	-2
Net Worth and Expenditures Method of Proof	6	4	-2
Property Transactions	4	2	-2
Intent	3	2	-1
Role of Legal Counsel	1	0	-1
Law Enforcement Writing	1	0	-1
Tax Refund Fraud	6	5	-1
Elements of the Crime	7	6.5	-.5
Report Writing/Sentencing Guidelines	22	22	0
Grand Jury Practical Exercise	2.5	4	+1.5
Bank Deposits Method of Proof	6	8	+2
Total	119	83.5	-35.5

Source: TIGTA analysis of curriculum documents received from the IRS.

The NCITA Director noted that curriculum changes were in response to:

- Policy-related decisions. For example, one class was added to the curriculum after an internal agency memorandum was issued pertaining to attorney-client privilege and evidence.
- An executive order. An executive order was issued mandating the requirement for a de-escalation class, which was added to the curriculum by the NCITA Director.⁸
- Feedback from CI Field Operations. For example, instances where feedback is provided by the field pertaining to certain changes in law enforcement procedures that would then need to be incorporated into the curriculum.

Criminal Tax Counsel attorneys were removed from instructing legal components of two Special Agent Investigative Techniques training courses

In our discussion with the whistleblower, they raised an allegation regarding the removal of CT Counsel attorneys as instructors from two SAIT training courses. Specifically, as of October 2021,

⁸ Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety*, 87 FR 32945 (2022).

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the CT Counsel attorneys were removed as instructors from teaching the legal portion of these two courses:

- Currency Violations
- Money Laundering and Asset Forfeiture (Title 31 Violations)

We reviewed the prior curriculum for these two courses and confirmed that prior to October 2021, these two courses were a joint instruction effort by CT Counsel attorneys and CI special agents. The NCITA Director approved the removal of CT Counsel attorneys as instructors, stating money laundering and Title 31 violations cases do not involve CT Counsel attorneys when encountered in the field. The NCITA Director approved a change to have special agents teach these courses in lieu of the CT Counsel attorneys. We were informed by the NCITA Director that some of the learning objectives for these courses were also changed and consolidated into other courses.

In our discussion with representatives from the IRS Office of Chief Counsel, we were informed that the changes to the legal curriculum portions of these training courses were done without consultation with CT Counsel. Specifically, the NCITA Director did not consult with CT Counsel when making curriculum changes on tax law related lessons. The IRM states that CT Counsel attorneys who are assigned to teach at FLETC are responsible for serving as the primary legal instructor and have the capacity to exercise overall program and policy responsibility for the substantive criminal tax teaching provided at FLETC.⁹

Finally, as with the other changes we noted in this report that were made to the SAIT training program, we were not provided with evidence of an approval by the CI Senior Executive Team for the removal of CT Counsel attorneys from instructing the legal portion of these two courses.

Questionable grading practices could be perceived as weakening Special Agent Investigative Techniques training standards

In our interview with the whistleblower, they raised an allegation regarding NCITA leadership changing some SAIT training program test scores. The whistleblower believes that these actions weakened special agent academic standards to pass more students.

Our review of select SAIT training program test results for tests taken by all students between December 22, 2023, and August 14, 2024, identified eight SATs who received a failing test score of 78 percent. However, their official training transcripts reflected a passing test score of 80 percent. As a result, these students were not required to retake the test pursuant to SAIT training program requirements. The NCITA Director approved the changes made to these test scores.

The *SAIT Student Evaluation Policy*¹⁰ states that a test score below 80 percent on any exam, or failing a practical exercise, will constitute a failing grade. For a failed exam, students will be retested within three days. Failure to pass the retest may result in removal from the SAIT training program. There are procedures to provide students with counseling for the failed area. The policy also allows a student to challenge a test question on an individual basis, which requires a

⁹ IRM 30.3.2.4.1.4(1) (2012).

¹⁰ The *SAIT Student Evaluation Policy* was designed specifically for application at the NCITA. The application of the policy is in addition to all other IRS and Treasury policies, rules, and procedures.

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written justification for the challenge, individual review, and approval if found to have merit. No documentation was provided to us supporting that these students were retested, received counseling, or received credit due to a challenge being granted.

During our discussions with the NCITA Director, we were informed that under certain circumstances, some questions on completed exams are removed and credited to the students' score if 50 percent or more of the class fails a particular question. The NCITA Director referred to this process as "discounting." The NCITA Director explained the circumstances for which discounting would take place are:

- The skill is above the level of a basic training course.
- There are multiple correct answers or no correct answer.

However, the practice of discounting or crediting exam questions is not included in the current or prior versions of the *SAIT Training Program Evaluation Policy* or in the *Supervisory Academy Instructor Handbook*.¹¹ According to the grading criterion in the *Supervisory Academy Instructor Handbook*, "any deviation from the standard grading policies and procedures puts NCITA in a tenuous position." When we asked CI management to explain their justification as to test score changes for the eight students, they responded that this was due to a test question being credited to the class. No additional explanation or documentation was provided to support the justification for the test score changes.

Finally, we found the questions that are being discounted are not tracked by NCITA staff or management personnel. As detailed previously, students' official training transcripts do not reflect the actual test scores and differ from the recorded test scores. While the *SAIT Training Program Evaluation Policy* allows individual students to challenge specific questions, there are no written procedures which allow NCITA staff to eliminate questions from the test for all students after the test has been taken. These actions were taken without a written policy to support them, and no official records or documentation related to the changes were maintained.

Special Agent Investigative Techniques Curriculum Changes Are Not Duplicative of Criminal Investigator Training Program Classes

Our assessment of the SAIT curriculum changes found that although the core financial investigative hours were replaced by general law enforcement lessons, these lessons were not duplicative of those taught by FLETC in its CITP.¹² Also, some CITP classes had similar names to those added to the SAIT but were not the same classes. Specifically, the curriculum changes we identified were made for the following reasons:

- Courses were not included in CITP and were added in response to a CI policy directive.
- Courses were not included in CITP but required per an executive order.
- Additional learning and training opportunities were provided that were not given during CITP.

¹¹ The *Supervisory Academy Instructor Handbook* was created as a desk reference and guide detailing the duties and responsibilities unique to the academy front-line supervisory position, including the coordination of the SAIT training program.

¹² This training was related to the requirement to teach de-escalation techniques to special agents.

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Figure 4 provides a summary of the curriculum changes made to the SAIT and our conclusion that they were not duplicative training courses.

Figure 4: SAIT Curriculum Changes

Course	TIGTA Analysis	Basis for Analysis
High-Risk Traffic Stops	Not a Duplicate Class	Both NCITA and FLETC reported that High-Risk Traffic Stops has been removed from the CITP curriculum and is only offered during SAIT. TIGTA confirmed the removal of this class upon reviewing the CITP curriculum as of July 1, 2024. High-Risk Traffic Stops was initially added to the SAIT curriculum between January and February 2023, due to an agency directive after an incident occurred involving IRS employees.
High-Risk Traffic Stops Lab 1	Not a Duplicate Class	
High-Risk Traffic Stops Lab 2	Not a Duplicate Class	
High-Risk Traffic Stops Night Lab	Not a Duplicate Class	
Law Enforcement Skills & Fundamentals	Not a Duplicate Class	This class was added to the curriculum based on an Executive Order 14074, <i>Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety</i> , implemented in May 2022. TIGTA determined that this class is not duplicative due to the requirement that the agency provide this training and the additional learning opportunities and skills that are being provided that are not given during the CITP.
De-Escalation Night Lab	Not a Duplicate Class	TIGTA determined that this class is not duplicative due to the additional learning opportunities and skills that are being provided that are not given during the CITP.

Source: TIGTA analysis of curriculum documents received from the IRS and discussions with the NCITA Director.

While the above-mentioned courses replaced some core financial investigative training hours, the lessons were not duplicative of those taught by FLETC in its CITP. As such, we believe the expenditures for these changes were reasonable. However, the CI Senior Executive Team did not approve these changes, as required by the IRM.

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Appendix I

Employee Identification Key

██████████ CT Counsel Attorney (Alleged Whistleblower)

██████████ Chief, CI

██████████ Deputy Chief, CI

██████████ CT Counsel Attorney

██████████ NCITA Director

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Appendix II

Abbreviations

CI	Criminal Investigation
CITP	Criminal Investigator Training Program
CT	Criminal Tax
FLETA	Federal Law Enforcement Training Accreditation
FLETC	Federal Law Enforcement Training Center
IRA	Inflation Reduction Act of 2022
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
NCITA	National Criminal Investigation Training Academy
OSC	Office of Special Counsel
SAIT	Special Agent Investigative Techniques
SAT	Special Agent Trainee
TIGTA	Treasury Inspector General for Tax Administration



To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.

To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.

Information you provide is confidential, and you may remain anonymous.