

December 9, 2024

██████████, Attorney
Retaliation and Disclosure Unit
U.S. Office of Special Counsel
1730 M Street, N.W., Suite 218
Washington, D.C. 20036

RE: OSC Agency Report DI-24-000971

Dear ██████████,

Thank you for the opportunity to provide comments on the report submitted by Secretary Yellen. As indicated in your letter, my response focuses on the evidence, findings, and conclusions outlined in the agency report.

Evidence

The most telling evidence in this report is the absence of key documentation. CI Executive Management has consistently maintained that all changes and actions undertaken by the NCITA Director were approved. However, no evidence has been provided to support this claim. This omission raises concerns about the credibility of CI Executive Management's responses to agency investigators.

Furthermore, the report's evidence on questionable grading practices spans December 22, 2023, to August 14, 2024, despite the broader review period of September 2021 to August 2024. By limiting the timeline, the investigators minimize the full scope of students impacted by the "discounting" system used to pass students who had failed exams. This diminishes the true extent of the issue and its implications for the academic integrity of the SAIT program.

Findings

The report highlights Secretary Yellen's acknowledgment that "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." Additionally, the agency report notes that "any deviation from the standard grading policies and procedures puts NCITA in a tenuous position."

By failing to document or approve these deviations, CI Executive Management has jeopardized NCITA's position as a leading Training Academy and placed the IRS and new special agents at risk of legal liability.

By deviating from the established SAIT training policies, the training received by agents during this timeframe (September 2021 to August 2024) is now open to challenge.

Conclusions

The report highlights significant concerns regarding oversight and compliance within Criminal Investigation (CI) Executive Management. Specifically, it demonstrates a failure to provide adequate oversight and approval for changes to the SAIT curriculum and the NCITA Director's adherence to established curriculum and student grading procedures.

These shortcomings reflect a broader failure of managerial responsibility resulting in a lack of transparency, exposing the IRS to potential legal liability, and undermining trust in the program's integrity.

Final Statements

The agency report underscores a concerning pattern of behavior by CI Executive Management over the past three years. This includes compromising the academic integrity of the SAIT training program, failing to follow internal policies, and responding to inquiries with evasiveness rather than transparency.

The long-term harm caused by these actions - both within and beyond the IRS - has yet to be fully understood. Instead of responding with transparency, CI Executive Management misled investigators and evaded accountability for their actions. Those responsible remain in executive positions which raises concerns about accountability for mismanagement and the ability to restore trust in the organization.

Again, thank you for the opportunity to respond and for your time and attention in these matters.

Sincerely,





Dear [REDACTED],

In response to your inquiry regarding the TIGTA report, I have outlined my observations and concerns below.

Conclusion: New Special Agents Are Adequately Prepared to Investigate Financial Crimes

The TIGTA report, dated November 25, 2024, from Heather Hill to the Acting General Counsel for the Treasury, concluded on page three that the allegation regarding new Special Agents being inadequately prepared to investigate financial crimes was “Not Substantiated.” However, I believe the report fails to fully address key issues that impact the effectiveness of Special Agent training.

TIGTA identified two significant findings:

1. A reduction of 35.5 core financial investigative hours and
2. Eight instances where test scores were changed from a failing grade to a passing grade without documented justification or approval.

However, TIGTA did not investigate the impact of these reductions on the training program's overall effectiveness. Specifically, they did not consult subject matter experts in the affected areas to determine how these reductions would affect the quality of new agent training or their ability to conduct financial investigations. Below are the areas where reductions occurred and their impact on training new Special Agents.

Reduction in Core Financial Investigative Hours

The five key courses listed below combined for 52.5 hours of instruction in 2020, which was reduced to only 21.5 hours in 2024, a 59% reduction (31/52.5 hours). These courses represent critical components of the financial investigative training for new Special Agents. The failure of the TIGTA report to address the effectiveness of these reductions is a significant oversight.

1. **Interviewing (2020: 27 hours; 2024: 12 hours)**
A 15-hour (55%) reduction in interviewing training is problematic. Interviewing is essential for Special Agents, as it directly impacts their ability to gather facts, track leads, and question potential witnesses. A significant reduction in this training will undermine their effectiveness in this core investigative skill.
2. **Bank Deposit Practical Exercise (2020: 6 hours; 2024: 0 hours)**
The bank deposit method is crucial for uncovering unreported income, particularly when IRS-CI lacks physical records. This method is also a key part of the Foster Grand Jury

case that every Special Agent investigates during training. The decision to eliminate this exercise in favor of simply providing students with the answers undermines the effectiveness of their training and their ability to perform critical financial investigative tasks.

3. Forensic Tax Accounting (2020: 9.5 hours; 2024: 4 hours)

Reducing 5.5 hours (58%) in forensic tax accounting is concerning. A thorough understanding of accounting principles is central to financial investigations in IRS-CI. Without adequate training in forensic tax accounting, new agents will struggle to evaluate financial data and identify tax fraud correctly.

4. Property Transactions (2020: 4 hours; 2024: 2 hours)

Property transactions are fundamental to financial investigations, particularly in determining taxable events and their timing. A 50% reduction in this training will impact new agents' ability to assess property transactions and their relevance to financial crime effectively.

5. Net Worth (2020: 6 hours; 2024: 4 hours)

The net worth method is foundational in all IRS-CI financial investigations. A reduction of 2 hours (33%) in this core area impacts the ability of Special Agents to build solid investigative frameworks for determining unreported income and other financial crimes.

Altered Test Scores

The report also highlights eight instances where test scores were altered to passing grades without proper documentation or approval. However, TIGTA only sampled tests from December 23, 2023, to August 2024. If the investigation had covered the entire period from September 2021 to August 2024, there would likely be an additional 25-35 instances of improperly “discounted” test scores. These cases would not have documentation to support the changes, further underscoring this issue's systemic nature.

The Impact of These Findings

The reduction in core financial investigative hours by 59% and the alteration of test scores significantly undermine the effectiveness of Special Agent training in adequately preparing new special agents to conduct financial investigations. The TIGTA report fails to properly consider the impact of these areas when making its determination.

Request for Clarification on Nepotism and PPP Claim

Additionally, [REDACTED], I would appreciate an update regarding the aspects of my claim regarding nepotism and PPP. The individuals responsible for these issues remain in positions of

influence, and their actions have yet to be addressed. I would like to know what actions are being taken to address these concerns.