June 11, 2021

The Honorable J. Russell George
Inspector General for Tax Administration
U.S. Department of the Treasury
1401 H Street NW, Suite 469
Washington, DC 20005

Dear Inspector General George:

We request that your office immediately investigate the apparent recent egregious leak of private individual taxpayer information from the IRS to determine its scope, legal issues that could arise, and how the IRS protects personal identifiable information from breach and political or other improper purposes.

On the morning of June 8, 2021, ProPublica published an article titled, “The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax.”¹ The article states that “ProPublica has obtained a vast trove of Internal Revenue Service data on the tax returns of thousands of the nation’s wealthiest people, covering more than 15 years.” ProPublica’s description of the data and the nature of the information published strongly suggests that the information originated from within the Internal Revenue Service (IRS). If this is true, this constitutes a serious breach of privacy and is a criminal violation of our tax laws. It would be one of the most significant and widespread breaches in the agency’s history and considerably damages the foundational bedrock of our tax system, including American taxpayers’ confidence that the IRS will keep their personal information confidential.

Unfortunately, this would not be the first time that confidential taxpayer information held by the IRS has been disclosed or been misused. In 2012, ProPublica obtained confidential pending applications for tax-exempt status originally submitted to the IRS; and, again in 2013, ProPublica obtained applications or documentation for 31 groups, including some that had not yet been approved, meaning that they were not supposed to be made public.² On May 14, 2013, TIGTA released a report detailing that inappropriate criteria were used to identify tax-exempt applications for review.³ In that report, TIGTA highlighted that “[e]arly in Calendar Year 2010, the IRS began

² https://www.propublica.org/article/irs-office-that-targeted-tea-party-also-disclosed-confidential-docs
³ https://www.documentcloud.org/documents/700643-201310053fr-revised-redacted-1
using inappropriate criteria to identify organizations applying for tax-exempt status to review for indications of significant political campaign intervention.”

The purposeful release by IRS employees of confidential taxpayer information and the IRS’s inappropriate targeting of select Section 501(c) organizations less than a decade ago was unacceptable, violated the public’s trust in the fairness and secrecy of the tax system, and damaging to the integrity of tax administration. The apparent massive leak of more than 15 years of legally protected personal taxpayer information that ended up in the hands of ProPublica demands immediate and vigorous investigation and prosecution of anyone who played any role in violating laws protecting taxpayer information or otherwise illegally obtaining or providing any such information.

This most recent publication of taxpayer data is especially concerning in light of the Administration’s proposal to provide the IRS with a massive amount of unprecedented mandatory funding aimed partly at mandating collection of additional private and personal information from everyday Americans through financial institutions, including detailed information about their checking and savings accounts.

The IRS’s demonstrated history of failing to keep confidential data safe, and what appears to be a massive IRS data breach that facilitated ProPublica’s publication of protected taxpayer information to provide politicized advocacy for targeting certain taxpayers, is unacceptable and should be strongly condemned. The American people deserve a thorough, independent investigation into how this information came to be published to understand how and why confidential information is apparently being leaked or obtained from the IRS, to find those responsible, and to criminally prosecute where warranted.

For these reasons, Congress must know that IRS systems are secure and that personal individual and business tax information is secure from threats, both internal and external, to violations of taxpayer privacy rights. TIGTA’s investigation and examination must be thorough, including close scrutiny of any porous elements at IRS that could allow leaks, external unauthorized access to personal information, or external researchers who the IRS hires for special projects and provides access to confidential taxpayer information, especially if any have tax-related political agendas.

Congress and the American people have a right to know how and why it appears that confidential information was allegedly obtained or leaked from the IRS and how their information will be used and protected moving forward. We ask that TIGTA provide Members of the Finance Committee with regularly scheduled updates and briefings on the progress of your investigation.

Sincerely,

Mike Crapo  
United States Senator

Chuck Grassley  
United States Senator