

MISCONDUCT BY SENIOR MANAGERS IN
THE INTERNAL REVENUE SERVICE

TWENTIETH REPORT

BY THE

COMMITTEE ON GOVERNMENT
OPERATIONS



OCTOBER 4, 1990.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1990

33-511

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APPENDIX 12.—IRS CHIEF PAUL WHITMORE'S LETTERS TO THE
SUBCOMMITTEE AND COMMISSIONER FRED GOLDBERG ALLEGING
CONDUCT ABUSES BY IRS STAFF



Department of the Treasury
Internal Revenue Service
Criminal Investigation Training
FLETC - Glynco, Georgia 31524

January 19, 1990

The Honorable Doug Barnard Jr.
Chairman
Committee on Government Operations
2227 Rayburn Building
Washington, D.C. 20515

COMMERCIAL CONSUMER AND
MONETARY AFFAIRS SUBCOMMITTEE

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Dear Congressman Barnard:

Thank you for your kind letter of January 9, 1990 and a copy of the official printed record of the Subcommittee's July hearings on I.R.S. Employee Misconduct Problems.

In reading the printed record of Special Agent Duncan's and my testimony, and then reading Attorney Keightleys scathing denial, it reopened deep wounds that have not, nor will not, heal until this matter is resolved.

Your Committee's investigation into IRS Senior Employee Misconduct uncovered certain serious problems. However, Congressman Barnard, no problem uncovered is as serious as the situation and subsequent events that surround the issue to which we testified. Our situation goes to the heart of the organization. It reflects corruption and criminal acts at the highest levels of the IRS.

Chief Counsel Attorneys have lied under oath, apparently destroyed records, and then entered into a conspiracy to cover this up. These are the very people whose responsibility it is to protect the image and integrity of the IRS. These are the very people who screen all information coming forth from the IRS. These are the very people who advise the Commissioner of the IRS. These are the very people who furnish information to you Mr. Congressman. If these attorneys do not have any integrity (and it is obvious they do not), then the integrity of the thousands of loyal, hard working IRS employees goes for naught. How can we expect the taxpayers of this country to have respect for the IRS, when the employees of the IRS see this type of action by their executives and nothing is done.

I received a very fine letter from IRS Commissioner Fred Goldberg, dated August 10, 1989. In that letter he thanked me for my testimony and being able to raise allegations of misconduct without fear of reprisal. Congressman Barnard, fear of reprisal is a real concern of employees. Another concern which is just as real, is that of jeopardizing a career, credibility and respect by bringing misconduct deeds to light and then nothing is done. When no action is taken, employees develop the attitude of apathy. Why subject themselves to the above grief, when no one else really cares. As a result, misconduct by managers goes unchecked and it is "business as usual".

Congressman Barnard, what Special Agent Duncan and I testified to before your Committee on July 27, 1989 is the truth in every detail. We have even subjected ourselves to a polygraph on this issue and successfully passed. It is my understanding the attorneys have refused to take the polygraph.

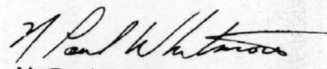
Mr. Goldberg stated to me that this would be resolved because it was all a matter of a "misunderstanding; or "missed Communication". If that is all that is, why then are they going to such great lengths to deny they gave this advice and apparently cannot "recall" the meeting in which this advice was given.

It is interesting to note that Peter Philpi recalls our meeting in early January 1988 which was probably not more than 10 or 15 minutes, however, he cannot recall the meeting of February 25, 1988 between himself, Curtin, Duncan and myself. This meeting took place in Philpi's office and was more than an hour in duration (4:30PM - 5:40PM). This meeting involved a heated discussion where Duncan refused to testify if he had to give their suggested answer. It is surprising that they cannot "recall" this meeting.

Mary Ann Curtin definitely took notes the afternoon of February 25, 1988 and the morning and early afternoon of February 26, 1988. Mr. Keightley stated under oath that "We have contemporaneous records that were maintained during the course of our providing advice to Mr. Duncan and Mr. Whitmore, documents which were prepared at the time". If Curtin's notes for the February 25 - 26 meetings are non-existent, then they have been destroyed. Why maintain the records of the January 6 - 7 meetings but destroy the ones of February 25 - 26, 1988?

Congressman Barnard, it is imperative that this matter be resolved. The integrity of the IRS is in the balance. How can we have integrity when the very officials entrusted to maintain our integrity have none? I urge you, please do not let this issue just fade away. Please see that it is resolved. Enclosed is a copy of the letter I have sent to IRS Commissioner Goldberg regarding this matter.

Very truly yours,


N. Paul Whitmore, Chief
Criminal Investigation Training

Enclosure: Copy of Letter to Commissioner Goldberg

CC: Mr. Fred T. Goldberg
Commissioner, IRS
Congressman, J. Dennis Hastert
Illinois
Congressman, William V. Alexander
Arkansas
Mr. Paul Lillis
Deputy Assistant Inspector General

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