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Number of Asset Seizures by IRS Declines

Did you know the IRS has its own CID (Criminal Investigation Department)? Among its various responsibilities, the IRS CID is authorized to seize assets in combating crime and unlawful activities pertaining to tax evasion. Seizure of assets here means the lawful confiscation of assets by the government where the ownership of such seized assets passes on to the federal government of the US.

According to the latest report by the Treasury Inspector General of Tax Administration (TIGTA), there was a significant decline in the number of assets seized in 2008 and 2009. In 2009, the CID of the IRS seized 1,624 assets. This represented a decline of 13% from the previous year and a 28% decline from 2007 which experienced a 6 year high. This may be because of the decrease in the number of illegal source and narcotics investigations and the lower number of specialized agents last year. Besides that the other contributing factor was the disparity in the number of assets seized among the different field offices.

TIGTA Inspector General J. Russell George stressed the need for the IRS CID to enforce their authority in 'depriving individuals who knowingly violate the nation's tax laws of their ill-gotten gains'. The TIGTA report also outlines several ways for the IRS CID to improve its asset seizure program, besides identifying a few missed opportunities to forfeit assets after reviewing the IRS CID management information system.

After a TIGTA analysis on the seizure work by the IRS CID, it was discovered that in some money laundering and bank restructuring violations, the IRS made requests to pursue seizure of assets in only 34% of these cases. Furthermore, there was a big difference in this percentage among its field offices. Yet the IRS asset seizure program commands huge respect from outside stakeholders and is even regarded productive compared to similar programs of other federal agencies.

The TIGTA report made several recommendations to improve the asset seizure system of the IRS. Firstly, it recommends that the IRS get its contract workers to revise the CID management information system and look into the various cases where narcotics and illegal source investigations did not result in any asset seizures. Secondly, TIGTA wants the contract workers to liaise with IRS field agents regarding assets that are forfeitable.

And finally, the TIGTA report suggests that the IRS collaborate with the US Attorney's Office on the seizure opportunities that might have been missed and conduct an internal study on the

issue. The IRS on their part agreed to the first two recommendations but rejected the one on the internal study. Nevertheless, the IRS will ensure the appropriate management reviews are being performed.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.