

IRS RESEARCH NOTES

I. CHURCH COMMITTEE REPORT

A. INTELLIGENCE DIVISION

1. *FUNCTIONS*
 - a. collects general intelligence about possible tax violators
 - b. investigates specific allegations of tax fraud to secure evid. for criminal prosecution
2. *STRUCTURE*
 - a. 2800 special agents (in 1976)
 - i. trained to gather financial data
 - ii. have unlimited access to tax returns
 - iii. power to issue summonses requiring production of financial info. w/o probable cause
 - b. In 1952, the IRS was decentralized
 - i. intelligence chief in ea. of the 58 IRS district controls and supervises investigations.
 - ii. National Office sets policy, but individual field agents have a lot of discretion to initiate investigations (applying National Office guidelines) When it works, this system is called "balanced tax enforcement."
3. *UNBALANCED TAX ENFORCEMENT*
 - a. Defn: target group is selected for reasons other than the significance of the tax compliance problem it presents.
 - b. In the 60s and 70s, the IRS was used by the White House and by Congress to target individuals - IRS engaged in selective enforcement of the tax laws against dissenters. [Special Service Staff]
 - i. e.g. "Operation Leprechaun" used IRS investigative power to combat political corruption in Florida.
 - c. Special Service Staff's targets were largely determined by input from the FBI.

B. IRS as INTELLIGENCE RESOURCE

1. FBI and CIA have virtually unrestricted access to any tax information they seek for any purpose. Sometimes, this use is legal and other times illegal (e.g. COINTELPRO.)
2. DOJ, on behalf of FBI, has requested a lot of tax information for non-tax law enforcement purposes.