

# IRS to Hire 700 for Civil and Criminal Tax Enforcement

May 5, 2016

On May 3, the Internal Revenue Service <u>announced</u> that it will be hiring between 600 and 700 new federal tax enforcement personnel. "This will be our first significant enforcement hiring in more than five years," IRS Commissioner John A. Koskinen announced in an email to IRS employees. *Additional human resources for IRS enforcement will increase the number of audits, investigations, and prosecutions of individuals and businesses.* 

In light of last week's <u>news</u> that the tax gap—the difference between taxes owed and paid—is now estimated to be \$458 billion, the cause of this new initiative is clear: The government needs revenue. "Each enforcement position typically returns almost \$10 to the U.S. Treasury for every dollar spent," Commissioner Koskinen said, "and in many instances, much more."

Hiring will take place in two waves. First, the IRS will seek entry-level revenue agents, Criminal Investigation special agents, revenue officers, and IRS attorneys, among others. Then it will look to more senior enforcement positions, whose focus will be on refund fraud, identity theft, and importantly, international tax issues.

Although the effort will not completely reverse the current low levels of federal tax enforcement, it will help to fill "key gaps," Commissioner Koskinen said, replacing 12% to 14% of the enforcement personnel the IRS has lost since 2010.

<u>Caplin & Drysdale's Tax Controversies</u> and <u>Tax Crimes</u> Groups help individuals and businesses in sensitive civil audits, criminal investigations, and prosecutions. We work collaboratively with accountants, local counsel, and in-house legal advisors to ensure the best results. If you have questions concerning this alert or for more information, please contact:

Matthew C. Hicks mhicks@capdale.com 202.862.7852 Cono R. Namorato cnamorato@capdale.com 202.862.5090 Niles A. Elber nelber@capdale.com 202.862.7827





### About Caplin & Drysdale

Having celebrated our 50th Anniversary in 2014, Caplin & Drysdale continues to be a leading provider of tax, tax controversy, and litigation legal services to corporations, individuals, and nonprofits throughout the United States and around the world. We are also privileged to serve as legal advisors to accounting firms, financial institutions, law firms, and other professional services organizations.

The firm's reputation over the years has earned us the trust and respect of clients, industry peers, and government agencies. Moreover, clients rely on our broad knowledge of the law and our keen insights into their business concerns and personal interests. Our lawyers' strong tactical and problem-solving skills—combined with substantial experience handling a variety of complex, high stakes, matters in a boutique environment—make us one the nation's most distinctive law firms.

With offices in New York City and Washington, D.C., Caplin & Drysdale's core practice areas include:

- <u>Bankruptcy</u>
- <u>Business</u>, <u>Investment & Transactional Tax</u> Political Law
- Complex Litigation
- Corporate Law
- Employee Benefits
- Exempt Organizations

- International Tax
- Private Client
- Tax Controversies
- Tax Litigation
- White Collar Defense

For more information, please visit us at www.caplindrysdale.com.

## Washington, DC Office:

One Thomas Circle, NW Suite 1100 Washington, DC 20005 202.862.5000

## New York, NY Office:

600 Lexington Avenue 21st Floor New York, NY, 10022 212.379.6000

#### Disclaimer

This communication does not provide legal advice, nor does it create an attorney-client relationship with you or any other reader. If you require legal guidance in any specific situation, you should engage a qualified lawyer for that purpose. Prior results do not guarantee a similar outcome.

#### Attorney Advertising

It is possible that under the laws, rules, or regulations of certain jurisdictions, this may be construed as an advertisement or solicitation.

© 2016 Caplin & Drysdale, Chartered All Rights Reserved.