



The Whistleblower Claim Process

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What qualifies for an award?

Claims that provide specific and credible information regarding tax underpayments or violations of internal revenue laws and that lead to collected proceeds may qualify for an award.

The Tax Relief and Health Care Act of 2006 added section 7623(b) to the Internal Revenue Code. Under section 7623(b), if the information submitted by the whistleblower results in the collection of tax, penalties

or interest, the IRS will generally pay an award of at least 15 percent, but not more than 30 percent of the collected proceeds. The award percentage decreases for cases based on information from public sources or if the whistleblower planned the actions that led to the underpayment of tax.

To qualify for the section 7623(b) award program, the information must:

- Relate to a tax noncompliance matter in which the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed \$2,000,000; and
- Relate to a taxpayer, and for individual taxpayers only, one whose gross income exceeds \$200,000 for at least one of the tax years in question.

If a submission does not meet the criteria for section 7623(b) consideration, the IRS will consider it for the discretionary program under section 7623(a) of the Code.

How do whistleblowers submit a claim for award?

- Whistleblowers must use **IRS Form 211**, *Application for Award for Original Information*, and ensure that it contains the following:
 - » A description of the amounts due, including a written narrative explaining the issue(s).
 - » Information to support the narrative, such as the location of assets and copies of books and records, ledger sheets, receipts, bank records, contracts and emails.
 - » A description of documents or supporting evidence not in the whistleblower's possession or control, and their location.
 - » An explanation of how and when the whistleblower became aware of the information that forms the basis of the claim.
 - » A complete description of the whistleblower's present or former relationship (if any) to the subject of the claim (for example, family member, acquaintance, client, employee, accountant, lawyer, bookkeeper, customer).
 - » The whistleblower's original signature on the declaration under penalty of perjury (a representative cannot sign Form 211 for the whistleblower) and the date of signature.
- Whistleblowers must mail (the IRS will not accept faxed or electronic claims) Form 211 to:

Internal Revenue Service

Initial Claims Evaluation Team
1973 N. Rulon White Blvd.
M/S 4110
Ogden, UT 84404

What happens to a claim after the IRS receives it?

If the Whistleblower Office determines the claim has merit, the allegations are forwarded to the appropriate IRS operating division(s) for further development.

- A subject matter expert may contact the whistleblower to make sure that the IRS fully understands the information submitted by the whistleblower.
- If the IRS does not use the information, the Whistleblower Office sends the whistleblower a claim denial letter.
- If the IRS decides the claim has merit, the claim is forwarded to the field for examination or investigation.

It frequently takes 5 to 7 years, or more, to complete the process. Taxpayers may exercise the right to administrative and judicial appeals, which can take many years to resolve. The IRS can only pay awards from money collected because of the information provided by the whistleblower. If the taxpayer does not (or cannot) pay, the Whistleblower Office must wait for the ten-year collection statute to expire before making a determination.

Communicating with the IRS after a claim is submitted

Status of a claim

Section 6103 of the Internal Revenue Code requires the IRS to keep taxpayer returns and return information confidential.

- In general, the Whistleblower Office may only tell whistleblowers if their claim is open or closed.
- The Whistleblower Office will tell whistleblowers if it decided that an award is payable (and the amount) or that their claim was rejected or denied (see flow chart for descriptions).
- The Whistleblower Office will not disclose to whistleblowers whether the IRS took actions such as an audit, a collection proceeding, or a criminal investigation. In addition, the whistleblower office will not disclose the results of any actions from a taxpayer case to a whistleblower.

Updating contact information

It is important for the Whistleblower Office to have current contact information for whistleblowers in case the IRS needs to reach them, including phone number and mailing address. Failure to update your contact information may delay award processing.

- Updating contact information with the IRS for personal individual income taxes will **not** update information with the Whistleblower Office.
- Whistleblowers should send changes to their contact information to the Whistleblower Office as soon as possible to Internal Revenue Service, Initial Claims Evaluation Team 1973 N. Rulon White Blvd., M/S 4110, Ogden, UT 84404.

Additional Information

Find additional information about the rules for whistleblower awards in Internal Revenue Code Sections **7623(a)** and **7623(b)** and on the Whistleblower Program page at <http://www.irs.gov>.

Whistleblower Process Timeline

- Common Initial Review Rejection / Denial Reasons**
- No specific or credible tax issue,
 - Claim is missing information,
 - Claim is purely speculative,
 - Insufficient Assessment Statute, or
 - Assessment Statute Expired

