

Congress of the United States
Washington, DC 20515

April 18, 2022

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, D.C. 20220

Dear Madam Secretary:

Nearly ten months after a massive criminal leak of private taxpayer information, the American people remain in the dark about who was responsible and how the Treasury Department allowed it to happen. The Treasury Department, currently under your direction, includes both the IRS and the Treasury Inspector General for Tax Administration. The American people deserve answers from Treasury on the status of your investigation and a timeline for when a public report will be made on Treasury's findings.

On June 8, 2021, immediately prior to a Senate Finance Committee hearing with the Commissioner of the Internal Revenue Service (IRS), ProPublica published a significant amount of confidential, legally protected, tax information and stated that it had "obtained a vast trove of Internal Revenue Service data on the tax returns of thousands of the nation's wealthiest people, covering more than 15 years."¹

There is little doubt that the leaked information came from inside the IRS. If not, then ProPublica's claims are a sequence of fabricated targeting of individual taxpayers, by name. If so, IRS data have been breached.

Yet, despite clear and ongoing evidence that IRS suffered or is continuing to suffer a data breach, Treasury and the IRS, as recently as in a letter dated September 13 of last year, claim that "[w]e do not yet know whether there has been a data breach or a threat of a data breach." That letter also noted that "[w]e do not yet have any information concerning the sources of the alleged taxpayer information published by ProPublica."

In the ten months since ProPublica's first article was published, ProPublica has steadily published more and more of what it claims are tax data from the IRS, accompanied with politicized, misleading, and likely inaccurate rhetoric and analysis.² Most recently, that outlet

¹ <https://www.propublica.org/article/the-secret-irs-files-trove-of-never-before-seen-records-reveal-how-the-wealthiest-avoid-income-tax>.

² As examples of likely inaccuracies, ProPublica often muddles concepts of wealth (a stock) and income (a flow) to make claims of "true tax rates" incurred by *individuals* sometimes based on fuzzy *family unit* wealth data *from a*

published an article on April 13, 2022, titled “America’s Highest Earners and Their Taxes Revealed.”³ This article, along with the entire series on this topic, does precisely what 26 U.S.C. § 6103 and related statutes were designed to prevent—the disclosure of private tax information and the political weaponization of that information. Every single taxpayer’s confidential tax information deserves complete protection.

Anyone accessing or releasing confidential personal tax information from the IRS without necessary approvals faces severe penalties and must be prosecuted. In June 8, 2021, testimony before the Senate Finance Committee, IRS Commissioner Rettig pledged to “absolutely” ensure that anyone found to have revealed such information would face prosecution, “absolutely.”⁴ It is unclear why the Department of Treasury, the IRS, and the Department of Justice do not ask ProPublica for a copy of whatever data ProPublica is using to produce political articles in order to determine whether ProPublica’s claim of possessing legally protected data is true.

Our tax system relies to a great extent on voluntary compliance, and the vast majority of Americans are compliant. Violating confidentiality does great damage to taxpayers’ confidence in the IRS and the tax system. Thus far, however, no one has faced any consequences for what is claimed by ProPublica and what, based on those claims, is a massive criminal disclosure of private information.

Therefore, we request an update on the status of your investigation into the criminal leak of taxpayer data to ProPublica, and ask that you respond to the questions below by May 1, 2022.

1. Please provide a timeline for when your investigation will be complete and when you will provide an accounting to the American people regarding the Treasury Department’s apparent failure to keep taxpayer information secure.
2. Please identify whether Treasury and the IRS continue to maintain that both do not know even whether there has been a threat of a data breach at the IRS in connection to ProPublica’s claims that it possesses individual taxpayer information that Treasury and the IRS are legally charged to protect, and if so, how they arrive at the conclusion that no threat exists.

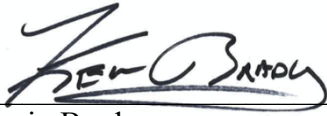
It is essential that the Treasury Department get to the bottom of the apparent disclosure of legally protected taxpayer information out of the IRS for use in political targeting and to make sure that this never happens again.

magazine, and not necessarily the individuals in question. Curiously, in close correspondence to ProPublica’s highly misleading and unscientific methods aimed at targeting the “wealthiest Americans,” the same methods have been used by the White House, as found in “What is the Average Federal Individual Income Tax Rates on the Wealthiest Americans?,” available at <https://www.whitehouse.gov/cea/written-materials/2021/09/23/what-is-the-average-federal-individual-income-tax-rate-on-the-wealthiest-americans/>.

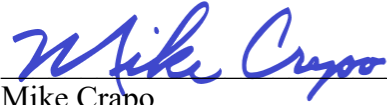
³ <https://projects.propublica.org/americas-highest-incomes-and-taxes-revealed/>.

⁴ See Senate Finance Committee hearing on “The IRS’s Fiscal Year 2022 Budget,” June 8, 2021, at approximately the 1:10 mark, available at <https://www.finance.senate.gov/hearings/the-irss-fiscal-year-2022-budget>.

Sincerely,



Kevin Brady
Republican Leader
House of Representatives Committee on
Ways and Means



Mike Crapo
Republican Leader
Senate Committee on Finance