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3,500 criminal referrals a year, a staggering 38.4% increase from the years in which George W. Bush inhabited the White House.

**Ken Berry, JD** • Feb. 13, 2014



Much was made of the fact that the IRS audit rate on individual returns slipped below the one percent mark last year for the first time in seven years. What's more, due to a dwindling IRS budget and resources being allocated elsewhere, the

downward trend is expected to continue. But that doesn't mean the feds are taking it

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George W. Bush inhabited the White House. In addition, a total of 2,010 new IRS cases were prosecuted in FY 2013, or 30.6% more than the previous year. This is the highest figure on record since 1997. The average annual number of IRS criminal prosecutions since FY 2009 is about 20% higher than it was during the two terms that Bush was in office.

And there's even more for law-and-order proponents to cheer about in the TRAC report: Convictions for tax crimes during the Obama administration are averaging prison terms of 27 months – two months longer than the average sentence of 25 months for the Bush years.

Among the U.S. federal judicial districts, Alaska recorded the highest per capita rate of IRS prosecutions at 5 per million people, compared to the national per capita rate of 6.4 prosecutions per million. The second highest rate was turned in by the Middle District of Alabama (Montgomery) with 30 per million, followed by the District of Columbia in third with 27 per million.

The TRAC report revealed that the most common charges are tax perjury and tax evasion. It cited theft of government money – such as fraudulently cashing a refund check — as a federal tax crime that prosecutors are increasingly zeroing in on.

It is noteworthy that the upward trend in prosecutions hasn't been deterred by the shrinking number of full-time IRS criminal investigators in recent years. For instance, during Obama's first term there was an average of 2,705 investigators, as opposed to an average of 2,758 in the Bush years, a 2 percent decline.

The likelihood that Justice Department will accept an IRS referral for criminal prosecution hasn't wavered much recently. Under the Obama administration, Justice is prosecuting 53% of the referrals, compared to 53.7% during the Bush years.

The new numbers in the TRAC report are impressive, especially considering the

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