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PRODUCT & SERVICE GUIDE

IRS Criminal Division Identified \$2.3 Billion in Tax Fraud in 2020

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Nov. 18, 2020



The Internal Revenue Service has issued the Criminal Investigation Division's [annual report](#), highlighting the agency's successes and criminal enforcement actions taken in fiscal year 2020, the majority of which occurred during COVID-19. A key achievement was the identification of over \$10 billion in tax fraud and other financial crimes.

"The special agents and professional staff who make up Criminal Investigation continue to perform at an incredibly high-level year after year," said IRS Commissioner Chuck Rettig. "Even in the face of a global pandemic, the CI workforce initiated nearly 1,600 investigations and identified \$2.3 billion in tax fraud schemes. This is no small feat during a challenging year, and their work is critical to protecting taxpayers and the integrity of our tax system."

Key focuses of CI in fiscal year 2020 included COVID-19 related fraud, cybercrimes, with an emphasis on [virtual and cryptocurrencies](#), [traditional tax investigations](#), international tax enforcement, employment tax, refund fraud and tax-related identity theft.

In response to COVID-19 related crimes, CI special agents quickly adapted their investigative techniques to initiate cases into fraudulent claims for Economic Impact

Payments, Paycheck Protection Program loans, and refundable payroll tax credits from the Coronavirus Aid, Relief, and Economic Security Act.

“This year, more than any in recent memory, demonstrated the extraordinary agility and adaptability of the CI workforce,” said Jim Lee, Chief of CI. “Clearly, unscrupulous individuals sought to exploit the economic safeguards put in place to buttress a nation in crisis. These individuals and groups were instead met with a cadre of special agents determined to thwart their efforts.”

In fiscal year 2020, CI initiated 1,598 cases, applying 73% of its time to tax related investigations. The number of CI special agents increased by one percent, following special agent hiring to offset planned retirements. CI continued increasing its usage of data analytics and strengthening its international partnerships to assist in finding the most impactful cases. One important partnership remained the [Joint Chiefs of Global Tax Enforcement \(J5\)](#); a transnational committee comprised of tax organizations from five countries. In FY 2020 alone, more information was shared regarding cryptocurrency, tax crimes, and related enforcement, than in the previous ten years combined. CI also saw the first guilty [pleas](#) for a case under the J5 umbrella.

As the only federal law enforcement agency with jurisdiction over federal tax crimes, CI has one of the highest conviction rates in federal law enforcement – at 90.4%. The high conviction rate reflects the thoroughness of CI investigations and the high caliber of CI agents. CI is routinely called upon by prosecutors and partner agencies across the country to lead financial investigations on a wide variety of financial crimes.

“While the annual report is an excellent summation of the hard work and dedication exhibited by CI, this year’s report takes on special significance,” Lee said. “This report unequivocally reflects the efforts of a workforce undaunted by unprecedented personal and professional challenges. I am profoundly grateful to serve with the men and women of CI.”

The 2020 report is interactive, summarizes a wide variety of CI activity during the year and features examples of cases from each field office on a wide range of financial crimes. The federal fiscal year begins Oct. 1 and ends on Sept. 30.

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