



Even Fewer IRS Audits This Year

A year ago John Koskinen, head of the Internal Revenue Service (IRS), was heard complaining that his agency was suffering from budget cuts that forced him to reduce his staff, which caused fewer audits in any year since 2005. Last year Koskinen complained:

I have not figured out either philosophically or psychologically why nobody [in Congress] seems to care whether we collect the revenue [we are owed] or not.



Coupled with increased responsibilities to enforce the mandates under ObamaCare and increasingly bad publicity, Koskinen continues to have to make do with less. A year ago he had \$11.2 billion to spend. This year he has just \$10.8 billion. And requests for more money from Congress continue to fall on deaf ears. In a phone interview with USA Today on Monday, Koskinen admitted that he runs an agency that is "not the world's most beloved." It's also continuing to decline in credibility. In a speech to the New York State Bar Association on Tuesday he said:

At this point, we do have a tax compliance ethos [under which most] people pay their fair share.

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[But] if you're in Des Moines and you're writing that check, and you feel that your neighbor down the street isn't, or is getting away with something, that's a problem.

That problem is largely of the agency's own doing. There's hardly a sentient soul above ground that isn't aware that under the Obama administration the IRS has been used to bludgeon its political opponents with harassment, delays, and invasive questioning, especially those groups opposed to Obama's socialistic policies. Lois Lerner's escape from prosecution has only added to the agency's declining popularity.

But the history of using the IRS as a bludgeon to exact political revenge goes back decades. As Elliott Roosevelt, the son of President Franklin Delano Roosevelt, noted, "My father may have been the originator of the concept of employing the IRS as of weapon of political retribution." It's likely he was referring to FDR's use of the IRS to harass newspaper publishers such as William Randolph Hearst and Moses Annenberg (publisher of the *Philadelphia Inquirer*), whose attacks on his policies raised his ire.

But perhaps the most telling and historically significant incident concerned Roosevelt's spiking of an IRS investigation into massive illegal campaign contributions to a fellow Democrat, one Texas Representative Lyndon B. Johnson, thus protecting Johnson from a potentially career-ending scandal.

Roosevelt was far from the only president to use the IRS to his benefit. During the Nixon administration, a Senate report in 1976 called out Nixon's "Ideological Organizations Audit Project" that targeted more than 10,000 groups because of their political activism in opposition to Nixon's programs, including The John Birch Society. As Nixon's chief counsel John Dean so inelegantly expressed it, Nixon ordered him to "use the available federal machinery to screw our political enemies."



Written by **Bob Adelmann** on February 25, 2015



Few remember that the second article of Nixon's 1974 impeachment charged him with using the IRS to attack and harass his enemies:

He has, acting personally and through his subordinates and agents, endeavored to ... cause, in violation of the constitutional rights of citizens, income tax audits and other income tax investigations to be initiated or conducted in a discriminatory manner.

Bill Clinton took several pages out of Nixon's attack-your-enemies-using-the-IRS playbook. He joined with the Democratic National Committee to produce a 331-page report that assailed magazines, think tanks, and other groups unhappy with Clinton's policies. Many of them were hit with IRS audits, including the Heritage Foundation and the *American Spectator* magazine. As James Bovard noted in his 2013 article, "The Sordid History of IRS Political Abuse":

The Landmark Legal Foundation sued the IRS after being audited. Its brief quoted an IRS official who claimed at a meeting that documents revealing the names of congressmen and their staffers who had requested audits were being, or had been, shredded.

The IRS claimed that it could not find 114 key files relating to possible political manipulation of audits of tax-exempt organizations.

The Clinton administration fought vociferously to prevent Americans from learning how it had abused IRS powers.

While none of this history excuses in any way similar abuses of power by the Obama administration, it does shed some light on the difficulties faced by Koskinen. Last year the agency audited just 1.2 million individual income tax returns with incomes less than \$200,000 out of the more than 140 million filed, the lowest rate since 2004. He is operating with 2,200 fewer agents than a year ago, and noted that, under the current agency austerity, he is able to hire only one new employee for every five who quit. Said Koskinen: "The math is pretty simple. There are fewer audits because we have fewer auditors."

It's hard to feel sympathy for the man. After all, he did seek the position. He's just going to have to muddle through the best he can with an \$11 billion budget and 90,000 employees in charge of mulcting American taxpayers.

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