

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
MINORITY (202) 225-5051

<http://oversight.house.gov>

June 18, 2018

The Honorable David J. Kautter  
Acting Director  
Internal Revenue Service  
1111 Constitution Avenue, NW, Room 3241  
Washington, DC 20224

Dear Mr. Kautter:

On April 26, 2018, the Committee heard testimony from the Government Accountability Office (GAO) regarding the 2018 duplication report. In the 2018 report, GAO found that from 2011 to 2017 there were 91 recommendations for the Internal Revenue Service (IRS), but 38 of these recommendations remain open.<sup>1</sup> Among those is a recommendation the IRS should “fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season.”<sup>2</sup>

At the hearing, I asked Comptroller General Dodaro and his staff about the unimplemented GAO recommendations for the IRS, including additional holds for refunds. A GAO witness testified, “IRS’s own analysis found that they could have potentially prevented an additional \$35 to \$350 million in fraudulent payments due to identity theft refund fraud just by adjusting the holding period for about two weeks.”<sup>3</sup>

I understand IRS’s interest in issuing refunds to taxpayers promptly, especially as 98 percent of tax refunds are voluntarily filed. However, GAO’s common-sense ideas to save money and reduce fraud are worth considering, especially in light of the fact that implementing those ideas would cause limited inconvenience to taxpayers.

Considering GAO’s testimony and the potential to save \$35 to \$350 million, I request the IRS provide a briefing to the Committee on whether and when the agency will implement this

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<sup>1</sup> *Waste and Inefficiency in the Federal Government: GAO’s 2018 Duplication Report, Hearing Before the H. Comm. on Oversight & Gov’t Reform, 115th Cong., transcript p. 15 (April 26, 2018) (statement of Gene Dodaro, Comptroller Gen. Gov’t Accountability Office).*

<sup>2</sup> *Id.*

<sup>3</sup> *Waste and Inefficiency in the Federal Government: GAO’s 2018 Duplication Report, Hearing Before the H. Comm. on Oversight & Gov’t Reform, 115th Cong., transcript p. 20 (April 26, 2018).*

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GAO recommendation. In addition, the Committee requests the briefing provide information on the IRS analysis regarding expanding the number of refunds subject to mandatory delay, including types of returns which could be delayed, length of hold period, amount of fraudulent payments prevented, date for completing review, and plan for full implementation of outstanding GAO recommendations.

The requested briefing should be scheduled as soon as possible, but no later than 5:00 p.m. on July 2, 2018. Please contact Ellen Johnson at (202) 225-5074 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Mark Meadows  
Chairman  
Subcommittee on Government Operations

Enclosure

cc: The Honorable Gerald E. Connolly, Ranking Member  
Subcommittee on Government Operations

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
U.S. HOUSE OF REPRESENTATIVES  
115<sup>TH</sup> CONGRESS**

**NOTICE OF APPEARANCE OF COUNSEL**

**Counsel submitting:** \_\_\_\_\_

**Bar number:** \_\_\_\_\_ **State/District of admission:** \_\_\_\_\_

**Attorney for:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone:** ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_

**Pursuant to Rule 16 of the Committee Rules, notice is hereby given of the entry of the undersigned as counsel for \_\_\_\_\_ in (select one):**

**All matters before the Committee**

**The following matters (describe the scope of representation):**

\_\_\_\_\_  
\_\_\_\_\_

**All further notice and copies of papers and other material relevant to this action should be directed to and served upon:**

**Attorney's name:** \_\_\_\_\_

**Attorney's email address:** \_\_\_\_\_

**Firm name (where applicable):** \_\_\_\_\_

**Complete Mailing Address:** \_\_\_\_\_

\_\_\_\_\_

**I agree to notify the Committee within 1 business day of any change in representation.**

\_\_\_\_\_  
**Signature of Attorney**

\_\_\_\_\_  
**Date**