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House of Representatives

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September 3, 2014

Ms. Takisha McGee
Office of Professional Responsibility
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Ms. McGee:

The Committee on Oversight and Government Reform continues to examine pervasive misconduct within the Internal Revenue Service. According to information obtained by the Committee, you face disciplinary action from the District of Columbia Court of Appeals for stealing funds from a client and making false statements to a judicial tribunal.¹ In addition, the Committee has been informed by an IRS whistleblower that you separately made false statements to the Treasury Inspector General for Tax Administration (TIGTA) about the loss of IRS files on a “party bus” to Atlantic City.² These allegations not only involve serious violations of federal law,³ but they reflect poorly upon the IRS’s ethical standards of conduct. Accordingly, to better examine these issues, we ask that you make yourself available for a transcribed interview with Committee staff.

Section 1001 of Title 18 of the United States Code prohibits knowingly and willfully “mak[ing] any materially false, fictitious, or fraudulent statement or representation” in “any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States.”⁴ Any person who violates this statute could be subject to fines and imprisonment.⁵ Section 6103 of Title 26 of the United States Code prohibits the unauthorized disclosure of confidential taxpayer information.⁶ Any person who violates this statute could be subject to fines up to \$5,000 and imprisonment for five years.⁷ In addition, the District of Columbia Rules of Professional Conduct prohibit the misappropriation of client funds entrusted to an attorney.⁸ Under the Rules of Professional Conduct, it is “professional misconduct” for an

¹ Jim McElhatton, *IRS ethics lawyer facing possible disbarment, accused of lying*, Wash. Times, Aug. 26, 2014, Available at: <http://www.washingtontimes.com/news/2014/aug/26/irs-ethics-office-lawyer-could-be-disbarred-for-ly/?preview>.

² Letter to Darrell Issa, U.S. House of Reps. (June 18, 2014).

³ See, e.g., 18 U.S.C. § 1001.

⁴ *Id.*

⁵ *Id.*

⁶ I.R.C. § 6103; see also *id.* § 7213.

⁷ *Id.* § 7213.

⁸ D.C. Rules of Prof. Conduct, R. 1.15.

attorney to knowingly violate any rule of professional responsibility and to “[e]ngage in conduct involving dishonesty, fraud, deceit, or misrepresentation.”⁹

The IRS Office of Professional Responsibility (OPR) exists to ensure that all tax practitioners and tax preparers adhere to professional standards and follow the law.¹⁰ As a manager within OPR, it is your duty to be “the standard-bearer for integrity in tax practice” and to provide an example of sound judgment and ethical conduct.¹¹ Your actions in a senior leadership role call into question the IRS’s institutional commitment to ethics and show that the IRS is an agency that fails to follow the same rules it requires of taxpayers.

According to the D.C. Court of Appeals’ Board of Professional Responsibility, you represented a client in a personal injury case that settled in July 2008.¹² The Board found that you misappropriated client funds by failing to reimburse two medical providers for services provided to your client.¹³ Even more troubling, the Board found clear and convincing evidence that you provided false testimony to a hearing committee about your actions with respect to the settlement money.¹⁴ The Board adopted the conclusions of the hearing committee, which noted:

[W]e find clear and convincing evidence that Respondent provided false testimony during the hearing. As discussed above, we did not credit Respondent’s testimony on either of these points. With respect to the first, Respondent’s contemporaneous written communications with [her client] contradict her subsequent hearing testimony that she gave [her client] the funds owed to Dr. Randolph. . . . We also find that Respondent’s hearing testimony that she entrusted to her husband . . . the funds owed to Dr. Manderson, was deliberately false.¹⁵

As a consequence of your actions, your license to practice law in the District of Columbia was suspended as of March 25, 2014, and you face likely disbarment by the D.C. Court of Appeals.¹⁶

Separate from your disciplinary proceedings, the Committee has learned additional troubling information about your actions at the IRS. According to a whistleblower, you left an IRS investigative file on a “party bus” in route to Atlantic City, New Jersey, in May 2011.¹⁷ A cleaning crew for the bus company allegedly found the IRS file and returned it to the IRS. According to this information, TIGTA agents contacted OPR and learned that the case file was assigned to you. When TIGTA interviewed you, you allegedly denied having possession of the

⁹ D.C. Rules of Prof. Conduct, R. 8.4 (a), (c).

¹⁰ IRS, *Office of Professional Responsibility (OPR) At-A-Glance*, Available at: [http://www.irs.gov/Tax-Professionals/Enrolled-Agents/The-Office-of-Professional-Responsibility-\(OPR\)-At-a-Glance-](http://www.irs.gov/Tax-Professionals/Enrolled-Agents/The-Office-of-Professional-Responsibility-(OPR)-At-a-Glance-).

¹¹ *Id.*

¹² In the Matter of: Takisha Brown, Docket No. 10-BD-128 (D. of Columbia Court of Appeals Board on Professional Responsibility. Filed Dec.30, 2013).

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Joseph Perry, *Bar Counsel: The Martin Decision: A Lesson on Fees*, DCBAR, Jun. 2014, Available at: <https://www.dcbbar.org/bar-resources/publications/washington-lawyer/articles/june-2014-bar-counsel.cfm>.

¹⁷ Letter to Darrell Issa, U.S. House of Reps. (June 18, 2014).

case file and denied leaving the case file on the bus to Atlantic City.¹⁸ However, you apparently remarked to coworkers that even if TIGTA learned that you left the file on the bus, you would not be subject to disciplinary proceedings because your supervisor, Karen Hawkins, “has [your] back.”¹⁹ This incident, if true, raises significant concerns about your commitment to taxpayer confidentiality and candor to TIGTA. It could also subject you to criminal liability under 26 U.S.C. § 6103 and 18 U.S.C § 1001.

Your misconduct is further evidence that the IRS is a broken agency in need of serious reform. According to information available to the Committee, your conduct as a senior ethics official in the IRS may have violated both 26 U.S.C. § 6103 and 18 U.S.C. § 1001. The IRS should not and cannot tolerate a senior ethics official who violates federal statutes intended to protect taxpayers and transparent tax administration. This type of misconduct in the IRS’s ethics office provides further context for the IRS culture that enabled the Exempt Organizations Division to implement a concerted and sustained effort to target tax-exempt applicants based on their political beliefs.

To further understand your actions within the Office of Professional Responsibility and the ethical shortcomings of the IRS, we request that you make yourself available for a transcribed interview with Committee staff. Please contact the Committee as soon as possible, but no later than 5:00 p.m. on Monday, September 8, 2014, to confirm your appearance for this interview. If you have retained personal counsel for this matter, please forward this letter to your attorney and ask him or her to contact the Committee directly on your behalf.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X. If you have any questions, please contact Drew Colliatie or David Brewer of the Committee staff at (202) 225-5074. Thank you for your attention to this matter.

Sincerely,



Darrell Issa
Chairman



Jim Jordan
Chairman
Subcommittee on Economic Growth,
Job Creation and Regulatory Affairs

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

The Honorable Matthew A. Cartwright, Ranking Minority Member
Subcommittee on Economic Growth, Job Creation and Regulatory Affairs

¹⁸ *Id.*

¹⁹ *Id.*