



We've got you covered.
Best cloud-connected technology.

Why backup & recovery services?
Read the free white paper.



EDITORS' PICKS: [Small campus in Florida prepares for a big role in debates](#)

CONNECT:

IRS pays \$104 million to whistle-blower

COMMENTS (27) SIZE: + / - PRINT

By Stephen Dinan - The Washington Times

Tuesday, September 11, 2012

The IRS awarded the largest whistle-blower award in history — \$104 million — to a former banker who gave information that helped expose a \$20 billion offshore banking scheme, the recipient's attorneys said Tuesday.

Bradley Birkenfeld, the whistle-blower, "provided information on taxpayer behavior that the IRS had been unable to detect," the agency said in granting the award.

"The IRS today sent 104 million messages to whistle-blowers around the world — that there is now a safe and secure way to report tax fraud and that the IRS is now paying awards," Mr. Birkenfeld's attorneys said in a statement. "The IRS also sent 104 million messages to banks around the world — stop enabling tax cheats or you will get caught."

The National Whistleblower Center said the award is the first major one using the IRS whistle-blower law.

Mr. Birkenfeld worked for UBS AG, a giant Swiss bank, and the information he provided led to fines of nearly \$800 million. He was awarded such a large amount because of a law giving whistle-blowers up to 30 percent of revenue recovered from their information.

The government did convict Mr. Birkenfeld for his involvement in the scheme. He served time in prison and was released earlier this year.

"The comprehensive information provided by the whistle-blower was exceptional in both its breadth and depth," the IRS said in a memo backing up the award judgment. "While the IRS was aware of tax compliance issues related to secret bank accounts in Switzerland and elsewhere, the information provided by the whistleblower formed the basis for unprecedented actions against UBS AG."

The IRS confirmed the payment in a statement. The agency called the whistle-blower law a valuable tool and said the award "reflects our commitment to the law."

Sen. Chuck Grassley, an Iowa Republican who has been a staunch defender of whistle-blowers, said the award was well worth it for taxpayers.

"An award of \$104 million is obviously a great deal of money, but billions of dollars in taxes owed will be collected that otherwise would not have been paid as a result of the whistle-blower information," he said. "Unfortunately it has taken the IRS nearly four years to settle this whistle-blower case. If the IRS is serious about encouraging future whistle-blowers, it needs to continue to honor the spirit and intent of the law and issue awards in a timely manner."