

# Breaking Legal News: First IRS Whistleblower Office Reward



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FOR IMMEDIATE RELEASE  
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*Reference Website: [www.First-Tax-Fraud-Reward.com](http://www.First-Tax-Fraud-Reward.com)*

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IRS Pays CPA \$4.5 Million, First-Ever Whistleblower Reward  
Under New U.S. Law; In-House Corporate Accountant  
At One Of Largest Financial Services Firms In U.S. Discovered  
A \$20-Plus-Million Tax Liability That Went Unreported

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Qui Tam Whistleblower Attorney Eric L. Young  
Plays A Key Role In CPA Client Winning  
An Enhanced 22 Percent Whistleblower Award

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BLUE BELL, Pa — The IRS Whistleblower Office has paid its first whistleblower reward, more than \$4.5 million in the first U.S. tax whistleblower case settled since rewards were mandated by Congress four-and-a-half years ago, whistleblower attorney Eric. L. Young, of Egan Young Attorneys At Law, announced today.

A CPA in-house accountant and auditor who discovered a \$20 million-plus tax liability at a large national financial services firm, which the Fortune 500 company then declined to report, was given the third highest category of IRS whistleblower reward under the new law, 22 percent, Young said.

“This groundbreaking IRS \$4.5 million reward originated like many of our government fraud whistleblower cases in healthcare, defense contracting, pharmaceutical sales and marketing, and other sectors,” Young explained.

“Our client discovered that the financial services firm was failing to pay taxes but after speaking up was simply ignored. As such, the right thing was done in deciding to report this employer’s tax misconduct to the IRS,” Young said.

For tax and qui tam whistleblowers this case clearly underscores the importance of working with an experienced whistleblower lawyer, Young explained.

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\* Egan Young is an association of professional corporations

Why? Young revealed that his client originally had filed an IRS "Form 211" with the new Whistleblower Office without counsel, known legally as "pro se". When more than two years had expired since the original filing and no IRS response had been received after numerous client inquiries, the client reached out to Young, an experienced whistleblower attorney in state and federal courts.

After assessing the client's case and concluding that it indeed appeared to be in limbo, Young immediately contacted the IRS Whistleblower Office. He determined that his client had never received a "Claims Number" after the original Form 211 filing. Assigning this number is only the first step in IRS whistleblower procedure, Young explained.

"In our subsequent contacts with the Whistleblower Office we provided the original case documents and information that fully exposed the financial services firm's tax misconduct. We also clearly and convincingly demonstrated to the IRS Whistleblower office how effective our client's efforts were in advancing this case," Young said.

"As a result, we believe our efforts enabled our client to earn this enhanced, 22 percent reward in America's first IRS Whistleblower case under the new program," Young said.

In Fiscal Years 2007 through 2009, when rewards under Section 7623 were mandated, the IRS Whistleblower Office reported receiving more than 12,000 new cases. Earlier this year the Whistleblower Office modified its award criteria to allow whistleblower rewards based not just on taxes and penalties received but when improper refunds or credits have helped to offset taxpayer liability.

"It may last only for a short time but it's nice to know that at this moment Egan Young is the only law firm in the U.S. to help a client win a mandatory IRS Whistleblower reward," joked Young, who for years has represented whistleblowers in qui tam cases under Federal and State False Claims Acts.

"Since Egan Young will always be the first law firm to help a client win a substantial reward under the IRS Whistleblower program we've developed a reference microsite for this historic case. Potential whistleblowers and their attorneys can now visit <http://www.First-Tax-Fraud-Reward.com> to learn more about this first-ever case," Young said.

The Tax Relief and Health Care Act of 2006 required the IRS to set up a Whistleblower Office by December 2006 and then pay rewards to tax whistleblowers. Prior to this legislation, now Section 7623 of the Internal Revenue Code, the IRS had the option to pay rewards to individuals it previously referred to as "informants."

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“The IRS and its Whistleblower Office have restrictive confidentiality standards,” said Brandon J. Lauria, an Egan Young attorney who also represented the whistleblower, “and our client welcomes this cloak of anonymity.” Young and Lauria explained that the client continues work as an in-house CPA and never wants to be known as the source of detailed information that cost the employer more than \$20 million, nor will the law firm disclose the taxpayer’s identity.

Throughout the years-long investigation of the whistleblower’s allegations, IRS Large Case Examination never officially revealed to the taxpayer that a whistleblower had provided tax liability information, nor did the company officially learn the client’s name, Young explained.

Somewhere today in the U.S. an anonymous CPA who helped the IRS Whistleblower Office return millions to taxpayers can rest easier knowing that the first-ever mandatory IRS Whistleblower reward was paid because an employer failed to pay its fair share of taxes.

Young thanked Stephen Whitlock, Director of the IRS Whistleblower Office, office analysts, and other professional staff for their outstanding help in working with him and Lauria to bring this first-ever IRS tax whistleblower case under the new program to settlement.

“I don’t envy the daunting challenges Mr. Whitlock faced in starting the IRS Whistleblower Office from scratch, then being inundated with 12,000 Forms 211 filings,” Young said. “The IRS whistleblower floodgates have opened a tiny bit with our groundbreaking case. Egan Young looks forward to more tax whistleblower rewards for our clients, as are whistleblower attorneys across the U.S.”

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#### Additional Information May Be Posted / Linked At

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