

Whistleblower makes shocking IRS, insider trading allegations

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A whistleblower made this shocking allegation to me last week: the IRS was tipping off members of Congress to

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corporate takeovers so the elected officials could profit from insider trading.

My snitch also charged that higher-level employees of the IRS also used that information to enrich themselves.

This may sound crazy but remember: Up until a few years ago members of Congress were allowed to trade stock based on information they got while performing their public duties.

It wasn't until 2012, during President Obama's tenure, that the practice was banned.

But the difference between what had been going on legally until 2012 and what my whistleblower is contending is enormous.

Everyone assumed that members of Congress were just profiting from things they happened to learn while working on their committees — that a drug was going to get turned down by the FDA, for instance, or that a company was sniffing around to see how regulators would feel about a merger.

That was bad enough!

What the whistleblower alleges goes well beyond that and is, quite frankly, freakin' mind-boggling.

Why didn't I bring these allegations to the proper authorities to investigate? I did and was essentially told to get lost. But more

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on that after you hear a little more of what the whistleblower had to say in his own words.

“Back in 2003-5 a memo was created within the IRS noting who was permitted to participate in ‘insider trading,’” says this whistleblower. “The memo noted that all IRS employees in the executive branch and those one step below (territory managers, etc.) were permitted to participate.”

Just so you know, I spoke with this whistleblower a couple times by phone and he sounds credible. Plus I was able to confirm that he was with the IRS, in the position he says, during the time this was alleged to be happening.

That’s all I can check without subpoena power and without working with authorities, which I tried to do.

“I was below that rank by one step,” says the whistleblower, who adds he was what they call a “large case manager” at the IRS. “However,” he added “as my evaluation showed I was expected to inform my manager of any and all mergers.”

In fact, Mr. Whistleblower says he was fired for not doing so and was later retaliated against.

That was a lot of years ago. And the only people who could properly look into something like this — and hopefully determine that it couldn’t possibly be true — are in the Inspector General’s Office of

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the IRS.

That's who is supposed to investigate allegations of wrongdoing. So I called the IRS Inspector General's media contact, figuring I'd work out a deal. I'd give them the information, maybe convince the whistleblower to come forward or give more details in exchange for an exclusive on the story if the allegations panned out.

I got a much different response from the IG's spokeswoman when I asked to speak with someone.

"Concerning..?" an IG spokeswoman wrote, as if she was already exerting too much energy.

"A tip from a reader of mine about IRS wrongdoing," I wrote back, not wanted to say too much until I got her on the phone.

"We get those on a regular basis," she countered. She wanted the tipster to contact the IRS hotline, something he doesn't want to do. "All complaints are taken very seriously."

Huh! So I asked, to stir up some interest: "Is there an insider trading exemption for officials in the IRS?"

She still wouldn't talk with me. She said there wasn't such an exemption and sent me a brochure. "Once again, thank you for contacting us. Let me know if we can help further," she wrote.

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Hispanic man who
loves Donald Trump

She hadn't helped at all and I told her so.

"I'm amazed at the lack of cooperation I am getting from you," I wrote, criticizing her laziness before finishing with "have a nice weekend."

"On background, sorry feel that way. We are not lazy...just careful," she came back, finishing with one of those stupid smiley faces.

Careful? About what? About talking with the press? About doing her job?

Now I'm ready to give you the rest of this whistleblower's accusations.

Here's the juicier part of the story: "So the one day I was informed of a merger between (two big companies.) I was the case manager on that audit. I refused to inform my manager."

The whistleblower gave me the names of the companies. I took them out of the above quote to protect his identity.

"Well that was a sad day for my career. He (the manager) first produced a memo and then suspended me for failing to inform him of the merger so he could tell his supervisor," the whistleblower said.

"It seemed that the supervisor had planned on paying off his home mortgage with the merger information to the tune of \$1 million plus," my snitch said.

Reader: MoviePass
made me lose faith
in humanity

There's something you need to understand. The IRS places its workers permanently inside many companies where they continually receive privileged information while doing audits. So there's plenty of money-making tips to go around.

The whistleblower said a lot of people got rich from the scheme he was describing.

"In addition my supervisor had planned on informing his manager who then could contact members of Congress so they could invest and profit from this information," he said. "It was a way of securing a comfortable job on one of the boards like the Smithsonian once they retired."

Just consider how many individuals could have had access to this information and profited while the average American is told that it is "illegal."

The whistleblower says he was pushed out of the IRS in 2004 and charges — trumped-up ones, he says — were brought against him. But he wouldn't be surprised if this insider trading continued.

"Unfortunately I doubt that this has stopped. One cannot allow this to take place and then suddenly end it," he says.

"These individuals had planned and budgeted for these events to fund their lifestyle. That type of income generator just does not end," he said.

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Here's one more tip that the IRS' Inspector General can follow if he isn't as lazy as his press

spokeswoman.

"On a final note, which you may find of interest, my previous manager had assigned another manager to [a highly prized international] office for two years because she gave him numerous inside information tips," the whistleblower said.

As I said, the Inspector General's office was too "careful" to get this story directly from me. So now everyone gets to read about what could be — could be, I

emphasize — a scandal before he does.

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