

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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May 15, 2025

Ms. Heather M. Hill
Acting Inspector General for Tax Administration
Treasury Inspector General for Tax Administration (TIGTA)
901 D Street, SW, Suite 600
Washington, DC 20024

Dear Acting Inspector General Hill,

I write with deep concern regarding reports of recent irresponsible information technology (IT) policies and the abuse of Americans' tax data at the Internal Revenue Service (IRS). Reporting in the *New York Times* and *Wired* indicates that the Trump-Musk Administration is not only in the process of replacing core systems at IRS using a hackathon, but has also forced the IRS to disclose Americans' private information for law enforcement purposes.¹ I request that you investigate security, operational controls, and data privacy concerns associated with this new IT system at the IRS as well as the unprecedented law enforcement agreement to exploit Americans' personal information from the IRS.

On April 5, 2025, *Wired* reported that DOGE planned to partner with Palantir, a software company cofounded by billionaire Republican megadonor Peter Thiel, to run a 30 day "hackathon" as part of DOGE efforts to modernize major IRS systems. DOGE engineers are reportedly creating a new interconnection system or application programming interface (API) that would centralize all IRS data and allow IRS systems to interact with unknown cloud services.² The reported data centralization and integration effort could undermine intentional compartmentalization of IRS systems. It also poses serious privacy questions as "a 'mega API' could potentially allow someone with access to export all IRS data to the systems of their choosing, including private entities."³ Existing IRS systems undergo vigorous audits and approvals for privacy, security, and data access controls, a process that a 30-day hackathon

¹ *DOGE Is Planning a Hackathon at the IRS. It Wants Easier Access to Taxpayer Data*, *Wired* (Apr. 5, 2025) (online at www.wired.com/story/doge-hackathon-irs-data-palantir/); *I.R.S. Agrees to Share Migrants' Tax Information with ICE*, *The New York Times* (Apr. 8, 2025) (online at www.nytimes.com/2025/04/08/us/politics/irs-ice-tax-data-deal.html); *Palantir Is Helping DOGE With a Massive IRS Data Project*, *Wired* (Apr. 11, 2025) (online at www.wired.com/story/palantir-doge-irs-mega-api-data).

² *DOGE Is Planning a Hackathon at the IRS. It Wants Easier Access to Taxpayer Data*, *Wired* (Apr. 5, 2025) (online at www.wired.com/story/doge-hackathon-irs-data-palantir/); *Palantir Is Helping DOGE With a Massive IRS Data Project*, *Wired* (Apr. 11, 2025) (online at www.wired.com/story/palantir-doge-irs-mega-api-data/?_sp=534eafa3-21e9-49e1-b132-349eab005c2.1744639584780).

³ *Id.*

cannot adequately cover. DOGE and Palantir have done all this while halting ongoing modernization work and cutting \$1.5 billion from the agency's modernization budget.⁴ On April 18, 2025, additional reporting from *Wired* revealed that part of the motivation for the mega API stems from an effort to build a "master database" at the Department of Homeland Security (DHS) that could track and surveil immigrants using data from DHS, IRS, and the Social Security Administration.⁵

Unfortunately, DOGE has shown an intentional disregard for the relevant safeguards for information sharing, cybersecurity, and access controls. As I have previously noted in my February 25, 2025, letter to President Trump and my March 12, 2025, letter to the 24 CFO Act agencies, DOGE has exfiltrated sensitive data to unvetted artificial intelligence companies, flouted federal data access controls, and exhibited abysmal security practices that exposed both the Treasury Department and Department of Energy laboratories to potential foreign attackers.⁶ The DOGE team has also proven incapable of validating or maintaining data of their own activities.⁷ The website where they touted their supposed achievements lacked basic controls to prevent outsiders from updating it and the listed statistics failed to hold up to basic scrutiny.⁸ Such carelessness with IRS systems could result in the illegal disclosure of Americans' financial information and delays in tax refunds for hundreds of millions of taxpayers.

Trump Administration mismanagement is already creating chaos at the IRS, with senior personnel departing at an alarming rate.⁹ On April 8, 2025, Acting IRS Commissioner Melanie Krause announced her resignation, reportedly due in part to the data sharing agreement signed between the Treasury Department and DHS in which the IRS would hand over sensitive taxpayer information to federal immigration authorities.¹⁰ Reportedly, the memorandum of understanding

⁴ *Id.*

⁵ *DOGE Is Building a Master Database to Surveil and Track Immigrants*, *Wired* (Apr. 18, 2025) (online at www.wired.com/story/doge-collecting-immigrant-data-surveil-track/).

⁶ Letter from Ranking Member Shontel Brown, Subcommittee on Cybersecurity, Information Technology, and Government Innovation, Ranking Member Melanie Stansbury, Subcommittee on Delivering on Government Efficiency, and Ranking Member Gerald E. Connolly, Committee on Oversight and Government Reform, to President Donald Trump, (Feb. 25, 2025) (online at <https://oversightdemocrats.house.gov/sites/evo-subsites/democrats-oversight.house.gov/files/evo-media-document/2025-02-25.%20GEC%20Brown%20Stansbury%20to%20President%20Trump%20re.%20DOGE%20Cyber%20Issues.pdf>); Letter from Ranking Member Gerald E. Connolly, Committee on Oversight and Government Reform, to 24 CFO Act Agencies, (Mar. 12, 2025) (online at <https://oversightdemocrats.house.gov/sites/evo-subsites/democrats-oversight.house.gov/files/evo-media-document/2025-03-12-gec-to-24-agencies-re-doge-ai.pdf>).

⁷ *Anyone Can Push Updates to the DOGE.gov Website*, 404 Media (Feb. 14, 2025) (online at www.404media.co/anyone-can-push-updates-to-the-doge-gov-website-2); *Elon Musk Is Faking DOGE Results to Hide His Incompetence*, *The New Republic* (Feb. 19, 2025) (online at <https://newrepublic.com/post/191707/elon-musk-fake-doge-savings-data>).

⁸ *Id.*

⁹ *IRS Reaches Data-Sharing Deal with DHS to Help Find Undocumented Immigrants for Deportation*, CNN (Apr. 8, 2025) (online at www.cnn.com/2025/04/08/politics/irs-dhs-sign-data-deal-undocumented-immigrants/index.html).

¹⁰ *Acting IRS Commissioner Resigning After Agency Reaches Data-Sharing Deal with Immigration*

signed on April 7, 2025, obliges the IRS to share information about taxpayers suspected to be undocumented immigrants despite years of the IRS promising to maintain the confidentiality of taxpayer information as required by the Internal Revenue Code.¹¹ Prior to Acting Commissioner Krause's departure, multiple senior IRS personnel resigned or retired amid "grave concerns" about the legality of the agreement, including the IRS chief privacy officer and the acting IRS commissioner who preceded Ms. Krause, Doug O'Donnell.¹²

Since coming to Congress, I have prioritized IT modernization throughout the federal government. Antiquated IT systems sap government efficiency, waste taxpayer dollars, and degrade customer service for taxpayers. Congress has worked together on bipartisan modernization efforts for years including the Technology Modernization Fund (TMF), the Federal Information Security Modernization Act (FISMA), and responsible adoption of artificial intelligence technology.¹³ More than just funding and directing modernization, Congress has played a critical oversight role in IT acquisition, including through the Federal Information Technology Acquisition Reform Act (FITARA) and numerous investigations into delayed or over-budget IT projects.¹⁴

To support ongoing oversight efforts and inform legislative initiatives related to technology modernization, I ask that you initiate an investigation addressing the following questions and provide a preliminary briefing to Congress by May 29, 2025:

1. What modernization plans has DOGE made for IRS systems? Please include any milestones, acceptance criteria, testing plan, validation plan, parallel release plan, and budget, as well as any contracts, vendors, or awards, made on or after January 20, 2025.
2. What controls has DOGE put in place to limit access to sensitive taxpayer data? Please include any internal policies, interagency data sharing agreements, court orders, and/or memoranda of understanding.

Authorities, CNN (Apr. 9, 2025) (online at www.cnn.com/2025/04/08/politics/melanie-krause-acting-irs-commissioner-resigning/index.html).

¹¹ *IRS Reaches Data-Sharing Deal with DHS to Help Find Undocumented Immigrants For Deportation*, CNN (Apr. 8, 2025) (online at www.cnn.com/2025/04/08/politics/irs-dhs-sign-data-deal-undocumented-immigrants/index.html); *Undocumented and Paying Taxes, They Seek A Foothold in the American Dream*, Washington Post (Mar. 11, 2017) (online at www.washingtonpost.com/local/social-issues/undocumented-and-paying-taxes-they-seek-a-foothold-in-the-american-dream/2017/03/11/bc6a8760-0436-11e7-ad5b-d22680e18d10_story.html); 26 U.S.C. § 6103.

¹² *IRS Reaches Data-Sharing Deal with DHS to Help Find Undocumented Immigrants for Deportation*, CNN (Apr. 8, 2025) (online at www.cnn.com/2025/04/08/politics/irs-dhs-sign-data-deal-undocumented-immigrants/index.html); *Acting IRS Commissioner Resigning After Agency Reaches Data-Sharing Deal With Immigration Authorities*, CNN (Apr. 9, 2025) (online at www.cnn.com/2025/04/08/politics/melanie-krause-acting-irs-commissioner-resigning/index.html).

¹³ H.R. 7532, 118th Cong. (2024); H.R. 5527, 118th Cong. (2023); H.R. 4552, 118th Cong. (2023).

¹⁴ Pub. L. No. 115-88 (2017).

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3. What are the specifics of the data sharing agreement between the IRS, DHS, and Treasury? Does this agreement account for the need for a court order to release taxpayer data under existing law?

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. The Committee also has legislative jurisdiction over federal personnel and federal information systems. Full compliance with our requests is necessary, in part to determine whether legislative reforms are needed to ensure the continued security of our federal government systems and privacy of sensitive government and taxpayer data. If you have any questions regarding this request, please contact Committee Democratic staff at (202) 225-5051. Thank you for your prompt attention to this matter.

Sincerely,



Gerald E. Connolly
Ranking Member

cc: The Honorable James Comer, Chairman