

ONE HUNDRED EIGHTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

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May 24, 2023

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Dear Commissioner Werfel:

The Committee on the Judiciary is investigating the circumstances of the Internal Revenue Service's (IRS) visit to the home of journalist Matt Taibbi on the same day that Mr. Taibbi testified before the Select Subcommittee on the Weaponization of the Federal Government.¹ On March 27, 2023, we wrote to you seeking information about the IRS's visit to Mr. Taibbi's home.² On May 6, and with Mr. Taibbi's consent, the IRS produced some documents responsive to the request.³ These documents, however, raise more questions than they answer.

The IRS asserted to the Committee that it sent a letter to Mr. Taibbi on October 24, 2019—nine days after Mr. Taibbi filed his 2018 tax return—asking Mr. Taibbi to verify his return because it met identity theft criteria and could not be processed until he confirmed.⁴ The IRS alleged that it sent a second letter to Mr. Taibbi on March 23, 2020.⁵ However, according to Mr. Taibbi, neither he nor his accountant received either of these letters or any other notification that there was an issue with his 2018 tax return—that is, until the IRS conducted a field visit at Mr. Taibbi's home three years later. The IRS also failed to produce these purported letters to the Committee.

The IRS's production shows that the IRS opened its examination of Mr. Taibbi's 2018 tax return on December 24, 2022. Not only was this date Christmas Eve and a Saturday, but it

¹ HEARING ON THE WEAPONIZATION OF THE FEDERAL GOVERNMENT, SELECT SUBCOMM. ON THE WEAPONIZATION OF THE FED. GOV'T OF THE H. COMM. ON THE JUDICIARY, (March 9, 2023) [hereinafter "WEAPONIZATION HEARING"] (testimony of Matt Taibbi); *see id.* (testimony of Michael Shellenberger).

² *See* Letter from Rep. Jim Jordan, H. Comm. on the Judiciary, to Ms. Janet Yellen and Mr. Daniel Werfel, c/o U.S. Dep't of the Treasury and Internal Revenue Service (Mar. 27, 2023).

³ *See* Letter from Mr. Daniel Werfel, Internal Revenue Service, to Rep. Jim Jordan, H. Comm. on the Judiciary (May 5, 2023).

⁴ *Id.* Mr. Taibbi has consented to the Committee's use of his tax return information in this letter.

⁵ *Id.*

also happened to be three weeks after he published the first Twitter Files detailing government abuses and the same day that Mr. Taibbi published the ninth segment of the Twitter Files, detailing how federal government agencies “from the State Department to the Pentagon to the CIA” coordinated to censor and coerce speech on various social media platforms.⁶ It is unclear from the documents alone why the IRS opened its examination of Mr. Taibbi’s tax return on such an unusual date or whether it coincided intentionally with Mr. Taibbi’s reporting about government censorship.

A month later, on January 27, 2023, the IRS assigned an agent to Mr. Taibbi’s case to initiate face-to-face contact. The IRS documents reflect that the case agent performed an extensive investigation of Mr. Taibbi, using publicly available search engines and commercial investigative software such as Anywho, Consumer Affairs, LexisNexis Accruint, and Google. The IRS’s dossier about Mr. Taibbi included information such as Mr. Taibbi’s voter registration records, whether he possessed a hunting or fishing license, whether he had a concealed weapons permit, and his telephone numbers. The agent also examined and saved Mr. Taibbi’s Wikipedia page, which contained details about Mr. Taibbi’s work on the Twitter Files.⁷ By the time the agent appeared at Mr. Taibbi’s home, it had been nearly three years since the IRS claims it last tried to contact Mr. Taibbi about his 2018 tax return.⁸ Instead of attempting to reinstate contact with Mr. Taibbi by less intrusive means, the IRS scheduled its field visit for March 9, 2023—the very day Mr. Taibbi was to testify before Congress.

The IRS’s production confirmed one crucial fact—that Mr. Taibbi did not owe the IRS anything. Rather, the IRS owed Mr. Taibbi a substantial refund. After the IRS’s field visit, Mr. Taibbi promptly resolved his 2018 tax filing on March 21, 2023. On March 23, 2023, the IRS sent Mr. Taibbi a Notice of Case Resolution, informing Mr. Taibbi that his case had been closed and that no taxes or tax returns were due. The IRS’s production, however, lacks any indication of the IRS’s decision-making process to open a case against Mr. Taibbi, or to conduct a field visit at his home.

It has been ten years, to the month, since Lois Lerner disclosed the IRS’s infamous targeting of conservative groups seeking tax-exempt status.⁹ The circumstances of the IRS’s visit to Mr. Taibbi’s home as he was testifying before Congress about government abuse and censorship raise troubling questions that demand additional information. As the Committee continues to examine how to best protect Americans’ fundamental freedoms and to assist the Committee in its oversight, we ask that you please provide the following documents and information:

⁶ See Matt Taibbi (@mtaibbi), TWITTER (Dec. 26, 2022, 12:20 PM), <https://twitter.com/mtaibbi/status/1606701405443874816>.

⁷ See *Matt Taibbi*, WIKIPEDIA (last accessed May 12, 2023).

⁸ The IRS claims that the delay in following up with Mr. Taibbi was the result the COVID-19 pandemic restricting field visits. Letter from Werfel, *supra* note 3.

⁹ See, e.g., H. COMM. ON OVERSIGHT & GOV’T REFORM, THE INTERNAL REVENUE SERVICE’S TARGETING OF CONSERVATIVE TAX-EXEMPT APPLICANTS: REPORT OF FINDINGS FOR THE 113TH CONGRESS (Dec. 23, 2014).

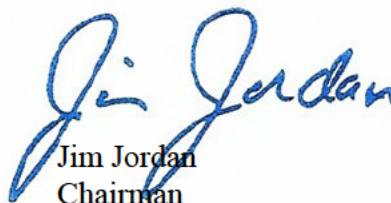
1. All documents and communications referring or relating the IRS's decision to open an examination of Mr. Taibbi's 2018 tax returns and its justifications for doing so, including but not limited to whether the IRS's examination was related in any way to reporting on the Twitter Files;
2. All documents and communications referring or relating to the IRS's decision to conduct a field visit to Mr. Taibbi's home on March 9, 2023, including but not limited to the IRS's reasoning for choosing this specific date and whether or not the IRS was aware Mr. Taibbi was testifying before Congress that day;
3. All documents and communications referring or relating to the Twitter Files for the period October 1, 2022, to the present; and
4. All documents detailing IRS protocol under the Internal Revenue Manual 5.1.18.3(6) or elsewhere prescribing the means by which agents may investigate and gather personal information on taxpayers and the limits of these means.

Please produce all documents and information as soon as possible but no later than 5:00 p.m. on June 7, 2023. Treat these discovery obligations as ongoing and applicable to any information generated after receipt of this letter.

Pursuant to the Rules of the House of Representatives, the Committee on the Judiciary has jurisdiction to conduct oversight of matters concerning "civil liberties" to inform potential legislative reforms.¹⁰ In addition, H. Res. 12 authorized the Committee's Select Subcommittee on the Weaponization of the Federal Government to investigate "issues related to the violation of the civil liberties of citizens of the United States."¹¹ Please note that Mr. Taibbi has consented to the disclosure of the information contained in this letter.¹²

In addition, please make available the Revenue Officer assigned to Mr. Taibbi's case and who conducted the field visit, [REDACTED], for a transcribed interview before the Committee. To schedule a time for [REDACTED] to appear before the Committee for his interview, please contact Committee staff no later than May 31, 2023. Thank you for your prompt attention to this matter.

Sincerely,



Jim Jordan
Chairman

¹⁰ Rules of the House of Representatives R. X (2023).

¹¹ H. Res. 12 § 1(b)(1).

¹² See Enclosure.

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cc: Mr. Matt Taibbi

Enclosure

Matthew Taibbi



Chairman Jim Jordan
Committee on the Judiciary
U. S. House of Representatives
Washington, DC 2015-6216

Chairman Jordan;

After testifying before the Weaponization of Government Subcommittee in March 9, 2023, I returned home to learn my home had been visited by an agent of the Internal Revenue Service. In an effort to better understand the circumstances behind this visit, I notified the Subcommittee of the incident, and appealed for your help in making inquiries.

Pursuant to that investigation, I give my express consent as the taxpayer to any representative of your office to inquire about and/or review my personal tax information. I also give express permission to make any such letter inquiring about my situation public. If the Department of the Treasury needs further assurances on this point, please advise and I will be happy to comply.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Taibbi', written over the word 'Sincerely'.

Matt Taibbi