
CORPORATE CRIME REPORTER

WHISTLEBLOWER PULLS IN \$263 MILLION IRS RECOVERY

Getnick Law and SEC Whistleblower Advocates PLLC led the representation of the lead whistleblower in an historic \$263 million tax fraud settlement with an individual taxpayer, the award for which was recently finalized by the Internal Revenue Service.

Getnick Law and SEC Whistleblower Advocates represented the whistleblower along with Outten & Golden LLP. The whistleblower, whose identity remains protected, was the primary whistleblower in the case, which involved two additional whistleblowers.

One of the other whistleblowers was represented by Whistleblower Partners LLP, and one did not have legal representation.

The three whistleblowers will receive 30 percent of the government's recovery, the maximum possible award, a reflection of the importance of the information and assistance provided to the government.

The whistleblower represented by Getnick Law provided particularly valuable information and assistance, meeting with government officials from multiple agencies on many occasions over a five-year period.

The IRS is not identifying the taxpayer who committed the fraud.

The \$263 million settlement concludes one of the largest tax whistleblower cases ever.

By comparison, the IRS collected a total of \$338 million from whistleblower cases resulting in 121 awards in fiscal year 2023.

The settlement resolved a matter that was unusually complex due to the size and nature of the fraud and the involvement of three distinct whistleblowers.

Getnick Law proposed a way to overcome obstacles that often impede the resolution of cases with multiple whistleblowers. The IRS Whistleblower Office, under the leadership of Director John Hinman, facilitated and supported the whistleblowers in coming together, enabling them to reach a resolution regarding the allocation of the award, thereby avoiding the possibility of years of litigation in Tax Court.

Getnick Law partner Margaret Finerty led the Getnick Law team, which included Neil Getnick, the firm's managing partner, partner Richard Dircks and counsel Stuart Altschuler.

Jordan Thomas of SEC Whistleblower Advocates co-led, and partners Jennifer Schwartz and Tammy Marzigliano co-counseled the matter from Outten & Golden. The team worked closely with Whistleblower Partners, the unrepresented whistleblower, the IRS Whistleblower Office and its director John Hinman to resolve the matter.

"This groundbreaking case illustrates the importance of the IRS whistleblower law and how it empowers private citizens to work with the government to uncover massive fraud committed by powerful individuals and generate significant revenue for the government, benefiting honest taxpayers across the country," Finerty said.

"Together we have demonstrated that when the IRS Whistleblower Program functions as a public-private partnership embracing mutually supportive cooperation, it can produce a win-win-win resolution for the Whistleblower Office, whistleblowers and their counsel, and most importantly, the public," Getnick added.

Thomas, who had a leadership role in the development of the SEC Whistleblower Program, told reporters that "what started out as a run-of-the-mill potential securities concern quickly became an historic tax case. It is a testament to the extraordinary potential of federal whistleblower programs to fight corruption and change the lives of courageous whistleblowers."

"The immense size of this fraud resulted in a well-deserved, significant financial reward for our client."