

February 25, 1999

Mr. Charles O. Rossotti
Commissioner, Internal Revenue Service
1111 Constitution Avenue NW
Washington D.C. 20224

Dear Commissioner Rossotti:

I am deeply saddened by the response, or lack thereof, to my report entitled *Investigating The Federal Income Tax: A Preliminary Report*, submitted to my immediate supervisor on February 8, 1999. Although I am very confident that my group manager and the Chief of my division properly and swiftly submitted my report through channels as I had requested, I am not so confident about the reception the report received after it left my Chief's desk.

Because I am not in management, I can only speculate which Internal Revenue Service or Treasury Department officials have been briefed on my report or its contents. I have learned that, at a minimum, the Assistant Commissioner, Criminal Investigation has been briefed. I have also been told that, because of the unusual nature of my request, any actions taken by my group manager and my Chief resulted from advice they had received from government legal counsel. I have no way of knowing if you personally have been briefed about my report or its contents. I will assume, for purposes of this letter, that you have been briefed.

The last official correspondence that I received from IRS upper management was a memorandum signed by my Chief February 17, 1999. The treatment I have received since receipt of that memorandum, when my duty firearm was taken from me and I was placed on administrative leave, has left me utterly baffled.

Under ordinary circumstances, I would not feel it was appropriate for a Special Agent from the Criminal Investigation Division to condemn or criticize the actions of the Commissioner of the Internal Revenue Service or those management officials below him. However, these are clearly not ordinary circumstances. As such, I must make some statements that are not intended to show disrespect, yet, it is likely they will not be well received. However, my duty and oath of office dictate that I make these statements regardless of their reception.

I am very confused about the treatment I have received for a number of reasons. The first reason is because, on April 28, 1998, you sent out a memorandum to all IRS employees regarding "Reporting of Misconduct, Fraud, Waste and Abuse." In the memorandum, you stated that "[a]ll Internal Revenue Service (IRS) employees have an obligation to report misconduct, fraud, waste and abuse. The IRS has a stringent policy that guarantees employees freedom from reprisal when they report such action." You further stated that "[e]very employee should take proactive steps to report wrongful actions." Apparently, I

was mistaken to have relied upon your memorandum as a commitment to protect me from reprisal or other adverse treatment.

The second reason has to do with the background investigations I endured prior to my appointment as a federal law enforcement officer and the reasons those background investigations are administered. Before being appointed as an IRS-CID Special Agent, I applied to, and was nearly hired by, the Federal Bureau of Investigation. Unfortunately, a hiring freeze occurred at an inopportune time and the FBI was unable to extend an employment offer to me. Despite the hiring freeze, a thorough background investigation was conducted. Based on my conversations with FBI recruiters, I passed the background investigation. Later, when the IRS Criminal Investigation Division extended an employment offer to me, I was subjected to a second background investigation, this one conducted by the Inspection Division of the Internal Revenue Service. Based on the fact that I was eventually hired, I think it is fair to assume that I passed that background investigation also.

It has always been my understanding, and I would certainly like someone to correct me if I am wrong, that these background investigations occur for one primary reason – to ensure that the candidate being investigated is worthy of holding a position of public trust. There is no doubt that federal law enforcement officers hold positions of public trust. They have the authority to investigate, interrogate, arrest, and, when necessary, use deadly force against American citizens. I think any reasonable citizen would conclude that passing two background investigations, one conducted by the FBI, was a good indication that I possessed the integrity necessary to hold a position of public trust. I think any reasonable citizen would find it more than a little disturbing that top IRS officials, who spent so much time and effort assuring themselves of my integrity and worthiness to hold such a position of public trust, would all but ignore my request to review very compelling evidence of constitutional abuses.

The third reason for my confusion is that the reference to my oath to support and defend the Constitution of the United States from all enemies foreign and domestic, that I included in my February 8, 1999 letter, has been summarily ignored. I thought I made myself very clear in my letter. I do not take swearing an oath to God lightly. Apparently even a devout commitment to an oath sworn to God is not worthy of response from top IRS officials.

The fourth reason for my confusion is that my reference to both the old and new IRS Mission Statements was completely ignored. I'll repeat those Mission Statements again here:

Previous Mission Statement

The purpose of the IRS is to collect the *proper* amount of tax revenues at the least cost to the public, and in a manner that warrants the highest degree of public confidence in our integrity, efficiency and fairness. (Emphasis added)

Revised Mission Statement

Provide America's taxpayers top quality service by *helping them understand* and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. (Emphasis added)

If an IRS Criminal Investigation Division Special Agent writes his superiors and in all sincerity questions whether or not the IRS Mission Statement is truly being adhered to, what are American taxpayers supposed to think when that agent's questions are rebuffed?

The fifth reason for my confusion is that on January 13, 1999, I joined hundreds of IRS Central California District employees in attending a mandatory training class on the IRS Restructuring and Reform Act (RRA '98) Of 1998 – 1203(b) Conduct Provisions. I took notes at that training and wrote down some exact quotes. For example, we were told that "the rights of the taxpayer have become paramount." You, yourself, as Commissioner of the Internal Revenue Service, emphasized in your videotaped message that IRS employees must always consider the taxpayer, "provide top quality service," and you also said that "we must scrupulously observe taxpayer rights." Bob Wenzel, Deputy Commissioner of the Internal Revenue Service, said in his videotaped message that IRS employees "must ensure that taxpayer rights are protected." The phrase "taxpayer rights come first" was repeated over and over and over again.

As you can see, I have numerous reasons for my confusion. Based on my experiences of the last week, I have come to the conclusion that the Internal Revenue Service, as an agency, demands total integrity from employees and taxpayers alike, but doesn't deliver integrity itself. The Internal Revenue Service, as an agency, demands total loyalty but delivers little. The Internal Revenue Service, as an agency, professes to have the utmost concern in "collecting the proper amount of tax" in a "manner that warrants the highest degree of public confidence in our integrity, efficiency and fairness" but, in reality, appears to care less.

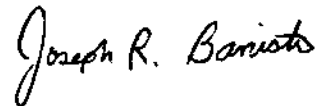
You have undoubtedly noticed that I have made repeated references to the Internal Revenue Service as an agency. I make this distinction intentionally because, although I have lost all faith in the Internal Revenue Service as an agency, I still have tremendous faith in, and respect for, the employees of the Internal Revenue Service, especially the Special Agents and support personnel of the Criminal Investigation Division. Virtually every one of the hundreds of IRS employees I have come in contact with throughout the country have been professional, hard-working, fair-minded, and honorable. They are good and decent public servants and they deserve the praise of the American people. However, I believe they are misguided. I make such a bold statement only because I was misguided myself. I used to believe that the Internal Revenue Service, as an agency, "scrupulously observes taxpayer rights." I used to believe that the Internal Revenue Service administers the federal income tax fairly and legally. I used to believe that the Internal Revenue Service would not knowingly trample on the rights of innocent Americans just to preserve the income tax system. It is with great sadness that I say I no longer hold any of those beliefs.

My only hope is that those same professional, hard-working, fair-minded, and honorable IRS employees that I met throughout my short career in the IRS Criminal Investigation Division will take some time out of their busy schedules and learn more about the basis for the tax system they administer and the Constitution to which they swore a solemn oath. Only then can they truly deserve to hold a position of public trust.

Based on the obvious futility of continuing to work for an agency that has standards and practices so different from what it professes and standards and practices so contrary to my own, I am officially resigning from the position of IRS Criminal Investigation Division Special Agent, effective as of the date of this letter.

I hope and pray that, as the Commissioner of the Internal Revenue Service, you will see to it that the evidence contained in my report is given a fair and impartial evaluation. The evidence is well known by millions of Americans and they anxiously await a reply. Every day that you wait is another day that more Americans will come to mistrust you. Every day that you wait is another day that more professional, hard-working, fair-minded, and honorable IRS employees will be placed in harm's way because of that growing mistrust. I implore you to use your position of leadership to resolve these very serious threats to our freedom and our Constitution.

Sincerely,

A handwritten signature in cursive script that reads "Joseph R. Banister". The signature is written in black ink and is positioned above the printed name.

Joseph R. Banister