

**FINANCE COMMITTEE QUESTIONS FOR THE RECORD**

**United States Senate  
Committee on Finance**

**Hearing on the nomination of  
Dr. Janet Yellen**

**Responses by Dr. Yellen  
January 21, 2021**

29. In 2006, I authored important updates to the IRS whistleblower program. Since that time, the program has been one of the most effective programs in addressing tax evasion, leading to the recovery of more than \$6.1 billion in taxes that would have otherwise been lost to fraud. While over the years the IRS has taken a number of steps to improve the administration of whistleblower program, there is always room for improvement. According to the Fiscal Year 2020 IRS Whistleblower Report, over the past two years awards to whistleblowers have markedly declined while award-processing times have continued to steadily climb. As Treasury Secretary, will you commit to supporting the whistleblower program and to work with me, the IRS, and stakeholders to make improvements where necessary to ensure the program's continued success?

**Answer: Whistleblowers are an important asset to the integrity of the agency and tax system more generally, and I will work to create an agency culture that respects whistleblowers and the laws that protect them.**

30. I have been a strong proponent of the bipartisan IRS private debt collection program, along with Senator Schumer. In 2015, Congress updated and made mandatory the IRS private debt collection program. This program is designed to chip away at the tax gap by requiring the IRS to contract with private debt collectors to collect inactive tax debt due but unpaid. These are the tax debts not being worked by the IRS and, absent this program, would likely never be collected. The program has proven its ability to collect hundreds of millions of dollars in otherwise uncollectible tax debts on an annual basis, including generating nearly half a billion dollars in net revenue in fiscal year 2020 alone. At the same time, it has generated additional resources for the IRS that have enabled the IRS to hire 400 compliance personnel and collect millions more in additional revenue. As Treasury Secretary, can you assure me that the Treasury Department will continue to operate the program to the full extent authorized under the law, including by ensuring that all inactive debts as defined by the statute are provided to the collection companies in a timely fashion?

**Answer: If confirmed, I will work with the IRS to make sure that taxes are collected in an efficient and effective manner.**

31. In late 2019, the IRS announced that it was increasing its enforcement efforts against participants and promoters of syndicated conservation-easement transactions. This past summer, Sen. Wyden and I released a report following our investigation into these transactions, showing them to be highly abusive tax shelters. The IRS estimates that promoters of these tax shelters have generated about \$36 billion worth of illicit deductions for their customers between 2010 and 2018. As Treasury Secretary will you commit to maintaining the IRS' enforcement efforts against syndicated conservation-easement transactions and work with this Committee to enact legislation to prohibit abusive conservation-easement transactions?

**Answer: If confirmed, I will work to ensure that the IRS's enforcement efforts are aimed at abusive tax shelters of any kind, and look forward to considering and working with you on the specific issue you raised.**