

**IRS Whistleblower Office Makes Good:  
Kenney & McCafferty Tax Whistleblower Receives \$ 5.5 million Partial Payment**

Philadelphia, PA/January 11, 2010. The IRS Whistleblower Office facilitated a partial payment of \$5.5 million to a Kenney & McCafferty, P.C. whistleblower who reported tax fraud seven years ago. The payment is the first substantial payment to be made under the auspices of the IRS Whistleblower Office.

“We feel good about the positive changes that we’ve seen in the Whistleblowers Office in the last two years,” said lead partner Brian Kenney of Kenney & McCafferty. “Things are getting easier for tax whistleblowers who want to help the IRS recover money for the Treasury. We’re getting answers and results that three years ago would have been impossible to obtain. We expect that an additional payment will be made in this case within the next few months.”

The K&M tax whistleblower first contacted Brian Kenney eight years ago about a complex, international a stock and tax fraud scheme orchestrated by an overseas-based corporate conglomerate. As a result of the whistleblower coming forward the United States has recovered over \$60 million in taxes, fines, and penalties. The K&M whistleblower’s identity remains confidential, consistent with provisions of the new IRS Rewards Program. In 2006, Senator Chuck Grassley championed legislation to incentivize tax whistleblowers to come forward with information to assist the Service in recovering tax dollars improperly withheld by taxpayers. The new IRS Rewards Program guarantees a percentage of the Service’s recovery to those who make meritorious claims. To improve the way the Service works with whistleblowers, the IRS formed a Whistleblowers Office to track whistleblower reports. Steven Whitlock became Director of the new Office three years ago.

Linda Stengle, K&M’s attorney assigned to the case, credits the Whistleblower Office for facilitating the reward. “Director Steven Whitlock has evolved the WO into a responsive, knowledgeable unit in just a short time. Dawn Applebaum, the Analyst assigned to the case, made the system work for our client here. Things happened quickly, after years and years of waiting.”

Kenney notes that the recent TIGTA report presented a dismal picture for would-be tax whistleblowers. The TIGTA report noted the Whistleblower Office lost claims, long delays, and duplicative record keeping systems resulted in a poor record for the fledgling Rewards Program. Under the old system, the lack of uniform oversight meant that whistleblowers had to wait as long as ten years to learn if they would receive any reward at all. Whistleblowers grew frustrated by bureaucratic snafus.

“A lot of the things noted in the TIGTA report are old news,” said Kenney. “We’ve been monitoring the situation very closely, and we’re impressed with the changes we’ve seen in the program. It’s much more efficient and effective than it was just a year ago. We’re optimistic.”

Brian Kenney's optimism about whistleblower programs has led him to become one of the leading tax whistleblower attorneys in the country. Kenney & McCafferty, P.C. focuses on qui tam and tax whistleblower litigation. Its attorneys have recovered more than \$4 billion for the government in False Claims Act and tax whistleblower cases. For more information, contact Linda Stengle at 610-940-0327.

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