

**IRS Whistleblower Office Makes Good Again:  
Kenney & McCafferty Tax Whistleblowers Receive Full Reward**

Philadelphia, PA/March 17, 2010. The IRS Whistleblower Office has facilitated another substantial payment of a reward in excess of several hundred thousand dollars to a tax whistleblowers represented by Kenney & McCafferty (“KM”).

The tax whistleblowers filed their initial claim in 2002 under the IRS 211 program, the reward program that was in place prior to formation of the IRS Whistleblower Office. “We do not believe his payment would ever have been made without the help of the Whistleblower’s Office,” said Brian Kenney, who along with KM lawyers Emily Lambert and Linda Stengle represented the whistleblowers in this matter.

Based on the detailed information provided by the whistleblowers, John Hayden LaRue, Jr., a Dallas businessman who owned Medical Contracting Services, Inc., was investigated by the IRS, indicted, and plead guilty to three counts of failing to file an income tax return. As a result of his guilty plea, the Defendant was sentenced on March 2, 2007 to 24 months in prison and restitution in excess of \$2 million.

The two whistleblowers, whose names remain confidential, received the full 15% reward allotted under the 211 program in effect at the time the case was filed. “The Whistleblower’s Office was instrumental in ensuring that the full 15% reward allowed under the 211 program was paid to our clients”, said Emily Lambert.

“Though this case took nearly eight years to complete, we believe the Whistleblower’s Office has put a number of protocols in place to expedite payments in the future, including a procedure to make partial payments to relators in cases in which the taxpayer has made substantial but not complete restitution to the government”, said Mr. Kenney.

In 2006, the President signed the Tax Relief and Health Care Act into law which included a section dramatically strengthening the IRS’s whistleblower program by increasing the cap on awards to 30% and by making the payment of a reward mandatory and no longer subject to the discretion of the IRS.

“There is no doubt that the new statutory provision have dramatically increased the number and quality of reward claims being submitted”, stated Ms. Lambert.

“Our firm is currently working with the Whistleblower’s Office on numerous cases in which the underpayments are over \$100 million. Payment of the award in this case signals a continuing departure from the government’s former reluctance to pay full rewards to whistleblowers and is indicative of the great work and ongoing commitment of the Whistleblower’s Office under director Steven Whitlock”, added Mr. Kenney.