

**Harry Bonfanti**

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**From:** "Tax Aide" <TAXAIDE@aarp.org>  
**Date:** Friday, February 17, 2012 5:00 PM  
**Attach:** QSRA\_2012\_04\_Ethics.pdf  
**Subject:** CyberTax 2012-03: Our Volunteers Violated IRS Standards of Conduct

**URGENT CyberTax**

February 17, 2012

To: CyberTax volunteers

From: Bonnie Speedy, Vice President and National Director, AARP Foundation Tax-Aide

Subject: CyberTax 2012-03: Our Volunteers Violated IRS Standards of Conduct

Attached is a must-read IRS Quality Alert.

I regret to inform you that the egregious violation of the IRS Standards of Conduct referred to in the Quality Alert occurred at one of our AARP Foundation Tax-Aide sites. The violation has implications for the entire program.

The two volunteers, the counselor and quality reviewer, told a taxpayer that he need not report cash income on Schedule C even though the taxpayer brought it to their attention two times. The taxpayer was actually an IRS employee posing as a taxpayer to review the program. When the IRS employee identified himself after the tax return was completed, the volunteers stated that they knew that cash income must be reported as communicated multiple times during training, but they justified their action of not including it by saying the site was in an area impacted by the poor economy and people there needed the money.

The tax code defines taxable income. Volunteers simply do not have the prerogative, regardless of any reason or empathy with the taxpayer, to make or knowingly allow a different decision. Both these volunteers knowingly participated in the preparation of a false tax return.

Needless to say, this is a gross violation of the IRS Volunteer Standards of Conduct. AARP Foundation Tax-Aide is impacted by:

- Removal of two volunteers from the program with no chance of reinstatement in the future in this or any IRS volunteer program.
- Immediate closure of two rural sites where the two people volunteered serving over 500 taxpayers.
- Making it difficult for low-income taxpayers in this rural area to be served this season and likely future seasons.
- Jeopardizing AARP Foundation Tax-Aide grant and program with the IRS.

We expect and cannot stress enough the importance of adhering to the IRS Standards of Conduct. We cannot afford for this to happen again anywhere in the program. Our IRS grant funding and AARP Foundation Tax-Aide program itself are on the line. Millions of senior and low-income taxpayers are served by your effort in this program, and we all want that to continue. I appreciate your consideration of the importance of this situation and our need to ensure we comply with the tax code every time we assist a taxpayer.

Local Coordinators, I ask you to either pull your team together before you open your doors to taxpayers for your next session and/or otherwise ensure that all volunteers reporting to you have seen this message and the attached Quality Alert. As you are aware, all Quality Alerts are required to be available at tax sites. I am also asking you to take one more step in this instance to make sure that everyone who works directly with taxpayers sees it. I very much appreciate all you do and your understanding of my need to ask for your assistance because of the serious nature of this incident.

**Bonnie**

Bonnie Speedy | Vice President and National Director |  
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