

Waste, Fraud, Abuse and Potential Taxpayer Savings Identified by the Permanent Subcommittee on Investigations under Senator Norm Coleman’s Direction (2003 – Current)

PSI INVESTIGATION	PROBLEMS IDENTIFIED	ESTIMATED SAVINGS
Abusive Tax Shelters	Based on sham tax shelters identified by the year-long Subcommittee investigation, the IRS collected \$3.2 billion in back taxes from tax shelter abusers.	\$3.2 billion
Defense Department Contractors’ Tax Delinquencies	More than 27,000 contractors for DOD owed about \$3 billion in unpaid taxes.*	\$3 billion
Civilian Agency Contractors’ Tax Delinquencies	More than 33,000 contractors for civilian agencies owe \$3.3 billion in unpaid taxes.*	\$3.3 billion
General Services Administration Contractors’ Tax Delinquencies	Roughly 3,800 contractors for GSA owe \$1.4 billion in unpaid taxes.*	\$1.4 billion
Waste and Abuse in Premium-Class Travel at the Defense Department	DOD employees purchased first- and business-class airline tickets without proper authorization and/or justification; due to Coleman’s efforts, DOD tightened its policies and GAO estimates the savings at \$165 million over the first two years alone.	\$165 million
Waste and Abuse in Premium-Class Travel Throughout Government	Federal employees purchased first- and business-class airline tickets without proper authorization and/or justification.	\$146 million
Tax-Cheating Medicare Providers	More than 21,000 Medicare providers owe more than \$1.3 billion in unpaid taxes.	\$1.3 billion
Unused and Improperly Used Airline Tickets by the Defense Department	DOD failed to reclaim the cost of unused airline tickets and improperly reimbursed DOD employees; some DOD employees committed fraud in connection with airline tickets.	\$108.06 million
Abuses in the Refund Anticipation Loan Industry	One national tax preparation company agreed to stop charging surcharges to refund anticipation loans given to recipients of the Earned Income Tax Credit.	\$5 million
Transit Benefits Abuses	Federal employees improperly received and abused federal transit benefits	\$30 million
TOTAL		\$ 12,654,060

“Where we find fraud and abuse, we must not only root it out—but, we must fix it and stop it from occurring again.”

-- Senator Norm Coleman, November 6, 2003

* Some tax-delinquent contractors could appear in more than one category. The number of such contractors is not estimated to be significant.