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B-131689, Jun. 7, 1957

Number: B-131689

Date: 1957-06-07

B-131689, JUN. 7, 1957

TO MRS. ALICE E. GRICE:

YOUR LETTER OF APRIL 12, 1957, REQUESTS REVIEW OF OUR SETTLEMENT OF APRIL 4, 1957, STATED IN YOUR FAVOR AS REPRESENTATIVE OF THE ESTATE OF W. C. GRICE, DECEASED, AND WHICH CERTIFIED THE SUM OF $50 INFORMER'S REWARD IN THE CASE OF EARL MAGERS, DELL, ARKANSAS, DUE W. C. GRICE, DECEASED.

IN YOUR REQUEST YOU URGE THAT THE AMOUNT ALLOWED IS INCORRECT AND ALLEGE THAT AGENT CLARENCE PHILPOT OF THE OFFICE AT FORREST CITY, ARKANSAS, TOLD THE DECEDENT THAT HE SHOULD GET 10 PERCENT OF WHAT THE GOVERNMENT COLLECTED.

PAYMENT TO INFORMERS IN MATTERS CONCERNING THE INTERNAL REVENUE ARE MADE UNDER AUTHORITY OF SECTION 7623 OF THE INTERNAL REVENUE CODE OF 1954, 68 STAT. 904, AS FOLLOWS:

"THE SECRETARY OR HIS DELEGATE, UNDER REGULATIONS PRESCRIBED BY THE SECRETARY OR HIS DELEGATE, IS AUTHORIZED TO PAY SUCH SUMS, NOT EXCEEDING IN THE AGGREGATE THE SUM APPROPRIATED THEREFOR, AS HE MAY DEEM NECESSARY FOR DETECTING AND BRINGING TO TRIAL AND PUNISHMENT PERSONS GUILTY OF VIOLATING THE INTERNAL REVENUE LAWS, OR CONNIVING AT THE SAME, IN CASES WHERE SUCH EXPENSES ARE NOT OTHERWISE PROVIDED FOR BY LAW.'

THE OFFER OF REWARD BY THE COMMISSIONER OF INTERNAL REVENUE PURSUANT TO THAT LAW IS, IN PART, AS FOLLOWS:

"THE COMMISSIONER OF INTERNAL REVENUE IS HEREBY AUTHORIZED TO PAY SUCH REWARD AS HE SHALL DEEM SUITABLE FOR INFORMATION THAT SHALL LEAD TO THE DETECTION AND PUNISHMENT OF PERSONS GUILTY OF VIOLATING THE INTERNAL REVENUE LAWS, OR CONNIVING AT THE SAME * * *.' (TREASURY DECISION 5770, FEBRUARY 10, 1950)

THE AMOUNT RECOVERED IN THIS CASE AS INCOME TAX AND PENALTIES WAS $2,485.22, EXCLUSIVE OF INTEREST, AND THE AMOUNT ALLOWED AS SUITABLE COMPENSATION FOR THE INFORMATION WAS 2 PERCENT DETERMINED IN ROUND FIGURES. NO REWARD IS PAYABLE ON SUCH INTEREST AS MAY HAVE BEEN RECOVERED. THE INFORMATION YOU HAVE RECEIVED THAT THE "GOVERNMENT COLLECTED $100,000" IN THIS CASE IS CLEARLY ERRONEOUS.

THE ACTION OF THE COMMISSION OF INTERNAL REVENUE IN DECIDING WHAT WAS A SUITABLE REWARD FOR THE INFORMATION FURNISHED BY THE DECEDENT IS NOT SUBJECT TO REVIEW OR REVISION BY OUR OFFICE. THE AMOUNT ALLOWED IN THE SETTLEMENT OF YOUR CLAIM IS FOR THE AMOUNT FIXED AND APPROVED BY THE SAID COMMISSIONER UNDER THE LAW AND OFFER OF AWARD AS QUOTED ABOVE, AND NO FURTHER SUM MAY BE LAWFULLY PAID. WE FIND

THAT THE SETTLEMENT OF YOUR CLAIM WAS CORRECT AND THAT SETTLEMENT HEREBY IS SUSTAINED.