

Alert | Tax Audits, Litigation & Criminal Tax Defense



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IRS Establishes Office of Promoter Investigations with Emphasis on Conservation Easements and Micro-captive Insurance Arrangements

On April 19, 2021, the IRS **announced** the establishment of a new Office of Promoter Investigations (OPI). The creation of OPI demonstrates the IRS's commitment to pursuing promoters and combating abusive tax avoidance transactions, including conservation easements and **micro-captive insurance arrangements**.

Lois Deitrich will serve as the acting director of OPI and will be the primary advisor and consultant to IRS division commissioners and deputy commissioners on promoters and abusive transaction matters. OPI will be tasked with the development of strategic plans, programs and policy for the IRS. The new office will be positioned within the Small Business/Self Employed (SB/SE) division of the IRS; however, it will coordinate across other IRS offices and divisions, including Criminal Investigation and the Office of Fraud Enforcement, to identify and investigate the promoters of abusive transactions. The coordination across offices and divisions should make OPI more robust.

Promoter investigations have been a focus of the IRS for many years. Prior to establishing OPI, the IRS, in February 2020, appointed Brendan O'Dell as the coordinator of promoter investigations. The coordinator's work will now be undertaken by Deitrich, allowing the IRS to consolidate its resources and, with additional training and applied analytics, expand its work in detecting and stopping promoters of abusive transactions. According to De Lon Harris, SB/SE commissioner for examinations, the creation of

OPI will strengthen the IRS's compliance efforts and allow the IRS to increase its capacity to conduct investigations.

Deitrich has 20 years of experience with the IRS, having begun her career as a revenue officer in 2001. Prior to her current appointment, Deitrich was the director of the southwest area of SB/SE, overseeing abusive transaction investigations. She has also previously served as director of Exam Case Selection and Exam Quality and Technical Support.

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