

LII

legal information institute

collection home

US CODE COLLECTION



search

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 78](#) > [Subchapter A](#) >
Sec. 7608.

[Prev](#) | [Next](#)

Sec. 7608. - Authority of internal revenue enforcement officers

(a) Enforcement of subtitle E and other laws pertaining to liquor, tobacco, and firearms

Any investigator, agent, or other internal revenue officer by whatever term designated, whom the Secretary charges with the duty of enforcing any of the criminal, seizure, or forfeiture provisions of subtitle E or of any other law of the United States pertaining to the commodities subject to tax under such subtitle for the enforcement of which the Secretary is responsible may -

(1)

carry firearms;

(2)

execute and serve search warrants and arrest warrants, and serve subpoenas and summonses issued under authority of the United States;

(3)

in respect to the performance of such duty, make arrests without warrant for any offense against the United States committed in his presence, or for any felony cognizable under the laws of the United States if he has reasonable grounds to believe that the person to be arrested has committed, or is committing, such felony; and

(4)

in respect to the performance of such duty, make seizures of property subject to forfeiture to the United States.

Search this title:

Search Title 26

[Notes](#)
[Updates](#)
[Parallel authorities \(CFR\)](#)
[Topical references](#)

(b) Enforcement of laws relating to internal revenue other than subtitle E

(1)

Any criminal investigator of the Intelligence Division of the Internal Revenue Service whom the Secretary charges with the duty of enforcing any of the criminal provisions of the internal revenue laws, any other criminal provisions of law relating to internal revenue for the enforcement of which the Secretary is responsible, or any other law for which the Secretary has delegated investigatory authority to the Internal Revenue Service, is, in the performance of his duties, authorized to perform the functions described in paragraph (2).

(2)

The functions authorized under this subsection to be performed by an officer referred to in paragraph (1) are -

(A)

to execute and serve search warrants and arrest warrants, and serve subpoenas and summonses issued under authority of the United States;

(B)

to make arrests without warrant for any offense against the United States relating to the internal revenue laws committed in his presence, or for any felony cognizable under such laws if he has reasonable grounds to believe that the person to be arrested has committed or is committing any such felony; and

(C)

to make seizures of property subject to forfeiture under the internal revenue laws.

(c) Rules relating to undercover operations

(1) Certification required for exemption of undercover operations from certain laws

With respect to any undercover investigative operation of the Internal Revenue Service (hereinafter in this subsection referred to as the "Service") which is necessary for the detection and prosecution of offenses under the internal revenue laws, any other criminal provisions of law relating to internal revenue, or any other law for which the Secretary has delegated investigatory authority to the Internal Revenue Service -

(A)

sums authorized to be appropriated for the Service may be used -

(i)

to purchase property, buildings, and other facilities, and to lease space, within the United States, the District of Columbia, and the territories and possessions of the United States without regard to -

(I)

sections [1341](#) and [3324](#) of title [31](#), United States Code,

(II)

sections [11](#)(a) and [22](#) of title [41](#), United States Code,

(III)

section [255](#) of title [41](#), United States Code,

(IV)

section [34](#) of title [40](#), United States Code, and

(V)

section 254(a) and (c) [11](#) of title [41](#), United States Code, and

(ii)

to establish or to acquire proprietary corporations or business entities as part of the undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to sections [9102](#) and [9103](#) of title [31](#), United States Code;

(B)

sums authorized to be appropriated for the Service and the proceeds from the undercover operations may be deposited in banks or other financial institutions without regard to the provisions of section [648](#) of title [18](#), United States Code, and section [3302](#) of title [31](#), United States Code, and

(C)

the proceeds from the undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section [3302](#) of title [31](#), United States Code.

This paragraph shall apply only upon the written certification of the Commissioner of Internal Revenue (or, if designated by the Commissioner, the Deputy Commissioner or an Assistant Commissioner of Internal Revenue) that any action authorized by subparagraph (A), (B), or (C) is necessary for the conduct of such undercover operation.

(2) Liquidation of corporations and business entities

If a corporation or business entity established or acquired as part of an undercover operation under subparagraph (B) of paragraph (1) with a net value over \$50,000 is to be liquidated, sold, or otherwise disposed of, the Service, as much in advance as the Commissioner or his delegate determines is practicable, shall report the circumstances to the Secretary. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(3) Deposit of proceeds

As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under subparagraphs (B) and (C) of paragraph (1) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

(4) Audits

(A)

The Service shall conduct a detailed financial audit of each undercover investigative operation which is closed in each fiscal year; and

(i)

submit the results of the audit in writing to the Secretary; and

(ii)

not later than 180 days after such undercover

operation is closed, submit a report to the Congress concerning such audit.

(B)

The Service shall also submit a report annually to the Congress specifying as to its undercover investigative operations -

(i)

the number, by programs, of undercover investigative operations pending as of the end of the 1-year period for which such report is submitted;

(ii)

the number, by programs, of undercover investigative operations commenced in the 1-year period for which such report is submitted;

(iii)

the number, by programs, of undercover investigative operations closed in the 1-year period for which such report is submitted, and

(iv)

the following information with respect to each undercover investigative operation pending as of the end of the 1-year period for which such report is submitted or closed during such 1-year period -

(I)

the date the operation began and the date of the certification referred to in the last sentence of paragraph (1),

(II)

the total expenditures under the operation and the amount and use of the proceeds from the operation,

(III)

a detailed description of the operation including the potential violation being investigated and whether the operation is being conducted under grand jury auspices, and

(IV)

the results of the operation including the results of criminal proceedings.

(5) Definitions

For purposes of paragraph (4) -

(A) Closed

The term "closed" means the date on which the later of the following occurs;

(i)

all criminal proceedings (other than appeals) are concluded, or

(ii)

covert activities are concluded, whichever occurs later.

(B) Employees

The term "employees" has the meaning given such term by section [2105](#) of title [5](#), United States Code.

(C) Undercover investigative operation

The term "undercover investigative operation" means any undercover investigative operation of the Service; except that, for purposes of subparagraphs (A) and (C) of paragraph (4), such term only includes an operation which is exempt from section [3302](#) or [9102](#) of title [31](#), United States Code.

(6) Application of section

The provisions of this subsection -

(A)

shall apply after November 17, 1988, and before January 1, 1990, and

(B)

shall apply after the date of the enactment of this paragraph and before January 1, 2006.

All amounts expended pursuant to this subsection during the period described in subparagraph (B) shall be

recovered to the extent possible, and deposited in the Treasury of the United States as miscellaneous receipts, before January 1, 2006

[\[1\]](#) See References in Text note below.

[Prev](#) | [Next](#)

© copyright

about us

send email