



Fox Rothschild Podcast

The Presumption of Innocence

Episode 58: Enforcement Priorities of the Second Trump Administration: IRS Investigations

Featuring Matt Adams of Fox Rothschild and Jonathan Schnatz

Matt: Welcome back to "The Presumption of Innocence," a podcast brought to you by the White-Collar Criminal Defense and Regulatory Compliance Practice at Fox Rothschild.

Today will be the first in a series of episodes of the program where we will attempt to unpack and analyze the shifting enforcement priorities of the second Trump administration. As our audience has no doubt become accustomed to, we are going to explore this hot-button topic from all angles with guests that provide a truly unique perspective.

Today, we're joined by former IRS Special Agent Jonathan Schnatz, who retired from the service's Criminal Investigations Division, only a few weeks ago at this point, after a celebrated 25-year career as a federal agent investigating financial crimes.

John, welcome to the program. It's great to have you.

Jonathan: Thank you for having me. I'm excited to be here.

Matt: So, John, IRS CI is the law enforcement arm of the IRS tasked with investigating violations of income tax, money laundering and Bank Secrecy Act laws, among others.

It's the only federal agency that dedicates 100% of its investigative resources to financial investigations. Bottom line, this is specialized work. IRS CI also routinely joins multi-agency task forces and assists other federal law enforcement agencies with financial investigations.

So, first and foremost, congratulations on your retirement and most importantly, on the new phase of your career in the private sector handling white-collar investigations at the accounting and advisory firm Withum.

What has this transition been like from IRS CI to private sector-- mindful that you've only been at it for a few weeks?

Jonathan: Well, that's right. Well, thanks, Matt. Yeah, it's been quite an interesting transition at this point. You know, I, I retired after 25 years of being a special agent at IRS, where, as you mentioned, I dedicated 100% of my investigative time to white-collar and financial investigations.



Was excited to retire and join the private sector. Obviously, I did not anticipate the goings-on that are happening right now with the federal workforce. That was not in my crystal ball. Everyone asked me that. I did that--

Matt: Sort of fortuitous, maybe maybe, uh, maybe some good timing on your part.

Jonathan: Great timing on my part. I will take that. But I did not anticipate it. But yeah, I was planning on at least testing the market in January to see what was out there in the private sector. And Withum was just a great fit for me. You know, my supervisors here now, I had some great conversations with them over the months preceding my joining the firm and the vision that they had for me both handling tax controversy work nationwide for the firm and also leading the white-collar criminal defense practice in the Philadelphia office. Just really checked two boxes for them and was exactly what I was looking for.

So, a few weeks in. Doing well so far, you know, starting to have some really good conversations with potential clients and developing business. So, excited to be here.

Matt: Well, terrific. So if we're going to focus on your perspective on the direction that IRS CI is heading under Trump 2.0, it's really kind of necessary for us to step back, I think, and dive in with a bit of historical context, maybe a little retrospective, if you will, on your career in federal law enforcement.

And so, 25 years of service places you-- by my fuzzy math, and that's why I bring people like you into cases where there's a lot of math-- but by my fuzzy math, that has you joining IRS CI in roughly 2000, if I'm not mistaken. And I can imagine, based on that timing, that the early part of your career in federal law enforcement was heavily impacted and influenced by the attacks on 9/11. Was it?

Jonathan: Absolutely. So, you're correct, I started in 2000. Graduated from the academy in December of 2000. And, really my first very large case was a telemarketing scam that I investigated along with the FBI and the Postal Inspection Service.

So, we were investigating the case, getting ready to execute search warrants on the defendant's home and business. And as we were getting ready to execute the search warrants, 9/11 happened. So, we did, we ended up, delaying the search warrants. Uh, they were scheduled for early September. So, we delayed them for about a month until early October. And you know, post-9/11, obviously, the world changed. Federal law enforcement changed. And specifically for me, the FBI agent I was working with, showed up with a few fellow FBI agents for the search warrant. That's the first, I had seen him in a month and that's the last I would see him on that case. He was pulled to investigate terrorism or run down terrorism leads.

And soon after, as you'll recall, the anthrax mailings happened. So the postal inspector I was working with got pulled to investigate anthrax mailings.

So here I am, a very young, very green, IRS Special Agent, barely know how to investigate a financial case, and I am now investigating a huge telemarketing scam by myself. So that was interesting for



me, that case in particular. I tell that story because it is, it really does show sort of a moment in time where the priorities of the government changed. You know, really from all-in on specific investigation types to segregating and really dedicating a lot of focus, time and manpower on specific types of investigations. Similar to what we're seeing today, where a lot of resources are being pulled-- I'm sure we'll get to this in a little bit more detail-- but to immigration specifically, and maybe some of the more, narcotics, human trafficking, transnational, organized crime-type cases.

Matt: Well, if we're, if we're talking about that early part of your career, we're talking about this monumental shift that happened after the attacks of 9/11. The world changed. Federal law enforcement surely changed. How did IRS CI specifically change in the aftermath of 9/11? Because I think history has a way of repeating itself, right? And if we track your time there, I think it will show the ebbs and flows and allow our audience to kind of compare and contrast to what we're seeing today, when we get there.

Jonathan: It does. Yes. So, immediately after the attacks, the government stood up joint terrorism task forces across the country. So obviously, IRS CI being financial investigative experts, assigned personnel to the task forces, you know, big in New York, but all of the offices across the country dedicated resources.

So that was the initial ... we dedicated a lot of resources to help with the early investigative priorities. Again, running down leads, you know, not just financial-type investigative work. As we moved along and got a little bit farther away from 9/11, those resources that from IRS were really targeted and specific and putting financial expertise on the task forces to investigate the financial aspects of terrorism, suspected terrorism, in the United States.

So I would say that IRS specifically was not impacted heavily as opposed to some of the other agencies. You know, obviously, back then, pre-9/11, the majority of federal agencies were in the Treasury Department. So, at the time, Immigration, Customs, Secret Service, were all under the Treasury Department. Post-9/11, when Homeland Security stood up as its own agency, all of those departments were moved out of Treasury into Homeland Security. So that really took a lot of the focus on financial-type investigative work from those other agencies and took it out of the Treasury Department. So IRS specifically was the sole financial investigative agency left within the Treasury Department.

Matt: So, at what point does your focus shift, or do you become more specialized in your time at IRS CI? And what would you say is the genesis of those shifts?

So, for instance, you talk about this case where you're investigating this telemarketing scam. 9/11 happens. It delays your joint multidisciplinary investigation, sort of becomes your baby, because they're pulled in other directions.

Where do you go from there by way of focus? And I guess my real question for you is, what drives that? Is there, is there policy coming down from on high? Is it the ebbs and flows of the global economy? What do you attribute your next steps as an agent and how you begin to focus and specialize?



Jonathan: Sure. So, for me personally-- and I think IRS as an agency-- the initial focus on terrorism and figuring out what happened, as we get further away from that, I think IRS specifically, again, we had dedicated personnel and dedicated resources assigned to the terrorism task forces, but agency as a whole, we were not as affected as the others.

So, for me, personally, my career post-9/11, and after that major telemarketing fraud case that we were successful with, you know, I soon after got pulled into a public corruption task force with the FBI in Philadelphia. So it was the early 2000s-- and again, this gives you a little bit of glimpse in the FBI as well.

The FBI had, you know, obviously dedicated a lot of resources to terrorism, stood up the task forces, a lot of resources. But they also were still investigating some of their core crimes and some of their higher priorities, which, one almost every year is public corruption. So we had a big public corruption case in Philadelphia that became nationally known because the FBI had planted a bug in the mayor's office at City Hall in Philadelphia. And the bug was found. So, at that point, the case was covert. I was not in the case at the time. The bug is found. It's on the news, the national news that night. And soon after they started, the FBI and the U.S. Attorney's Office wanted to bring in more resources for the case because the timeline was moved up drastically, obviously, with finding the bug.

So I was brought in as the IRS agent to work some financial cases on some of the individuals that the U. S. Attorney's Office and the FBI thought might have tax issues. So again, early 2000s, that's when my career sort of switched and I was assigned to the Public Corruption Task Force in Philadelphia, which I served on for about six or seven years.

Matt: And what you do from there? I know, at a certain point in your career, the focus shifted to even transnational financial investigations. Um, was it right after that experience in public corruption? Or did you take another frolicking detour somewhere else before?

Jonathan: No, no, frolicking. It was, um, yeah, so after, after the public corruption, I had just finished several trials during that time when I was assigned to the Public Corruption Task Force. And I had just finished a trial. So I had no cases in my inventory and our office received a referral from the civil side of IRS for a massive, international tax shelter. So, me being an above-average agent with zero cases in my inventory, my boss at the time selected me as the lucky winner of that sweepstakes. So I was provided that lead in that case, which sort of took on the next large chunk of my career where I worked on that case and other international tax cases.

Matt: And towards the end of your career, I know that you had a pretty significant role in something called the Joint Chiefs of Global Tax Enforcement. What was that?

Jonathan: Correct. So again, after my investigative career sort of started to slow down, I transitioned and took a position with our International Section at headquarters. And, managed a few program areas at headquarters, including our Voluntary Disclosure Program. And then was assigned to, what's called the J5, the Joint Chiefs of Global Tax Enforcement. So it's an alliance between the taxing authorities of Australia, the UK, Canada, the Netherlands and the United States.



So as part of that, my role was the lead for the professional enabler group. So what we look to do is share intelligence and information to identify and disrupt professional enablers. Which, offshore trust companies, trust company service providers, accountants, attorneys, nominees, anyone that's helping facilitate global financial crimes. Obviously, we're taxing authorities. We focused on tax. But we would also look to identify those looking to evade sanctions or launder funds.

Matt: And it really all comes full circle because changing priorities based upon largely the presidential administration is not really some foreign concept. And given your length of service at IRS CI, you've certainly seen that happen before, these changing priorities. Some of them are by happenstance and some of them are by the tides that change at any given moment with major events, like 9/11 or major global economy-type of shifts.

But this idea of changing priorities due to a change in presidential administration, you know, isn't a foreign concept to federal law enforcement. In fact, you've seen number of administrations come and go. When you came to IRS CI, George W. Bush was president. That gave way to Barack Obama. Obama gave way to Trump 1.0 and then to President Biden. And now we're at the tail end of your career, really at the very beginning here of Trump 2.0, trying to predict what some of the trends will be vis-a-vis enforcement at the IRS.

In those transitions that happen through the course of your career, as I just kind of charted out, every eight years to begin, and then what has been in the last 12, every four years, really, how did priorities at IRS CI change based on presidential administrations? If at all?

Jonathan: No, that that's a great question. And, you know, I can point to one specific instance that, when I was a supervisor --in my chronology there I was also a supervisor with IRS-- I had half a group that covered all of Delaware. So, in dealing with the Delaware U.S. Attorney's Office, you know, Delaware is a smaller state. It's a smaller U.S. Attorney's Office. They have less resources. But at that time, the fentanyl crisis was big, and violent crime was also big in Delaware. So, the U.S. Attorney's Office was very supportive of state and local law enforcement, wanted to dedicate as much federal resources as possible. So the FBI were heavily involved, ATF, HSI in helping, you know, all they could do to help stop with narcotics trafficking and violent crime in Delaware.

Now, we also were involved in that piece of it. But to your question and to your point, priorities for the U.S. Attorney's Office, it being a smaller office with less resources, if they are dedicating a substantial amount of their resources to violent crime and narcotics, there are less resources that they have available to prosecute white-collar crime and tax.

Being a new supervisor, I had to have that conversation with them: You know, are you stopping all white-collar and tax or is there a secret sauce or a formula? You know, what, what am I looking for? Because I need to know how I'm going to plan my priorities for my agents that cover Delaware.

You know, I think that was helpful, at the time, being up front and honest with them. And them with me what they were looking for, you know, the answer was no, we're not stopping all white-collar and tax, but, you know, obviously we're looking for the best of the best. So that helped us target what we were doing.



And I think that that is not uncommon from each administration when they come in, and rightly so. The attorney general is in place and they dedicate or they publish their priorities. So, if priorities are violent crime, drugs, those types of things, it may take resources away from white-collar crime. So we've seen it happen, not just at that point in time, but with other, administrations as well.

But it's never been, I think, at this, there's maybe a little bit different this time around, because I think there was less in those instances the outright discussion of maybe not focusing on certain areas.

Matt: Yeah, and I guess you sort of predicted what my next question was going to be. And that really is, how exactly is this transition, Trump 2.0, different to you from the prior changes in administration that you witnessed in your 25 years at IRS CI? How has this administration changed the landscape in a way that is different? Or is it just business as usual?

I will tell you, I know I ran into you down at the ABA White-Collar Institute a couple of weeks ago in Miami, and I was appalled-- and frankly shocked --at the lack of participation by federal agencies. And the ones that were there were basically saying, business as usual. Finally, somebody stood up in this great auditorium of, uh, pretty, uh, I would call an elder statesman of our bar said, how could you stand here with a straight face and say, it's business as usual when there is just a global sea change that's going on that we've never seen before?

Would you agree or disagree with that assessment? How is this different, if at all?

Jonathan: So I think the part that's different is the, maybe, the more directness and the laying out what priorities or what types of investigations will not be prioritized in the administration.

So if we can take FCPA as maybe one of the examples. Now, I tell everyone that there have been times over my career where the IRS has said, we are going to dedicate less resources to FCPA because there are already a lot of resources. Other federal agencies are in that space, dedicating investigative resources to it, financial investigative resources to it, so there's not really a benefit or ROI for IRS CI to be in that space. That has happened over the course of my career.

I think, to answer your question, what's a little bit different at this point is them or the administration and AG Bondi's Priority Memo coming out and saying that traditional FCPA enforcement will not be prioritized. It will now be only prior or, yeah, the traditional FCPA. The new FCPA enforcement will be focused on dealing with drug cartels and transnational organized crime.

Matt: So I have to take note of a fairly significant article that you wrote for *Bloomberg Tax* a couple of weeks out of government on February 21 of this year, 2025. And you wrote, "Should IRS CI agents be deputized as is being requested,"-- referring to the administration's suggestion that IRS CI agents would be taken and deputized to help with what the administration is calling a crisis at the border -- "there is a good possibility their work will be directed by management within DHS and IRS CI will lose supervisory control." You go on to write, "This scenario is a slippery slope in which the suggested role to assist DHS can quickly transition from conducting financial investigative work to simply being quote 'warm bodies' to be deployed by DHS."



Elaborate on that for us. What is that slippery slope that you're concerned about?

Jonathan: Yeah, absolutely. So we have this right now where we have IRS agents assigned to task forces all over the country, in every state, in almost every city. So it could be, I mentioned earlier my assignment to a corruption task force that was led by the FBI. But I think that's more relatable to this situation is we have IRS agents that are assigned to OCDETF task forces run by the DEA. On those task forces, it is understood that our role --or their role now, I keep saying our and we, I have to stop that-- their role as an IRS CI agent is to --

Matt: Welcome to the other side.

Jonathan: Yes, yes. My boss is throwing things at me.

The role of the IRS CI agent on the task force is they're bringing their financial investigative expertise, so they are to perform investigations. If it's a narcotics investigation, the majority of those are going to be money laundering investigations. So their role on the task force is to be a financial investigator investigating the movement of illicit funds. As opposed to, say, a local detective. I'm in Philadelphia-- a local detective from the Philadelphia Police Department who was on the task force as well. That local police detective or police officer is deputized by the DEA and they are supervised by the DEA. So the DEA supervisor directs the work of that Philadelphia police officer. So if there's surveillance that needs to be done this week, that police officer is performing surveillance or doing some other task that is directed by the DEA supervisor.

I know, because I supervised agents that were assigned to OCDETF task forces, that if we just allow our agents to be supervised by another agency... I would do the same thing. I'm not blaming them, but they have a job to do. They're going to use whatever resource they have available to accomplish their mission. If that means a week of surveillance and they need warm bodies, as I mentioned in my article, they're going to use every available warm body they have, including an IRS agent. But again, our role in that task force is to conduct the financial investigative work.

Matt: You further write, "IRS CI already partners with agents from DHS on immigration investigations." And then you go on to say, "The DHS letter to Treasury Secretary Scott Bessent indicates several justifications, one being that IRS personnel will be tasked to investigate businesses suspected of paying undocumented workers a cash payroll scheme." You write, "The IRS can already assist with such investigations without being deputized if there is evidence that an income tax case was warranted."

John, are you saying that IRS CI talent will be wasted by becoming warm bodies being supervised by DHS?

Jonathan: I don't know if wasted... I would use that level of language. But I think that the IRS, our agents, or the IRS agents, it's a small agency that has strict hiring credentials for agents. IRS agents have to have a certain accounting degree or experience in accounting. We are specialized in performing financial investigations.



Now, that is not to say if immigration has a big investigation and they need assistance from every federal agent in the city, IRS absolutely could and should assist immigration in that instance. But assigning agents full time, like I said earlier in the example for the OCDETF, the agents are going to end up doing immigration work that is not tied to what IRS CI agents are trained to do and are specialized to do.

Matt: Very diplomatic way of approaching what was a tough question presented to you.

Jonathan: Thank you. I think you said ... I think you tried to set me up here.

Matt: Not at all. Not at all, John. Well, I would never do that, or at least I'd buy you a drink first.

I want to shift gears just for a moment because I think your article for *Bloomberg* really focused a lot on this idea that, if not the most significant priority from an enforcement perspective of the new administration is immigration and is what the administration describes as an immigration crisis. Thus why you focused on that as it relates to IRS CI for your article. But if we were to pick off some additional of the shifting priorities that Trump 2.0 is bringing about at the federal level, what other roles do you see for IRS CI agents like you used to be?

And the reason I'm really asking is that may be a predictor of where we might see financial investigations moving forward in a time when it's really uncertain whether we're going to see a level of significant financial investigations.

Jonathan: Sure. I think what I foresee is, one, immigration as we've talked about. Two, narcotics, drugs, smuggling, Mexican cartels, obviously is a big priority again.

IRS agents are already assigned to task forces. IRS agents are already working cases against drug cartels. New ways of laundering funds. Drug cartels are using cryptocurrency now, increasingly, to launder funds. IRS agents have become some of the best cryptocurrency investigators in the world. So I think that that in that space you will see a lot of dedicated resources. And again, rightly so if that is a priority for the administration.

Transnational criminal organizations, the same thing: IRS agents are already in that space investigating those crimes as I talked about a little bit in my experience and my work with IRS. The J5 and such organizations or working groups with other agencies and international law enforcement partners, the movement of funds using offshore bank accounts, professional enablers, we're already in that space, IRS is, some of the leaders in, in those global financial investigation. So I, definitely see the level continuing and probably an increase going forward.

Matt: Those really are the current administration's stated priorities from federal law enforcement perspective. Each year, just prior to tax season, and as we're sitting here talking today, tax season is on the horizon, if not already begun. I know I'm finalizing my return. But the IRS at this time of year as spring is finally about to come upon us, the IRS publishes its so-called Dirty Dozen, and that's a list of tax scams that the IRS warns taxpayers of, indicating that while tax scams have no season, tax season is a good time to be reminded of some of the biggest frauds out there. That is an annual



tradition at the IRS. We've covered it on this podcast in the past and from the defense perspective, where I sit and where you sit now, this is also somewhat of a good barometer for some of the priorities at the IRS.

And candidly, when you look at the 2025 list of the IRS Dirty Dozen-- and for good measure they throw in a 13th and call it a baker's dozen -- which was published just February 27 of 2025, ironically, a week or so after you wrote your article about the shifting priorities of IRS and the potential pitfalls that could come from those shifting priorities. It strikes me as this is the same old dozen or so schemes that the IRS has been talking about for years. And it suggests this business as usual when nobody that's talking about this-- and particularly nobody that was talking about this down at the ABA White-Collar Institute a couple of weeks ago-- even thinks that these things are going to be strongly enforced with such significant priorities in the immigration, the narco-terrorism and the transnational criminal organization space that you just got done talking to us about.

So let's unpack a few of these Dirty Dozen. And I would be really interested to see if you think that this is just a recycled same-old list, or if this is really, truly, the new administration and IRS telling us where they're headed in 2025.

So you know, email phishing scams, that's really been something that's been on the list. I, when I started following this-- it's been a decade or so that I've been looking at this list-- that's been on there every year. Um, what do you make of that in terms of the interplay with priorities? Is that telling us anything about where this administration's going?

Jonathan: I don't think so. I think that this is really based on complaints that the IRS gets and data that the IRS sees.

I don't necessarily view the Dirty Dozen as a priority for the IRS and IRS Criminal Investigation in particular. I think that obviously, you know, phishing and smishing and all the new types of frauds and ways that bad actors are trying to trick people to get their PII, I think that it remains on the list because it remains a favorite way for scammers to get people's personal information and steal their money.

Matt: And among, you know, there's certainly ... I tend to concur with you that that one's probably recycled year after year. Because with the advent of these electronic technologies that we've become so accustomed to, the opportunity and the motive and all of that for criminal actors just remains out there.

But among, you know, a myriad of those type of recycled entries into this year's Dirty Dozen, I see this one called fake charities. And when I think about immigration, narco-terrorism, transnational criminal organizations, I start to think about this concept and the idea that all of those criminal enterprises really can't operate unless there is some financing. That there is some underlying source of funds or a mechanism by which to take illicit funds and try to make them not illicit any further. This idea of bogus charities that the IRS calls a quote unquote "perennial problem" that can intensify whether a crisis or natural disaster strikes... I immediately go to the global landscape. And I go to the fact that our world is just a very uncertain place right now and the macro level economic climate that



surrounds two major wars, one in the Middle East, one in Europe-- war in Europe for the first time since World War II-- a seemingly daily dose of horrors coming from overseas.

What should actors in the United States who might have a reason to want to support financially charities that are linked up to some of these global crises know about where that money goes or how it's used?

Jonathan: Yeah, I think that there's really two. So you hit on one after a natural disaster, right? Hurricane, fires. Scammers come out of the woodworks, you know, send out requests for funds as the premise that they're a charity. It's just a scam. So that's one way, again, fishing to separate people from their money.

Two, the global charities. To your point, it's been an issue since 9/11, to go back to our conversation with 9/11. That was a big area of focus for IRS CI was charities being used to funnel funds overseas to support terrorism.

Now, your question, how do people, I guess, protect themselves against that? I always recommend to friends, family, to stick with the big known entities. Take a few extra minutes to do some due diligence and check to see if the firm that you're supporting or the organization that you're supporting is well known, is justified, is actually doing the work that it's doing. I think all too often, you know, people are sympathetic when they see news reports of, you know, especially the wars overseas. You see those images on TV. Obviously you want to help. But again, I think it's, with all of this, even with the Dirty Dozen, to just slow down and take a few extra minutes to really do some due diligence and investigate where you're sending your money.

Matt: Yeah, and another one that kind of jumped off the page to me --but also doesn't necessarily fall into those main investigative priorities that we talked about-- included within this year's Dirty Dozen is something called ghost tax return preparers. And when I read this, I immediately go to the Employee Retention Credit. And we've done a significant amount of work on this podcast and in our practice generally, with the Employee Retention Credit, and all of the COVID-era financial stimulus programs. I think it's been well documented at this point that the government has been significantly and aggressively pursuing fraud and abuse in that area. Even in areas where there is even a just a glimmer of potential fraud and abuse and they've initiated audit procedures and what have you.

When I see this appear on here, it immediately begs the question: With such a focus on these, what I will call less traditional white-collar areas-- you did a good job of sort of tying in the IRS's role in those investigations, but this is a traditional bread-and-butter white-collar financial crime area that's right in the IRS's wheelhouse. Do you see this continuing on the pace that we've seen throughout the last, say, four years of the Biden administration? Where we've seen fairly aggressive financial investigations associated with these COVID-era stimulus programs? Or do you see that dying off? Because my initial instinct when I, you know, review the priorities of the current administration is to say that that might die down a little bit.

But when I read this coming out of the IRS, the first thing that comes to mind is those promoter shops that were hawking the IRS ERC Tax Credit out there, on every billboard and commercial known



to man during the late stages of the pandemic. So does this fit with the administration's current priorities? Will we see this continue or will it die down?

Jonathan: I think it's going to continue, I think, because it is a theft of government funds. From everything that I see from the current administration is they're looking to stop fraud, waste and abuse. And to me, this fits right in the wheelhouse and right in the priorities of the current administration.

Now, with all of this-- and I think that it's probably not talked about enough, and I touched on it a little bit earlier-- is once the United States Attorneys are in place, so now they're starting to get in place locally in Eastern District of Pennsylvania, in New Jersey and New York. Once those US Attorneys get into office and sort of set their local priorities as well, I think that's where we're going and have a better idea of not only what's being dictated out of Main Justice, but also out of, again, regionally, so what the local offices are seeing.

So if there are big ghost preparer scams, you know, IRS credit scams happening locally, if that's a big case that's going to get attention and press and, you know, the local US Attorney is going to be able to show Main Justice that they're tackling this issue. That, in my opinion, I think that those types of cases will continue.

Matt: What about, the idea that we are, by all measures, in some form of a trade war right now. Whether it is-- trade war is not a necessarily a pejorative term. If you listen to the administration, they believe that the imposition of tariffs would have broad-based positive financial consequences. So I don't use that in a pejorative sense, but there are significant tariffs that are being imposed on a number of trade partners of the United States.

What role does IRS CI have in the administration's priority there?

Jonathan: To my knowledge, I don't know if we would be a major priority for.

Matt: They were saying, hey, you're on the other side now.

Jonathan: They, sorry. Thank you. They.

I don't see, I mean, I'm sitting here trying to figure out a way that IRS or IRS CI would assist. I mean, I guess if there were again, maybe some organized attempts to evade tariffs-- you know, just sort of thinking out loud here-- that the IRS would potentially be involved in that. You know, similar to what I was discussing earlier, promoters that were, you know, trying to help evade tariffs similar to the way we were involved in the klepto capture task force and sanctions evasion. You know, it's utilizing the financial system to evade any tax or any tariff or any sanction. I think there, there could be a role for IRS in that space.

Matt: All right, so I want to end on this note. If a year from today, you were to hypothetically call up a number of your buddies significant enough to create a statistically valid sample size, and you were to poll them on what they were working on at the moment, in a general sense, what would be the winner?



Jonathan: That is a great question. I think, at this point, there is probably going to be a split between my cohort of agents that work large international cases. I think that those folks that are skilled and experienced are going to continue in that space. I think the others, so that's going to be more, you know, my level of expertise agent-wise. I think it's really an unknown at this point what the younger or newer agents, where they're going to fit in. Because I don't know the capacity, again, of the local U.S. Attorney Offices to take on some of those mid-level employment tax cases that, you know, traditionally are a staple of stats for IRS criminal investigation.

So, I think those cases will continue to be prosecuted, but maybe at a lesser number. So again, employment tax cases, refund fraud, the refund ghost preparer-type cases that you, you've referenced earlier. Again, I think that they're going to continue, but maybe at a year from now, probably be less than in previous years.

Matt: Well, John, I can't thank you enough. And to our audience, as I said at the outset, this is just the first in a series of episodes that we are going to use to really unpack the enforcement priorities of the second Trump administration. We've talked extensively today with somebody from the inside at the IRS, former agent John Schnatz.

I can't thank you enough, John, for being here today. That's all the time we have on "The Presumption of Innocence" for today. But until next time, we'll see you. Take care.