Treasury Inspector General for Tax Administration

FIVE FAIR TAX COLLECTION PRACTICES VIOLATIONS RESULTED IN ADMINISTRATIVE ACTIONS IN CALENDAR YEAR 2006

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Highlights

Highlights of Report Number: 2007-10-188 to the Internal Revenue Service Chief Counsel and Chief Human Capital Officer.

IMPACT ON TAXPAYERS

The abuse or harassment of taxpayers by Internal Revenue Service (IRS) employees while attempting to collect taxes reflects poorly on the IRS and can have a negative impact on voluntary tax compliance. For Calendar Year 2006, there were five cases involving a Fair Tax Collection Practices (FTCP) violation for which the employee received administrative disciplinary action. However, the IRS computer system contained a high percentage of cases that were miscoded as FTCP violations when they did not involve these types of violations. Inaccurate data on the number of FTCP violations can impede IRS management's efforts to detect and correct customer service problems that burden taxpayers.

WHY TIGTA DID THE AUDIT

Section 1102 (d)(1)(G) of the IRS Restructuring and Reform Act of 1998 requires TIGTA to include in one of its Semiannual Reports to Congress information regarding any administrative or civil actions related to FTCP violations.

WHAT TIGTA FOUND

The FTCP prohibit employees from using abusive or harassing behavior toward taxpayers when attempting to collect taxes. Employees who are found to have violated the FTCP could be subject to disciplinary action. In Calendar Year 2006, there were five cases involving an FTCP violation for which the employee received administrative disciplinary action. Additionally, the IRS Automated Labor and Employee Relations Tracking System, which is used to track the violations, included 26 cases that were miscoded.

TIGTA believes the coding errors occurred because, while the labor relations staff who work these cases must input to the Automated Labor and Employee Relations Tracking System at least one issue code for each case, they are not required to input all issue codes that may apply. In addition, the distinction between unprofessional conduct and behavior that rises to the level of an FTCP violation is not clearly explained in the guidance provided to the labor relations staff.

No civil actions resulted in the IRS paying monetary settlements to taxpayers because of an FTCP violation.

WHAT TIGTA RECOMMENDED

TIGTA recommended the Chief Human Capital Officer clarify the guidance provided to the labor relations staff to ensure the correct issue codes, including multiple codes where appropriate, are input to the Automated Labor and Employee Relations Tracking System and clarify the distinction between unprofessional behavior and the types of behavior and circumstances that rise to the level to be coded as FTCP violations. The Chief Human Capital Officer should also ensure the issue codes for the 26 cases identified as being miscoded are corrected.

In their response to the report, IRS officials agreed with the findings and recommendations. They have prepared a draft notice explaining the audit results and plan to send it to the labor relations staff. They also plan to institute a quarterly review of the FTCP issue codes as a temporary measure until validation routines are hard coded into the Automated Labor and Employee Relations Tracking System. Management stated the 26 cases identified as being miscoded have been corrected. Further, management plans to validate quarterly the FTCP issue codes input to the Automated Labor and Employee Relations Tracking System from other systems.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

http://www.treas.gov/tigta/auditreports/2007reports/200710188fr.pdf.

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