



Treasury Inspector General for Tax Administration Office of Audit

COLLECTION EMPLOYEES ADHERED TO FAIR TAX COLLECTION PRACTICES FROM JANUARY 2009 THROUGH SEPTEMBER 2009

Issued on March 17, 2010

Highlights

Highlights of Report Number: 2010-10-037 to the Internal Revenue Service Chief Counsel and the 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 compliance. It can also result in civil damages against the Federal Government when Fair Tax Collection Practices (FTCP) are violated. From January through September 2009, there were no cases involving FTCP violations for which an employee received administrative disciplinary action and there were no taxpayers who received civil damages for an FTCP violation. As a result, taxpayers have reasonable assurance that communications with the IRS in connection with the collection of unpaid taxes generally did not violate the FTCP statute.

WHY TIGTA DID THE AUDIT

The overall objective of this review was to obtain information on IRS administrative or civil actions resulting from FTCP violations by IRS employees.

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 administrative or civil actions related to FTCP violations. This audit was conducted as part of the TIGTA Fiscal Year 2010 Annual Audit Plan and addresses the major management challenge of Taxpayer Protection and Rights.

WHAT TIGTA FOUND

The FTCP provisions of Internal Revenue Code Section 6304 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. From January through September 2009, IRS collection employees did not violate the FTCP statute. The IRS coded only

three cases as FTCP complaints; however, two cases were not substantiated as FTCP violations and the other was improperly coded as an FTCP case. TIGTA recommended the miscoding be fixed during the audit and the IRS corrected the miscoding. In addition, there were no civil actions resulting in monetary settlements being paid to taxpayers because of an FTCP violation.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations in this report. However, key IRS management officials reviewed the report prior to issuance and agreed with the facts and conclusions presented.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2010reports/201010037fr.pdf>.

Email Address: inquiries@tigta.treas.gov
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