



Treasury Inspector General for Tax Administration Office of Audit

COLLECTION EMPLOYEES ADHERED TO FAIR TAX COLLECTION PRACTICES DURING FISCAL YEAR 2010

Issued on April 25, 2011

Highlights

Highlights of Report Number: 2011-10-045 to the Internal Revenue Service Chief Counsel and the Internal Revenue Service 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. During Fiscal Year 2010, 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 such, 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

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 listed in 26 U.S.C. Section 6304. The overall objective of this review was to obtain information on IRS administrative or civil actions resulting from FTCP violations by IRS employees.

WHAT TIGTA FOUND

No FTCP violations were identified for cases on the IRS Human Capital Officer Workforce Relations' Automated Labor and Employee Relations Tracking System (ALERTS) that were closed in Fiscal Year 2010. In addition, no cases were identified that were miscoded as FTCP violations and should not have been or that should have been coded as violations but were not. While no FTCP violations were identified, 114 cases were opened and subsequently removed from the ALERTS and were not available for our review. IRS management did not always maintain documentation to substantiate removal of these cases. As a result, TIGTA

could not verify that these cases were not FTCP violations. IRS management indicated that they had previously identified the lack of documentation to be an issue and had plans to implement a system-generated audit log for the ALERTS by approximately June 2011.

In addition, there were no civil actions resulting in monetary settlements paid to taxpayers because of an FTCP violation.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations in this report. However, key 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/2011reports/201110045fr.pdf>.