



## Treasury Inspector General for Tax Administration

### Inspections and Evaluations

## Highlights

Highlights of Report Number: 2011-IE-R003 to the Internal Revenue Service Deputy Commissioner for Operations Support and the Internal Revenue Service Deputy Commissioner for Services and Enforcement.

### WHY TIGTA DID THIS STUDY

This project was initiated at the request of the Assistant Secretary for Management and Chief Financial Officer at the Department of the Treasury due to concern that the IRS might have initiated home-to-work transportation programs without the proper approval from the Secretary of the Treasury. 31 United States Code (U.S.C.) Section (§) 1344, *Passenger Carrier Use*, allows Federal employees to drive Government vehicles between their home and place of employment under limited circumstances; however, the justification must be approved in writing by the Secretary of the Treasury. Treasury Directive 74-06 establishes policy and sets forth responsibilities and reporting requirements for official use of Government vehicles as well as requirements for submitting requests for the authorization. The objective of this inspection was to determine the IRS's compliance with 31 U.S.C. § 1344 and Treasury Directive 74-06.

### WHAT TIGTA RECOMMENDED

TIGTA recommended the Chief, Criminal Investigation, and the Commissioner, Small Business/Self-Employed Division, revise procedures to ensure home-to-work transportation requests are completed in a timely manner. TIGTA made other recommendations addressing record keeping, internal controls, and taxable fringe benefit determinations.

In response, IRS officials agreed with our recommendations and have taken, or are taking action to improve internal controls.

Issued on June 6, 2011

Inspection of the Internal Revenue Service's Home-to-Work Programs

### WHAT TIGTA FOUND

TIGTA found that Criminal Investigation and the Small Business/Self-Employed Division operated their Home-to-Work Programs for more than eight years without proper authorization from the Secretary of the Treasury. Additionally, only this past year did the Small Business/Self-Employed Division determine that its employees' home-to-work use of a Government vehicle might result in a taxable fringe benefit to its employees.

Furthermore, both Criminal Investigation and the Small Business/Self-Employed Division did not meet all record keeping requirements prescribed by the 31 U.S.C. § 1344 and Treasury Directive 74-06. Specifically, the Home-to-Work and Extraordinary Use Vehicle Log used by special agents did not capture all use outside their normal tour of duty. There was limited guidance for special agents to use in preparing this log and the Vehicle Expense Report. Mileage logs from fuel compliance officers and fuel compliance agents were missing for some months, manual logs did not always provide enough detail to determine whether home-to-work use occurred, and total costs of the Fuel Compliance Home-to-Work Program were not documented.

Supervisory Special Agents and managers in Fuel Compliance were not closely reviewing logs and reports for accuracy and indications of fraud or misuse. Costs of accidents that were home-to-work related were not tracked in order to comply with Treasury Directive 74-06.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/iereports/2011reports/2011ier003fr.pdf>