



Treasury Inspector General for Tax Administration Office of Audit

FISCAL YEAR 2010 STATUTORY REVIEW OF RESTRICTIONS ON DIRECTLY CONTACTING TAXPAYERS

Issued on June 3, 2010

Highlights

Highlights of Report Number: 2010-30-060 to the Internal Revenue Service Commissioner for the Small Business/Self-Employed Division.

IMPACT ON TAXPAYERS

Internal Revenue Service (IRS) employees are required to stop an interview if the taxpayer requests to consult with a representative and may not bypass a representative without supervisory approval. Between October 2008 and September 2009, there were at least four instances in which employees improperly bypassed taxpayer representatives.

WHY TIGTA DID THE AUDIT

This audit was initiated because TIGTA is required to annually report on the IRS' compliance with Internal Revenue Code Sections 7521(b)(2) and (c). The overall objective of this audit was to determine whether the IRS complied with the legal guidelines addressing the direct contact of taxpayers and their representatives.

WHAT TIGTA FOUND

This is the twelfth year in which TIGTA has reported its inability to give an opinion on how well the IRS is complying with the Internal Revenue Code restrictions on direct contact because of limitations with the IRS' management information systems. In considering the significance of this limitation, it is important to recognize that the evidence we have obtained and evaluated over the years suggests potential direct contact violations are very small considering that thousands of IRS enforcement personnel routinely interact with millions of taxpayers and their representatives each year.

In a total of four instances, both TIGTA's Office of Investigations and Office of Audit confirmed that IRS personnel improperly bypassed taxpayer representatives. The Office of Investigations determined that the responsible IRS personnel were reprimanded for their actions. The Office of Audit determined that there was no evidence that a representative or taxpayer complaint was filed with TIGTA.

WHAT TIGTA RECOMMENDED

TIGTA is not making any specific recommendations in this report. However, a draft of the report was provided to the IRS for review and comment. The IRS had no comments on the report.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2010reports/201030060fr.pdf>.