



**Treasury
Inspector
General for
Tax
Administration**

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**REQUESTS FOR TAXPAYER INFORMATION WERE
GENERALLY PROCESSED PROPERLY IN THE RETURN
AND INCOME VERIFICATION SERVICES AND THE
INCOME VERIFICATION EXPRESS SERVICE
PROGRAMS**

Inspections and Evaluations

Highlights

Highlights of Report Number: 2015-IE-R004 to the Internal Revenue Service Commissioner, Wage and Investment Division.

WHY TIGTA DID THIS STUDY

This inspection was initiated to determine if adequate processes and procedures were in place in the Return and Income Verification Services and the Income Verification Express Service programs to prevent inadvertent disclosures of taxpayers' Personally Identifiable Information and related tax information.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Commissioner, Wage and Investment Division, require that the processing units use the Service-Wide Notice Information Program to report an inadvertent disclosure for each taxpayer; reevaluate the policy for reporting disclosures within one hour of discovery; determine the proper method to document and fully report disclosures; ensure that quality review teams conduct the required reconciliations; and ensure that the correct process for reporting inadvertent disclosures to the Office of Taxpayer Correspondence is documented.

IRS officials agreed with three of our recommendations and plans to implement corrective actions. For the other two recommendations, IRS officials emphasized that they have an alternative method for documenting inadvertent disclosures for each taxpayer and sent a reminder to staff to report inadvertent disclosures within one hour of discovery.

IMPACT ON TAXPAYERS

The IRS established the Return and Income Verification Services and the Income Verification Express Service programs within the Wage and Investment Division to provide tax information to taxpayers and/or their authorized representatives, Federal agencies, or other parties. It is imperative that employees in these programs properly process requests for sensitive taxpayer information; otherwise, Personally Identifiable Information may be inadvertently disclosed and might be used to perpetrate acts of harm, such as identity theft.

WHAT TIGTA FOUND

TIGTA found that the verification services units have adequate processes and procedures in place designed to prevent inadvertent disclosures of taxpayer information. However, TIGTA found that the number of inadvertent disclosures reported is significantly understated because disclosures are counted by incident and the information related to each unique taxpayer involved was not recorded in the Service-Wide Notice Information Program system as required. Additionally, inadvertent disclosures were not reported within one hour of discovery, the verification services units were using inconsistent methods for documenting disclosures, and the cause of the disclosures could not be readily determined. In one location reviewed, the required quality review reconciliation was not routinely conducted. Lastly, the correct process for reporting inadvertent disclosures to the Wage and Investment Division Office of Taxpayer Correspondence was not fully documented in the Wage and Investment Division reporting procedures.

READ THE FULL REPORT

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

<http://www.treasury.gov/tigta/iereports/2015reports/2015ier004fr.pdf>