

TDP 15-71

**Review of the Nationwide Electronic Tax
Forum Conferences and Exhibitions Contract**

July 2004

Reference Number: 2004-10-128

TDP 15-71



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

July 28, 2004

MEMORANDUM FOR CHIEF, AGENCY-WIDE SHARED SERVICES
CHIEF, COMMUNICATIONS AND LIAISON

Gordon C. Milbourn

FROM: Gordon C. Milbourn III
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Review of the Nationwide Electronic Tax
Forum Conferences and Exhibitions Contract
(Audit # 200410008)

This report presents the results of our review of the Internal Revenue Service's (IRS) Nationwide Electronic Tax Forum Conferences and Exhibitions Contract. The overall objective of this review was to determine if the contractor billed the IRS accurately and according to the contract's terms and conditions.

The Treasury Inspector General for Tax Administration (TIGTA) initiated this audit as the result of concerns raised by the IRS. These concerns included the timeliness and outcome, which was always close to break-even, of the contractor's reconciliation of tax forum¹ income with expenses. The expectation of the Chief, Communications and Liaison's office was that there would be a greater amount of excess income that could be used to help defray the cost of the contract (i.e., reduce the management fee due the contractor).

In summary, the contractor's documentation was not adequate to support the tax forum income and expenses reported to the IRS for Fiscal Years 2002 and 2003. In addition, we identified significant indications of potential fraud concerning the accuracy and validity of the contractor's reported tax forum income and expenses. We referred our findings to the TIGTA Office of Investigations (OI) for further inquiry and development.

¹ The IRS conducts tax forums to provide information to the tax professional community on current IRS policies, programs, procedures, and initiatives.

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The contract allowed the IRS to reduce the contractor's management fee by the amount by which tax forum income exceeded expenses. Therefore, both amounts directly affected the calculation of the management fee due from the IRS. Because we could not verify the accuracy or validity of the reported amounts of tax forum income and expenses, we questioned the approximately \$684,000 in management fees the IRS paid the contractor during 2002 and 2003.

We recommended the Director, Procurement, coordinate all remedies with the United States Attorney's Office and the TIGTA OI regarding all appropriate legal actions. Additionally, the Director, Procurement, in conjunction with the Director, Office of National Public Liaison, should regularly review and monitor registration data to better evaluate the accuracy of the resulting income and consider revising the participant registration fee structure to simplify accounting for income. Further, the Director, Procurement, in conjunction with the Director, Office of National Public Liaison, should review tax forum expenses and investigate significant differences in budgeted versus actual expenses.

Management's Response: IRS management agreed with the recommendations presented in our report and initiated corrective actions. Specifically, the IRS will provide all requested assistance to the United States Attorney's Office. Additionally, the new contract put a process in place to monitor registrations before and after each tax forum, and established a registration fee of \$99 per person, per forum if the registrant registers before established pre-registration deadlines, and \$200 per person, per forum after established deadlines. The IRS also established a process to periodically review and investigate, as necessary, tax forum expenses for the new contract. Management's complete response to the draft report is included as Appendix V.

The TIGTA has designated this report as Limited Official Use (LOU) pursuant to Chapter III, Section 2 of the Treasury Security Manual (TDP 71-10) entitled, "Limited Official Use Information and Other Legends." Because this document has been designated LOU, it may only be made available to those officials that have a need to know the information contained within this report in the performance of their official duties. This report must be safeguarded and protected from unauthorized disclosure; therefore, all requests for disclosure of this report must be referred to the Disclosure Section within the TIGTA's Office of Chief Counsel.

Please contact me at (202) 622-6510 if you have questions or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs) at (202) 622-3500.

Review of the Nationwide Electronic
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Review of the Nationwide Electronic Tax Forum Conferences and Exhibitions Contract

Background

In February 2000, the Internal Revenue Service (IRS) awarded the Nationwide Electronic Tax Forum Conferences and Exhibitions (tax forum) contract. The IRS conducts tax forums to provide information to the tax professional community on current IRS policies, programs, procedures, and initiatives. The tax forums also provide the IRS with an opportunity to promote the use of its Internet web site and market electronic filing by encouraging tax practitioners to join the Electronic Return Originator (ERO)¹ program.

The contractor was responsible for planning, managing, and coordinating each tax forum. The contract guaranteed the IRS would hold a minimum of four, and a maximum of eight, tax forums per year, with the contractor receiving a fixed management fee for each tax forum held. Over the 4-year life of the contract,² the contractor received management fees in excess of \$1.4 million.

The structure of the contract was unusual because it stipulated that no appropriated funds would be provided to reimburse the contractor for the expenses necessary to conduct the tax forums. Instead, these expenses were to be paid from the registration fee and sponsorship income that the contractor collected from tax forum participants and exhibitors. If the contractor collected more income than it incurred expenses, the excess proceeds were to be carried forward to support the costs of that year's subsequent tax forums. If excess income remained at the conclusion of a year's final tax forum, the IRS was to reduce the contractor's management fee by the same amount.

The contractor provided the IRS with the results of each year's tax forums in a final report. The report detailed tax forum income and expense information and included the contractor's calculation of the reduction to its management

¹ An ERO originates the electronic submission of a tax return to the IRS after the taxpayer authorizes the filing of the return via the IRS *e-file* Program.

² Although initially established for 5 years (1 base year and 4 option years), the contract concluded after 4 years because the IRS elected not to exercise the final option year.

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fee. The contractor then offset this reduction (i.e., the amount by which the year's total tax forum income exceeded expenses) to arrive at the total management fee it invoiced the IRS.

We analyzed the invoices and final reports the contractor had submitted to the IRS since the contract's inception. We selected the 2 most recent years, Fiscal Years 2002 and 2003, to verify the contractor's claimed management fee reduction by reviewing the supporting documentation for the entire amount of reported tax forum income, over \$1.7 million, and an all but equal amount of tax forum expenses.

The Treasury Inspector General for Tax Administration (TIGTA) initiated this audit as the result of concerns raised by the IRS. These concerns included the timeliness and outcome, which was always close to break-even, of the contractor's reconciliation of tax forum income with expenses. The expectation of the Chief, Communications and Liaison's office was that there would be a greater amount of excess income that could be used to help defray the cost of the contract (i.e., reduce the management fee due the contractor).

During this audit, we identified indications of potential fraud by the contractor. We referred our findings to the TIGTA Office of Investigations (OI) for further inquiry and development.

The audit work was performed during the period December 2003 through April 2004 in the National Public Liaison directorate within the office of Communications and Liaison in Washington, D.C., and in the Procurement directorate within the office of Agency-Wide Shared Services in Oxon Hill, Maryland. In addition, we reviewed records provided by the contractor at the TIGTA Headquarters office in Washington, D.C.

The audit was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in

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**Inadequate Documentation and
Indications of Potential Fraud
Signal Inaccurate Contractor
Billing**

Appendix I. Major contributors to the report are listed in Appendix II.

The contractor's documentation was not adequate to support the tax forum income and expenses reported to the IRS in 2002 and 2003. In addition, we identified significant indications of potential fraud concerning the accuracy and validity of the contractor's reported tax forum income and expenses. Since the contract allowed the IRS to reduce the contractor's management fee by the amount by which tax forum income exceeded expenses, both amounts directly affected the calculation of the management fee due from the IRS. Because we could not verify the accuracy or validity of the reported amounts of tax forum income and expenses, we questioned the approximately \$684,000 in management fees the IRS paid the contractor during 2002 and 2003.

Specifically, the contractor was unable to provide us with any records or documentation in support of 2002 tax forum income and expenses. The contractor claimed that the 2002 information had been "discarded" and the company could not "retrieve or otherwise obtain any of this information or documentation." The documentation the contractor provided in support of 2003 was incomplete and insufficient to verify the accuracy or validity of the reported tax forum income and expenses.

The Federal Acquisition Regulation (FAR)³ stipulates that a contractor is responsible for accounting for costs appropriately and for maintaining records, including supporting documentation adequate to demonstrate that costs claimed have been incurred. The FAR also requires that contractors make records available to satisfy contract administration and audit requirements for 3 years after final payment. In addition, the FAR requires that certain financial records, including cancelled checks and vendor invoices, be retained for 4 years. Therefore, the contractor should have been able to produce all records related to the 2002 and 2003 tax forum income and expenses.

³ FAR, 48 C.F.R. pt 1-53 (2002).

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Using the documentation provided for 2003, we identified several significant issues involving tax forum income and expenses.

Tax forum income

For 2003, the contractor provided a database of tax forum participants, including the registration fee paid, to both the IRS and us. We compared the two databases and determined that the information was not consistent. We identified the following irregularities:

- Both databases listed 10,587 total participants, but we identified 1,334 (approximately 13 percent) who were shown paying different registration fees. For example, a participant may be shown paying \$80 on the database provided to the IRS, while the same individual is shown paying \$60 on the database provided to us.
- For the tax forum held in Orlando, Florida, we identified 260 participants who were listed on 1 database but not the other.

Additionally, the contractor reported that 9,229 (87 percent) of the 10,587 participants for 2003 paid a \$60 registration fee. The registration fee was structured so that the first member of a business or organization paid \$80, the second member paid \$70, and each subsequent member and/or spouse paid \$60. Because of this sliding scale, we believe more participants should have paid the \$80 registration fee.

Using the registration forms provided by the contractor, we requested confirmation of the registration fee paid from a judgmental sample of 57 tax forum participants. We selected participants whose registration forms indicated an amount paid that was greater than the amounts the contractor reported on both databases.⁴ Of the 31 participants who responded by providing an amount, all 31 reported paying a larger registration fee than that

⁴ All 57 registration forms displayed a handwritten dollar amount or a circled/underlined registration fee amount.

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reported by the contractor on its databases.⁵ In 4 of these 31 instances, all involving the Orlando tax forum, the individuals were not listed on the database the contractor had provided to the IRS.

Tax forum expenses

The contractor provided copies of vendor invoices for approximately \$911,500 of \$971,660 in reported 2003 tax forum expenses. However, the contractor did not provide documentation (e.g., cancelled checks, money orders) to support payment of these invoices. As a result, we could not verify the accuracy or validity of the entire amount of reported 2003 tax forum expenses.

In addition, we identified indications of potential fraud with respect to six vendor invoices the contractor provided. We contacted these six vendors directly because the invoices were unprofessional in appearance and similar in amount. We secured a copy of the actual invoices that each of these vendors sent the contractor and/or the documentation supporting the actual amount they billed the contractor. We determined that all six vendors billed the contractor for an amount less than the amount shown on the invoice copies the contractor provided to us. The total difference, which amounted to over \$10,000, is outlined in Table 1.

⁵ We did not include two participant responses that appeared to be errors. Both participants indicated paying an amount higher than that reported, but neither amount was a possible registration fee in 2003.

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Table 1: Schedule of Questionable Vendor Invoices

| Vendor | Amount per Contractor | Amount per Vendor | Difference |
|--------------|-----------------------|-------------------|--------------------|
| 1 | \$3,360.00 | \$1,572.00 | \$1,788.00 |
| 2 | \$3,350.00 | \$1,362.52 | \$1,987.48 |
| 3 | \$3,150.00 | \$1,524.00 | \$1,626.00 |
| 4 | \$3,360.00 | \$1,897.00 | \$1,463.00 |
| 5 | \$3,000.00 | \$ 815.50 | \$2,184.50 |
| 6 | \$3,000.00 | \$1,748.98 | \$1,251.02 |
| Total | | | \$10,300.00 |

Source: TIGTA analysis of six vendor invoices.

The audit results outlined above indicate that the contractor underreported tax forum income and overreported tax forum expenses to the IRS in 2003. Inaccurately reporting the tax forum results allowed the contractor to overbill the IRS by requesting payment for a larger management fee than the company was entitled. Because we identified indications of potential fraud and referred the contract to the TIGTA OI, we did not continue audit work to determine the actual amount of overbilling.

The IRS accepted the contractor's final reports and performed little, if any, verification. After discussions with IRS personnel involved in administering this contract, we concluded that more emphasis was placed on whether the tax forums were held than whether the contractor was properly billing the IRS by accurately accounting for tax forum income and expenses. One Contracting Officer Technical Representative (COTR) specifically stated that he was not worried about the tax forum income and expenses, only that the contractor was putting on the tax forums. Another COTR did identify irregularities in the number of participants and the amount of participant registration fee income the contractor reported in 2003. However, a procurement official accepted the contractor's questionable explanation and paid the management fee without receiving any additional supporting documentation.

In addition, IRS personnel did not compel the contractor to submit all the reports required by the contract. As a result, the IRS could not effectively monitor the contractor and the

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tax forum results on an ongoing basis. Despite the fact that the contract required the contractor to provide the IRS with numerous reports, none of the IRS personnel involved in the administration of this contract during 2002 and 2003 could provide us with any other reports besides the contractor's final reports. One COTR stated that reports were required only if the COTR requested them. The Contracting Officer (CO) left it up to the COTRs to get the required reports and was not aware that they were not receiving them. However, the contract stated that certain reports, including interim and final, were to be provided to the CO as well as the COTR.

Another example of not conducting proper oversight resulted in the IRS not deducting \$5,344 of the 2002 management fee before it was paid to the contractor. The IRS paid the full management fee even though the contractor indicated the excess income on its invoice. The IRS later realized the \$5,344 should not have been paid and deducted the amount from the contractor's 2003 management fee.

The contract states that the COTR will represent the CO in the administration of the technical details of the contract. However, ultimately the CO has the authority for administering the contract. Additionally, the FAR stipulates that the CO is responsible for ensuring the performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the Federal Government in its contractual relationships.

As a result of the IRS' inadequate oversight and complacent attitude in monitoring this contract, the contractor provided the IRS with inaccurate data related to tax forum results. This allowed the contractor to overbill the IRS for its management fee. The IRS awarded a contract to a new vendor for the 2004 tax forums. The IRS should provide effective oversight and monitoring of the new contract to ensure the accuracy of all income and expenses.

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Recommendations:

The Director, Procurement, should:

1. Coordinate all remedies with the United States Attorney's Office and the TIGTA OI regarding all appropriate legal actions.

Management's Response: The IRS will provide all requested assistance if the United States Attorney's Office pursues legal action against the contractor.

The Director, Procurement, in conjunction with the Director, Office of National Public Liaison, should:

2. Review and monitor registration data before and after each tax forum to better evaluate the accuracy of the reported numbers of participants and exhibitors and the resulting income generated.

Management's Response: The new contract put a process in place to monitor registrations before and after each tax forum. The IRS has been monitoring registrations for the first forum, which begins in July 2004.

3. Review supporting documentation for tax forum expenses on a periodic basis and regularly investigate significant differences in budgeted versus actual expenses.

Management's Response: The IRS established a process to periodically review and investigate, as necessary, tax forum expenses for the new contract. The contractor is contractually required to submit a budget report each month, and a final report following the end of the last forum. These reports are being monitored to ascertain budgeted versus actual expense and will be compared with invoices.

4. Consider revising the participant registration fee structure to one flat fee for all participants. The minimal difference (\$20 in 2003) between the highest and lowest registration fees likely provides little incentive for firms to send multiple employees to the tax forums. In

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addition, a flat fee should make for easier accounting of the registration fee income

Management's Response: For the new contract, registration for the forums is accomplished online at a contractor web site that is accessible by the IRS. A registration fee of \$99 per person, per forum, is charged if the registrant registers before established preregistration deadlines; online registration fees after established deadlines increase to \$200 per person, per forum.

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Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine if the contractor billed the Internal Revenue Service (IRS) accurately and according to the contract's terms and conditions. To accomplish our objective, we:

- I. Determined if the contractor was accurately reconciling and reporting income received from tax forum¹ exhibitors and participants.
 - A. Reviewed IRS contract files and identified applicable terms and conditions.
 - B. Reviewed IRS publications to determine tax forum pricing data.
 - C. Interviewed IRS personnel:
 1. Determined if concerns existed regarding the reconciling and reporting of tax forum income.
 2. Determined how the contractor reported tax forum income and the process in place to verify what was reported.
 - D. For the Fiscal Years 2002 and 2003 tax forums.
 1. Reviewed, analyzed, and compared the final reports, participant registration databases, and invoices.
 2. Selected a judgmental sample of the participant registration forms and traced each to the final registration listing and payment data. We also sent confirmation requests to the selected sample participants. A judgmental sample was used because we did not intend to project the results to the entire population. We selected a sample of 57 tax forum participants whose registration forms indicated payment of a registration fee (either handwritten, circled, or underlined) higher than that reported by the contractor. Because we identified indications of fraud on this contract, we only wanted to confirm the existence of irregularities with respect to the tax forum income reported by the contractor. As such, we did not expend the staff time to calculate the population size by counting a large number of paper registration forms.
- II. Determined if the expenses the contractor invoiced against tax forum income were accurate and supported.

¹ The IRS conducts tax forums to provide information to the tax professional community on current IRS policies, programs, procedures, and initiatives.

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- A. Interviewed IRS personnel:
1. Determined if concerns existed regarding claimed tax forum expenses.
 2. Determined the process in place to verify the tax forum expenses invoiced against the tax forum income.
- B. For the 2002 and 2003 tax forum invoices, obtained supporting documentation from the contractor for expenses deducted from exhibitor and participant income.
1. Verified the mathematical accuracy of each invoice and supporting documentation provided.
 2. Traced expenses to supporting documentation to determine whether charges were appropriate.
 3. Reviewed IRS contract files and determined whether the invoiced expenses were allowable under the contract's terms and conditions.
- C. Using the 2000 through 2003 invoices, verified whether the IRS properly reduced the contractor's management fee by the amount by which income exceeded expenses.
1. Reviewed contractor reports and invoices to determine the claimed management fee reduction.
 2. Reviewed IRS Automated Financial System (AFS)² and Web Request Tracking System (webRTS)³ information to determine the amount of the management fee actually paid.
 3. Interviewed IRS personnel to identify the cause of the deficiency in the invoice review and approval process that allowed the excess payment to occur.

² The AFS is an integrated accounting and budgeting system designed to provide administrative funds control.

³ The webRTS provides a number of functions throughout the acquisition process. Functions include creating, routing, approving, and funding requests for goods and services, and performing electronic receipt and acceptance.

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Appendix II

Major Contributors to This Report

Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)

John R. Wright, Director

Debra Gregory, Audit Manager

Thomas Dori, Lead Auditor

Richard Loudon, Auditor

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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Chief Financial Officer, Department of the Treasury
Deputy Commissioner Operations Support OS
Director, Office of National Public Liaison. CL:NPL
Director, Procurement OS A:P

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Appendix IV

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to the Congress.

Type and Value of Outcome Measure:

- Cost Savings, Questioned Costs (Unsupported) – Potential; approximately \$684,000 (see page 3).

Methodology Used to Measure the Reported Benefit:

To determine the questioned costs, we requested documentation to support the Fiscal Year 2002 and 2003 tax forum¹ income and expenses the contractor reported to the Internal Revenue Service (IRS). However, the contractor was unable to provide any documentation in support of 2002 income and expenses, claiming that all the information had been “discarded.” The documentation the contractor provided in support of 2003 income and expenses was not sufficient to support either the reported income or expenses. In addition, we identified indications of potential fraud related to both the reported 2003 income and expenses.

The structure of the contract was such that both tax forum income and expenses factored into the calculation of the management fee the contractor was entitled to receive from the IRS. Because we could not verify the accuracy or validity of the reported amounts of tax forum income and expenses, we questioned the entire management fee of approximately \$684,000 (approximately \$350,000 in 2002 and \$334,000 in 2003) the IRS paid the contractor during 2002 and 2003. Because we identified indications of potential fraud and referred the contract to the Treasury Inspector General for Tax Administration Office of Investigations, we did not continue audit work to determine the actual amount of management fee that was paid inappropriately.

¹ The IRS conducts tax forums to provide information to the tax professional community on current IRS policies, programs, procedures, and initiatives.

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Appendix V

Management's Response to the Draft Report

MAY 2004

IRS PROCURUREMENT

88002



AGENCY-WIDE
SHARED SERVICES

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

RECEIVED

July 12, 2004

JUL 12 2004

MEMORANDUM FOR GORDON C. MILBOURN III
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

David A. Grant *David A. Grant*
Director, Procurement

SUBJECT:

Draft Audit Report - Potential Fraud Identified Within the
Nationwide Electronic Tax Forum Conferences and Exhibitions
Contract (Audit #200410008)

I appreciate the opportunity to respond to the subject report and share your concern with the implications of the review, which was initiated at the request of the IRS. We have implemented procedures and safeguards under the new tax forum contract that will prevent this from being an issue in the future.

We believe the joint efforts of the IRS and TIGTA enabled detection of potential fraud under the contract and consider this a positive outcome; however, I am concerned that the report appears to fault us for not suspecting fraud. I do not agree that we should have detected the eventually uncovered fraud since, unlike TIGTA agents, we are not trained in fraud detection techniques. We discussed this with the audit manager, who agreed to pursue with her management providing training to our workforce on a regular basis.

The report makes four recommendations. I fully support Recommendation 1 and will coordinate all remedies with the U.S. Attorney's Office (USAO) and the TIGTA Office of Investigations (OI); however, action pursuant to this recommendation and recovery of management fees paid the contractor are contingent on the USAO timeline. Recommendations 2, 3 and 4 suggest corrective actions that we have already implemented under the new contract. The attachment provides our specific response to the report's recommendations.

If you have any questions, please call me at (202) 622-8480 or J.T. Smith, Director, Office of Contract Administration, at (202) 283-1710.

Attachment

cc: Acting Chief, Agency-Wide Shared Services
Director, Office of National Public Liaison
Management Controls Coordinator OS:A:F

Review of the Nationwide Electronic
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ATTACHMENT

RECOMMENDATION 1:

The Director, Office of Procurement, should coordinate all remedies with the United States Attorney's Office (USAO) and the TIGTA Office of Inspections (OI) regarding all appropriate legal actions.

CORRECTIVE ACTION:

If the USAO pursues legal action against the contractor, the IRS will provide all requested assistance.

IMPLEMENTATION DATE:

Contingent on the USAO timeline.

RESPONSIBLE OFFICIAL:

Director, Procurement OS:A:P

CORRECTIVE ACTION MONITORING PLAN:

Not Applicable

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2

RECOMMENDATION 2:

The Director, Office of Procurement, in conjunction with the Director, Office of National Public Liaison, should review and monitor registration data before and after each tax forum to better evaluate the accuracy of the reported numbers of participants and exhibitors and the resulting income generated.

CORRECTIVE ACTION:

The new contract, awarded January 5, 2004, put a process in place to monitor registrations before and after each tax forum. Registrations are required to be accomplished on-line at a contractor website that is accessible by the IRS. The IRS has been monitoring registrations for the first forum, which begins in July 2004.

COMPLETED:

January 5, 2004

RESPONSIBLE OFFICIAL:

Director, Procurement OS:A:P

CORRECTIVE ACTION MONITORING PLAN:

The Office of Procurement will monitor tax forum registration in accordance with the contract.

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RECOMMENDATION 3:

The Director, Office of Procurement, in conjunction with the Director, Office of National Public Liaison, should review supporting documentation for tax forum expenses on a periodic basis and regularly investigate significant differences in budgeted versus actual expenses.

CORRECTIVE ACTION:

We established a process to periodically review and investigate, as necessary, tax forum expenses for the new contract. The Contracting Officer (CO) and the Contracting Officer's Technical Representative (COTR) will review the data from the website for each tax forum and compare it to invoices submitted by the contractor. The CO and COTR are currently reviewing the website registration data and will review it again at the completion of each forum. The contractor is contractually required to submit a budget report each month, and a final report following the end of the last forum. These reports are being monitored to ascertain budgeted versus actual expenses and will be compared with invoices.

COMPLETED:

March 29, 2004

RESPONSIBLE OFFICIAL:

Director, Procurement OS:A:P

CORRECTIVE ACTION MONITORING PLAN:

The Office of Procurement will monitor tax forum expenses in accordance with the contract.

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RECOMMENDATION 4:

The Director, Office of Procurement, in conjunction with the Director, Office of National Public Liaison, *should consider revising the participant registration fee structure to one flat fee for all participants.*

CORRECTIVE ACTION:

For the new contract, registration for the forums is accomplished on-line at a contractor website that is accessible by the IRS. A registration fee of \$99 per person, per forum, is charged if the registrant registers before established pre-registration deadlines; on-line registration fees after established deadlines increase to \$200 per person, per forum. The website program automatically sets the fee based on the date of registration.

COMPLETED:

January 5, 2004

RESPONSIBLE OFFICIAL:

Director, Procurement OS:A:P

CORRECTIVE ACTION MONITORING PLAN:

Not Applicable