



## Treasury Inspector General for Tax Administration Office of Audit

### COLLECTION EMPLOYEES ADHERED TO FAIR TAX COLLECTION PRACTICES IN CALENDAR YEAR 2008

Issued on July 23, 2009

## Highlights

Highlights of Report Number: 2009-10-101 to the Internal Revenue Service Chief Counsel and Chief 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 and result in civil damages against the Government when Fair Tax Collection Practices (FTCP) are violated. TIGTA determined that, for Calendar Year 2008, 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 a result, 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

This audit was initiated because 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 any administrative or civil actions related to FTCP violations.

### WHAT TIGTA FOUND

The FTCP provisions of Internal Revenue Code Section 6304 prohibit employees from using abusive or harassing behavior toward taxpayers when attempting to collect taxes. Employees who are found to have violated the FTCP statute could be subject to disciplinary action. In Calendar Year 2008, IRS collection employees committed only one potential violation of the FTCP statute. Initially, the IRS coded two cases as FTCP violations. In the first case, the action taken by management was considered a lesser action and did not qualify as an administrative action. The other case was not a potential FTCP violation but was improperly coded as an FTCP violation. TIGTA recommended that the miscoding in the second case be corrected during the audit and the IRS corrected the miscoding. In addition,

there were no civil actions resulting in monetary awards being paid to taxpayers because of an FTCP violation.

In previous reports, TIGTA had noted the miscoding of a significant number of cases and recommended that improvements be made to ensure that cases are coded correctly. To determine if the IRS had made improvements, TIGTA reviewed 498 cases in 6 "other case" categories to determine whether there were other instances of FTCP violations that were coded incorrectly. Our review determined that the IRS had improved its practices because no additional cases were identified that should have been coded as FTCP violations.

### WHAT TIGTA RECOMMENDED

TIGTA made no recommendations in this report. However, key IRS 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/2009reports/200910101fr.pdf>

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