



## Treasury Inspector General for Tax Administration Office of Audit

### IMPROVEMENT IS NEEDED TO BETTER ENABLE FRONTLINE EMPLOYEE IDENTIFICATION OF POTENTIALLY DANGEROUS AND CAUTION UPON CONTACT DESIGNATIONS

Issued on March 20, 2014

## Highlights

Highlights of Report Number: 2014-40-020 to the Internal Revenue Service Deputy Commissioner for Services and Enforcement.

### IMPACT ON TAXPAYERS

The IRS has approximately 25,000 employees who have direct contact with taxpayers and their representatives (hereafter referred to as frontline employees). The safety of its employees is a top priority for the IRS. As such, the IRS has programs to help protect employees when interacting with individuals who are known to be violent, abusive, or pose some other type of danger. Examples include the Potentially Dangerous Taxpayer (PDT) and Caution Upon Contact (CAU) programs.

### WHY TIGTA DID THE AUDIT

This audit was initiated in response to a Treasury Inspector General for Tax Administration Office of Investigations referral that identified paid tax return preparers who may pose a threat to IRS employees conducting official business. Frontline IRS employees can be exposed to many difficult, threatening, and dangerous situations. The overall objective of this review was to determine the adequacy of processes and procedures for employees who have direct contact with taxpayer representatives to identify those representatives who are designated as potentially dangerous or who need to be approached with caution upon contact.

### WHAT TIGTA FOUND

The IRS has not developed sufficient procedures to enable frontline employees to readily identify whether a taxpayer representative has been designated as PDT or CAU. While a frontline employee can research an individual's tax account for the PDT or CAU designation using the individual's Social Security Number (SSN), the employee typically does not have a taxpayer representative's SSN. The employee generally must search for the representative's tax account using the representative's name. Without the SSN, the employee

is unable to definitively identify and examine the representative's tax account for a PDT or CAU indicator.

The IRS does maintain systems that can be used to better identify if a taxpayer representative has either a PDT or CAU designation. However, these systems either do not provide the designation information or the IRS is unwilling to grant employees access based on concerns for privacy.

As of August 29, 2013, the IRS designated 84 taxpayer representatives with a PDT or CAU indicator. Although this number is a small percentage of the 2.3 million representatives in the Centralized Authorization File, the safety of frontline employees, others working in the same facilities, and taxpayers is at risk when these employees unknowingly meet with potentially dangerous taxpayer representatives. IRS employees reported four incidents of physical assault by taxpayer representatives in Calendar Years 2010 through 2012. The IRS agreed that even one assault is one too many.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the Deputy Commissioner for Services and Enforcement: 1) develop a process to enable frontline employees to readily access information that identifies whether a taxpayer representative has been designated as a PDT or CAU; and 2) ensure that internal guidance is updated with procedures to research taxpayer representative designations and that outreach and training is performed to ensure that frontline employees are knowledgeable of the revised process.

IRS management's response to the report states that they believe their current procedures are appropriate to ensure the safety of employees. However, TIGTA remains concerned that frontline employees do not have a process to readily identify whether a taxpayer representative has been designated as PDT or CAU.

### READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2014reports/201440020fr.pdf>.