Inspection of the Employee Pre-Screening Process

February 28, 2012

Reference Number: 2012-IE-R003

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.
February 28, 2012

MEMORANDUM FOR DEPUTY COMMISSIONER FOR OPERATIONS SUPPORT

FROM: R. David Holmgren
Deputy Inspector General for Inspections and Evaluations

SUBJECT: Final Inspection Report – Inspection of the Employee Pre-Screening Process (#IE-11-005)

This report presents the results of our inspection to determine if the Internal Revenue Service (IRS) properly and timely pre-screens applicants before they are hired.

Synopsis

In Fiscal Year 2010, taxpayers filed over 230 million tax returns that contained sensitive financial information. Because many IRS employees must have access to sensitive taxpayer information to administer the Nation’s tax system, the IRS must be particularly cognizant of hiring only those applicants who hold themselves to the highest standards of integrity. The IRS uses several controls to deter and detect the abuse of sensitive information. Pre-screening applicants and conducting background investigations on them are the initial steps in the process of ensuring that the IRS meets the highest standards of honesty, integrity, and security.

The IRS has implemented controls designed to ensure that applicants pursuing permanent or temporary employment with the IRS are suitable, and background investigation requests are properly initiated. However, our review at four of nine Employment Operations branch offices revealed that nearly 77 percent of the cases reviewed (507 of 662 cases) did not have sufficient documentation that would allow us to verify that the Employment Operations offices completed all of the required pre-screening steps before the employee reported for duty. The managers located in the Employment, Talent and Security (ETS) Division, who have oversight of Employment Operations, noted that the documentation that was not included in the employees’ case files could be obtained from other sources as needed. However, if the documentation is not located in the case file, an employee would have to repeat steps originally completed by another employee to provide support for managers or third parties responsible for oversight. Additionally,
repeating the steps after the employee reports for duty may not provide evidence that the pre-screening steps were completed before the employee’s enter-on-duty date.

**Recommendation**

We recommend that the Human Capital Officer develop requirements and retention policies to ensure that pre-screening actions are consistently completed and fully documented.

**Management’s Response:**

Management believes they can fully implement the recommendation and plans to primarily use electronic files (the CareerConnector Companion and the Automated Background Investigation System) to record and verify the completion of pre-screening steps. Additionally, management issued guidance related to record retention policies for pre-screening actions and plans to enhance the CareerConnector Companion to improve record-keeping and monitoring capabilities. Management’s complete response to the draft report is included in Appendix IV.

Please contact me at (202) 927-7048 if you have questions, or Kevin P. Riley, Director, Office of Inspections and Evaluations, at (972) 249-8355.
# Table of Contents

**Background** .................................................................................................................. Page 1

**Results of Review** ........................................................................................................ Page 3

  Controls Designed to Ensure That Applicants Are Suitable for Employment Are in Place .................................................................................................................. Page 3

  Employment Operations Offices Have Inconsistent Record Retention Practices for Their Pre-Screening Process ........................................................................ Page 4

  Recommendation 1: ....................................................................................................... Page 9

  Background Investigations Were Usually Initiated Timely................................. Page 10

**Appendices**

  Appendix I – Detailed Objective, Scope, and Methodology ................................. Page 11

  Appendix II – Major Contributors to This Report ............................................... Page 12

  Appendix III – Report Distribution List ................................................................. Page 13

  Appendix IV – Management’s Response to the Draft Report ............................... Page 14
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALERTS</td>
<td>Automated Labor and Employee Relations Tracking System</td>
</tr>
<tr>
<td>EO</td>
<td>Employment Operations</td>
</tr>
<tr>
<td>EOD</td>
<td>Enter-on-duty</td>
</tr>
<tr>
<td>ETS</td>
<td>Employment, Talent, and Security</td>
</tr>
<tr>
<td>FBI</td>
<td>Federal Bureau of Investigation</td>
</tr>
<tr>
<td>HCO</td>
<td>Human Capital Office</td>
</tr>
<tr>
<td>IRM</td>
<td>Internal Revenue Manual</td>
</tr>
<tr>
<td>IRS</td>
<td>Internal Revenue Service</td>
</tr>
<tr>
<td>OPM</td>
<td>Office of Personnel Management</td>
</tr>
<tr>
<td>TIGTA</td>
<td>Treasury Inspector General for Tax Administration</td>
</tr>
</tbody>
</table>
In Fiscal Year 2010, taxpayers filed over 230 million tax returns that contained sensitive financial information. Because many IRS employees must have access to sensitive taxpayer information to administer the Nation’s tax system, the IRS must be particularly cognizant of hiring only those applicants who hold themselves to the highest standards of integrity. The IRS uses several controls to deter and detect the abuse of sensitive information. Pre-screening applicants and conducting background investigations are the initial steps in the process of ensuring that the IRS meets the highest standards of honesty, integrity, and security.

The IRS must pre-screen all applicants before those applicants are allowed to report for duty. During pre-screening process, the IRS performs the following checks:

- **Fingerprint Check:** Review of Federal Bureau of Investigation (FBI) fingerprint results, along with Optional Form 306, *Declaration for Federal Employment*, is conducted to identify possible suitability issues and mitigate, if appropriate, in the pre-employment phase.

- **Tax Compliance Check:** All applicants are subject to a tax check of the last three tax years. If found non-compliant, they are given 10 days to become compliant in order to be considered for the position for which they have applied.

- **Automated Labor and Employee Relations Tracking System (ALERTS) Checks:** Checks are conducted on all applicants to determine if there are any previous termination actions or other actionable issues that would preclude rehiring an individual (*e.g.*, if they were previously an IRS employee).

- **Citizenship Verification:** Review of documentation to determine whether the applicants are United States citizens.

- **Selective Service Registration Verification:** Verifies that male applicants born after December 31, 1959, are registered with the Selective Service or have obtained waivers of Selective Service registration.

- **E-Verify:** Checks are conducted on applicants to verify their eligibility to legally work in the United States (*e.g.*, a United States citizen or foreign citizen with the necessary authorization).

The goal of the pre-screening process is to determine the applicants’ initial suitability/eligibility as quickly as possible to allow them to report for duty when needed. For those applicants hired for 180 days or more, the IRS initiates a more thorough background investigation, as required by

The Office of Personnel Management’s (OPM) Federal and contract investigators conduct most of the IRS’s investigations. IRS adjudicators use OPM reports to make clearance eligibility decisions. The scope of the OPM investigation varies based on the risks associated with the position applied for by the applicant. Positions classified as low-risk require a National Agency Check and Inquiries; positions classified as moderate-risk require a limited background investigation; and positions classified as high-risk require a full background investigation.

The Human Capital Officer, head of the Human Capital Office (HCO) organization, has the overall responsibility for pre-screening and background investigations. Within the HCO, the Employment, Talent and Security (ETS) Division is the program owner. Employment Operations (EO), which is part of the ETS Division, has nine offices throughout the country and is responsible for conducting preliminary checks on all IRS applicants to determine the initial employment suitability. EO submits background investigation requests to OPM. Personnel Security, also within the ETS Division, is responsible for ensuring background investigations are completed and issues are properly adjudicated.

This review was performed at the IRS’s National Headquarters in Washington, D.C., and at the Austin, Texas; Brookhaven, New York; Fresno, California; and Philadelphia, Pennsylvania campuses during the period of August 2011 through October 2011. We conducted this inspection in accordance with the Council of the Inspectors General for Integrity and Efficiency Quality Standards for Inspections. Detailed information on our objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

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\(^1\) Executive Order 10450, *Security Requirements for Government Employees*, April 27, 1953.


\(^3\) Treasury Security Manual, TDP 15-71, Chapter 1, Section 4.
Results of Review

Controls Designed to Ensure That Applicants Are Suitable for Employment Are in Place

The IRS has implemented controls designed to ensure that applicants pursuing permanent or temporary employment with the IRS are suitable, and background investigation requests are properly initiated when warranted. The IRS established specific pre-screening policies and clearly defined program and stakeholder roles and responsibilities. The pre-screening process allows the IRS to determine applicants’ initial suitability. Applicants will be determined “suitable” once they have passed the following pre-screening steps: fingerprint check, tax check, ALERTS check, citizenship verification, Selective Service registration verification, and E-Verify. These steps allow EO staff to consistently verify that applicants meet not only security requirements but also Federal Government employment conditions.

According to the Internal Revenue Manual (IRM), the IRS’s primary official source of instructions to staff relating to the organization, administration and operations, an OPM background investigation must be initiated for all new IRS employees hired for over 180 days. The IRS must determine the minimum investigative requirements for each employee based on the suitability position risk level, which must be determined in accordance with the duties and responsibilities of the position. Table 1 documents the suitability position risk levels and the corresponding minimum investigative requirements.

<table>
<thead>
<tr>
<th>Suitability Position Risk Level</th>
<th>Minimum Investigative Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-risk</td>
<td>National Agency Check and Inquiries</td>
</tr>
<tr>
<td>Moderate-risk</td>
<td>Minimum Background Investigation/Limited Background Investigation</td>
</tr>
<tr>
<td>High-risk</td>
<td>Background Investigation</td>
</tr>
</tbody>
</table>

Source: Summary based on information included in IRM 10.23.3.4.

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4 IRM 6.671.1.5 (July 1, 2002).
5 IRM 10.23.3.4 (April 17, 2008).
Employment Operations Offices Have Inconsistent Record Retention Practices for Their Pre-Screening Process

We selected a statistical sample of 662 IRS applicants and reviewed the case files for documentation (in paper or electronic form) to verify that EO offices completed all pre-screening steps before the applicants’ enter-on-duty (EOD) date. Nearly 77 percent of the cases that we reviewed (507 of 662 cases) did not have sufficient documentation that could be used to verify the EO offices completed all pre-screening steps before the EOD date. This lack of supporting documentation in the case file does not indicate that EO employees failed to complete pre-screening steps. Likewise, it does not indicate that the IRS hired applicants who were not suitable for employment. However, we could not determine that EO employees completed the pre-screening steps before the applicant’s EOD date in cases that lacked supporting documentation. Table 2 illustrates the inconsistent levels of supporting documentation for each pre-screening step by location.

Table 2: Percentage of Supporting Documentation Found

<table>
<thead>
<tr>
<th>Pre-screening Step</th>
<th>Austin</th>
<th>Brookhaven</th>
<th>Fresno</th>
<th>Philadelphia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fingerprint Check</td>
<td>100%</td>
<td>95%</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>Adjudication Related to Unfavorable Fingerprint Results</td>
<td>18%</td>
<td>25%</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Tax Check</td>
<td>100%</td>
<td>97%</td>
<td>78%</td>
<td>97%</td>
</tr>
<tr>
<td>ALERTS</td>
<td>99%</td>
<td>93%</td>
<td>88%</td>
<td>100%</td>
</tr>
<tr>
<td>Citizenship Check</td>
<td>35%</td>
<td>90%</td>
<td>100%</td>
<td>78%</td>
</tr>
<tr>
<td>Selective Service</td>
<td>92%</td>
<td>100%</td>
<td>95%</td>
<td>100%</td>
</tr>
<tr>
<td>E-Verify</td>
<td>91%</td>
<td>84%</td>
<td>96%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Source: Results from Treasury Inspector General for Tax Administration (TIGTA) Case Review.

According to the Standards for Internal Control in the Federal Government, all transactions and other significant events need to be clearly documented, and the documentation should be accurate and readily available for examination. ETS Division management stated that EO employees and managers could obtain source documentation for each pre-screening step from other sources. Therefore, it is not necessary to maintain supporting documentation in the case files or other files maintained by EO. For example:

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6 The day the applicant first reports for work is the EOD.
• Evidence that an applicant is registered with Selective Service could be obtained from the Selective Service System website (www.sss.gov);

• Evidence that an applicant who was previously employed by the IRS did not have conduct or performance issues that would prohibit re-employment with IRS could be obtained from ALERTS; and

• Evidence that an applicant does not have a criminal history that would prohibit employment with the IRS could be obtained from OPM.

However, providing supporting documentation weeks or months after the applicants are hired would not provide assurance that the pre-screening steps were completed before the applicants’ EOD dates.

EO and ETS Division managers stated that files for each IRS applicant are reviewed during Employment Quality Reviews, and that additional post-EOD sample based periodic Delegated Examining Unit reviews, and Annual Self-Audits provide assurance that pre-screening checks were consistently and properly completed. While our on-site inspections did not include an assessment of these reviews, we did not find any notations in the case files we examined that indicated management reviews were completed to specifically ensure that all pre-screening steps were completed. Furthermore, the person reviewing the cases files would have to duplicate work previously performed to verify that the person hired did not have eligibility or suitability issues that could prohibit employment with the IRS.

ETS Division management noted there are no guidelines that require EO to maintain supporting documentation related to these pre-screening steps. Based on our review of various IRM sections, OPM guidance and interviews with employees in the ETS Division and EO, we agree with this conclusion, with the exception of fingerprint checks that require adjudication. This does not, however, prevent the ETS Division from developing retention policies specifically related to pre-screening steps. We found that each EO office had its own record retention practices for pre-screening steps, which contributed to the variations in the level of supporting documentation at each location.

**Fingerprint Checks and Adjudication**

The IRS must fingerprint all applicants and submit the fingerprints to the OPM. The OPM conducts a search of the FBI criminal history records for a fee, and returns the fingerprint results for each applicant to the IRS.⁸ EO employees confirm favorable fingerprint results and must adjudicate unfavorable fingerprint results to determine whether the applicants are suitable for the positions for which they are being considered. In any case where the OPM identifies a suitability

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or security issue for an applicant, the IRS must maintain all documentation in accordance with OPM guidelines.\(^9\)

In order to verify that the IRS obtained and reviewed fingerprint results and adjudicated any suitability and security issues before the EOD date, we requested the following information:

- The criminal investigation reports dated on or before the EOD dates for 662 applicants, and
- Evidence that the IRS adjudicated the suitability and security issues reported for 70 applicants included in our sample.

Of the 662 cases reviewed, 252 cases (38 percent) did not have the necessary documentation that we requested to verify that the IRS received and reviewed the results of fingerprint checks before each applicant’s EOD date. Additionally, the fingerprint results for 70 of 662 applicants included in our sample contained unfavorable information (suitability issues) that required adjudication by IRS officials. Approximately 79 percent of the sample items that required adjudication (55 of 70 cases) did not have documentation to support the basis for the adjudication decision and the rationale for granting employment suitability to those applicants. Table 3 summarizes the results of our testing related to fingerprint checks and the adjudication of unfavorable results.

\textbf{Table 3: Availability of Documentation for Fingerprint Checks and Adjudications}

<table>
<thead>
<tr>
<th>Location</th>
<th>Sample Size</th>
<th>No Support for Fingerprint Checks</th>
<th>Cases with Unfavorable Fingerprint Results</th>
<th>Lack of Adjudication Support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent</td>
<td>Count</td>
<td>Percent</td>
</tr>
<tr>
<td>Austin</td>
<td>174</td>
<td>0</td>
<td>0%</td>
<td>34</td>
</tr>
<tr>
<td>Brookhaven</td>
<td>158</td>
<td>8</td>
<td>5%</td>
<td>12</td>
</tr>
<tr>
<td>Fresno</td>
<td>172</td>
<td>131</td>
<td>76%</td>
<td>17</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>158</td>
<td>113</td>
<td>72%</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>662</td>
<td>252</td>
<td>38%</td>
<td>70</td>
</tr>
</tbody>
</table>

\textit{Source: Results from TIGTA Case Review.}

The table above illustrates the inconsistent documentation retention procedures followed by the EO offices we reviewed. EO employees in the Austin and Brookhaven offices maintained fingerprint results in 100 percent and 95 percent of the cases, respectively. Whereas, the EO

employees in the Fresno and Philadelphia offices maintained fingerprint results in 76 percent and 72 percent of the cases, respectively. EO employees in the Fresno and Philadelphia offices initially stated they routinely destroy the fingerprint results and the associated adjudication actions in all cases where full background investigations are completed for the employees. However, ETS Division managers we interviewed stated the IRS does not have such a policy.

**Selective Service Checks**

Selective Service is required only for male applicants born after December 31, 1959. Of the 662 cases reviewed, 206 applicants required the Selective Service check. We requested documentation to verify that EO employees completed the Selective Service check before the applicant’s EOD date. To verify the check was completed before the EOD date, EO employees normally provided a screen print from the Selective Service System website that was obtained when the check was performed. We also accepted Form 13294, *Applicant’s Statement for Selective Service Registration Status*, or other documentation as support in cases where there was evidence that an EO employee verified the Selective Service status of the applicant before the EOD date.

Six of the 206 cases that we reviewed did not have documentation requested to show that this check was completed before the EOD date (see Table 4).

**Table 4: Availability of Documentation for Selective Service Check**

<table>
<thead>
<tr>
<th>Location</th>
<th>Cases Requiring Selective Service Checks</th>
<th>Cases with a Lack of Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent</td>
</tr>
<tr>
<td>Austin</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Brookhaven</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Fresno</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Philadelphia</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Results from TIGTA Case Review.*

**ALERTS Checks**

All offices that administer external hiring must conduct a mandatory ALERTS check on all qualified external applicants. The IRS searches for records in ALERTS to determine whether the applicant had a conduct or performance case within the last six years that would classify the applicant as unsuitable.
The records of the ALERTS check actions taken by the EO branch offices are not maintained in any systematic method that would allow for easy retrieval and examination. Typically, EO employees compile lists of the Social Security Numbers of all applicants without names, and send these lists to the Headquarters Labor Relations Office by e-mail for matching against the Labor Relations database. Some of these ALERTS lists were electronically named based on the job announcement number, while other lists were named by the dates when the lists were compiled. In addition, the majority of these lists are stored in the e-mail boxes or computers of the individual staff members who compiled the lists. There was no simple way to retrieve the ALERTS check action by the specific names and Social Security Numbers included in our sample. Due to the labor intensive and time consuming process of finding and retrieving this information, we did not verify ALERTS check for the selected sample of 662 cases. Instead, we randomly selected 120 cases (30 from each location) for the ALERTS verification. We found that the IRS could not provide documentation we requested to verify that ALERTS checks were completed for about 28 percent of the cases reviewed (33 of 120 cases). Table 5 summarizes the results of testing related to ALERTS checks.

### Table 5: Availability of Documentation for ALERTS Checks

<table>
<thead>
<tr>
<th>Location</th>
<th>Sample Size</th>
<th>Missing ALERTS Check</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>30</td>
<td></td>
<td>2</td>
<td>7%</td>
</tr>
<tr>
<td>Brookhaven</td>
<td>30</td>
<td></td>
<td>11</td>
<td>37%</td>
</tr>
<tr>
<td>Fresno</td>
<td>30</td>
<td></td>
<td>20</td>
<td>67%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>30</td>
<td></td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td></td>
<td><strong>33</strong></td>
<td><strong>28%</strong></td>
</tr>
</tbody>
</table>

*Source: Results from TIGTA Case Review.*

**Tax Check, Citizenship, and E-Verify**

The IRS requires a tax compliance check, U.S. citizenship check, and E-verify check for all employees. We accepted the following types of documentation as evidence that the pre-screening steps were completed before the EOD date.

- **Tax Compliance Check:** Completed Form 13362, *Consent to Disclosure of Return Information*, dated on or before the EOD date, and evidence that the applicant resolved any open issues.
- **Citizenship Check:** Information listed on the Form I-9, *Employment Eligibility*
Verification, OPM Case Closing Transmittal (FBI fingerprint check), or a dated screen print from the E-Verify website that documents the applicant is a U.S. citizen.

- **E-Verify**: A dated screen print from the E-Verify website or written evidence of the E-Verify action that documents the applicant is eligible to legally work in the United States (e.g., a United States citizen or foreign citizens with the necessary authorization).

Table 6 summarizes the results of testing related to these pre-screening steps.

<table>
<thead>
<tr>
<th>Location</th>
<th>Sample Size</th>
<th>Missing Support For</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tax Check</td>
</tr>
<tr>
<td>Austin</td>
<td>174</td>
<td>0</td>
</tr>
<tr>
<td>Brookhaven</td>
<td>158</td>
<td>4</td>
</tr>
<tr>
<td>Fresno</td>
<td>172</td>
<td>38</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>158</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>662</strong></td>
<td><strong>47</strong></td>
</tr>
</tbody>
</table>

*Source: Results from TIGTA Case Review.*

Nearly 65 percent of the cases in the Austin EO office did not have documentation related to citizenship checks. Austin EO employees informed us that they do not routinely maintain copies of the documents used to check citizenship because they send such documentation to the St. Louis, Missouri office for inclusion in the employees’ official personnel folders.

**Recommendation**

**Recommendation 1**: We recommend that the Human Capital Officer develop requirements and retention policies to ensure that pre-screening actions are consistently completed and fully documented.

**Management’s Response**: Management believes they can fully implement the recommendation, and plans to primarily use electronic files (CareerConnector Companion and the Automated Background Investigation System) to record and verify the completion of pre-screening steps. Additionally, management issued guidance related to record retention policies for pre-screening actions and plans to enhance the CareerConnector Companion to improve record-keeping and monitoring capabilities.
Background Investigations Were Usually Initiated Timely

For positions that last more than 180 days, the IRS established a standard that background investigations be initiated at least five days before the new employee’s EOD date. If the background investigations are not completed by the EOD date, interim credentials can be issued and the new employees can report for duty based on the FBI fingerprint check.\(^{10}\) However, due to a number of employees not showing up for first day’s orientation or declining jobs at the last minute, EO offices sometimes do not initiate the background investigation requests until the employee reports for duty.

For the 387 applicants whose positions were expected to last more than 180 days, the EO initiated the appropriate type of investigations. In 93.5 percent of the cases, the appropriate type of investigation was requested before or on the EOD date. However, we found that EO met the requirement to initiate the investigations at least five days before the EOD date in 69 percent of the cases (267 of 387). In addition, 24.5 percent (95 of 387 investigations) were initiated between four days before the EOD date and the actual EOD date. We found some indication that the required FBI fingerprint checks were completed for all 387 employees before the EOD dates.

\(^{10}\) IRS HSPD-12 PIV I Procedures Manual Version 1.0 (October 27, 2005).
Appendix I

**Detailed Objective, Scope, and Methodology**

Our overall objective was to determine if the IRS properly and timely pre-screens employees before they are hired. To accomplish this objective TIGTA:

I. Determined whether adequate controls are in place to ensure that employees are properly and timely pre-screened.
   
   A. Interviewed the HCO key personnel to identify the procedures required for processing new hires and the criteria required to determine suitability of an individual for employment.
   
   B. Reviewed the following guidelines to determine whether adequate policies and procedures are in place: the IRM\(^1\); the OPM’s Suitability Guidelines\(^2\) for employment determination criteria and adjudication factors; Executive Order 10450, *Security Requirements for Government Employment*;\(^3\) Homeland Security Presidential Directive 12 (HSPD-12);\(^4\) and Treasury Department Manual, TDP 15-71\(^5\) requirements on Federal employees screening.

II. Conducted inspections at four EO offices and verified whether the pre-screening checks were completed and background investigations were initiated when warranted, for a sample of 662 applicants. This sample was statistically selected at each location selected for testing based on a 95 percent confidence level and confidence interval (precision) of plus or minus two. Our sample sizes are follows: Austin – 174; Brookhaven – 158; Fresno – 172; and, Philadelphia – 158.

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1 The IRM is the IRS’s primary official source of instructions to staff relating to the administration and operations of the IRS. It contains the directions employees need to carry out their operational responsibilities.
2 OPM Suitability Processing Handbook (September 2008).
Inspection of the Employee Pre-Screening Process

Appendix II

Major Contributors to This Report

Kevin P. Riley, Director
James A. Douglas, Supervisory Evaluator
Jacqueline Nguyen, Lead Auditor
John DaCruz, Program Analyst
Appendix III

Report Distribution List

Commissioner  C
Office of the Commissioner – Attn: Chief of Staff  C
Deputy Commissioner for Operations Support  OS
Human Capital Officer  HCO
Director, Employment, Talent and Security  OS:HC:ETS
Chief Counsel  CC
National Taxpayer Advocate  TA
Director, Office of Legislative Affairs  CL:LA
Director, Office of Program Evaluation and Risk Analysis  RAS:O
Office of Internal Control  OS:CFO:CPIC:IC
Audit Liaison: IRS Human Capital Officer  OS:HC
February 6, 2012

MEMORANDUM FOR R. DAVID HOLMGREN
DEPUTY INSPECTOR GENERAL FOR INSPECTIONS AND EVALUATIONS

FROM: Debra Chew
IRS Human Capital Officer

SUBJECT: Draft Inspection Report – Inspection of the Employee Pre-Screening Process (# IE-11-005)

Thank you for the opportunity to provide comments on the draft report. We remain committed to ensuring the employee pre-screening process is properly administered in a timely manner, and we appreciate the opportunity to further clarify our processes.

After a careful review of the report and its findings, we believe we can fully implement the recommendation to develop requirements and retention policies that ensure pre-screening actions are completed and fully documented in a consistent manner. The Human Capital Office issued additional policy guidance on December 19, 2011, that requires staff to maintain a paper copy of the Optional Form 306, Declaration for Federal Employment, and maintain the fingerprints results in ABIS. All other checks will be documented in CareerConnector Companion (C-Comp). In addition, HCO recently requested enhancements to C-Comp, including converting the program to a web-based application, which will better support our record-keeping activities and facilitate corporate-wide monitoring. Quality Review Checklists will also be enhanced. As an interim measure, verification of C-Comp entries will be made by front-line managers each pay period prior to new hires’ entry on duty date.

Attached is a detailed response to your recommendation. Again, I thank you for the opportunity to comment on the draft report. If you have any questions or would like to meet to discuss our response, please contact Rayroma Stickell, Director, Employment, Talent and Security Division, at (202) 622-7011.

Attachment
Recommendation 1: We recommend that the Human Capital Officer develop requirements and retention policies to ensure pre-screening actions are consistently completed and fully documented.

Corrective Action: The IRS Human Capital Officer (HCO) will develop requirements and retention policies that ensure pre-screening actions are completed and fully documented in a consistent manner. The Human Capital Office has already issued policy guidance effective December 19, 2011, that requires staff to maintain a paper copy of the Optional Form 306, Declaration for Federal Employment, and maintain the fingerprints results in ABIS. The same guidance requires all other pre-screening checks to be documented in CareerConnector Companion (C-Comp). In addition, HCO requested enhancements to C-Comp, including converting the program to a web-based application, which will better support our record-keeping activities and facilitate corporate-wide monitoring. Quality Review Checklists will also be enhanced. As an interim measure, verification of C-Comp entries will be made by front-line managers each pay period prior to new hires’ entry on duty date.

Implementation Date: March 12, 2012

Responsible Official: IRS Human Capital Officer

CORRECTIVE ACTION(S) MONITORING PLAN: This corrective action will be monitored on e-trak.