

**Treasury Inspector General for Tax Administration  
Office of Inspections and Evaluations  
Fiscal Year 2019 Plan**



**October 2018**

### **TIGTA's Vision**

*Maintain highly skilled, proactive, and diverse Inspector General organization dedicated to working in a collaborative environment with key stakeholders to foster and promote fair tax administration.*

### **TIGTA's Mission**

*Provide quality, professional audit, investigative, and inspection and evaluation services that promote integrity, economy, and efficiency in the administration of the Nation's tax system.*

### **TIGTA's Core Values**

***Integrity*** – *Maintain the highest professional standards of integrity, personal responsibility, independence, objectivity, and operational excellence in pursuit of TIGTA's mission.*

***Organizational Innovation*** – *Pursue innovative practices in organizational structure; operational programs and processes; audit, investigative, and inspection and evaluation methodologies; and the application of advanced information technology.*

***Communication*** – *Achieve effective organizational approaches and solutions by encouraging open, honest, and respectful communication among TIGTA's executives, employees, offices, and functions as well as between TIGTA and its external stakeholders.*

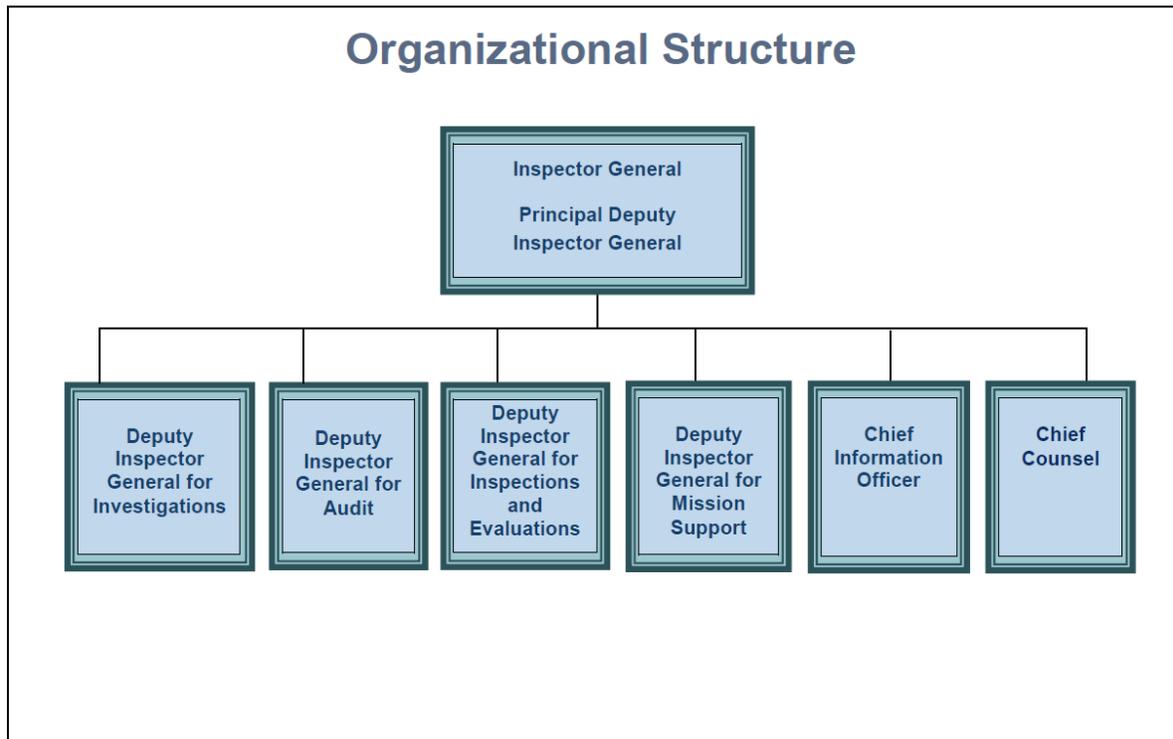
***Value Employees*** – *Respect the dignity, contributions, and work-life balance of our employees and recognize diversity as fundamental to the strength of our organization.*

***Commitment to Community*** – *Establish and maintain collaborative and professional relationships with other Government and non-Government stakeholders.*

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## Overview

The Treasury Inspector General for Tax Administration (TIGTA) provides independent oversight of Department of the Treasury matters involving Internal Revenue Service (IRS) programs and operations and the IRS Office of Chief Counsel. Although TIGTA is placed organizationally within the Department of the Treasury and reports to the Secretary of the Treasury and to Congress, TIGTA functions independently from all other offices and bureaus within the Department.



## Office of Inspections and Evaluations

TIGTA's Office of Inspections and Evaluations (I&E) identifies opportunities for improvement in IRS and TIGTA programs by performing inspections and evaluations that report timely, useful, and reliable information to decision makers and stakeholders.

I&E's senior executive and staff engage in an ongoing process to assess the emerging issues likely to affect tax administration. This involves discussions with IRS executives, members of Congress and their staffs, and Department of the Treasury staff. Additionally, I&E staff coordinate their planned activities with TIGTA's Office of Audit and Office of Investigations.

If the Deputy Inspector General, I&E, determines there is a need to respond to priority emerging issues, some of the projects listed may be deferred to a later date or cancelled.

## Carried Over Reviews:

### **Virtual Service Delivery**

Since 2012, the IRS has expanded the use of virtual services to allow IRS employees to help taxpayers through a virtual video connection when actual face-to-face contact is not possible. Currently, three IRS divisions use virtual service delivery to interact with taxpayers: Field Assistance within the Wage and Investment Division, the Office of Appeals, and the Taxpayer Advocate Service. The objective of this evaluation is to assess the IRS's strategy for providing virtual services to taxpayers, results to date, and plans for expansion, including the use of new technology. (IE-18-002)

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### **Offer in Compromise Follow-Up**

The overall objective of this evaluation is to determine whether the IRS's offer in compromise public inspection files are complete and properly redacted and to identify any changes in taxpayer experience when viewing public inspection files. (IE-18-003)

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### **IRS Facility Security Inspection**

The IRS staffs over 500 facilities with varying security requirements. TIGTA will conduct on-site physical security inspections of a limited number of IRS facilities to determine whether physical security controls are in place to detect and deter unauthorized entry and determine their compliance with security policies and procedures established in the Internal Revenue Manual and by the Interagency Security Committee. (IE-18-005)

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### **Accuracy of Information Reporting (1099-MISC) by Federal Agencies**

The Form 1099-MISC, *Miscellaneous Income*, is an information return used by Federal entities to account for reportable payments of \$600 or more. Reportable payments can include nonemployee compensation, medical payments, rents, royalties, and proceeds paid to attorneys. These information returns should contain valid Taxpayer Identification Numbers (TIN) so that the IRS can match this information against payee income tax returns to ensure that payees appropriately reported the payments on their returns. Federal agencies are required to withhold a certain percentage of the payment if a payee supplies an inaccurate TIN. The purpose of this evaluation is to determine the effectiveness of the IRS process to notify Federal agencies when missing or invalid payee TINs are submitted on Form 1099-Misc. (IE-18-006)

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### **IRS Employee Sexual Harassment and Sexual Misconduct**

In 1980, the Equal Employment Opportunity Commission issued guidelines declaring sexual harassment a violation of Title VII of the Civil Rights Act of 1964. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to the harassment is required (explicitly or implicitly) as a condition of employment; (2) submission or rejection affects the employee's treatment by the harasser; or (3) the harassment unreasonably interferes with the employee's work performance or creates an intimidating, hostile, or offensive work environment. The objective of this evaluation is to review the process for addressing allegations of sexual harassment and sexual misconduct. (IE-18-008)

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### **IRS Pseudonym Program**

For safety and security purposes, IRS employees can request a pseudonym or fictitious name to use when interacting with taxpayers. The use of pseudonyms was first allowed in 1992 and codified in the IRS Restructuring and Reform Act of 1998. Any IRS employee may use a pseudonym if adequate justification for the use of a pseudonym is provided by the employee and use is approved by the employee's supervisor before the pseudonym is used. The objective of this evaluation is to determine if the program is achieving its stated purpose and to assess the controls over the Pseudonym Program. (IE-18-009)

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## New Starts:

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Start: First Quarter Fiscal Year (FY) 2019

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### **IRS Knowledge Management**

Since 2010, the IRS has lost about 18,000 employees, and at the end of FY 2017, it employed around 76,000 people. The objective of the evaluation will be to determine whether the IRS is sufficiently implementing a knowledge management and retention program to mitigate the risks caused by the substantial loss of employees with significant institutional knowledge. (TBD)

Start: First Quarter FY 2019

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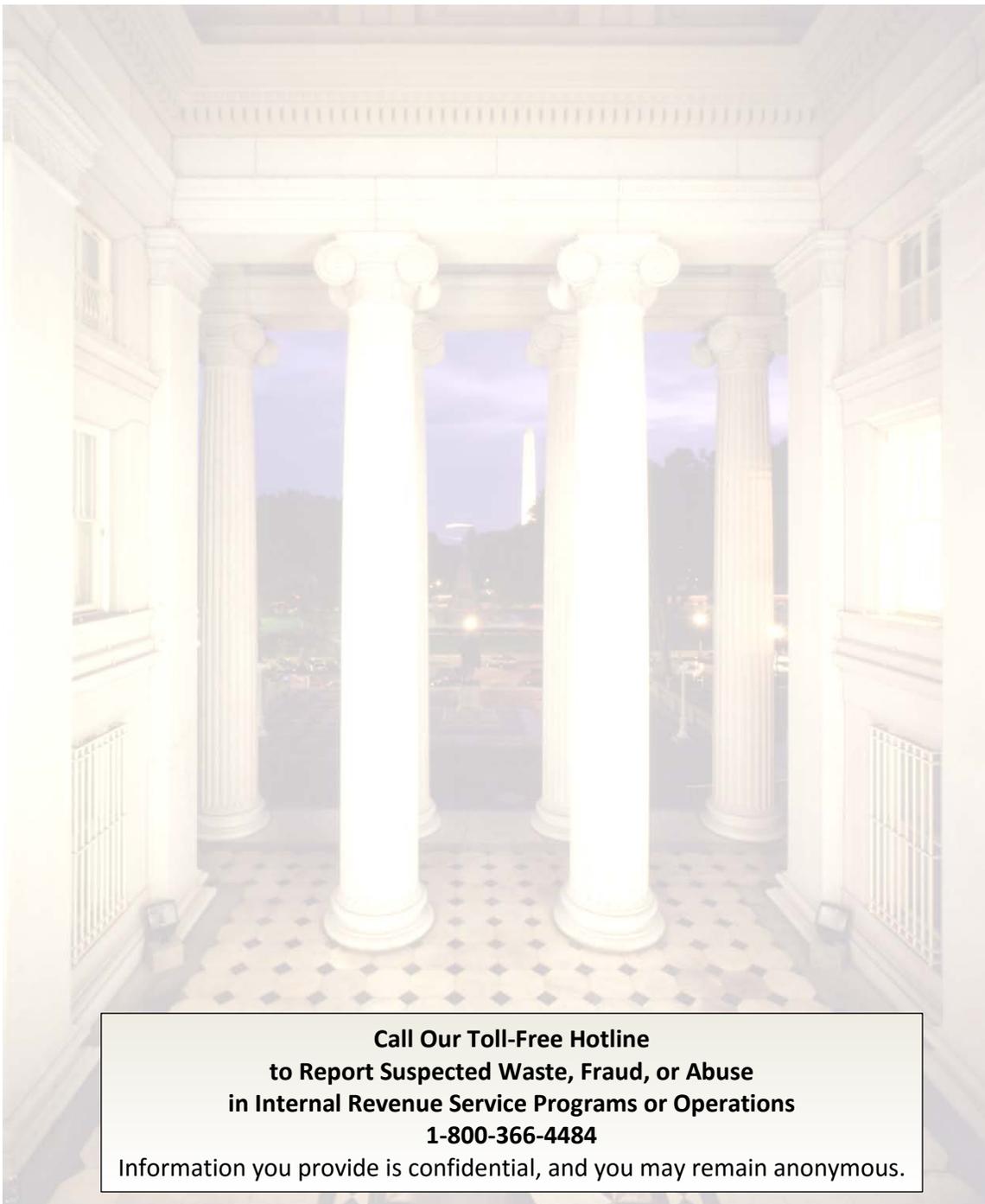
### **Cash Payments at IRS Facilities**

In April 2016, the IRS announced a new payment option for individual taxpayers who need to pay their taxes with cash. The IRS has partnered with a private company to enable individuals who do not have a bank account or a credit card to pay their taxes in cash at certain convenience stores. According to the IRS, over 7,000 convenience stores in 34 states participate in the program. In the past, taxpayers who wanted to make a cash payment could visit a Taxpayer Assistance Center. However, some centers no longer accept cash payments. To use the new option, taxpayers must go through a multistep process that converts cash payments into electronic transactions. According to the IRS, payments should be applied to the taxpayer's account within two business days. The overall objective is to evaluate the extent of taxpayer use of this payment option and the effectiveness of the IRS's policies and procedures for accepting cash payments at select locations. (TBD)

Start: Third Quarter FY 2019

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