

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Assessment of the Effects of the Coronavirus Pandemic on Customer Service Operations

April 22, 2021

Report Number: 2021-46-029

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.

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Why TIGTA Did This Audit

This audit was initiated to provide selected information related to the impact of the Coronavirus Disease 2019 (COVID-19) on the IRS's Customer Service operations. The overall objective of this review was to assess the impact of COVID-19 on IRS customer service operations and evaluate the development of the IRS's comprehensive customer service strategy.

Impact on Taxpayers

The IRS took unprecedented and drastic actions in response to the COVID-19 pandemic to protect the health and safety of its employees and taxpayers during the 2020 Filing Season. These actions included closing most customer service channels available to taxpayers. As such, the IRS's ability to provide service to taxpayers and other stakeholders seeking assistance from the IRS was significantly hampered and limited.

In addition, the Taxpayer First Act, enacted on July 1, 2019, required the IRS to develop a comprehensive customer service strategy. The IRS was required to provide this strategy to Congress by July 1, 2020. The IRS informed Congress that due to the intense focus and shift in resources in response to COVID-19, the strategy would not be delivered to Congress until December 2020. The IRS delivered the strategy on January 11, 2021.

What TIGTA Found

In an effort to restore service to taxpayers as quickly as possible, the IRS accelerated the implementation of several customer service options it had been testing and expanded the use of existing technologies and capabilities. However, the IRS's ability to assist taxpayers continues to be affected by COVID-19.

As of March 31, 2020, the IRS shutdown 81 (93 percent) of its 87 toll-free telephone lines because all call center locations were closed. The IRS had reopened 78 of the 81 toll-free telephone lines as of September 30, 2020, and all but one of the previously closed lines were open as of November 5, 2020. The IRS reported a 51.1 percent Level of Service as of September 25, 2020, with an average speed of answer of 18 minutes.

The IRS worked with a third-party contractor to establish a dedicated toll-free telephone line to assist taxpayers with general questions about their Economic Impact Payment. As of November 28, 2020, this line received nearly 24.6 million calls. The IRS also established a dedicated e-mail address to receive Economic Impact Payment inquiries from congressional staffers. The IRS estimates it received 127,050 inquiries to this electronic mailbox as of November 27, 2020.

The IRS closed all 358 Taxpayer Assistance Centers (TAC) in March 2020. As of November 16, 2020, 95 of the TACs remained closed due to staffing issues, many of which were related to COVID-19. The IRS is limiting the services it provides at its TACs to reduce the risk of exposure to COVID-19 for its employees and taxpayers. The IRS is testing a virtual service option that will enable it to provide virtual face-to-face assistance to taxpayers from anywhere. However, continued expansion of the test is needed to provide taxpayers better access to face-to-face assistance.

As of March 31, 2020, there was a 91.1 percent decrease in the number of open volunteer tax preparation sites compared to Fiscal Year 2019. TIGTA's analysis of taxpayers who used volunteer preparation services to file a Tax Year 2018 return in Calendar Year 2019 identified that 555,689 of the taxpayers had not filed a Tax Year 2019 return as of October 22, 2020. As of February 15, 2021, the IRS reports 8,369 sites were opened or planned to open, which is significantly fewer than the prior year.

Finally, our assessment of the IRS's comprehensive customer service strategy found that the strategy met the legislative requirements of the Taxpayer First Act, with the exception of the reporting date to Congress.

What TIGTA Recommended

TIGTA made four recommendations to the IRS to further improve its ability to assist taxpayers during the 2021 Filing Season.

IRS management agreed with three of the four recommendations. Management indicated that they do not plan to offer tax return preparation services at TACs during the 2021 Filing Season, as most taxpayers seek assistance from other sources.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

April 22, 2021

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

A handwritten signature in blue ink that reads "Michael E. McKenney".

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Assessment of the Effects of the Coronavirus
Pandemic on Customer Service Operations (Audit # 202040635)

This report presents the results of our review to assess the impact of the COVID-19 pandemic on Internal Revenue Service (IRS) customer service operations and evaluate the development of the IRS's comprehensive customer service strategy. This review was part of our Fiscal Year 2020 discretionary audit coverage and addresses the major management and performance challenge of *Addressing Emerging Threats to Tax Administration*.

Management's complete response to the draft report is included as Appendix III.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. If you have any questions, please contact me or Russell P. Martin, Assistant Inspector General for Audit (Returns Processing and Account Services).

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Background

In response to the Coronavirus Disease 2019 (COVID-19) pandemic, the Internal Revenue Service (IRS) took unprecedented and drastic actions to protect the health and safety of its employees and taxpayers during the 2020 Filing Season.¹ These actions included closing most customer service channels with the exception of services offered online through IRS.gov. For example, the following key IRS customer service channels were closed in response to the pandemic:

- **Toll-Free Telephone Service** – The IRS offers 87 toll-free telephone lines that taxpayers can use to contact the IRS.² Services provided by assistors on these lines include answering tax law and tax account questions, requesting tax account transcripts, and setting up appointments for face-to-face assistance.
- **Face-to-Face Assistance** – The IRS provides face-to-face assistance to taxpayers in person at 358 Taxpayer Assistance Centers (TAC), which include six co-located sites in Social Security Administration (SSA) offices.³ In addition, there are 30 Virtual Service Delivery (VSD) sites. Taxpayers generally must schedule an appointment to meet with an IRS assistor face-to-face. Additional face-to-face assistance is offered via the IRS's Volunteer Income Tax Assistance (VITA) and the Tax Counseling for the Elderly (TCE) programs. These sites assist qualifying taxpayers with free return preparation services. Generally, qualifying taxpayers are those who make \$56,000 or less, persons with disabilities, limited English-speaking taxpayers, or those age 60 or older.
- **Addressing/Resolving Taxpayer Correspondence** – The IRS addresses or responds to written communications from a taxpayer or taxpayer's representative (*e.g.*, requests for information, responses to notices and letters). This is typically handled by the IRS's Accounts Management function.
- **Printing and Mailing Correspondence to Taxpayers** – The IRS prints and mails the majority of the correspondence it sends to taxpayers from two centralized sites located in Detroit, Michigan, and Ogden, Utah. These operations are referred to as Correspondence Production Services (CPS). Correspondence generated and mailed to taxpayers includes notices to alert taxpayers of error conditions identified during processing, the need to authenticate their return as it has been held as potentially fraudulent, as well as notices and letters required to be issued by law.

¹ See Appendix IV for a glossary of terms.

² The IRS operates 100 toll-free telephone lines, 87 of which were available to taxpayers for use in contacting the IRS as of March 25, 2020. On June 30, 2020, we reported [Treasury Inspector General for Tax Administration, Ref. No. 2020-46-041, Interim Results of the 2020 Filing Season: Effect of COVID-19 Shutdown on Tax Processing and Customer Service Operations and Assessment of Efforts to Implement Legislative Provisions (June 2020)] that according to the IRS, it had 105 taxpayer facing toll-free telephone lines. The IRS subsequently stated that it operated only 87 taxpayer facing toll-free telephone lines as of March 25, 2020.

³ The IRS places employees at SSA offices. Services are limited at these locations. For example, no cash payments are accepted and there are no Individual Taxpayer Identification Number authentication services.

- **Distribution of Tax Products** – The IRS’s National Distribution Center (NDC) provides printing and distribution services of IRS forms, publications, *etc.* for both the IRS and external stakeholders. Figure 1 provides a list of NDC stakeholders.

Figure 1: Primary Users of NDC Services

User	Description of Supplies Provided
Taxpayer	Supplies individuals with tax-related materials for personal use.
Tax Professional	A person or firm that prepares tax returns for compensation or orders products to meet tax reporting requirements.
Tax Forms Outlet Program	Supplies post offices, libraries, and other outlets with tax materials for distribution to the public.
TAC	Supplies TACs with products for distribution to the public.
VITA	Supplies VITA sites with tax training products, instructions, and publications.
International Program	Supplies American embassies with tax forms to meet the needs of Americans overseas.
Employer	Supplies businesses with employment tax products for employee and company use.
IRS	Supplies packages of tax products for conferences administered by IRS employees, <i>etc.</i>
Other Government Agencies	Supplies other Federal, State, and local agencies with tax materials to act as a third-party distributor or meet its tax reporting requirements.

Source: *Internal Revenue Manual 1.18.5.*

Development of required comprehensive customer service strategy

The *Taxpayer First Act* (TFA or the Act),⁴ enacted on July 1, 2019, requires the IRS to develop three customer-focused strategies – a comprehensive customer service strategy, a plan to modernize the IRS’s organizational structure, and a comprehensive training plan for IRS employees. The Act requires the customer service strategy (referred to by the IRS as the Taxpayer Experience Strategy) to include:

- A plan to provide secure assistance to taxpayers that meets reasonable expectations and adopts appropriate best practices of customer service.
- A thorough assessment of the services the IRS can co-locate with other Federal services or offer as self-service options.
- Proposals for improved customer service in the short term (current and following fiscal year), medium term (approximately three to five fiscal years), and long term (approximately 10 fiscal years).
- Plans to update guidance and training material for customer service employees.
- Metrics and benchmarks to quantitatively measure progress.

⁴ Pub. L. No. 116-25, 133 Stat. 981 (2019).

The IRS was required to provide the Taxpayer Experience Strategy to Congress by July 1, 2020. On April 17, 2020, the IRS informed Congress that due to its intense focus and shift in resources in response to COVID-19, the IRS planned to submit the Taxpayer Experience Strategy to Congress in December 2020. The IRS delivered the Strategy to Congress on January 11, 2021.

Results of Review

This report presents the results of our continued assessment of the IRS’s response to the COVID-19 pandemic, including the IRS’s requirement to develop a comprehensive customer service strategy. The information is provided as of the date in which our audit testing was completed. If we were able to get more updated information prior to the issuance of our report, we noted this and added the most up-to-date information. We plan to continue to assess the IRS’s ability to provide quality customer service and will include additional updated results as part of our reporting on the 2021 Filing Season.

In response to the pandemic and State and local restrictions, the IRS began closing its Tax Processing Centers, Campus Support sites, Call Centers, TACs, and other offices nationwide. The IRS directed its employees to evacuate their work sites, and those who were approved to telework started working from home (or an alternate location). Employees who were not yet approved but were able to telework were encouraged to complete training, sign agreements, and obtain the necessary equipment to enable teleworking. Remaining employees were put on weather and safety leave. As such, the IRS’s ability to provide service to taxpayers and other stakeholders seeking assistance from the IRS was significantly hampered and limited. Figure 2 shows a timeline of events that affected key IRS customer service operations during the 2020 Filing Season.

Figure 2: Timeline of Events Affecting IRS Customer Service Operations

Date	Event
March 13, 2020	The President issued a National Emergency declaration, and the IRS Commissioner instructed IRS leadership to begin maximizing telework for eligible employees Service-wide, expanding leave flexibility for employees, reducing in-person contacts, and implementing travel restrictions.
March 20, 2020	The IRS closed its Tax Processing Center ⁵ in Fresno, California, and Campus Support Site ⁶ in Philadelphia, Pennsylvania, due to State and local restrictions. These locations are responsible for processing tax returns and incoming correspondence from taxpayers. The IRS continued to shut down these locations through April 6, 2020. The IRS also closed all TACs.
March 21, 2020	The IRS closed the NDC in Bloomington, Illinois.

⁵ The IRS has four Tax Processing Centers in Fresno, California; Kansas City, Missouri; Austin, Texas; and Ogden, Utah.

⁶ The IRS has six Campus Support sites in Chamblee, Georgia; Florence, Kentucky; Andover, Massachusetts; Holtsville, New York; Philadelphia, Pennsylvania; and Memphis, Tennessee.

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Date	Event
March 25, 2020	The IRS closed its Tax Processing Centers in Kansas City, Missouri, and Austin, Texas. In addition, as of this date, the IRS had closed 20 of its 25 toll-free telephone call sites. As a result, the IRS stopped taking calls on 78 of its 87 toll-free telephone lines. The IRS closed its CPS site in Detroit, Michigan.
March 27, 2020	The President signed the <i>Coronavirus Aid, Relief, and Economic Security Act</i> , ⁷ which includes a refundable tax credit for Tax Year 2020 of up to \$1,200 for qualified individuals (\$2,400 for married couples). The IRS was required to make advance payments of the credit by December 31, 2020.
March 30, 2020	The IRS closed its sixth and final Campus Support Site in Atlanta, Georgia.
March 31, 2020	<p>The IRS opened a toll-free telephone COVID-19 hotline to contact the Office of Counsel. The IRS subsequently opened two additional toll-free telephone lines to answer questions regarding the Economic Impact Payment (EIP) and the Form 7200, <i>Advance Payment of Employer Credits Due to COVID-19</i>.</p> <p>There were 820 open VITA and TCE sites. This was a 91.1 percent decrease compared to a similar period in Fiscal Year 2019.</p>
April 6, 2020	The IRS closed its fourth and final Tax Processing Center in Ogden, Utah. As of this date, all toll-free telephone call sites were closed.
April 8, 2020	The IRS closed its CPS site in Ogden, Utah, halting the mailing of notices.
April 30, 2020	As of this date, the IRS had 19 toll-free telephone lines open.
June 1, 2020	<p>The IRS began to reopen offices in Kentucky, Texas, and Utah in accordance with State and local guidelines.⁸ This included the:</p> <ul style="list-style-type: none"> • Tax Processing Centers in Austin, Texas, and Ogden, Utah. • Campus Support Site in Florence, Kentucky. • CPS site in Ogden, Utah.
June 15, 2020	<p>The IRS reopened offices in Georgia, Michigan, Missouri, and Tennessee in accordance with State and local guidelines. This included the:</p> <ul style="list-style-type: none"> • Campus Support sites in Chamblee, Georgia, and Memphis, Tennessee. • CPS location in Detroit, Michigan. • Tax Processing Center in Kansas City, Missouri.

⁷ Pub. L. No. 116-136 (2020).

⁸ The IRS did not reopen any TACs to the public in these locations.

Assessment of the Effects of the Coronavirus Pandemic on Customer Service Operations

Date	Event
June 18, 2020	As of this date, nine toll-free telephone call sites and 62 of the 90 (87 original lines plus three additional lines) toll-free telephone lines were open. The remaining 16 call sites and 28 toll-free telephone lines remained closed.
June 29, 2020	The IRS reopened offices in California, Indiana, Ohio, Oregon, and Puerto Rico in accordance with State and local guidelines. This included the Tax Processing Center in Fresno, California. The IRS reopened TACs in Georgia, Kentucky, Michigan, Missouri, Tennessee, Texas, and Utah with limited services by appointment only. Of the 358 TACs, 326 remained closed.
July 13, 2020	The IRS reopened the NDC, the remaining 16 toll-free telephone call sites, and the remaining three Campus Support sites in Andover, Massachusetts; Holtsville, New York; and Philadelphia, Pennsylvania.
July 18, 2020	As of this date, the IRS cleared the CPS backlog of outgoing notices, letters, etc., that were not processed while CPS sites were closed.
July 27, 2020	The IRS reopened 212 of the 358 TACs.
September 30, 2020	As of this date, 121 of the 358 TACs and three of the 90 toll-free telephone lines remained closed. In addition, 171 volunteer tax preparation sites operated by IRS partners were open. This was a 35.2 percent decrease when compared to a similar period in Fiscal Year 2019.
November 5, 2020	As of this date, the IRS had reopened 80 of the 81 previously closed toll-free telephone lines. IRS management had no plans to reopen the remaining line, as this line was inadvertently kept open for the Making Work Pay Credit, which was no longer available after Tax Year 2010.
November 16, 2020	As of this date, the IRS had reopened 263 (73 percent) of its 358 TACs.
December 27, 2020	The President signed the <i>Consolidated Appropriations Act, 2021</i> , ⁹ which includes an additional refundable tax credit for Tax Year 2020 of up to \$600 for qualified individuals (\$1,200 for married couples). The IRS was required to make advance payments of the credit by January 15, 2021.
January 11, 2021	The IRS delivered its comprehensive customer service strategy to Congress.
February 8, 2021	As of this date, the IRS had reopened 285 (80 percent) of its 358 TACs.
February 15, 2021	As of this date, the IRS reports 8,369 VITA and TCE sites opened or planned to open for the 2021 Filing Season.

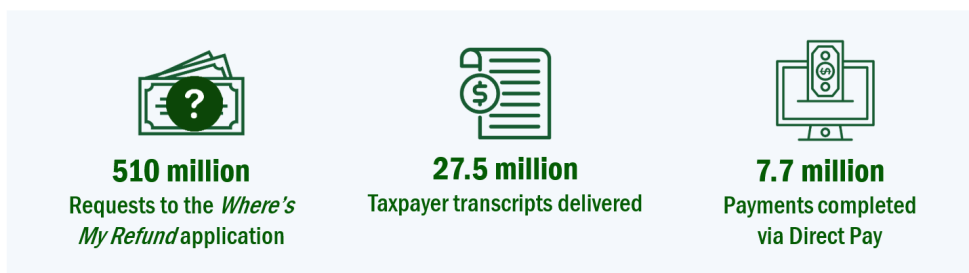
Source: Treasury Inspector General for Tax Administration (TIGTA) summary of information provided by the IRS.

With the majority of the IRS's customer service channels affected by closures, as mentioned previously, the only remaining channel for taxpayers to interact with the IRS was through its online services. To further assist taxpayers during the closure of its customer service operations,

⁹ Pub. L. No. 116-260 (2020).

the IRS developed additional webpages on IRS.gov to provide taxpayers up-to-date information on issues ranging from COVID-19 legislation, the EIP, and the status of IRS operations. Further, the IRS developed two new online tools to assist individuals with obtaining an EIP. The IRS also updated the recorded message on its toll-free telephone lines, including the TAC appointment line, to direct taxpayers to IRS.gov for answers to their most common questions. According to the IRS, the demand for online services increased 146 percent from Fiscal Year 2019 to Fiscal Year 2020. Figure 3 shows some of the online systems that assisted taxpayers during the 2020 Filing Season.

Figure 3: Online Systems Enabled Millions of Transactions During the 2020 Filing Season



Source: Article titled "Inside Operations to Handle COVID and the 2020 Filing Season" on IRS.gov.

The IRS began its phased reopening of offices on June 1, 2020, as State and local restrictions were lifted

As we detailed in Figure 2, the IRS began to reopen offices in Kentucky, Texas, and Utah in accordance with State and local guidelines. All Tax Processing Centers, Campus Support sites, and Call Centers were reopened by July 13, 2020. In an effort to restore service to taxpayers as quickly as possible, the IRS also accelerated the implementation of several customer service options it had been testing and expanded the use of existing technologies and capabilities. For example, the IRS:

- **Significantly increased the number of telephone assistants that telework** – As of March 14, 2020, the IRS reported that only 237 telephone assistants were teleworking. As of September 26, 2020, this number grew to 9,606. To enable a telephone assistant to telework, the IRS had to obtain the necessary equipment and train employees. Employees were also encouraged to complete training and sign telework agreements. The IRS indicated that training can typically be completed in less than a day. However, procuring the necessary equipment and scheduling time for employees to pick up the equipment while being socially distanced was a challenge. We have an ongoing review assessing the IRS's efforts to protect the health and safety of its employees during COVID-19 and plan to issue our report during Calendar Year 2021.¹⁰
- **Identified opportunities to move work to a remote environment** – The IRS evaluated existing workflows to identify opportunities in which inventories could be worked by employees working remotely. For example, IRS management had its TAC employees assist with working cases backlogged in its Accounts Management function while the TACs were closed to the public. This allowed the IRS to continue using available

¹⁰ TIGTA, Audit No. 202010622, *Efforts to Protect the Health and Safety of IRS Employees During COVID-19*.

resources and helped address backlogs in an effort to provide timely assistance to taxpayer account inquiries, *etc.*

- **Expanded Electronic Fax (eFax) capabilities** – This capability enables taxpayers to transmit documents to the IRS that would otherwise have to be mailed. For example, a taxpayer can fax documents and the IRS can then receive the documents without the need for a physical fax machine. Received faxes are electronically routed to an IRS e-mail inbox, with the fax content in a PDF attachment. The IRS was using eFax technology prior to the pandemic. However, in response to the pandemic, the IRS expanded the types of documents taxpayers can provide using eFax, as opposed to mailing to a Tax Processing Center. For example, the IRS allowed taxpayers to submit Form 1139, *Corporation Application for Tentative Refund*, and Form 1045, *Application for Tentative Refund*, through eFax. The IRS also established processes to allow businesses to use eFax to submit Form 7200 to claim the new COVID-related tax credits. Use of eFax allowed the IRS to receive these forms and assign them to be worked by employees who were teleworking.
- **Expanded contact free signature options for taxpayers and tax professionals** – To help taxpayers and tax professionals remotely obtain signatures, the IRS continues to expand the use of digital signatures. Use of digital signatures reduced the need for in-person contact and lessened the risk of exposure to COVID-19 to taxpayers and tax professionals during the pandemic, allowing both groups to work remotely to timely file forms. In August 2020, the IRS announced that it was temporarily allowing the use of digital signatures on certain forms that cannot be electronically filed. The IRS has continued to expand the number of forms that can be submitted with a digital signature.

Although customer service operations have resumed, the IRS's ability to provide adequate assistance to taxpayers continues to be affected by COVID-19. For example, the number of employees who can report to an IRS office is limited due to social distancing requirements. Employees who are exposed to COVID-19 must quarantine, further reducing available staffing. As the IRS prepares for the 2021 Filing Season, the various IRS Customer Service functions are continuing to explore ways to expand the IRS's ability to assist taxpayers amid the lingering COVID-19 threat.

Subsequent to the completion of our audit testing and during the development of our report, we obtained updated information regarding the status of IRS customer service. The information provided by the IRS raises significant concerns about taxpayers' ability to obtain assistance during the 2021 Filing Season. For example, the IRS reports that for the week ending February 6, 2021, 254,379 calls to its toll-free telephone lines were disconnected due to a lack of staff and increased call demands. This is despite the IRS hiring additional toll-free telephone assistants and using contractor support to answer questions about the EIP and Recovery Rebate Credit. In addition, the IRS reported that 73 of the 358 TACs remain closed as of February 8, 2021. The IRS reported that as of February 15, 2021, 8,369 VITA and TCE sites are open or plan to open for the 2021 Filing Season, which is significantly less than the start of the 2020 Filing Season.

We are also concerned that the IRS has not established a strategic approach to prioritize the expansion of existing service options and implementation of new service options to ensure that taxpayers are provided the best possible access to IRS assistance amid the ongoing pandemic.

The following sections provide an overview of the actions taken by the IRS to resume operations of its key customer service channels, the status of the channels as the 2020 Filing Season ends, and the IRS's plans to assist taxpayers during the 2021 Filing Season. In addition, we provide our assessment of the IRS's compliance with the TFA requirement to develop a comprehensive customer service strategy.

We are conducting a separate review of the IRS's efforts during the 2020 Filing Season to continue processing tax returns and identify and resolve potentially fraudulent tax returns during the COVID-19 pandemic. This review will also provide an update on the impact to the 2021 Filing Season. We plan to issue our report in the spring of 2021.

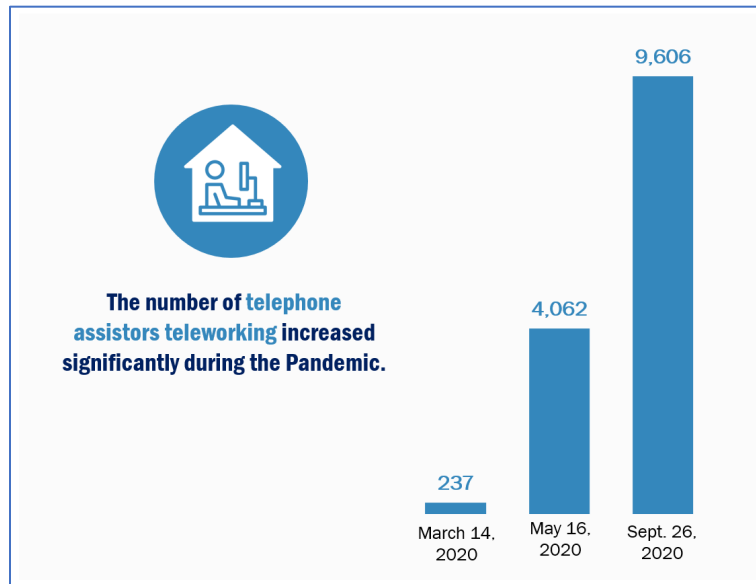
Toll-Free Telephone Service

According to the IRS, there were 87 toll-free telephone lines in operation prior to March 19, 2020. As of March 31, 2020, the IRS shutdown 81 (93 percent)¹¹ of the 87 toll-free telephone lines because call center locations were closed, and most of its telephone assistors were not telework ready. The six lines that remained opened included lines such as the tax fraud referral line that does not offer live assistance. Instead, callers were directed to the referral form online or given the option to request a referral form be mailed to them. In addition to the existing 87 toll-free telephone lines, the IRS opened three additional toll-free telephone lines during the pandemic to assist taxpayers with EIP questions and COVID-19 tax issues.

At the time the IRS closed its call sites, 237 telephone assistors had been approved for telework. On March 13, 2020, the IRS began authorizing the use of emergency telework for its toll-free telephone assistors. The declaration of a national emergency allowed IRS employees who were in positions not deemed telework eligible per the National Treasury Employees Union (NTEU) contract to telework temporarily. The contract provides that, "*The Employer retains the right to take whatever actions may be necessary to carry out the mission during emergencies.*" Figure 4 shows the increase in the number of toll-free telephone assistors who were teleworking during the pandemic.

¹¹ This includes telephone lines that assist taxpayers with tax law questions, requesting transcripts of tax accounts, setting up appointments for face-to-face assistance, and many other services.

Figure 4: Increase in Telephone Assistors Teleworking During the Pandemic



Source: IRS management and Data Collection Instruments reports as of March 14, 2020, May 16, 2020, and September 26, 2020.

Prioritization process used to reopen toll-free telephone lines

IRS management explained that they prioritized the reopening of their toll-free telephone lines based on call demand and their goal to provide a minimal Level of Service. For example, IRS management stated their goal is to provide a 50 percent Level of Service across all toll-free telephone lines for Fiscal Year 2021. As such, the IRS left toll-free telephone lines closed until it could achieve this reasonable Level of Service based upon the staffing available to meet the demand for that toll-free telephone line. Taxpayers calling a closed toll-free telephone number would receive an automated message directing them to other resources, such as IRS.gov.

As of September 30, 2020, the IRS had reopened 78 of the 81 previously closed toll-free telephone lines. These 78 lines were closed for an average of 81 days. As of November 5, 2020, the IRS had reopened 80 (98.8 percent) of the 81 previously closed toll-free telephone lines. IRS management has no plans to reopen the remaining line, as this line was inadvertently kept open for the Making Work Pay Credit, which was no longer available after Tax Year 2010. Although IRS toll-free telephone lines were reopened, taxpayers continued to face increased wait times because the number of available assistors was still below normal levels. Figure 5 shows the decrease in the average Level of Service, average speed of answer, and TIGTA’s Level of Access compared to Calendar Year 2019.

**Figure 5: Comparison of Toll-Free Telephone Performance
Calendar Years 2019 and 2020 (as of September 25, 2020)**

	Sept. 27, 2019	Sept. 25, 2020	Change
IRS's Level of Service	64.1%	51.1%	(13.0%)
IRS's Average Speed of Answer	11 minutes	18 minutes	7 minutes
TIGTA's Level of Access ¹²	53.1%	48.5%	(4.6%)

Source: IRS Executive Level Summary reports and Individual Filing Season reports (as of September 27, 2019, for the 2019 Calendar Year and September 25, 2020, for the 2020 Calendar Year). TIGTA's calculation of Level of Access.

The IRS plans to continue to allow telephone assistors to telework during Fiscal Year 2021. In addition, IRS management increased their Fiscal Year 2021 hiring goal for the Accounts Management function from 3,579 new employees to 5,000 new employees, which included 4,000 toll-free telephone assistors. These additional employees would assist the IRS in meeting its Level of Service goals and reduce the time taxpayers wait to speak to an assistor. However, as of November 23, 2020, IRS management stated that they anticipate being able to hire only 3,089 new employees to answer toll-free telephone calls. IRS management stated that the decrease in planned staffing is due to a lack of anticipated applicants and delays in fingerprinting and processing applicants. As of January 20, 2021, the IRS had hired 2,935 new employees to answer toll-free telephone calls and does not anticipate hiring any additional employees to answer toll-free telephone calls.

In March 2020,¹³ we reported that IRS management had not adequately addressed the increasing risk related to their inability to recruit and retain sufficient personnel needed for its Submission Processing functional areas. We recommended that the IRS develop a long-term recruitment strategy, including developing contingency plans to address hiring shortages. IRS management stated that contingency planning to address hiring shortages is an ongoing effort and will vary by year, depending on internal and external conditions affecting staffing and the overall workforce environment. With the continued concern that the IRS will not meet its hiring goals, a long-term strategy continues to be needed. However, as of December 22, 2020, the IRS still has not developed a formal long-term strategy to mitigate its hiring challenges. We have a review that is currently assessing the IRS's continued consolidation of Tax Processing Centers, which will also follow up on our previous recommendation to implement a long-term recruitment strategy.¹⁴

¹² The Level of Access we computed includes the Accounts Management function's telephone lines. Data were not available for all IRS lines.

¹³ TIGTA, Ref. No. 2020-40-019, *A Strategy Is Needed to Address Hiring Shortages As Efforts Continue to Close Tax Processing Centers* (Mar. 2020).

¹⁴ TIGTA, Audit No. 202140017, *Continued Consolidation of the Tax Processing Centers*.

The IRS established a dedicated toll-free telephone line to assist taxpayers with questions about the EIP

Recognizing that the EIP would affect a large number of taxpayers and the challenges these taxpayers faced as a result of the pandemic, the IRS established a new toll-free telephone EIP line. On May 13, 2020, the IRS awarded a vendor contract to provide assistance with the anticipated demand of EIP telephone inquiries. The contract requires the vendor to hire telephone assistors. These contract assistors screen EIP calls by answering general questions from an IRS script consistent with information contained in the Frequently Asked Questions on the IRS's coronavirus page on IRS.gov (<https://www.irs.gov/coronavirus/economic-impact-payment-information-center>). Taxpayers with questions that require research of their tax account are transferred to the IRS for assistance. On May 18, 2020, the IRS announced that up to 3,500 vendor telephone assistors could be added to answer some of the most common EIP questions.

However, once established, the contractor experienced staffing delays, outages, and technical difficulties that affected availability to taxpayers, as follows:

- Staffing delays – The contractor was required to have 500 work-ready agents available on May 15, 2020. IRS management stated that the contractor did not meet these staff requirements until June 5, 2020. The contractor was also required to have 90 bilingual assistors by May 18, 2020, but did not meet this requirement until June 25, 2020. When asked why the contractor was unable to meet agreed upon staff requirements, IRS management indicated that the short period of time in which the contract was required to have agents available contributed to the delays.
- Technical difficulties – The contractor experienced outages and technical difficulties, which caused poor call quality and prevented taxpayers from reaching an assistor. For example, on June 10, 2020, the contractor was initially notified of audio quality issues. While limiting call volumes partially alleviated the issue, capacity limitations required installation of additional hardware, and the problems were not corrected until June 16, 2020. According to IRS management, the poor call quality was a sporadic issue that occurred when the number of calls exceeded the contractor's capacity. The contractor did not have the technical capacity to handle the total number of incoming calls received on the EIP telephone line until July 9, 2020. Starting on December 30, 2020, the contractor again experienced capacity issues due to the increase in call volumes because of the *Consolidated Appropriations Act, 2021*, enacted on December 27, 2020. This again resulted in audio issues, a brief outage, and the necessity to limit the incoming call volumes.

According to IRS reports, the EIP telephone line received nearly 24.6 million calls as of November 28, 2020. All incoming calls initially receive an automated informational message. Of the total calls received, 13.6 million (55.3 percent) calls were abandoned by the taxpayer before moving into the contract assistors' queue,¹⁵ either because the caller's issue was satisfied by the information provided by the automated message or because the taxpayer grew frustrated and hung up. The remaining 11 million (44.7 percent) calls were added to the contract assistors' queue. Figure 6 shows the results of the 11 million calls added to the contractor's queue.

¹⁵ The contract assistor's queue is the waiting line to reach a contract assistor.

Figure 6: Results of the 11 Million Taxpayer Calls in the Contractor's Queue



Source: EIP vendor reports and the IRS's Snapshot telephone reports for the weeks ending May 23, 2020, through November 28, 2020.

The vendor contract was set to expire on November 12, 2020. However, the IRS had the option to extend the contract monthly, for six additional months, without re-bidding the contract. IRS management has extended the contract through at least February 12, 2021, due to legislation providing additional stimulus payments and increased call volumes. IRS management will continue to assess the contract extensions monthly, through May 12, 2021, at which time re-bidding the contract will be necessary, if contract services continue to be needed. IRS management believes the vendor can assist individuals with questions about the process to reconcile the EIP on their Tax Year 2020 tax returns. In general, individuals who received an EIP must reconcile the amount received with the allowable Recovery Rebate Credit when they file their Tax Year 2020 tax returns. Eligible individuals who did not receive an EIP or received less credit than they are entitled will receive the additional credit when they file their Tax Year 2020 tax returns. IRS management stated that they believe contract assistors can help individuals with the reconciliation process by leading them to sources such as prior notices, their bank accounts, *etc.*, to determine how much EIP they received.

IRS management stated that they plan to continue to provide a dedicated EIP toll-free telephone line for the 2021 Filing Season. The IRS's goal is to provide a 55 percent Level of Service during the 2021 Filing Season, which is the same for all other toll-free telephone lines. Adding additional toll-free telephone lines, like the dedicated EIP line, to the IRS's existing toll-free telephone service increases the number of customer service representatives needed to adequately staff the additional lines.

The IRS created a mailbox to receive e-mails from congressional staffers regarding EIPs

The pandemic also caused an unexpected increase in congressional inquiries related to the EIP. On May 14, 2020, while some telephones and other options were shut down, the IRS set up an electronic mailbox to receive inquiries from congressional members regarding their constituent's EIPs. Many of these inquiries required taxpayer account research, which resulted in the IRS training an additional 500 Accounts Management employees in July 2020, to help resolve these inquiries. The IRS estimates it received 127,050 inquiries as of November 27, 2020, of which 93,580 required account research. As of this same date, the IRS estimated it had closed 78,900 (84 percent) of the 93,580 inquiries. The IRS initially planned to discontinue the EIP mailbox for congressional inquiries on December 10, 2020. However, the IRS continued to monitor the mailbox and as a result of additional stimulus payments, the IRS reopened the EIP

mailbox on January 11, 2021. IRS management stated they will continue to provide assistance through the 2021 Filing Season.

Face-to-Face Assistance

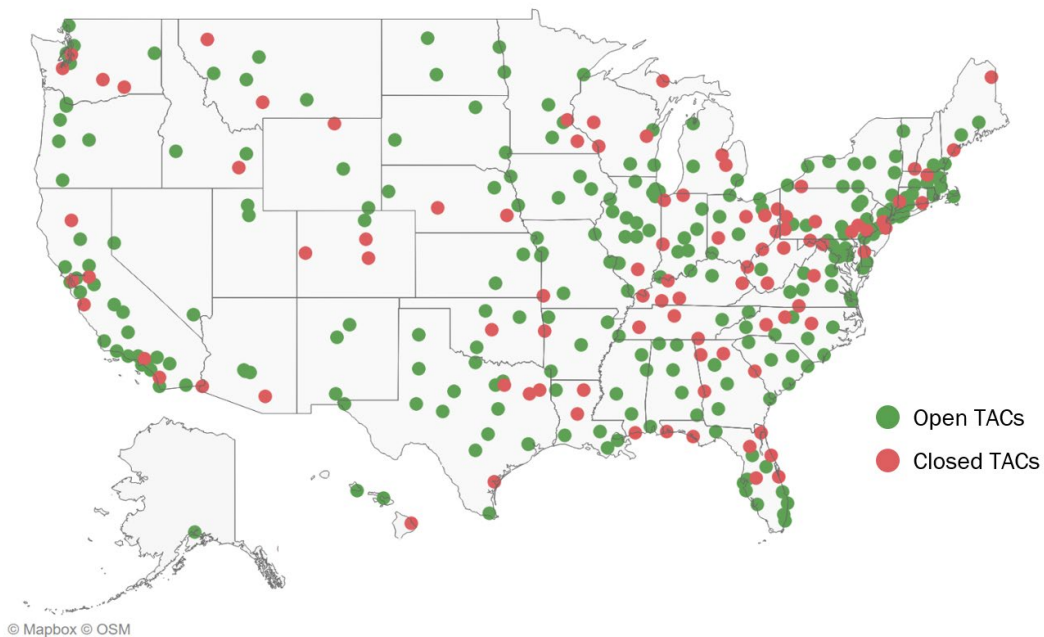
According to the IRS, it has 358 TACs, of which six are co-located in SSA offices. In addition, the IRS has 30 VSD partner sites. The IRS offers face-to-face assistance at its TACs, VSD partner sites, and co-located SSA offices, generally by appointment only. When the IRS closed its face-to-face assistance sites, it cancelled 79,264 scheduled appointments. As of November 16, 2020, 95 TACs remain closed – 25 sites that are unstaffed for reasons unrelated to the pandemic and 70 sites closed due to pandemic staffing issues. In addition, all 30 VSD partner sites remain closed.

The IRS also partners with organizations to provide qualifying taxpayers with free in-person tax return preparation services via its VITA and TCE programs. Similar to IRS face-to-face assistance sites, many of the VITA and TCE sites were also closed.

TACs, VSD partner sites, and co-located SSA offices

The IRS started reopening TACs on June 29, 2020, in areas in which State and local restrictions had been lifted. The IRS expected to reopen all TACs by July 27, 2020, but was unable to do so because employees who reported to some of these locations remained on weather and safety leave. As of November 16, 2020, the IRS had reopened 263 (73 percent) of its 358 TACs, with service available to the public by appointment only. When we asked IRS management why 95 TACs remained closed, they stated that they were still dependent on employees reporting to these locations and not being out due to COVID-19 exposures, *etc.* Figure 7 shows a map of the open and closed TACs, as of November 16, 2020.

Figure 7: Status of TAC Locations as of November 16, 2020



Source: TIGTA's analysis of the IRS's Field Assistance function's open/closed TAC list, as of November 16, 2020.

We analyzed the locations of the 136 TACs that were closed as of September 21, 2020, to evaluate the potential impact on taxpayers in those communities. We found that taxpayers living in or near these communities would need to travel on average 74 miles to obtain assistance from a TAC, with the distance ranging from eight miles to 288 miles. Some taxpayers may be required to travel much farther depending on the type of service required. In addition, taxpayers may have to wait several weeks for assistance once they have scheduled an appointment. For example, the IRS encourages taxpayers who need to make a cash payment at a TAC to call for an appointment 30 to 60 days before the date they want to pay.

Subsequent to the completion of our audit testing and during the development of our report, we obtained updated information on the number of TACs that remain closed. As of February 8, 2021, the IRS reported that 73 of the 358 TACs remain closed. We also remain concerned with taxpayers' ability to obtain assistance during the 2021 Filing Season, as taxpayers attempting to make an appointment via the TAC appointment telephone line often are disconnected, due to a lack of staff and call demands. For example, for the week ending February 6, 2021, the IRS reports 28,576 calls to the TAC appointment telephone line were disconnected.

The need to close TACs to protect taxpayers and IRS employees significantly limited the number of taxpayers assisted

As of September 30, 2020, the IRS reported that IRS employees answered nearly 1.4 million calls to schedule an appointment. Of these, 694,059 (51 percent) taxpayers were assisted without having to visit a TAC. IRS management explained that when a taxpayer calls to schedule an appointment, the assistor provides information on other options the taxpayer can use to address their need, including referring individuals to local Low Income Tax Clinics (LITC). The remaining 666,976 (49 percent) calls necessitated scheduling an appointment and having the taxpayer visit a TAC. We recognize that some of the taxpayers that necessitated scheduling an appointment would choose not to drive hundreds of miles to the nearest TAC, as more convenient locations remained closed. However, the IRS does not track the number of taxpayers who need an appointment but choose not to schedule one. Figure 8 provides a comparison of the number of taxpayers assisted through each of the IRS face-to-face assistance options for Fiscal Years 2019 and 2020.

Figure 8: Total Face-to-Face Taxpayers Assisted for Fiscal Years 2019 and 2020

Service	Fiscal Year 2019	Fiscal Year 2020
TAC	2,322,566	1,043,092
VSD	856	143
Co-Located Sites with the SSA	2,382	774

Source: IRS management as of September 30, 2019, and September 30, 2020.

The IRS limited the services it provided at TACs to reduce the risk of exposure to COVID-19 for its employees and taxpayers

IRS management stated that as they began reopening TACs, they focused on providing those services that are more difficult for taxpayers to complete on their own. For example, taxpayers can get information about their tax account by calling or writing to the IRS or creating an online account. However, taxpayers who make [REDACTED] may have no other option but to visit a TAC. As such, the IRS ensured that this was a service that it offered. IRS management also explained that the services available in each TAC depend on the skills of the employees working there and the availability of specialized equipment (e.g., black lights used for authenticating documents, [REDACTED]).

[REDACTED]). Figure 9 compares TAC services offered as of September 30, 2019, with the limited services offered as of November 30, 2020.

Figure 9: Comparison of TAC Services Offered as of September 30, 2019, and November 30, 2020

Service	Sept. 30, 2019	Nov. 30, 2020
Addressing tax account inquires	✓	✗
Performing tax account adjustments	✓	✗
Issuing alien clearance (sailing permits)	✓	✓
Accepting cash payments	✓	✓
Addressing EIP issues	N/A	✓
Self-service at computer kiosks with access to IRS.gov	✓	✗
Accepting heavy highway vehicle use tax forms	✓	✗
Assisting with requests for Individual Taxpayer Identification Numbers	✓	✓
Accepting installment agreements	✓	✗
Providing tax forms, instructions, and publications	✓	✗
Assisting taxpayers with passport issues	✓	✗
Assisting taxpayers with procedural inquires	✓	✗
Referrals to Taxpayer Advocate Services assistance	✓	✗
Answering refund inquires	✓	✗

Service	Sept. 30, 2019	Nov. 30, 2020
Answering tax law questions	✓	✗
Verifying identify of taxpayers	✓	✓
Providing copies of tax account transcripts	✓	✗
Assisting taxpayers with withholding estimations	✓	✗

Source: IRS Internal Revenue Manual 21.3.4.2, Standard Services in a Taxpayer Assistance Center and Service Wide Enterprise Alerts 20A0262.

As of January 25, 2021, all services are being offered at TACs for the 2021 Filing Season. IRS management stated that they do not plan to provide return preparation assistance at TACs during the 2021 Filing Season. IRS management stated that the IRS has not offered this service in its TACs since January of 2014. According to IRS management, they decided to no longer offer this service because return preparation accounted for only 2 percent of all walk-in services provided by TACs during Fiscal Year 2013. IRS management also stated that there are other alternative options for return preparation, such as Free-File Fillable Forms, VITA and TCE sites, self-preparation, and paid preparers. As such, IRS management stated they chose to focus their limited staff resources on serving taxpayers who have no other alternatives than face-to-face assistance. Finally, management stated that they could serve more taxpayers by not offering return preparation. For example, the IRS states it can serve two identity theft contacts for every one return preparation contact. We recognize that the IRS has limited resources with which to provide face-to-face services. However, given the circumstances this filing season, there is a greater need for the IRS to provide tax return preparation services in TACs that are located in areas where availability of VITA and TCE sites continues to be hampered by the pandemic.

Continued expansion of virtual service options is needed to better provide taxpayers access to face-to-face assistance during the 2021 Filing Season

In February 2020, IRS management began testing a virtual service option referred to as Web Service Delivery (WebSD). WebSD allows taxpayers to receive face-to-face assistance from an IRS assistor from the convenience of their home or other location of their choosing. Similar to other face-to-face service options, taxpayers must schedule an appointment. When an appointment is made, the taxpayer receives a confirmation e-mail from the IRS that provides their appointment details and a unique link to access this service. The taxpayer uses this link to initiate their appointment on the scheduled date and time from their personal device. WebSD enables the IRS to provide virtual face-to-face assistance to taxpayers from anywhere, including an employee’s home, if necessary.

Eight TAC employees tested virtual face-to-face assistance to taxpayers as part of the WebSD pilot.¹⁶ The pilot began on February 1, 2020, and was put on hold when TACs closed on March 20, 2020. The IRS reported that it assisted only four taxpayers during this period, and these taxpayers were assisted over the telephone because incorrect links were sent to the

¹⁶ Two employees in each of the four U.S. time zones.

taxpayer. IRS management stated that issues with NTEU negotiations and connectivity, which required pausing the pilot to fix the issues, was the cause of the IRS only serving four taxpayers. IRS management could not provide us with information that would capture the real demand for these services.

When we asked why the WebSD pilot was put on hold during the pandemic, IRS management stated that the pilot was suspended because TAC employees are not telework eligible, per their NTEU contract, and a lack of available equipment such as laptops and WebEx licenses. IRS management did not allow TAC employees to telework until October 13, 2020. However, management's claim that they could not expand the WebSD pilot due to the NTEU contract is not consistent with actions taken by other IRS functions to expand the use of telework. As we detailed previously, the NTEU contract states that, "*The Employer retains the right to take whatever actions may be necessary to carry out the mission during emergencies.*" Continuation and an earlier expansion of this pilot would have allowed some taxpayers to continue to receive the face-to-face assistance they needed.

We notified IRS management of our concerns with the lack of plans to expand the use of WebSD on October 21, 2020. We recommended that the IRS expand WebSD services to taxpayers, in a meaningful way, by immediately offering these services to all taxpayers who contact the IRS to schedule an appointment when the closest TAC that would normally offer the requested service is closed. IRS management responded that they were unable to expand WebSD services as we recommended but would explore options to expand services during the 2021 Filing Season. IRS management stated that they resumed testing WebSD on October 30, 2020. However, the pilot was still limited to eight TAC employees, and WebSD was being offered only to taxpayers seeking assistance with their EIP.

IRS management also stated that they would explore options to use employees from other IRS functions to expand this initiative. However, management cautioned that there are a number of factors that need to be evaluated before the pilot can be expanded, including:

- *The types of services that can be provided.* IRS management explained that not all services provided in a TAC can be provided virtually. For example, taxpayer documents needed to prove identity or request an Individual Taxpayer Identification Number cannot be authenticated virtually. Virtual assistors also cannot give out paper tax forms or accept tax returns for processing.
- *The IRS's ability to meet the demand for WebSD service.* As discussed previously, under the current NTEU contract, TAC employees are not telework eligible, other than during an emergency. As such, IRS management must negotiate with the NTEU to change the telework status of its TAC employees. In addition, not all TAC employees will have access to reliable high-speed Internet service, as required to telework. As we previously mentioned, the IRS has the authority to temporarily place non-telework eligible employees on telework status under the emergency clause in the current NTEU contract. Based on this determination, it would appear that the IRS can expand the current WebSD pilot to additional TAC employees in response to COVID-19, as long as they have access to the necessary equipment and required high-speed Internet service.
- *Reliability and sufficiency of available technology.* IRS management stated that they do not know at this time whether the available technology is sufficient to provide effective WebSD services. For example, while the WebEx application may be sufficient for internal

IRS virtual interactions, this application may not be sufficient for interacting with taxpayers. IRS management also stated that they are unsure whether the IRS will continue to use the WebEx application as the Office of Information Technology Services is currently evaluating the use of the virtual tool Zoom.gov. We believe the WebSD pilot provides the IRS an opportunity to evaluate the effectiveness of both WebEx and Zoom.gov for the purpose of determining which service is most beneficial to the IRS and taxpayers.

We acknowledge there are and will be challenges that need to be addressed. However, we continue to believe that most services previously offered in person at TACs can be offered through WebSD. Consistent with our observations, IRS management stated on January 27, 2021, that they are targeting an expansion of the WebSD pilot for February 2021. This includes expanding the number of employees who provide WebSD service to 16 TAC employees, expanding the time zones in which virtual service is offered to include Alaska and Hawaii, and adding the following six additional services:

- Assisting with questions about math error notices received.
- Answering refund inquiries.
- Answering individual tax law questions.
- Assisting with prior year return inquiries, questions, and services.
- Assisting with questions about notices from the Automated Underreporter Program.
- Assisting with questions about balances due.

However, we continue to be concerned that even with the planned expansion, the WebSD pilot is not sufficient to provide the IRS a reasonable assessment of the benefit of this service to taxpayers and the IRS. The WebSD pilot provides the IRS the benefit to evaluate the potential demand for virtual face-to-face service, test the suitability of available technology, and expand access to taxpayers who are seeking face-to-face assistance. In our opinion, the WebSD pilot will not provide meaningful results to inform the IRS's decisions in any of these areas, as it is currently structured. For example, the IRS did not conduct any research across taxpayer segments to evaluate the potential demand for virtual face-to-face assistance or determine the services taxpayers would prefer to receive virtually.

VITA and TCE programs

The VITA program offers free tax help to people who generally make \$56,000 or less, persons with disabilities, and limited English-speaking taxpayers who need assistance in preparing their own tax returns. The TCE program provides free tax help to individuals age 60 or older. Many taxpayers depend upon the services offered via the IRS's VITA and TCE programs to meet their filing requirements and to obtain refunds they may be entitled to receive. However, as of March 31, 2020, the number of open VITA and TCE sites had decreased by 91.1 percent compared to Fiscal Year 2019.¹⁷ This effectively limited free tax assistance for more than a million taxpayers.

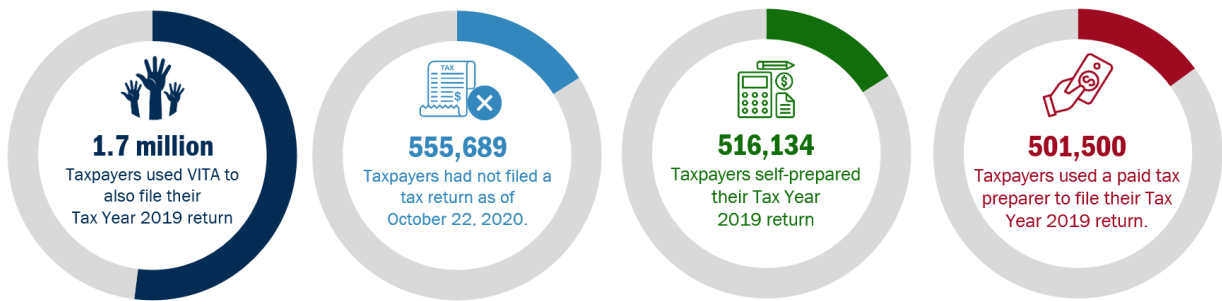
¹⁷ IRS partners reported having 820 open VITA and TCE sites as of March 31, 2020.

Recognizing the impact on taxpayers who use VITA and TCE, on April 13, 2020, the IRS Commissioner approved the LITCs to provide free tax return preparation services during the 2020 Filing Season. The IRS explained that the LITCs are not prohibited from providing free tax return preparation services. However, it has been a longstanding policy that the LITCs should prepare current year tax returns only in limited circumstances. As of June 2020, a total of 102 clinics had prepared 3,020 returns. On October 14, 2020, the IRS Commissioner approved the LITCs to provide free tax return preparation services during the 2021 Filing Season also.

VITA and TCE closures resulted in some taxpayers having to pay to prepare their Tax Year 2019 tax return, and others still have not filed

To assess the potential impact of VITA and TCE closures on taxpayers, we analyzed how taxpayers who used VITA and TCE to file their Tax Year 2018 returns in Calendar Year 2019 filed their returns in Calendar Year 2020.¹⁸ Our analysis identified 3.3 million taxpayers who used VITA and TCE to file a tax return during Calendar Year 2019. Figure 10 shows the results of TIGTA’s analysis of these 3.3 million taxpayers for Calendar Year 2020.

Figure 10: Analysis of the Method Used by Calendar Year 2019 VITA and TCE Taxpayers to File Their Return in Calendar Year 2020



Source: TIGTA’s analysis of the Individual Return Transaction File and Individual Master File data as of October 22, 2020.

In addition, we determined whether these taxpayers were assessed penalties as a result of potential delays in filing their tax returns caused by the unavailability of VITA and TCE assistance. As of October 15, 2020, the IRS had assessed Failure to File and Failure to Pay penalties totaling \$1.8 million on 77,527 of the 3.3 million taxpayers.

We provided the preliminary results of our assessment to IRS management on October 7, 2020, and recommended that they initiate an outreach campaign to inform taxpayers about other free or low cost services and how to find these services in their local area. We also recommended that the IRS extend the date for which individuals can use the Free File program to file a tax return to allow more time for individuals to use this service. IRS management responded that the IRS took additional steps to assist taxpayers who use VITA and TCE services and initiated an outreach campaign to inform taxpayers. However, the information the IRS provided to us regarding this outreach campaign is focused on educating individuals who do not have a tax return filing requirement on how to obtain an EIP. The use of the tool cited in the campaign information can be used only to electronically file a “short” return to claim an EIP. This tool

¹⁸ Taxpayers who qualify for VITA and/or TCE services in one year may or may not qualify in the next year. Furthermore, taxpayers may choose not to use these services, even if they do qualify.

should not be used by individuals who have a tax return filing requirement or who are filing to claim a refund of withholding.

Finally, IRS management stated that they approached Free File, Inc., which is responsible for operating the Free File program, about possibly remaining open longer than October 15, 2020. However, this was not an option as all of the member companies needed time to prepare their software for the upcoming filing season. For those taxpayers that received a Failure to File penalty, IRS management stated that the IRS will continue to consider penalty relief requests on a case-by-case basis and is also continuing to consider any additional relief specific to circumstances presented by the COVID-19 pandemic.

Preparations for the 2021 Filing Season are underway; however, the IRS is unsure at this time how many volunteer sites will be available

The IRS is working with its partner organizations in an effort to ensure that taxpayers will have access to volunteer tax return preparation services during the 2021 Filing Season. On October 21, 2020, the IRS announced that it had awarded grants to 273 VITA and 34 TCE applicants. IRS management also stated that they have requested an additional 2,000 electronic tax preparation software licenses for use by VITA and TCE volunteers for a total of 10,000 licenses for the 2021 Filing Season. However, IRS management noted that they do not know how many VITA and TCE locations their partner organizations plan to operate. The IRS explained that the number of VITA and TCE sites its partners can operate depends on the number of individuals who volunteer to prepare tax returns. The IRS is continuing its efforts to secure volunteers. In addition, IRS management explained that some VITA and TCE sites prepare only current year tax returns. As such, taxpayers who still need to file a Tax Year 2019 return may be unable to use the VITA or TCE program.

To help address the impact of COVID-19, the IRS notified its partners that VITA and TCE grant money can be used to support social distancing measures such as purchasing personal protective equipment to help keep volunteers and taxpayers safe. The IRS has also been hosting meetings to share information and best practices with its VITA and TCE partners. In addition, IRS management indicated that there will be more emphasis on virtual tax preparation methods for the 2021 Filing Season. According to the IRS, there are three basic tax preparation models: face-to-face, face-to-face with a virtual component, and virtual only. IRS management stated that VITA and TCE partners that choose to provide virtual services must meet specific security requirements.

Subsequent to the completion of our audit testing and during the development of our report, we obtained updated information on the number VITA and TCE sites that will be open. As of February 15, 2021, the IRS reported 8,369 VITA and TCE sites opened or planned to open for the 2021 Filing Season. This is significantly less than the start of the 2020 Filing Season.

The Commissioner, Wage and Investment Division, should:

Recommendation 1: Consider providing tax return preparation services during the 2021 Filing Season, by appointment only, in TACs that are located in areas where access to VITA and TCE assistance is limited.

Management's Response: The IRS disagreed with this recommendation. IRS management stated that employees have not received training in tax preparation. In addition, management believes providing tax return preparation service would severely limit the IRS's ability to provide other face-to-face services that taxpayers need. IRS management stated that when the IRS considered offering return preparation services in TACs in the past, data showed that most taxpayers sought tax return preparation assistance from other sources, with the majority self-preparing or using a paid preparer to prepare their return. With the availability of the Free File, Inc. program and other commercial tax preparation software, there is less reliance on the IRS to provide this service. Management also believes that focusing its resources on account-related issues allows its employees in the TACs to work more efficiently on services that are not provided outside of the IRS, including taxpayer authentication related to identity theft and the new legislative requirement to assist taxpayers with obtaining an Identity Protection Personal Identification Number.

Office of Audit Comment: IRS management stated that past data showed that most taxpayers seek tax return preparation assistance from other sources. However, as stated in our report, the number of VITA and TCE sites opened or planned to open as of February 15, 2021, is significantly less than the start of the 2020 Filing Season. In addition, IRS management explained that some VITA and TCE sites prepare only current year tax returns. As such, taxpayers who still need to file a Tax Year 2019 return may be unable to use the VITA or TCE program during the 2021 Filing Season.

Recommendation 2: Ensure that the WebSD pilot provides a sufficient assessment of taxpayers' demand for virtual face-to-face services, adequately tests available technology for providing virtual assistance, to be consistent with the underlying premise of the Taxpayer Experience Strategy.

Management's Response: The IRS agreed with this recommendation. IRS management stated that the WebSD is a limited pilot testing of services normally available in TACs and as such, cannot provide a full assessment of taxpayers' demand for virtual face-to-face services throughout the IRS. However, management plans to assess and report the overall results, including taxpayer feedback from taxpayer surveys, data, and other customer service measures and technology after the completion of the pilot.

Recommendation 3: Advise VITA and TCE sites, with sufficient capacity, to consider preparing prior year tax returns during the 2021 Filing Season.

Management's Response: The IRS agreed with this recommendation and has encouraged VITA and TCE sites with sufficient capacity to prepare prior year tax returns. However, IRS management advised that this is an optional service that partners can provide at their discretion and is based on required available resources. As of January 15, 2021, IRS management has been providing continued resources and guidance to ensure VITA and TCE sites are equipped with the necessary tools to prepare accurate current and prior year tax returns. Additionally, when a taxpayer is interested in visiting a VITA/TCE site for prior year return preparation, the taxpayer may visit the VITA Locator on IRS.gov, which identifies whether the site prepares prior year returns.

Recommendation 4: Initiate an outreach campaign to inform taxpayers about free tax return preparation services available during the 2021 Filing Season, including the option to use VITA or TCE sites to prepare a prior year return. This campaign should also include information about the availability of the LITCs, including the location of these clinics and the tax preparation services offered.

Management's Response: The IRS agreed with this recommendation. As of January 15, 2021, IRS management continued to develop and deliver to partners timely outreach messages to inform taxpayers about traditional VITA, TCE, Facilitated Self-Assistance, Virtual VITA, and the Free File, Inc. program, in addition to the IRS's postcard initiative. Management also provided resources and guidance to ensure VITA and TCE sites are equipped with the necessary tools to prepare accurate prior year tax returns and encouraged those sites with sufficient resources to prepare prior year tax returns. However, this is an optional service that partners can provide at their discretion and is based on required available resources.

Taxpayer Correspondence and Products

When the IRS closed its offices, it was no longer able to process mail at its Tax Processing Centers and Campus Support functions.¹⁹ The IRS estimated it received:

- 10.3 million pieces of unopened mail while the Tax Processing Centers were closed as of May 23, 2020. This figure grew to a high of more than 11.9 million pieces of unopened mail, as of June 20, 2020. As of November 14, 2020, the IRS still had approximately 3 million pieces of unopened mail.
- 413,245 pieces of mail at its Campus Support functions as of May 16, 2020. The IRS was able to work through the backlog of mail at the Campus Support functions by July 18, 2020.

The IRS Accounts Management function works correspondence received from taxpayers. Accounts Management relies on Tax Processing Center and Campus Support employees to open, sort, and distribute mail to Accounts Management offices to be worked. Employees then prepare and scan correspondence into the Accounts Management inventory system called the Correspondence Imaging System. As of November 28, 2020, the Accounts Management correspondence inventory totaled 846,609 cases, of which 337,286 (40 percent) were over-aged (*i.e.*, exceeded the IRS's goals for resolving the taxpayer's correspondence). This is an increase of 9 percent in over-age inventory compared to a similar time last year.

As of November 28, 2020, Accounts Management was expecting to receive nearly 2 million additional cases from the Tax Processing Centers as they continue to open the backlog of mail. As such, IRS management does not expect to be able to work the correspondence received during Calendar Year 2020 before the start of the 2021 Filing Season. IRS management stated that they will continue to offer overtime to assist with the timeliness of the correspondence programs. According to the IRS, as of September 26, 2020, Accounts Management had 13,732 (94 percent) of its staff who handle inventory reporting to work. In addition, there were 1,078 employees remaining on weather and safety leave. However, Accounts Management

¹⁹ Campus Support locations receive, sort, and distribute taxpayer correspondence and amended tax returns.

employees who resolve correspondence inquires also answer the toll-free telephone lines. As such, Accounts Management must continually balance these two shifting priorities.

Subsequent to the completion of our audit testing and during the development of our report, we obtained updated information on the correspondence inventory in Accounts Management. As of January 23, 2021, the Accounts Management correspondence inventory totaled 1,103,606 cases, of which 491,875 (45 percent) were over-aged.

The IRS cleared the backlog of correspondence that needed to be sent to taxpayers and has plans to ensure that no subsequent backlogs occur moving forward

In addition to receiving mail from taxpayers, the IRS sends millions of letters, notices, forms, instructions, and publications to taxpayers and other stakeholders. The majority of correspondence that the IRS sends to taxpayers is printed and mailed from two centralized CPS sites located in Detroit, Michigan, and Ogden, Utah. By April 8, 2020, both of these sites were closed in response to the pandemic. The IRS's CPS function receives requests from various IRS functions to print and mail letters and notices to taxpayers and their representatives. According to the IRS, there were more than 22.1 million items waiting to be printed and mailed, as of May 14, 2020.

As of June 15, 2020, the IRS had resumed operations at a limited capacity at both of its CPS sites. When resuming operations, IRS management explained that they coordinated with all affected IRS functional areas to prioritize which notices should be mailed first and which notices were no longer necessary and could be deleted from the print queue (*i.e.*, monthly payment reminders for months that had already passed). The IRS cleared all of the correspondence that was backlogged due to the shutdown by July 18, 2020.

Additionally, the IRS's *People First Initiative* provided relief to taxpayers from April 1, 2020, to July 15, 2020, by halting collection and examination notices. To prevent additional backlogs, the IRS secured a contract on July 17, 2020, with multiple vendors to assist with any increases in print demand that the CPS locations may be unable to handle during the ongoing pandemic. According to IRS management, the resumption of collection activities resulted in the need for vendor support to print and mail approximately 11 million items that exceeded CPS capacity. These items included notices that were to be issued between November 9, 2020, and November 23, 2020.

However, the vendors were unable to accept all of the IRS's notices due to their own capacity limitations at that time. As a result, IRS management had to assess the newly created backlog of notices and once again coordinate with IRS functional areas to identify which notices could be deleted from the queue and prioritize the mailing of the remaining notices. To assist taxpayers, the IRS developed a letter (or stuffer) to include in the envelope of those notices that were mailed explaining why they received a delayed notice and what actions they needed to take. IRS management is continuing to assess the potential volume of correspondence that will need printed and mailed moving forward and determining whether vendor support will be needed. IRS management stated that they have been in contact with vendors, and the vendors expect to be able to handle any volumes going forward. We have a separate audit ongoing that is

assessing the IRS's response to compliance actions during the pandemic.²⁰ We plan to issue our report later in Calendar Year 2021.

Office closures resulted in fewer orders for tax products during the pandemic

The NDC provides print and distribution services of IRS forms, publications, *etc.*, for both the IRS and external stakeholders, including bulk order requests.²¹ The NDC closed on March 21, 2020, and reopened on July 13, 2020. During this time, the IRS did not accept any customer orders for tax documents. According to the IRS, the NDC had 211,500 unfilled orders when it reopened on July 13, 2020. The IRS was able to fill these orders by October 6, 2020.

As of September 30, 2020, the NDC has received more than 1.2 million orders, which is a 20 percent decrease from the previous year. Figure 11 provides a comparison of order quantities from Fiscal Years 2019 and 2020.

Figure 11: Comparison of NDC Orders by Fiscal Year

There has been a 20 percent decrease in NDC orders from Fiscal Years 2019 and 2020.



Source: The IRS's Enterprise Logistics Information Technology system as of September 30, 2019, and September 30, 2020.

The NDC received 155,471 orders between October 1, 2020, and November 30, 2020. IRS management does not anticipate any issues with filling customer orders during the 2021 Filing Season. IRS management stated that they are in the process of training additional employees who can help with demand, if needed. They also stated that space needed to remain socially distanced is not an issue in NDC facilities. As such, IRS management does not anticipate any service disruptions.

A comprehensive strategy is needed to expand the use of eFax and phase out reliance on physical fax machines

The IRS primarily relies on mail services and traditional fax services to receive correspondence from taxpayers. As of July 1, 2020, the IRS reported having 520 machines capable of receiving faxes in operation at its Tax Processing Centers.²² During the time frame the Tax Processing Centers were closed, the IRS turned off fax machines to prevent correspondence from continuing to come in to the Tax Processing Centers while employees were not present to work the inventory. For those taxpayers who continued to mail in correspondence, the IRS also coordinated with the U.S. Postal Service to have all mail that could not be delivered on-site held by the Postal Service or stored in semi-trailers at each IRS location as needed. Both methods

²⁰ TIGTA, Audit No. 202030628, *Internal Revenue Service's People First Initiative*.

²¹ The NDC provides low-volume print-on-demand and distribution services of IRS forms, publications, *etc.*, for both the IRS and external stakeholders, including bulk order requests. The Publishing program procures the high-volume print requests through the Government Printing Office.

²² This includes 150 traditional fax machines and 370 multi-use copy machines.

used to receive correspondence from taxpayers results in the need for the IRS to process paper correspondence.

As discussed previously, the IRS has developed electronic fax processes, referred to as Enterprise Electronic Fax or eFax, for use in certain situations. EFax is an electronic fax solution that may be used to send and receive fax documents without the need for a fax machine. However, taxpayers must still have access to fax services to send the information to the IRS. The IRS developed interim procedures in response to COVID-19 to accept additional forms from taxpayers via eFax.

In July 2020, the IRS announced the creation of the Enterprise Digitalization and Case Management Office (EDCMO). The EDCMO was created to focus the IRS's efforts on enterprise case management, the modernization of paper processes, and the promotion of digital technologies to improve business processes and the taxpayer experience. The EDCMO's efforts will spearhead the IRS's efforts to empower taxpayers and IRS employees to rapidly resolve issues in a simplified digital environment. These efforts will support overall IRS modernization and implementation of long-term changes stemming from the TFA, including modernizing paper processes and establishing an enterprise-wide case management system. IRS management stated that there is an easy correlation between case management and modernization. As such, it makes sense to look at improving the digitalization of paper records.

We met with the EDCMO to discuss the IRS's overall strategy for expanding the use of eFax and phasing out the IRS's reliance on physical fax machines. IRS management stated that currently, each IRS function or program is responsible for maintaining its own case management processes until the Enterprise Case Management (ECM) system is fully operational. The EDCMO stated that it is in the process of assessing the best methods to intake paper documents for each function or program as part of its digitalization efforts. The EDCMO is starting with small work streams and testing the processes of digitalizing the inventory and adding it to the ECM system as needed. IRS management stated that the ECM system is a key component in the Taxpayer Experience Strategy's 360 Degree View of Taxpayer Accounts. However, the IRS estimates it will be five to 10 years before the 360 Degree View of Taxpayer Accounts is fully implemented. IRS management indicated that if priorities shift, ECM system plans can be adjusted to adapt to changing conditions. The EDCMO projects that by the spring of 2021, planning will be sufficient to assess the possibility of adding new channels such as eFax to the ECM system for case creation. We have a separate audit ongoing that is assessing the IRS's efforts to modernize paper tax return processing.²³ We plan to issue our report during Calendar Year 2021.

A Comprehensive Customer Service Strategy Was Developed As Required by the Taxpayer First Act

Our assessment of the IRS's comprehensive customer service strategy, referred to as the Taxpayer Experience Strategy, found that the strategy met the legislative requirements of Provision 1101 of the TFA, with the exception of the reporting date to Congress. The TFA required the IRS to provide the strategy to Congress by July 1, 2020. However, the IRS informed Congress on April 17, 2020, that due to its intense focus and shift in resources in response to

²³ TIGTA, Audit No. 202140010, *Modernizing Paper Tax Return Follow-Up*.

COVID-19, the IRS planned to submit the strategy to Congress in December 2020. The IRS delivered the strategy on January 11, 2021. Figure 12 shows the Taxpayer Experience Strategy's compliance with the six specific requirements in the TFA.

Figure 12: Taxpayer Experience Strategy's Compliance With Legislative Requirements

Legislative Requirements of the Taxpayer Experience Strategy	Did IRS Meet Requirements?
Plan to provide secure assistance to taxpayers that meets reasonable expectations and adopts appropriate best practices of customer service.	☑
Thorough assessment of the services the IRS can co-locate with other Federal services or offer as self-service options.	☑
Proposals for improved customer service in short term (current and following fiscal year), medium term (three to five fiscal years), and long term (10 fiscal years).	☑
Plans to update guidance and training material for customer service employees.	☑
Identify metrics and benchmarks to quantitatively measure progress.	☑
Submit strategy to Congress by July 1, 2020.	☒

Source: TIGTA's assessment of Provision 1101 of the TFA and review of the Taxpayer Experience Strategy.

Providing secure assistance to taxpayers and adopting best practices of customer service

Our review of the IRS Taxpayer Experience Strategy found that it includes adopting best practices in customer service, including providing secure assistance options to taxpayers. To determine whether the strategy included best practices, we compared the secure services five State taxation agencies²⁴ provide to their taxpayers with the services the IRS plans to offer.

We found that the Taxpayer Experience Strategy includes many of the services currently provided by these States. Many of the services contained in the Strategy are also included in the IRS's Integrated Modernization Business Plan, which was issued in April 2019. Services include:

- Secure e-mail and two-way messaging.
- The ability to upload tax documents online.
- Providing personalized tax updates.

We also found that the Taxpayer Experience Strategy includes services that are not currently provided by some of the five States. Services include:

- Virtual face-to-face assistance.
- Web chats and digital appointments powered by artificial intelligence.

²⁴ We interviewed representatives from or researched websites for the five most populous States – California, Florida, New York, Pennsylvania, and Texas.

- Digitally aided translation and interpretation.

Offering self-service options and co-locating services with other Federal services

The Taxpayer Experience Strategy expands digital services by improving the secure online accounts currently available to individual taxpayers and making similar online accounts available for businesses and tax professionals. According to the IRS’s Taxpayer First Act Office, COVID-19 has further highlighted the importance of expanded digital self-service options for taxpayers. Figure 13 shows some examples of the self-service capabilities included in the Taxpayer Experience Strategy.

Figure 13: Examples of Expanded Self-Service Options

Self-Service Option	Description
Taxpayer View History	Will allow taxpayers to see information about their tax histories (e.g., refunds, payments received, amounts owed, returns filed) through their online accounts to ensure transparency and accessibility of records.
Change Account Information	Will allow taxpayers to update contact information and other key details.
Secure Document Exchange	Will allow taxpayers, businesses, tax professionals, and IRS employees to securely upload and access documents in a centralized repository.
Artificial Intelligence Chat Bots	Will attempt to answer questions or direct taxpayers to information on IRS.gov or their online account before connecting taxpayers to an IRS assistant for a web chat or voice call.

Source: TIGTA’s review of the Taxpayer Experience Strategy.

Our review of the Strategy shows that the IRS plans to expand its partnership with the SSA to provide face-to-face assistance to taxpayers. Currently, the IRS has face-to-face assistants located at six SSA offices. We previously reported that the IRS does not use its data-driven Geographic Coverage Model (GCM) to expand face-to-face assistance to underserved areas with a high number of taxpayers who are likely to seek this type of service.²⁵ We recommended that the IRS use the GCM when expanding face-to-face assistance to new locations. The SSA’s website had a list of 1,354 field offices that could be used in conjunction with the GCM to identify optimal co-located sites with the SSA. We also noted that co-locating services with an SSA site is the most economical method, as the IRS paid only \$26,984 to rent space at the SSA co-located sites it operated in Fiscal Year 2018. As such, we continue to encourage the IRS to use the GCM for the expansion of co-located sites with other Federal agencies as part of the Taxpayer Experience Strategy.

In addition, in December 2020, we reported that IRS processes do not consistently provide taxpayers the opportunity to self-correct errors on electronically filed tax returns.²⁶ For example, we found that some electronically filed returns with a missing form are rejected to provide the

²⁵ TIGTA, Ref. No. 2019-40-029, *The Internal Revenue Service Did Not Follow Congressional Directives Before Closing Taxpayer Assistance Centers; a Data-Driven Model Should Be Used to Optimize Locations* (May 2019).

²⁶ TIGTA, Ref. No. 2021-40-008, *Expansion of Self-Correction for Electronic Filers and Other Improvements Could Reduce Taxpayer Burden and Costs Associated with Tax Return Error Resolution* (Dec. 2020).

taxpayer the opportunity to self-correct the error (*i.e.*, attach the missing form and resubmit the return), while others are accepted and sent to the Error Resolution function for manual correction by an IRS employee, which suspends the return and holds the refund until the error condition is resolved. This increases taxpayer burden and reduces the efficiency and effectiveness of tax return processing. IRS management agreed with our recommendation to provide taxpayers with the opportunity to self-correct errors.

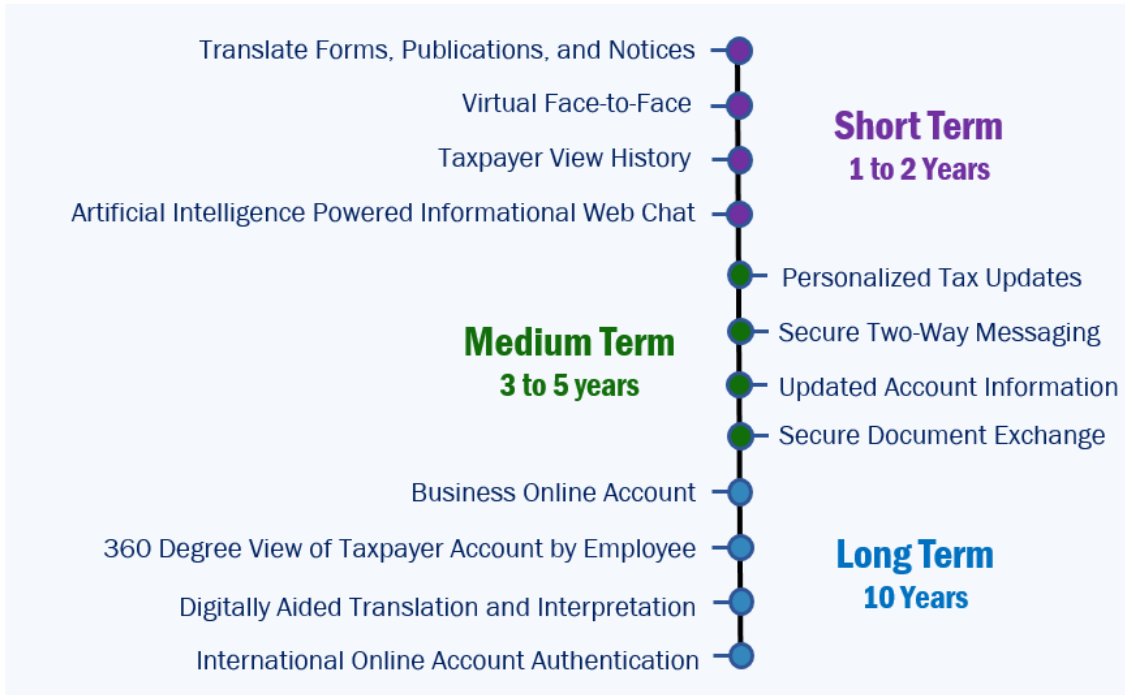
Developing proposals for improving customer service in various time intervals

The Taxpayer Experience Strategy includes proposals for improving customer service in identified time intervals, as required, and provides high-level resource estimates for each time interval. However, we question the prioritization of some of the customer service initiatives contained in the Strategy and are concerned that the IRS plans to take 10 years to fully implement the strategy. A number of the capabilities contained in the Strategy can provide immediate relief to the IRS for many of the issues it has been struggling with during the pandemic. However, based on the Strategy, the IRS does not plan to implement some of these capabilities for another three to five years. The IRS should prioritize the implementation of these capabilities rather than waiting to implement them years down the road. In addition, some of the technology described in the Strategy may be outdated before the functionality is fully implemented. For example, the State of California offers its taxpayers two-way secure messaging between an assistor and taxpayer. Yet the IRS plans to take up to five years to implement this capability.

The IRS stated that it plans to use an agile development process to implement the Taxpayer Experience Strategy. Each initiative will be developed and implemented in smaller phases. IRS management stated that this will allow the IRS to implement new services as they are developed rather than waiting until all of the functionality for an initiative has been developed. This process should enable the IRS to implement new services quicker than in the past. Various TIGTA reports²⁷ show that the IRS's history of implementing complex strategies has been plagued with increased costs and delays over initial estimates. Figure 14 shows some of the customer service proposals that the IRS plans to implement in various time intervals over the next 10 years.

²⁷ See Appendix II for a list of these reports.

Figure 14: Examples of Customer Service Proposals Planned for Implementation Over the Next 10 Years



Source: TIGTA's review of the Taxpayer Experience Strategy.

Updating guidance and training materials for customer service employees

The IRS included its plans for updating guidance and training materials for customer service employees in its draft comprehensive training strategy. The training strategy is required by Section 2402 of the TFA. The IRS submitted the comprehensive training strategy to Congress in January 2021 along with the Taxpayer Experience Strategy. The actual guidance and training materials for customer service employees are required to be updated no later than two years after the TFA was passed (*i.e.*, July 2021).

To implement the Taxpayer Experience Strategy and improve training across the IRS, the IRS plans to create a centralized educational organization, or "IRS University," to support the IRS's mission. The IRS believes that creating a strategic curriculum will instill the importance of taxpayer service in all employees, and that a high-quality, taxpayer-first training will further develop employee skillsets, improve morale, increase productivity, enhance knowledge transfer between employees, and foster innovation.

The new training programs will also emphasize customer service skills such as civility, inclusive behaviors, cultural competency, taxpayer rights, understanding taxpayer needs, multi-language access, and unconscious bias. The training strategy also focuses on providing continuous training throughout an IRS employee's career. The training strategy states that this increased focus on continuous training will increase taxpayer satisfaction with exceptional taxpayer service.

Identifying metrics and benchmarks to quantitatively measure progress

The IRS has identified four key metrics it plans to evaluate. The IRS believes the following metrics will help assess the strategy's impact on voluntary compliance.

- **Taxpayer Access Measures** – Measures the degree to which taxpayers have access to needed information and services. The IRS plans to measure this based upon where it is currently and the IRS's success in increasing the access over time. For example, the IRS plans to measure the percentage of taxpayer interaction types that have a digital alternative in order to determine whether the IRS is providing enough digital options for taxpayers to access when interacting with the IRS.
- **Taxpayer Adoption Measures** – Measures the extent to which taxpayers adopt existing and new options for receiving service and information. For example, the IRS plans to measure the number of taxpayers with an active secure online profile to determine how many taxpayers are adopting the digital option available.
- **Taxpayer Impact Measures** – Measures whether or not the service or information had the desired impact. The IRS plans to measure impact based upon a combination of satisfaction surveys and IRS quality and performance data. For example, the IRS plans to measure the number of hours saved by taxpayers when they rely on digital self-assistance options rather than having to call the IRS or visit in person.
- **Intermediary Outcome Measures** – Measures like trust, confidence, and taxpayer satisfaction will serve as intermediary output to help the IRS determine if voluntary compliance is improved. The measures will primarily come from taxpayer surveys. For example, the IRS plans to measure things like the percentage of taxpayers satisfied with their personal interactions with the IRS and the percentage of taxpayers satisfied with the time it took to resolve an issue.

The IRS plans to report measures annually by fiscal year and include baselines, targets, projections, and sources, when appropriate. For new measures, the IRS's Strategy lays out the timetable for designing, testing, and implementing these measures. The IRS also plans to seek feedback and continuously update its measures over time. We plan to perform additional reviews to monitor the IRS's implementation of the Taxpayer Experience Strategy, including an evaluation of specific goals and milestones.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to assess the impact of the COVID-19 pandemic on IRS customer service operations and evaluate the development of the IRS's comprehensive customer service strategy. To accomplish our objective, we:

- Monitored inventory levels, staffing levels, *etc.*, for each IRS function that had an impact on customer service operations.
- Determined the impact on taxpayers calling the IRS's toll-free telephone lines and evaluated actions taken by the IRS to resume operations, including identifying the number of toll-free telephone lines the IRS operated, monitoring when lines reopened, and determining how the closures affected the IRS's levels of service and levels of access.
- Determined the number of telephone assistors who were teleworking prior to the pandemic and monitored the IRS's efforts to increase the number of teleworking telephone assistors.
- Assessed the IRS's efforts to assist taxpayers with EIP questions, including the demand to the EIP toll-free telephone line, the IRS's use of a vendor to support this line, and the IRS's creation of an e-mail address to receive EIP congressional inquiries.
- Determined the impact on taxpayers trying to obtain face-to-face assistance and evaluated the actions taken to resume these operations, including determining the number of TACs the IRS operates, monitoring when TACs reopened, and assessing the IRS's use of virtual face-to-face assistance.
- Determined the impact on taxpayers trying to obtain free tax return preparation assistance and evaluated the actions taken to resume operations, including determining the number of partner sites, monitoring when sites closed or reopened, and determining how taxpayers who relied on these services for Calendar Year 2019 filed their return in Calendar Year 2020.
- Determined the impact on taxpayers corresponding with the IRS and evaluated actions taken by the IRS to resume operations, including identifying when taxpayers need to correspond with the IRS and if alternative options, such as eFax, were available.
- Determined the impact on taxpayers who were unable to obtain notices, letters, forms, instructions, and publications from the IRS and evaluated actions taken to resume these operations, including determining how IRS management worked through the backlog and prioritized mailings.
- Assessed the IRS's comprehensive customer service strategy required by the TFA, including determining whether it met the legislative requirements, how the IRS developed the strategy, whether the strategy included customer service options provided by the five most populous State taxation agencies, and whether the IRS included information learned as a result of the COVID-19 pandemic.

Performance of This Review

This review was performed with information obtained from the Customer Account Services and the Customer Assistance, Relationship, and Education offices within the IRS's Wage and Investment Division, and the IRS's Taxpayer First Act Office located in Atlanta, Georgia, during the period May through December 2020. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major contributors to the report were Russell P. Martin, Assistant Inspector General for Audit (Returns Processing and Account Services); Deann L. Baiza, Director; Jeffrey D. Cullum, Audit Manager; Brieane K. Hamaoka, Lead Auditor; Oliver E. Einstein, Auditor; and Ryan M. Kenaley, Auditor.

Validity and Reliability of Data From Computer-Based Systems

We performed tests to assess the reliability of data from the IRS's Individual Return Transaction File and the Individual Master File that were available on TIGTA's Data Center Warehouse. We evaluated the data by performing electronic testing of required data elements and reviewing existing information about the data. In addition, we selected data from each extract and verified that the data in the extracts were the same as the data captured in the IRS's Integrated Data Retrieval System. We determined that the data were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the processes to close and reopen IRS customer service operations and the IRS's assessment of the impact of these decisions on taxpayers. We evaluated these controls by reviewing IRS procedures in the Internal Revenue Manual, IRS intranet, and SharePoint sites; meeting with IRS management and subject matter experts; and reviewing relevant documentation.

Appendix II

Treasury Inspector General for Tax Administration Reports – Cost Increases and Delays in the IRS’s Implementation of Complex Strategies

Reference Number	Project Description	Issues Occurred
2007-20-121	Business Systems Modernization Program	The IRS experienced difficulties with this ongoing project to modernize the IRS’s technology and related business processing because of issues managing contractor work and lack of funding. Many of the modernization projects were not completed as planned. For example, the planned completion date for a Customer Account Data Engine was delayed from 2005 to an estimated 2012.
2009-20-102	Deployment of My IRS Account Project	This project, which would have given taxpayers the ability to see account/tax return information and access self-services through online accounts, was terminated due to the IRS changing its priorities. In total, 32 months of work and approximately \$10 million was spent on the development of the My IRS Account project before being terminated.
2009-20-079	Development of a New Web-Based Portal Environment	The development of a new web-based portal environment was cancelled due to the lack of a comprehensive enterprise strategy and budget challenges. The purpose of this project was to upgrade the portal environment that the IRS was using at the time because a significant amount of portal equipment was either nearing or at the end of its life cycle.
2009-40-130	Efforts to Modernize Paper Tax Return Processing	The IRS devoted significant resources to identify ways to modernize the method of processing paper tax returns with no success in implementation. Since 1988, the IRS attempted to replace the method of processing paper tax returns, but efforts resulted in little more than conceptual versions.
2012-20-115	SmartID Card to Access Computer Systems	This project, which would allow employees to access computer systems with a SmartID Card, was originally scheduled for completion September 2011, but was delayed until July 2013 due to software problems, changing priorities, and negotiations. In addition, the IRS did not appoint a project manager with the requisite training experience, which led to numerous issues.
2013-20-125	Customer Account Data Engine 2 Database Deployment	Taxpayer service improvements that were to be provided by the new transactional database were delayed and elements of the project had not met the revised deadlines. Database deployment costs rose an estimated 74 percent to \$83 million.

Assessment of the Effects of the Coronavirus Pandemic on Customer Service Operations

Reference Number	Project Description	Issues Occurred
2017-20-057	Release 1.0 of The Web Applications System	The release of version 1.0 of the Web Applications system experienced significant delays due to the lack of staff and inconsistent governance. Version 1.0 of the Web Applications project that would give taxpayers online services such as seeing balances due and payment status/history, make a payment, and view/download online transcripts was delayed from September 30, 2015, until December 2016.

Source: TIGTA audit reports.

Appendix III

Management's Response to the Draft Report

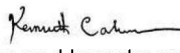


COMMISSIONER
WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

April 8, 2021

MEMORANDUM FOR MICHAEL E MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Kenneth C. Corbin  Digitally signed by Kenneth C. Corbin
Date: 2021.04.08 14:41:38 -04'00'
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – Assessment of the Effects of the
Coronavirus Pandemic on Customer Service Operations
(Audit # 202040635)

Thank you for the opportunity to review and provide comments on the subject draft report. The IRS strives to offer services in the most convenient, efficient, and effective ways possible, using an omni-channel approach to improve taxpayer service and increase voluntary compliance. In 2020, however, the IRS found itself in uncharted waters, as did the entire nation. The Coronavirus Disease 2019 (COVID-19) pandemic presented some of the greatest challenges to the IRS in its history, both in terms of being able to carry out our mission and in protecting the health and safety of taxpayers and our own workforce. The IRS' top priority during the COVID-19 outbreak was, and continues to be, protecting the health and safety of taxpayers, our partners in the tax community, and the IRS workforce. For that reason, we temporarily scaled back operations, taking such steps as closing our Submission Processing Centers and Taxpayer Assistance Centers, discontinuing face-to-face operations, and suspending our telephone help lines because of the closure of call center locations. As events unfolded in the spring and summer of 2020, we started reopening our operations when and where it was safe to do so. We followed and, where possible, exceeded applicable safety guidelines and measures and will continue to do so going forward.

The Volunteer Program, which includes the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs and is operated in partnership with participating organizations, offers free tax preparation services to taxpayers with low to moderate income levels, disabilities, and limited-English proficiency. It also serves Native Americans and the elderly. As a result of the pandemic conditions, 95 percent of the volunteer sites closed in 2020; however, the VITA and TCE programs still prepared more than 2.5 million tax returns with a 98.7 percent e-file rate. The fiscal year 2020 return preparation accuracy rate was 94 percent, exceeding the annual accuracy goal by two percentage points.

The closure of our Taxpayer Assistance Centers (TACs), where face-to-face service is provided, and other IRS facilities was done in accordance with applicable state mandates and evacuation orders. As the orders were lifted, we used a phased approach in reopening the TACs. This was done to ensure the safety of the public and our employees. During the phased reopening, face-to-face service was reduced to a limited number of topics, by appointment. We purchased needed equipment such as plexiglass for each employee workstation, ensured the recommended social distancing requirements were met, and ordered personal protective supplies for each employee as recommended by the Centers for Disease Control and Prevention. Additionally, when recalling employees, those most vulnerable and designated as being at high-risk were permitted to continue using weather and safety leave to protect their health. This accommodation, resulting from the unprecedented conditions arising from the pandemic, impeded our ability to reopen some locations but was the humane and correct approach to help reduce the spread of the virus.

As we began scheduling appointments for face-to-face service, our employees answered nearly 1.4 million calls from taxpayers requesting appointments. Over half of those callers (51 percent) were served over the telephone, thereby eliminating the need for them to travel to one of our locations. This was a great convenience to those individuals and allowed us to provide face-to-face services to those most in need of that type of interaction to resolve their issues.

Despite the effects of the COVID-19 pandemic, as of March 2021, the IRS has reopened approximately 80 percent of its TAC locations. Due to the continued proliferation of the coronavirus, we have generally limited all services to appointment only, which reduces the number of taxpayers in the TACs; however, limited walk-in service is also offered to alleviate hardship situations. We are continuing to allow at-risk employees with medical documentation of their susceptibility to telework.

Throughout the pandemic, we worked with our VITA and TCE partners to continue serving America's taxpayers. We created the Economic Impact Payment (EIP) Strike Initiative in April 2020, to communicate with stakeholders and community organizations that assist the displaced and unbanked population, providing awareness of the EIP available to eligible individuals. We also established new relationships with external stakeholders, including the Department of Housing and Urban Development, which assisted us with multi-state outreach and engagement efforts. In late May we distributed EIP outreach materials to existing and potential stakeholders. As a result, more than 340 organizations allowed people experiencing homelessness to use their physical address for receipt of the EIP by mail.

Due to the record number of Americans applying for unemployment compensation, we created the Unemployment Outreach Initiative to support community partners in advising individuals that their benefits may be taxable and must be reported on the 2020 tax year return. We developed Publication 5444, *Did You Receive Unemployment*

Benefits? to provide guidance on tax withholding and unemployment benefits. The publication contains helpful links and answers to frequently asked questions. In late August, this outreach material was shared with partners and volunteers through partner phone calls, lunch and learn sessions, email blasts, social media outlets, and websites. Through early September, we contacted more than 7,200 external community organizations.

The IRS continually evaluates service needs and delivery options. As mentioned in the report, we do not plan to provide return preparation assistance at the TACs during the 2021 filing season and have not offered this service in the TACs since January 2014. When considering return preparation service offered in TACs, the data show that most taxpayers sought this service from other sources, with the majority self-preparing or using a paid preparer to prepare their returns. With the availability of the Free File Program and other commercial tax preparation software, there is less reliance on the IRS to provide this service. In prior years, less than one tenth of one percent of all e-filed and paper-filed returns were prepared by TAC employees. For example, taxpayers, who requested assistance with return preparation during fiscal year 2013 accounted for only two percent of all walk-in services provided.

With the elimination of return preparation as a service, the IRS focused its limited face-to-face staffing resources on serving those taxpayers who have no alternatives other than face-to-face contact or those who must talk with a telephone assistor, for example, to resolve an outstanding tax account issue. Staffing resources from the elimination of return preparation service were redirected to account-related issues, including authentication services and authenticating documents for Individual Taxpayer Identification Number applicants. Additionally, employees in the TACs are more efficient when providing account and other TAC-exclusive services. For example, two identity theft contacts can be worked in the same amount of time needed for just one return preparation contact.

We appreciate that the Treasury Inspector General for Tax Administration (TIGTA) took note of the IRS Web Service Delivery (WebSD) pilot in the TACs, which was launched during the COVID-19 pandemic. We also note that because the pilot was launched during the beginning of the restrictions, the test was halted. The report does not mention that the original launch did not allow for remote work. The pilot employed a test group with a very limited number of employees working from their individual TACs across the country that would handle these appointments in their respective time zones. The test was just getting started before we closed all offices for services of any kind, which resulted in the limited number of appointments scheduled.

The TIGTA states in the report that the IRS has the authority to temporarily place employees, who were in positions not deemed telework eligible, on telework status under the emergency clause in the current National Treasury Employees Union (NTEU) contract. The IRS can expand the current WebSD pilot to additional TAC employees in

response to the COVID-19 pandemic, provided they have access to the necessary equipment and required high-speed internet service. However, we must note that providing WebSD as a service would not eliminate office closures due to staffing and is not an option that can be easily converted to a telework location when a TAC closes due to emergencies such as inclement weather or disasters.

We have expanded the pilot in the TACs as planned and, through February 2021, more than 500 virtual appointments were scheduled. While not all have been completed virtually due to taxpayers not keeping the appointment or connectivity issues, we believe the continuation of the pilot will yield meaningful data that will help us evaluate the long-term demand for WebSD in the TACs.

To mitigate the impact of the COVID-19 pandemic on the successful implementation of the 2021 filing season, we developed a strategy to assist VITA and TCE partners in delivering free tax preparation services using multifaceted approaches. As of mid-February, there were 8,369 VITA and TCE sites open or planning to open for the 2021 filing season. We anticipate that some of the partners will continue to use the face-to-face model that is the preferred tax return preparation method, some partners will provide 100 percent virtual service, and other partners will provide services via a hybrid model that includes virtual assistance. To support grant recipients providing face-to-face service, we modified procedures to allow use of grant funds to purchase personal protective equipment. Additional funding was used to provide more partners the capability to use the scanned document feature in the tax preparation software. This supports a reduced contact or contactless service environment. Additionally, the site review process and the security measures for the reviews have been revised to allow for 100 percent virtual review.

To continue addressing the needs of taxpayers, the Volunteer Program will promote its services and increase taxpayer awareness of the VITA and TCE programs. Specifically, for filing season 2021, we will continue to encourage our partners to prepare prior-year returns. Taxpayers seeking assistance may use the VITA Locator on IRS.gov to identify sites that prepare prior-year returns. Additionally, we have featured information on Low Income Tax Clinics in Volunteer Program publications, and other outreach communications. We will focus on several key outreach priorities including identity theft, VITA and TCE free tax preparation, and IRS Online Tools. Messaging and resources to help prevent tax-related identity theft, and IRS Online Tools will be highlighted to educate taxpayers about Where's My Refund, online accounts, IRS2Go, and other applications. Outreach content will be shared with partners to disseminate information about all free tax preparation services, including available VITA and TCE sites and the Free File program. For example, we mailed 2.5 million postcards to taxpayers who file paper returns. The postcards included links to www.IRS.gov/FreeFile and www.IRS.gov/VITA. Also, a host of helpful links on IRS.gov are available to assist taxpayers with free tax preparation services including Electronic Filing Options for Individuals and Free Electronic Filing Options for Military Members and Their Families. We will also continue

to leverage our existing enhanced outreach network to disseminate messages about the Recovery Rebate Credit and how to claim it.

As previously mentioned in the report, the Media and Publications, Correspondence Production Services (CPS) function closed on April 8, 2021, and reopened at partial capacity on June 1, 2021, with a backlog of 23.4 million notices. Despite their reduced staffing numbers, they worked closely with stakeholders across the IRS to develop a comprehensive correspondence resolution strategy that 1) reduced the volume of correspondence received while closed; 2) developed a plan for restart; and 3) developed criteria to prioritize new work upon restart.

Using creative solutions, such as the minor redesign of facilities, the CPS was able to clear the backlog of notices by July 17, 2020, while still maintaining employee safety. Supplemental materials, such as five inserts to be included in select balance due notices mailed after their due dates, were quickly developed to alleviate confusion caused by the delayed mailings by informing taxpayers of the issue and providing detailed information on extensions of the response due dates. We also used vendor support to address notice volume that exceeded the CPS production capacity, overcoming the backlog by January 7, 2021 and remaining current thereafter.

The report mentions, in reference to the Taxpayer Experience Strategy, that the TIGTA questions “the prioritization of some of the customer service initiatives contained in the Strategy and [is] concerned that the IRS plans to take 10 years to fully implement the strategy.” The Taxpayer First Act (the Act), mandated that the Taxpayer Experience Strategy include “proposals to improve IRS customer service in the short term (current and next fiscal year), medium term (approximately 3-5 years), and long term (approximately 10 fiscal years).” The strategy was drafted to be responsive to the language in the Act. As mentioned in the report, many of these capabilities will be implemented incrementally over the course of several years. Additionally, implementation will be contingent upon funding and other dependencies like the availability of technology solutions, staffing with the right skill sets, and negotiations with the NTEU. We have identified over 100 capabilities that support realization of the full Taxpayer Experience Strategy. These capabilities must be prioritized and sequenced based on the dependencies noted as well as the copious research we conducted in developing the strategy – including listening sessions with IRS employees, taxpayers, and their representatives – that are reflective of their most urgent needs. These capabilities must also be prioritized against other agency priorities like mission delivery and implementation of emerging legislation.

6

Our responses to your specific recommendations are enclosed. If you have any questions, please contact me, or a member of your staff may contact Susan Simon, Director, Customer Assistance, Relationships and Education, Wage and Investment Division, at 470-639-3443.

Attachment

Recommendations

The Commissioner, Wage and Investment Division, should:

RECOMMENDATION 1

Consider providing tax return preparation services during the 2021 Filing Season, by appointment only, in TACs that are located in areas where access to VITA and TCE assistance is limited.

CORRECTIVE ACTION

Employees have not received training in tax preparation and providing tax return preparation service would severely limit our ability to provide other face-to-face services that taxpayers need. In the past, when we considered return preparation service offered in Taxpayer Assistance Centers (TACs), data showed that most taxpayers sought tax return preparation assistance from other sources, with the majority self-preparing or using a paid preparer to prepare their returns. With the availability of the Free File program and other commercial tax preparation software, there is less reliance on the IRS to provide this service. Focusing our resources on account-related issues allows our employees in the TACs to work more efficiently on services that are not provided outside of the IRS, including taxpayer authentication related to identity theft and the new legislative requirement to assist taxpayers with obtaining an Identity Protection Personal Identification Number.

IMPLEMENTATION DATE

N/A

RESPONSIBLE OFFICIAL(S)

N/A

CORRECTIVE ACTION MONITORING PLAN

N/A

RECOMMENDATION 2

Ensure that the WebSD pilot provides a sufficient assessment of taxpayers' demand for virtual face-to-face services, adequately tests available technology for providing virtual assistance, to be consistent with the underlying premise of the Taxpayer Experience Strategy.

CORRECTIVE ACTION

The Web Service Delivery pilot is a limited pilot testing of services normally available in TACs. As such we cannot provide a full assessment of taxpayers' demand for virtual face-to-face services throughout the IRS. After completion of the pilot, we will assess and report the overall results, including taxpayer feedback from taxpayer surveys, data and other customer service measures, and technology.

IMPLEMENTATION DATE

December 15, 2021

RESPONSIBLE OFFICIAL(S):

Director, Field Assistance, Customer Assistance, Relationships and Education, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN:

We will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 3

Advise VITA and TCE sites, with sufficient capacity, to consider preparing prior year tax returns during the 2021 Filing Season.

CORRECTIVE ACTION

As of January 15, 2021, resources and guidance continued to be provided that ensure Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites are equipped with the necessary tools to prepare accurate current and prior year returns. The VITA and TCE sites with the necessary software, appropriate certified volunteers, and reference materials are encouraged to prepare prior year returns. However, this is an optional service that partners can provide at their discretion and based on required available resources. Partners determine if resources are available to prepare the prior year return during the filing season or they may refer taxpayers to other sites or ask the taxpayer to come back after the filing season.

When a taxpayer is interested in visiting a VITA/TCE site for prior year return preparation, the taxpayer may visit the VITA Locator on IRS.gov, which identifies whether the site prepares prior year returns.

IMPLEMENTATION DATE

Implemented

RESPONSIBLE OFFICIAL(S):

Director, Stakeholder Partnerships, Education and Communication, Customer Assistance, Relationships and Education, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN:

N/A

RECOMMENDATION 4

Initiate an outreach campaign to inform taxpayers about free tax return preparation services available during the 2021 Filing Season, including the option to use VITA or TCE to prepare a prior year return. This campaign should also include information about

the availability of the LITCs, including the location of these clinics and the tax preparation services offered.

CORRECTIVE ACTION

As of January 15, 2021, timely outreach messages to inform taxpayers about traditional VITA, TCE, Facilitated Self Assistance, Virtual VITA, and the Free File program continued to be developed and delivered to partners, in addition to our postcard initiative. We provide resources and guidance to ensure VITA and TCE sites are equipped with the necessary tools to prepare accurate prior year returns. The VITA and TCE sites with the necessary software, certified volunteers, and reference materials are encouraged to prepare prior year returns. However, this is an optional service that partners can provide at their discretion and based on available resources.

IMPLEMENTATION DATE

Implemented

RESPONSIBLE OFFICIAL(S):

Director, Stakeholder Partnerships, Education and Communication, Customer Assistance, Relationships and Education, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN:

N/A

Appendix IV

Glossary of Terms

Term	Definition
Campus Support Site	IRS locations that handle incoming and outgoing mail operations where Tax Processing Centers have closed.
Correspondence Production Services	Centralized sites located in Detroit, Michigan, and Ogden, Utah, used to print and mail IRS correspondence.
Data Center Warehouse	A collection of IRS databases containing various types of taxpayer accounts and IRS and TIGTA employee information that is maintained by TIGTA for the purpose of analyzing data for ongoing audits.
Electronic Fax	An electronic fax that may be used to send and receive fax documents without the need for a fax machine.
Filing Season	The period from January through mid-April when most individual income tax returns are filed.
Individual Master File	The IRS database that maintains transactions or records of individual tax accounts.
Individual Return Transaction File	A database the IRS maintains that contains information on the individual tax returns it receives.
Individual Taxpayer Identification Number	A number created by the IRS to provide Taxpayer Identification Numbers to individuals who do not have and are not eligible to obtain a Social Security Number.
Integrated Data Retrieval System	IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records.
Level of Access	The total number of calls seeking assistance that ultimately receive assistance from the IRS. This is computed by taking the sum of Assistor Calls Answered and Automated Calls Answered divided by Total Dialed Number Attempts Open Hours.
Level of Service	Represents the relative success rate of taxpayers who call the Accounts Management function's telephone lines seeking assistance.
Low Income Tax Clinic	A program overseen by the National Taxpayer Advocate that provides free or low cost assistance to taxpayers who need help resolving a tax dispute with the IRS and cannot afford representation, and taxpayers who speak English as a second language and need help understanding their tax rights and responsibilities.
National Distribution Center	Centralized distribution center that provides printing and distribution services of IRS forms, publications, <i>etc.</i> , for both the IRS and external stakeholders.

Assessment of the Effects of the Coronavirus Pandemic on Customer Service Operations

Taxpayer Assistance Center	Local offices nationwide staffed by IRS employees who are trained to provide a variety of services including answering tax account questions, taking cash payments, and authenticating the identity of individuals who have been identified as potential victims of tax-related identity theft.
Virtual Service Delivery	An initiative to expand face-to-face services to taxpayers when a TAC is not in their geographic area. Taxpayers visit an alternate location where they access an IRS computer to see and hear an IRS assistor located at a remote location.
Weather and Safety Leave	May be permitted when weather or other safety-related conditions prevent employees from safely traveling to or safely performing work at an approved location, such as the official duty station or telework location.

Appendix V

Abbreviations

COVID-19	Coronavirus Disease 2019
CPS	Correspondence Production Services
ECM	Enterprise Case Management
EDCMO	Enterprise Digitalization and Case Management Office
eFax	Electronic Fax
EIP	Economic Impact Payment
GCM	Geographic Coverage Model
IRS	Internal Revenue Service
LITC	Low Income Tax Clinic
NDC	National Distribution Center
NTEU	National Treasury Employees Union
SSA	Social Security Administration
TAC	Taxpayer Assistance Center
TCE	Tax Counseling for the Elderly
TFA	Taxpayer First Act
TIGTA	Treasury Inspector General for Tax Administration
VITA	Volunteer Income Tax Assistance
VSD	Virtual Service Delivery
WebSD	Web Service Delivery



**To report fraud, waste, or abuse,
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By Web:

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Or Write:

Treasury Inspector General for Tax Administration

P.O. Box 589

Ben Franklin Station

Washington, D.C. 20044-0589

Information you provide is confidential, and you may remain anonymous.