



COMMISSIONER

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

October 23, 2015

The Honorable Diane Black  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Black:

During the July 23, 2015, Oversight Subcommittee hearing on audit selection criteria for exempt organizations (EO), you asked about our response to the ten EO-related recommendations made by the Government Accountability Office (GAO) in July 2015. We then talked generally about our responsiveness to the many recommendations made by the GAO and the Treasury Inspector General for Tax Administration over the last few years. I committed to update you on our response to the GAO's ten recommendations, and provide a list summarizing the GAO and Inspector General recommendations to which we have not yet completed our response.

Regarding the status of the ten GAO recommendations, it is important to note that we generally agree with all ten. The EO function has already begun developing action plans to address each recommendation, and it is making progress towards doing so. For example, the GAO recommended that the IRS ensure that referral committee members rotate every 12 months by soliciting volunteers, and suggested the EO function should revise the IRM to require an alternative rotation schedule if 12 months is not appropriate. In July, the EO function released interim guidance, announcing new procedures for the Political Action Referral Committee that is consistent with the GAO recommendations. In response to other GAO recommendations, the EO function has already set FY 2016 target dates for completion of IRM updates and operational reviews. The EO function will continue addressing all ten GAO recommendations, as quickly as it can.

More broadly, as we discussed, the GAO and Inspector General have made more than a thousand recommendations since the beginning of fiscal year 2013. Based on our review across all IRS functions, we completed responsive actions to 1,240 GAO and Inspector General recommendations between October 1, 2012, and September 17, 2015, while 210 responses remain open. Of those 210 open responses, as of September 17, 167 had not yet reached their original due dates for responsive action, while the due dates for the remaining 43 responses had been extended. To further

clarify the status of the open responses, I am enclosing a chart that lists the 210 open responses, their original and extended due dates, and the reasons for the extensions.

I hope this information is helpful. If you have questions, please contact me, or a member of your staff can contact Leonard Oursler, Director, Legislative Affairs, at (202) 317-6985.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Koskinen". The signature is fluid and cursive, with the first name "John" being the most prominent part.

John A. Koskinen

Enclosure

REPORT	REPORT TITLE	RECOMMENDATION	DUE DATE	ORIGINAL DUE DATE	REASON FOR EXTENSION
TIGTA 2008-20-176	THE OFFICE OF RESEARCH, ANALYSIS, AND STATISTICS NEEDS TO ADDRESS COMPUTER SECURITY WEAKNESSES	The Director, Office of Research, Analysis, and Statistics, should ensure that audit and accountability controls are sufficient by requiring audit logs to be maintained a minimum of 6 years and to be periodically reviewed by the security officer	30-Sep-15	15-Apr-15	Budget
TIGTA 2011-1C-122	FINAL INCURRED COST PROPOSAL FOR FISCAL YEAR ENDING APRIL 2, 2004	The contracting officer should use the DCAA report in the administration of the contract and determine whether the questioned costs should be recovered.	30-Sep-16		
TIGTA 2011-20-046	ACCESS CONTROLS FOR THE AUTOMATED INSOLVENCY SYSTEM NEED IMPROVEMENT	RECOMMENDATION NUMBER - 1 of 4 for this finding: The Directors of Collection Policy, Filing and Payment Compliance and Advisory, Insolvency, and Quality should 1) identify incompatible duties and implement policies to segregate those duties, 2) issue a memorandum to Insolvency program managers requiring them to adhere to the new policy when assigning duties and approving AIS access privileges, and 3) designate a limited number of employees to perform the User Administrator duties. These employees should have no more capability than necessary to establish a user on the AIS.	15-Nov-16	15-Jan-12	IT
TIGTA 2011-20-099	THE MAINFRAME DATABASES REVIEWED MET SECURITY REQUIREMENTS; HOWEVER, AUTOMATED SECURITY SCANS WERE NOT PERFORMED	The Chief Technology Officer should ensure the IBM Guardium software application is fully implemented.	1-Mar-16	1-Mar-13	Resource
TIGTA 2011-40-124	MANY INVESTMENT THEFT LOSS DEDUCTIONS APPEAR TO BE ERRONEOUS	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Wage and Investment Division, should develop a process to capture information that can be used to identify taxpayers claiming an investment theft loss on paper-filed tax returns. Recommendation 1 of 1	15-Jun-16		
TIGTA 2011-40-124	MANY INVESTMENT THEFT LOSS DEDUCTIONS APPEAR TO BE ERRONEOUS	(RECOMMENDATION NUMBER 2 of 2 for this finding) The Commissioner, Small Business/Self-Employed Division, should develop a process to validate the investment theft loss for partnerships to ensure the associated partners are eligible for the deduction. This process should include capturing box 11 [Other Income (Loss)] information from partner's Schedule K-1 and establishing a process to associate filed Schedules K-1 with individual accounts to validate the investment theft loss.	15-Dec-15		
TIGTA 2011-40-124	MANY INVESTMENT THEFT LOSS DEDUCTIONS APPEAR TO BE ERRONEOUS	(RECOMMENDATION NUMBER - 1 of 2 for this finding) The Commissioner, Small Business/Self-Employed Division, should establish a Compliance Initiative Project to measure noncompliance with the claims of investment theft losses and, based on the results of the project, develop processes to reduce erroneous claims.	15-Dec-15		
TIGTA 2011-41-061	INDIVIDUALS WHO ARE NOT AUTHORIZED TO WORK IN THE UNITED STATES WERE PAID \$4.2 BILLION IN REFUNDABLE CREDITS	The Commissioner, Wage and Investment Division, should implement procedures that are proactive in timely alerting taxpayers when the IRS has become aware that a taxpayer's identity has potentially been stolen. At a minimum, those taxpayers whose names and Social Security Numbers have both been compromised should be notified.	15-Sep-15	15-Sep-12	IT
TIGTA 2011-IE-R004	FOLLOW-UP REVIEW OF CONTROLS OVER RELIGIOUS COMPENSATORY TIME	(RECOMMENDATION NUMBER: 2 of 3 for this finding): The IRS Human Capital Officer should modify the IRS RCT procedures to require that all employees (bargaining unit and non-bargaining unit) submit written requests to earn or use RCT, and develop a standard form for requesting, authorizing, and documenting the use of RCT.	15-Oct-15	30-Sep-14	Concurrence
TIGTA 2012-1C-003	CONTRACTOR'S FISCAL YEAR 2007 INCURRED COST PROPOSAL	The contracting officer should use the DCAA report in the administration of the contract and determine whether the questioned costs should be recovered.	2-Dec-16		
TIGTA 2012-1C-032	FINAL INCURRED COST PROPOSAL FOR FISCAL YEAR ENDING APRIL 1, 2005	The contracting officer should use the Defense Contract Audit Agency report in the administration of the contract and determine whether the questioned costs should be recovered	31-Mar-17		
TIGTA 2012-1C-079	FISCAL YEAR 2011 COMPLIANCE WITH REQUIREMENTS OF OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133 APPLICABLE TO RESEARCH AND DEVELOPMENT	The contracting officer should use the DCAA report in administering and closing out contracts.	7-Aug-17		
TIGTA 2012-20-115	USING SMARTID CARDS TO ACCESS COMPUTER SYSTEMS IS TAKING LONGER THAN EXPECTED	The Assistant Chief Information Officer, Cybersecurity, should direct the IIAM project manager to select the most feasible method to implement two-factor authentication for administrators and coordinate the activities needed to implement the interim and long-term solutions.	31-Mar-16	1-Jul-14	IT
TIGTA 2012-40-113	PENALTY ABATEMENT PROCEDURES SHOULD BE APPLIED CONSISTENTLY TO ALL TAXPAYERS AND SHOULD ENCOURAGE VOLUNTARY COMPLIANCE	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Commissioner, Small Business/Self Employed Division, should develop a process to address the negative impact to taxpayers who qualify for abatement of the Failure to File and Failure to Pay penalties based on reasonable cause, but are given First-Time Abate waivers instead.	15-Jun-16	15-Sep-15	Research/Analyze Data
TIGTA 2013-10-116	VENDORS HAD MILLIONS OF DOLLARS OF FEDERAL TAX DEBT	The Chief, Agency-Wide Shared Services, and Chief Financial Officer (CFO) should enhance IPS and Integrated Financial System (IFS) functionality (IPS vendor change log and IFS audit trails) to address the system weaknesses identified in tracking changes made to vendor account information.	15-Nov-15		
TIGTA 2013-1C-001	INDEPENDENT AUDIT OF THE CONTRACTOR'S CIVIL INFORMATION TECHNOLOGY FISCAL YEAR ENDED MARCH 31, 2006, FINAL INCURRED COST PROPOSAL	The contracting officer should use the DCAA report in administering and closing out contracts.	18-Mar-18		
TIGTA 2013-20-025	DESKTOP AND LAPTOP SOFTWARE LICENSE MANAGEMENT IS NOT BEING ADEQUATELY PERFORMED	To help ensure that the User and Network Services organization has processes for software license inventories that adhere to Federal requirements and recommended best practices, the Chief Technology Officer should develop an inventory of software licensing data and maintain the inventory with a specialized software license tool designed to discover, track, and manage software license deployment and usage.	25-Jan-16	25-Sep-14	Resource
TIGTA 2013-20-025	DESKTOP AND LAPTOP SOFTWARE LICENSE MANAGEMENT IS NOT BEING ADEQUATELY PERFORMED	To help ensure that the User and Network Services organization has processes for software license inventories that adhere to Federal requirements and recommended best practices, the Chief Technology Officer should maintain data in the inventory that the IRS can use to more effectively review software licensing agreements, purchases, deployment, usage, and other related aspects of licensing to identify additional savings in software spending.	25-Jan-16	25-Sep-14	Resource
TIGTA 2013-20-025	DESKTOP AND LAPTOP SOFTWARE LICENSE MANAGEMENT IS NOT BEING ADEQUATELY PERFORMED	To help ensure that the User and Network Services organization has processes for using software license tools which adhere to Federal requirements and recommended best practices, the Chief Technology Officer should implement a specialized software license tool designed to discover, track, and manage software license deployment and usage.	25-Jan-16	25-May-15	Resource

TIGTA 2013-20-025	DESKTOP AND LAPTOP SOFTWARE LICENSE MANAGEMENT IS NOT BEING ADEQUATELY PERFORMED	To help ensure that the User and Network Services organization has processes for using software license tools which adhere to Federal requirements and recommended best practices, the Chief Technology Officer should develop detailed standard operating procedures for using software licensing tools to <u>manage software licenses</u> .	25-Jan-16	25-Mar-14	Resource
TIGTA 2013-20-089	WEAKNESSES IN ASSET MANAGEMENT CONTROLS LEAVE INFORMATION TECHNOLOGY ASSETS VULNERABLE TO LOSS	The Chief Technology Officer should ensure that the switch user log for the KISAM system is reviewed while the Enterprise Security Audit Trails group works on developing and implementing the full functionality of its automated tools.	25-Aug-16	25-Jun-14	IT
TIGTA 2013-20-089	WEAKNESSES IN ASSET MANAGEMENT CONTROLS LEAVE INFORMATION TECHNOLOGY ASSETS VULNERABLE TO LOSS	The Chief Technology Officer should ensure that KISAM-AM information is timely updated and maintained.	25-Sep-15		
TIGTA 2013-20-106	AUTOMATED MONITORING IS NEEDED FOR THE VIRTUAL INFRASTRUCTURE TO ENSURE SECURE CONFIGURATIONS	The Chief Technology Officer should ensure that the IRS implements audit log collection and review on hosts and vCenters in accordance with IRS policy, including logging when users access these devices, the logon and logoff times, and the activities conducted during access.	25-Oct-16	25-Jan-15	IT
TIGTA 2013-20-106	AUTOMATED MONITORING IS NEEDED FOR THE VIRTUAL INFRASTRUCTURE TO ENSURE SECURE CONFIGURATIONS	The Chief Technology Officer should ensure that the IRS implements an automated management tool to ensure that host and vCenter settings remain in compliance with configuration standards.	25-Jan-16		
TIGTA 2013-20-107	FULL COMPLIANCE WITH TRUSTED INTERNET CONNECTION REQUIREMENTS IS PROGRESSING; HOWEVER, IMPROVEMENTS WOULD STRENGTHEN SECURITY	The Chief Technology Officer should ensure that the IRS completes implementation of the Sensitive Compartmented Information Facilities at TIC management locations.	25-Sep-16	25-Sep-14	IT
TIGTA 2013-20-107	FULL COMPLIANCE WITH TRUSTED INTERNET CONNECTION REQUIREMENTS IS PROGRESSING; HOWEVER, IMPROVEMENTS WOULD STRENGTHEN SECURITY	The Chief Technology Officer should ensure that the IRS obtains Top Secret Sensitive Compartmented Information clearances for IRS operational employees who can receive and react to classified information on a 24/7 basis.	25-Sep-16	25-Sep-14	IT
TIGTA 2013-20-108	BETTER COST-BENEFIT ANALYSIS AND SECURITY MEASURES ARE NEEDED FOR THE BRING YOUR OWN DEVICE PILOT	The Chief Technology Officer should provide periodic refresher training for BYOD participants that clearly explain the risks associated with personal mobile devices, how these can potentially expose the IRS network to unauthorized accesses and malware, the consequences of such breaches, and how to prevent or reduce the possibility of causing such a security breach.	25-Feb-16	25-Feb-15	Budget
TIGTA 2013-23-119	AFFORDABLE CARE ACT: IMPROVEMENTS ARE NEEDED TO STRENGTHEN SYSTEMS DEVELOPMENT CONTROLS FOR THE PREMIUM TAX CREDIT PROJECT	The Chief Technology Officer should ensure that the IRM is updated to provide specific guidance on how IRS management is to effectively manage, monitor, and mitigate fraud risk for information technology systems.	25-Oct-15	25-Sep-14	Research/Analyze Data
TIGTA 2013-40-120	STOLEN AND FALSELY OBTAINED EMPLOYER IDENTIFICATION NUMBERS ARE USED TO REPORT FALSE INCOME AND WITHHOLDING	The Commissioner, Wage and Investment Division, should update fraud filters to include use of business tax return filing and withholding payment data to identify potentially fraudulent tax returns that use a falsely obtained EIN to report <u>income and withholding</u> .	15-Jan-16		
TIGTA 2013-40-120	STOLEN AND FALSELY OBTAINED EMPLOYER IDENTIFICATION NUMBERS ARE USED TO REPORT FALSE INCOME AND WITHHOLDING	The Commissioner, Wage and Investment Division, should update fraud filters to include use of verification information provided by selective employers during the filing season to identify potentially fraudulent tax returns in which individuals use a stolen EIN to report false income and withholding.	15-Jan-16	15-Jan-15	IT
TIGTA 2013-40-122	DETECTION HAS IMPROVED; HOWEVER, IDENTITY THEFT CONTINUES TO RESULT IN BILLIONS OF DOLLARS IN POTENTIALLY FRAUDULENT TAX REFUNDS	To reduce the potential for tax filing fraud, the Commissioner, Wage and Investment Division, should implement a process to deactivate ITINs assigned to individuals prior to January 1, 2013, who no longer have a tax filing requirement.	15-Jun-17		
TIGTA 2013-40-123	THE LAW WHICH PENALIZES ERRONEOUS REFUND AND CREDIT CLAIMS WAS NOT PROPERLY IMPLEMENTED	The Commissioner, Small Business/Self-Employed Division, and the Commissioner, Wage and Investment Division, should develop processes and procedures to enable Campus Operations to assess the erroneous refund penalty for disallowed credit claims that are excessive and do not have a <u>reasonable basis</u> .	15-Dec-15	15-Oct-14	Concurrence
TIGTA 2013-IE-R008	REVIEW OF THE IMPLEMENTATION OF THE TELEWORK ENHANCEMENT ACT OF 2010	(RECOMMENDATION NUMBER: 2 of 2 for this finding): The IRS Human Capital Officer should require that telework agreements include specific language on whether the employee is expected to telework when the office is closed due to an <u>emergency</u> .	15-Oct-15	15-Oct-14	Concurrence
TIGTA 2013-IE-R006	REVIEW OF THE IMPLEMENTATION OF THE TELEWORK ENHANCEMENT ACT OF 2010	(RECOMMENDATION NUMBER: 1 of 2 for this finding): The IRS Human Capital Officer should revise the IRS's telework policy to indicate that a non-bargaining unit employee with an approved telework agreement can be expected to telework outside his or her normal telework schedule in the case of an <u>emergency situation</u> .	15-Oct-15	15-Oct-14	Concurrence
TIGTA 2013-IE-R008	THE INTERNAL REVENUE SERVICE NEEDS TO IMPROVE THE COMPREHENSIVENESS, ACCURACY, RELIABILITY, AND TIMELINESS OF THE TAX GAP ESTIMATE	(RECOMMENDATION NUMBER: 1 of 2 for this finding): The Director, Office of RAS, should develop processes and procedures to ensure compliance with applicable OMB standards to improve the overall confidence that can be placed in the accuracy and reliability of the Tax Gap estimate. This includes developing a method to estimate the total costs for performing each Tax Gap estimate and study. This information will assist decision makers in determining the methods and frequency of future studies.	15-Jan-17		
TIGTA 2013-IE-R008	THE INTERNAL REVENUE SERVICE NEEDS TO IMPROVE THE COMPREHENSIVENESS, ACCURACY, RELIABILITY, AND TIMELINESS OF THE TAX GAP ESTIMATE	(RECOMMENDATION NUMBER: 2 of 2 for this finding): The Director, Office of RAS, should issue a published report to explain the methods, assumptions, and premises used to develop the estimates. Furthermore, the report should also include comments about the confidence of the reliability and accuracy of the estimate and comparisons with previous estimates. The report should specifically state instances where no estimates have been developed and whether the absence of an estimate could affect the final estimate and the VCR. Finally, the report should be subject to peer review.	15-Jan-16		
TIGTA 2014-10-033	THE TAXPAYER ADVOCATE SERVICE CAN IMPROVE THE PROCESSING OF SYSTEMIC BURDEN CASES	The National Taxpayer Advocate should reissue guidance to TAS personnel explaining the requirement to only contact authorized representatives, when applicable, and emphasize this requirement in future training.	15-Dec-15	15-Dec-14	Clearance
TIGTA 2014-10-033	THE TAXPAYER ADVOCATE SERVICE CAN IMPROVE THE PROCESSING OF SYSTEMIC BURDEN CASES	The National Taxpayer Advocate should reemphasize the importance of ensuring the accuracy of criteria, primary core issue, and relief codes to TAS personnel to improve the accuracy of information used to make managerial <u>decisions and reported to Congress and the public</u> .	15-Dec-15	15-Dec-14	Resource
TIGTA 2014-10-033	THE TAXPAYER ADVOCATE SERVICE CAN IMPROVE THE PROCESSING OF SYSTEMIC BURDEN CASES	The National Taxpayer Advocate should review the results of sample findings and, where appropriate, incorporate lessons learned into future training for TAS personnel.	15-Dec-15	15-Dec-14	Clearance

TIGTA 2014-10-073	CONTROLS OVER OUTSIDE EMPLOYMENT ARE NOT SUFFICIENT TO PREVENT OR DETECT CONFLICTS OF INTEREST	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The IRS Human Capital Officer should, after establishing effective controls to use the OES to request and approve outside employment, require all supervisors to perform a one-time cleanup of the OES to correct outside employment data.	15-Nov-15		
TIGTA 2014-10-073	CONTROLS OVER OUTSIDE EMPLOYMENT ARE NOT SUFFICIENT TO PREVENT OR DETECT CONFLICTS OF INTEREST	(RECOMMENDATION NUMBER: 1 of 3 for this finding) The IRS Human Capital Officer should update the Internal Revenue Manual and associated outside employment guidance available to IRS employees and supervisors to include the requirements for using the OES to request and approve outside employment requests.	30-Sep-15		
TIGTA 2014-1C-018	Independent Audit of the Contractor's Incurred Cost Proposal for Fiscal Year Ending March 30, 2007	The contracting officer should use the DCAA report in administering and closing out contracts.	19-Dec-18		
TIGTA 2014-1C-019	Independent Audit of the Contractor's Asset Management's Incurred Costs for Fiscal Year Ended December 31, 2005	The contracting officer should use the DCAA report in administering and closing out contracts.	29-May-19		
TIGTA 2014-20-002	THE INTERNAL REVENUE SERVICE SHOULD IMPROVE MAINFRAME SOFTWARE ASSET MANAGEMENT AND REDUCE COSTS	The Chief Technology Officer should develop detailed standard operating procedures for using mainframe software licensing tools to manage software licenses.	25-Jan-16	25-Sep-14	Resource
TIGTA 2014-20-002	THE INTERNAL REVENUE SERVICE SHOULD IMPROVE MAINFRAME SOFTWARE ASSET MANAGEMENT AND REDUCE COSTS	The Chief Technology Officer should maintain data in the inventory system that the IRS can use to more effectively review mainframe software licensing agreements, purchases, deployment, usage, and other related aspects of mainframe licensing to identify additional savings in software spending.	25-Jan-16	25-Sep-14	Resource
TIGTA 2014-20-069	PROGRESS HAS BEEN MADE; HOWEVER, SIGNIFICANT WORK REMAINS TO ACHIEVE FULL IMPLEMENTATION OF HOMELAND SECURITY PRESIDENTIAL DIRECTIVE 12	The Chief Technology Officer should continue to provide oversight and drive implementation of HSPD-12 requirements while balancing resource demands to meet IRS mission objectives. To ensure full implementation of mandatory PIV card access to the IRS network and information systems, specific requirements, staffing, and scheduling should be identified and adequate funding requested to cover those needs, including: • Specific equipment and support needs should be clearly identified, including hardware and software requirements, testing needs, and any contractor expertise needed. • Specific staffing needs should be clearly identified to ensure that not only the requisite number of staff is assigned to HSPD-12, but that staff with the correct skills are assigned to the appropriate activities. • Detailed milestones should be developed and progress on those milestones should be regularly reported to the Chief Technology Officer as part of a detailed plan to implement mandatory logon to IRS networks and information systems with PIV cards and resolve the administrator access issue.	25-Sep-15		
TIGTA 2014-20-071	INFORMATION TECHNOLOGY: IMPROVEMENTS ARE NEEDED TO SUCCESSFULLY PLAN AND DELIVER THE NEW TAXPAYER ADVOCATE SERVICE INTEGRATED SYSTEM	The Chief Financial Officer, Chief Technology Officer, and National Taxpayer Advocate should prepare a multiyear budget request and detailed business case to stabilize the funding for the system development activities for TESIS.	15-Feb-16	25-Dec-14	Budget
TIGTA 2014-20-071	INFORMATION TECHNOLOGY: IMPROVEMENTS ARE NEEDED TO SUCCESSFULLY PLAN AND DELIVER THE NEW TAXPAYER ADVOCATE SERVICE INTEGRATED SYSTEM	The Chief Financial Officer, Chief Technology Officer, and National Taxpayer Advocate should ensure adherence to applicable risk management processes for identifying, monitoring, and mitigating TESIS risks in accordance with established IRM guidelines.	15-Feb-16	25-Dec-14	Budget
TIGTA 2014-20-071	INFORMATION TECHNOLOGY: IMPROVEMENTS ARE NEEDED TO SUCCESSFULLY PLAN AND DELIVER THE NEW TAXPAYER ADVOCATE SERVICE INTEGRATED SYSTEM	The Chief Technology Officer and the National Taxpayer Advocate should ensure that critical roles and responsibilities are identified and applied to ensure the long-term success going forward with all new systems development activities for the TAS.	15-Feb-16	25-Dec-14	Budget
TIGTA 2014-20-083	THE INTERNAL REVENUE SERVICE SHOULD IMPLEMENT AN EFFICIENT INTERNAL INFORMATION SECURITY CONTINUOUS MONITORING PROGRAM THAT MEETS ITS SECURITY NEEDS	The Chief Technology Officer should select and implement an integrated dashboard of the security scanning tools to allow stakeholder and decision makers to make well informed risk based decisions.	25-Jul-16		
TIGTA 2014-20-085	INCREASED SUPPORT IS NEEDED TO ENSURE THE EFFECTIVENESS OF THE FINAL INTEGRATION TEST	To ensure that the FIT program's environment simulates the filing season environment as closely as possible, the Chief Technology Officer should implement the environment comparison and synchronization process between the FIT program's environment and the filing season environment.	25-Sep-15		
TIGTA 2014-20-087	WHILE THE DATA LOSS PREVENTION SOLUTION IS BEING DEVELOPED, STRONGER OVERSIGHT AND PROCESS ENHANCEMENTS ARE NEEDED FOR TIMELY IMPLEMENTATION WITHIN BUDGET	To ensure that the SPIIDE Project meets its new DLP solution implementation date and budget requirements, the Chief Technology Officer should ensure that the SPIIDE team conducts a risk-based analysis on volume and impact on the system by adding a new criterion to the DLP solution that includes the key word "TIN." In addition, ensure that the DLP solution is upgraded to the most current version available to identify social security numbers in embedded comments in the Microsoft Office 2007 application files, especially in the Excel spreadsheets.	25-Jul-16		
TIGTA 2014-20-087	WHILE THE DATA LOSS PREVENTION SOLUTION IS BEING DEVELOPED, STRONGER OVERSIGHT AND PROCESS ENHANCEMENTS ARE NEEDED FOR TIMELY IMPLEMENTATION WITHIN BUDGET	To enhance the processes and procedures over the DLP solution, the Chief Technology Officer should incorporate a process to forward outbound unencrypted e-mail traffic with PII from licensed tax preparers/taxpayer representatives to the OPR through the business unit liaisons into the current policy and procedures. After the Data-in-Motion component of the DLP is deployed and operational, conduct a risk based analysis to determine the feasibility on the monitoring and identifying of unencrypted inbound e-mail traffic with PII from these licensed tax practitioners to route to the OPR.	25-Nov-15	25-Dec-14	Budget
TIGTA 2014-20-087	WHILE THE DATA LOSS PREVENTION SOLUTION IS BEING DEVELOPED, STRONGER OVERSIGHT AND PROCESS ENHANCEMENTS ARE NEEDED FOR TIMELY IMPLEMENTATION WITHIN BUDGET	To enhance the processes and procedures over the DLP solution, the Chief Technology Officer should change the forwarding procedures to refer all unencrypted e-mails containing PII to the Office of Privacy, Governmental Liaison and Disclosure office first and then to the business unit liaisons to ensure that all potential PII disclosure incidents are timely reported to the Treasury Computer Security Incident Response Center.	25-Nov-15	25-Dec-14	Budget
TIGTA 2014-20-088	THE INFORMATION REPORTING AND DOCUMENT MATCHING CASE MANAGEMENT SYSTEM COULD NOT BE DEPLOYED	The Chief Technology Officer should ensure that the IRDMCM System requirements are completely identified.	25-Mar-17		
TIGTA 2014-20-088	THE INFORMATION REPORTING AND DOCUMENT MATCHING CASE MANAGEMENT SYSTEM COULD NOT BE DEPLOYED	The Chief Technology Officer should ensure that case management capabilities of Entellitrak, or its replacement solution, are thoroughly assessed to ensure that it satisfies the IRDMCM System requirements and meets stated business needs. IRS IT organization officials should also act promptly to implement an IRDM case management application to avoid losing significant tax assessment revenue in the future.	25-Oct-15		

TIGTA 2014-23-072	AFFORDABLE CARE ACT: IMPROVEMENTS ARE NEEDED TO STRENGTHEN SECURITY AND TESTING CONTROLS FOR THE AFFORDABLE CARE ACT INFORMATION RETURNS PROJECT	The Chief Technology Officer should ensure that ACA security patch updates, including the AIR system's, are timely installed within the required time frames in accordance with IRS guidelines.	25-Oct-15		
TIGTA 2014-30-034	TRUST FUND RECOVERY PENALTY ACTIONS WERE NOT ALWAYS TIMELY OR ADEQUATE	(RECOMMENDATION NUMBER: 1 of 4 for this finding) The Director, Field Collection, SB/SE Division, should emphasize to group managers their responsibilities to: 1. Use Automated Trust Fund Recovery (ATFR) system reports at least monthly to promote timely TFRP investigations and actions by their revenue officers. Also, determine why group managers are not using the ATFR system reports and take appropriate actions to address the issues identified. 2. Document the Integrated Collection System (ICS) case history with the circumstances that warrant additional time when revenue officers do not submit the Forms 4183 timely.	15-Nov-15		
TIGTA 2014-30-051	ADDITIONAL ACTIONS ARE NEEDED TO HELP ENSURE TAXPAYER COMPLIANCE WITH THE FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT	(RECOMMENDATION NUMBER: 1 of 3 for this finding) The Commissioner, Large Business and International Division should revise Form 1099 S to include information that is necessary to identify transactions subject to the FIRPTA, along with the pertinent buyer identifying information that would allow the IRS to effectively enforce compliance with the current law.	15-Jan-16		
TIGTA 2014-30-051	ADDITIONAL ACTIONS ARE NEEDED TO HELP ENSURE TAXPAYER COMPLIANCE WITH THE FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT	(RECOMMENDATION NUMBER: 2 of 3 for this finding) The Commissioner, Large Business and International Division, should coordinate with the Commissioner, Wage and Investment Division, to develop procedures to reduce the risk that erroneous balance due notices are sent to buyers that timely filed the Form 8288 and remitted the FIRPTA withholding.	15-Sep-15	15-Jun-15	Research/Analyze Data
TIGTA 2014-30-053	FISCAL YEAR 2014 REVIEW OF COMPLIANCE WITH LEGAL GUIDELINES WHEN CONDUCTING SEIZURES OF TAXPAYERS' PROPERTY	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Director, Collection Policy, Small Business/Self-Employed Division, should include an instruction in the IRM that requires the Property Appraisal and Liquidation Specialist to retain a file copy of all print advertisements, a copy of any Internet advertisements and mail-in bid forms, and a text copy of information provided in any radio and television advertisements of seizure sales.	15-Feb-16		
TIGTA 2014-30-054	THE INTERNAL REVENUE SERVICE NEEDS TO ENHANCE ITS INTERNATIONAL COLLECTION EFFORTS	(RECOMMENDATION NUMBER: 1 of 4 for this finding) The Commissioner, Small Business/Self-Employed Division, should develop a formal International Collection Strategic Plan that includes outcome-related strategic goals, a description of how the agency intends to achieve those goals, and an action plan with a timeline for implementation.	15-Nov-15		
TIGTA 2014-30-079	FISCAL YEAR 2014 STATUTORY REVIEW OF RESTRICTIONS ON DIRECTLY CONTACTING TAXPAYERS	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Director, Exam Policy, SB/SE Division, should ensure that consistent guidance is provided in the SB/SE Examination sections of the IRM, detailing the procedures for allowing taxpayers adequate time to secure representation before taking any follow-up action and documenting the reasons for taking follow-up action within 10 business days of the taxpayer's request.	15-Mar-16		
TIGTA 2014-30-081	IMPROVEMENTS ARE NEEDED TO ENSURE THAT THE SEARCH AND SEIZURE WARRANT PROCESS IS ADEQUATELY DOCUMENTED AND THAT EVIDENCE IS PROPERLY SECURED	(RECOMMENDATION NUMBER: 2 of 3 for this finding) The Chief, Criminal Investigation should conduct a study to determine if each CI office has sufficient and proper storage space in which to maintain evidence in its possession. If a CI office does not have adequate storage space, coordinate with Agency-Wide Shared Services, Real Estate and Facilities Management function to develop and implement an action plan to resolve this issue.	15-Nov-15		
TIGTA 2014-30-082	IMPROVEMENTS ARE NEEDED TO ENSURE THAT PROCEDURES ARE FOLLOWED DURING PARTNERSHIP AUDITS SUBJECT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982	(RECOMMENDATION NUMBER: 3 of 5 for this finding) The Commissioner, Large Business and International Division, and the Commissioner, Small Business/Self-Employed Division, should ensure that the required job aids are timely reviewed by the first-line managers and the review results are documented and used to provide examiners feedback regarding their compliance with the TEFRA procedures.	15-Sep-16		
TIGTA 2014-30-082	IMPROVEMENTS ARE NEEDED TO ENSURE THAT PROCEDURES ARE FOLLOWED DURING PARTNERSHIP AUDITS SUBJECT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982	(RECOMMENDATION NUMBER: 2 of 5 for this finding) The Commissioner, Large Business and International Division, and the Commissioner, Small Business/Self-Employed Division, should ensure that the additional control procedures implemented to monitor whether examiners submitted control documents needed for establishing TEFRA audits on the Partnership Control System (PCS) are working as intended and will effectively address the issues TIGTA identified in this report.	15-Sep-16		
TIGTA 2014-30-082	IMPROVEMENTS ARE NEEDED TO ENSURE THAT PROCEDURES ARE FOLLOWED DURING PARTNERSHIP AUDITS SUBJECT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982	(RECOMMENDATION NUMBER: 2 of 5 for this finding) The Commissioner, Large Business and International Division, and the Commissioner, Small Business/Self-Employed Division, should ensure that the additional control procedures implemented to monitor whether examiners submitted control documents needed for establishing TEFRA audits on the Partnership Control System (PCS) are working as intended and will effectively address the issues TIGTA identified in this report.	15-Sep-16		
TIGTA 2014-30-082	IMPROVEMENTS ARE NEEDED TO ENSURE THAT PROCEDURES ARE FOLLOWED DURING PARTNERSHIP AUDITS SUBJECT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982	(RECOMMENDATION NUMBER: 3 of 5 for this finding) The Commissioner, Large Business and International Division, and the Commissioner, Small Business/Self-Employed Division, should ensure that the required job aids are timely reviewed by the first-line managers and the review results are documented and used to provide examiners feedback regarding their compliance with the TEFRA procedures.	15-Sep-16		
TIGTA 2014-30-082	IMPROVEMENTS ARE NEEDED TO ENSURE THAT PROCEDURES ARE FOLLOWED DURING PARTNERSHIP AUDITS SUBJECT TO THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982	(RECOMMENDATION NUMBER: 5 of 5 for this finding). The Commissioner, Large Business and International Division, and the Commissioner, Small Business/Self-Employed Division, should take steps to hold first-line managers accountable for ensuring that TEFRA audits are conducted in accordance with all TEFRA procedures.	15-Mar-16		
TIGTA 2014-30-089	FURTHER ACTIONS ARE NEEDED TO RESOLVE MILLIONS OF DOLLARS OF FROZEN CREDITS IN TAXPAYER ACCOUNTS	(RECOMMENDATION NUMBER: 8 of 10 for this finding) The Commissioner, Wage and Investment Division, should work with the Chief Technology Officer to evaluate the AM11 transcript programming and ensure that all tax modules meeting the criteria will have this transcript generated for review.	15-Apr-16		
TIGTA 2014-30-089	FURTHER ACTIONS ARE NEEDED TO RESOLVE MILLIONS OF DOLLARS OF FROZEN CREDITS IN TAXPAYER ACCOUNTS	(RECOMMENDATION NUMBER: 9 of 10 for this finding) The Commissioner, Wage and Investment Division, should evaluate the AM11 transcript criteria for changes that will alert employees to aging frozen credits resulting from the Automated Underreporter program.	15-Apr-16		
TIGTA 2014-40-011	PROCESSES FOR ENSURING COMPLIANCE WITH QUALIFYING ADVANCED ENERGY PROJECT CREDIT REQUIREMENTS CAN BE STRENGTHENED	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Large Business and International Division, should ensure a process to identify and verify that individual taxpayer tax returns claiming Advanced Energy Credits are valid.	15-Mar-16		

TIGTA 2014-40-041	PROCESSES WERE NOT ESTABLISHED TO VERIFY ELIGIBILITY FOR WORK OPPORTUNITY TAX CREDITS	(RECOMMENDATION NUMBER: 1 of 1 for this finding) If legislation to extend the WOTC is enacted, the Commissioners, Large Business and International Division and Small Business/Self-Employed Division, should revise instructions for Form 5884 and Form 8850 to clearly and accurately advise employers of where to submit Form 8850 and that an approved certification must be received to be eligible to claim an individual for the WOTC.	15-Oct-16		
TIGTA 2014-40-058	PROCESSES ARE NEEDED TO MORE EFFECTIVELY ADDRESS POTENTIALLY ERRONEOUS EXCESS SOCIAL SECURITY TAX CREDIT CLAIMS	The Commissioner, Wage and Investment Division, should develop a process to verify e-filed tax returns at the time of filing when the taxpayer claims the Excess Social Security Tax Credit and the Social Security tax withholding amount reported on the tax return equals or exceeds the amount of taxable Social Security wages.	15-Feb-16		
TIGTA 2014-40-058	PROCESSES ARE NEEDED TO MORE EFFECTIVELY ADDRESS POTENTIALLY ERRONEOUS EXCESS SOCIAL SECURITY TAX CREDIT CLAIMS	The Commissioner, Wage and Investment Division, should develop a process to verify e-filed tax returns at the time of filing when the taxpayer claims the Excess Social Security Tax Credit and the taxpayer provides information related to only one employer.	15-Feb-16		
TIGTA 2014-40-084	A SERVICE-WIDE STRATEGY IS NEEDED TO INCREASE BUSINESS TAX RETURN ELECTRONIC FILING	The Commissioner, Wage and Investment Division, should evaluate the feasibility of providing business filers with the option of Free Fillable Forms.	15-Jan-16		
TIGTA 2014-40-084	A SERVICE-WIDE STRATEGY IS NEEDED TO INCREASE BUSINESS TAX RETURN ELECTRONIC FILING	The Commissioner, Wage and Investment Division, should develop a Service-wide strategy that outlines specific efforts the IRS will initiate to advance the e-filing rate of business tax returns.	15-Jan-16		
TIGTA 2014-40-084	A SERVICE-WIDE STRATEGY IS NEEDED TO INCREASE BUSINESS TAX RETURN ELECTRONIC FILING	The Deputy Commissioner for Services and Enforcement should work with the Department of the Treasury Office of Tax Policy to consider a legislative proposal to revise current requirements and/or create new requirements for e-filing of business tax returns that would increase the overall e-filing rate.	15-Oct-15		
TIGTA 2014-40-084	A SERVICE-WIDE STRATEGY IS NEEDED TO INCREASE BUSINESS TAX RETURN ELECTRONIC FILING	The Commissioner, Wage and Investment Division, should develop a less burdensome electronic signature process for businesses e-filing employment tax returns using the MeF system.	15-Jan-17		
TIGTA 2014-43-043	THE AFFORDABLE CARE ACT: AN IMPROVED STRATEGY IS NEEDED TO ENSURE ACCURATE REPORTING AND PAYMENT OF THE MEDICAL DEVICE EXCISE TAX	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Commissioner, Small Business/Self-Employed Division, should continue refining its compliance strategy to include actions that can be taken to identify noncompliant manufacturers. This should include an assessment of the benefit of issuing notices to potential nonfilers of the medical device excise tax identified from the manufacturers registered with the FDA.	15-Dec-15		
TIGTA 2014-43-043	THE AFFORDABLE CARE ACT: AN IMPROVED STRATEGY IS NEEDED TO ENSURE ACCURATE REPORTING AND PAYMENT OF THE MEDICAL DEVICE EXCISE TAX	(RECOMMENDATION NUMBER: 2 of 3 for this finding) The Commissioner, Wage and Investment Division, should establish a process for paper-filed Forms 720 to math verify the accuracy of the medical device excise tax amount and correspond with taxpayers on the corrected taxable amount.	15-Feb-16		
TIGTA 2014-43-043	THE AFFORDABLE CARE ACT: AN IMPROVED STRATEGY IS NEEDED TO ENSURE ACCURATE REPORTING AND PAYMENT OF THE MEDICAL DEVICE EXCISE TAX	(RECOMMENDATION NUMBER: 3 of 3 for this finding) The Commissioner, Wage and Investment Division, should initiate a process to correspond with taxpayers to obtain missing taxable sales or tax amounts during the processing of paper-filed Forms 720 reporting the medical device excise tax.	15-Feb-16		
TIGTA 2015-10-001	ADDITIONAL MEASURES ARE NEEDED TO IMPROVE THE PHYSICAL SECURITY RISK ASSESSMENT PROGRAM	The Director, FMSS, should determine if the conditions identified during the TIGTA site visits still exist, and where applicable: • Ensure that appropriate corrective actions are taken to mitigate the security vulnerabilities or document how alternative countermeasures mitigated the vulnerabilities. • Document instances in which the appropriate corrective actions cannot be implemented and management has agreed to accept the risk in accordance with ISC requirements. • Ensure that future risk assessments disclose these findings and the status of corrective actions.	15-Jan-16		
TIGTA 2015-10-001	ADDITIONAL MEASURES ARE NEEDED TO IMPROVE THE PHYSICAL SECURITY RISK ASSESSMENT PROGRAM	The Director, FMSS should update the Internal Revenue Manual (IRM) to: • Include detailed guidance describing ISC requirements for conducting risk assessments and reinforce to employees that all ISC standards should be addressed. • Require that risk assessments include a detailed explanation showing what the prior findings and recommendations were and the status of corrective actions.	15-Jun-16		
TIGTA 2015-10-001	ADDITIONAL MEASURES ARE NEEDED TO IMPROVE THE PHYSICAL SECURITY RISK ASSESSMENT PROGRAM	The Director, FMSS should update the Internal Revenue Manual (IRM) to: • Include detailed guidance describing ISC requirements for conducting risk assessments and reinforce to employees that all ISC standards should be addressed. • Require that risk assessments include a detailed explanation showing what the prior findings and recommendations were and the status of corrective actions.	15-Jun-16		
TIGTA 2015-10-002	REVIEW OF THE INTERNAL REVENUE SERVICE'S PROCESS TO ADDRESS VIOLATIONS OF TAX LAW BY ITS OWN EMPLOYEES	(ECOMMENDATION NUMBER: 1 of 1 for this finding): The IRS Commissioner should amend existing policy on how Section 1203 cases are to be handled to include a requirement to document the analysis of evidence and basis for the decision on whether or not to mitigate penalties to something less than termination.	15-Nov-15		
TIGTA 2015-10-011	EXISTING PROCUREMENT PRACTICES ALLOWED CORPORATIONS WITH FEDERAL TAX DEBT TO OBTAIN CONTRACT AWARDS	The Chief Financial Officer, in consultation with IRS Counsel and the Small Business and Self-Employed Division, should develop procedures to determine what constitutes an unpaid Federal tax liability that is consistent with the definition outlined in the Act. Once a determination of what constitutes an unpaid Federal tax liability has been developed, provide such information to the contracting officers to use in the conduct of comprehensive tax checks and to the Department of the Treasury Suspension and Debarment official for the purpose of making contract award decisions that are in compliance with the Act.	30-Sep-15		
TIGTA 2015-10-020	ACTIONS CAN BE TAKEN TO FURTHER IMPROVE THE STRATEGY FOR ADDRESSING EXCESS CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ARRANGEMENTS	When evaluating future efforts related to the IRA strategy, the Commissioner, Wage and Investment Division, should consider identifying a more complete and accurate universe of individuals who potentially made excess contributions from which to select potentially productive cases.	15-Oct-16		
TIGTA 2015-10-025	STATUS OF ACTIONS TAKEN TO IMPROVE THE PROCESSING OF TAX-EXEMPT APPLICATIONS INVOLVING POLITICAL CAMPAIGN INTERVENTION	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Tax Exempt and Government Entities Division, should assess the timing and execution of training on political activities and incorporate any "lessons learned" into future training plans. The review should include, but not be limited to: • Completing training on political activities earlier in the election cycle so employees can effectively apply it. • Reviewing the methodology used to determine training attendance and requiring employees who miss more than the allotted time to retake the missed segments. • Evaluating all phases of the political campaign intervention training as outlined in IRS policy to gather credible data to improve training, which should in turn lead to improved job performance.	15-Mar-16		

TIGTA 2015-10-025	STATUS OF ACTIONS TAKEN TO IMPROVE THE PROCESSING OF TAX-EXEMPT APPLICATIONS INVOLVING POLITICAL CAMPAIGN INTERVENTION	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Tax Exempt and Government Entities Division, should assess the timing and execution of training on political activities and incorporate any "lessons learned" into future training plans. The review should include, but not be limited to: • Completing training on political activities earlier in the election cycle so employees can effectively apply it. • Reviewing the methodology used to determine training attendance and requiring employees who miss more than the allotted time to retake the missed segments. • Evaluating all phases of the political campaign intervention training as outlined in IRS policy to gather credible data to improve training, which should in turn lead to improved job performance	15-Mar-16		
TIGTA 2015-10-025	STATUS OF ACTIONS TAKEN TO IMPROVE THE PROCESSING OF TAX-EXEMPT APPLICATIONS INVOLVING POLITICAL CAMPAIGN INTERVENTION	(RECOMMENDATION NUMBER: 2 of 2 for this finding) If the Optional Expedited Process for I.R.C. § 501(c)(4) organizations becomes a permanent process, the Director, Exempt Organizations should consider providing this option to additional organizations with similar political campaign intervention limitations.	15-Jan-17		
TIGTA 2015-10-025	STATUS OF ACTIONS TAKEN TO IMPROVE THE PROCESSING OF TAX-EXEMPT APPLICATIONS INVOLVING POLITICAL CAMPAIGN INTERVENTION	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Tax Exempt and Government Entities Division, should assess the timing and execution of training on political activities and incorporate any "lessons learned" into future training plans. The review should include, but not be limited to: • Completing training on political activities earlier in the election cycle so employees can effectively apply it. • Reviewing the methodology used to determine training attendance and requiring employees who miss more than the allotted time to retake the missed segments. • Evaluating all phases of the political campaign intervention training as outlined in IRS policy to gather credible data to improve training, which should in turn lead to improved job performance	15-Mar-16		
TIGTA 2015-10-059	ADDITIONAL DOCUMENTATION IS NEEDED TO SUPPORT OFFICE OF APPEALS PENALTY ABATEMENT DECISIONS	The Chief, Appeals, should review the delegated settlement authority to Appeals Officers and Settlement Officers to address the risk associated with allowing unlimited abatements without managerial review for some Appeals staff.	15-Sep-16		
TIGTA 2015-10-059	ADDITIONAL DOCUMENTATION IS NEEDED TO SUPPORT OFFICE OF APPEALS PENALTY ABATEMENT DECISIONS	The Chief, Appeals, should provide training to Appeals personnel on the requirements instructing them to clearly document the reasons for abatement decisions, including justification for partial abatement percentages and specific hazards of litigation associated with an abatement case.	15-Jul-16		
TIGTA 2015-10-065	THE INTERNAL REVENUE SERVICE HAS EXTENDED ITS ESTIMATED FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT REMEDIATION DATE TO NOVEMBER 2020	The Chief Financial Officer should include in remediation plans required detailed cost estimate information associated with each specific corrective action and link each action to GAO recommendations.	20-Nov-15		
TIGTA 2015-10-068	REVIEW OF THE OFFICE OF APPEALS COLLECTION DUE PROCESS PROGRAM	The Chief, Appeals, should review and correct the 19 taxpayer accounts that were identified with CSED errors.	15-Nov-15		
TIGTA 2015-10-074	REVIEW OF CONTROLS OVER HEALTH BENEFIT ELECTIONS	The Chief, Agency-Wide Shared Services, and the IRS Human Capital Officer should establish procedures documenting the process between the Ogden Payroll Center and the IRS Human Capital Office for requesting assistance on policy issues. At a minimum, these procedures should include the format and information required to be included in requests, a method to track and monitor requests, and time standards for responding to requests.	15-Dec-15		
TIGTA 2015-10-074	REVIEW OF CONTROLS OVER HEALTH BENEFIT ELECTIONS	The Chief, Agency-Wide Shared Services, and the IRS Human Capital Officer should establish procedures documenting the process between the Ogden Payroll Center and the IRS Human Capital Office for requesting assistance on policy issues. At a minimum, these procedures should include the format and information required to be included in requests, a method to track and monitor requests, and time standards for responding to requests.	15-Dec-15		
TIGTA 2015-1C-039	Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2008	The contracting officer should use the DCAA report in administering and closing out contracts.	19-Feb-18		
TIGTA 2015-1C-040	Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2008	The contracting officer should use the DCAA report in administering and closing out contracts.	11-Feb-19		
TIGTA 2015-20-031	PLANNING DECISIONS FOR CUSTOMER ACCOUNT DATA ENGINE 2 TRANSITION STATE 2 SHOULD BE EFFECTIVELY LINKED TO ACTIONS NEEDED TO ADDRESS THE INTERNAL REVENUE SERVICE'S FINANCIAL MATERIAL WEAKNESS	The CTO should ensure that cost estimates are developed for planned TS2 activities to effectively: (1) align the information technology and business strategies; (2) strengthen internal control over unpaid tax assessments for individual taxpayer accounts; and, (3) address the IRS's financial material weakness requirements.	25-Sep-15		
TIGTA 2015-20-060	THE RETURN REVIEW PROGRAM ENHANCES THE IDENTIFICATION OF FRAUD; HOWEVER, SYSTEM SECURITY NEEDS IMPROVEMENT	The Chief Technology Officer should ensure that all critical and high risk RRP vulnerabilities are resolved regardless of whether the system is part of the VRIP pilot. Once all of the highest risk issues are resolved, the IRS should work on resolving the remaining issues.	15-Nov-15		
TIGTA 2015-20-060	THE RETURN REVIEW PROGRAM ENHANCES THE IDENTIFICATION OF FRAUD; HOWEVER, SYSTEM SECURITY NEEDS IMPROVEMENT	The Chief Technology Officer should ensure that IRS personnel completing FISMA system classifications are familiar with the FISMA requirements for each level of classification.	15-Jun-16		
TIGTA 2015-23-041	AFFORDABLE CARE ACT COVERAGE DATA REPOSITORY: RISKS WITH SYSTEM DEVELOPMENT AND DEPLOYMENT	The Chief Technology Officer should ensure that the CDR Application Audit Plan and related system component audit plans are completed, approved, sufficiently tested, and implemented.	15-Jan-16	15-Sep-15	Concurrence
TIGTA 2015-23-062	AFFORDABLE CARE ACT INFORMATION SHARING AND REPORTING PROJECT	The Chief Technology Officer should ensure that the IS&R Project Risk Management Plan (RMP) is updated to clearly reflect its high priority and high-impact risk and issue elevation process.	15-Nov-15		
TIGTA 2015-23-062	AFFORDABLE CARE ACT INFORMATION SHARING AND REPORTING PROJECT	The Chief Technology Officer should ensure that written procedures to track and control functional and nonfunctional requirements throughout the development process at the IS&R Project and release levels are implemented for future releases.	15-Jan-16		
TIGTA 2015-23-062	AFFORDABLE CARE ACT INFORMATION SHARING AND REPORTING PROJECT	The Chief Technology Officer should ensure that the IS&R Project Risk Management Plan (RMP) is updated to establish time frames to effectively identify and monitor risks and issues.	15-Nov-15		
TIGTA 2015-30-004	ADDITIONAL IMPROVEMENTS ARE NEEDED TO MEASURE THE SUCCESS AND PRODUCTIVITY OF THE PARTNERSHIP AUDIT PROCESS	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Commissioner, LB&I Division, and the Commissioner, SB/SE Division, should coordinate with the Department of the Treasury's Office of Tax Policy and the IRS Office of Research, Analysis, and Statistics (RAS) to analyze the impact that the proposed tax law changes related to Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) audits would have on the IRS's partnership audit process.	15-Mar-16		

TIGTA 2015-30-004	ADDITIONAL IMPROVEMENTS ARE NEEDED TO MEASURE THE SUCCESS AND PRODUCTIVITY OF THE PARTNERSHIP AUDIT PROCESS	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Commissioner, LB&I Division, and the Commissioner, SB/SE Division, should coordinate with the Department of the Treasury's Office of Tax Policy and the IRS Office of Research, Analysis, and Statistics (RAS) to analyze the impact that the proposed tax law changes related to Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) audits would have on the IRS's partnership audit process.	15-Mar-16		
TIGTA 2015-30-004	ADDITIONAL IMPROVEMENTS ARE NEEDED TO MEASURE THE SUCCESS AND PRODUCTIVITY OF THE PARTNERSHIP AUDIT PROCESS	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Commissioner, LB&I Division, and the Commissioner, SB/SE Division, should coordinate with the Department of the Treasury's Office of Tax Policy and the IRS Office of Research, Analysis, and Statistics (RAS) to analyze the impact that the proposed tax law changes related to Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) audits would have on the IRS's partnership audit process.	15-Mar-16		
TIGTA 2015-30-005	THE FRESH START INITIATIVES HAVE BENEFITED MANY TAXPAYERS, BUT ADDITIONAL MONITORING AND EVALUATION IS NEEDED	(RECOMMENDATION NUMBER: 2 of 3) The Director, Collection Policy, Small Business/Self-Employed Division, should establish controls to ensure that new NFTLs are filed on taxpayers who default on their Direct Debit Installment Agreements.	15-Nov-15		
TIGTA 2015-30-005	THE FRESH START INITIATIVES HAVE BENEFITED MANY TAXPAYERS, BUT ADDITIONAL MONITORING AND EVALUATION IS NEEDED	(RECOMMENDATION NUMBER: 1 of 3): The Director, Collection Policy, Small Business/Self-Employed Division, should ensure that new NFTLs are filed for the 524 taxpayers who defaulted on their Direct Debit Installment Agreements after their NFTLs were withdrawn.	15-Nov-15		
TIGTA 2015-30-005	THE FRESH START INITIATIVES HAVE BENEFITED MANY TAXPAYERS, BUT ADDITIONAL MONITORING AND EVALUATION IS NEEDED	(RECOMMENDATION NUMBER: 3 of 3 for this finding): The Director, Collection Policy, Small Business/Self-Employed Division, should assess the long-term revenue protection impact of the Fresh Start Initiative that increased the minimum dollar threshold for NFTL determinations in Field Collection.	15-Nov-15		
TIGTA 2015-30-035	REDUCED BUDGETS AND COLLECTION RESOURCES HAVE RESULTED IN DECLINES IN TAXPAYER SERVICE, CASE CLOSURES AND DOLLARS COLLECTED	(RECOMMENDATION NUMBER: 1 of 2 for this finding): The Director, Collection, Small Business/Self-Employed Division, should ensure that revenue officer inventory levels are maintained at close to full capacity while ensuring the inventory levels are commensurate with the complexity of the cases.	15-Apr-16		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 1 of 2 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should require the PALS to consistently prepare a detailed sale plan once custody of the seized property has been accepted and update the IRM to include the required details of the sale plan. This could include information such as asset protection; storage options; moving and towing costs; advertising strategy; where the notice of sale will be posted; a list of sale expenses; actions to take if the minimum bid is not reached (adjourn the sale, release the property to the taxpayer, or bid in for the Government); and whether a contractor should be considered.	15-Dec-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 3 of 3 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should update the Internal Revenue Manual (IRM) to require that employees take necessary actions to protect taxpayer Personally Identifiable Information when seized vehicles come equipped with navigation, garage door, or other similar installed systems to reset them to the original factory settings.	15-Nov-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 1 of 3 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should establish controls to ensure that employees properly use the Form 668-E to document returning all personal items from seized vehicles to the taxpayer.	15-Dec-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 3 of 3 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should update the Form 2434 template to include a link to the IRS Auction website and add the IRS Auction website link on the IRS.gov website.	15-Dec-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 2 of 3 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should pursue additional strategies to increase the number of bidders attending IRS auctions including evaluating the best methods to attract bidders based on the advertising used, the timing of the sale, and the use of contractors.	15-Dec-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 1 of 1 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should ensure that the PALSs follow the IRM requirements for conducting a sale adjournment and recalculating the minimum bid. During a sale adjournment, any adjustments to the fair market value and minimum bid should be supported by the facts of the situation and properly documented.	15-Dec-15		
TIGTA 2015-30-036	SEIZURE SALE PROCEDURES WERE NOT ALWAYS FOLLOWED AND CAN BE IMPROVED	RECOMMENDATION NUMBER: 3 of 3 for this finding. DESCRIPTION: The Director, Collection, Small Business/Self-Employed Division, should update the Internal Revenue Manual (IRM) to require that employees take necessary actions to protect taxpayer Personally Identifiable Information when seized vehicles come equipped with navigation, garage door, or other similar installed systems to reset them to the original factory settings.	15-Nov-15		
TIGTA 2015-30-037	AUTOMATED UNDERREPORTER PROGRAM TAX ASSESSMENTS HAVE INCREASED SIGNIFICANTLY; HOWEVER, ACCURACY-RELATED PENALTIES WERE NOT ALWAYS ASSESSED WHEN WARRANTED	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Director, Exam/AUR Policy, Small Business/Self-Employed Division, should evaluate the effectiveness of the revisions to the CP 2000 Notice and the potential impact it has had on taxpayer satisfaction and compliance.	15-Mar-16		
TIGTA 2015-30-037	AUTOMATED UNDERREPORTER PROGRAM TAX ASSESSMENTS HAVE INCREASED SIGNIFICANTLY; HOWEVER, ACCURACY-RELATED PENALTIES WERE NOT ALWAYS ASSESSED WHEN WARRANTED	(RECOMMENDATION NUMBER: 3 of 4 for this finding): The Director, Exam/AUR Policy, Small Business/Self-Employed Division, should continue to research the closed cases that TIGTA identified as having potentially inaccurate accuracy-related penalty amounts (for negligence and substantial understatement of tax liabilities) and, as needed, take the necessary corrective actions if the statute of limitations date has not yet expired.	15-Mar-16		
TIGTA 2015-30-048	FISCAL YEAR 2015 REVIEW OF COMPLIANCE WITH LEGAL GUIDELINES WHEN CONDUCTING SEIZURES OF TAXPAYERS' PROPERTY	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Director, Collection, Small Business/Self-Employed Division, should revise IRM Exhibit 5.10.4-6 (newspaper advertisement notification template) to clarify that the seizure details need to be changed to match the details on the Form 2434 or Form 2434 A that was issued to the taxpayer.	15-Jul-16		

TIGTA 2015-30-048	FISCAL YEAR 2015 REVIEW OF COMPLIANCE WITH LEGAL GUIDELINES WHEN CONDUCTING SEIZURES OF TAXPAYERS' PROPERTY	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Director, Collection, Small Business/Self-Employed Division, should ensure that any revisions to the fair market values affecting minimum bids made during the seizure sale process include the revenue officer's group manager's documented concurrence in the Integrated Collection System (ICS) history.	15-Dec-15		
TIGTA 2015-30-048	FISCAL YEAR 2015 REVIEW OF COMPLIANCE WITH LEGAL GUIDELINES WHEN CONDUCTING SEIZURES OF TAXPAYERS' PROPERTY	(RECOMMENDATION NUMBER: 1 of 1 for this finding) The Director, Collection, Small Business/Self-Employed Division, should ensure that any revisions to the fair market values affecting minimum bids made during the seizure sale process include the revenue officer's group manager's documented concurrence in the Integrated Collection System (ICS) history.	15-Dec-15		
TIGTA 2015-30-055	FISCAL YEAR 2015 STATUTORY REVIEW OF COMPLIANCE WITH NOTICE OF FEDERAL TAX LIEN DUE PROCESS PROCEDURES	(Recommendation 1 of 1)The Director, Collection, Small Business/Self-Employed Division, should establish Internal Revenue Manual (IRM) procedures to timely research taxpayer accounts if the envelopes of returned lien notices are marked with multiple reasons for return and ensure that the lien notice was mailed to the taxpayer's last known address	15-Jan-17		
TIGTA 2015-30-067	FISCAL YEAR 2015 STATUTORY AUDIT OF COMPLIANCE WITH LEGAL GUIDELINES PROHIBITING THE USE OF ILLEGAL TAX PROTESTER AND SIMILAR DESIGNATIONS	The Chief, Appeals, should emphasize to all Appeals employees the importance of compliance with the Restructuring and Reform Act of 1998 (RRA 98) Section 3707 and reinforce that taxpayers are not to be referred to as Illegal Tax Protesters or any other similar designations. This may include, but is not limited to, updating Appeals procedures, issuing a memorandum, and/or adding a module to an existing training course.	15-Nov-15		
TIGTA 2015-33-019	THE AFFORDABLE CARE ACT: PROCESSES HAVE BEEN IMPLEMENTED TO ADMINISTER THE PATIENT-CENTERED OUTCOMES RESEARCH FEE, BUT CONTROLS NEED IMPROVEMENT TO ENSURE FILING COMPLIANCE	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Wage and Investment Division should issue alerts during the third quarter of each fiscal year to remind Submission Processing function employees, when processing the Form 720 with a PCOR fee, to use caution when transcribing the average number of lives covered to avoid inadvertently recording the digits after decimal places.	15-Oct-15		
TIGTA 2015-33-019	THE AFFORDABLE CARE ACT: PROCESSES HAVE BEEN IMPLEMENTED TO ADMINISTER THE PATIENT-CENTERED OUTCOMES RESEARCH FEE, BUT CONTROLS NEED IMPROVEMENT TO ENSURE FILING COMPLIANCE	(RECOMMENDATION NUMBER: 2 of 2 for this finding) The Commissioner, Small Business/Self-Employed Division should based on the NAIC and DOL database analysis results, identify a population of Form 720 PCOR fee nonfilers to send notices. Based on the response to these notices, determine if additional enforcement actions are required for these potential Form 720 nonfilers.	15-Nov-16		
TIGTA 2015-40-007	IMPROVEMENTS ARE NEEDED TO BETTER IDENTIFY FALSE INCOME DOCUMENTS SUBMITTED TO COMMIT TAX FRAUD	The Commissioner, Wage and Investment Division, should coordinate with the SSA to identify information that the two agencies could share to help facilitate earlier, upfront detection of individuals who submit false income documents.	15-Nov-15		
TIGTA 2015-40-012	PROCESSES DO NOT ENSURE THAT CORPORATIONS ACCURATELY CLAIM CARRYFORWARD GENERAL BUSINESS CREDITS	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Small Business/Self-Employed Division, should verify whether the 3,285 corporate filers TIGTA identified as having a questionable carryforward amount are entitled to claim the carryforward amount.	15-Jun-16		
TIGTA 2015-40-012	PROCESSES DO NOT ENSURE THAT CORPORATIONS ACCURATELY CLAIM CARRYFORWARD GENERAL BUSINESS CREDITS	(RECOMMENDATION NUMBER: 1 of 2 for this finding) The Commissioner, Small Business/Self-Employed Division, should verify whether the 3,285 corporate filers TIGTA identified as having a questionable carryforward amount are entitled to claim the carryforward amount.	15-Jun-16		
TIGTA 2015-40-012	PROCESSES DO NOT ENSURE THAT CORPORATIONS ACCURATELY CLAIM CARRYFORWARD GENERAL BUSINESS CREDITS	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Commissioner, Small Business/Self-Employed Division, should verify whether taxes were affected for the 1,411 corporate filers TIGTA identified as having an incorrect Eligible Small Business designation.	15-Jun-16		
TIGTA 2015-40-012	PROCESSES DO NOT ENSURE THAT CORPORATIONS ACCURATELY CLAIM CARRYFORWARD GENERAL BUSINESS CREDITS	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Commissioner, Small Business/Self-Employed Division, should verify whether taxes were affected for the 1,411 corporate filers TIGTA identified as having an incorrect Eligible Small Business designation.	15-Jun-16		
TIGTA 2015-40-023	PROCESSES ARE NEEDED TO LINK THIRD-PARTY PAYERS AND EMPLOYERS TO REDUCE RISKS RELATING TO EMPLOYMENT TAX FRAUD	(RECOMMENDATION NUMBER: 1 of 1 for this finding): The Commissioner, Wage and Investment Division, should develop processes and procedures to ensure that Form 8655 authorization information captured in the IRS's systems is accurate and correct the errors associated with the 11 Forms 8655 TIGTA identified.	15-Apr-16		
TIGTA 2015-40-024	VICTIMS OF IDENTITY THEFT CONTINUE TO EXPERIENCE DELAYS AND ERRORS IN RECEIVING REFUNDS	The Commissioner, Wage and Investment Division, should develop processes and procedures to accurately calculate the average time it takes to fully resolve taxpayer accounts affected by identity theft. The time should be based on the average period between the date the IRS receives the taxpayers' tax returns and the date the tax refunds are issued.	15-Nov-15		
TIGTA 2015-40-024	VICTIMS OF IDENTITY THEFT CONTINUE TO EXPERIENCE DELAYS AND ERRORS IN RECEIVING REFUNDS	The Commissioner, Wage and Investment Division, should complete an analysis of identity theft case reassignments and revise inventory management processes to reduce the number of times cases are reassigned.	15-Oct-15		
TIGTA 2015-40-026	EFFORTS ARE RESULTING IN THE IMPROVED IDENTIFICATION OF FRAUDULENT TAX RETURNS INVOLVING IDENTITY THEFT	The Commissioner, Wage and Investment Division, should expand identity theft filters to address the Schedule C income filing patterns that may indicate that a tax return is related to identity theft.	15-Feb-16		
TIGTA 2015-40-026	EFFORTS ARE RESULTING IN THE IMPROVED IDENTIFICATION OF FRAUDULENT TAX RETURNS INVOLVING IDENTITY THEFT	The Commissioner, Wage and Investment Division, should include tax returns with foreign addresses in identity theft filter identification processes.	15-Feb-16		
TIGTA 2015-40-038	TAX EXAMINERS DO NOT HAVE THE TOOLS OR EXPERTISE TO AUTHENTICATE DOCUMENTS CERTIFIED BY A FOREIGN ISSUING AGENCY	The Commissioner, Wage and Investment Division, should provide tax examiners with reference materials that have valid examples of stamps and seals from various countries that can be used to verify the authenticity of copies of documents certified by a foreign issuing agency.	15-Dec-15		
TIGTA 2015-40-080	RESULTS OF THE 2015 FILING SEASON	The Commissioner, Wage and Investment Division, should ensure that all needed computer programming revisions are made prior to the 2016 Filing Season to correctly identify all direct deposit accounts to which more than three direct deposit requests are made so that no more than three direct deposits will be made to a single account.	15-Oct-16		
TIGTA 2015-43-043	AFFORDABLE CARE ACT: ASSESSMENT OF INTERNAL REVENUE SERVICE PREPARATION FOR PROCESSING PREMIUM TAX CREDIT CLAIMS	The Director, Affordable Care Act Office, should work with the Exchanges to establish procedures to ensure that the IRS receives notification when an individual is determined to be ineligible subsequent to enrollment.	15-Jan-16		

GAO-09-238	TAX GAP: IRS Could Do More to Promote Compliance by Third Parties with Miscellaneous Income Reporting Requirements	To gauge the extent of 1099-MISC payer noncompliance and its contribution to the tax gap, we recommend that the Commissioner of Internal Revenue as part of future research studies develop an estimate of 1099-MISC payer noncompliance.	15-Dec-15		
GAO-09-238	TAX GAP: IRS Could Do More to Promote Compliance by Third Parties with Miscellaneous Income Reporting Requirements	To gauge the extent of 1099-MISC payer noncompliance and its contribution to the tax gap, we recommend that the Commissioner of Internal Revenue as part of future research studies determine the nature and characteristics of those payers that do not comply with 1099-MISC reporting requirements so that this information can be factored into an IRS-wide strategy for increasing 1099-MISC payer compliance.	15-Dec-15		
GAO-12-392SU	INFORMATION SECURITY: IRS Needs to Further Enhance Internal Control over Financial Reporting and Taxpayer Data	Implement an automated mechanism to monitor user activities within the Online 5081 system. (7)	25-Nov-15	1-Dec-13	IT
GAO-13-349SU	INFORMATION SECURITY: IRS Has Improved Controls but Needs to Resolve Weaknesses	Restrict access to execute Structured Query Language command statements from the user interface of the Electronic Federal Payment Posting System.	15-Oct-16	1-Sep-14	Budget
GAO-13-349SU	INFORMATION SECURITY: IRS Has Improved Controls but Needs to Resolve Weaknesses	Configure audit trails on the Oracle database supporting the Enterprise File Transfer Utility to properly reconstruct specific actions.	30-Sep-15		
GAO-13-349SU	INFORMATION SECURITY: IRS Has Improved Controls but Needs to Resolve Weaknesses	Configure audit trails on Oracle databases supporting Account Management Services to properly reconstruct specific actions.	30-Sep-15		
GAO-13-349SU	INFORMATION SECURITY: IRS Has Improved Controls but Needs to Resolve Weaknesses	Configure audit trails on the Oracle database supporting Automated Trust Fund Recovery to properly reconstruct specific actions.	30-Sep-15		
GAO-13-401	INFORMATION TECHNOLOGY: Consistently Applying Best Practices Could Help IRS Improve the Reliability of Reported Cost and Schedule Information	To improve the reliability of reported cost and schedule variance information for the seven major investments we reviewed, we recommend that the Acting Commissioner of IRS direct the Chief Technology Officer to: improve the extent to which schedules are well-constructed and controlled by addressing the weaknesses we identified in this report so that each investment at least substantially meets each of these characteristics.	15-Sep-15	25-Jan-14	Clearance
GAO-13-401	INFORMATION TECHNOLOGY: Consistently Applying Best Practices Could Help IRS Improve the Reliability of Reported Cost and Schedule Information	To improve the reliability of reported cost and schedule variance information for the seven major investments we reviewed, we recommend that the Acting Commissioner of IRS direct the Chief Technology Officer to: improve the reliability of cost estimates by addressing the weaknesses we identified in this report so that each investment at least substantially meets each of the characteristics of a reliable cost estimate.	25-Sep-15	25-Jun-14	Research/Analyze Data
GAO-13-401	INFORMATION TECHNOLOGY: Consistently Applying Best Practices Could Help IRS Improve the Reliability of Reported Cost and Schedule Information	To improve the reliability of reported cost and schedule variance information for the seven major investments we reviewed, we recommend that the Acting Commissioner of IRS direct the Chief Technology Officer to: improve the reliability of cost estimates by addressing the weaknesses we identified in this report so that each investment at least substantially meets each of the characteristics of a reliable cost estimate.	15-Sep-15	25-Jan-14	Clearance
GAO-13-420R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls	We recommend that you direct the appropriate IRS officials to take the following actions: • Establish procedures to implement the updated IRM, including required steps to follow to prevent (1) remittance perfection technicians and (2) all other employee groups that handle hard-copy taxpayer receipts and related sensitive information as part of their job responsibilities from gaining access to command codes not required as part of their designated job duties.	15-Jan-16		
GAO-13-420R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls	We recommend that you direct the appropriate IRS officials to take the following actions: • Based on the results of the risk assessment, update the IRM accordingly to specify the appropriate level of IDRS access that should be allowed for (1) remittance perfection technicians and (2) all other employee groups with IDRS access that handle hard-copy taxpayer receipts and related sensitive information as part of their job responsibilities.	15-Jan-16		
GAO-13-435	IRS WEBSITE: Long-Term Strategy Needed to Improve Interactive Services	We recommend that IRS: Establish a numerical or other measurable goal to improve taxpayer satisfaction and a timeframe for achieving it.	15-Feb-16	15-Feb-14	Research/Analyze Data
GAO-13-480	TAX ADMINISTRATION: IRS Could Improve Examinations by Adopting Certain Research Program Practices	(Recommendation 1 of 4) Transcribe data from paper-filed Form 1040 Schedules C and E that are not currently transcribed and make that data available to SB/SE examiners for classification. If IRS has evidence that the costs related to transcribing all such data on Schedules C and E exceed the benefits or are otherwise prohibitive, IRS could transcribe less data by transcribing only the missing data for selected line items, such as certain large expense line items, and/or develop a budget proposal to fund an initiative for transcribing the Schedule C and E data.	15-Nov-15		
GAO-14-133	2013 Tax Filing Season: IRS Needs to Do More to Address the Growing Imbalance between the Demand for Services and Resources	The Commissioner of Internal Revenue should develop a set of standardized account entries and eliminate unnecessary redundancy when entering installment agreement data into accounts.	15-Oct-15		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Configure the Quest Authentication Services to use FIPS 140-2 compliant Kerberos tickets.	25-Mar-18		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Document requests and approvals for changes to the mainframe production system.	25-Sep-15		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Configure all mainframe service accounts to require password expiration within 366 days.	25-Sep-17		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Enforce FIPS 140-2-compliant Kerberos tickets in Windows Active Directory group policies.	31-Dec-18		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Review authorized access lists at the Enterprise Computing Center in Memphis to ensure that only those employees who have a frequent and continuing business need to access a sensitive area are permitted to do so.	25-Apr-16		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Configure the web servers supporting IBM Integrated Management Module Terminal Operating System environment to use encryption.	25-Apr-16		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Assign expiration dates of contractor passwords consistent with the end of the contract period.	25-Sep-15		
GAO-14-401SU	INFORMATION SECURITY: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	Use FIPS-compliant encryption algorithms for Active Directory servers supporting Accounts Management Services, Automated Trust Fund Recovery, Active Role Server, Electronic File Transfer Utility, Microsoft Exchange, Microsoft Active Directory, and Transaction Processing Facility Operations Server.	25-Mar-18		

GAO-14-405	Information Security: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	To effectively implement key components of the IRS information security program, the Commissioner of Internal Revenue should update access request policies and procedures to ensure that they contain sufficiently detailed information of access requests and access assignments to facilitate effective review and verification of appropriate access privileges.	25-Sep-17		
GAO-14-405	Information Security: IRS Needs to Address Control Weaknesses That Place Financial and Taxpayer Data at Risk	To effectively implement key components of the IRS information security program, the Commissioner of Internal Revenue should update procedures to specify the information required to be recorded in the internal system documentation for important mainframe system processes.	25-Sep-16		
GAO-14-433R	MANAGEMENT REPORT: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls	We recommend that the Commissioner of Internal Revenue Service direct the appropriate IRS officials to take the following action: Establish and implement policies and procedures that require monitoring to reasonably assure that accounts related to deceased taxpayers that have been reopened are timely closed after processing the refund.	15-Oct-16		
GAO-14-433R	MANAGEMENT REPORT: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls	We recommend that the Commissioner of Internal Revenue Service direct the appropriate IRS officials to take the following action: Establish and implement policies and procedures requiring a review process to reasonably assure that the accounts related to deceased taxpayers are only reopened for valid refunds.	15-Oct-16		
GAO-14-433R	MANAGEMENT REPORT: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Controls	To improve the effectiveness of its monitoring of internal control over external service organizations' operating information systems material to IRS's financial reporting, we recommend the Commissioner of Internal Revenue Service direct the appropriate IRS officials to: For each service organization that is significant to IRS's financial reporting and related internal control and for which a current SSAE No. 16 report has not been prepared, establish a memorandum of understanding or agreement with the organization that requires (1) both parties to perform procedures that are consistent with the most current requirements of OMB Circular No. A-123 and (2) the service organization to provide IRS access to the organization's personnel, documents, facilities, or combination of these necessary to allow IRS to timely and effectively conduct its own monitoring procedures or review and validate the reliability of monitoring documentation prepared by organization management, as appropriate.	15-Jan-16		
GAO-14-453	PARTNERSHIPS AND S CORPORATIONS: IRS Needs to Improve Information to Address Tax Noncompliance	(Recommendation 2 of 3) We recommend that the Commissioner of Internal Revenue take the following steps: Use the better information on noncompliance and program effectiveness to determine (1) whether the differences in examination rates across different types of business entities are justified, and (2) whether an improved tool for selecting partnerships for examination, such as an updated partnership DIF, should be developed.	15-Sep-17		
GAO-14-453	PARTNERSHIPS AND S CORPORATIONS: IRS Needs to Improve Information to Address Tax Noncompliance	(Recommendation 2 of 3) We recommend that the Commissioner of Internal Revenue take the following steps: Use the better information on noncompliance and program effectiveness to determine (1) whether the differences in examination rates across different types of business entities are justified, and (2) whether an improved tool for selecting partnerships for examination, such as an updated partnership DIF, should be developed.	15-Sep-17		
GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 4 of 4): To better ensure an effective investment of resources in the CEAP efforts, • Clearly document the intended benefits of ongoing efforts to address identified problems, and the process for measuring and tracking actual benefits. • Develop a plan and timeline for implementing the CEAP contractor's recommendations on possible ways to improve the (a) selection of correspondence audit workload and (b) allocation of resources between providing telephone assistance and reviewing taxpayer correspondence to resolve audits or develop justifications for not implementing the recommendations	15-Jun-16		
GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 3 of 4): To better inform decisions being made about the correspondence audit program, document how the decisions are to be made using the performance information (including criteria and tolerances used). IRS should also track and use other program data that has not been used to provide more complete performance information. Examples of data that could be tracked and used include: •How much of the recommended tax amounts is collected over time •Other costs beyond the direct audit time, such as the costs to answer taxpayer calls per audit, assess the recommended tax, and collect those tax assessments. •Taxpayer burden and experience such as how often audits are resolved in one contact, how often taxpayers correspond or call, and how long taxpayers wait for IRS to respond to their documents and for the audit to close.	15-Mar-16		
GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 2 of 4): To clarify the desired results of the correspondence audit program and its linkages to IRS-wide activities, •Establish formal program objectives. •Ensure that the program measures reflect those objectives. •Clearly link those measures with strategic IRS-wide goals on ensuring compliance in a cost effective way while minimizing taxpayer burden.	15-Mar-16		
GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 3 of 4): To better inform decisions being made about the correspondence audit program, document how the decisions are to be made using the performance information (including criteria and tolerances used). IRS should also track and use other program data that has not been used to provide more complete performance information. Examples of data that could be tracked and used include: •How much of the recommended tax amounts is collected over time •Other costs beyond the direct audit time, such as the costs to answer taxpayer calls per audit, assess the recommended tax, and collect those tax assessments. •Taxpayer burden and experience such as how often audits are resolved in one contact, how often taxpayers correspond or call, and how long taxpayers wait for IRS to respond to their documents and for the audit to close.	15-Mar-16		
GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 4 of 4): To better ensure an effective investment of resources in the CEAP efforts, • Clearly document the intended benefits of ongoing efforts to address identified problems, and the process for measuring and tracking actual benefits. • Develop a plan and timeline for implementing the CEAP contractor's recommendations on possible ways to improve the (a) selection of correspondence audit workload and (b) allocation of resources between providing telephone assistance and reviewing taxpayer correspondence to resolve audits or develop justifications for not implementing the recommendations	15-Jun-16		

GAO-14-479	IRS Correspondence Audits: Better Management Could Improve Tax Compliance and Reduce Taxpayer Burden	(Recommendation 2 of 4): To clarify the desired results of the correspondence audit program and its linkages to IRS-wide activities, •Establish formal program objectives. •Ensure that the program measures reflect those objectives. •Clearly link those measures with strategic IRS-wide goals on ensuring compliance in a cost effective way while minimizing taxpayer burden.	15-Mar-16		
GAO-14-633	IDENTITY THEFT - Additional Actions Could Help IRS Combat the Large, Evolving Threat of Refund Fraud	We recommend that the Commissioner of Internal Revenue take the following two actions to provide timely, accurate, and actionable feedback to all relevant lead-generating third parties: provide aggregated information on (1) the success of external party leads in identifying suspicious returns and (2) emerging trends (pursuant to section 6103 restrictions); and •develop a set of metrics to track external leads by the submitting third party.	15-Nov-15		
GAO-14-633	IDENTITY THEFT - Additional Actions Could Help IRS Combat the Large, Evolving Threat of Refund Fraud	We recommend the Commissioner of Internal Revenue fully assess the costs and benefits of accelerating W-2 deadlines and provide information to Congress on • the IRS systems and work processes that will need to be adjusted to accommodate earlier, pre-refund matching of W-2s and then identify timeframes for when these changes could be made; • potential impacts on taxpayers, IRS, SSA, and third parties; and • what other changes will be needed (such as delaying the start of the filing season or delaying refunds) to ensure IRS can match tax returns to W-2 data before issuing refunds.	30-Sep-16	15-Jul-15	Clearance
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 7 of 8) Develop and implement large partnership efforts in line with the five leading principles for project planning and track the results to identify whether the efforts worked as intended.	15-Sep-16	15-Oct-15	Research/Analyze Data
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 8 of 8) Make and document a determination about how large partnerships are to be incorporated into the Enterprise Risk Management process.	15-Oct-15		
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 1 of 8) Track the results of large partnership audits: (a) define a large partnership based on asset size and number of partners; (b) revise the activity codes to align with the large partnership definition; and (c) separately account for field audits and camous audits.	15-Sep-16	15-Oct-15	Research/Analyze Data
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 3 of 8) Use existing authority to promptly designate the TMP under the largest profits interest rule or some other criterion.	15-Oct-15		
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 5 of 8) Help field auditors for large partnership audits receive the support they request from counsel staff, TEFRA coordinators, and IRS specialists: (a) track the number of requests and time taken to respond; (b) clarify when responses to their requests should be expected; and (c) use the tracked and clarified information when planning the number and scope of large partnership audits.	15-Oct-15		
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 5 of 8) Help field auditors for large partnership audits receive the support they request from counsel staff, TEFRA coordinators, and IRS specialists: (a) track the number of requests and time taken to respond; (b) clarify when responses to their requests should be expected; and (c) use the tracked and clarified information when planning the number and scope of large partnership audits.	15-Oct-16		
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 2 of 8) Analyze the audit results by these activity codes and types of audits to identify opportunities to better plan and use IRS resources in auditing large partnerships.	15-Oct-16		
GAO-14-732	LARGE PARTNERSHIPS: With Growing Number of Partnerships, IRS Needs to Improve Audit Efficiency	(Recommendation 4 of 8) Extend the 45-day rule to give field audit teams more flexibility on when to withdraw an audit notice.	15-Oct-15		
GAO-14-92	Private Pensions: Clarity of Required Reports and Disclosures Could Be Improved	(Recommendation 2 of 2) To ease the burden on plan sponsors, enhance compliance, and help ensure that disclosures to participants are written in a manner that can be understood by the average participant, Labor, IRS, and PBGC should work together to: Define criteria for complying with the readability provisions in ERISA and the IRC, and apply the criteria to agency-generated model notices as well as those developed by plan sponsors. As part of these criteria, consider requiring clear, simple, brief highlights at the beginning of disclosures, reflecting federal plain language guidelines.	15-Oct-15		
GAO-15-119	IDENTITY THEFT AND TAX FRAUD: Enhanced Authentication Could Combat Refund Fraud, but IRS Lacks an Estimate of Costs, Benefits and Risks	To improve the reliability of Taxonomy estimates for future filing seasons, the Commissioner of Internal Revenue should follow relevant best practices outlined in the GAO Cost Guide by taking the following two actions: • Documenting the underlying analysis justifying cost-influencing assumptions, and • Reporting the inherent imprecision and uncertainty of the estimates. For example, IRS could provide a range of values for its Taxonomy estimates.	15-Oct-16		
GAO-15-119	IDENTITY THEFT AND TAX FRAUD: Enhanced Authentication Could Combat Refund Fraud, but IRS Lacks an Estimate of Costs, Benefits and Risks	To ensure relevant information is available to decision makers, we recommend that the Commissioner of Internal Revenue estimate and document the costs, benefits and risks of possible options for taxpayer authentication, in accordance with OMB and NIST guidance.	15-Nov-15		
GAO-15-16	INDIVIDUAL RETIREMENT ACCOUNTS: IRS Could Bolster Enforcement on Multimillion Dollar Accounts, but More Direction from Congress Is Needed	(Recommendation 4 of 5) To help taxpayers better understand compliance risks associated with certain IRA choices and improve compliance, we recommend that the Commissioner of Revenue: • Building on research data on IRAs holding nonpublic assets, identify options to provide outreach targeting taxpayers with nonpublic IRA assets and their custodians, such as reminder notices that engaging in prohibited transactions can result in loss of the IRA's tax-favored status.	15-Jun-16		
GAO-15-16	INDIVIDUAL RETIREMENT ACCOUNTS: IRS Could Bolster Enforcement on Multimillion Dollar Accounts, but More Direction from Congress Is Needed	(Recommendation 2 of 5) To improve IRS's ability to detect and pursue noncompliance associated with undervalued assets sheltered in IRAs and prohibited transactions, we recommend that the Commissioner of Internal Revenue: • Conduct research using the new Form 5498 data to identify IRAs holding nonpublic asset types, such as profits interests in private equity firms and hedge funds, and use that information for an IRS-wide strategy to target enforcement efforts.	15-Sep-16		
GAO-15-16	INDIVIDUAL RETIREMENT ACCOUNTS: IRS Could Bolster Enforcement on Multimillion Dollar Accounts, but More Direction from Congress Is Needed	(Recommendation 1 of 5) To improve IRS's ability to detect and pursue noncompliance associated with undervalued assets sheltered in IRAs and prohibited transactions, we recommend that the Commissioner of Internal Revenue: • Approve plans to fully compile and digitize the new data from electronic and paper-filed Form 5498s to ensure the efficient use of the information on nonpublicly traded IRA assets.	15-Jun-16		
GAO-15-163	Tax Filing Season: 2014 Performance Highlights the Need to Better Manage Taxpayer Service and Future Risks	The Commissioner of the Internal Revenue should direct the appropriate officials to take the following action: Develop outcomes that are measurable and plans to analyze service changes that allow valid conclusions to be drawn so that information can be conveyed to Congress, IRS management, and others about the effectiveness of IRS's service changes and impact on taxpayers.	15-Nov-15		

GAO-15-164	TAX-EXEMPT ORGANIZATIONS: Better Compliance Indicators and Data, and More Collaboration with State Regulators Would Strengthen Oversight of Charitable Organizations	(Recommendation 1 of 2) To improve oversight of charitable organizations, we recommend that the Commissioner of Internal Revenue take the following steps: Direct EO to develop quantitative, results-oriented compliance goals and additional performance measures and indicators that can be used to assess impact of exams and other enforcement activities on compliance.	30-Sep-16		
GAO-15-336SU	INFORMATION SECURITY - IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	Ensure Automated Trust Fund Recovery Oracle database accounts are disabled or deleted in a timely manner when requested from OL5081.	15-Oct-15		
GAO-15-336SU	INFORMATION SECURITY - IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	Upgrade the IBM WebSphere Application Server that supports the procurement system to a version supported by the vendor.	15-Dec-16		
GAO-15-336SU	INFORMATION SECURITY - IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	Enhance the procedure used for reviewing visitor access lists to restricted areas within the Memphis center to include reviewing accuracy of the visitor data.	15-Dec-15		
GAO-15-337	Information Security: IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	We recommend that the Commissioner of Internal Revenue take the following action to effectively implement key elements of the IRS information security program: Ensure that control testing methodology and results fully meet the intent of the control objectives being tested.	15-Mar-16		
GAO-15-337	Information Security: IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	We recommend that the Commissioner of Internal Revenue take the following action to effectively implement key elements of the IRS information security program: Update the remedial action verification process to ensure actions are fully implemented.	15-Jan-16	15-Sep-15	Resource
GAO-15-337	Information Security: IRS Needs to Continue Improving Controls over Financial and Taxpayer Data	We recommend that the Commissioner of Internal Revenue take the following action to effectively implement key elements of the IRS information security program: Ensure contractors receive security awareness training within 5 business days of being granted access to an IRS information system.	15-Nov-15		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to determine why staff did not consistently comply with IRS's existing requirements for the final candling of receipts at SCCs and lockbox banks, including logging remittances found during final candling on the final candling log at the time of discovery, safeguarding the remittances at the time of discovery, transferring the remittances to the deposit unit promptly, and passing one envelope at a time over the light source, and based on this determination, establish a process to better enforce compliance with these requirements.	15-Nov-15		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to take the following action: • Update the IRM to specify that unauthorized access awareness training requirements apply to non-IRS contractors who have unescorted physical access to IRS facilities.	15-Apr-16		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to take the following action: f n, F n Establish a process to ensure that the requirement for unauthorized access awareness training is explicitly communicated to non-IRS contractors who have unescorted access to IRS facilities.	15-Jun-16		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to take the following action: • Update the IRM to require managers to reconcile transmittal forms with the Follow-Up Review Log to reasonably assure that personnel are properly entering transmittal forms into the log and are appropriately documenting follow-up on unacknowledged transmittals of taxpayer receipts and information.	15-May-16		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to take the following action: • Determine the reason(s) why TAC managers and personnel did not consistently comply with existing IRM requirements that TAC managers and personnel (1) perform and document reviews of the Follow-Up Review Log by the last day of the following month, (2) maintain control copies of transmittal forms, and (3) ship taxpayer receipts and information via traceable overnight mail and, based on this determination, establish a process to better enforce compliance with these requirements.	15-Dec-15		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to take the following action: • Establish procedures to monitor whether non-IRS contractors with unescorted physical access to IRS facilities are receiving unauthorized access awareness training.	15-Apr-16		
GAO-15-480R	Management Report: Improvements Are Needed to Enhance the Internal Revenue Service's Internal Control over Financial Reporting	We recommend that you direct the appropriate IRS officials to develop and implement agency-wide procedures to routinely monitor the accuracy of penalties recorded in taxpayer accounts to timely detect and correct errors.	15-Apr-17		



COMMISSIONER

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

July 31, 2015

The Honorable Peter J. Roskam  
Chairman  
Committee on Ways and Means  
Subcommittee on Oversight  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Thank you for the opportunity to testify at the Subcommittee's July 23, 2015, hearing regarding the Government Accountability Office's (GAO) report about our exempt organizations audit processes. As I testified, this is a very important issue, and we welcome the GAO's findings and recommendations. We are implementing these recommendations, so that we can ultimately serve the American taxpayers better.

I write to clarify a matter discussed at the hearing. In particular, you asked me about 102 investigations conducted by the Treasury Inspector General for Tax Administration (TIGTA) concerning allegations of improper audit selection. Twelve of these investigations resulted in communications between TIGTA and the Department of Justice (DOJ), or "referrals," to use TIGTA's terminology, concerning IRS employees. I was not certain about the nature of these referrals, though I told the Subcommittee what TIGTA had advised me on numerous occasions: In none of these investigations did TIGTA find that IRS personnel discriminated against any taxpayer based on his or her political beliefs or otherwise inappropriately selected a case for examination.

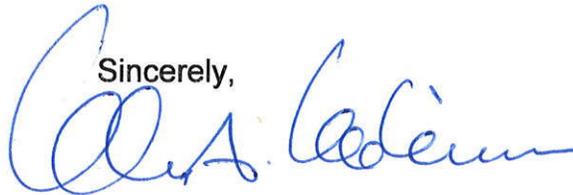
We followed up with TIGTA to determine the exact nature of these 12 referrals. TIGTA confirmed that none of the referrals involved any finding of criminal activity or other improprieties by IRS employees involved in audits, nor were any of these referrals prompted by a failure to cooperate with TIGTA's investigations. Instead, these communications with the DOJ were routine administrative consultations, which reflected TIGTA's standard operating procedures for investigations concerning certain types of IRS employees and certain investigative methods. Although there are legal limitations on what we can discuss in public regarding TIGTA investigations, we have provided additional details on these particular cases to the Committee's staff, and we are happy to discuss them further if that would be helpful.

Again, I am gratified that neither the GAO nor the Inspector General identified instances of discrimination or improper selection by IRS auditors. However, I agree we must act proactively to ensure that such abuses do not occur in the future, and, as I have stated, it is in this manner that we are undertaking to improve our audit controls.

Thank you for the opportunity to clarify this matter. I respectfully request that this letter be added to the record of the July 23, 2015 hearing.

I hope this information is helpful. If you have any questions, please contact me, or a member of your staff may contact Leonard Oursler, Director, Legislative Affairs, at (202) 317-6985.

Sincerely,

A handwritten signature in blue ink, appearing to read "John A. Koskinen". The signature is fluid and cursive, with a large initial "J" and "K".

John A. Koskinen

cc: The Honorable John Lewis, Ranking Member