



Treasury Inspector General for Tax Administration

INEFFICIENCIES IN PROCESSING OPERATIONS ASSISTANCE REQUESTS CAUSED TAXPAYERS UNNECESSARY DELAYS

Issued on May 18, 2007

Highlights

Highlights of Report Number: 2007-10-068 to the Internal Revenue Service Deputy Commissioner for Services and Enforcement, the National Taxpayer Advocate, and Chief, Appeals.

IMPACT ON TAXPAYERS

The Operations Assistance Request (Request) process is critical to ensure taxpayer problems are addressed correctly and timely. However, because the process is paper intensive, Requests were not always delivered to and from other Internal Revenue Service (IRS) functions (Operations) using the most expeditious method, Operations sometimes rejected the Requests instead of taking the appropriate action to assist taxpayers, and the Taxpayer Advocate Service (TAS) did not always send Requests to the appropriate Operations liaisons, causing further delays to reroute the Requests. These delays are significant to taxpayers, many of whom had already experienced either a systemic delay trying to resolve problems with the IRS or had a financial hardship that required an immediate response.

WHY TIGTA DID THE AUDIT

This audit was initiated because the National Taxpayer Advocate identified the Request process as an area that could benefit from a review by TIGTA. In addition, the Request process can potentially delay the resolution of a taxpayer's case because the TAS uses a Request to ask for assistance from Operations when it does not have the statutory or delegated authorities to resolve a taxpayer's account. The objective of our audit was to determine whether the Request process is efficient and whether the TAS has an effective method to track Requests.

WHAT TIGTA FOUND

The TAS and Operations were not always sending and returning Requests using the most expeditious methods available. Also, the Taxpayer Advocate Management Information System (TAMIS), which is used to track milestone dates involved with the processing of Requests, contained unreliable

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information. In addition, Request completion dates were not being used effectively and the TAS routed Requests to the incorrect Operations liaisons.

WHAT TIGTA RECOMMENDED

TIGTA recommended the National Taxpayer Advocate take the following actions:

- Automate the Request process by giving Operations personnel the capability to input data and return Requests electronically.
- Revise the Service Level Agreements between the TAS to clearly define the Requested and Negotiated Completion Dates.
- Require TAS employees to document their case histories when they communicate with Operations employees and reprogram the TAMIS to alert case advocates when due dates are approaching.
- Revise the Operations Assistance Request (Form 12412) to eliminate all reasons Requests can be rejected except when they are misrouted and evaluate a sample of misrouted Requests to determine the causes of errors.

IRS officials agreed with all but one of our recommendations. Although IRS management disagreed to allowing Operations direct access to the TAMIS, they agreed to automate the Request process through the Desktop Integration System, which sufficiently addresses our recommendation. IRS management plans to revise their procedures and negotiate revisions to the Service Level Agreements with Operations regarding the method to deliver and return Requests, along with the use of Requested and Negotiated Completion Dates. IRS management agreed that case advocates should document their case histories when communication occurs with Operations, and they plan to reinforce this need during annual training sessions. The TAS stated the TAMIS alerts case advocates that action is required 1 day after the due date because advocates are permitted a 5-day grace period. TIGTA believes the grace period should be eliminated to avoid delays and move a taxpayer's case to resolution. IRS management stated they are in the process of revising Form 12412. Finally, TAS management plans to evaluate a sample of misrouted Requests to determine the common causes of errors.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2007reports/200710068fr.pdf>.

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