



*Taxpayers That Call Local Taxpayer
Assistance Center Telephone Numbers Are
Unable to Schedule Appointments to
Resolve Tax Account Issues*

September 21, 2006

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

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TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 21, 2006

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

FROM: *Michael R. Phillips*
Michael R. Phillips
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Taxpayers That Call Local Taxpayer Assistance Center Telephone Numbers Are Unable to Schedule Appointments to Resolve Tax Account Issues (Audit # 200640031)

This report presents the result of our review to determine whether taxpayers receive quality customer service when calling the Internal Revenue Service (IRS) local area office telephone numbers to schedule appointments.

Impact on the Taxpayer

The IRS provides taxpayers the option of obtaining face-to-face assistance at 400 Taxpayer Assistance Centers (TAC). Our review determined that auditors were unable to schedule appointments when they called the TAC to schedule an appointment. The convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, and provide them the opportunity to reduce their wait times at the TACs, thus reducing taxpayer burden.

Synopsis

The IRS suggests that taxpayers visit TACs when they have complex tax issues, need to resolve tax problems relating to their tax accounts, have questions about how the tax law applies to their individual income tax returns, or feel more comfortable talking with someone in person. The law¹ requires the IRS to publish the telephone numbers (3709 Lines) and addresses of its TACs

¹ IRS Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2 U.S.C., 5 U.S.C. app., 16 U.S.C., 19 U.S.C., 22 U.S.C., 23 U.S.C., 26 U.S.C., 31 U.S.C., 38 U.S.C., and 49 U.S.C.).



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in local telephone books so every taxpayer can have convenient access to the IRS. The 3709 Lines received approximately 500,000 calls during the 2006 Filing Season² and approximately 1 million calls during Fiscal Year 2005.

For all 50 TACs we contacted during this review to schedule appointments (36 tax account issues and 14 tax law issues), the telephone messages generally were consistent, accurate, and properly advised the taxpayers of their options. Appointments are to be made for taxpayers with complex tax account issues, not to ask tax law questions or prepare tax returns. However, for 36 calls made to the 3709 Lines to schedule appointments to resolve a tax account issue, auditors were able to schedule only 5 appointments. Auditors were unable to schedule the other 31 appointments because 4 TAC employees did not return the calls and 27 TAC employees that did return the calls would not, for various reasons, allow the auditors to schedule appointments.

IRS guidelines state that messages should be retrieved locally or remotely 3 times per day and calls should be returned within 2 business days. TAC employees returned 42 (84 percent) of 50 calls. However, 5 (10 percent) calls were not returned within 2 days and 8 (16 percent) calls were not returned at all.

***Auditors that called
TAC 3709 Lines were
unable to schedule
appointments.***

This happened because employees were not following Field Assistance Office guidelines for returning telephone calls and scheduling appointments. In addition, Field Assistance Office internal guidelines are unclear and obsolete. The

Field Assistance Office has not updated its guidelines to reflect the current purpose of the 3709 Line Program. There are no criteria for TAC employees to follow to determine if an appointment should be made for any tax account issue or if an appointment can be made only for complex issues that cannot be resolved over the telephone.

***The lack of accurate and
complete management
information hinders the Field
Assistance Office's ability to
provide effective
management oversight.***

Inconsistent and inaccurate information prevented us from determining the overall impact of the 3709 Line Program and how it relates to the overall goals of the Field Assistance Office. The Field Assistance Office does not maintain an overall list or database of the number of calls returned, or appointments scheduled through the 3709 Lines. Also, the data gathered are not accurate or complete. The lack of accurate and complete management information hinders the Field Assistance Office's ability to provide effective management oversight. Although only a small number of taxpayers currently use the 3709 Lines to request appointments, without an accurate overview of the Program, management cannot provide adequate oversight or make proper determinations regarding procedures and policies.

² The filing season is the period from January through mid-April when most individual income tax returns are filed.



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Reliable information will be essential to IRS management as they develop the Taxpayer Assistance Blueprint, which is a study for the IRS to develop a 5-year plan to improve taxpayer services. Accurate and complete data will be essential in deciding what services taxpayers need or desire.

Recommendations

We recommended the Commissioner, Wage and Investment Division, determine the purpose and mission of the 3709 Line Program and the methodology to achieve the Program's goals, which includes updating internal guidelines with the purpose and mission of the Program and ensuring TAC managers understand and are aware of the purpose and guidelines for scheduling appointments; provide the TACs with standardized internal controls for ensuring calls to the 3709 Lines are returned and appointments are appropriately scheduled; establish procedures for the Field Assistance Office to provide sufficient oversight of the 3709 Line Program to ensure it is meeting Program objectives; and develop or modify the Field Assistance Office management information systems to ensure they have the information needed to provide an overview of the 3709 Line Program; and establish a control to ensure the delivery of services appropriate to meet the Field Assistance Office's objectives and goals.

Response

IRS management agreed with our recommendations. The IRS will revise its Internal Revenue Manual to more clearly define the purpose and mission of the 3709 Line Program, discuss guidelines with employees in group meetings to ensure their understanding of the purpose and supporting procedures, and review IRS.gov and recorded messages to ensure they effectively explain the Program's purpose to taxpayers. The IRS will develop a standardized method to capture the number of calls returned and the number of appointments made. Clerical employees will be used for transcription and routine callbacks, but calls will be transferred to technical employees whenever a taxpayer requests an appointment. A new quality review system will be established to ensure adherence to the revised guidelines. Periodic reviews will be conducted to ensure calls are returned within 2 days and requested appointments are scheduled. The IRS is assessing its current data reporting requirements for the 3709 Line Program and evaluating the best method for capturing this data. Management's complete response to the draft report is included as Appendix VIII.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Michael E. McKenney, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 622-5916.



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Abbreviations

BPMS	Business Performance Management System
IRS	Internal Revenue Service
TAC	Taxpayer Assistance Center

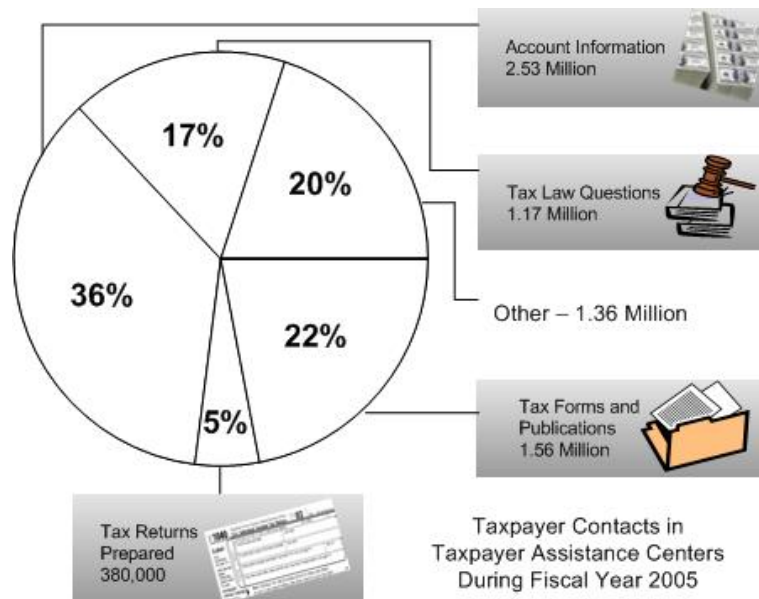


Taxpayers That Call Local Taxpayer Assistance Center Telephone Numbers Are Unable to Schedule Appointments to Resolve Tax Account Issues

Background

The Internal Revenue Service (IRS) provides taxpayers the option of obtaining face-to-face assistance at 400 Taxpayer Assistance Centers (TAC). The IRS suggests that taxpayers visit the TACs when they have complex tax issues, need to resolve tax problems relating to their tax accounts, have questions about how the tax law applies to their individual income tax returns, or feel more comfortable talking with someone in person. The Field Assistance Office¹ has overall responsibility for overseeing the 400 TACs in 5 geographical areas throughout the country. According to the IRS, these TACs served about 7 million taxpayers during Fiscal Year 2005. Approximately 2.5 million of these taxpayers visited for assistance with an account issue.

Figure 1: Taxpayer Contacts at the TACs for Fiscal Year 2005



Source: IRS management information reports and the Fiscal Year 2006 Program Letter.

“Other Contacts” include, for example, assisting taxpayers that call the TACs or need help with the U.S. Departing Alien Income Tax Statement (Form 2063), date stamping tax returns brought in by taxpayers, helping taxpayers with general information such as addresses and directions to other IRS offices or other Federal Government agencies, and responding to unsolicited correspondence.

¹ The Field Assistance Office is within the Wage and Investment Division Customer Assistance, Relationships, and Education function.



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Despite overall declines in the number of taxpayer contacts over the last 3 fiscal years, the IRS has reported account contacts have increased. The IRS 3709 Line² Program is designed to assist taxpayers with account issues. In its 2005–2009 Strategic Plan, the IRS revised its customer service commitment to providing “excellent service to taxpayers and enforcing America’s tax laws in a balanced manner.” The focus of the face-to-face service offered by the TACs is to move away from information and filing assistance toward compliance and enforcement activities.

The law³ requires the IRS to publish the telephone numbers (3709 Lines) and addresses of its TACs in local telephone books so every taxpayer can have convenient access to the IRS. The 3709 Lines received approximately 500,000 calls during the 2006 Filing Season⁴ and approximately 1 million calls during Fiscal Year 2005. These calls are not reported as a separate balanced measure but are included in the “Other” category shown in Figure 1.

The automated message a taxpayer hears when calling a 3709 Line advises the caller that, if he or she is calling to schedule an appointment for help with a Federal tax problem or to change an appointment, the caller should leave a name and telephone number, with area code, and someone from the IRS will call back within 2 business days. It further explains that a taxpayer cannot make an appointment to have a tax return prepared but must come into the office to do so. Appendix VI provides the approved standardized script taxpayers hear when they call the 3709 Lines. The IRS public Internet web site (IRS.gov) also states taxpayers can leave a message requesting an appointment to resolve a tax account issue. Appendix VII provides the standardized message taxpayers see when they go to IRS.gov.

This review was performed in the Wage and Investment Division Customer Assistance, Relationships, and Education function, Field Assistance Office in Atlanta, Georgia, during the period April through July 2006. The audit was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

² The local area office telephone numbers for the TACs are referred to as the 3709 Lines.

³ IRS Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2 U.S.C., 5 U.S.C. app., 16 U.S.C., 19 U.S.C., 22 U.S.C., 23 U.S.C., 26 U.S.C., 31 U.S.C., 38 U.S.C., and 49 U.S.C.).

⁴ The filing season is the period from January through mid-April when most individual income tax returns are filed.



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Results of Review

Taxpayers Are Unable to Schedule Appointments at the Taxpayer Assistance Centers

For all 50 TACs contacted during this review to schedule appointments (36 tax account issues and 14 tax law issues), the telephone messages generally were consistent, accurate, and properly advised the taxpayers of their options. Appointments are to be made for taxpayers with complex tax account issues, not to ask tax law questions. Taxpayers that seek tax return preparation assistance must visit the TACs to schedule an appointment. However, for the 36 calls made to the 3709 Lines to schedule appointments to resolve tax account issues, auditors were able to schedule only 5 appointments. Auditors were unable to schedule the other 31 appointments because 4 TAC employees did not return the calls and 27 TAC employees that did return the calls would not, for various reasons, allow the auditors to schedule appointments. See Appendix V for the TACs included in our testing.

This happened because employees were not following Field Assistance Office guidelines for returning telephone calls and scheduling appointments. In addition, Field Assistance Office internal guidelines are unclear and obsolete. The Field Assistance Office has not updated its guidelines to reflect the current purpose of the 3709 Line Program. There are no criteria for the TAC employees to follow to determine if an appointment should be made for any tax account issue or if an appointment can be made only for complex issues that cannot be resolved over the telephone.

The convenience of scheduling appointments could encourage taxpayers to try to resolve tax account problems earlier, thus reducing taxpayer burden. In addition, allowing taxpayers to call the 3709 Lines to schedule appointments for tax account issues provides them the opportunity to reduce their wait times at the TACs. TACs could better manage resources by scheduling appointments during times when taxpayer traffic is usually lower. TAC employees that know in advance they will be assisting a specific taxpayer with a specific tax issue could prepare for the appointment and might not feel as rushed. This would provide better customer service.

Employees did not return telephone calls timely, and employees did not follow guidelines for scheduling appointments

TAC employees returned 42 (84 percent) of 50 calls. However, 5 (10 percent) calls were not returned within 2 business days and 8 (16 percent) calls were not returned at all. IRS guidelines require messages to be retrieved locally or remotely 3 times per day and calls to be returned within 2 business days. TAC managers at the selected TACs stated calls were not returned



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timely because they did not have a designated backup employee assigned to return calls when the primary employee was out of the office.

For 38 (90 percent) of 42 calls that were returned, employees did not route the calls to TAC managers when auditors requested appointments. IRS guidelines require employees to route the calls to TAC managers when appointments are requested. The TAC managers will contact the taxpayers to obtain any necessary information and schedule the appointments. TAC managers at the selected TACs explained that employees did not know the criteria for scheduling appointments and/or employees did not follow guidelines.

The purpose of the 3709 Line Program is unclear, and the guidelines are not designed to ensure taxpayer appointments are scheduled

The law established the requirement that the IRS publish local office telephone numbers in local telephone books so every taxpayer can have convenient access to the IRS. The Field Assistance Office decided to use the 3709 Lines as a method for taxpayers to schedule appointments to come into the TACs to discuss complex tax account issues that cannot be resolved over the telephone.

Initially, the IRS established Problem Solving Days to assist taxpayers that had tax issues they could not get resolved.⁵ In Fiscal Year 2002, the IRS replaced Problem Solving Days with “Everyday Tax Solutions.” The goal of Everyday Tax Solutions is to reduce the expenditure of taxpayers’ time and to make problem resolution more convenient and available to all taxpayers. If taxpayers call the IRS toll-free help line (1-800-829-1040) to request face-to-face appointments for issues that cannot be resolved over the telephone, assistants are to provide the 3709 Line telephone number for the nearest TAC and advise them they are to leave a message. An IRS employee will return the call, at which time the taxpayer can schedule an appointment for a face-to-face meeting.

Internal guidelines do not state this intent, and Field Assistance Office officials have not appropriately communicated it to TAC employees. This has led to confusion for TAC employees and taxpayers. For example, below are the messages the IRS provides on the 3709 Lines and on IRS.gov:

- The 3709 Lines message states:

If you [the taxpayer] are calling to request an appointment for help with a Federal tax problem or change an appointment, please leave your name and telephone number, with area code, and we will call you within 2 business days.

⁵ Problem Solving Days were IRS-sponsored events that gathered IRS employees from various functions, during nontraditional working hours, to help taxpayers resolve tax issues they had not yet been able to solve.



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- The IRS Internet web site states:

If you [the taxpayer] need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you're more comfortable talking with someone face-to-face, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative across the counter. No appointment is necessary - just walk in - but if you prefer, you can call a local number . . . and leave a message requesting an appointment to resolve a tax account issue.

However, internal guidelines do not provide guidance on what is considered a complex tax issue that warrants a face-to-face meeting. Generally, managers in each of the 50 TACs tested stated the purpose of the 3709 Line was for the IRS to comply with the law and provide taxpayers a method to schedule appointments. Field Assistance Office officials stated an appointment can be made for issues that cannot be resolved over the telephone. Guidelines do not provide instruction on what tax issues warrant appointments.

The Field Assistance Office Headquarters was not aware that TAC employees were not allowing taxpayers to schedule appointments for tax account issues. Furthermore, Field Assistance Office analysts had not identified any problems with the 3709 Line Program. Analysts review quarterly reports, tracking the number of taxpayer calls (incoming) and ensuring TAC employees are returning calls (outgoing) within 2 business days. However, they had not identified any problems. After raising this concern to Field Assistance Office management, we were advised that steps are being taken to review internal controls and revise procedures to ensure the purpose of the 3709 Line Program is clearly defined.

Internal controls, also called management controls, should provide reasonable assurance that the objectives of the agency or program are being achieved. Internal control activities help ensure management's directives are carried out. The *Standards for Internal Control in the Federal Government*⁶ state internal control systems need to be monitored, through ongoing monitoring activities, separate evaluations, or a combination of the two. When procedures are not followed and internal controls are not in place to identify problems, program missions and goals can be affected.

Recommendations

The Commissioner, Wage and Investment Division, should:

Recommendation 1: Determine the purpose and mission of the 3709 Line Program and the methodology to achieve the Program's goals. This includes updating internal guidelines to

⁶ GAO/AIMD-00-21.3.1, dated November 1999.



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include the purpose and mission of the Program and ensuring TAC managers understand and are aware of the purpose and guidelines for scheduling appointments.

Management's Response: IRS management agreed with this recommendation and will revise the Internal Revenue Manual to more clearly define the purpose and mission of the 3709 Line Program, and provide practical guidelines for when a scheduled appointment is appropriate. The IRS also stated the new guidelines will be discussed with employees in group meetings to ensure their understanding of the purpose and supporting procedures. The IRS will also review their web site and recorded messages to ensure they effectively explain the Program's purpose to taxpayers.

Recommendation 2: Provide the TACs with standardized internal controls for ensuring calls to the 3709 Line are returned and appointments are scheduled appropriately.

Management's Response: IRS management agreed with this recommendation and will develop a standardized method to capture the number of calls returned and the number of appointments made, which will be used to manage the 3709 Line Program. The IRS stated in order to ensure adherence with procedures defining when an appointment is needed, it will use clerical employees for transcription and routine callbacks, but transfer calls to technical employees whenever a taxpayer requests an appointment.

Recommendation 3: Establish procedures for the Field Assistance Office to provide sufficient oversight of the 3709 Line Program to ensure it is meeting program objectives. For example, as part of the quality assurance efforts, Field Assistance Office analysts could leave messages on 3709 Lines periodically, to determine whether calls are returned and appointments are made appropriately.

Management's Response: IRS management agreed with this recommendation and will establish a new quality review system to ensure adherence to the revised guidelines. The IRS stated Area Office Directors and Field Assistance Office Headquarters will conduct periodic reviews to ensure calls are returned within 2 days and requested appointments are scheduled. They stated the findings will be documented and actions taken to correct any discovered deficiencies.

The Field Assistance Office Does Not Have Reliable Management Information Needed to Obtain an Accurate Overview of the 3709 Line Program

Inconsistent and inaccurate information prevented us from determining the overall impact of the 3709 Line Program and how it relates to the overall goals of the Field Assistance Office. The Field Assistance Office does not maintain an overall list or database of the number of calls



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returned and appointments scheduled through the 3709 Lines. In addition, the data gathered are not accurate or complete.

The number of incoming calls from taxpayers to the 3709 Lines and the number of outgoing calls returned to taxpayers is tracked manually. TAC employees first keep a log of calls from taxpayers, including their names and telephone numbers, the dates of the calls, and the dates the calls were returned. There is no requirement that these logs be maintained.

From the logs, the total number of calls (units) is transferred to the employees' timesheets, called the Field Assistance Activity Report (Form 5311). The calls and time spent (hours) completing 3709 Line tasks are categorized into activity codes for tracking purposes. Instructions for recording the calls are shown in Figure 2.

Figure 2: Timesheet Recording Instructions for Documenting Calls Received and Returned by TAC Employees

	Units: Include a unit for the following:	Hours: Include all time expended:
Activity Code 01 - Customer Incoming Telephone Calls	No unit count should be recorded for retrieving 3709 Line messages; report time only. Only employees returning telephone calls to customers who left messages on the 3709 Line should record a unit count. One unit should be recorded for each customer. (Outgoing)	Recording outgoing message for the 3709 Line. Transcribing messages received on the 3709 Lines.
Activity Code 35 - 3709 Lines	Include a unit count for all recorded telephone calls received on the 3709 Lines, including calls during which the customer hung up prior to leaving a message. (Incoming)	Responding to and retrieving messages from the 3709 Lines.

Source: *Field Assistance Office manual.*

From the individual Forms 5311, the units are manually input to the TACs' Call Tracking Worksheets. The Worksheets are submitted electronically every month to each of the five Area Office⁷ Directors. Quarterly, the Area Office 3709 Lines Coordinators forward the completed worksheets to the Field Assistance Office Headquarters 3709 Lines Coordinator for consolidation.

Additionally, the data captured on Forms 5311 are input to the Field Assistance Office's two management information systems: the Resources Management Information System (which creates a permanent record of units and time expended for each activity) and daily to the

⁷ Field Assistance area offices are comprised of managers and analysts responsible for the oversight of TACs in a defined geographical area.



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Business Performance Management System (BPMS). These systems are used by the Field Assistance Office to oversee the TAC Program.

Neither the Call Tracking Worksheets, the Resources Management Information System, nor the BPMS reports the number of appointments scheduled. Also, neither Systems' reports show the specific number of outgoing 3709 Line calls. Outgoing calls are tracked using Activity Code 01; however, Activity Code 01 is also used to report a number of incoming calls for other TAC activities.

In addition, an analysis of the Call Tracking Worksheets, Area Office Directors' Quarterly Reports, and BPMS reports showed the following inconsistencies:

- Outgoing calls reported on the Area Office Directors' Quarterly Reports (October–December 2005 and January–March 2006) totaled 191,279 compared to 178,210 outgoing calls reported on the BPMS.
- Incoming and outgoing calls on all 15 Call Tracking Sheets tested did not reconcile to the BPMS.
- Call Tracking Worksheets did not report the number of taxpayer calls returned accurately.

The lack of accurate and complete management information hinders the Field Assistance Office's ability to provide effective management oversight. Although only a small number of taxpayers currently use the 3709 Lines to request appointments, without an accurate overview of the program, management cannot provide adequate oversight or make proper determinations regarding procedures and policies.

In addition, reliable information will be essential to IRS management as they develop the Taxpayer Assistance Blueprint, which is a study for the IRS to develop a 5-year plan to improve taxpayer services. Accurate and complete data will be essential in deciding what services taxpayers need or desire.

Recommendation

The Commissioner, Wage and Investment Division, should:

Recommendation 4: Develop or modify the Field Assistance Office's employee instructions for tracking 3709 Line tasks to ensure management information systems have the information needed to provide an overview of the 3709 Line Program, and establish a control to ensure it is providing the appropriate services to meet the Field Assistance Office's objectives and goals. As the 3709 Line Program grows, the systems should be continually monitored to ensure they are meeting current and future needs. Also, procedures should be developed to ensure the information is current and accurate.



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Management's Response: IRS management agreed with this recommendation and recognized the value of collecting additional information to better manage the 3709 Line Program. The IRS is assessing its current data reporting requirements for the 3709 Line Program and is evaluating the best method for capturing this data. The IRS stated it realizes the need to separately capture callbacks on 3709 Line telephone messages, but currently this data cannot be separated from other telephone activities.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to determine whether taxpayers receive quality customer service when calling the IRS local area office telephone numbers to schedule appointments. To achieve this objective, we:

- I. Reviewed Field Assistance Office internal guidelines for administering and managing the 3709 Line Program. The Field Assistance Office is within the Wage and Investment Division Customer Assistance, Relationships, and Education function.
- II. Met with Field Assistance Office officials to discuss the goals of the 3709 Line Program, how it fits in the customer service strategy and plans, and the methodology for monitoring performance reported on the BPMS. The BPMS is a management information system used by the Field Assistance Office to oversee the TAC Program.
- III. Evaluated the 3709 Lines to determine if they assist the IRS in providing quality customer service.
 - A. Developed 10 scenarios around 7 tax account and 3 tax law topics designed to require assistants to determine if our issues met the criteria for scheduling an appointment (e.g., to discuss setting up an installment agreement to pay outstanding taxes).
 - B. Selected a sample of 50 TACs. We judgmentally selected large, medium, and small TACs from each of the five areas based on the number of taxpayer calls to the 3709 Line. We did not take a statistical sample because we could not identify a population of taxpayer calls to the 3709 Lines.
 - C. Called the 3709 Lines at the 50 selected TACs (36 with tax account questions and 14 with tax law questions) during April 2006 and left messages requesting face-to-face appointments.
 - D. Determined if the 3709 Lines' automated messages are consistent and accurate.
 - E. Determined if Field Assistance Office employees returned calls within the required 2 business days.
 - F. Determined if Field Assistance Office employees scheduled appointments for the 36 calls with tax account questions.
- IV. For all 50 TACs contacted, provided our results to TAC managers to determine why procedures were not followed and what process is used to provide oversight.
- V. Discussed results and corrective actions with Field Assistance Office executives.



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Appendix II

Major Contributors to This Report

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Frank Jones, Audit Manager

Jerome Antoine, Lead Auditor

Kenneth Carlson, Senior Auditor

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Roberta Fuller, Auditor



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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Deputy Commissioner, Wage and Investment Division SE:W
Director, Customer Assistance, Relationships, and Education, Wage and Investment Division
SE:W:CAR
Director, Strategy and Finance, Wage and Investment Division SE:W:S
Chief, Performance Improvement, Wage and Investment Division SE:W:S:PI
Director, Field Assistance, Wage and Investment Division SE:W:CAR:FA
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Senior Operations Advisor, Wage and Investment Division SE:W:S



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Appendix IV

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Taxpayer Burden – Potential; 31 instances in which auditors were not allowed to schedule face-to-face appointments (see page 3).

Methodology Used to Measure the Reported Benefit:

If the results for the 50 messages we left on 3709 Lines¹ are indicative of the actual results taxpayers receive when they request appointments, we estimate 31 instances were inappropriately denied appointments.

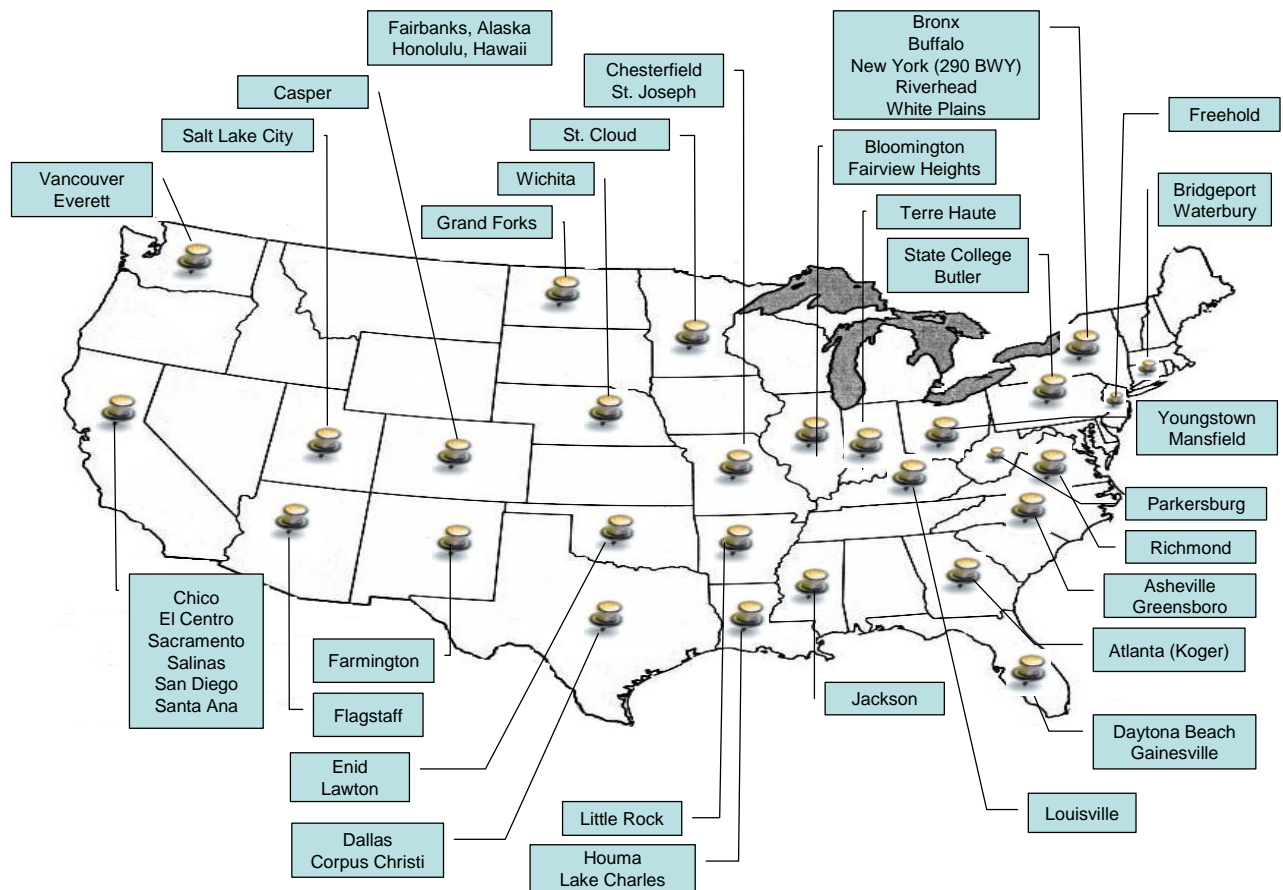
¹ The local area office telephone numbers for the TACs are referred to as the 3709 Lines.



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Appendix V

Taxpayer Assistance Centers Called





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Appendix VI

Taxpayer Assistance Center Automated Script

Callers to 3709 Lines¹ are greeted with an automated telephone message using a recorded script; a live person does not answer the telephone. The Field Assistance Office² requires its employees to use an approved standardized script when recording the 3709 Line message. The general script:

- First. Provides the address and hours of operation of the office. If the 3709 Line is used for multiple offices, the message will provide the addresses and hours of operations for all offices.
- Second. Advises callers that, if they are calling for help preparing a Federal income tax return and their income is \$38,000 or less, they must visit the office. They cannot preschedule assistance on this line, and same day appointments may not be available.
- Third. Advises callers that, if they are calling to schedule an appointment for help with a Federal tax problem or to change an appointment, they should leave their name and telephone number, with area code, and someone will call them within 2 business days.
- Fourth. Advises callers of what numbers to call for various other IRS services and products, including referring callers to IRS.gov.

¹ The local area office telephone numbers for the TACs are referred to as the 3709 Lines.

² The Field Assistance Office is within the Wage and Investment Division Customer Assistance, Relationships, and Education function.



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Appendix VII

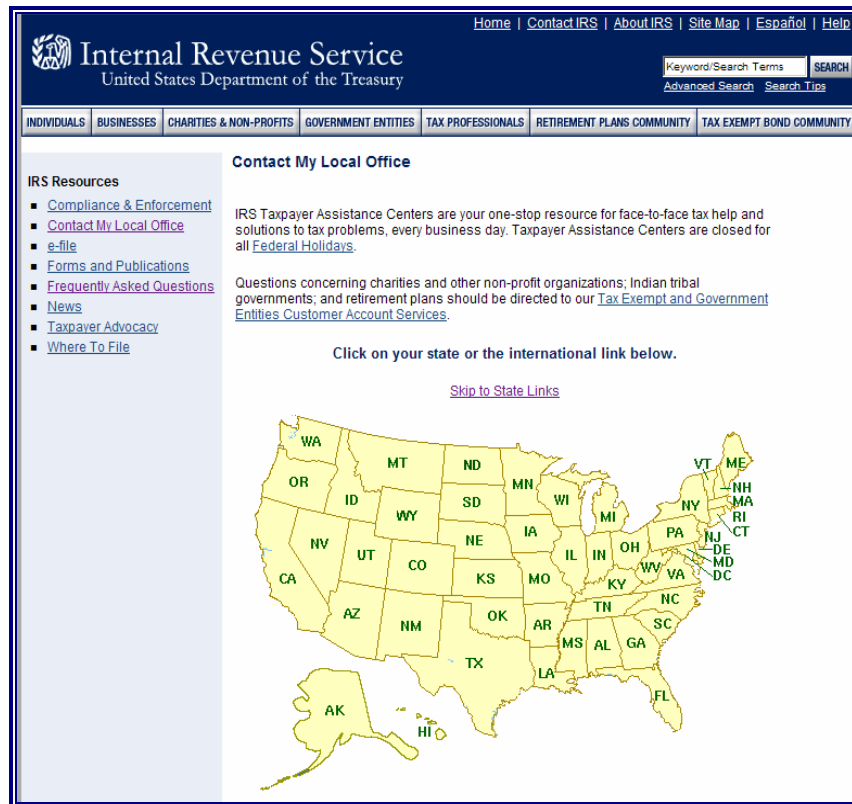
Contact My Local Office Webpage on IRS.gov

When a taxpayer goes to IRS.gov to locate a TAC, he or she:

First. Clicks “Contact IRS” at the top of the IRS web site.

Second. Clicks “Contact My Local Office.” See Figure 1.

Figure 1: Contact My Local Office Webpage




Source: IRS.gov.

Third. Clicks on the appropriate State. At the top of the webpage, the same synopsis is provided for all States. At the bottom of the page is a list of TACs in the selected State, along with the address, local telephone number, and hours of operation of each TAC. See Figure 2.



Taxpayers That Call Local Taxpayer Assistance Center Telephone Numbers Are Unable to Schedule Appointments to Resolve Tax Account Issues

Figure 2: Face-to-Face Tax Help



Internal Revenue Service
United States Department of the Treasury

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Contact My Local Office in Alabama

IRS Resources

- [Compliance & Enforcement](#)
- [Contact My Local Office](#)
- [e-file](#)
- [Forms and Publications](#)
- [Frequently Asked Questions](#)
- [News](#)
- [Taxpayer Advocacy](#)
- [Where To File](#)

Face-to-face Tax Help

IRS Taxpayer Assistance Centers are your source for personal tax help when you believe your tax issue cannot be handled online or by phone, and you want face-to-face assistance.

If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you're more comfortable talking with someone face-to-face, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative across the counter. No appointment is necessary - just walk in - but if you prefer, you can call a local number (see chart, below) and leave a message requesting an appointment to resolve a tax account issue.

Note: Before visiting your local office click on "Services Provided" in the chart below to see what services are available. Hours and services are subject to change.

Services you can get on a walk-in, non-advance appointment basis include:

- Help preparing your basic individual income tax return if you qualify for the Earned Income Tax Credit or your income is \$38,000 or less (available in most offices - see chart below and visit our office to make an appointment);
- Answers to tax questions related to your individual federal tax return; and
- Help preparing your heavy vehicle use tax return.

Multilingual assistance is available in every office.

City	Street Address	Days/Hours of Service	Telephone *
Birmingham	801 Tom Martin Dr. Birmingham, AL 35211	Monday-Friday - 8:30 a.m.-4:30 p.m. Services Provided	(205) 912-5333
Dothan	202 W. Adams St. Dothan, AL 36303	Monday-Friday - 8:30 a.m.-4:30 p.m. Services Provided	(334) 702-3470
Florence	205 S. Walnut St. Florence, AL 35630	Monday-Friday - 8:30 a.m.-4:30 p.m. (Closed for lunch 12:00 noon - 1:00 p.m.) Services Provided	(256) 764-8731
Huntsville	806 Governor's Dr. SW Huntsville, AL 35801	Monday-Friday - 8:30 a.m.-4:30 p.m. Services Provided	(256) 539-0642
Mobile	1110 Montlamar Dr. Mobile, AL 36609	Monday-Friday - 8:30 a.m.-4:30 p.m. Services Provided	(251) 340-1794
Montgomery	1295 Carmichael Way. Montgomery, AL 36106	Monday-Friday - 8:30 a.m.-4:30 p.m. Services Provided	(334) 264-2453

* Note: The phone numbers in the chart above are not toll-free for all locations. When you call, you will reach a recorded business message with information about office hours, locations and services provided in that office. You may leave a message to request an appointment for help resolving a tax issue or to reschedule an existing appointment. You will receive a return call within two business days. If face-to-face assistance is not a priority for you, you may also get help with IRS letters or resolve tax account issues by phone, toll free at 1-800-829-1040 (individuals) or 1-800-829-4933 (businesses).

Tax Kiosk

Click here to find out more information and the location of a [Tax Kiosk](#) in this and other states.

The Taxpayer Advocate Service: Call (205) 912-5631 in Birmingham, or 1-877-777-4778 elsewhere, or see [Publication 1546](#), *The Taxpayer Advocate Service of the IRS*.

For further information, see [Tax Topic 104](#)

Source: IRS.gov.



*Taxpayers That Call Local Taxpayer Assistance Center
Telephone Numbers Are Unable to Schedule Appointments
to Resolve Tax Account Issues*

Appendix VIII

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

RECEIVED
SEP 11 2006

September 11, 2006

MEMORANDUM FOR MICHAEL R. PHILLIPS
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Richard J. Morgante *Richard J. Morgante*
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report - Taxpayers That Call Local Taxpayer
Assistance Center Telephone Numbers Are Unable to Schedule
Appointments to Resolve Tax Account Issues (Audit #
200640031)

I reviewed the subject draft report and agree with your findings and recommendations. I am pleased the results of your review reflect that our recorded telephone messages are consistent, accurate, and properly advise taxpayers of their options for obtaining service. We will continue to advise taxpayers of other, more convenient options such as using the telephone and internet for less complex assistance needs. This allows us to direct our Taxpayer Assistance Center (TAC) resources to more complex tax issues best handled through face-to-face assistance.

As noted in your report, we did not always return telephone calls timely, nor did we consistently follow our procedures for scheduling requested appointments. Your report indicates 16 percent of the calls auditors made to our local telephone numbers were not returned at all and 10 percent were not returned within the 2-business days required by our procedures. We are satisfied that the 2-business day turnaround we established for returning taxpayer calls is a reasonable performance standard; therefore, we will tighten our controls and implement monitoring procedures to ensure we meet that standard.

Your report also noted instructions for scheduling taxpayer appointments do not provide effective direction to frontline employees on what is considered a complex tax issue that warrants a face-to-face meeting, and we have not effectively communicated the purpose of the 3709 lines to either taxpayers or employees. We will clarify the purpose of these lines and revise our procedures to better delineate the instances in which an appointment is needed. We will use appointments to handle complex account questions that require a significant amount of time with taxpayers to resolve, and to serve taxpayers with scheduling difficulties or urgent circumstances.



*Taxpayers That Call Local Taxpayer Assistance Center
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to Resolve Tax Account Issues*

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Our employees are currently advising taxpayers to visit the TACs either on less busy days, or during less busy hours. Almost 90 percent of the taxpayers who arrive in our TACs without an appointment wait less than 30 minutes for service; at less busy times, the taxpayer wait time is even shorter. Our guidelines will take into account the time of year, taxpayer volume, and wait time in the TAC; however, we will ensure our employees understand we will not refuse an appointment to any taxpayer. Additionally, we will modify our management information system so that we have the information needed to oversee the 3709 program and ensure it achieves its defined purpose.

Attached please find our response to your specific recommendations. If you have any questions, please contact me at (404) 338-7060, or members of your staff may contact Estelle Tunley, Director, Field Assistance, Customer Assistance, Relationships and Education, at (404) 338-9182.

Attachment



*Taxpayers That Call Local Taxpayer Assistance Center
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to Resolve Tax Account Issues*

Attachment

RECOMMENDATION 1

The Commissioner, Wage and Investment Division, should determine the purpose and mission of the 3709 Line Program and the methodology to achieve the Program's goals. This includes updating internal guidelines to include the purpose and mission of the Program and ensuring TAC managers understand and are aware of the purpose and guidelines for scheduling appointments.

CORRECTIVE ACTION

We agree with this recommendation and will revise our Internal Revenue Manual (IRM) to more clearly define the purpose and mission of the 3709 program and provide practical guidelines for when a scheduled appointment is appropriate. The procedures will delineate those instances in which an appointment is needed to resolve complex issues. The new guidelines will be discussed with employees in group meetings to ensure their understanding of the purpose and supporting procedures. We will also review our website and recorded messages to ensure we effectively explain the program's purpose to taxpayers.

IMPLEMENTATION DATE

November 15, 2006

RESPONSIBLE OFFICIAL

Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

We will create talking points to ensure the intended message is correctly communicated to all employees. We will establish a method to ensure questions resulting from the meetings are elevated for clarification. The website and recorded message will be reviewed once changes are made to ensure they communicate the purpose of the 3709 program and both contain the same message.

RECOMMENDATION 2

The Commissioner, Wage and Investment Division, should provide the TACs with standardized internal controls for ensuring calls to the 3709 Line are returned and appointments are scheduled appropriately.

CORRECTIVE ACTION

We agree with this recommendation and will develop a standardized method to capture the number of calls returned and the number of appointments made, which will be used to manage the 3709 program. In order to ensure adherence with procedures defining when an appointment is needed, we will use clerical employees for transcription and routine callbacks, but transfer calls to technical employees whenever a taxpayer requests an appointment.



*Taxpayers That Call Local Taxpayer Assistance Center
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to Resolve Tax Account Issues*

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IMPLEMENTATION DATE

November 15, 2006

RESPONSIBLE OFFICIAL

Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

We will require data be submitted to HQ on the number of calls returned and the number of appointments made. Area and HQ staff will make periodic calls to the 3709 phone numbers to ensure calls are returned and appointments given as required. Corrective action will be taken as necessary.

RECOMMENDATION 3

The Commissioner, Wage and Investment Division, should establish procedures for the Field Assistance Office to provide sufficient oversight of the 3709 Line Program to ensure it is meeting program objectives. For example, as part of the quality assurance efforts, Field Assistance Office analysts could leave messages on 3709 lines periodically, to determine whether calls are returned and appointments are made appropriately.

CORRECTIVE ACTION

We agree with this recommendation and will establish a new quality review system to ensure adherence to the revised guidelines. Area Directors and Field Assistance Headquarters will conduct periodic reviews to ensure calls are returned within two days and requested appointments are scheduled. The findings will be documented and actions taken to correct any discovered deficiencies.

IMPLEMENTATION DATE

November 15, 2006

RESPONSIBLE OFFICIAL

Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

We will require data be submitted to HQ on the number of calls returned and the number of appointments made. Area and HQ staff will make periodic calls to the 3709 phone numbers to ensure calls are returned and appointments given as required. Corrective action will be taken as necessary.

RECOMMENDATION 4

The Commissioner, Wage and Investment Division, should develop or modify the Field Assistance Office's employee instructions for tracking 3709 Line tasks to ensure management information systems has the information needed to provide an overview of



*Taxpayers That Call Local Taxpayer Assistance Center
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the 3709 Line Program and establish a control to ensure it is providing the appropriate services to meet the Field Assistance Office's objectives and goals. As the 3709 Line Program grows, the systems should be continually monitored to ensure it is meeting current and future needs. In addition, procedures should be developed to ensure the information is current and accurate.

CORRECTIVE ACTION

We agree with this recommendation and recognize the value of collecting additional information to better manage the 3709 Line Program. We are assessing our current data reporting requirements for 3709 work and evaluating the best method for capturing this data. While we realize the need to separately capture our callbacks on 3709 telephone messages, currently this data cannot be separated from other telephone activities.

IMPLEMENTATION DATE

February 15, 2007

RESPONSIBLE OFFICIAL

Director, Field Assistance, Wage and Investment Division

CORRECTIVE ACTION MONITORING PLAN

When new reporting requirements are determined, we will review the data and determine if we are effectively capturing the information needed to oversee the program.