

**Opportunities Exist to Enhance the
International Field Assistance
Specialization Program**

September 2000

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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.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 29, 2000

MEMORANDUM FOR COMMISSIONER ROSSOTTI

A handwritten signature in cursive script that reads "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Opportunities Exist to Enhance the
International Field Assistance Specialization Program

This report presents the results of our review of the International Field Assistance Specialization Program (IFASP). Our objective was to determine if the management information system of the IFASP provided reliable measures to document the performance of the program.

In summary, we identified opportunities to enhance the ability of the IFASP to provide assistance to the International Enforcement Program – a program that annually recommends taxpayers pay approximately \$2.1 billion in additional taxes from the examination of international tax issues. One avenue of improvement lies with linking the IFASP indicator in the International Case Management System (ICMS) to the international issues that the IFASP helps develop. Another avenue of improvement is to accumulate and disseminate more information electronically.

Internal Revenue Service (IRS) management agreed to the recommendations presented in this report. Management's comments have been incorporated into the report where appropriate, and the full text of their comments is included as an appendix.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions, or your staff may contact Gordon C. Milbourn III, Associate Inspector General for Audit (Small Business and Corporate Programs), at (202) 622-3837.

**Opportunities Exist to Enhance the International Field Assistance
Specialization Program**

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Opportunities Exist to Enhance the International Field Assistance Specialization Program

Executive Summary

In 1991, the Internal Revenue Service (IRS) established the International Field Assistance Specialization Program (IFASP) to provide technical assistance in the examination of certain complex international tax issues so that there would be, among other benefits, increased revenue raising capabilities, fewer disputes due to better developed issues, and less time spent on examinations. The IRS developed the program because of the rapid growth of international tax issues during the 1970s and 1980s. Likewise, the IRS recognized it had a relatively inexperienced workforce in the international enforcement area.

The resources devoted to the IFASP are relatively small (approximately \$1.5 million annually), considering its 8 specialists are responsible for assisting approximately 631 international examiners in areas of complex international tax law. To meet their responsibilities, IFASP specialists are expected to deliver a program of direct field assistance by providing written audit techniques and guidelines, continuing professional education, and documents outlining the IRS' position on complex areas of international tax law. Given the program's limited budget and high expectations, we determined if the management information system (MIS) of the IFASP provided reliable measures to document the performance of the program.

Results

The IFASP is an important resource to the International Enforcement Program and is staffed with experienced international examiners who are trained in complex areas of international law. However, there are limitations with the MIS that kept us and the IRS from determining whether the IFASP was realizing the benefits expected when the IFASP was implemented. In addition, the IFASP's customers suggested actions could be taken to enhance the way services are delivered.

The International Field Assistance Specialization Program Is an Important Resource to the International Enforcement Program

The IFASP was established to support and improve international examinations that annually result in billions of dollars of recommended additional taxes. The IFASP's eight specialists were well-trained, experienced international examiners. The specialists had, collectively, 122 years of experience in the IRS' International Program, and each of the specialists earned at least 80 hours of continuing professional education in international tax issues during the last 2 years.

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We conducted 2 surveys and received responses from 67 international examiners on 1 survey, and 60 group managers and 9 attorneys that were management officials in the Office of the Associate Chief Counsel (International) on the other. The results in both surveys showed strong support for the IFASP. In the survey of the international examiners, 64 percent of the respondents indicated that the IFASP involvement helped them in their examination and most said they would use IFASP again. Eighty-seven percent of the management officials believed that the IFASP assistance improved the quality of examinations.

Weaknesses in Measuring and Delivering Program Services

Ideally, effective MISs enhance program accountability by supplying managers with critical information for documenting performance, measuring progress towards achieving goals, and reporting accomplishments – in short, whether the benefits are being realized. However, neither the IRS nor we could quantify how much actual effect the IFASP has had on international tax issues or if more examinations could have benefited from the IFASP. Moreover, international examination assessments are trending downward, the number of examinations with international tax issues is increasing, and the IFASP customers suggested actions could be taken to enhance the way services are delivered. Because of these conditions, we believe there are opportunities to enhance the program.

One improvement lies with linking the IFASP indicator in the International Case Management System (ICMS) to the specific issues that the IFASP helped develop. Not specifying in the ICMS database which issue(s) the IFASP was involved with makes it difficult, if not impossible, to measure the effect the IFASP has on any given issue or examination. Another opportunity for improvement lies with improving the way the IFASP delivers its services. IFASP assistance is usually requested and given over the telephone. While the telephone can be an efficient way to communicate on an individual basis, our survey of international examiners and managers suggests that the IRS management has not fully leveraged the benefits of communications technology. Approximately 82 percent of respondents indicated that they would like to exchange more information electronically with the IFASP through the IRS' Intranet.

Summary of Recommendations

The Commissioner, Large and Mid-Size Business Division, should take steps to improve the MIS by better linking the IFASP to specific issues listed in the ICMS. Further, the IFASP's service delivery could be enhanced by receiving and disseminating more information electronically.

Management's Response: The Commissioner, Large and Mid-Size Business Division, agreed with our recommendations. The LMSB Division is currently in the process of

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revising and incorporating the ICMS into the Coordinated Examination Management Information System (CEMIS). As part of the revision they will add an IFASP involvement indicator to specific issues listed on CEMIS.

The LMSB Division is also in the process of providing all of its employees secured Intranet access so they can communicate from the audit site. The Division is developing a referral process for specialists to provide services to all IRS personnel, and the IFASP electronic referral will be included in this process.

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

Opportunities Exist to Enhance the International Field Assistance Specialization Program

Objective and Scope

We evaluated the IFASP's MIS to determine whether it provided reliable measures to document the program's performance.

Our objective was to determine if the management information system (MIS) of the International Field Assistance Specialization Program (IFASP) provided reliable measures to document the performance of the program. The audit tests were focused in the following areas:

- Assessed the experience, training, and activities of IFASP specialists in Calendar Years 1998 and 1999 by reviewing the Internal Revenue Service's (IRS) personnel records, monthly IFASP reports, travel vouchers, and the Administrative Corporate Education System (ACES).
- Evaluated how successful the IFASP was in meeting its business objectives by analyzing examination results in the International Case Management System (ICMS) and the Audit Information Management System (AIMS).
- Analyzed the responses to our surveys from 60 international managers, 67 international examiners, and 9 attorneys that were management officials in the Office of the Associate Chief Counsel (International).

The audit was performed in accordance with *Government Auditing Standards* from November 1999 through May 2000. On-site tests were performed in the National Headquarters. In addition, our survey of managers, international examiners, and attorneys allowed us to obtain information about the IFASP from 29 IRS district offices and the Office of the Associate Chief Counsel (International).

Appendix I outlines the detailed objective, scope, and methodology of this review. Major contributors to this report are listed in Appendix II.

Opportunities Exist to Enhance the International Field Assistance Specialization Program

Background

The IRS established the IFASP in 1991 because of the rapid growth of international tax issues during the 1970s and 1980s. The IRS recognized that it had a relatively inexperienced workforce in the international enforcement area. The IFASP was designed to provide technical assistance in the examination of certain complex international tax issues so that there would be, among other benefits, increased revenue raising capabilities, fewer disputes due to better developed issues, and less time spent on examinations.

The IFASP uses a network of 8 specialists to deliver a program of direct field assistance to approximately 631 international examiners.

The IRS annually expends approximately \$1.5 million for IFASP salaries, benefits, travel and overhead costs. Each of the eight IFASP specialists is assigned a specific area within international tax law. The specialists are expected to provide international examiners with written audit techniques and guidelines, continuing professional education, and documents outlining the IRS' position on international tax issues. The IFASP also provides assistance to the Office of Associate Chief Counsel (International) by:

- Acting as a liaison with international examiners in the field.
- Providing advice on the development of new regulations, rulings, procedures and tax forms, and on the development of Advance Pricing Agreements.

Results

The IFASP is an important resource to the International Enforcement Program and is staffed with experienced international examiners who are trained in complex areas of international law. However, there are limitations with the MIS that kept us and the IRS from determining whether the IFASP was realizing the benefits expected when the IFASP was implemented. In addition, the IFASP's customers suggested actions could be taken to enhance the way services are delivered.

Limitations with the MIS hamper the IRS' ability to leverage the IFASP's experience and knowledge.

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The International Field Assistance Specialization Program Is an Important Resource to the International Enforcement Program

We found IFASP specialists are well-trained, experienced international examiners.

The IFASP was established to support and improve international examinations that annually result in billions of dollars of recommended additional taxes. Our evaluation of the program found its specialists to be experienced international examiners that maintain their skills through continuing professional education.

The IFASP specialists collectively had 122 years of experience in the IRS' International Program. In addition, the ACES shows that each of the specialists earned at least 80 hours of continuing professional education (CPE) in international tax issues during the last 2 years. Many of the CPE hours were earned teaching international tax issues to IRS' revenue agents and other tax professionals.

To better understand the level of service the IFASP provides, we sent questionnaires to all 95 international examiners listed as consulting with an IFASP specialist in Fiscal Year (FY) 1998 or 1999 and received 67 completed responses. Questionnaires were also sent to 70 international group managers and 17 attorneys that were management officials in the Office of the Associate Chief Counsel (International). We received responses from 60 group managers and 9 attorneys.

Most international examiners surveyed said the IFASP saved examination time and helped strengthen issues.

In our survey of international examiners 64 percent indicated that IFASP assistance helped them in the examination and most said they would use the IFASP again. For example, one respondent stated:

I have been tremendously helped and assisted by IFASP. Just last month an IFASP specialist gave me significant advice and guidance on a claim. He saved me at least two to three months work and helped me zero in on the final points to cover in my exam. Due to his valuable assistance and experience, I will close the case earlier than expected.

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Our survey of international group managers and attorneys that were management officials in the Office of the Associate Chief Counsel (International) was also positive. Eighty-seven percent of the managers indicated that IFASP assistance improved the quality of examinations.

Our analysis of questionnaire responses identified other reasons why the IFASP is an important resource for the International Enforcement Program. We found that most international examiners liked the objective and neutral perspective the IFASP provides and would use the program's services in the future.

Our complete analyses of the responses of international examiners, group managers, and attorneys are presented in Appendices IV and V.

Weaknesses in Measuring and Delivering Program Services

IFASP specialists were used sparingly during examinations.

We analyzed IRS information systems to determine the IFASP involvement in examinations of returns with international tax issues. The analysis showed that international examiners used IFASP assistance in 390 returns examined with international tax issues in FYs 1998 and 1999. The returns contained 3,052 (8.8 percent) of the 34,662 examined issues and \$5.9 billion (15.5 percent) of the \$38 billion in adjustments recommended to tax return line items.

In another analysis comparing international examination results from FYs 1993 to 1999, we found the following:

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In comparing results of examinations with international tax issues from FY 1993 to 1999, we found that the number of both examinations and direct audit hours increased substantially, while recommended assessments decreased.

- Number of examinations: The total number of tax returns with international tax issues examined increased about 76 percent, from 1,558 in FY 1993 to 2,747 in FY 1999. The program annually recommends that taxpayers pay approximately \$2.1 billion in additional taxes.
- Direct audit hours: A comparison of FY 1993 and FY 1999 shows that the IRS invested 91 percent more hours in examining returns with international tax issues in FY 1999 than in FY 1993.
- Additional recommended taxes per audit hour: The overall ratio decreased 17 percent during this time, from \$4,474 to \$3,731.
- Number of examinations closed with a disagreement: As with the increase in the number of returns examined, the total number of examinations that were closed with a disagreement increased about 5 percent. However, the ratio of examinations closed with a disagreement declined from 39 percent in FY 1993 (608 of 1,558 examined returns) to 23 percent in FY 1999 (639 of 2,747 examined returns).

Our evaluation of the program indicates a combination of factors that could contribute to the trends, some of which are outside the immediate control of the IRS. For example, changes in the world economy can affect the number of returns with international tax issues that warrant examination. Legislative and administrative changes, such as changes in the law or Treasury Regulation, can also affect program trends.

The IFASP was designed to provide technical assistance in the examination of certain complex international issues so that there would be, among other benefits, increased revenue raising capabilities, fewer disputes due to better developed issues, and less time spent on examinations. Effective MISs enhance program accountability by supplying managers with critical information for documenting performance, measuring progress towards achieving desired goals, and reporting

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The IRS does not have the information to know if the IFASP delivered the benefits expected when it established the program.

accomplishments – in effect, assessing whether the benefits are being realized.

However, neither the IRS nor we could quantify how much actual effect the IFASP has had on international tax issues or if more examinations could have benefited from the IFASP. Moreover, international examination assessments are trending downward, the number of examinations with international tax issues is increasing, and the IFASP customers suggested actions could be taken to enhance the way services are delivered. Because of these conditions, we believe there are opportunities to enhance the program.

Changes could be made to the ICMS database

Enhancing management information would likely improve accountability and may encourage the IFASP's involvement in more examinations.

One improvement opportunity concerns overcoming limitations with the MIS to better measure the progress the IFASP makes towards delivering the benefits expected when it was established. Enhancing management information would likely improve accountability and may encourage the IFASP to become more involved in the complex examination issues requiring their specialized knowledge. On a larger scale, more IFASP involvement in examinations could further boost the efforts of the new Large and Mid-Size Business (LMSB) Division to emphasize the international area. The LMSB Division is part of the overall IRS effort to modernize itself into four divisions, and it has an emphasis on global tax administration.

A critical item of management information would be a link in the MIS between the IFASP involvement and the specific international issue it assisted in developing. Currently, the ICMS database lists all issues that were adjusted during an examination and contains an indicator showing if the IFASP provided assistance during a particular examination.

However, the system was not designed to identify which specific issues involved the IFASP. Some examinations with international tax issues can have as many as 95 issues adjusted per tax year, and the IFASP's involvement is generally limited to 1 or 2 issues. Not

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Identifying the IFASP with specific issues could help identify needs for the IFASP involvement more proactively.

specifying in the ICMS database which issue(s) the IFASP was involved with makes it difficult, if not impossible, to measure the effect the IFASP has on any given issue or examination.

Identifying the IFASP with specific issues on the ICMS database could also help to better understand the characteristics of issues on the ICMS database, and thereby surface needs for the IFASP's assistance more proactively. For instance, an analysis could be performed to identify the type, dollar amounts, and number of disputed issues listed on the ICMS database by office. A large increase in the number of disputes may indicate a need for more direct IFASP involvement, or for educational efforts structured towards a particular issue or issues.

Actions could be taken to enhance the way services are delivered

The IFASP needs additional methods of disseminating information.

Another opportunity for improvement lies with improving the way the IFASP delivers its services. In reviewing the IFASP specialists' monthly activity reports, we found the IFASP's assistance is usually requested and given over the telephone. While the telephone can be an efficient way to communicate on a one-to-one basis, our survey results suggest that IRS management has not fully leveraged the benefits of communications technology.

For example, a few managers and international examiners indicated that they had problems contacting the IFASP for assistance while approximately 82 percent indicated that they would like to exchange more information electronically with the IFASP through the IRS' Intranet. In addition, 80 percent of the international examiners expressed the need for the IFASP to expand its assistance into other complex areas of international tax law.

The IFASP has a web site that describes its services and lists contact telephone numbers.

Although the IFASP does rely heavily on the telephone for its one-on-one contacts, it recognized the need to use the IRS' Intranet to communicate more broadly and efficiently with managers and revenue agents. During our review the IFASP began developing an electronic

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site on the IRS' Intranet that describes its services, lists contact telephone numbers, and provides a forum for exchanging ideas. IRS officials told us that the cause for previous inaction is that most international examiners did not have easy access to the IRS' Intranet.

In addition to ensuring international examiners have easy access to IRS' Intranet, an electronic referral form for assistance could be developed. The form would provide the IFASP with an efficient way to: (1) control and monitor international examiner questions, (2) identify new, emerging issues that may warrant its assistance, (3) identify training needs, and (4) avoid problems associated with relying on the telephone, like missing calls.

Recommendations

The Commissioner, LMSB, should:

1. Improve the MIS by linking the IFASP to specific issues listed in the ICMS.
2. Ensure international examiners gain greater access to the IRS' Intranet so that the IFASP can accumulate and disseminate more information electronically, including an electronic referral form for IFASP assistance.

Management's Response: The Commissioner, Large and Mid-Size Business Division, agreed with our recommendations. The Division is currently in the process of revising and incorporating the ICMS into the Coordinated Examination Management Information System (CEMIS). As part of the revision they will add an IFASP involvement indicator to specific issues listed on CEMIS.

The LMSB Division is also in the process of providing all of its employees secured Intranet access so they can communicate from the audit site. This will allow IFASP and other specialists to accumulate and disseminate information electronically. The Division is developing a referral process for specialists to provide services to all

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IRS personnel, and the IFASP electronic referral will be included in this process.

Conclusion

Opportunities exist to enhance the ability of the IFASP to provide assistance to the International Enforcement Program - a program that annually recommends taxpayers pay approximately \$2.1 billion in additional taxes from the examination of international tax issues. One avenue of improvement lies with linking the IFASP indicator in the ICMS to the specific international issues that the IFASP helped develop, while another is to accumulate and disseminate more information electronically through the IRS' Intranet.

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Appendix I

Detailed Objective, Scope, and Methodology

Our objective was to determine if the International Field Assistance Specialization Program's (IFASP) management information system provided reliable measures to document the performance of the program. On-site tests were conducted in the Internal Revenue Service's (IRS) National Headquarters. In addition, our survey of international managers, international examiners, and attorneys that were management officials in the Office of the Associate Chief Counsel (International) allowed us to obtain information about the IFASP from 29 district offices and the Office of Chief Counsel. The specific audit tests included the following.

- I. Reviewed Volume II of the IFASP (IRS Document 7847) to obtain documentation outlining the program's purpose, features, and benefits.
- II. Assessed the experience, training, and activities of IFASP specialists in Calendar Years 1998 and 1999 by analyzing IRS personnel records, Fiscal Year (FY) 1999 IFASP reports, FY 1999 IFASP travel vouchers and the Administrative Corporate Education System.
- III. Analyzed the IRS' FY 1998 and 1999 International Case Management System data to determine the level of involvement IFASP specialists had in the examination of international issues.
- IV. Analyzed the IRS' FY 1993 through 1999 Audit Information Management System data to determine the impact the IFASP had on revenue and to identify disagreements from the examination of international issues.
- V. Surveyed 95 international examiners from 24 IRS district offices, involved in a universe of 95 cases with international issues, to identify factors that affect the effectiveness of the IFASP; we received 77 responses of which 67 responses were completed. We also surveyed 70 international group managers from 29 IRS district offices, and 17 management officials in the Office of the Associate Chief Counsel (International), and received 69 responses.

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Appendix II

Major Contributors to This Report

Gordon C. Milbourn III, Associate Inspector General for Audit (Small Business and Corporate Programs)

Philip Shropshire, Director

Frank Dunleavy, Audit Manager

Earl Charles Burney, Senior Auditor

Debra Dunn, Auditor

William Tran, Auditor

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Appendix III

Report Distribution List

Deputy Commissioner Operations C:DO
Commissioner, Large and Mid-Size Business Division LM
Director, Pre-Filing and Technical Guidance LM:PFT
Manager, International Technical Advisors LM:PFT:ITA
Director, Legislative Affairs CL:LA
Office of Management Controls CFO:A:M
National Taxpayer Advocate C:TA
Office of the Chief Counsel CC
Director, Office of Program Evaluation and Risk Analysis M:O
Audit Liaisons:
 Deputy Commissioner Operations C:DO
 Commissioner, Large and Mid-Size Business LM

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Appendix IV – Survey of International Examiner Revenue Agents

**Treasury Inspector General for Tax Administration – Office of Audit
INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE**

Control Number: «Control_Number»-A

INTRODUCTION

In July 1998, Congress passed the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA98) creating the Office of Treasury Inspector General for Tax Administration (TIGTA). TIGTA is an independent and autonomous office of the Department of the Treasury reporting to the Secretary.

The mission of the Office of Audit within TIGTA is to promote the sound administration of the nation's tax laws by conducting comprehensive, independent performance and financial audits of the Internal Revenue Service (IRS) programs and operations to:

- Assess efficiency, economy, effectiveness and program accomplishments;
- ensure compliance with applicable laws and regulations; and
- prevent, detect, and deter fraud, waste, and abuse.

We are conducting a national review of the International Field Assistance Specialization Program (IFASP). You have been selected to complete this survey because records indicate that IFASP provided assistance to you on a case in Fiscal Year 1998 or 1999. We are interested in determining an effective way to identify program accomplishments and improve the level of service. Your responses to this survey will help us to identify factors affecting the outcome of this program.

This questionnaire is **voluntary** and **confidential**. Your responses will be combined with those of other respondents and will be reported only in summary form.

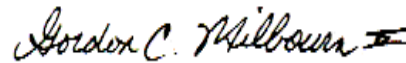
The control number is included only to aid us in our follow-up efforts. We will not identify specific examiners in our report and examiner specific information will not be provided to IRS management.

Most of the questions can be easily answered by checking boxes or filling in the blanks. We estimate this questionnaire should take about one hour to complete. Your manager should grant you one hour of administrative time (time code 730) to complete the survey. The actual amount of time it will take to complete depends on the availability of data. If you have any questions concerning any part of this survey, please contact Ms. Debra Dunn or Mr. Earl Burney at (213) 894-4470 extension 127.

Please return the completed questionnaire in the enclosed pre-addressed envelope within 2 weeks from the time of receipt. In the event the envelope is misplaced, the return address is:

Treasury Inspector General for Tax
Administration
312 East First Street, Suite 400
Los Angeles, CA 90012

Thank you for your assistance.



Associate Inspector General for Audit
(Small Business and Corporate Programs)
Treasury Inspector General for Tax
Administration

Enclosures: Postage Paid Envelope

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**Treasury Inspector General for Tax Administration – Office of Audit
INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE**

Control Number: «Control_Number»-A

1. The International Case Management System (ICMS) indicates that the International Field Assistance Specialization Program (IFASP) provided assistance on your case:
Taxpayer Name: «NAME»

TIN: «TIN»

Tax Period: «LastOfTAX_PERIOD» is this true? **Number** **Percentage**

- | | | |
|---|-----------|--------------|
| <input type="checkbox"/> Yes, continue with the remainder of the survey. | 67 | 87.01 |
| <input type="checkbox"/> No, please stop. Do not continue. The ICMS data is in error. | 10 | 12.99 |

2. Circle the Uniform Issue List (UIL) code designation for the tax issue that IFASP assisted you with on this case?

«UIL1» «UIL2» «UIL3» «UIL4»
«UIL5» «UIL6» «UIL7» «UIL8»
«UIL9» «UIL10» «UIL11» «UIL12»
«UIL13» «UIL14» «UIL15» «UIL16»
«UIL17» «UIL18»

or enter _____ . ____ - ____

3. Who made the decision to requested IFASP assistance on this case? (One answer only.)

- | | Number | Percentage |
|--|---------------|-------------------|
| <input type="checkbox"/> International Examiner (IE) | 55 | 82.09 |
| <input type="checkbox"/> International Group Manager | 7 | 10.45 |
| IE and IE Group Manager | 1 | 1.49 |
| <input type="checkbox"/> CEP Team Coordinator | 1 | 1.49 |
| <input type="checkbox"/> CEP Case Manager | 0 | 0.00 |
| <input type="checkbox"/> Other, please specify | 2 | 2.99 |
| <input type="checkbox"/> Don't know. | 0 | 0.00 |
| No response | 1 | 1.49 |

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Treasury Inspector General for Tax Administration – Office of Audit INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP) CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE

Control Number: «Control_Number»-A

4. Area of IFASP specialist expertise that assisted you on this case? (Multiple answers allowed.)

	Number	Percent
<input type="checkbox"/> Transfer Pricing (Section 482)	31	46.27
<input type="checkbox"/> Cost Sharing (Section 482)	4	5.97
<input type="checkbox"/> Foreign Tax Credits	16	23.88
<input type="checkbox"/> Subpart F	5	7.46
<input type="checkbox"/> Section 936	4	5.97
<input type="checkbox"/> International Penalties	4	5.97
<input type="checkbox"/> Foreign Sales Corporation (FSC)	10	16.42
<input type="checkbox"/> Permanent Establishment	1	1.49
<input type="checkbox"/> Don't know.	0	0.00
No response	4	5.97

5. How did you request assistance from IFASP?

	Number	Percent
<input type="checkbox"/> Telephone / voice mail	56	83.58
<input type="checkbox"/> Electronic mail (e-mail)	0	0.00
<input type="checkbox"/> Other, please specify	7	10.45
Telephone / voice mail and Other	3	4.48
<input type="checkbox"/> Don't know.	0	0.00
No response	1	1.49

6. In your opinion, do you see the informality of requesting and receiving assistance from the IFASP specialist as beneficial to you?

	Number	Percent
<input type="checkbox"/> Yes, definitely beneficial (5)	58	86.57
<input type="checkbox"/> Yes, somewhat beneficial (4)	8	11.94
<input type="checkbox"/> Neither beneficial or detrimental (3)	0	0.00
<input type="checkbox"/> No, somewhat detrimental (2)	0	0.00

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INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE**

Control Number: «Control_Number»-A

<input type="checkbox"/> No, definitely detrimental (1)	0	0.00
<input type="checkbox"/> Don't know (0)	0	0.00
No response	1	1.49

7. How did the IFASP specialist provide you assistance?

	Number	Percentage
<input type="checkbox"/> Telephone only	22	32.84
<input type="checkbox"/> On Site Visitation only	3	4.48
<input type="checkbox"/> Written opinion only	0	0.00
Telephone and written opinion	5	7.46
<input type="checkbox"/> Both telephone and on site visit	30	44.78
<input type="checkbox"/> All	5	7.46
<input type="checkbox"/> Don't know	0	0.00
No response	2	2.99

8. If the advice was in written form what was provided?

	Number	Percentage
<input type="checkbox"/> Nothing, no written information was provided	34	50.75
<input type="checkbox"/> Issue position paper	4	5.97
<input type="checkbox"/> Copies of court opinions	1	1.49
Issue position paper and court opinion	1	1.49
<input type="checkbox"/> Copies of congressional committee reports	0	0.00
<input type="checkbox"/> Other, please specify	9	13.43
<input type="checkbox"/> Don't know	1	1.49
Nothing, no written information was provided and other	4	5.97
No response	13	19.40

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INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
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9. How much time did you spend directly discussing and resolving the issue with the IFASP specialist?

	Number	Percentage
<input type="checkbox"/> 1-3 hours	26	38.81
<input type="checkbox"/> 4-6 hours	13	19.40
<input type="checkbox"/> 7-9 hours	7	10.45
<input type="checkbox"/> 10 or more hours	19	28.36
<input type="checkbox"/> Don't know	1	1.49
No Response	1	1.49

10. Effect of IFASP assistance on the dollar amount of the proposed adjustment?

	Number	Percentage
<input type="checkbox"/> Increase the amount of the adjustment.	23	34.33
<input type="checkbox"/> Decrease the amount of the adjustment.	2	2.99
Increase and decreased the amount of the adjustment	1	1.49
<input type="checkbox"/> No-Change in the amount of the adjustment.	30	44.78
<input type="checkbox"/> Eliminated the adjustment.	4	5.97
<input type="checkbox"/> Changed the issue to another issue. (For example from a section 482 services issue to a section 482 intangibles issue.	0	0.00
<input type="checkbox"/> Don't know.	4	5.97
No Response	3	4.48

Opportunities Exist to Enhance the International Field Assistance Specialization Program

**Treasury Inspector General for Tax Administration – Office of Audit
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CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE**

Control Number: «Control_Number»-A

11. In your own opinion, did the assistance IFASP provide increase the sustainability of the issue you identified?

	Number	Percentage
<input type="checkbox"/> No, their help weakened the issue a great deal. (1)	1	1.49
<input type="checkbox"/> No, their help somewhat weakened the issue. (2)	0	0.00
<input type="checkbox"/> Their help made no difference (3)	10	14.93
<input type="checkbox"/> Yes, their help somewhat strengthened the issue. (4)	14	20.90
<input type="checkbox"/> Yes, their help strengthened the issue a great deal. (5)	29	43.28
<input type="checkbox"/> Don't know. (0)	1	1.49
<input type="checkbox"/> Not applicable. (6)	10	14.93
No response	2	2.99

12. In your opinion, do you see IFASP specialist independence from the case as an advantage that provides an objective and neutral viewpoint concerning international tax issues?

	Number	Percentage
<input type="checkbox"/> Yes, definite advantage (5)	40	59.70
<input type="checkbox"/> Yes, somewhat of an advantage (4)	18	26.87
<input type="checkbox"/> Neither an advantage or disadvantage (3)	5	7.46
<input type="checkbox"/> No, somewhat of a disadvantage (2)	1	1.49
<input type="checkbox"/> No, a definite disadvantage (1)	0	0.00
<input type="checkbox"/> Don't know (0)	1	1.49
No response	2	2.99

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13. Did IFASP assistance provide critical information that you were previously unaware of that allowed you to more fully develop the issue?

	Number	Percentage
<input type="checkbox"/> Yes, information was critical (5)	18	26.87
<input type="checkbox"/> Yes, information was somewhat critical (4)	21	31.34
<input type="checkbox"/> No, information was helpful but not critical (2)	24	35.82
<input type="checkbox"/> No, information useless (1)	2	2.99
<input type="checkbox"/> Don't know (0)	0	0.00
No response	2	2.99

14. What kind of critical information or assistance did IFASP involvement provide to you that allowed you to more fully develop the issue? (Mark all that apply.)

	Number	Percentage
<input type="checkbox"/> Identify pertinent court cases	14	20.90
<input type="checkbox"/> Identify other code sections not previously considered	13	19.40
<input type="checkbox"/> Identify relevant income tax treaty provisions	1	1.49
<input type="checkbox"/> Identify pertinent congressional committee reports	1	1.49
<input type="checkbox"/> Assist in the interpretation of Treasury regulations	46	68.66
<input type="checkbox"/> Identify pertinent Revenue rulings	10	14.93
<input type="checkbox"/> Identify pertinent Revenue procedures	3	4.48
<input type="checkbox"/> Identify audit techniques and provide issue development experience	32	47.76
<input type="checkbox"/> Assist in writing Technical Advice Memorandums (TAMs), Field Service Advices (FSAs), and Technical Assistance (TA)	5	7.46

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<input type="checkbox"/> Serve as a liaison with Associate Chief Counsel (International) for tax law interpretation	15	22.39
<input type="checkbox"/> Assist with an Advance Pricing Agreement (APA)	3	4.48
<input type="checkbox"/> Assist with Competent Authority	0	0.00
<input type="checkbox"/> Other, please specify	11	16.42
<input type="checkbox"/> Not applicable.	3	4.48
<input type="checkbox"/> No response	2	2.99

15. Approximately how much time did IFASP assistance save you on developing the issue on the case?

	Number	Percentage
<input type="checkbox"/> Added time. (1)	3	4.48
<input type="checkbox"/> None. (2)	6	8.96
<input type="checkbox"/> Saved less than one week. (3)	18	26.87
<input type="checkbox"/> Saved one to two weeks. (4)	7	10.45
<input type="checkbox"/> Saved more than two weeks. (5)	10	14.93
<input type="checkbox"/> Don't know. (0)	22	32.84
<input type="checkbox"/> No Response	1	1.49

16. Approximately how many cases in the past three years have you requested assistance or discussed issues with an IFASP specialist?

	Number	Percentage
<input type="checkbox"/> One case.	10	14.93
<input type="checkbox"/> Two to three cases.	36	53.73
<input type="checkbox"/> Four to five cases.	12	17.91
<input type="checkbox"/> Five to six cases.	5	7.46
<input type="checkbox"/> More than six cases.	2	2.99
<input type="checkbox"/> Don't know.	1	1.49

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No response	1	1.49
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17. Have you attended training where an IFASP specialist was an instructor in the last three years?

	Number	Percentage
<input type="checkbox"/> Yes. <i>Please go to question 18.</i>	64	95.52
<input type="checkbox"/> No. <i>Please go to question 20.</i>	2	2.99
<input type="checkbox"/> Don't know.	0	0.00
No response	1	1.49

18. What type of International training did you attend where an IFASP specialist was an instructor?

	Number	Percentage
<input type="checkbox"/> International Examiner Unit I	1	1.56
<input type="checkbox"/> International Examiner Unit II	3	4.69
<input type="checkbox"/> International Examiner Unit III	13	20.31
<input type="checkbox"/> Continuing Professional Education (CPE)	61	95.31
<input type="checkbox"/> Group Meetings / Workshops	22	34.38
<input type="checkbox"/> Interactive Video Teleconference (IVT)	43	67.19
<input type="checkbox"/> Not applicable	0	0.00

19. Was the IFASP specialist teaching the course knowledgeable about their area of expertise?

	Number	Percentage
<input type="checkbox"/> Not knowledgeable at all about the issue area. (1)	0	0.00
<input type="checkbox"/> Somewhat knowledgeable about the issue area. (2)	0	0.00
<input type="checkbox"/> Above average knowledge about the issue area. (4)	17	26.56
<input type="checkbox"/> Superior knowledge about the issue area. (5)	46	71.88
<input type="checkbox"/> Don't know. (0)	1	1.56

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20. Based on your experience using IFASP to help develop an international tax issue how likely would it make you to contact them in the future?

	Number	Percentage
<input type="checkbox"/> Would not contact them. (1)	0	0.00
<input type="checkbox"/> Less likely to contact. (2)	2	2.99
<input type="checkbox"/> More likely to contact (4)	22	32.84
<input type="checkbox"/> Extremely likely to contact (5)	42	62.69
<input type="checkbox"/> Don't know. (0)	0	0.00
No response	1	1.49

21. In your opinion, what international tax issues should IFASP expand into that it is currently not covering? (Number from one to eight with one being the highest priority.)

- 3 Tax Haven and Money Laundering Issues
- 4 International Electronic Commerce
- 1 Foreign Acquisitions, Reorganizations and Mergers
- 2 Computerized audit programs to extract pertinent international data and identify potential audit areas.
- 5 Increase the number of transfer pricing IFASP specialist.
- 6 Increase the number of Foreign Tax Credit IFASP specialist.
- 7 Other, please specify _____

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22. What improvements would you like to see in the IFASP? (Number from one to four with one being the highest priority.)

- 3 Intranet chat facility to allow International Examiners and IFASP Specialist to exchange facts, technical, legal and other information on a case.
- 1 Intranet web page containing library of unpublished IRS position and white papers related to International Tax Issues.
- 2 Electronic mail (e-mail) access for all International Examiners so they could contact IFASP specialist and provide written summaries and receive written responses.
- 4 Intranet IFASP referral form where the International Examiner would identify the case, tax period, issue by UIL code and provide a brief summary for the IFASP to review.

23. Would you use an IFASP specialist on another case?

	Number	Percentage
<input type="checkbox"/> Yes.	64	95.52
<input type="checkbox"/> No, why	0	0.00
<input type="checkbox"/> Don't know.	1	1.49
No response	2	2.99

24. Do you have any other suggestions to help improve IFASP? _____

**Opportunities Exist to Enhance the International Field Assistance
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Survey Information and Statistics

The survey was conducted during March and April of 2000. The survey was mailed to all international examiners that had one or more cases identified on the International Case Management System as receiving assistance from an International Field Assistance Specialization Program specialist on cases that closed during Fiscal Years 1998 and 1999.

Response Rate

	Number Surveys Received	Percent
Completed response	67	70.53%
“No” answer to question 1.	10	10.53%
No response	18	18.94%
Total	95	100.00%

Mailings

	Number	Percent
First Mailing	72	93.51%
Second Mailing	5	6.49%
Total Returns	77	100.00%

**Opportunities Exist to Enhance the International Field Assistance
Specialization Program**

Appendix V – Survey of International Enforcement Program Managers

**Treasury Inspector General for Tax Administration – Office of Audit
INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE
(Manager and Counsel Survey)**

Control Number: 2-«Control_Number»-A

INTRODUCTION

In July 1998, Congress passed the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA98) creating the Office of Treasury Inspector General for Tax Administration (TIGTA). TIGTA is an independent and autonomous office of the Department of the Treasury reporting to the Secretary.

The mission of the Office of Audit within TIGTA is to promote the sound administration of the nation's tax laws by conducting comprehensive, independent performance and financial audits of the Internal Revenue Service (IRS) programs and operations to:

- Assess efficiency, economy, effectiveness and program accomplishments;
- ensure compliance with applicable laws and regulations; and
- prevent, detect, and deter fraud, waste, and abuse.

You have been selected to complete this survey because you hold a position where you could potentially interact with the International Field Assistance Specialization Program (IFASP) or you supervise employees that can. We are interested in determining an effective way to identify program accomplishments. Your responses to this survey will help us to identify factors affecting the outcome of this program.

This questionnaire is confidential. Your responses will be combined with those of other respondents and will be reported only in summary form.

The control number is included only to aid us in our follow-up efforts. We will not identify specific managers in our report and manager-specific information will not be provided to any IRS officials.

Most of the questions can be easily answered by checking boxes or filling in the blanks. We estimate this questionnaire should take about one hour to complete. The actual amount of time it will take to complete depends on the availability of data. If you have any questions concerning any part of this survey, please contact Ms. Debra Dunn or Mr. Earl Burney at (213) 894-4470 extension 127.

Please return the completed questionnaire in the enclosed pre-addressed envelope within 2 weeks from the time of receipt. In the event the envelope is misplaced, the return address is:

Treasury Inspector General for Tax
Administration
312 East First Street, Suite 400
Los Angeles, CA 90012

Thank you for your assistance.

Gordon C. Milbourn

Associate Inspector General for Audit
(Small Business and Corporate Programs)
Treasury Inspector General for Tax
Administration

Enclosures: Postage Paid Envelope

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1. Please indicate your position?

	Number	Percent
<input type="checkbox"/> International Group Manager	59	85.51
<input type="checkbox"/> Management Official Associate Chief Counsel (International)	9	13.04
Group Manager	1	1.45

2. Have you personally worked with an IFASP specialist in the last two years?

	Number	Percent
<input type="checkbox"/> Yes.	58	84.06
<input type="checkbox"/> No.	11	15.94

3. Have you recommended that an employee(s) reporting to you request assistance from IFASP during the last two years?

	Number	Percent
<input type="checkbox"/> Yes.	62	89.86
<input type="checkbox"/> No.	7	10.14

4. Area of IFASP specialist expertise that assisted you or your group in the last two years? (Multiple answers allowed.)

	Number	Percentage
<input type="checkbox"/> Transfer Pricing (Section 482)	53	76.81
<input type="checkbox"/> Cost Sharing (Section 482)	29	42.03
<input type="checkbox"/> Foreign Tax Credits	50	72.46
<input type="checkbox"/> Subpart F	28	40.58
<input type="checkbox"/> Section 936	20	28.99
<input type="checkbox"/> International Penalties	25	36.23
<input type="checkbox"/> Foreign Sales Corporation (FSC)	41	59.42
<input type="checkbox"/> Permanent Establishment	8	11.59
No response	4	5.80

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Control Number: 2-«Control_Number»-A

5. What kind of assistance was provided?

	Number	Percent
<input type="checkbox"/> Case assistance defined as assistance with an issue on a specific taxpayer case such as identify audit techniques, provide issue development experience or help in drafting a Field Service Advice or Technical Assistance request.	59	85.51
<input type="checkbox"/> General assistance defined as assistance with an area of tax law not specific to a particular case.	30	43.48
<input type="checkbox"/> Assistance in developing an Advance Pricing Agreement.	16	23.19
<input type="checkbox"/> Assistance in developing new Treasury Regulations.	6	8.70
<input type="checkbox"/> Assistance in developing Revenue Rulings or Revenue Procedures.	8	11.59
<input type="checkbox"/> Assistance in developing new tax forms.	5	7.25
<input type="checkbox"/> Assistance with competent authority.	11	15.94
<input type="checkbox"/> Assistance with tax treaty.	7	10.14
No response	5	7.25

6. How did you request assistance from IFASP?

	Number	Percent
<input type="checkbox"/> Telephone / voice mail	56	81.16
<input type="checkbox"/> Electronic mail (e-mail)	0	0.00
<input type="checkbox"/> Other, please specify _____	1	1.45
Telephone/voice mail and Electron mail	3	4.35
Telephone/voice mail and other	4	5.80
All of the above	1	1.45
No response	4	5.80

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(Manager and Counsel Survey)**

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7. In your opinion, do you see the informality of requesting and receiving assistance from the IFASP specialist as beneficial to you?

	Number	Percent
<input type="checkbox"/> Yes, definitely beneficial (5)	61	88.41
<input type="checkbox"/> Yes, somewhat beneficial (4)	5	7.25
<input type="checkbox"/> Neither beneficial or detrimental (3)	0	0.00
<input type="checkbox"/> No, somewhat detrimental (2)	0	0.00
<input type="checkbox"/> No, definitely detrimental (1)	0	0.00
No response	3	4.35

8. How did the IFASP specialist provide you assistance?

	Number	Percent
<input type="checkbox"/> Telephone only	9	13.04
<input type="checkbox"/> On Site Visitation only	0	0.00
<input type="checkbox"/> Written opinion only	0	0.00
<input type="checkbox"/> Both telephone and on site visit	36	52.17
<input type="checkbox"/> All	12	17.39
Telephone and written opinion	1	1.45
Telephone only, On Site Visitation only, and Both telephone and on site visit	2	2.90
Telephone only, and On Site Visitation only	2	2.90
On Site Visitation only and Both telephone and on site visit	2	2.90
No response	5	7.25

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9. If the advice was in written form what was provided?

	Number	Percent
<input type="checkbox"/> Nothing, no written information was provided	32	46.38
<input type="checkbox"/> Issue position paper	5	7.25
<input type="checkbox"/> Copies of court opinions	1	1.45
<input type="checkbox"/> Copies of congressional committee reports	0	0.00
<input type="checkbox"/> Other, please specify _____	7	10.14
Nothing, no written information was provided, and other	1	1.45
Issue position paper and copies of court opinions	4	5.80
Issue position paper, copies of court opinions and other	1	1.45
Issue position paper, copies of court opinions and Congressional committee reports	1	1.45
No response	17	24.64

10. How much time did you spend directly discussing and resolving the issue with the IFASP specialist?

	Number	Percent
<input type="checkbox"/> None.	5	7.25
<input type="checkbox"/> 1-3 hours	20	28.99
<input type="checkbox"/> 4-6 hours	5	7.25
<input type="checkbox"/> 7-9 hours	6	8.70
<input type="checkbox"/> 10 or more hours	27	39.13
No response	6	8.70

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11. In your opinion, do you see IFASP specialist independence from the case as an advantage that provides an objective and neutral viewpoint concerning international tax issues?

	Number	Percent
<input type="checkbox"/> Yes, definite advantage (5)	51	73.91
<input type="checkbox"/> Yes, somewhat of an advantage (4)	12	17.39
<input type="checkbox"/> Neither an advantage or disadvantage (3)	2	2.90
<input type="checkbox"/> No, somewhat of a disadvantage (2)	0	0.00
<input type="checkbox"/> No, a definite disadvantage. (1)	0	0.00
No response	4	5.80

12. Did IFASP assistance provide critical information that you were previously unaware of that allowed you to make a more informed decision concerning an issue?

	Number	Percent
<input type="checkbox"/> Yes, information was critical (5)	31	44.93
<input type="checkbox"/> Yes, information was somewhat critical (4)	19	27.54
<input type="checkbox"/> No, information was helpful but not critical (2)	11	15.94
<input type="checkbox"/> No, information useless (1)	0	0.00
<input type="checkbox"/> Not applicable.	2	2.90
No response	6	8.70

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13. What kind of critical information or assistance did IFASP involvement provide to you that allowed you to more fully develop the issue? (Mark all that apply.)

	Number	Percent
<input type="checkbox"/> Identify pertinent court cases	31	44.93
<input type="checkbox"/> Identify other code sections not previously considered	19	27.54
<input type="checkbox"/> Identify relevant income tax treaty provisions	9	13.04
<input type="checkbox"/> Identify pertinent congressional committee reports	7	10.14
<input type="checkbox"/> Assist in the interpretation of Treasury regulations	47	68.12
<input type="checkbox"/> Identify pertinent Revenue rulings	12	17.39
<input type="checkbox"/> Identify pertinent Revenue procedures	10	14.49
<input type="checkbox"/> Identify audit techniques and provide issue development experience	49	71.01
<input type="checkbox"/> Assist in writing Technical Advice Memorandums (TAMs), Field Service Advices (FSAs), and Technical Assistance (TA)	15	21.74
<input type="checkbox"/> Serve as a liaison with Associate Chief Counsel (International) for tax law interpretation	27	39.13
<input type="checkbox"/> Assist with an Advance Pricing Agreement (APA)	15	21.74
<input type="checkbox"/> Assist with Competent Authority	10	14.49
<input type="checkbox"/> Served as a liaison between the International Examiner and Chief Counsel (International) attorney to provide a clear understanding of the facts and circumstances surrounding the issue	23	33.33
<input type="checkbox"/> Assist in developing new income tax forms	4	5.80
<input type="checkbox"/> Assist in developing new Treasury Regulations	3	4.35
<input type="checkbox"/> Assist in developing new Revenue Rulings or Revenue Procedures	4	5.80
<input type="checkbox"/> Other, please specify _____	8	11.59

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14. In your opinion, did the assistance of IFASP improve the quality of the end product?

	Number	Percent
<input type="checkbox"/> Yes, their assistance improved the quality of the end product. (5)	48	69.57
<input type="checkbox"/> Yes, their assistance somewhat improved the quality of the end product. (4)	12	17.39
<input type="checkbox"/> Their help made no difference. (3)	5	7.25
<input type="checkbox"/> No, their assistance somewhat decreased the quality of the end product. (2)	0	0.00
<input type="checkbox"/> No, their assistance decreased the quality of the end product. (1)	0	0.00
No response	4	5.80

15. Did IFASP assistance save you time?

	Number	Percent
<input type="checkbox"/> Yes.	58	84.06
<input type="checkbox"/> No.	11	15.94

16. Approximately how much time did IFASP assistance save you?

	Number	Percent
<input type="checkbox"/> Added time. (1)	0	0.00
<input type="checkbox"/> None. (2)	5	7.25
<input type="checkbox"/> Saved a few hours. (3)	5	7.25
<input type="checkbox"/> Saved a day. (4)	3	4.35
<input type="checkbox"/> Saved more than one day, but less than a week. (5)	22	31.88
<input type="checkbox"/> Saved more than one week. (6)	24	34.78
No response	10	14.49

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17. Approximately how often over the last year have you requested assistance or discussed issues with an IFASP specialist?

	Number	Percent
<input type="checkbox"/> None. (1)	7	10.14
<input type="checkbox"/> Once. (2)	7	10.14
<input type="checkbox"/> Twice. (3)	14	20.29
<input type="checkbox"/> Three times. (4)	12	17.39
<input type="checkbox"/> More than three times. (5)	28	40.58
No response	1	1.45

18. Approximately how often over the last year have you recommended that an employee reporting to you request assistance or discuss an issue with an IFASP specialist?

	Number	Percent
<input type="checkbox"/> Never.. (1)	6	8.70
<input type="checkbox"/> Once. (2)	6	8.70
<input type="checkbox"/> Twice. (3)	9	13.04
<input type="checkbox"/> Three times. (4)	13	18.84
<input type="checkbox"/> More than three times. (5)	34	49.28
No response	1	1.45

19. From your observations how knowledgeable was the IFASP specialist that assisted you in their area of expertise?

	Number	Percent
<input type="checkbox"/> Not knowledgeable at all about the issue area. (1)	1	1.45
<input type="checkbox"/> Somewhat knowledgeable about the issue area. (2)	1	1.45
<input type="checkbox"/> Above average knowledge about the issue area. (4)	13	18.84
<input type="checkbox"/> Superior knowledge about the issue area. (5)	50	72.46
No response	4	5.80

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20. How many IFASP specialists did you consult with for help?

	Number	Percent
<input type="checkbox"/> None. <i>Please go to question 24.</i>	4	5.80
<input type="checkbox"/> One. <i>Please go to question 24.</i>	12	17.39
<input type="checkbox"/> Two	9	13.04
<input type="checkbox"/> More than two	41	59.42
No response	3	4.35

21. If you contacted multiple IFASP specialists, within the same specialty area, was the advice you received from the IFASP specialists consistent? *(If you answered “None” or “One” on question 20, skip this question.)*

	Number	Percent
<input type="checkbox"/> Yes, the advice is the same no matter which IFASP specialist is called as long as they are given the same facts. <i>Please go to question 24. (5)</i>	19	38.00
<input type="checkbox"/> Yes, the advice is somewhat similar most of the time no matter which IFASP specialist is called as long as they are given the same facts. <i>Please go to question 24. (4)</i>	17	34.00
<input type="checkbox"/> No, the advice is different most of the time between IFASP specialist even though they are given the same facts. <i>Please go to question 22. (2)</i>	0	0.00
<input type="checkbox"/> No, the advice is always different between IFASP specialist even though they are given the same facts. <i>Please go to question 22. (1)</i>	0	0.00
No response	14	28.00

22. If the advice was inconsistent, did you inform the IFASP specialist?

	Number	Percent
<input type="checkbox"/> Yes	0	0.00
<input type="checkbox"/> No	0	0.00

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23. Did they resolve the differences and provide a uniform recommendation?

	Number	Percent
<input type="checkbox"/> Yes	0	0.00
<input type="checkbox"/> No	0	0.00

24. Have you attended training where an IFASP specialist was an instructor in the last three years?

	Number	Percent
<input type="checkbox"/> Yes. <i>Please go to question 25.</i>	61	88.41
<input type="checkbox"/> No. <i>Please go to question 27.</i>	8	11.59

25. What type of International training did you attend where an IFASP specialist was an instructor?

	Number	Percent
<input type="checkbox"/> International Examiner Unit I	4	6.56
<input type="checkbox"/> International Examiner Unit II	8	13.11
<input type="checkbox"/> International Examiner Unit III	13	21.31
<input type="checkbox"/> Continuing Professional Education (CPE)	60	98.36
<input type="checkbox"/> Group Meetings / Workshops	23	37.70
<input type="checkbox"/> Interactive Video Teleconference (IVT)	45	73.77

**Opportunities Exist to Enhance the International Field Assistance
Specialization Program**

**Treasury Inspector General for Tax Administration – Office of Audit
INTERNATIONAL FIELD ASSISTANCE SPECIALIZATION PROGRAM (IFASP)
CONTACT AND ASSISTANCE – SURVEY QUESTIONNAIRE
(Manager and Counsel Survey)**

Control Number: 2-«Control_Number»-A

26. Was the IFASP specialist teaching the course knowledgeable about their area of expertise?

	Number	Percent
<input type="checkbox"/> Not knowledgeable at all about the issue area. (1)	0	0.00
<input type="checkbox"/> Somewhat knowledgeable about the issue area. (2)	0	0.00
<input type="checkbox"/> Above average knowledge about the issue area. (4)	11	18.03
<input type="checkbox"/> Superior knowledge about the issue area. (5)	49	80.33
No Response	1	1.64

27. Based on your experience and those of the employees reporting to you that have used IFASP to help on an international tax issue how likely would it make you to contact them in the future?

	Number	Percent
<input type="checkbox"/> Would not contact them. (1)	0	0.00
<input type="checkbox"/> Less likely to contact. (2)	1	1.45
<input type="checkbox"/> More likely to contact (4)	16	23.19
<input type="checkbox"/> Extremely likely to contact (5)	49	71.01
No Response	3	4.35

28. Do you encourage or discourage your employees to use of IFASP?

	Number	Percent
<input type="checkbox"/> Encourage.	67	97.10
<input type="checkbox"/> Discourage.	0	0.00
No Response	2	2.90

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**Treasury Inspector General for Tax Administration – Office of Audit
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(Manager and Counsel Survey)**

Control Number: 2-«Control_Number»-A

29. In your opinion, what is management’s reason for not using IFASP when it is appropriate?

	Number	Percent
<input type="checkbox"/> Delay the planned closing date of the examination.	12	17.39
<input type="checkbox"/> Inconsistent with taxpayer relations objective.	0	0.00
Delay the planned closing and inconsistent with taxpayer relations objective	3	4.35
<input type="checkbox"/> Other, please specify _____	33	47.38
Delayed the planned closing and other	5	7.25
No response	16	23.19

Most Common Other responses

	Number
Reluctance of Case Manager to include IFASP in case.	6
Time limitations	2
IFASP will not add value	4
IFASP not interested in our issues	3

30. In your opinion, what international tax issues should IFASP expand into that it is currently not covering? (Number from one to eight with one being the highest priority.)

- 6 Tax Haven and Money Laundering Issues
- 4 International Electronic Commerce
- 1 Foreign Acquisitions, Reorganizations and Mergers
- 3 Computerized audit programs to extract pertinent international data and identify potential audit areas.
- 5 Increase the number of transfer pricing IFASP specialists.
- 7 Increase the number of Foreign Tax Credit IFASP specialists.
- 2 International Corporate Tax Shelters.
- 8 Other, please specify _____

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Control Number: 2-«Control_Number»-A

31. What improvements would you like to see in the IFASP? (Number from one to four with one being the highest priority.)

- 2 Intranet chat facility to allow International Examiners and IFASP Specialists to exchange facts, technical, legal and other information on a case.
- 3 Intranet web page containing library of unpublished IRS positions and white papers related to International Tax Issues.
- 1 Electronic mail (e-mail) access for all International Examiners so they could contact IFASP specialists and provide written summaries and receive written responses.
- 4 Intranet IFASP referral form where the International Examiners would identify the case, tax period, issue by UIL code and provide a brief summary for the IFASP to review.

32. Would you use an IFASP specialist again to assist you?

	Number	Percent
<input type="checkbox"/> Yes.	65	94.20
<input type="checkbox"/> No, why _____	0	0.00
No Response	4	5.80

33. Do you have any other suggestions to help improve IFASP? _____

Opportunities Exist to Enhance the International Field Assistance Specialization Program

Survey Information and Statistics

The survey was conducted during March and April of 2000. The survey was mailed to all managers of international groups identified as closing cases on the International Case Management System during Fiscal Years 1998 and 1999. The survey was also sent to attorneys that were management officials in the Office of the Associate Chief Counsel (International).

Response Rate

	Number Surveys Received	Percent
Returned	69	79.31%
No response	18	20.69%
Total	87	100.00%

Mailings

Mailing	Number	Percent
First Mailing	60	86.96%
Second Mailing	9	13.04%
Total	69	100.00%

Opportunities Exist to Enhance the International Field Assistance
Specialization Program

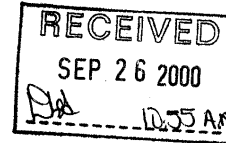
Appendix VI

Management's Response to the Draft Report



COMMISSIONER

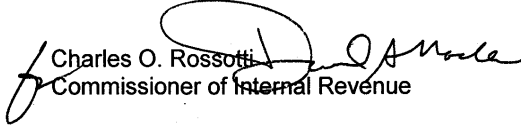
DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224



September 25, 2000

MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:


Charles O. Rossotti
Commissioner of Internal Revenue

SUBJECT:

Treasury Inspector General for Tax Administration (TIGTA) Draft
Audit Report – Opportunities Exist to Enhance the International
Field Assistance Specialization Program

We appreciate the opportunity to respond to your draft report entitled "Opportunities Exist to Enhance the International Field Assistance Specialization Program." Overall, we found your review to be beneficial, and believe your auditors have developed practical recommendations for the program's improvement. We agree with these recommendations. Our specific comments on implementing them follow.

RECOMMENDATIONS

The Commissioner of Large and Mid-Size Business Division (LMSB) should improve the management information system (MIS) by linking the International Field Assistance Specialist Program (IFASP) to specific issues listed in the International Case Management System (ICMS).

ASSESSMENT OF CAUSE

The ICMS database contains an indicator showing that the IFASP provided assistance on a case. However, the system does not identify specific issues involving the IFASP. An IFASP specialist can assist in a case with multiple issues involved. The report states that some examinations could have as many as 95 issues but the average is 10 issues. Identifying the IFASP with specific issues could help identify needs for the IFASP involvement more proactively.

Opportunities Exist to Enhance the International Field Assistance Specialization Program

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CORRECTIVE ACTION

The Commissioner of the LMSB Division will take action to improve the Coordinated Examination Management Information System (CEMIS) to link IFASP involvement to specific issues listed in the ICMS. To accomplish this, we have moved the IFASP to the new LMSB Division and consolidated it with the other Issue Technical Advisors and Industry Technical Advisors in the Office of Pre-filing and Technical Guidance. We are revising the ICMS and incorporating it with the CEMIS to provide the requested link between IFASP involvement and specific issues.

IMPLEMENTATION DATE

We are revising the CEMIS system. The revision will incorporate information from the ICMS system. The consolidated system is scheduled for testing in November 2001 and the new CEMIS/ICMS system is targeted for deployment by April 30, 2002.

RESPONSIBLE OFFICIALS

Director, Business Systems Planning
Large & Mid-Size Business Division
Division Information Officer (LMSB)

RECOMMENDATION

The Commissioner of LMSB Division should ensure international examiners (IE's) gain greater access to the IRS's Intranet so that the IFASP can accumulate and disseminate more information electronically, including an electronic referral form for IFASP assistance.

ASSESSMENT OF CAUSE

We designed the IFASP program to be an informal process to provide international examiners with practical "how to" on the identifying and developing of complex international issues that have substantial nationwide impact. The IE's, economists, IE Managers, and other examiners can contact IFASP for assistance. The informality of the program has contributed to the success of IFASP and is supported by the responses to question 6 in the IE Questionnaire and question 7 of the Manager Questionnaire.

Opportunities Exist to Enhance the International Field Assistance Specialization Program

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As LMSB employee access to the IRS Intranet increases, web base capability to disseminate information will improve. The LMSB vision is to provide web base capability to all employees to enhance communications and information sharing.

CORRECTIVE ACTION

LMSB is in the process of providing intranet capability to all employees. This will enable IFASP and other Technical Advisors to accumulate and disseminate more information electronically.

We expect to complete a project to provide secure dial-in capabilities during the second quarter of FY 2001. This dial-in capability will enable all LMSB examiners and specialists to access IRS systems and the Intranet from the audit site.

LMSB is implementing a referral process for specialists to provide services to all IRS personnel. We will include the IFASP electronic referral in this process.

IMPLEMENTATION DATE

June 30, 2001

RESPONSIBLE OFFICIAL

Chief Information Officer

Thank you for your review of this very important program. If you have any questions, please contact Tina Byrd at (202) 874-1894.