

**Improvements Are Needed to the Updated
Web Site for Political Organizations to
Increase the Accuracy and Consistency of
Search Results for Filing Information**

May 2004

Reference Number: 2004-10-097

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.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

May 6, 2004

MEMORANDUM FOR COMMISSIONER, TAX EXEMPT AND GOVERNMENT
ENTITIES DIVISION

David R. Davis

FROM: (for) Gordon C. Milbourn III
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report - Improvements Are Needed to the Updated
Web Site for Political Organizations to Increase the Accuracy
and Consistency of Search Results for Filing Information
(Audit # 200310030)

This report presents the results of our review of the Internal Revenue Service (IRS) disclosure web site for Section 527 political organizations. The overall objective of this review was to determine if the IRS timely and effectively complied with the new public disclosure requirements for Section 527 political organizations as required by Public Law 107-276 (2002).

In summary, we found that although the Political Organizations Filing and Disclosure (POFD) web site was timely implemented, several improvements are needed to provide more accurate and consistent information to the public. For example, some search results identified only the first contributor or recipient of funds even if there were others who met the search criteria. Also, our testing showed that some search results do not always provide accurate results related to contribution or expenditure amounts. Tax Exempt and Government Entities Division management took action to correct this issue after we brought it to their attention. Furthermore, search results were sometimes incomplete when a name (e.g., organization, contributor, custodian of record) was used as the primary search criteria to obtain data. We also identified instances where less detailed information is provided depending on the search option used. As a result of these problems, public interest groups using the POFD web site's search options may receive inaccurate and inconsistent contribution and expenditure information. This may limit the public's ability to gain an understanding of a political organization's financial information or track the flow of funds related to legislative issues and political campaigns.

We recommended that the Director, Exempt Organizations (EO), develop and implement POFD system changes to ensure accurate and consistent results. The changes should ensure that all contributors and recipients of funds are included in search results. In addition, IRS management should clarify guidelines so that users easily understand the various search options and the expected results. Finally, the search options should be revised to ensure users are provided with consistent information when using the various POFD web site's search options.

Management's Response: IRS management agreed with the recommendations contained in the report. The Director, EO, has already completed corrective actions to ensure that the Popular Search provides all contributors and recipients that meet the user's search criteria and that the information provided is consistent with the Advanced and Basic Search results. In addition, the Director, EO, will revise the examples in the "Tips for Successful Searching" article and in the Search Process User Guide to include additional illustrative examples. Management's complete response to the draft report is included as Appendix V.

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 Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

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Background

Political organizations are organized and operated primarily to accept contributions and make expenditures for the purpose of influencing the selection, nomination, election, or appointment of any individual to Federal, state, or local public office. Political organizations include political parties; campaign committees for candidates for Federal, state, or local office; and political action committees.

The Internal Revenue Code (I.R.C.) Section (§) 527¹ requires each political organization that desires to be tax exempt to notify the Internal Revenue Service (IRS) that it is to be treated as a Section 527 political organization. To notify the IRS, the organization must electronically file a Political Organization Notice of Section 527 Status (Form 8871).

An organization must also electronically file a Political Organization Report of Contributions and Expenditures (Form 8872) if it has, or expects to have, contributions or expenditures exceeding \$50,000 for the calendar year. An organization with contributions or expenditures less than \$50,000 can file the Form 8872 either electronically or on paper.

On November 2, 2002, Public Law 107-276² was enacted, amending the I.R.C. § 527. The Congress implemented Public Law 107-276 to improve the quality of information disclosed by Section 527 political organizations and enable the public to review the information that political groups disclose to the IRS.

Under this legislation, the IRS must make all electronic Form 8871 and 8872 filings available for public disclosure on the Internet within 48 hours after filing, effective for notices and reports due on or after June 30, 2003. Also, the filings must be searchable and downloadable by certain criteria, such as the organizations' names, zip codes, contributors, etc.

In response to the legislation, the IRS' Tax Exempt and Government Entities (TE/GE) Division implemented a new Political Organization Filing and Disclosure (POFD) web

¹ I.R.C. § 527 (2002).

² Pub. L. No. 107-276 (2002).

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site. The POFD web site allows political organizations to electronically file Forms 8871 and 8872 and allows the public to view, search, or download the entire database of electronic filings by political organizations. The public can learn contributors' names, contribution amounts, and contribution dates, as well as review a list of expenditures by the political organization. The POFD web site replaces the prior filing and search web site that was developed in 2000 in response to earlier legislation. Although the IRS is not required to make paper forms available for public disclosure on the Internet, these forms can be viewed and downloaded from the POFD web site. Paper forms cannot be searched by specific information such as contributor, expenditure amounts, or recipient names. However, paper returns can be searched by organization name, the date the form posts to the POFD web site, or the Employer Identification Number (EIN).

The Bipartisan Campaign Reform Act of 2002 (BCRA)³ significantly changed Federal campaign law and could result in increased contributions to Section 527 political organizations. The BCRA prohibits raising and spending "soft money"⁴ by Federal officeholders and candidates and severely restricts the use of "soft money" by state and local parties related to Federal election activities. There is an expectation that more contributions will be made to tax exempt entities, such as Section 527 political organizations, not connected to candidates or officeholders because of restrictions of the BCRA. As a result, this may increase the importance of public disclosure of the activities of Section 527 political organizations.

We performed our work during the period July 2003 through January 2004 in the TE/GE Division's Headquarters Office in Washington, D.C.; the TE/GE Division's Processing Center and the Western Development Center in Ogden, Utah; the Information Technology Office Headquarters in Washington, D.C.; and the Submission

³ Pub. L. No. 107-155 (2002).

⁴ Soft money is money given to political parties that is not subject to the contribution and spending limits of the Federal Elections Campaign Act (FECA). It is not subject to the provisions of the FECA because it is not used to expressly advocate the election or defeat of specific candidates.

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The Internal Revenue Service Timely Complied With the New Public Disclosure Requirements for Section 527 Political Organizations

Processing unit of the Ogden Submission Processing Center. 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.

The IRS timely implemented the new POFD web site by July 1, 2003, in compliance with Public Law 107-276. Specifically, the POFD web site contained Forms 8871 and 8872 and provided the capability to search and download Section 527 data. Although the web site was timely implemented, several improvements are needed to provide more accurate and consistent information to the public. These improvements are discussed later in the report.

IRS management had to work within compressed time periods to comply with the new reporting requirements for Section 527 political organizations. As stated previously, Public Law 107-276 was enacted on November 2, 2002, which gave the IRS approximately 7 months to develop the web site. IRS management selected a private contractor to develop the system and finalized the system requirements in February 2003. The IRS monitored the system development and ensured the system was operational on July 1, 2003. The final cost to develop the POFD web site was \$2.9 million, which was approximately \$800,000 less than the \$3.7 million budgeted for the project.

The IRS was required to make available for public inspection Forms 8871 and 8872 electronically filed on or after June 30, 2003. We selected random samples of 75 Forms 8871 and 75 Forms 8872 that were electronically filed after this date and determined that all sampled forms were included on the POFD web site. Our research also showed that the web site's download feature allowed users to download the database of Forms 8871 and 8872.

In an effort to ensure as much information as possible was available to the public on the new POFD web site, the IRS decided to transfer all paper and electronically filed Forms 8871 and 8872 that were filed before July 1, 2003, and resided on the prior disclosure web site. The IRS verified that the Forms 8871 and 8872 shown in Figure 1

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were successfully transferred from the old web site to the POFD web site.

Figure 1. Forms 8871 and 8872 Transferred From Prior Site to the POFD Web Site

	Form 8871	Form 8872
Electronic	7,890	1,766
Paper	19,698	28,129
Total	27,588	29,895

Source: IRS Statistics.

We selected random samples of 25 Forms 8871 and 25 Forms 8872 that were electronically filed from January 1, 2002, through June 30, 2003, and determined that all sampled forms were included on the POFD web site. In addition, we selected a judgmental sample of 82 Forms 8871 and 167 Forms 8872 filed on paper during the period January 1, 2002, through August 13, 2003, and determined that all related information was included on the POFD web site, except for information related to 1 Form 8872.⁵

In addition to the transferred forms filed before July 1, 2003, Section 527 political organizations electronically submitted 546 Forms 8871 and 263 Forms 8872 during the period July 1 to November 13, 2003. Also, 632 paper Forms 8872 were submitted during the same period. Although the paper forms can be viewed and downloaded from the POFD web site, they cannot be searched by specific information such as contributor, expenditure amounts, or recipient names.

In general, public reaction to the new web site shortly after it became operational was positive. Public interest groups such as the Public Citizen and the Campaign Finance Institute (CFI) have both indicated that the new web site is an improvement over the prior system. For example, Public Citizen praised the ability to search electronically filed data by contributor name and other criteria, as

⁵ After we provided this Form 8872 to TE/GE Division management, they included it on the POFD web site on February 11, 2004.

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well as the ability to download and convert data files. Public Citizen, however, noted that users are unable to search information filed on paper returns by contributor or other important search criteria, limiting their ability to spot trends in this area.

The CFI also positively commented on the POFD web site's enhanced search capabilities, but pointed out that the web site allows a user to download only the entire database (or portions separated alphabetically), rather than information from individual Forms 8871 and 8872. In addition, the CFI cited the inability within the POFD web site to move directly from an organization's donor list to the complete record of donations for a particular donor as a drawback. Instead, the CFI noted that a new search must be initiated to identify this information. Further, the CFI noted that the new POFD web site does not clearly tell users that the majority of information on the web site was not electronically filed and, therefore, is not able to be accessed by some of the web site's more advanced search features. This should improve as more organizations are required to file electronically.

Search Results Are Not Always Accurate and Consistent

Based on our review of the sampled Forms 8871 and 8872, the POFD web site's search features did not always provide accurate and consistent results. For example, some searches did not show all information requested or did not produce results in accordance with what the instructions described. The IRS can improve the web site's search capabilities and clarify instructions to ensure users are able to effectively obtain desired results. Without complete and accurate search results, public interest groups may be limited in their attempts to gain an understanding of campaign financing activities and to identify contribution and expenditure activity of political groups.

The POFD web site can be used to conduct three different types of searches:

- The **Basic Search** locates information about political organizations by name, by the date the form was received, or by the EIN.
- The **Advanced Search** has the ability to go beyond the Basic Search by locating a political

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organization that filed electronically by any of the fields, such as the name of the organization's contact person, the amount of a contribution, or the name of a contributor.

- The **Popular Search** provides easy access to routine information. A user simply chooses one of the pre-defined searches of available information, such as a listing of all political organizations that filed a Form 8871 on the previous day, persons making yearly contributions in excess of an amount the user specifies, or persons receiving payment in excess of an amount the user specifies.

We determined the reason why these inaccuracies were not identified was the aggressive time period that the IRS had for developing the system. This time period allowed for only limited system testing. In addition, the IRS did not sufficiently define some system requirements or did not accurately provide some of the requirements to the vendor. As a result, some of the searches were not programmed as intended by IRS management. Specifically, TE/GE Division management stated that the Popular Search feature was not fully tested prior to implementation to identify the following errors and only limited test data was available for the Advanced and Basic Search features, so the following inadequacies were not identified.

POFD web site search features do not always identify all contributors or recipients of funds to political organizations

Our review of sampled Forms 8872 showed that the Popular Search option identified only the first contributor or recipient of funds even if there were others who met the search criteria. For example, in searching to identify contributors on a specific Form 8872 who gave in excess of \$2,999, the search result listed only 1 contributor. However, the Form 8872 listed 5 contributors as making contributions in excess of \$2,999. We also found the same problem when a Popular Search was done to identify any person with aggregate contributions in excess of a specified dollar amount, or any person receiving a payment in excess of a specified dollar amount.

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We also determined that the Advanced Search option does not always provide accurate results related to contribution or expenditure amounts. When using the Advanced Search option to request contribution or expenditure information, the researcher must specify a range of contributions or expenditures (e.g., ranging “from \$5,000 to \$10,000”). However, our testing showed that search results for 94 of the 100 sampled Forms 8872⁶ were not inclusive of the amounts requested; that is, amounts for exactly the low and high end of the range (i.e., \$5,000 and \$10,000) were not identified. In order to obtain those amounts, the researcher has to request \$1 less than the lower amount requested and \$1 more than the higher amount requested (i.e., \$4,999 and \$10,001). After we brought this issue to their attention, TE/GE Division management took action to ensure the Advanced Search provides, inclusively, all contributions and expenditures for a user’s search range.

The “wild card” search feature did not always provide complete results when searching the name field on the new POFD web site

Search results were sometimes incomplete when a name (e.g., organization, contributor, custodian of record) was used as the primary search criteria. The prior disclosure web site required users to know the exact name of an organization to conduct a name search for an organization. To overcome this limitation, TE/GE Division management designed the new POFD web site to enable users to perform name searches even if only a portion of a name is known. This is done through a “wild card” technique by entering an asterisk (*) either before, in the middle of, or after a word or part of a word to indicate that any narrative or space is acceptable where the asterisk is inserted.

⁶ Six of the 100 selected Forms 8872 did not contain a Schedule A, Itemized Contributions, or Schedule B, Itemized Expenditures and, therefore, were not affected by the search limitation identified.

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According to the POFD web site’s User Guide and search tips, there are three types of “wild card” searches: Right Truncation, Left Truncation, and Middle Truncation.⁷

However, our testing identified limitations in the effectiveness of the “wild card” search. Specifically, we found that the “wild card” search did not always identify existing records if the name includes punctuation (e.g., periods or commas) and/or acronyms (e.g., CPA, M.D., Jr., Sr.). Figure 2 shows examples of potential name searches using the “wild card” feature and whether the search would identify the information on the database.⁸

Figure 2. Inconsistent POFD Web Site Search Results

Name as Entered on Form 8872	Search Criteria ⁹	Found with Search Criteria	Not Found with Search Criteria
John B Smith, MD	*Smith		X
	Smith	X	
	Smith*		X
	John Smith		X
	John B Smith, MD	X	
	John B Smith	X	
	*John B Smith		X
	John B Smith*	X	

Source: Treasury Inspector General for Tax Administration Analysis.

The vendor stated that the “wild card” search has problems with acronyms, middle initials, and punctuation because of

⁷ **Right Truncation** occurs when a word ends with an asterisk (e.g., a search for *Smith** may produce results containing *Smithson*, *Smith for President*, etc.). **Left Truncation** occurs when a word begins with an asterisk (e.g., a search for **president* may produce *Smith for President*, *Jones for President*, etc.). **Middle Truncation** occurs when an asterisk is placed in the middle of a word (e.g., a search for *org*tion* may produce *organization*, *organized nation*, etc.).

⁸ All names used in this report are entirely fictional and do not represent actual persons or organizations. We have created and used them for illustration purposes only.

⁹ * indicates “wild card” search conducted.

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the way the search engine is structured. Specifically, TE/GE Division management stated that the POFD web site recognizes all characters related to a name (e.g., first name, middle initial, last name, punctuation, and spaces) as a unique field. Therefore, a search for a name using the “wild card” feature will only identify exact matches contained in that field. After we discussed this issue with IRS management, they raised it with the vendor, who indicated it could be resolved with a programming change. However, the vendor cautioned that this approach could result in a significant amount of search result information not related to a user’s specific request, which would increase the burden on the POFD web site users as they attempt to determine which information is relevant. For example, this type of programming change could result in a search for *Joe E Doe* returning *Joey Ted Doe, Joe Ed Doe Sr., Joey Edward Doeberman, Committee to Elect Joe E Doe for Mayor, Joanne Edwin Doe, etc.* As a result, IRS management stated they could add additional examples and guidance in the User Guide and the POFD web site’s “Tips for Successful Searching” to address this issue.

The Popular Search does not always provide as much information as that provided using the Advanced or Basic Searches

We identified several instances where users are provided less detailed information using the Popular Search than that provided using the other available search options. Specifically, we determined that the results of a Popular Search do not include the date a contribution or expenditure is made. Instead, “none” is listed next to the date information. However, date information is generally included on the results from an Advanced Search. Date information could be important to public interest groups in their attempts to develop contribution and expenditure trending information.

In addition, the availability of historical filing information is much more limited using the Popular Search. The Popular Search retrieves data by one of three methods: current month, previous month, and current year. Thus, if the Popular Search is being used in January or February to obtain contribution or expenditure data, the results will be

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very limited (i.e., current year searches will only provide 1 or 2 months of data) and may not be of value to the researchers. However, users are able to obtain prior year data using either the Basic or the Advanced Search option.

As a result of these problems, public interest groups using the POFD web site's search options may receive inaccurate and inconsistent contribution and expenditure information. This may limit the public's ability to gain an understanding of a political organization's financial information or track the flow of funds related to legislative issues and political campaigns.

Recommendations

To address the conditions identified above, we recommend the Director, Exempt Organizations (EO), develop and implement POFD system changes and clarify user guidance to ensure accurate and consistent search results.

Specifically, the Director, EO, should ensure that:

1. The Popular Search provides all contributors and recipients that meet the user's search criteria.

Management's Response: The Director, EO, adopted the recommendation, successfully tested it, and implemented this capability in the system.

2. The instructions and examples contained in the User Guide and the POFD web site's "Tips for Successful Searching" are updated to clarify the use of the "wild card" search feature.

Management's Response: The Director, EO, will revise the examples in the "Tips for Successful Searching" article and the Search Process User Guide to include additional illustrative examples.

3. The Popular Search is revised to ensure search result information is consistent with the Advanced and Basic Search, such as the Form 8872 filing date and filing information from the prior calendar year.

Management's Response: The Director, EO, adopted this recommendation, successfully tested it, and implemented this revision.

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Appendix I

Detailed Objective, Scope, and Methodology

The overall audit objective was to determine if the Internal Revenue Service (IRS) timely and effectively complied with the new public disclosure requirements for Section 527 political organizations as required by Public Law 107-276 (2002). To accomplish this objective, we:

- I. Determined if the IRS' web site was updated to include the new Section 527 disclosure information after June 30, 2003, as required by Public Law 107-276.
 - A. Interviewed Tax Exempt and Government Entities Division management to obtain background information on the development, implementation, and status of the new searchable database.
 - B. Accessed the Section 527 database on the IRS' web site starting on July 1, 2003, to ensure the database was available to the general public.
- II. Assessed whether the IRS' Section 527 database was searchable and downloadable, and whether data were timely and accurately input.
 - A. Determined how the IRS ensured that Section 527 information received prior to July 1, 2003, was accurately and completely transferred to the new database.
 1. Obtained and reviewed a judgmental sample of 82 Political Organization Notices of Section 527 Status (Form 8871) and 167 Political Organization Reports of Contributions and Expenditures (Form 8872) filed on paper from January 1, 2002, through August 13, 2003. We used a judgmental sampling methodology due to time constraints and because we did not plan to project our results. In addition, the population of returns filed on paper could not be determined due to limitations in the IRS' recordkeeping.
 - B. Assessed controls used to ensure that Forms 8871 and 8872 electronically filed after June 30, 2003, were input within 48 hours after filing.
 - C. Selected samples of electronically filed Forms 8871 and 8872 to ensure the new database contained applicable information and was searchable and downloadable.
 1. Obtained and reviewed random samples of 25 Forms 8871 from a population of 7,025 and 25 Forms 8872 from a population of 1,263 filed from January 1, 2002, through June 30, 2003. We used a random sample to ensure each account had an equal chance of being selected, which enabled us to obtain sufficient evidence to support our results.

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2. Obtained and reviewed random samples of 75 Forms 8871 from a population of 317 and 75 Forms 8872 from a population of 210 filed from July 1 through September 10, 2003. We used a random sample to ensure each account had an equal chance of being selected, which enabled us to obtain sufficient evidence to support our results.

Major Contributors to This Report

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Improvements Are Needed to the Updated Web Site for Political Organizations to Increase the Accuracy and Consistency of Search Results for Filing Information

Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner - Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Director, Communications and Liaison, Tax Exempt and Government Entities Division
SE:T:CL
Director, Exempt Organizations, Tax Exempt and Government Entities Division SE:T:EO
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Assessment RAS:O
Office of Management Controls OS:CFO:AR:M

Outcome Measures

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 the Congress.

Type and Value of Outcome Measure:

- Reliability of Information - Potential; 94 political organizations contained on the Political Organization Filing and Disclosure (POFD) web site (see page 5).

Methodology Used to Measure the Reported Benefit:

We selected a random sample of 75 Political Organization Report of Contributions and Expenditures (Form 8872) from a population of 210 Forms 8872 that were electronically filed from July 1 through September 10, 2003. In addition, we selected a random sample of 25 Forms 8872 from a population of 1,263 Forms 8872 that were electronically filed from January 1, 2002, through June 30, 2003.

For the 100 Forms 8872 selected, we determined that 94 Forms 8872 contained contribution and/or expenditure information included on the Form 8872 (Schedule A, Itemized Contributions and/or Schedule B, Itemized Expenditures). Our testing showed that search results were not inclusive of the amounts requested; that is, amounts for exactly the low and high end of the range (e.g., \$5,000 and \$10,000) were not identified when using the Advanced Search feature. As a result, a search of the POFD web site may not identify all contributions or expenditures related to political organizations for these 94 organizations. Six of the selected Forms 8872 did not contain a Schedule A or Schedule B and, therefore, were not affected by the search limitation identified.

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Appendix V

Management's Response to the Draft Report



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

APR 20 2004

RECEIVED

APR 29 2004

ajr

MEMORANDUM FOR ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Evelyn A. Petschek, Commissioner
Tax Exempt and Government Entities Division *Evelyn A. Petschek*

SUBJECT: Draft Audit Report - Improvements are Needed to the Updated Web Site for Political Organizations to Increase the Accuracy and Consistency of Search Results for Filing Information (Audit # 200310030)

Thank you for the opportunity to review and comment on the draft audit report on the Political Organization Filing and Disclosure Web Site. I agree with your recommendations. We have already implemented two of your recommendations and the third is underway. These improvements, and others that we have put into place since the new web site became operational last July, ensure that accurate filing and search results are available to the public as required by law.

The IRS objective in redesigning and re-deploying the Political Organization Filing and Disclosure (POFD) Web Site on July 1, 2003, was to timely meet the requirements of Public Law 107-276 enacted on November 2, 2002. This law charged the IRS with adding to the Filing and Disclosure web site to make it easier for political organizations to electronically file required documents and to improve the public's access to them.

Our redesigned web site now includes these improvements:

- Users can download all electronic data filed since July 1, 2003.
- Filers receive on-screen help with their filing and have the ability to save information and return to their form to complete and submit their filing.
- Filers can upload information to the filing center from financial software, without having to key in all the data elements.
- Initial and amended filings are clearly identifiable to users.
- The data on the web site is searchable on specific fields.

During the system design stage, we took the opportunity to reach out to the major non-profit groups interested in studying and using the filing information from political organizations. In our discussions with them, we learned that regular users of the information wanted the ability to quickly conduct some standard searches. As a result of these outreach efforts to user groups we added a "popular search" feature that allows users to go to the site and quickly conduct a number of searches, such as "All organizations with any Form posted on the previous day, month or year," or "Any Form 8872 with total contributions in excess of any dollar amount you provide during a specified period."

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2

Although not part of the legal requirements, we also took this opportunity to expand the amount of disclosable data available to the public by creating the ability to search and view images of the Forms 990 (Return of Organization Exempt from Income Tax) filed by these political organizations.

With respect to your specific recommendations, we have taken and will take the following actions:

Recommendation 1. Ensure that the Popular Search provides all contributors and recipients that meet the user's search criteria.

Corrective Action: We adopted the recommendation, successfully tested it and implemented this capability in the system.

Implementation Date:

Completed on March 12, 2004.

Recommendation 2. Ensure that the instructions and examples contained in the User Guide and the POFD web site's "Tips for Successful Searching" article are updated to clarify the use of the "wild card" search feature.

Corrective Action: We adopt this recommendation and will revise the examples in the "Tips for Successful Searching" article and in the Search Process User Guide for the site to include additional illustrative examples.

Implementation Date:

Proposed by May 31, 2004.

The search results found with the wild card searches performed in your investigation are consistent with the current instructions, and with the system requirements and design. But if there is the potential for misinterpretation, we want to eliminate it. Some of the wild card searches included in the table on page 8 of the draft audit report did not find the specific filing expected because of two factors:

1. The information in the Filing and Disclosure Web Site is stored in a database, and the search is designed to match a requested data string against strings in the database. Without an exact match of the data in the string, no search results will be found.
2. The IRS Filing and Disclosure Web Site database uses ONE string for a name, i.e., the first, middle and last name are all in the same field. This causes most of the confusion in searching. The database holds this field as well as every other single field as ONE string. Each space and punctuation is just another character. If a search includes wrong variations of characters in the middle of a string, no result is found.

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3

The wild card functionality, another feature of the new site, enables a searcher to search on a portion of a name at the beginning, the middle, or the end of the name and find the result without having to know how to make an exact match. Attached is an annotated table (Figure 2) including specific information on why the searches listed in the table produced the results they did. Such a chart may be a helpful way to illustrate how to search using the wild card.

Recommendation 3. Ensure that the Popular Search is revised to ensure search result information is consistent with the Advanced and Basic Search, such as the Form 8872 filing date and filing information from the prior calendar year.

Corrective Action: We adopted this recommendation, successfully tested it and implemented this revision.

Completed on March 26, 2004.

Responsible Official: Director, Exempt Organizations SE:T:EO

We appreciate the suggestions your investigators raised. If you have any questions or need additional information, please call me or members of your staff may contact Jane Baniewicz. She may be reached at (202) 283-8927.

Improvements Are Needed to the Updated Web Site for Political Organizations to Increase the Accuracy and Consistency of Search Results for Filing Information

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Attachment 1 Figure 2. **POFD Search Results**

Name as Entered on Form 8872	Search Criteria¹	Found with Search Criteria	Not Found with Search Criteria	Reason expected result is not found
John B Smith, MD	*Smith		X	The query is looking for strings beginning with ANYTHING, and ending with Smith. This string ends with "Smith, MD".
	Smith	X		N/A
	Smith*		X	The query is looking for strings beginning with "Smith" and ending with ANYTHING. This string begins with "John". The proper search string would either leave off the wild card, or add one before and after, e.g., *smith*.
	John Smith		X	The query is looking for the existence (anywhere in the field) of the exact string "John Smith". The actual data is "John B Smith".
	John B Smith, MD	X		N/A
	John B Smith	X		N/A
	*John B Smith		X	The query is looking for strings beginning with ANYTHING, and ending with "John B Smith" This string ends with "John B Smith, MD".
	John B Smith*	X		N/A

¹ * indicates "wild card" search conducted.