

**Taxpayer Assistance Center Employees
Correctly Answered More Tax Law Questions
During July and August 2003 Than
Compared to One Year Ago**

December 2003

Reference Number: 2004-40-024

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

December 4, 2003

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

Gordon C. Milbourn III

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

SUBJECT: Final Audit Report - Taxpayer Assistance Center Employees
Correctly Answered More Tax Law Questions During July
and August 2003 Than Compared to One Year Ago
(Audit # 200340020)

This report presents the results of our review of the Internal Revenue Service's (IRS) responses to taxpayers' tax law questions. The overall objective of the review was to determine if the IRS provides accurate and timely responses to taxpayers' tax law questions. In addition, Treasury Inspector General for Tax Administration (TIGTA) auditors that made anonymous visits to the Taxpayer Assistance Centers (TAC) assessed whether IRS employees adhered to operating guidelines on referral procedures¹ and were professional and courteous, and whether TAC addresses and office hours made available to taxpayers were accurate.

This review was conducted as a result of an amendment to the Treasury spending bill² for Fiscal Year (FY) 2002 proposed by Senator Byron Dorgan (Democrat - North Dakota), then Chairman of the Subcommittee on Treasury and General Government. The amendment requires us to conduct visits to all TACs and report to the Congress on whether taxpayers are provided correct and prompt answers to their questions. We are conducting anonymous visits to all TACs over a 2-year period. This is the tenth in a series of bi-monthly reports that we are issuing in response to the amendment to the Treasury spending bill.

¹ Field Assistance guidelines clearly define the scope of employee expertise (tax law topics for which employees receive training) and specific services that are offered to taxpayers within the TACs. Taxpayers that ask questions outside the level of employee training should be referred to the IRS toll-free telephone lines or have their questions submitted via the Internet (called "R-mail") for assistance.

² Treasury and General Government Appropriations Act, 2002, Pub. L. No. 107-67, 115 Stat. 514 (2001).

During July and August 2003, TIGTA auditors made 69 anonymous visits to 35 TACs. The auditors asked 138 tax law questions and determined that IRS employees provided incorrect answers to some of them. For example, IRS employees:

- Correctly answered 88 (64 percent) of 138 questions.
- Incorrectly answered 29 (21 percent) of 138 questions.
- Referred the auditor to IRS publications and generally advised the auditor to do his or her own research to find the answer to 3 (2 percent) of 138 questions.
- Denied service³ to the auditor for 12 (9 percent) of 138 questions.
- Correctly offered to call the IRS toll-free telephone line⁴ for 6 (4 percent) of 138 questions.

We commend the IRS for the corrective actions it has taken in response to our previously issued semiannual and bi-monthly reports. We believe the increase in accuracy rates compared to those in the same period in Calendar Year (CY) 2002 can be directly attributed to these actions. For example, during July and August 2002, IRS employees correctly answered 44 percent and referred 14 percent of questions to publications, compared to correctly answering 64 percent and referring only 2 percent to publications during July and August 2003.

In January 2003, we began assessing whether IRS employees adhered to operating procedures to refer to the IRS toll-free telephone lines or Internet those taxpayer questions that were outside the scope of services that employees should have been trained to answer. In addition to scheduled visits, our auditors completed visits to 15 other TACs. The auditors asked 40 "out of scope" questions and determined that employees did not follow referral procedures for 12 (30 percent) of these questions.

Auditors also observed that improvement had been made in providing accurate addresses and office hours to taxpayers, IRS employees were professional and courteous to the TIGTA auditors in all 63 visits,⁵ and wait time for service was 30 minutes or less for all 63 visits.

This report is to advise IRS management of the results of our review. We do not make recommendations to the IRS in the bi-monthly reports. However, we plan to issue a semiannual trend report during the second quarter of FY 2004 that will include appropriate recommendations to help ensure taxpayers are referred to employees that can provide accurate responses to their tax law questions. Auditors will continue

³ Auditors were unable to ask 12 questions at 4 TACs that were scheduled to be open but were closed at the time of their visits. We counted these responses as service denied.

⁴ No answer was provided, but the employee referred the auditor to the IRS toll-free tax law telephone number to obtain an answer to the question.

⁵ Percentage is based on 63 visits instead of 70 because 2 auditors could not visit 2 different TACs; 1 other auditor could not visit another 2 different TACs since the TACs were closed; and only 1 auditor visited the Youngstown, Ohio, TAC.

making visits to the TACs throughout CY 2003. We will also continue to issue bi-monthly reports on the results to the IRS and the Congress.

Management's Response: IRS management appreciated our recognition of the corrective actions they took which increased accuracy rates compared to the same period for CY 2002. Management continues to take steps to improve accuracy in the TACs. Their long-term approach to improving quality is implementation of Embedded Quality, an approach that focuses on standardized measures, employee monitoring, and feedback at the group level.

The IRS continues to disagree with including referrals to publications and service denied when computing the accuracy rates. 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 who are affected by the report findings. Please contact me at (202) 622-6510 if you have questions or Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 927-0597.

**Taxpayer Assistance Center Employees Correctly Answered More Tax Law Questions
During July and August 2003 Than Compared to One Year Ago**

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Taxpayer Assistance Center Employees Correctly Answered More Tax Law Questions During July and August 2003 Than Compared to One Year Ago

Background

The Senate Committee on Appropriations was deeply concerned about the findings in a Treasury Inspector General for Tax Administration (TIGTA) audit report on the Internal Revenue Service's (IRS) Taxpayer Assistance Centers (TAC).¹ That report showed auditors did not receive accurate or sufficient answers to 73 percent of their tax law questions posed during anonymous visits to the TACs during January and February 2001. Based on the results of that review, Senator Byron Dorgan (Democrat - North Dakota), then Chairman of the Subcommittee on Treasury and General Government, proposed an amendment to the Treasury spending bill² for Fiscal Year (FY) 2002. The amendment requires us to conduct visits to all TACs and report to the Congress as to whether taxpayers are provided correct and prompt answers to their questions. Auditors are conducting anonymous visits to all TACs over a 2-year period.

The IRS Field Assistance (FA) office in the Wage and Investment (W&I) Division has overall responsibility for the TACs. The TACs exist primarily to serve taxpayers that choose to seek help from the IRS in person. The IRS employees³ that work in the TACs provide assistance in interpreting tax laws and regulations, preparing some tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations.

There are currently no statistics on the percent of time spent by employees in the TACs on the services detailed above. The FA office is using FY 2002 data as a baseline to establish standards and other management information in this area.

There are approximately 400 TACs located throughout the United States (U.S.), including Washington, D.C. According to the IRS, the TACs served approximately

¹ *Letter Report: The Internal Revenue Service Continues to Give Incorrect Tax Law Information in Taxpayer Assistance Centers* (Reference Number 2001-40-077, dated May 2001).

² Treasury and General Government Appropriations Act, 2002, Pub. L. No. 107-67, 115 Stat. 514 (2001).

³ IRS employees that work in the TACs are called Tax Resolution Representatives (TRR).

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7.7 million taxpayers between January and October 2003.⁴ Approximately 1.6 million of these taxpayers visited the TACs for assistance with the tax law.

In addition to the anonymous visits being performed by TIGTA auditors, the IRS FA office Quality Review Staff began visiting the TACs in October 2002 to anonymously ask tax law questions within the scope of services that TAC employees should have been trained to answer. The results of these reviews will provide each employee's manager specific feedback on the quality of service provided in the TAC. The IRS established an accuracy goal of 80 percent for FY 2003. The IRS also plans to use our Calendar Year (CY) 2002 results as baseline figures to measure improvement during FY 2003.

Our questions relate to 21 tax law topics that are within the scope of services. The questions were designed to cover a wide range of tax law topics to provide an overall assessment of whether taxpayers are receiving correct answers to questions that an individual taxpayer⁵ might ask when he or she visits a TAC. In May 2003, auditors changed the scope of the questions or added additional scenarios that are more applicable to the types of questions taxpayers ask subsequent to the filing season.⁶

Beginning in January 2003, we also began evaluating whether employees adhered to operating procedures⁷ to refer to the IRS toll-free telephone lines or Internet (R-mail) those taxpayer questions that were outside the scope of services that employees should have been trained to answer.

⁴ We did not validate the accuracy of the statistics provided by the IRS on the number of taxpayers that visited the TACs.

⁵ Individual taxpayers are nonbusiness taxpayers that file U.S. Individual Income Tax Returns (Forms 1040, 1040A, or 1040EZ).

⁶ The period from January through mid-April when most individual income tax returns are filed.

⁷ FA office guidelines clearly define the scope of employee expertise (tax law topics for which employees receive training) and specific services offered within the TACs. Taxpayers that ask questions outside the level of employee training should be referred to the IRS toll-free telephone lines or have their questions submitted via the Internet (called "R-mail") for assistance.

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This report is the tenth in a series of bi-monthly reports that we are issuing on the results of the visits to the TACs. The review was performed in the IRS Customer Assistance, Relationships, and Education office in the W&I Division in July and August 2003. TIGTA auditors anonymously visited 35 TACs in 13 states. Another 15 TACs in 9 states were visited as part of our referral assessment (see Appendix IV for specific states visited).

This review was conducted in accordance with *Government Auditing Standards*. However, we did not determine the cause and effect for the findings and will make no recommendations in the bi-monthly reports. We will issue a semiannual trend report during the first quarter of FY 2004 that will include appropriate recommendations to help ensure that taxpayers are referred to employees that can provide accurate responses to their tax law questions. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

Taxpayers Received Correct Answers to More Tax Law Questions When Compared to the Same Period Last Year

During July and August 2002, IRS employees correctly answered 44 percent and referred 14 percent of questions to publications, compared to answering 64 percent and referring only 2 percent to publications during July and August 2003. We commend the IRS for the corrective actions it has taken in response to our previously issued semiannual and bi-monthly reports. We believe the increase in accuracy rates compared to those in the same period in CY 2002 can be directly attributed to these actions.

Our auditors made 69⁸ anonymous visits to 35 TACs and asked 138 tax law questions during July and August 2003. The results were as follows:

- Eighty-eight (64 percent) of the 138 questions were correctly answered. However, the IRS employees provided correct answers to 10 of the 88 questions without asking all of the required questions outlined in the tax law instructions and publications. By not using available resources to ask all required

⁸ Normally two auditors will visit a TAC. However, only 1 auditor made a visit to the Youngstown, Ohio, TAC, resulting in 69 overall TACs visited (35 TACS x 2 auditors - 1 visit = 69 TACs).

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questions, IRS employees are making assumptions and providing answers without considering relevant facts to ensure the answers given are correct. For example, for 3 of the 10 questions, the IRS employees stated that the auditors did not have to report child support payments as income. However, the employees did not ask if the auditors' payments were specifically designated as child support in the divorce agreements.

- Twenty-nine (21 percent) of the 138 questions were incorrectly answered. For example, for three questions, the IRS employees incorrectly advised auditors that they would not have to pay taxes on their retirement plan distribution if it was rolled over to an Individual Retirement Arrangement (IRA). The correct answer to the scenario presented by auditors was the retirement distribution was taxable because it was not rolled over to the IRA within 60 days as required by tax law.
- Three (2 percent) of the 138 questions resulted in the IRS employees referring the auditors to publications and generally advising the auditors to do their own research to find the answers to the questions. For example, the auditor asked if he or she and his or her spouse qualified for the retirement/IRA savers credit. The IRS employee did not provide an answer but instructed the auditor to complete the form provided to determine if he or she qualified for the credit.
- Twelve (9 percent) of the 138 questions resulted in the auditor being denied service.⁹ For example, the auditor attempted to visit the TAC site, but it was closed for training.
- Six (4 percent) of the 138 questions resulted in the IRS employees correctly offering to refer the auditors to the IRS toll-free tax law telephone

⁹ Auditors were unable to ask 12 questions at 4 TACs that were scheduled to be open but were closed at the time of their visits. We counted these responses as service denied.

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number.¹⁰ For example, the auditor asked how he or she should report the money from the sale of land. The IRS employee researched FA office procedures and could not determine if the question related to a tax law topic he or she was allowed to answer. Therefore, the IRS employee correctly suggested that the auditor call the IRS toll-free tax law telephone number to obtain an answer to the question.

The following table provides a breakdown of the accuracy of the answers to our questions.

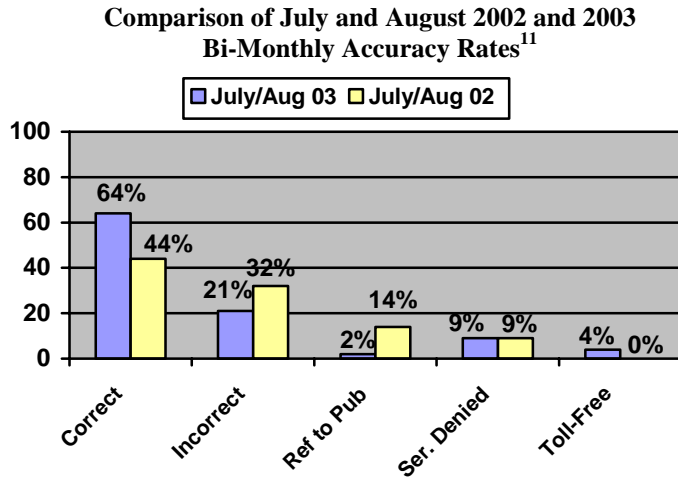
Tax Law Questions (138 questions asked)						
	Correct	Correct but Incomplete	Incorrect	Ref. to Pub.	Service Denied	Correct Toll-Free Referral
Responses	78	10	29	3	12	6
Percentages	57%	7%	21%	2%	9%	4%

Source: Anonymous visits performed by TIGTA auditors.

The chart below shows a comparison of CY 2002 to CY 2003 accuracy rates.

¹⁰ No answer was provided, but the TRR referred the auditor to the IRS toll-free tax law telephone number to obtain an answer to the question.

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Source: TIGTA reviews conducted during July and August 2002 and 2003.

Taxpayers Received Answers to Some Tax Law Questions Employees Were Not Trained to Answer

In January 2003, we began our assessment of whether IRS employees adhered to operating guidelines that require the referral of tax law questions outside the scope of services they have been trained to answer. In addition to scheduled visits, TIGTA auditors completed visits to 15 additional TACs. The auditors asked 40 “out of scope” questions and determined that employees did not follow referral procedures in providing answers to 12 (30 percent) of the questions asked.

IRS operating guidelines require IRS employees that receive a question beyond their level of training to offer to call the correct IRS toll-free telephone line on behalf of the taxpayer or to submit the question in writing to a subject-matter expert(s) via the Internet (R-mail).¹² The table below provides a breakdown of IRS employees’ answers to tax law questions beyond their level of training.

¹¹ The “Correct” rates presented in the chart include “Correct” and “Correct but Incomplete” responses.

¹² Each questions submitted to the IRS R-mail system will be assigned to a designated employee who will provide an answer to the question within 15 business days.

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Out of Scope Questions (40 questions asked)				
	Correctly Referred	Questions Answered ¹³ (12)		
		Correct	Incorrect	Ref. to Pub.
Responses	28	9	3	0
Percentages	70%	75%	25%	---

Source: Anonymous visits performed by TIGTA auditors.

Auditors Generally Had Positive Experiences When They Visited Taxpayer Assistance Centers

Auditors also assessed the quality of assistance provided by IRS employees including whether they were professional and courteous, the wait time for service, and whether employees' names were given or visible. Auditors generally had positive experiences. The following table shows a breakdown of the quality of assistance results.

Quality of Assistance (35 TACs visited, 2 auditors per site)		
	Occurrences	Percent ¹⁴
Employee Professional/Courteous	63	100%
Wait Time 0-15 Minutes	60	95%
Wait Time 16-30 Minutes	3	5%
Wait Time 31-45 Minutes	0	--
Wait Time 46-60 Minutes	0	--
Wait Time Greater Than 1 Hour	0	--
Employee Name Given or Visible	43	68%

Source: Anonymous visits performed by TIGTA auditors.

Improvements Were Made to Provide Accurate Taxpayer Assistance Center Office Hours and Addresses to Taxpayers

The TIGTA auditors found that improvements were made to ensure that TAC addresses and office hours made available to taxpayers matched the information posted at the TACs. Taxpayers can access the IRS Internet web site and follow the appropriate links to obtain the addresses and office hours

¹³ The TRR should have referred the out of scope question to the toll-free telephone lines or R-mail, but instead the TRR provided an answer.

¹⁴ Percentage is based on 63 visits instead of 70 because 2 auditors could not visit 2 different TACs; 1 other auditor could not visit another 2 different TACs since the TACs were closed; and only 1 auditor visited the Youngstown, Ohio, TAC.

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of the TACs located in their state. Taxpayers that do not have access to the Internet may call the IRS toll-free telephone numbers or automated telephone messaging system to obtain this information.

In our first semiannual report, we made no recommendations pertaining to TAC addresses and office hours because of the IRS' response to one of our bi-monthly reports.¹⁵ However, while progress was made, we continued to identify concerns in this area during July through December 2002. Specifically, 43 percent of TAC addresses and 2 percent of TAC office hours posted at the TACs did not match those on the Internet. As a result, our second semiannual trend report included a recommendation to ensure TAC addresses and office hours made available to taxpayers are accurate. In response, the FA office issued guidance that required managers to certify the accuracy of addresses and office hours on the various systems. The FA office also provided employee training on how to update addresses and office hours and began monitoring to ensure the accuracy of information made available to taxpayers.

Beginning in January 2003, we evaluated whether TAC addresses and office hours provided to taxpayers via the Internet, toll-free telephone numbers, and automated telephone messaging system matched the information posted in the TACs. Auditors found the following.

Improvement has been made to ensure addresses and office hours made available to taxpayers match the addresses and office hours posted at the TACs

- Addresses posted at 23 (79 percent) of 29¹⁶ TACs matched the addresses listed on the Internet, toll-free telephone numbers, and automated telephone messaging system.
- Office hours for 25 (71 percent) of the 35 TACs with office hours posted on the Internet and automated

¹⁵ *Management Advisory Report: Taxpayers Continue to Receive Incorrect Answers to Some Tax Law Questions* (Reference Number 2002-40-113, dated June 2002).

¹⁶ Percentage based on 29 TACs instead of 35 because the addresses were not posted at 6 TACs.

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telephone messaging system matched the hours posted at the TAC.

- Office hours for 26 (74 percent) of the 35 TACs with office hours posted on the toll-free telephone numbers matched the hours posted at the TAC.

The IRS informed us that the addresses and office hours available to taxpayers from the Internet were the most reliable. As a result, we used these data as a baseline to expand our analysis to determine if addresses and office hours provided to taxpayers from the Internet matched those on the IRS toll-free telephone numbers and automated telephone messaging system.

Improvement has been made to ensure addresses and office hours provided to taxpayers that accessed the IRS Internet web site matched the information provided by the IRS toll-free telephone numbers and automated telephone messaging system

The following tables show the results of our comparison of addresses and office hours made available to taxpayers that access the Internet to the information made available to taxpayers that call the IRS toll-free telephone numbers or automated telephone messaging system.

Comparison of Accuracy of Information Provided via Internet to Toll-Free		
	Occurrences	Percent
Address Correct	35	100%
Office Hours Correct	35	100%

Source: Anonymous visits performed by TIGTA auditors.

Comparison of Accuracy of Information Provided via Internet to Automated Telephone Messaging System		
	Occurrences	Percent
Address Correct	35	100%
Office Hours Correct	34	97%

Source: Anonymous visits performed by TIGTA auditors.

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Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of the review was to determine if the Internal Revenue Service (IRS) provides accurate and timely responses to taxpayers' tax law questions. In addition, Treasury Inspector General for Tax Administration auditors that made anonymous visits to the Taxpayer Assistance Centers (TAC) assessed whether IRS employees adhered to operating guidelines on referral procedures and were professional and courteous, and whether the TAC addresses and office hours made available to taxpayers were accurate. We did not determine the cause and effect for the findings, so we are making no recommendations in the bi-monthly reports.

To achieve this objective, auditors performed the following tests:

- I. Determined if the IRS provided quality service and accurate responses to tax law inquiries at the 35 TACs visited. Auditors asked 138 tax law questions that an individual taxpayer¹ might ask. Auditors developed questions based on the training provided to Tax Resolution Representatives (TRR)² during the fall of 2001 and the scope of services for tax law assistance prescribed in the Fiscal Years 2002 and 2003 Field Assistance (FA) office Operating Procedures.
- II. Determined if TRRs followed FA office Operating Procedures to refer questions that were outside the scope of services they should have been trained to answer. In addition to scheduled visits, auditors completed visits to 15 additional TACs and asked 40 questions that were beyond the TRRs' level of training.
- III. Determined the quality of service provided by the TRRs.

¹ Individual taxpayers are nonbusiness taxpayers that file United States Individual Income Tax Returns (Forms 1040, 1040A, or 1040EZ).

² IRS employees that work in the TACs are called TRRs.

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Appendix II

Major Contributors to This Report

Michael R. Phillips, Assistant Inspector General for Audit (Wage and Investment Income Programs)

Augusta R. Cook, Director

Russell Martin, Acting Director

Frank Jones, Audit Manager

Tanya Boone, Senior Auditor

Pamela DeSimone, Senior Auditor

Lena Dietles, Senior Auditor

Deborah Drain, Senior Auditor

Robert Howes, Senior Auditor

Edie Lemire, Senior Auditor

Bonnie Shanks, Senior Auditor

Grace Terranova, Senior Auditor

Jerome Antoine, Auditor

Robert Baker, Auditor

Roberta Fuller, Auditor

Andrea Hayes, Auditor

Kathy Henderson, Auditor

Mary Keyes, Auditor

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Appendix III

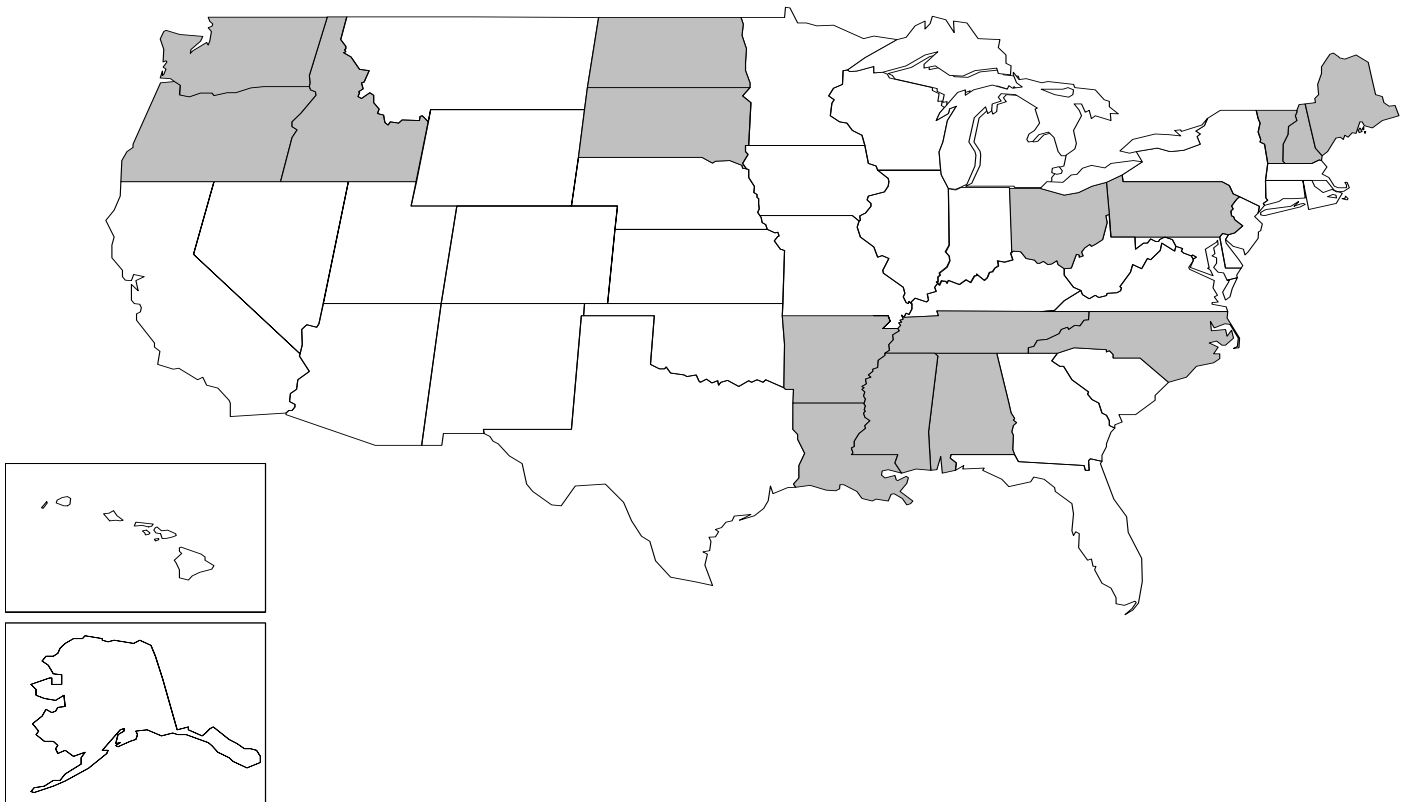
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Appendix IV

States Visited During July and August 2003



The 13 states visited in which auditors asked questions within the scope of services include Arkansas, Idaho, Louisiana, Maine, New Hampshire, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Tennessee, Vermont, and Washington.

The nine states visited in which auditors asked questions outside the scope of services include Alabama, Maine, Mississippi, North Carolina, Ohio, Oregon, Tennessee, Vermont, and Washington.

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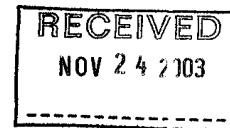
Appendix V

Management's Response to the Draft Report



COMMISSIONER
WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308



NOV 24 2003

MEMORANDUM FOR PAMALA J. GARDNER
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Henry O. Lamar, Jr. *Henry O. Lamar, Jr.*
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – Taxpayer Assistance Center Employees
Correctly Answered More Tax Law Questions During July
and August 2003 Than Compared to One Year Ago
(Audit #200340020)

I reviewed your draft report for July and August 2003. I appreciate your recognition of the corrective actions we have taken to increase our accuracy rates compared to the same period for calendar year 2002. We are continuing to take steps to improve quality and accuracy in our Taxpayer Assistance Centers (TACs).

As stated in my previous responses, our long-term approach to improving quality is implementation of Embedded Quality (EQ), similar to the process Customer Account Services has already implemented. EQ is a way of doing business that builds commitment and capability among all individuals to continually improve customer service, employee satisfaction, and business results. The EQ approach focuses on standardized measures, employee monitoring, and feedback methods at the group level. This will involve adding the information technology to support managers and quality reviews of employee and organizational performance. An EQ pilot started in late October and will run through early December 2003. Full implementation is scheduled for April 2004.

I continue to disagree with including referrals to publications and service denied when computing the accuracy rate. When recomputed to reflect only answers to tax law questions that were technically correct or incorrect, our accuracy rate is 85 percent for July and 68 percent for August. Our cumulative rate for the first 11 months of the fiscal year (FY) is 74 percent – an improvement of 9 percent over the same period in FY 2002.

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2

Steps underway to improve TAC operations include:

Training and Feedback

Our initiatives are focused on assessing employee skills and training needs, certifying employee readiness to answer tax law questions, and monitoring performance.

- **Assessing skills and training needs:** Managers have identified the training needs of employees based on the results of the Training Assessment Battery (TAB), which was a comprehensive assessment designed to identify skill levels and training needs of all TAC employees. The training is provided through self-study, e-learning, and classroom training.
- **Monitoring employee performance:** TAC managers monitor tax law counter contacts for each technical employee throughout the year. The purpose of the monitoring is to ensure that employees are providing accurate answers to taxpayers.
- **Tax law training and employee certification to answer tax law questions:** We have incorporated the Publication Method into the tax law training. The Publication Method is a technique to “walk” a taxpayer through a publication to cover all appropriate probing questions and illustrates the correct answer to his/her question. We are conducting monthly employee certifications in which each TAC employee must correctly answer three questions on each of the tax law topics. Three questions are asked and employees must answer all correctly.

Out of Scope Issues

We shared results of your July and August review with all employees. We also included out of scope issues in the September review visits conducted by Field Assistance field management. Out of scope issues generally involve business and corporate taxes and technical individual tax issues such as casualty and theft losses. In addition, we require our area offices to report on management actions taken to address this issue including counseling, directed learning on in scope/out of scope issues, and training on the referral procedures.

Referrals to Publications

We drastically reduced improper referrals to publications from 14 percent in July and August 2002 to 2 percent in July and August 2003. We believe our zero-tolerance policy, continued emphasis on the Publication Method, and adherence to referral procedures were major factors in this dramatic decrease.

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3

Updating Office Hours

We conduct weekly monitoring of our office hours on *irs.gov* (our Internet site accessible to the public) and on the Servicewide Electronic Research Program (our Intranet research site for employees). In addition, we update office hours on the recorded messaging system on local telephone lines in our TACs. Our accuracy rate for September 2003 was 95 percent.

If you have questions or need additional information about this response, please contact me at (404) 338-7060, or Ellen M. Cimaglia, Director, Field Assistance, Wage and Investment, Customer Assistance, Relationships and Education, at (404) 338-7141.