

IRS Oversight Board

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For immediate release
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IRS OVERSIGHT BOARD COMMENDS IRS' KATRINA RESPONSE AND PROGRESS ON MODERNIZATION; POINTS TO IMPORTANCE OF CRITICAL INFRASTRUCTURE

(Washington, DC) At its September 29-30th meeting, the IRS Oversight Board commended the IRS for its performance in assisting taxpayers following Hurricane Katrina and pointed to the importance of the agency's critical infrastructure in providing such a high level of service to the victims. The Board also praised the IRS for its continued progress on Business Systems Modernization, which is meeting almost all of its delivery dates and cost targets for FY2005.

IRS Oversight Board Chairman Raymond Wagner, Jr. said, "The IRS is to be applauded for getting out of the blocks quickly and getting ahead of the problem. Even though many of its own facilities in the affected area were damaged and employees dislocated, the IRS was able to work with FEMA and other agencies, practitioners and stakeholder groups to provide a much needed coordinated tax administration response to the disaster."

Some of the IRS' actions in response to Hurricane Katrina included granting tax filing and payment relief to all affected taxpayers until February 28, 2006. It also assigned thousands of employees to augment the FEMA call registration site and established its own special toll-free disaster number and a special section of IRS.gov. Although the statistics are being updated, as of October 4th, the IRS had:

- Answered over 749,000 registration calls for FEMA;
- Staffed 40 sites in 11 states and the District of Columbia, with 45 employees who distribute Disaster Relief Kits, provide copies of taxpayer account information and previously filed tax returns, and assist taxpayers with filing claims or amended returns. Disaster Relief Kits have also been provided to over 600 non-FEMA sites such as the Red Cross and churches;
- Answered over 32,000 calls on the special IRS toll-free line for affected taxpayers; and
- Filled orders for over 173,000 Disaster Relief Kits.

Chairman Wagner observed: "From the briefings we received from the IRS, it became abundantly clear that the agency's investments in infrastructure played a key role in helping the IRS provide these services at such a crucial time. Whether it's an actual call center receiving hundreds of inquiries, or an employee having a laptop at a disaster assistance site, the IRS needs these critical physical assets to do its job at a high level. You need the proper infrastructure and the right tools to support them. We must ensure that this essential part of the IRS is kept in top working order and up-to-date."

BSM Reports Continued Progress

The Board also expressed satisfaction with the progress that is being achieved on the IRS' Business Systems Modernization program. For example, the Board was briefed that the Customer Account Data Engine – the new database that will maintain all taxpayer records – will meet its FY2005 delivery schedule and has begun to process some tax returns. E-services, which promotes practitioner use of electronic transactions with the IRS, is also meeting its delivery dates, as is Modernized e-File, which will eliminate many of the barriers to e-File growth.

Board Chairman Wagner stated, "The IRS is to be commended for turning around a troubled program. We like what we are seeing and hearing. However, years of hard work lie ahead and the IRS cannot afford to be complacent. It needs to continue to apply the same focused and deliberate action that has gotten BSM back on track and delivering benefits to taxpayers and greater efficiencies to the IRS. The Board will continue its vigorous oversight and support of the program."

***Human Capital Strategic Plan and Development of IRS Long-term Goals
Move Forward***

The Board discussed the IRS' Human Capital Strategic Plan, which is currently being drafted. The Board will consider approval of the plan at its upcoming November meeting. The Board has strongly encouraged the IRS to develop such a plan to address long-term human capital challenges, such as replacement of lost critical talent to retirement.

Another recommendation by the Board is the need for the IRS to set long-term goals in conjunction with its strategic plan. At the meeting, the IRS briefed the Board on its progress in developing long-term goals.

Former Chairs Levitan and Killefer Receive Treasury Awards

At its meeting, the Board also acknowledged the contributions of Members and former Board Chairs Larry Levitan and Nancy Killefer, whose terms expired. Both received the Treasury Secretary's Honor Award.

"Since the first meeting of the Board almost five years ago, Larry Levitan and Nancy Killefer have committed themselves to improving the way the IRS works and serves taxpayers and our great nation. We will miss their intellectual rigor and discipline, dedication, and keen ability to size up problems and solve them. We owe them an enormous debt of gratitude and wish them well in their private sector pursuits," Board Chair Wagner said.

E-Filing Report Reviewed

Grace Ann Dieterich, Chair of the Electronic Tax Administration Advisory Committee (ETAAC), discussed the ETAAC's annual report with the Board. ETAAC is a private sector advisory group chartered to provide advice to the IRS on electronic tax administration issues. The Oversight Board will release its annual report on e-Filing progress to Congress later this year.

The Board's next meeting will be held in November 29-30, 2005 in Washington, DC.

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