

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

May 5, 2021

Report Number: 2021-30-021

HIGHLIGHTS: Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

Final Audit Report issued on May 5, 2021

Report Number 2021-30-021

Why TIGTA Did This Audit

IRS Criminal Investigation (CI) provides approximately 2,300 Federally leased and owned Government vehicles to special agents through a fleet program managed by the CI fleet manager. This audit was initiated to determine whether CI's management of Government vehicles promotes the efficient and effective use of resources.

Impact on Taxpayers

Identifying and achieving program efficiencies and cost savings is imperative for the IRS as it strives to successfully accomplish its mission with declining resources. Ensuring that funding is used in the most effective manner is also critical as the IRS should manage its vehicle fleet to ensure optimum responsiveness, efficiency, and economy in support of mission requirements.

What TIGTA Found

TIGTA's analysis of the vehicle usage data from CI's Criminal Investigation Management Information System from April 2017 through January 2020 found questionable data reported for individually assigned vehicle use. CI is required to maintain vehicle records for two years after a vehicle is taken out of service; however, fleet management was unable to provide or locate all requested records.

Our analysis of vehicle usage statistics provided by CI fleet management for the period April 2017 through January 2020 found that the reported information did not always satisfy the Home-to-Work requirements for some special agents. Specifically, questionable reporting of commutes and commuting mileage brings into question CI's maintenance of sufficiently detailed, accurate information and data to support day-to-day oversight of the fleet as well as its compliance with requirements under the Home-to-Work authorization.

CI's vehicle utilization criteria allows for one vehicle per special agent in the field and one pool vehicle for each supervisory special agent's staff. Our analysis of the number of pool vehicles compared to CI's utilization criteria found there were excess pool vehicles in the CI fleet inventory.

What TIGTA Recommended

To improve internal controls and overall management of the IRS fleet, TIGTA recommended that the IRS: 1) establish controls for CI fleet management to regularly review and validate questionable fleet data, 2) allow sufficient authority that fleet management may oversee and enforce necessary correction of data associated with vehicle and fleet use, 3) allow CI fleet management to update or expand on data compiled to allow for sufficient details to accurately support Home-to-Work privileges, 4) establish a policy with clearly defined and measurable utilization criteria, 5) prioritize potential cost savings by establishing a process to regularly evaluate fleet vehicles against measurable utilization criteria, and 6) establish a law enforcement pool, as appropriate, for those special agents who do not meet utilization criteria.

The IRS agreed with four of the six recommendations and plans to take corrective actions, including implementing an automated procedure for special agents to upload their own Government-owned vehicle reports and conducting quarterly audits to correct questionable data. The IRS also issued guidance (the Government Owned Utilization Policy Memorandum) that establishes policy defined under Treasury Directive Publication 74-01, *Motor Vehicle Fleet Management*.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

May 5, 2021

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved
(Audit # 202030024)

This report presents the results of our review to determine whether Criminal Investigation's management of Government vehicles promotes the efficient and effective use of resources. This review was part of our Fiscal Year 2020 Annual Audit Plan and addresses the major management and performance challenge of *Achieving Operational Efficiencies*.

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

Copies of this report are also being sent to the Internal Revenue Service managers affected by the report recommendations. If you have any questions, please contact me or Matthew A. Weir, Assistant Inspector General for Audit (Compliance and Enforcement Operations).

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Background

The Internal Revenue Service (IRS) maintains two fleets of Government-owned/leased motor vehicles. The Facilities Management and Security Services Division manages a motor pool fleet for business units across the IRS, and Criminal Investigation (CI) manages a separate fleet for its employees and assigns its own fleet program manager. CI's fleet manager is responsible for providing various information reports on the status and utilization of the CI fleet to the U.S. Department of the Treasury Fleet Manager under the Assistant Secretary for Management in Washington, D.C. The Assistant Secretary for Management has department-wide responsibility for the oversight and monitoring of the motor vehicle fleet management program.

Treasury Directive Publication (TD P) 74-01, *Motor Vehicle Fleet Management*, dated March 5, 2014, details the policies, responsibilities, criteria, restrictions, and procedures for management, acquisition, and use of the Department of the Treasury-owned, General Services Administration (GSA)-leased, and commercial-leased vehicles and definitions concerning types and categories of vehicles. In addition to TD P 74-01, the Department of the Treasury has issued TD P 74-06.¹ TD P 74-06 details procedures, responsibilities, criteria, restrictions, and definitions concerning official use of a Government-owned (operated) vehicle between an employee's residence and place of employment. This transportation is referred to as "Home-to-Work."²

CI fleet program

All CI special agents with field investigative responsibilities and a select number with protective service responsibilities are authorized for Home-to-Work transportation. As of January 1, 2020, the CI fleet program included 2,221 vehicles leased through the GSA.

- 1,698 vehicles were assigned individually to special agents.
- 523 vehicles were assigned as "pool cars." Pool use is defined as a vehicle assigned to one or more IRS offices rather than a specific employee.

As of November 2020, CI has 2,030 special agents. Figure 1 shows CI's vehicle fleet inventory annual costs.³

Figure 1: CI GSA Fleet Vehicle Expenses for Fiscal Years (FY)⁴ 2017 Through 2019

| FY | GSA-Leased Vehicles | Leased Vehicle Annual Expense | Approximate Cost per Vehicle |
|-------------|----------------------------|--------------------------------------|-------------------------------------|
| 2017 | 2,303 | \$10,828,794 | \$4,702 |
| 2018 | 2,264 | \$11,170,075 | \$4,934 |
| 2019 | 2,251 | \$11,960,186 | \$5,313 |

Source: Treasury Inspector General for Tax Administration (TIGTA) analysis of CI fleet reports.

¹ TD P 74-06, *Guidelines for Home-to-Work Transportation Controls* (Feb. 15, 2013).

² The phrase also includes Work-to-Home transportation.

³ Expenses for light and radio equipment purchased, removed, or installed in the GSA-leased vehicles are not included in Figure 1.

⁴ Any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30

The Energy Policy Act of 1992 established that 75 percent of a Federal fleets' covered light-duty vehicle acquisitions must be alternative fuel vehicles.⁵ However, the Energy Policy Act and associated guidance also allow for vehicle exceptions for law enforcement vehicles. CI, in accordance with guidance, submitted and received approval of its certification for functional needs for noncompliant vehicles to the Department of the Treasury Assistant Secretary for Management.

Fleet program documentation requirements

Federal agencies are required to maintain logs and other records to establish the official purpose of their Home-to-Work programs. To support these controls, special agents are required to log (diary) all daily use of the vehicle outside the normally scheduled tour of duty. In order to meet the documentation requirements, the following entries are logged:

- **Call-Out/Emergency Response** – A call-out is any use of the vehicle that is outside of, *i.e.*, before or after, an agent's normal tour of duty, begins or ends at a location other than an agent's official IRS post of duty (POD), and is in response to a case or emergency.⁶
- **Home-to-Work Commute** – A Home-to-Work commute is each trip in the vehicle leaving from a personal residence and traveling directly to an agent's assigned IRS POD, arriving at or after an agent's tour of duty.
- **Work-to-Home Commute** – A Work-to-Home commute is each trip in the vehicle leaving from an agent's assigned IRS POD and traveling directly to a personal residence, departing before or at the end of an agent's tour of duty.

Any trip in the vehicle that does not fall into the previously mentioned categories is considered "mission mileage" or the mileage associated with an agent performing his or her day-to-day duties and does not require a specific entry into the log diary.

Fleet management information system

Federal agencies are required to have a fleet management information system at the agency level that:

- Identifies and collects accurate inventory, cost, and use data that cover the complete lifecycle of each vehicle (including the acquisition, operation, maintenance, and disposal).
- Provides the information necessary to satisfy both internal and external reporting requirements, including:
 - Cost per mile.
 - Fuel costs for each vehicle.

⁵ Pub. L. No. 102-486, 106 Stat. 2776, as amended by the Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (codified as amended in scattered sections of 26 and 42 U.S.C.), and Executive Order 13423.

⁶ An agent's POD is their official worksite, which is determined by management and used to set pay, to establish benefits, to determine State and local tax liabilities, to calculate travel reimbursements, and for other personnel matters.

- Data required to report on the Federal Automotive Statistical Tool.⁷

In Calendar Year 1994, the IRS implemented the first nationwide CI equipment tracking system. The Criminal Investigation Equipment Control System became obsolete and was migrated in 2005 to the current iteration of the Criminal Investigation Management Information System (CIMIS) to assume purchasing and accounting responsibility for investigative equipment as well as investigative accessories and supplies. The IRS also uses the CIMIS to track the status and progress of CI investigations and the time expended by CI employees.

GSA Bulletin Federal Management Regulation B-15, *Motor Vehicle Management*, indicates that the GSA's fleet management information system is considered to meet the standards of the bulletin for those agencies that lease vehicles through the GSA. Federal agencies are required to develop and keep adequate accounting and reporting procedures for Government vehicles.⁸ Due to the fact that the vast majority of CI's vehicles are leased through the GSA, the GSA fleet management information system would be considered to meet the standards of the bulletin; however, CI is responsible for ensuring appropriate and sufficient internal controls associated with the general management of its fleet.

Results of Review

IRS Records Do Not Support the Efficient and Effective Use of the Criminal Investigation Fleet

Questionable data do not support an efficient fleet program

Our review of fleet usage information provided by CI found that its data were often inaccurate or incomplete. Each Federal agency is required to maintain logs and other records to establish the official purpose of fleet transportation.⁹ Further, TD 74-06 and its companion publication require that vehicle logs (diary) record all usage of the vehicle outside of the normally scheduled tour of duty hours. CI is also required to maintain vehicle records for two years after a vehicle is taken out of service.

Our analysis of CIMIS usage data from April 2017 through January 2020 found questionable data reported for individually assigned vehicle use. Specifically, we identified three special agents who reported between 95,000 and 242,000 total mission miles in a 12-month period. The mileage reported is significantly greater than the 7,200 mile utilization criteria used by the IRS's Facilities Management and Securities Services Division. In addition, the number of mission miles reported by these three agents was significantly greater than the average mission miles reported by other CI special agents. Figure 2 shows the average number of mission miles reported by CI special agents for three different 12-month periods.

⁷ An Internet-based reporting tool used to submit certain vehicle information to the GSA. Reporting categories include inventory, acquisitions, operating costs, miles traveled, and fuel used.

⁸ 41 C.F.R. § 102-34.345.

⁹ 31 U.S.C. § 1344(f).

**Figure 2: Average Mission Miles for
CI Special Agents per 12-Month Period¹⁰**

| Period | Average Mission Miles |
|------------------------------------|-----------------------|
| April 2017 through March 2018 | 9,543 |
| February 2018 through January 2019 | 9,143 |
| February 2019 through January 2020 | 9,627 |

Source: TIGTA analysis of CI vehicle usage statistics.

We also identified questionable and missing information reported by special agents for commutes and commuting miles. Specifically, 125 special agents reported zero commutes or commuting miles in a 12-month period. The information reported by these 125 special agents would indicate that they did not drive their assigned fleet vehicle to or from their place of employment during this period. As such, the information reported by these special agents does not support his or her need to have an individually assigned vehicle based on criteria and requirements associated with Home-to-Work authority, which is discussed further in this report.

Underreported commutes and commuting mileage undermines CI's ability to accurately determine the number of mission miles for each vehicle. This information is important as one of the criteria for retaining Home-to-Work privileges is commuting miles as a percentage of mission miles.

IRS guidance does not delineate roles to ensure accuracy of reported mileage

IRS procedures state that the manual input of mileage and usage information for CI vehicles is to be completed on a monthly basis by administrative support staff using the Government Owned Vehicle Usage Report, a periodic report generated from CI's diary application completed by special agents. In addition, CI guidance explicitly states that responsibility for the accuracy of the database rests with each CI employee. However, procedures clearly identify which CI employee is responsible to ensure the accuracy of the database, *i.e.*, special agents enter data into their diaries, and administrative support staff transcribe the information from the diaries into the CIMIS.

Further, CIMIS administrators do not correct errors when they are identified and changes are warranted. Administrators may ask the agents whether the information is correct, but special agents are ultimately responsible for the accuracy of the data and making corrections. CIMIS administrators do not track or verify that these corrections have been completed.

We notified CI management of questionable and incomplete data on several occasions during this review, including zero call-outs, zero commutes, a blank data field related to commute mileage distance, excessive call-outs, and excessive mileage reported by the special agents. CI fleet management indicated that supervisory special agents are not required to physically verify the ending mileage on Government-operated vehicles on a month-to-month basis. Information systems are supposed to supply management with accurate data on which to base important decisions such as whether Government interests are being protected, whether CI is achieving its

¹⁰ Data provided by CI fleet management included overlapping periods that we were unable to separate on a fiscal year basis. We requested the same data on a fiscal year basis, but the data were not provided as of the end of our fieldwork.

mission more effectively with Home-to-Work authority, and the assignment of individual vehicles to 1,698 CI special agents.

In many instances, data and information provided by CI fleet management were incomplete

During our review, we requested copies of the vehicle use data CI fleet management is required to maintain and use in order to ensure effective management and oversight of its fleet, as required in TD P 74-01 and TD P 74-06. In several instances, the data and information CI was unable to provide suggests that CI also did not meet data retention criteria detailed in TD P 74-01.

We requested information such as vehicle inventory reports, Home-to-Work analyses, missing mileage data, additional internal expenses monthly reports, and information on suspensions and reinstatements. CI fleet management was able to provide some information, such as vehicle inventory reports, internal Home-to-Work analyses, and monthly expense reports. However, the information provided was not always complete and did not meet the retention standards outlined in TD P 74-01. For example:

- Home-to-Work and missing mileage data were provided in part. As previously noted, the Home-to-Work data provided included missing and questionable information. In addition, several older mileage reports (as developed by previous fleet management) were not available.
- The Vehicle Allocation Methodology and associated comparison reports were never provided to the Department of the Treasury as required by TD P 74-01 and were therefore unavailable.
- CI senior management provided templates of suspension and reinstatement memos as well as e-mails indicating that employees may not have met Home-to-Work authorization criteria. Fleet management stated that they do not track consolidated data on the number of special agents whose authorizations were suspended, why they were suspended, or the number of reinstatements that had been processed.

Our review found that the information provided by CI fleet management during this review was inadequate to support proper fleet management. Figure 3 provides an overview of the types of required information requested during our review.

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Figure 3: Examples of Insufficient Data Provided by CI Fleet Management¹¹

| Required Vehicle Use Data Requested | Purpose of Information | Information Required by TD P 74-01 or TD P 74-06 | Information Received |
|---|---|---|-----------------------------|
| Home-to-Work Analysis | Analysis and supporting calculations to support whether special agents are meeting established Home-to-Work criteria. | Yes | Partial |
| Missing Mileage Reports | Details associated with vehicle mileage that were not entered by special agents to ensure that sufficient documentation as to the utilization of the vehicles is maintained. | Yes | Partial |
| Information on Suspensions and Reinstatements | Details associated with suspension and/or reinstatement of Home-to-Work privileges. | Yes | Partial |
| Vehicle Allocation Methodology (VAM) and VAM/Federal Automotive Statistical Tool (FAST) Optimal Fleet Profile Comparison | A structured VAM is used to determine the appropriate size, number, and types of motor vehicles. VAM/FAST is a comparison of the information submitted in an agency's VAM Optimal Fleet Profile with the agency's reported actual fleet inventory. | Yes | No |

Source: TIGTA analysis of CI responses to information document requests.

When we brought our concerns regarding information that appeared to be incomplete, fleet management officials stated that they were still working on compiling information about missing mileage reports (approximately five months after they had been requested) and that fleet management did not have information regarding suspensions and reinstatements.

Comprehensive oversight of the program cannot be documented or validated if fleet management cannot readily supply complete and accurate operational data that can be used to determine whether vehicles supplied to agents are being used effectively, whether they meet the criteria to maintain Home-to-Work privileges, and whether or not appropriate disciplinary actions were taken and inventory adjusted.

Home-to-Work privileges are not always supported by CI fleet data

The documented use of CI's fleet under the Home-to-Work program does not always meet criteria associated with approved Home-to-Work authority and individual vehicle assignments. Specifically, Home-to-Work transportation is authorized when it will substantially increase the economy and efficiency of the Government and will not be authorized solely or principally for the comfort or convenience of the employee. To meet the minimum requirements of the CI Home-to-Work program, special agents must have:

- At least 10 or more "call-outs" per year.
- A commute distance of less than 50 miles one-way.¹²

¹¹ Data provided by CI fleet management included overlapping periods that we were unable to separate on a fiscal year basis. We requested the same data on a fiscal year basis, but the data were not provided as of the end of our fieldwork.

¹² A commuting mileage waiver was obtained for CI from FYs 2018 through 2020.

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- Less than 50 percent commuting miles percentage (commuting miles compared to total miles driven by the special agent).

All CI special agents with field investigative responsibilities and a select number with protective services responsibilities are authorized Home-to-Work transportation.¹³ However, as Figure 4 shows, our analysis of vehicle usage statistics provided by CI fleet management for the period April 2017 through January 2020 found that the reported information does not always satisfy the Home-to-Work requirements for some special agents.

Figure 4: Summary of Special Agents' Call-Outs and Commutes¹⁴

| Total Number of Agents With Individually Assigned Vehicles ¹⁵ | | |
|---|------------------------------------|--------------------------|
| April 2017 – March 2018: 1,383 Special Agents | | |
| February 2018 – January 2019: 1,290 Special Agents | | |
| February 2019 – January 2020: 1,210 Special Agents | | |
| Total Agents With 0 to Less Than 10 Call-Outs Reported | | |
| | 0 Call-Outs | <10 Call-Outs |
| April 2017 – March 2018 | 5 | 40 |
| February 2018 – January 2019 | 3 | 25 |
| February 2019 – January 2020 | 1 | 13 |
| Total Agents With 200 - 750 Call-Outs Reported | | |
| | # of Agents | Call-Outs |
| April 2017 – March 2018 | 21 | 201 – 426 |
| February 2018 – January 2019 | 20 | 202 – 718 |
| February 2019 – January 2020 | 12 | 201 – 790 |
| Total Agents With 0 Commutes/0 Commuting Miles Reported | | |
| | # of Agents With 0 Commutes | 0 Commuting Miles |
| April 2017 – March 2018 | 112 | 111 |
| February 2018 – January 2019 | 126 | 125 |
| February 2019 – January 2020 | 104 | 103 |

Source: TIGTA analysis of CI vehicle usage statistics.

If special agents are not complying with the 10-call-out requirement, their Home-to-Work authority is supposed to be suspended for 90 days. CI executives offered examples of e-mails to Directors of Field Operations advising them of a special agent's potential noncompliance; however, for the period we reviewed, no documentation that suspensions/reinstatements were enforced was provided. Further, CI fleet management did not have access to this information, a requirement under TD P 74-06 to properly provide oversight of the program. We also noted several instances in which agents reported between 200 and 750 call-outs in a 12-month period.

¹³ Internal Revenue Manual 9.1.4.4(2) (Aug. 11, 2016).

¹⁴ Data provided by CI fleet management included overlapping periods that we were unable to separate on a fiscal year basis. We requested the same data on a fiscal year basis, but the data were not provided as of the end of our fieldwork.

¹⁵ Our analysis included only those agents with individually assigned vehicles and more than 11 months of records in the 12-month period.

These call-outs significantly exceed the average of 77 call-outs that CI used to support its March 2017 request for Home-to-Work authority, and the data's accuracy is questionable.

Insufficient oversight to ensure the accuracy of CI fleet data

During this review, we requested specific information on call-outs, including:

- Documentation of all call-outs with the logged times in/out.
- Location of call-outs.
- How often other Federal or local law enforcement agencies requested CI special agents to support/participate in official law enforcement activities.
- How often (if any) per year have these requests for support been scheduled during/outside of agents' core business hours (7 a.m. to 5 p.m.).

CI fleet management responded that they do not track call-outs in this manner. The CIMIS database only tracks the number of call-outs, not the type of call-out. In subsequent conversations, CI fleet management indicated that the special agents enter the number of call-outs and the integrity of those who enter the data, *i.e.*, the special agents, is not to be questioned. Without requiring additional details associated with individual call-outs, or being provided the authority to question data entries by special agents, there is no suitable way for the CI fleet manager to track, monitor, or ensure the accuracy/validity of the number of official call-outs as required by TD P 74-06.

As shown in Figure 4, we also identified 342 special agents who did not report any Home-to-Work commutes over a three-year period; 339 of the 342 special agents also did not report any commuting miles over the same period.¹⁶ Reporting zero commutes and zero commuting miles would indicate that these special agents are not using the vehicle for Home-to-Work and Work-to-Home transportation.

Further analysis of the data provided by CI for the period February 2019 through January 2020 determined the average number of commutes recorded by 1,210 special agents in a 12-month period to be 69.¹⁷ Therefore, the data suggest that special agents recorded Home-to-Work and Work-to-Home commutes on 34.5 days.¹⁸ To evaluate the reasonableness of the number of commutes reported from February 2019 through January 2020, we identified 200 as a "reasonable" number of working days in a one-year period and assumed there would be two commutes per business day.¹⁹ Using this methodology, the number of Home-to-Work and Work-to-Home commutes recorded should be approximately 400 commutes per calendar year.

Our review of the number of commutes reported by special agents found that 97.3 percent of the special agents reported less than 200 commutes between February 2019 and January 2020, and almost 46 percent reported less than 50 commutes during that time. Figure 5 shows the frequency of commutes reported by the 1,210 special agents who were assigned a fleet vehicle.

¹⁶ Three of the special agents reported some commuting miles, even though they had recorded zero commutes.

¹⁷ Our analysis included only those agents with more than 11 months of records in the 12-month period.

¹⁸ We calculated 34.5 days assuming the special agent had two commutes per day.

¹⁹ We calculated 200 days by starting with the number of business days in a year (260), less the maximum amount of sick leave (13 days) and annual leave (26 days) which could be accrued and used, and less the number of Federal holidays (10) in a year. In taking a conservative approach, we rounded down to 200 days.

Figure 5: Summary of Special Agents' Commutes

| Time Frame | Agents With Less Than 200 Commutes | Agents With Less Than 100 Commutes | Agents With Less Than 50 Commutes |
|------------------------------|------------------------------------|------------------------------------|-----------------------------------|
| February 2019 – January 2020 | 1,177 of 1,210 | 856 of 1,210 | 556 of 1,210 |

Source: TIGTA analysis of CIMIS data.

CI is required by law to maintain logs to establish the official purpose of Home-to-Work transportation.²⁰ Further, TD P 74-06 also requires that these logs capture all usage of the Government-operated vehicles outside of the normally scheduled tour of duty hours, *e.g.*, call-outs. Agents with Home-to-Work authorization must log all commutes and other uses of the vehicle outside the normally scheduled tour of duty hours. This information is to be entered by agents into their diaries and also entered in the template in the CIMIS. Supervisory special agents are required to review and sign the special agent's monthly vehicle logs and review related expenses. However, our review of CIMIS data found that information reported by the special agents did not include sufficient information about call-outs and commuting mileage. Examples of additional data that could be used to validate an agent's vehicle use would include the date, time, duration, and associated case number for call-outs and determining if mileage should be attributed to a commute or a call-out (which in turn would be reported as mission miles). CI executives expressed concern about tracking these details associated with call-outs given potential privacy and grand jury rule violations. It is important that CI balance privacy needs with ensuring that sufficient details and accurate information are maintained, as this is key to CI being able to provide agents Home-to-Work privileges and ensuring that data are valid.

During our discussions, CI management noted that changes were implemented to improve the accuracy of vehicle data input into the CIMIS. Specifically, CI expanded on a pilot program that allows special agents and supervisors to upload vehicle log entries directly from their vehicle diaries into the CIMIS. According to CI management, this enhancement should eliminate the need for administrative support staff to transcribe vehicle data from diaries into the CIMIS. In addition, the CI Director, Operations and Policy Support, issued a November 2020 e-mail to supervisory special agents reemphasizing the requirement that supervisory special agents review and approve of their special agents' monthly vehicle logs. These vehicle logs contain information regarding the use of fleet vehicles, including but not limited to data on the number of call-outs, Home-to-Work and Work-to-Home commutes, and mission mileage as entered by the special agent. When we notified CI of questionable data during our fieldwork, CI management stated that their reemphasis was the result of internally reported excessive call-outs.

Based on the evidence and documentation provided by CI, there were 342 special agents who did not report any commutes during the three-year period shown above in Figure 4. If these agents' individually assigned vehicles were transitioned into pool vehicles at a two-to-one ratio, CI could potentially have realized cost savings of more than \$871,682.

Flawed guidance resulted in inaccurate reporting practices

During this review, we found that the special agents were not provided clear guidance to accurately input commuting miles. CI fleet management distributed guidance in the form of a "go-by" to special agents, which altered the type of information being gathered. This guidance

²⁰ 31 U.S.C. § 1344(f).

instructed special agents to record commuting data without specifying whether the commute was within their tour of duty. The number of commutes, commuting mileage, and whether or not a commute was within a special agent's tour of duty are all elements associated with CI's compliance with Home-to-Work authority. Instructing agents to enter information without the necessary details increases the risk that there may be insufficient details or record of vehicle use outside of the normally scheduled tour of duty hours as required.

According to CI management, special agents follow CI Directive No. 3, *Use of Government Owned/Leased Vehicles*, dated August 2016, as reporting guidance.²¹ The CI Directive defines a commute as any trip that begins from a personal residence and ends at the agent's official IRS POD. In addition, CI Directive No. 3 does not include consideration or flexibility for recording travel from an agent's residence to worksites other than an agent's official IRS POD as a commute. As such, any trips within an agent's commuting area, beginning at their residence but ending at a worksite other than their official IRS POD, are considered mission miles.

The definition of a commute in the CI Directive reduces the number of commutes that a special agent would report. The inability to accurately account for commutes should affect those special agents' continued participation in the Home-to-Work program. The lack of, or inaccurately reported, commuting miles referred to previously result in an overstatement of mission miles. The inconsistent and questionable reporting of commutes and commuting mileage, and related mission miles, bring into question CI's ability to maintain sufficiently detailed, accurate information and data to support day-to-day oversight of the fleet as well as its compliance with requirements under Home-to-Work authorization.

While tracking commutes versus mission miles may appear to be a minor recording distinction, continued participation in the Home-to-Work program includes criteria that commuting should not exceed 49 percent of the total usage of the vehicle during the fiscal year. Department of the Treasury fleet management also noted that not using the vehicles for commuting purposes brings into question whether the need for transportation between an agent's residence and their work location is essential to the safe and efficient performance of their duties, and as such, the overall need for Home-to-Work authority and individually assigned vehicles.²²

In addition, the IRS Commissioner signs and attests to the necessity of CI's Home-to-Work Authorization request. We reviewed five of these past requests and supporting justification attachments and found many instances in which supporting data/information provided may not be accurate or validated/verified because they are obtained through these same potentially erroneous CIMIS records.

If CI cannot accurately substantiate its Home-to-Work commutes and fulfill the requirements as set forth in TD P 74-06, considering a change from individual vehicle assignments to a law enforcement pool fleet would be judicious. TD P 74-01 allows a law enforcement agency that has vehicles engaged in actual law enforcement activities 75 percent or more of the time to establish a motor pool from authorized vehicles and maintain a personnel-to-vehicle ratio of two-to-one or higher in order to achieve optimum fleet size. In determining whether to establish or maintain a vehicle pool system, various aspects of costs and savings should be

²¹ Internal Revenue Manual 9.1.4.4 (Aug. 11, 2016).

²² To meet the minimum requirements of the CI Home-to-Work program, special agents must have at least 10 or more call-outs per year, a commute distance of less than 50 miles one-way, and less than a 50 percent commuting miles percentage (commuting miles compared to total miles driven by the special agent).

considered, including a comparison of estimated costs for the current and proposed methods of fleet management as well as a demonstration of savings that may be realized.

The Chief, CI, should:

Recommendation 1: Establish controls for CI fleet management to regularly review fleet information such as call-outs, commutes, and mission miles to identify and validate questionable fleet data.

Management's Response: The IRS agreed with this recommendation and implemented an automated procedure in October 2020 that requires special agents to upload their own Government-owned vehicle report into the CIMIS. In addition, the IRS noted that quarterly audits are also being conducted at the headquarters level to ensure that any questionable data are validated and corrected and that Government-owned vehicle logs are reviewed for accuracy.

Recommendation 2: Allow sufficient authority that fleet management may oversee and enforce necessary correction of data associated with vehicle and fleet use, such as lack of commutes or excessive or minimal call-outs and mission miles, and take appropriate action to rescind vehicle assignments and Home-to-Work authority when needed.

Management's Response: The IRS agreed with this recommendation and reemphasized the use of quarterly audits conducted by fleet management at the headquarters level to ensure that data are validated and corrections are made accordingly. In October 2020, the IRS identified the Home-to-Work records of 40 Special Agents for additional review. In addition, approval for additional staff is being sought to continue to improve the program and enhance internal controls.

Recommendation 3: Allow for fleet management to update or expand on data compiled to allow for the capture of sufficient details associated with commutes and call-outs in order to accurately support calculations associated with Home-to-Work privileges.

Management's Response: The IRS disagreed with this recommendation. IRS management stated that CI is currently in compliance with TD P 74-06 and that the IRS collects all necessary information required by TD P 74-06.

In addition, the IRS believes that collecting additional detail related to call-outs and commutes would put the IRS in violation of the Internal Revenue Code provision governing confidentiality and disclosure of returns and return information and/or the Federal Rule of Criminal Procedure governing disclosure of grand jury material. Furthermore, collecting more detail related to call-outs could also jeopardize sensitive law enforcement information.

Office of Audit Comment: We believe that allowing fleet management to update or expand the data that are currently collected will improve the IRS's ability to validate the accuracy of the information reported. Without requiring additional details associated with individual call-outs, or being provided the authority to question data entries by special agents, the CI fleet manager will have insufficient data to track, monitor, or ensure the accuracy/validity of the number of official call-outs as required by TD P 74-06.

Documented Vehicle Use Does Not Justify Fleet Program Size

Our review of inventory reports and Home-to-Work reports provided by CI fleet management found that CI is unnecessarily retaining and paying for an excessive number of fleet vehicles. According to CI fleet management, CI's vehicle utilization criteria allows for one vehicle per special agent in the field and one pool vehicle for each supervisory special agent's staff but that CI does not have any mileage utilization criteria – minimums or maximums – in order to support effective use of its fleet.

Our review of mission miles reported by special agents with individual vehicle assignments in the United States, from April 1, 2017, through January 31, 2020, found that the mission miles reported by as many as 452 (33 percent), 494 (39 percent) and 434 (36 percent) of these special agents would not have met the minimum requirements established for an individual vehicle assignment based on the guidelines used by the IRS's Facilities Management and Security Service Division.²³ Figure 6 shows the year-to-year mission miles reported by special agents for this time period.

Figure 6: Mission Miles for Individually Assigned Vehicles²⁴

| Number of Mission Miles Reported | April 1, 2017, Through March 31, 2018 | February 1, 2018, Through January 31, 2019 | February 1, 2019, Through January 31, 2020 |
|---|--|---|---|
| 7,200 or less | 452 | 494 | 434 |
| 7,201 to 14,999 | 764 | 686 | 626 |
| 15,000 plus | 167 | 110 | 150 |
| Totals | 1,383 | 1,290 | 1,210 |

Source: TIGTA analysis of CI vehicle usage statistics.

TD P 74-01 states that each bureau or office will establish a policy with clearly defined vehicle utilization criteria related to the mission of a vehicle to ensure that decisions to acquire and retain vehicles are based on a validated need. Utilization is defined in TD P 74-01 as the measurement of a vehicle's usage, usually expressed in average annual miles per vehicle (based on average in-use vehicle inventory and total mileage by vehicle type).

CI management indicated that CI has no formal policy outlining its utilization criteria; instead, CI's utilization criteria was established as part of its approved Home-to-Work authority under TD P 74-06. They further stated that commuting should not exceed 49 percent of the total usage of the vehicle during the fiscal year, but that there was no formal policy.

The IRS's Facilities Management and Security Service Division requires a minimum of 7,200 miles per year in metropolitan areas or 12,000 miles per year in rural areas when assigning individual vehicles. The Facilities Management and Security Service Division also notes that not meeting

²³ A mission mile is mileage that is associated with agents performing their day to day duties. These miles exclude Home-to-Work miles and Work-to-Home miles.

²⁴ Data provided by CI fleet management included overlapping periods that we were unable to separate on a fiscal year basis. We requested the same data on a fiscal year basis, but the data were not provided as of the end of our fieldwork.

the mileage requirements results in consideration of "pool" use of GSA vehicles. Mileage minimums are also used to determine utilization in various other Government agencies.

CI fleet inventory includes unnecessary pool vehicles

Our analysis of the number of pool vehicles compared to CI fleet management's utilization criteria (one vehicle per special agent in the field and one pool vehicle for each supervisory special agent's staff) found there were excess pool vehicles in the CI fleet inventory. According to CI fleet management, CI uses data from the CI Strategy function to calculate the number of projected new hires less the estimated mandatory retirements to determine how many vehicles to keep in the pool vehicle inventory, with the remaining vehicles being excess over current staffing. Figure 7 indicates that 58, 140, and 10 vehicles were added to pool inventory due to attrition in FYs 2017, 2018, and 2019, respectively; however, none of these vehicles were excess during these time frames, effectively increasing the number of vehicles in CI's pool fleet. Figure 7 shows an estimate of the potential savings if these vehicles had been removed from the fleet. Over three years, cost savings of \$1,016,606 could have been realized.

**Figure 7: CI Strategy Function New Hire
and Attrition for FYs 2017 Through 2019**

| FY | Actual New Hires | Actual Separations | Additional Pool Vehicles | Potential Savings²⁵ |
|-------------|-----------------------------|-------------------------------|---|---|
| | (a) | (b) | (b) - (a) | |
| 2017 | 79 | 137 | 58 | \$272,716 |
| 2018 | 11 | 151 | 140 | \$690,760 |
| 2019 | 120 | 130 | 10 | \$53,130 |

Source: TIGTA analysis of CI Strategy function reports.

In addition to differences between the number of retirements and new hires that can create an overabundance of vehicles, extensive instruction and on-the-job training reduce the immediate need for vehicles by newly hired special agents. Initially, CI new hires attend Special Agent Basic Training at the Federal Law Enforcement Training Center. This training is completed in approximately six months. In addition, our review of CI's promotional recruitment video suggests that a newly hired special agent will spend approximately 70 percent of his or her time in the office, and new hires are not considered Home-to-Work eligible until they report to the field office and are deemed field ready.²⁶ This process could take up to an additional six months to a year. Based on this information, it is evident that new hires do not need to be allocated a car immediately, and this should be taken into account when CI assesses its vehicle needs.

TD P 74-01 states that motor vehicle resources will be organized and managed to ensure optimum responsiveness, efficiency, and economy in support of mission requirements and that each bureau or office shall operate and maintain only the minimum number of vehicles of each

²⁵ Potential savings is the product of the number of Actual Excess Vehicles multiplied by the Approximate Cost per Vehicle per year as shown in Figure 1.

²⁶ "Field ready" is a special agent who has the ability to respond to law enforcement duties and would be eligible for Home-to-Work authorization under 31 U.S.C. § 1344(a)(2)(B).

type necessary to meet that bureau's legitimate transportation requirements. Realistic estimates and analysis on new hires and employee attrition are needed to ensure that CI reduces excess vehicle inventory and unnecessary costs.

Certain positions in CI do not support the need for an individually assigned vehicle

The assignment of an employee to a position does not, of itself, entitle an employee to receive daily Home-to-Work transportation. In FY 2011, CI reduced the number of individually assigned vehicles in certain positions and reduced the positions qualifying for Home-to-Work authority by approximately 200 special agents. The number of individually assigned vehicles was reduced if the daily individual use of a vehicle for law enforcement duties in the field was not supported. CI identified 64 special agents assigned to Headquarters and area functions that provided support to the field and approximately 127 special agent positions that were identified as no longer requiring Home-to-Work authorization. These positions included special agent computer investigative specialists, polygraph operators, agents located at CI's Electronic Crimes Lab, and attachés serving at foreign posts.

After describing these positions as unnecessary for individual vehicle assignment in its FY 2011 Home-to-Work authorization request, CI bulletins indicate that these positions were added back in to the Home-to-Work request in February 2014, which was subsequently approved by the Department of the Treasury. Further, according to documentation provided by CI management, a September 2014 message addressed to Directors of Field Operations, special agents in charge, and CI E-Crimes announced that a dedicated pool for special agent computer investigative specialists was to be established. The reassignment in the CIMIS reflected only the transfer in physical custody and control, it did not signify that Home-to-Work transportation authority had been restored to these special agents. This message stated that CI Headquarters would be requesting restored Home-to-Work authority for computer investigative specialists with the December 2014 request (tentative effective date of June 1, 2015) to the Department of the Treasury. Based on the evidence and documentation provided, it is evident that there have been questions in the past regarding the necessity for certain positions to be assigned individual vehicles. After reviewing the position descriptions for similar positions as previously described, it is not clear that individual vehicle assignment would be necessary to carry out their day-to-day duties.

Figure 8 shows the potential savings associated with positions that in recent years, based on positions descriptions similar to those removed in FY 2011, may not be regularly engaged in duties that would require individual assignment of a vehicle.²⁷ The major duties associated with these position descriptions are included in Appendix III.

²⁷ Positions included program coordinator, Headquarters analyst, senior web analyst, resident course developer instructor, and special agent in training.

**Figure 8: Potential Savings in Removing Vehicle
Assignments Associated With Questionable Positions**

| Time Frame | Questionable Qualified Positions | Average Annual Vehicle Expense | Potential Savings |
|------------------------------|-------------------------------------|-----------------------------------|-------------------|
| April 2017 – March 2018 | 120 | \$4,702 | \$564,240 |
| February 2018 – January 2019 | 118 | \$4,934 | \$582,212 |
| February 2019 – January 2020 | 107 | \$5,313 | \$568,491 |
| Total | | | \$1,714,943 |

Source: TIGTA analysis of CI fleet data.

As shown in Figure 8, eliminating questionable positions from Home-to-Work authority could have provided cost savings of over \$1,714,943 over the three 12-month time frames included in our analysis. Appropriate analysis, controls, and measurable use associated with vehicle utilization, including realistic estimates on new hires and employee attrition and evaluating the necessity for Home-to-Work authority for special agent positions that do not qualify, are needed to ensure that CI reduces excess vehicle inventory and reduces unnecessary costs when possible.

The Chief, CI, should:

Recommendation 4: Establish a policy, as required under TD P 74-01, with clearly defined and measurable utilization criteria that includes characteristics associated with the day-to-day use of both individually assigned and pool vehicles for law enforcement duties.

Management's Response: The IRS agreed with this recommendation. On February 18, 2021, the IRS issued the Government Owned Utilization Policy Memorandum, which establishes policy defined under TD P 74-01. The policy reinforces the rules and usage criteria that special agents are required to meet for ongoing Home-to-Work authority.

Recommendation 5: Prioritize potential cost-savings by establishing a process to regularly evaluate fleet vehicles against established utilization criteria and ensure that decisions to acquire and/or retain vehicles are based on a validated need.

Management's Response: The IRS agreed with this recommendation. IRS management stated that this process has been in place for many years, and that each year, the IRS evaluates the needs of the overall fleet as part of ongoing efforts. A vehicle audit of the field offices was conducted prior to the FY 2021 fleet ordering cycle to ensure that the IRS has the correct number of vehicles for positions that maintain Home-to-Work authorization.

Office of Audit Comment: Although the IRS agreed with this recommendation, it was unable to provide the Vehicle Allocation Methodology and comparison reports associated with this process during this audit. Audit documentation also supports that these reports were not provided to the Department of the Treasury as required by TD P 74-01.

Recommendation 6: Establish a law enforcement pool as appropriate for those special agents who do not meet utilization criteria and for whom the day-to-day use of a vehicle for law enforcement duties is not realized.

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Management's Response: The IRS disagreed with this recommendation. It stated that, under its current policy, Government-owned vehicles are made available to special agents who do not meet utilization criteria (*i.e.*, who are suspended from Home-to-Work) to complete work-related assignments. However, those agents are prohibited from commuting in a Government-owned vehicle.

Office of Audit Comment: Although the IRS notes that agents who do not meet utilization criteria are prohibited from commuting in a Government-owned vehicle, we believe that establishing a law enforcement pool is beneficial to ensure that CI reduces excess vehicle inventory and reduces unnecessary costs when possible.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine whether CI's management of Government vehicles promotes the efficient and effective use of resources. To accomplish our objective, we:

- Identified and evaluated the policies, procedures, and other guidance related to the management of the CI vehicle fleet, including but not limited to policies, procedures, standards, directives, or statutes related to CI vehicle utilization.
- Identified and assessed CI's criteria/requirements for determining fleet vehicle needs as well as the utilization of fleet vehicles.
- Determined if CI is compliant with established policies, responsibilities, and reporting requirements concerning official use of Government passenger carriers, including motor vehicles, between an employee's residence and place of employment, referred to as Home-to-Work.
- Determined whether sufficient internal controls are in place to ensure the efficient and effective management of the CI fleet.
- Evaluated the risk for fraud, waste, and abuse to obtain reasonable assurance that widespread improprieties do not exist in CI's fleet management program.

Performance of This Review

This review was performed at the TIGTA offices in Holtsville, New York; CI offices in Bethpage, Hauppauge, and New York, New York; and CI Headquarters in Washington, D.C., during the period October 2019 through November 2020. We used information obtained from the CIMIS and CI fleet management for our review. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major contributors to the report were Matthew Weir, Assistant Inspector General for Audit (Compliance and Enforcement Operations); Linna Hung, Director; Glenn Rhoades, Director; Curtis Kirschner, Audit Manager; Daniel O'Keefe, Lead Auditor; and Nancy VanHouten, Senior Auditor.

Validity and Reliability of Data From Computer-Based Systems

During this review, we relied on data the IRS provided to us from the CIMIS. We were able to perform limited testing to assess the reliability of data from the CIMIS. We evaluated the data by performing site visits to the Bethpage, Hauppauge, and New York, New York, field offices and reconciling vehicle assignments, approximate mileage, and the presence of added enforcement equipment. Our ability to perform additional site visits and validation was impeded by the Coronavirus Disease 2019 pandemic. We also reviewed existing information about the data and

the system that produced them and interviewed agency officials knowledgeable about the data. We determined that the data provided by CI were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: IRS policies, procedures, and practices for management of the CI vehicle fleet. We evaluated these controls by reviewing source materials, interviewing management and subject matter experts, and reviewing the data and information provided by CI fleet management.

Appendix II

Outcome Measures

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

Type and Value of Outcome Measure:

- Funds Put to Better Use – Potential; \$1.0 million in savings from reducing excess pool vehicles (see Recommendation 5).

Methodology Used to Measure the Reported Benefit:

Our analysis of the number of pool vehicles compared to CI's utilization criteria (of one vehicle per special agent in the field and one pool vehicle for each supervisory special agent's staff) found there were excess pool vehicles in the CI fleet inventory. In FYs 2017, 2018, and 2019, there were 58, 140, and 10 vehicles, respectively, that were added to pool inventory due to experiencing more separations than new hires. We calculated the leased vehicle expense for each fiscal year by dividing the total vehicle lease expense by the number of leased vehicles in those fiscal years.

**Figure 1: CI GSA Fleet Vehicle Expenses
for FYs 2017 Through 2019**

| FY | GSA-Leased Vehicles | Leased Vehicle Annual Expense | Approximate Cost per Vehicle |
|-------------|----------------------------|--------------------------------------|-------------------------------------|
| 2017 | 2,303 | \$10,828,794 | \$4,702 |
| 2018 | 2,264 | \$11,170,075 | \$4,934 |
| 2019 | 2,251 | \$11,960,186 | \$5,313 |

Source: TIGTA analysis of CI fleet reports.

Multiplying the number of excess pool vehicles by the approximate cost per vehicle, we calculated the potential funds associated with these vehicles.

Figure 2: Potential Savings From Excess Pool Vehicles

| FY | Approximate Vehicle Cost Per Year (a) | Additional Pool Vehicles (b) | Potential Savings¹ (a) * (b) |
|--------------|--|---|--|
| 2017 | \$4,702 | 58 | \$272,716 |
| 2018 | \$4,934 | 140 | \$690,760 |
| 2019 | \$5,313 | 10 | \$53,130 |
| Total | | | \$1,016,606 |

Source: TIGTA calculation of potential funds put to better use.

Type and Value of Outcome Measure:

- Funds Put to Better Use – Potential; \$871,682 in savings from transitioning individually assigned vehicles to pool vehicles at a two-to-one ratio (see Recommendation 6).

Methodology Used to Measure the Reported Benefit:

Our review of the number of commutes reported by special agents found that 342 special agents reported zero commutes between April 2017 and January 2020. Based on the data provided by CI, if these individually assigned vehicles were transitioned into pool vehicles at a two-to-one ratio, CI could potentially have realized cost savings of more than \$871,682.

We calculated the leased vehicle expense for each fiscal year by dividing the total vehicle lease expense by the number of leased vehicles in those fiscal years.

**Figure 3: CI GSA Fleet Vehicle Expenses
for FYs 2017 Through 2019**

| FY | GSA-Leased Vehicles | Leased Vehicle Annual Expense | Approximate Per Vehicle Cost |
|-------------|----------------------------|--------------------------------------|-------------------------------------|
| 2017 | 2,303 | \$10,828,794 | \$4,702 |
| 2018 | 2,264 | \$11,170,075 | \$4,934 |
| 2019 | 2,251 | \$11,960,186 | \$5,313 |

Source: TIGTA analysis of CI fleet reports.

Multiplying the number of transitioned vehicles by the approximate cost per vehicle and dividing by two (to reflect assignment at a ratio of two special agents to one vehicle), we calculated the potential funds associated with these vehicles.

¹ Potential savings is the product of the number of Actual Excess Vehicles multiplied by the Approximate Cost per Vehicle per year as shown in Figure 1.

**Figure 4: Potential Savings From Transitioning
Individually Assigned Vehicles to Pool Vehicles**

| Time Frame | # of Agents With 0 Commutes | Average Annual Vehicle Expense | Potential Savings |
|-------------------------------------|--|--|--------------------------|
| April 2017 – March 2018 | 112 | \$4,702 | \$526,624 |
| February 2018 – January 2019 | 126 | \$4,934 | \$621,684 |
| February 2019 – January 2020 | 104 | \$5,313 | \$595,056 |
| Subtotal | | | \$1,743,364 |
| | | Divide Subtotal by 2 Special Agents per Vehicle | |
| Total | | | \$871,682 |

Source: TIGTA analysis of CI fleet data.

Type and Value of Outcome Measure:

- Funds Put to Better Use – Potential; \$1.7 million in savings from reducing assigned individual vehicles from questionable positions (see Recommendation 6).

Methodology Used to Measure the Reported Benefit:

In FY 2011, CI reduced the number of individually assigned vehicles in certain positions and the positions qualifying for Home-to-Work authority by approximately 200 special agents. CI identified 64 special agents assigned to Headquarters and area functions who provided support to the field and approximately 127 special agent positions that were identified as no longer requiring Home-to-Work authorization.

These positions included special agent computer investigative specialists, polygraph operators, agents located at CI's Electronic Crimes Lab, and attachés serving at foreign posts. It is unclear why, but by FY 2015, CI had reclaimed many of these positions under its Home-to-Work authority request.

Based on position descriptions of those removed in FY 2011, we identified similar positions from April 2017 through January 2020 that may indicate special agents who may not be regularly engaged in "field investigative responsibilities" or meet Home-to-Work qualifying criteria. These positions included program coordinator, Headquarters analyst, senior web analyst, resident course developer instructor, and special agent in training. We identified from 107 to 120 positions for each 12-month period for which we were provided vehicle information.

We also calculated the leased vehicle expense for each fiscal year by dividing the total vehicle lease expense by the number of leased vehicles in those fiscal years.

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Fleet Management Program Can Be Improved**

Figure 5: CI GSA Fleet Vehicle Expenses for FYs 2017 Through 2019

| FY | GSA-Leased Vehicles | Leased Vehicle Annual Expense | Approximate Per Vehicle Cost |
|-------------|----------------------------|--------------------------------------|-------------------------------------|
| 2017 | 2,303 | \$10,828,794 | \$4,702 |
| 2018 | 2,264 | \$11,170,075 | \$4,934 |
| 2019 | 2,251 | \$11,960,186 | \$5,313 |

Source: TIGTA analysis of CI fleet reports.

Eliminating questionable positions like these from Home-to-Work authority and individual vehicle assignments could have provided a total cost-savings of \$1,714,943.

**Figure 6: Potential Savings From Removing Vehicle
Assignments Associated With Questionable Positions**

| Time Frame | Questionable Qualified Positions | Average Annual Vehicle Expense | Potential Savings |
|-------------------------------------|---|---------------------------------------|--------------------------|
| April 2017 – March 2018 | 120 | \$4,702 | \$564,240 |
| February 2018 – January 2019 | 118 | \$4,934 | \$582,212 |
| February 2019 – January 2020 | 107 | \$5,313 | \$568,491 |
| Total | | | \$1,714,943 |

Source: TIGTA analysis of CI fleet data.

Appendix III

Major Duties of IRS Position Descriptions

| Title | Position Description |
|--|---|
| Analyst Director Field Operations | <p>Assists the Director in planning, organizing, and/or leading efforts to evaluate exceptionally complex plans and proposals for projects involving broad areas of work processes, operations practices, and integration between various functional areas. Projects and studies involve providing technical expertise, directing analysis and evaluation of plans and proposals for projects, providing implementation support, assessing accomplishment of program and management goals and objectives, and prescribing or formulating new or revised policy. Confers with field managers or other field officials on delicate or sensitive matters related to national CI programs.</p> <p>Represents CI in conferences with top echelon personnel of other IRS divisions, Chief Counsel, and the Department of Justice for the purposes of developing and coordinating investigative plans and programs having multidivisional and interagency impact. Exercises authority to represent and make commitments on behalf of the Director or Associate Director regarding program operations and the administrative management of the organization.</p> <p>Develops strategic planning initiatives and makes policy determinations for CI to combat cybercrime as it relates to e-commerce and tax evasion using advanced technological methods.</p> <p>Develops, identifies, and analyzes data required for use in Internal Revenue Manuals (IRM), National CI policy and program statements, and various guidelines and instructions. Ensures that recommendations for program execution are fully compatible with the technical and administrative provisions of the IRM, regulations, Court decisions, and IRS policy and procedures.</p> <p>Develops management and/or program evaluation plans, procedures, and methodologies for assigned program areas. Evaluates programs, cases, and projects for which responsibility has been assigned, determining where problems may exist and identifying areas for improvement. Independently conducts studies in these areas, determines corrective actions required, and plans courses of action to implement changes.</p> <p>Conducts national evaluation reviews of field programs in order to observe and/or to improve operating and investigative procedures, investigation management, and quality control procedures in terms of effective implementation of program objectives and CI goals. Conducts studies of employee/organizational efficiency and productivity and recommends changes or improvements in organization, staffing, work methods, and procedures.</p> <p>As required, protects IRS employees and property during civil or other disturbances and performs other protective assignments as requested. Periodically serves on the Commissioner's Protection Detail.</p> <p>Performs other duties as assigned.</p> |

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| | |
|---------------------------------|---|
| Analyst Headquarters | <p>Assists the Director in planning, organizing, and/or leading efforts to evaluate exceptionally complex plans and proposals for projects involving broad areas of work processes, operations practices, and integration between various functional areas. Projects and studies involve providing technical expertise, directing analysis and evaluation of plans and proposals for projects, providing implementation support, assessing accomplishment of program and management goals and objectives, and prescribing or formulating new or revised policy. Confers with field managers or other field officials on delicate or sensitive matters relating to national CI programs.</p> <p>Represents CI in conferences with top echelon personnel of other IRS divisions, Chief Counsel, and the Department of Justice for the purposes of developing and coordinating investigative plans and programs having multidivisional and interagency impact. Exercises authority to represent and make commitments on behalf of the Director or Associate Director regarding program operations and the administrative management of the organization.</p> <p>Develops strategic planning initiatives and makes policy determinations for CI to combat cybercrime as it relates to e-commerce and tax evasion using advanced technological methods.</p> <p>Develops, identifies, and analyzes data required for use in the IRM, National CI policy and program statements, and various guidelines and instructions. Ensures that recommendations for program execution are fully compatible with the technical and administrative provisions of the IRM, regulations, Court decisions, and IRS policy and procedures.</p> <p>Develops management and/or program evaluation plans, procedures, and methodologies for assigned program areas. Evaluates programs, cases, and projects for which responsibility has been assigned, determining where problems may exist and identifying areas for improvement. Independently conducts studies in these areas, determines corrective actions required, and plans courses of action to implement changes.</p> <p>Conducts national evaluation reviews of field programs in order to observe and/or to improve operating and investigative procedures, investigation management, and quality control procedures in terms of effective implementation of program objectives and CI goals. Conducts studies of employee/organizational efficiency and productivity and recommends changes or improvements in organization, staffing, work methods, and procedures.</p> <p>As required, protects IRS employees and property during civil or other disturbances and performs other protective assignments as requested. Periodically serves on the Commissioner's Protection Detail.</p> <p>Performs other duties as assigned.</p> |
| Program Coordinator | <i>CI management advised that this position description could not be located.</i> |

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**Resident Course
Developer Instructor**

Designs and develops programs and course materials in the field of law enforcement; determines course objectives; and identifies related knowledge, skills, and abilities which lead to the achievement of training objectives. The subject area is complex, constantly changing, and controversial, requiring continuous course-related research and extensive knowledge of all aspects of the training curriculum. Some training courses involve advanced areas of law enforcement and investigation and require the instructor to continually assess and revise course content in light of changing conditions. Courses are highly theoretical and abstract and typically are directed to technical specialists.

Provides training to the staff who will be using new programs and course material using diverse instructional methods in order to present law enforcement subjects in a classroom during practical application sessions. The courses cover subject matter comparable to the graduate school level and involve highly complex law enforcement techniques, operations, and issues.

Determines the need for and generates surveys and studies to implement new training programs and course material. Analyzes information and writes comprehensive summaries and reports regarding the development of courses, the effectiveness of Federal Law Enforcement Training Center's and National Criminal Investigation Training Academy's programs, *etc.*, in order to enable course development and instructor teams to function effectively.

Participates in the planning, analysis, and decision-making processes for the development and delivery of training courses. The complexity of these duties is compounded by the fact that more than one activity may be coordinated concurrently.

Frequently participates in ad hoc committees made up of representatives of the National Criminal Investigation Training Academy, Federal Law Enforcement Training Center, or other agencies concerned with training policies and academic requirements.

Coordinates and guides the work of task force members and other training support personnel. Reviews and revises technical training materials prepared by others.

As required, protects IRS employees and property during civil or other disturbances and protects dignitaries as requested by the U.S. Secret Service.

Performs other duties as assigned.

Senior Web Analyst

Provides analytical advice and assistance to management on the application and integration of Internet services to the achievement of organizational goals.

Consults with appropriate experts in the development of a website design that will effectively present information in the most complete, comprehensive, and user-friendly manner.

Provides written and oral guidance and advice to Web content providers on presentation of material and methods of validating new and current material.

Meets with management and employee groups of each CI organization to assess customer needs in relation to CI Web information services.

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| | |
|----------------------------------|---|
| | <p>Assists in monitoring website content to ensure that it remains current and accurate and ensures that site references provide the expected navigation through the Web.</p> <p>Identifies system complaints and problems in relation to Web design and coordinates with appropriate experts for resolution.</p> <p>Serves as a member of the CI Internet committee, participating in identifying policy needs and priorities, including determination of the content and functions of both the website and the contact center. Recommends improvements based on current needs and in anticipation of future requirements and capabilities.</p> <p>Performs other duties as needed.</p> |
| Special Agent in Training | <p>The special agent is trained in preparation for performing work at higher grade levels. The special agent trainee receives (or continues to receive) formal classroom and on-the-job instruction and training in planning and conducting investigations relative to criminal statutes of tax administration, financial crimes, and other related offenses. The special agent receives training in investigative techniques and procedures, tax law, Federal criminal procedures and evidentiary rules, preparation of reports, behavioral sciences, use of firearms, and other enforcement techniques.</p> <p>On-the-job training assignments are planned so that the special agent trainee can apply the skills and knowledge gained in formal classroom training. Examples of on-the-job training assignments are observing experienced agents in the performance of their duties, assisting with third-party interviews, recording information from informants, gathering information and analyzing books and records, work in collateral investigations, <i>etc.</i></p> <p>Learns techniques for participating in enforcement activities such as surveillance, armed escorts, dignitary protection, undercover operations, execution of search and arrest warrants, seizures, <i>etc.</i></p> |

Source: IRS Standard Position Description Library.

Appendix IV

Management's Response to the Draft Report



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

Criminal Investigation

March 26, 2021

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

James C. Lee

A handwritten signature of James C. Lee in black ink, with a small "E" above the end of the signature.

Chief, Criminal Investigation

SUBJECT:

Draft Audit Report - Audit# 202030024, Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

Thank you for the opportunity to review and comment on the TIGTA Draft Report #202030024 – *"Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved,"* dated February 18, 2021. The IRS takes seriously our responsibility to ensure that all policies related to the IRS' use of fleet vehicles demonstrate proper controls with only the highest levels of efficiency and security in mind. We are committed to adhering to all federal laws, regulations, and IRS policies, procedures and guidelines that are applicable to the management of our vehicle fleet.

The IRS has numerous controls in place to ensure responsible management of our vehicle fleet. We appreciate TIGTA's recommendations to improve controls and overall management of the IRS fleet. We have already implemented mitigating steps and created plans of action to address many of them.

We recently implemented an automated procedure that requires special agents to upload their Government Owned Vehicle reports directly into our system, which we expect will greatly reduce the likelihood of errors. We conduct quarterly audits of these reports at the headquarters level. We believe that the information we provided demonstrates that we are in compliance with Department of the Treasury requirements regarding Home-to-Work transportation controls.

In addition to our responses to TIGTA's recommendations, we would like to respond to some additional findings highlighted in the Draft Report.

The IRS disagrees with TIGTA's conclusion that 342 special agents with zero commutes are not meeting the Home-to-Work (HTW) criteria. TD P 74-06 does not include a requirement for a minimum commuting threshold. TIGTA does specifically address in the report that over 97 percent of IRS special agents are meeting the TD P

Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

74-06 requirement that commute mileage should not exceed 49% of total mileage accumulated during the audit timeframe.

The IRS also disputes TIGTA's conclusion that newly trained special agents do not need to be allocated a car immediately. The standard position description for an entry level Grade 09 special agent states, "*The special agent works predominantly outside the office. Investigative work takes the agent into the environment in which subjects live and work; subjects and witnesses are from all walks of life, so work environments vary from the best to the worst and are, at times, potentially dangerous.*"

Finally, the IRS disagrees with TIGTA's assessment of questionable positions having HTW authority. Every two years, the IRS must provide a written request to the Department of the Treasury for HTW authorization in compliance with the TD P 74-06.

Attached is our response to your recommendations. If you have any questions, please contact Guy Ficco, Executive Director of Operations, Policy & Support, at 202-317-3804.

Attachment

Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

Attachment

RECOMMENDATION 1

The Chief, Criminal Investigation, should establish controls for CI fleet management to regularly review fleet information such as call-outs, commutes, and mission miles to identify and validate questionable fleet data.

CORRECTIVE ACTION

The IRS has had a long-standing practice to review this information; historically these controls have utilized a manual practice. To enhance and reinforce already established controls, beginning in October 2020, the IRS implemented an automated procedure that requires Special Agents to upload their own Government Owned Vehicle (GOV) report into our Criminal Investigation Management Information System (CIMIS). We anticipate that this practice will greatly reduce errors when recording call-outs, commutes, and mission miles. Quarterly audits are also being conducted at the headquarters level to ensure any questionable data is validated and corrected when necessary. Supervisory Special Agents (SSA) have always been required to review the GOV logs for accuracy monthly.

IMPLEMENTATION DATE

June 15, 2021

RESPONSIBLE OFFICIAL

CI's Executive Director of Operations, Policy & Support

CORRECTIVE ACTION MONITORING PLAN

IRS will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 2

The Chief, Criminal Investigation, should allow sufficient authority that fleet management may oversee and enforce necessary correction of data associated with vehicle and fleet use, such as lack of commutes, or excessive or minimal call-outs and mission miles, and take appropriate action to rescind vehicle assignments and Home-to-Work authority when needed.

CORRECTIVE ACTION

To enhance and reinforce already established controls, in October 2020, the IRS reemphasized the use of quarterly audits conducted by fleet management at the headquarters level to ensure data is validated and corrections are made accordingly. The quarterly audits look at a sliding twelve-month period of review to ensure ongoing compliance with the Home-to-Work (HTW) requirements.

The October 2020 audit flagged the HTW records of 40 special agents. Upon further investigation, we found that the majority of these special agents were in compliance with the requirements but had data errors needing correction or had changed positions or status within the period. Two suspensions were issued for failure to meet HTW criteria.

Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

Approval for additional staff is being sought to continue to improve the program and enhance internal controls.

IMPLEMENTATION DATE

N/A (Implemented)

RESPONSIBLE OFFICIAL

CI's Executive Director of Operations, Policy & Support

CORRECTIVE ACTION MONITORING PLAN

N/A.

RECOMMENDATION 3

The Chief, Criminal Investigation, should allow for fleet management to update or expand on data compiled to allow for the capture of sufficient details associated with commutes and call-outs in order to accurately support calculations associated with Home-to-Work privileges.

CORRECTIVE ACTION

The IRS is currently in compliance with Treasury Directive Publication 74-06 (TD P 74-06), "Guidelines for Home-to-Work Transportation Controls," dated February 15, 2013. The IRS collects all necessary information required by TD P 74-06.

Collecting additional detail related to call-outs and commutes would put the IRS in violation of the Internal Revenue Code provision governing confidentiality and disclosure of returns and return information and/or the Federal Rule of Criminal Procedure governing disclosure of grand jury material. Furthermore, collecting more detail related to call-outs could also jeopardize sensitive law enforcement information such as search warrants, seizure warrants, undercover operations, the use of confidential informants, and cooperating witnesses. As per policy, all recorded call-outs occur outside the special agents' core business hours and these call-outs are either case-related or emergency response.

IMPLEMENTATION DATE

N/A

RESPONSIBLE OFFICIAL

N/A

CORRECTIVE ACTION MONITORING PLAN

N/A

RECOMMENDATION 4

The Chief, Criminal Investigation, should establish a policy, as required under TD P 74-01, with clearly defined and measurable utilization criteria, which includes characteristics associated with the day-to-day use of both individually assigned and pool vehicles for law enforcement duties.

Internal Controls and Oversight in Criminal Investigation's Fleet Management Program Can Be Improved

CORRECTIVE ACTION

The IRS has procedures in place to adhere to the Treasury Directive. These procedures are specifically outlined in the Internal Revenue Manual as well as in field guidance outlining the HTW requirements. To formalize the policy, on February 18, 2021, the Executive Director of Operations, Policy & Support issued the Government Owned Utilization Policy Memorandum, which establishes policy defined under TD P 74-01. The policy reinforces the rules and usage criteria that special agents are required to meet for ongoing HTW authority.

IMPLEMENTATION DATE

N/A (Implemented)

RESPONSIBLE OFFICIAL

CI's Executive Director of Operations, Policy & Support

CORRECTIVE ACTION MONITORING PLAN

N/A.

RECOMMENDATION 5

The Chief, Criminal Investigation, should prioritize potential cost-savings by establishing a process to regularly evaluate fleet vehicles against established utilization criteria and ensure that decisions to acquire and/or retain vehicles are based on a validated need.

CORRECTIVE ACTION

This process has been in place for many years. Each year, the IRS evaluates the needs of the overall fleet as part of ongoing efforts. A vehicle audit of the field offices was conducted prior to the FY 2021 fleet ordering cycle to ensure that the IRS has the correct number of vehicles for positions that maintain HTW authorization.

From FY 2017 – 2019, the IRS turned in 110 vehicles without replacement because they were excess vehicles not needed in the field offices. This created a cost-savings for the IRS of approximately \$529,600 during this timeframe.

IMPLEMENTATION DATE

N/A (Implemented)

RESPONSIBLE OFFICIAL

CI's Executive Director of Operations, Policy & Support

CORRECTIVE ACTION MONITORING PLAN

N/A

RECOMMENDATION 6

The Chief, Criminal Investigation, should establish a law enforcement pool as appropriate for those special agents who do not meet utilization criteria and where the day-to-day use of a vehicle for law enforcement duties is not realized.

**Internal Controls and Oversight in Criminal Investigation's
Fleet Management Program Can Be Improved**

CORRECTIVE ACTION

Under current IRS policy, Government-Owned Vehicles (GOVs) are made available to special agents who do not meet utilization criteria (i.e., who are suspended from HTW) to complete work-related assignments. However, such a special agent is prohibited from commuting in a GOV.

IMPLEMENTATION DATE

N/A

RESPONSIBLE OFFICIAL

N/A

CORRECTIVE ACTION MONITORING PLAN

N/A

Appendix V

Abbreviations

| Term | Definition |
|-------|--|
| CI | Criminal Investigation |
| CIMIS | Criminal Investigation Management Information System |
| FY | Fiscal Year |
| GSA | General Services Administration |
| IRM | Internal Revenue Manual |
| IRS | Internal Revenue Service |
| POD | Post of Duty |
| TD P | Treasury Directive Publication |
| TIGTA | Treasury Inspector General for Tax Administration |



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