

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits

April 1, 2026

Report Number: 2026-108-017

HIGHLIGHTS: Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits

Final Audit Report issued on April 1, 2026

Report Number 2026-108-017

Why TIGTA Did This Audit

The IRS is authorized by law to establish a student loan repayment program to recruit or retain highly qualified personnel. The IRS received supplemental funding from the Inflation Reduction Act of 2022 and used some of these funds for its Student Loan Repayment Program (SLRP).

This audit assessed the effectiveness of controls over the employee SLRP.

Impact on Tax Administration

Approval for the SLRP benefit is contingent on employees committing to continue working for the IRS for three years. This program benefits the IRS by retaining highly qualified employees by reducing their student loan debts.

The IRS developed the SLRP and determined participants' eligibility. From its inception in Calendar Year 2023, the IRS repaid student loans totaling over \$86.5 million for nearly 8,000 employees (an average of nearly \$11,000 per employee).

Though the future of the SLRP is uncertain, it is critical that oversight continues as any funds returned to the IRS through repaid student loan benefits could be used to fund other IRS program improvements.

What TIGTA Found

In July 2025, SLRP personnel identified more than 1,000 employees who owe approximately \$8.2 million because they did not comply with some condition of their service agreement (*e.g.*, the employee left the IRS before working the three-year commitment). To collect the debt, the IRS must first establish the debt in coordination with appropriate federal agencies (*e.g.*, the IRS's payroll processing center). However, the IRS waited nearly two years to initiate steps to collect the debt from some employees.

If a student loan is repaid by the government, the amount repaid is considered taxable income. According to IRS management, debts were not originally established for employees because of concerns that it would impact the taxable income reported on their *W-2, Wage and Tax Statement*. However, the IRS could have issued corrected *W-2's*, if necessary.

During August and September 2025, the IRS established approximately \$4.8 million in debt for 542 employees who did not comply with their service agreement. Approximately \$3 million in debt for 399 employees still has not been established, and approximately \$400,000 was resolved. In addition, the IRS waived nearly \$10.6 million in unestablished debt for nearly 1,000 employees that separated because of the Deferred Resignation Program.

In addition, the IRS has not extended the service agreements for 9 of the 75 employees in our statistical sample who were in a non-pay status. According to SLRP personnel, there is no formal internal guidance that describes adjusting the service agreement. However, the service agreement and interim guidance provide details on the impact of leave without pay and other non-pay status. In August 2025, the IRS began updating the SLRP Desk Guide to include information on how to calculate service agreement extensions, and when applicable, how the service agreements will be extended.

If the IRS does not establish clear procedures to enforce the service agreement and debt policy, employees who committed to stay with the IRS may leave without repaying their loan benefit back to the IRS.

What TIGTA Recommended

We made five recommendations including that the IRS establish debt for the employees we identified who did not comply with their service agreement; develop procedures to identify additional employees that do not comply with their service agreement; and extend service agreements for the employees we identified who had a period of non-pay status.

IRS management agreed with all five recommendations.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024

April 1, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

A handwritten signature in black ink that reads "Diana M. Tengesdal".

FROM: Diana M. Tengesdal
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits (Audit No.: 2025108003)

This report presents the results of our review of to assess the effectiveness of controls over the employee Student Loan Repayment Program. This review was part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Managing a Reduced Workforce and Budget*.

Management's complete response to the draft report is included as Appendix III. If you have any questions, please contact me or Kasey J. Koontz, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

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Background

The Internal Revenue Service (IRS) is authorized by law to establish a student loan repayment program to recruit or retain highly qualified personnel.¹ The IRS established its Student Loan Repayment Program (SLRP) in Calendar Year (CY) 2023, and a portion of the funding from the Inflation Reduction Act of 2022 (IRA) was allotted for repayment of student loans for IRS employees.² From September 2023 through January 2025, over \$86.5 million in SLRP benefits were paid out to nearly 8,000 approved employees (an average of nearly \$11,000 per employee).

Payments made by the SLRP are subject to the availability of funds, paid directly to the lender, and limited to a maximum of \$10,000 per year, not to exceed \$60,000 for any one employee. Employees must enroll from March 1 through March 30 each year. Payments are processed annually for each approved employee, and the employee must reapply each subsequent year. To be eligible for the SLRP, an IRS employee must:

- Be identified as highly qualified.³
- Have a current performance appraisal of Fully Successful or higher.
- Have a qualifying student loan in the employee's name that was taken out before applying for the SLRP.
- Pass a misconduct and tax compliance screening.⁴

The Human Resources Shared Services (HRSS) Division within the Human Capital Office (HCO) is responsible for administering the SLRP. Throughout CY 2024, HRSS management updated its interim guidance, including a draft standard operating policy and desk guide to include the SLRP requirements listed above. The CY 2025 enrollment was postponed due to lack of funding, and HCO management is uncertain of the program's future.

The application for the SLRP includes a service agreement that requires the employee to complete a minimum of three years of continued service with the IRS. Since the program began in September 2023, the earliest a service agreement will conclude is in September 2026. In addition, SLRP personnel must extend the service agreement for periods when the employee enters a non-pay status, such as absent without leave, leave without pay, or suspension. Employees who do not complete the required service agreement period because they leave the IRS voluntarily or are separated for misconduct, unacceptable performance, or a negative suitability determination, must reimburse the IRS for the total amount of any SLRP benefits they received. However, the Commissioner of the IRS or a designee may waive an employee's debt, either partially or fully.

¹ 5 U.S.C. § 5379.

² Pub. L. No. 117-169, 136 Stat. 1818.

³ Employees complete Form 15431, *Student Loan Repayment Justification*, to describe how they are highly qualified, and the employee's immediate and second-level managers must agree with the statement and sign the form with their approval.

⁴ Tax and misconduct screenings are only completed when an employee applies for SLRP benefits and include only the one-year period preceding the application.

Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits

The National Finance Center (NFC) Special Payment Processing System (hereafter referred to as NFC payment system), is used to make SLRP benefit payments directly to the applicable lender. Employees have 60 business days from the date the lender receives the SLRP payment to provide payment verification from the lender to the SLRP office. The payment verification is used to confirm that the lender received the correct payment amount, and to identify any potential loan overpayments. It must include a payment history showing that the specific loan balance was reduced by the amount paid by the SLRP and the current loan balance after payment of benefits. If the SLRP benefit payment resulted in a loan overpayment, the employee must refund that amount back to the IRS within 60 calendar days.

HRSS employees perform the following SLRP duties:

- Reviewing applications for completeness, which includes reviewing required signatures on IRS Form 15430, *IRS Student Loan Repayment Program Service Agreement* and IRS Form 15431, *Student Loan Repayment Justification*.
- Ensuring that employee loans qualify for repayment.
- Requesting misconduct and tax compliance screenings to determine whether employees were suspended for 14 days or more within 12 months of applying for the program or have an in-process tax compliance case, which would make them ineligible in the year pending its resolution.
- Providing the reason when an application is denied.
- Confirming the availability of funds, ensuring that requests do not exceed \$10,000 per year, and logging payments in the NFC payment system for processing by the NFC.
- Monitoring when the employee submits their payment verification.
- Monitoring employee separations, periods in a non-pay status, and any refunds due to the IRS from applicable loan overpayments.
- Establishing debt for employees who do not comply with the terms of their service agreement.

To establish debt for employees who are still employed by the IRS, SLRP personnel complete an account receivable request and send it to the IRS Payroll Center to administer the collection. If the debt is not paid by the date established on the IRS debt letter, personnel within the Office of the Chief Financial Officer will refer the debt to the NFC for collection in the form of a salary offset. The NFC administers the debt collection process for employees who have left the IRS.⁵ The debt must then be referred to the Bureau of the Fiscal Service before it becomes more than 120 calendar days delinquent.⁶ The Bureau of the Fiscal Service administers the Treasury Offset Program as one method to collect delinquent non-tax debts for federal agencies.

The SLRP office maintains an internal website with regulatory and interim guidance for determining eligibility and for monitoring the status of applicants. The site also includes documents uploaded by employees applying for benefits such as their loan history, payment verifications, and completed IRS Forms 15430 and 15431.

⁵ The NFC provides centralized, automated, integrated systems and support services for payroll, personnel, administrative payments, accounts receivable, property management, budget, and accounting activities.

⁶ The Bureau of the Fiscal Service collects revenue and delinquent debt.

The IRS waived debts owed by employees who accepted the Deferred Resignation Program

Since January 2025, the IRS has reduced the size of its workforce to comply with the President's executive orders and Office of Personnel Management guidance. The National Taxpayer Advocate reported that between January 2025 and December 2025, the number of IRS employees decreased from more than 102,000 to about 74,000 (27 percent).⁷ These employees either separated or accepted a Deferred Resignation Program (DRP) offer or another incentive to leave. Based on Office of Personnel Management guidance, the IRS waived any debts owed by employees who accepted the DRP offer.

Results of Review

SLRP personnel accurately determined program eligibility by reviewing performance standards, obtaining tax and misconduct screenings, and by assessing applications for completeness before approving SLRP benefits. However, SLRP personnel did not establish debt when employees failed to verify loan payments or left the IRS before completing their service agreement period. In addition, HRSS has not established procedures for how often SLRP personnel will review the non-pay status of approved employees, or complete calculations to extend impacted service agreements.

Delayed Action Led to Not Timely Establishing Millions of Dollars in Employee Debt

Although SLRP personnel identified 1,002 employees owing approximately \$8.2 million for violating their service agreement, the IRS waited nearly two years to initiate steps to collect the debt from some of those employees. This included employees who voluntarily separated from the IRS, did not verify that their lender received payment, submitted incorrect information to verify that payment was received, or did not return a loan overpayment. Figure 1 presents the breakdown of these categories and the amounts owed by the 1,002 employees, as of July 2025.

⁷ Taxpayer Advocate Service, *2025 Annual Report to Congress* (January 2026).

**Current and Former IRS Employees Owe
Millions in Student Loan Repayment Benefits**

**Figure 1: As of July 2025, the IRS Had Not Established
\$8.2M Worth of Student Loan Repayment Debt**

Category	Total Employees	Total Debt
Loan Overpayments – The loan balance was overpaid because the balance decreased before the SLRP payment was made.	205	\$1.3M*
Payment Verification Issue – The employee provided no documentation or incorrect documentation.	585	\$4.8M
Separated – The employee left the IRS before completion of their service agreement period (this does not include employees that took the DRP).	212	\$2.0M
Total	1,002	\$8.2M
* The amount of unestablished debt related to individual loan overpayments is overstated. SLRP personnel included the full amount of the benefit as an overpayment rather than the actual difference owed.		

Source: SLRP tracking list as of July 2025. Figures may not add up due to rounding. M = Millions.

According to IRS records, during August and September 2025, the IRS established approximately \$4.8 million in debt for 542 of the 1,002 employees that did not comply with their SLRP service agreement. This included approximately \$2.5 million in debt established for 261 employees that separated before the completion of their service agreement, and approximately \$2.3 million in debt established for 281 IRS employees that did not submit payment verification. As of November 2025, approximately \$3 million in debt for 399 employees still has not been established, and approximately \$400,000 was resolved.⁸ Figure 2 shows the amount of established debt and the remaining amount of unestablished debt by category as of November 2025.

**Figure 2: As of November 2025, the IRS Started to Establish Debt; However,
\$3M Remains Unestablished**

Category	Number of Employees with Established Debt	Established Debt	Number of Employees with Unestablished Debt	Unestablished Debt
Loan Overpayments	0	\$0	163	\$1.1M
Payment Verification Issue	281	\$2.3M	236	\$1.9M
Separated	261	\$2.5M	0	\$0
Total	542	\$4.8M	399	\$3.0M

Source: SLRP tracking list as of November 2025.⁹

Title 5 C.F.R., Part 537, states that debt can be established for employees who separate, either voluntarily or involuntarily, before completing their service agreement, or if the employee does not comply with any other condition of their service agreement that triggers a requirement for

⁸ Debt was resolved when an employee no longer owed a debt, based on funds repaid, or because the status of their verification was changed to complete.

⁹ The SLRP tracking list is live data stored on the IRS’s intranet, so the totals in the unestablished debt categories can change whenever an update is made. Therefore, the amounts in Figure 2 will not reconcile to the status of debt presented in Figure 1.

reimbursement. This requirement is incorporated into the SLRP service agreement, which informs applicant employees that the IRS may establish debt for violating the service agreement.

If a student loan is repaid by the government, the amount repaid is considered taxable income. According to HCO management, debts were not originally established for employees because of concerns that it would impact the taxable income reported on their *W-2, Wage and Tax Statement*. However, the IRS could have issued corrected *W-2's*, if necessary. For the employees with missing or incorrect payment verification documentation, SLRP personnel sent out a final notice to employees in April 2025 requesting supporting documentation within 12 calendar days. SLRP personnel then updated the status of non-responsive employees to indicate that a debt will be established. According to HRSS management, when the IRS established debts in the past, the HCO Debt Management team typically worked with individual employees to find a resolution. If an employee's debt is resolved, debt will not be established.

In addition, HRSS management stated that any employee who has a debt established can follow the procedures for requesting a debt waiver.¹⁰ The HCO Debt Management team will then consider the employee's explanation and decide whether to waive a debt. For example, the employee may communicate extenuating circumstances that prevented them from successfully fulfilling the terms of the service agreement.

Loan overpayments

Loan overpayments occurred in instances where SLRP payments were sent out months after the initial application, and employees continued to make payments on their student loans, reducing the balance from what it was when they initially applied for the program. They also occurred because some employees received loan forgiveness through the Public Service Loan Forgiveness Program.¹¹

Furthermore, the amount of unestablished debt for individual loan overpayments is overstated on the SLRP internal tracking list. SLRP personnel included the full amount of the benefit as loan overpayment rather than the actual difference owed. This practice could lead to an overassessment once debts are established. The following is a hypothetical example of how loan overpayments can occur:

An employee applied for \$5,000 of SLRP benefits for their outstanding student loan. The employee continued making monthly loan payments totaling \$500 before the SLRP benefits were approved and disbursed. The IRS paid \$5,000 directly to the loan servicer. As a result, the employee owed a debt of \$500 to the IRS, the amount of the overpayment. When the employee submitted their payment verification, it showed a credit balance for the \$500. SLRP personnel recorded the full \$5,000 as debt on its internal tracking list instead of the actual debt amount of \$500.

Payment verification issues

SLRP personnel identified employees who either failed to provide current payment history for verification or submitted inadequate payment history documentation. According to the SLRP service agreement, employees have 60 business days from the date the lender receives payment

¹⁰ Debts cannot be waived for an individual until a debt is established.

¹¹ The Public Service Loan Forgiveness Program forgives qualifying student loans for employees of a government or qualifying not-for-profit organization.

to verify the amount applied to the student loan, or a debt will be established. For the payment history to be considered complete it needs to include the student loan number that was in the original SLRP application, the amount paid by the SLRP, and the current loan balance. Without the payment verification, the IRS cannot confirm whether these payments were correctly applied.

As shown in Figure 2, SLRP personnel have not established approximately \$1.9 million in debt for 236 employees. Those funds should be returned to the IRS, as required.

Separated employees

The IRS has established debt for all 261 IRS employees that separated before the completion of their service agreement. This included an employee who left in September 2023 but was paid their SLRP benefit in November 2023. SLRP personnel did not recognize that the employee had separated until June 2024 because separation reports are obtained on an ad-hoc basis.

Waived debt

The IRS may waive all or part of an employee's debt at the discretion of the Commissioner. As of November 2025, and consistent with Office of Personnel Management guidance, the IRS waived nearly \$10.6 million in unestablished SLRP debt for nearly 1,000 employees that separated because of the DRP. Of the nearly 1,000 employees, 109 (11 percent) did not comply with the SLRP requirements by not providing loan payment verification documentation. The remaining 890 employees (89 percent) verified payment of their loans. If they were still employed with the IRS, these employees would have been tracked normally to ensure the completion of their minimum of three years of employment as outlined in their service agreement. Had debt been established timely for the 109 employees, approximately \$877,000 may have been returned to the IRS before the employees separated.

The IRS Chief Human Capital Officer should:

Recommendation 1: Establish debt for the 399 employees that did not comply with the terms of their service agreement.

Management's Response: HCO management agreed with this recommendation and will establish debts for any of the 399 employees who are not in compliance with their service agreement.

Recommendation 2: Develop procedures to ensure that SLRP personnel promptly identify employees that do not comply with the terms of their service agreement and establish debts as necessary.

Management's Response: HCO management agreed with this recommendation and will develop procedures to ensure that employees are held accountable for violating their service agreement and that any resulting debts are established timely.

Recommendation 3: Develop procedures to obtain an updated loan balance if there is a delay in payment beyond 45 days from the date of application.

Management's Response: HCO management agreed with this recommendation and will develop a procedure to obtain an updated loan balance beyond 45 days of application.

Recommendation 4: Develop procedures to obtain separation reports on a recurring basis to identify employees that have separated and ensure that debt is established timely.

Management's Response: HCO management agreed with this recommendation and will develop and implement procedures to obtain monthly separation reports to ensure that debt is timely established, and update SLRP program guidance to include these procedures.

Some Employees' Work Commitment Periods Need to Be Extended

SLRP personnel have not extended the service agreements for employees that entered into non-pay status. We reviewed a statistically valid stratified sample of 75 employees from a population of 9,675 SLRP applications approved in CYs 2023 and 2024. We determined that 9 of the 75 employees (12 percent) entered into a non-pay status as of December 2024, and none of their service agreements have been updated.¹² The time spent in a non-pay status ranged from 0.5 hours to 640 hours (almost 4 months) and included reasons such as absent without leave, leave without pay, and suspension, based on a review of the IRS's timekeeping system. The remaining 66 employees either had no time in a non-pay status, or their non-pay status was the result of involuntary leave or workers' compensation leave.¹³

According to SLRP personnel, while there is no Internal Revenue Manual section that describes adjusting the service agreement, the service agreement and interim guidance provide details on the impact of leave without pay and other non-pay status. These resources state that the service agreement period will be extended by the number of days that an employee is in a non-pay status. According to the *Standards for Internal Control in the Federal Government*, management should document in their policies the internal control responsibilities of the organization.¹⁴ However, HRSS has not formalized an Internal Revenue Manual section that includes their interim guidance, desk policies and procedures, and regulatory requirements.

The IRS should update the SLRP instructions, desk guidance, policy, procedures, and regulatory requirements. The SLRP reduced their staff from eight employees in October 2024 to three as of July 2025. As a result, there is an increased need for clear and detailed instructions. Specifically, HRSS should update interim guidance to formalize the plan to review and update service agreements for any time employees spent in a non-pay status. If the IRS does not establish clear procedures to enforce the service agreement and debt policy, employees that committed to stay with the IRS may leave without repaying their loan benefit back to the IRS.

Management Action: In August 2025, the IRS began updating the SLRP Desk Guide to include pertinent information on how to calculate service agreement extensions, and when applicable, how the service agreements will be extended. In addition, the SLRP will receive cumulative non-pay status reports on a biweekly basis and will update the service agreements accordingly.

¹² Our sample was selected using a 95 percent confidence interval, 5 percent error rate, and ± 5 percent precision factor. We chose not to project our results to the population.

¹³ Workers' compensation leave could result in a paid or a non-pay status based on the specific details of the employee's case.

¹⁴ Government Accountability Office, GAO-14-704G, *Standards for Internal Control in the Federal Government* (September 2014).

**Current and Former IRS Employees Owe
Millions in Student Loan Repayment Benefits**

Because these Desk Guide revisions are underway, we are not making recommendations related to policy updates at this time.

Recommendation 5: The Chief Human Capital Officer should review the nine employees that had a period of non-pay status and extend their service agreements as needed.

Management's Response: HCO management agreed with this recommendation and completed the review as of February 25, 2026, extending employee service agreements, as necessary.

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to assess the effectiveness of controls over the employee SLRP. To accomplish our objective, we:

- Obtained an understanding of 5 C.F.R. Part 537, and its integration into interim guidance, draft policies, and desk procedures for administering the SLRP.
- Identified the population of employees approved to participate in the SLRP in CYs 2023 and 2024.
- Reviewed a statistically valid stratified random sample of 75 employees from a population of 9,675 SLRP applications approved in CY's 2023 and 2024, to evaluate the approval process and determine whether service agreements were extended for periods that employees were in a non-pay status. We used statistical sampling because we planned to project to the population. TIGTA's contracted statistician assisted with developing the sampling plan.¹ After reviewing the sample with TIGTA's in-house statistician, we determined that service agreements are not applicable for some employees because they were later determined to have potential debt. As a result, we did not project the results of our testing to the population.
- We identified 7,985 approved applicants from the full CY 2023 and CY 2024 SLRP participant listing included on the SLRP intranet site. We then evaluated IRS controls for monitoring employee eligibility during the three-year service period by determining whether debt letters were issued, or if the repayment of the debt was waived.

Performance of This Review

This review was performed with information obtained from the HRSS Division located in Ogden, Utah during the period November 2024 through November 2025. 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.

Data Validation Methodology

We performed tests to assess the reliability of data from the IRS timekeeping system, the NFC payment system, and the SLRP intranet site listings of CY's 2023 and 2024 SLRP participants. We evaluated the data by (1) performing electronic testing of required data elements, (2) conducting data analysis to identify anomalies or potential errors across key categories, (3) reviewing relevant documentation related to the data sources, system architecture and their internal controls, and (4) interviewing agency officials with detailed knowledge about the data

¹ Our sample was selected using a 95 percent confidence interval, 5 percent error rate, and ± 5 percent precision factor.

and the underlying systems. We determined that the data were sufficiently reliable for the purpose of this audit.

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 and procedures, the SLRP intranet site; and the SLRP service agreement. We evaluated these controls by reviewing source documentation submitted on the SLRP intranet for a statistically valid sample of CYs 2023 and 2024 SLRP applicants, using data analysis to compare the SLRP applicant data to different data sources, confirming the eligibility of the applicants, interviewing HRSS officials, and participating in multiple system walkthroughs.

Outcome Measure

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

Type and Value of Outcome Measure:

- Funds Put to Better Use – Potential; \$1,946,351 in unestablished debt for 236 IRS employees that did not comply with their SLRP service agreements (see Recommendation 1).

Methodology Used to Measure the Reported Benefit:

We identified 7,985 approved employees who received over \$86.5 million in SLRP benefits from September 2023 through January 2025. We determined that SLRP personnel have not established approximately \$1.9 million in debt for 236 employees who did not comply with their service agreement as of November 2025. These employees all had payment verification issues.

Management's Response to the Draft Report



HUMAN CAPITAL OFFICE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

March 18, 2026

MEMORANDUM FOR DIANA M. TENGESDAL
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Alex Kweskin Michael P. Radock
Chief Human Capital Officer

Digitally signed by Michael
P. Radock
Date: 2026.03.18 13:47:13
-0400'

SUBJECT: Draft Audit Report – TIGTA Audit 2025108003 Current and
Former IRS Employees Owe Millions in Student Loan
Repayment Benefits

Thank you for the opportunity to review the draft report, Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits, Audit # 2025108003.

We appreciate Treasury Inspector General for Tax administration's (TIGTA) recognition of the IRS's effective processes for determining eligibility for the Student Loan Repayment Program (SLRP), including reviewing performance standards, conducting tax and misconduct screenings, and ensuring application completeness prior to approval.

The TIGTA identified areas for improvement, noting that SLRP personnel did not consistently establish debts when employees failed to verify loan payments or left the IRS before completing their service agreements. The report also found that procedures have not been formalized for reviewing the non-pay status of approved participants.

The IRS is committed to strengthening oversight. In February 2026, SLRP staff reviewed employees identified in non-pay status and extended service agreements as appropriate. The program is also updating procedures to ensure timely identification of noncompliance and prompt establishment of any resulting debts.

The SLRP program was indefinitely paused in January 2025, and no decision on the future of the program has been made as of February 2026.

The IRS concurs with the stated outcome measure and agrees with all recommendations. A detailed response outlining the corrective actions IRS intends to take are included in the attachment.

If you have any questions, contact me directly at (202) 317-5240, or Mike Radock, Acting Director, Human Resources Operations and Shared Services at (321) 253-7625.

Attachment

TIGTA Audit 2025108003

RECOMMENDATION 1:

The Chief Human Capital Officer should establish debt for the 399 employees that did not comply with the terms of their service agreement.

- **CORRECTIVE ACTIONS:**
Agree. The Chief Human Capital Officer (CHCO) will establish debts for any of the 399 employees who have not complied with requirements of their service agreement.
- **IMPLEMENTATION DATE:**
October 15, 2026
- **RESPONSIBLE OFFICIAL(S):**
Director, Human Resources Operations and Shared Services
- **CORRECTIVE ACTION(S) MONITORING PLAN:**
The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 2:

The Chief Human Capital Officer should develop procedures to ensure that Student Loan Repayment Program (SLRP) personnel promptly identify employees that do not comply with the terms of their service agreement and establish debts as necessary.

- **CORRECTIVE ACTIONS:**
Agree. The CHCO will develop procedures to ensure that employees are held accountable for violating their service agreement and that debts resulting from failures to comply with the terms of the service agreements are established timely.
- **IMPLEMENTATION DATE:**
August 15, 2026
- **RESPONSIBLE OFFICIAL(S):**
Director, Human Resources Operations and Shared Services
- **CORRECTIVE ACTION(S) MONITORING PLAN:**
The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 3:

The Chief Human Capital Officer should develop procedures to obtain an updated loan balance if there is a delay in payment beyond 45 days from the date of application.

- **CORRECTIVE ACTIONS:**
Agree. The CHCO will develop a procedure to obtain updated loan balance beyond 45 days of application.
- **IMPLEMENTATION DATE:**
August 15, 2026
- **RESPONSIBLE OFFICIAL(S):**
Director, Human Resources Operations and Shared Services
- **CORRECTIVE ACTION(S) MONITORING PLAN:**
The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 4:

The Chief Human Capital Officer should develop procedures to obtain separation reports on a recurring basis to identify employees that have separated and ensure that debt is established timely.

- **CORRECTIVE ACTIONS:**
Agree. The CHCO will develop and implement procedures to obtain monthly separation reports to ensure debt is established timely for personnel who fail to comply with the terms of their service agreement. The CHCO will update the SLRP program guidance to include these procedures.
- **IMPLEMENTATION DATE:**
August 15, 2026
- **RESPONSIBLE OFFICIAL(S):**
Director, Human Resources Operations and Shared Services
- **CORRECTIVE ACTION(S) MONITORING PLAN:**
The IRS will monitor this corrective action as part of our internal management control system.

RECOMMENDATION 5:

The Chief Human Capital Officer should review the nine employees that had a period of non-pay status and extend their service agreements as needed.

- **CORRECTIVE ACTIONS:**
Agree. The review for the nine employees has been completed as of February 25, 2026. The employees' service agreements were extended if time in non-pay status was after the start of the employees' service agreement.
- **IMPLEMENTATION DATE:**
February 25, 2026
- **RESPONSIBLE OFFICIAL(S):**
Director, Human Resources Operations and Shared Services
- **CORRECTIVE ACTION(S) MONITORING PLAN:**
The IRS will monitor this corrective action as part of our internal management control system.

Abbreviations

CY	Calendar Year
DRP	Deferred Resignation Program
HCO	Human Capital Office
HRSS	Human Resources Shared Services
IRS	Internal Revenue Service
NFC	National Finance Center
SLRP	Student Loan Repayment Program
TIGTA	Treasury Inspector General for Tax Administration



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at
TIGTACommunications@tigta.treas.gov.**

Information you provide is confidential, and you may remain anonymous.