

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



The IRS Has Not Fully Met the Department of the Treasury's Veteran Hiring Goal

June 24, 2026

Report Number: 2026-108-032

Why TIGTA Did This Audit

Since November 2009, federal Executive Branch agencies have been required to participate in a veterans employment initiative, including developing agency specific operational plans for promoting employment opportunities for veterans as well as establishing a veterans employment program office. We evaluated the IRS's efforts to recruit and hire veterans from Fiscal Years (FY) 2020 through 2024.

During our review in May 2025, the Office of Personnel Management issued a memorandum outlining a Merit Hiring Plan to simplify federal hiring and refocus recruitment to technical skills-based criteria. This plan highlighted three areas for the recruitment strategy including veterans, early career, and science, technology, engineering and math.

The Office of Personnel Management will own a governmentwide veteran recruiting road map that defines target occupations with agency leadership and partner with agency veterans' program leaders to find opportunities to match the talents of veterans with in-demand skills at agencies. However, the impact of this effort is currently unknown given limited federal government hiring.

Impact on Tax Administration

The IRS's success serving taxpayers hinges on its ability to recruit, hire, and train skilled employees to carry out its mission. Veterans' strong motivation for public service, as well as skills and experiences acquired during their military service, make them strong candidates to fulfill federal agencies' staffing needs.

What TIGTA Found

The IRS did not fully meet the Department of the Treasury's (Treasury Department) longstanding 14 percent veteran hiring goal established in FY 2013. From FYs 2020 through 2024, the IRS hired 70,879 employees, of which 5,673 (8 percent) were veterans. The percentage of veteran new hires during this period ranged from 7 to 11 percent of the total hires each year.

In its FY 2024 Strategic Recruitment Plan, IRS management included a statement of deficiency on meeting the Treasury Department's veterans hiring goals and noted that they have an ongoing effort to develop strategies to achieve veteran hiring goals in the future. For example, tracking and analyzing IRS veteran hiring and workforce data to produce an annual hiring summary and trend analyses (by IRS function) that shows progress made towards achieving the veteran hiring goal.

Our analysis of veteran hiring data showed that 74 percent of IRS functions met or exceeded the Treasury Department's veteran new hire goal of 14 percent from FY 2020 through FY 2024. However, several functions, primarily composed of entry level and lower paying positions, including seasonal positions, reported substantially lower veteran hiring rates. Since these functions represent a large portion of the IRS's hiring, they reduce the overall IRS veteran new hire percentage.

Human Capital Office management explained that there could be other reasons why veteran hiring goals were not met. These include whether the candidate met and demonstrated basic knowledge, skills, and abilities for open positions, the hiring authority used, and whether all veteran hires self-identified as a veteran if not specifically hired under a veteran authority. Applicants can self-identify as veterans or use a veterans hiring pathway. However, for veterans who do neither, their veteran status is effectively invisible in the hiring data, which results in undercounting.

What TIGTA Recommended

We recommended that the IRS Human Capital Officer should coordinate with the Treasury Department, Chief Human Capital Officer, to reassess the IRS's veteran hiring goal.

The IRS disagreed with the recommendation. The Chief, Human Capital Officer stated that the 14 percent goal was aspirational and not a mandated target.

We acknowledge that IRS management is committed to strengthening veteran recruitment, engagement, and retention across the IRS. We believe that tracking and reporting on these efforts should continue and will help the IRS ensure it is meeting the objectives and reporting requirements of OPM's Merit Hiring Plan.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

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

June 24, 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 – The IRS Has Not Fully Met the Department of the Treasury’s Veteran Hiring Goal (Audit No.: 2024108009)

This report presents the results of our review to evaluate the Internal Revenue Service’s efforts to recruit and hire veterans. This review was a part of our Fiscal Year 2026 discretionary work and addresses the major management and performance challenge of *Managing a Reduced Workforce and Budget*.

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

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Background

In November 2009, the President signed Executive Order 13518, *Employment of Veterans in the Federal Government*. This Executive Order established an interagency council, including the Department of the Treasury (hereafter referred to as the Treasury Department), on veterans employment and required all Executive Branch agencies to participate in a veterans employment initiative. This initiative required agencies to develop an agency specific operational plan for promoting employment opportunities for veterans and establish a veterans employment program office. The Internal Revenue Service (IRS) provides information regarding its plans to the Treasury Department for inclusion in the Department's operational plan.

The Human Capital Office's (HCO) Talent Acquisition Division manages the IRS's recruitment strategy and establishes an annual recruiting plan. Hiring veterans is a component of its recruitment strategy, with the goal to promote itself as an employment option for veterans. The Internal Revenue Manual outlines how to develop the IRS recruitment strategy, including recruiting veterans whose skill sets and leadership experience align with IRS needs. This strategy includes participating in veteran and military career fairs and reaching out to veteran advocacy groups to increase awareness of the IRS as an employer. Veterans' strong motivation for public service, as well as skills and experiences acquired during their military service, make them strong candidates to fulfill federal agencies' staffing needs.

In January 2025, the President issued a memorandum freezing the hiring of federal civilian employees.¹ The memorandum instructed the Director, Office of Management and Budget, to submit a plan within 90 calendar days to reduce the size of the federal government's workforce through efficiency improvements and attrition. Once the plan was issued, the hiring freeze would expire, except for the IRS. The hiring freeze would remain in effect for the IRS until the Secretary of the Treasury Department determined that it is in the national interest to lift the freeze.

Further, in May 2025, the Office of Personnel Management (OPM) issued a memorandum outlining a *Merit Hiring Plan*, which aims to simplify the federal hiring system and refocus recruitment on technical skills-based criteria.² This plan highlighted three areas for the recruitment strategy, including veterans, early career, and science, technology, engineering and math. The memo states that to improve recruitment of qualified veterans, OPM will own a strategic governmentwide veteran recruiting road map that defines target occupations with agency leadership and partner with agency veterans' program leaders to find opportunities to match the talents of veterans with in-demand skills at agencies. Additionally, the memo outlines specific action items such as:

- Leverage partnerships with state and local veterans' workforce programs.
- Use the resume mining feature on USAjobs.gov to identify available veteran applicants.
- Maintain lists of qualified veterans and military spouses.

¹ Presidential Memorandum, *Hiring Freeze Memorandum for Heads of Executive Departments and Agencies*, 90 Fed. Reg. 8247 (January 2025).

² OPM, *Merit Hiring Plan* (May 29, 2025).

- Use non-competitive special hiring authorities for veterans and military spouses.

The plan also requires that beginning in June 2025 each agency prepare a report to update OPM on their specific plans for recruitment in the areas of veterans, early career, and science, technology, engineering and math.³ The impact of this effort is currently unknown given limited federal government hiring. The Treasury Department is the agency responsible for submitting this report and IRS management stated that they were not asked to provide input.

In June 2025, the National Taxpayer Advocate urged the Administration to lift the hiring freeze so the IRS can hire essential filing season employees to meet its customer service needs for the 2026 Filing Season. The IRS requested and received an exception to the hiring freeze for these positions. In August 2025, the IRS announced openings for these seasonal positions and began to hold hiring events around the country. Additionally, the Treasury Department announced the establishment of the Treasury Common Services Center, which will realign and centralize human resources processing and other operational services across the Treasury Department into a unified service delivery model. The impact of this effort on the IRS's HCO is currently unknown.

Results of Review

The IRS Has Faced Challenges Meeting the Department of the Treasury's Veteran Hiring Goal

Although the IRS hired 5,673 veterans from FYs 2020 through 2024, it did not consistently meet the Treasury Department's longstanding 14 percent veteran hiring goal established in FY 2013. Figure 1 provides hiring totals for veterans and non-veterans for FYs 2020 through 2024.

Figure 1: On Average, Veterans Comprise 8 Percent of IRS Hires Per Year

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Veteran ⁴	1,153	704	1,241	1,062	1,513	5,673
Non-veteran	8,889	9,826	13,736	14,888	17,867	65,206
Total Hires	10,042	10,530	14,977	15,950	19,380	70,879
Veteran Hire Percentage	11%	7%	8%	7%	8%	8%

Source: Analysis of HCO veterans hiring data.

In its FY 2024 Strategic Recruitment Plan, IRS management included a statement of deficiency on meeting the Treasury Department's veteran hiring goals and provided strategies to help achieve the veteran hiring goals in the future. For example, the plan includes an objective to increase veteran representation across all IRS occupations. To complete this objective, the IRS included tracking and analyzing IRS veteran hiring and workforce data to produce an annual hiring summary and trend analysis. This will show each business unit's progress toward

³ These reports were not included in the scope of our review.

⁴ Veterans must have self-identified as a veteran or have been hired under a veteran's authority to be included in the count of veterans.

achieving the veteran hiring goal. Due to the January 2025 hiring freeze, the IRS's FY 2025 Strategic Recruitment Plan was not implemented.

The IRS increased attendance at veteran recruiting events

For FYs 2020 through 2024, HCO management attended 200 recruitment events targeting veterans, with the number of events increasing each year (Figure 2). Similarly, the total number of IRS hires increased every year from FYs 2020 through 2024.

Figure 2: The IRS's Attendance at Veteran Recruitment Events Has Significantly Increased Since Fiscal Year 2020

Fiscal Year	Veteran Recruitment Events
2020	15
2021	22
2022	24
2023	56
2024	83
Total	200

Source: IRS HCO.

HCO management officials also worked with various veteran advocacy groups and participated in additional veteran outreach, such as veteran internship programs. The veteran internship program creates a pathway from the military into civilian employment by partnering with government and state workforce agencies.

The IRS monitors the number of veterans hired and estimates the number of engagements made at each recruiting event by using after-action reports. This information helps the IRS gauge the success of its recruitment strategies. Recently, the HCO updated the after-action reports to include a statement on whether the recruitment event was successful and if it should be attended again in the future. For example, an after-action report for a February 2024 veteran job fair noted that the recruiter estimated they engaged with over 150 of the 300 registered participants and recommended continuing to visit that event.

Although the IRS attended 200 veteran recruitment events from FYs 2020 through 2024, it cannot determine if they resulted in hiring veterans. The IRS does not have a process to track information on whether applicants attended a recruitment event. Recruiters do not collect resumes or personal information during recruiting events. Instead, all interested applicants are directed to the federal government's official employment site, USAjobs.gov, to apply for open positions.

HCO management explained that there could be various reasons why veteran hiring goals were not met. These include whether the candidate met and demonstrated the basic knowledge, skills, and abilities for open positions, the hiring authority used, and whether all veteran hires self-identified as a veteran if not specifically hired under a veteran authority.⁵ For example, when

⁵ A veteran hiring authority includes Veterans' Preference which gives eligible veterans discharged from active duty under honorable conditions preference in hiring over many other applicants.

someone applies for a federal job, veteran status is not automatically shared with the hiring agency. Applicants can self-identify as veterans or use a veterans hiring pathway. However, for veterans who do neither, their veteran status is effectively invisible in the hiring data, which results in undercounting. HCO management also stated that outreach to veterans could teach them how to translate their military experience into a civilian position and build a resume that fits the position(s) for which they are applying. The new OPM Merit Hiring Plan prohibits the current longform federal resume structure. Starting in September 2025, there is a two-page limit on resume length. OPM states that this will make resume review easier and make it easier for job seekers to move between the private and federal sectors.

Entry level positions affect the IRS’s ability to hire veterans

Our analysis of HCO veteran hiring data showed that 23 (74 percent) of 31 IRS functions met or exceeded the Treasury Department’s veteran new hire goal of 14 percent.⁶ However, several functions primarily composed of entry level and lower paying positions, including seasonal positions, reported substantially lower veteran hiring rates. Since these functions represent a large portion of the IRS’s hiring, this negatively impacts the IRS’s overall veteran new hire percentage. Figure 3 shows the functions with the highest and lowest veteran hiring percentages.

Figure 3: IRS Functions With the Three Highest and Lowest Percent of Veteran New Hires for FY 2020 Through FY 2024

Function	Veteran New Hires	Total New Hires	Percent of Veteran Hires
Office of the Chief Risk Officer	3	4	75%
Facilities Management and Security Services	393	555	71%
Return Preparer Office	8	13	62%
Tax-Exempt/Government Entities	57	1,018	6%
Small Business/Self-Employed Service Centers & Campus Examination	87	1,946	4%
Taxpayer Services Service Centers	920	41,909	2%

Source: Analysis of HCO veterans hiring data.

The Treasury Department has required the 14 percent veteran hiring goal since at least FY 2013 and has not reassessed this goal to reflect actual hiring trends. Treasury Department representatives stated that 14 percent was set as an aspirational goal and noted that it has never been met consistently across Treasury bureaus since it was established. They also stated that they have always included seasonal employees in their goal calculation since they represent a significant portion of the Treasury workforce. Treasury Department representatives could not locate any documentation regarding how it arrived at this goal. Without this, we could not evaluate whether the goal remains reasonable.

According to our analysis of the IRS’s hiring data, the IRS will always struggle to meet the overall 14 percent goal. According to HCO management, many veteran applicants are not interested in

⁶ There were an additional six functions that we did not include in the total count due to minimal hiring during the period reviewed.

seasonal positions, which comprise a large portion of the IRS's hiring. For example, FY 2025 hiring data showed that only 5 percent (585 of 10,702) of applicants for the recent seasonal Contact Representative job announcements self-identified as veterans. In contrast, 26 percent (928 of 3,507) of applicants for the latest Criminal Investigation job announcements self-identified as veterans.⁷ Many veterans acquire significant experience and job skills during their military service, which can qualify them for higher-graded, full-time positions. This may contribute to the lower veteran hiring rates in seasonal positions. Figures 4 and 5 illustrate the disparity between seasonal and full-time permanent veteran percentages. As shown in Figure 4, veteran hiring percentages for seasonal positions remained consistently low, ranging from 2 to 3 percent from FY 2020 through FY 2025.

Figure 4: IRS Veteran Hiring Percentages for Seasonal Positions Remained Consistently Low

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Veteran	3%	2%	2%	2%	2%	3%
Non-Veteran	97%	98%	98%	98%	98%	97%

Source: Analysis of HCO veterans hiring data.

In contrast, Figure 5 shows higher veteran hiring percentages for full-time permanent positions, although rates generally declined over time.

Figure 5: IRS Veteran Hiring Percentages for Full-Time Permanent Positions Generally Declined Over Time

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Veteran	28%	19%	17%	13%	10%	14%
Non-Veteran	72%	81%	83%	87%	90%	86%

Source: Analysis of HCO veterans hiring data.

The IRS's success serving taxpayers hinges on its ability to recruit, hire, and train skilled employees. Although the IRS remains under a hiring freeze, the Treasury Department is required to update OPM on specific plans for recruitment in the areas of veterans, early career, and science, technology, engineering and math. Once the IRS resumes hiring, its recruiting efforts will impact the ability of the Treasury Department in achieving its veteran hiring goals. Oversight of tracking, monitoring, and increasing veteran hiring will shift to the Treasury Department once the OPM Merit Hiring Plan is implemented. Because of these upcoming changes, we are not making a recommendation about enhancing applicant tracking. However, the IRS should ensure that the Treasury Department is aware that the current 14 percent goal does not reflect current IRS hiring trends.

Recommendation 1: The IRS Human Capital Officer should coordinate with the Treasury Department, Chief Human Capital Officer, to reassess the IRS's veteran hiring goal. This assessment should include the use of hiring data, to ensure that it reflects current hiring trends, workforce needs, and applicant patterns, particularly the impact of seasonal hiring.

⁷ In August 2025, the IRS opened a Direct Hire announcement for seasonal Contact Representative and Criminal Investigation positions. This applicant data is as of September 2025.

Management's Response: The IRS disagreed with the recommendation. The IRS stated that the 14 percent goal originated from the Council on Veterans Employment's Hiring Percentage Model established in 2013 and was an aspirational goal not a mandated target. This aspirational goal was intended to encourage agencies to boost their hiring and engagement, and it was not a binding or mandated target by the Treasury Department.

Office of Audit Comment: In their response, IRS management referred to the 14 percent goal as aspirational and not a binding or mandated target. As noted in our report, the IRS has been tracking and reporting whether it achieved the 14 percent veteran hiring goal, established in FY 2013. Further, as previously stated, the IRS included a statement of deficiency in its FY 2024 Strategic Recruitment Plan because it did not meet the goal. The IRS's use of the term deficiency suggests that it is more than an aspirational goal.

We acknowledge that IRS management is committed to strengthening veteran recruitment, engagement, and retention across the IRS. We believe that tracking and reporting on these efforts should continue and will help the IRS ensure that it is meeting the objectives and reporting requirements of OPM's Merit Hiring Plan.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to evaluate the IRS's efforts to recruit and hire veterans. To accomplish our objective, we:

- Identified IRS veteran hiring goals from FY 2020 through FY 2024 and determined whether it met those goals.
- Evaluated the IRS's hiring and recruiting statistics for veterans from FY 2020 through FY 2024 and identified hiring trends.
- Evaluated the IRS's seasonal and full-time permanent hiring statistics for veterans from FY 2020 through FY 2025 and identified hiring trends.
- Identified IRS veteran recruiting events from FY 2020 through FY 2024 and determined how new hires are tracked from these events.

Performance of This Review

This review was performed with information obtained from the IRS HCO, located in Atlanta, Georgia, during the period October 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 IRS veteran hiring data the HCO provided. We evaluated the data by performing electronic testing of data elements for completeness and reviewed existing information about the data including definitions and data reliability internal controls. We determined that the data were sufficiently reliable for the 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 annual recruitment plans and the establishment of new hire targets. We reviewed these plans and targets and discussed them with IRS management.

Appendix II

Management's Response to the Draft Report



HUMAN CAPITAL OFFICE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

MEMORANDUM FOR DIANA M. TENGESDAL
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Alex Kweskin *Alex Kweskin* 6/1/26
Chief Human Capital Officer

SUBJECT: Draft Audit Report – TIGTA Audit 2024108009, The IRS Has Not Fully Met the Treasury Department's Veteran Hiring Goal

Thank you for the opportunity to review Draft Report 2024108009, and for your recent engagement with my team and representatives from the Department of the Treasury regarding the veteran hiring goal referenced in the report.

As discussed, the referenced 14 percent goal originated from the Council on Veterans Employment's Hiring Percentage Model established in 2013 and was an aspirational goal not a mandated target. This aspirational goal was intended to encourage agencies to boost their hiring and engagement, and it was not a binding or mandated target by the Department of the Treasury.

At the IRS, we proudly reaffirm our unwavering commitment to veterans. We deeply value the extraordinary skill, leadership, discipline, and service that veterans bring to our workforce. Their dedication to our nation strengthens both our organization and our mission to serve the American people.

We are proud of our veteran, active reservists and military spouses, whose dedication to America inspires our team.

As Chief Human Capital Officer, I am deeply committed to strengthening veteran recruitment, engagement, and retention across the IRS. Recently, we have reallocated 14 military veterans within the IRS to bolster our veteran hiring and internal programmatic efforts. We have renewed participation in the Department of Defense SkillBridge Program, expanded partnerships with the Department of the Army, enhanced outreach initiatives supporting veterans and military spouses, and in June 2026 we will be launching several new internal programs to support our veterans and military spouses. These efforts reflect our long-term commitment to support those who have served our nation.

If you have any questions, please contact me at (202) 317-5240 or Alex.Kweskin@irs.gov, or a member of your staff may contact David Traynor, Acting Director, Talent Acquisition, at 405-240-3419 or David.P.Traynor@irs.gov.

Attachment

Attachment

RECOMMENDATION 1: The IRS Chief Human Capital Officer should coordinate with the Treasury Department, Chief Human Capital Officer, to reassess the IRS's veteran hiring goal. This assessment should include the use of hiring data, to ensure it reflects current hiring trends, workforce needs, and applicant patterns, particularly the impact of seasonal hiring.

CORRECTIVE ACTIONS:

Disagree. The referenced 14 percent goal originated from the Council on Veterans Employment's Hiring Percentage Model established in 2013 and was an aspirational goal not a mandated target. This aspirational goal was intended to encourage agencies to boost their hiring and engagement, and it was not a binding or mandated target by the Department of the Treasury.

IMPLEMENTATION DATE: N/A

RESPONSIBLE OFFICIAL(S): N/A

CORRECTIVE ACTION(S) MONITORING PLAN: N/A

Appendix II

Abbreviations

FY	Fiscal Year
HCO	Human Capital Office
IRS	Internal Revenue Service
OPM	Office of Personnel Management
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 www.tigta.gov/form/suggestions.**

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