



*The Taxpayer Advocate Service  
Centralized Case Intake Program  
Needs Improvement to Provide  
Better Customer Service*

**October 31, 2018**

**Reference Number: 2019-10-009**

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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## HIGHLIGHTS

### THE TAXPAYER ADVOCATE SERVICE CENTRALIZED CASE INTAKE PROGRAM NEEDS IMPROVEMENT TO PROVIDE BETTER CUSTOMER SERVICE

## Highlights

**Final Report issued on  
October 31, 2018**

Highlights of Reference Number: 2019-10-009  
to the Commissioner of Internal Revenue.

### IMPACT ON TAXPAYERS

During Fiscal Year 2017, the Taxpayer Advocate Service's (TAS) Centralized Case Intake (CCI) program answered more than 60,000 telephone calls from taxpayers. The TAS established the program to improve customer service by increasing the information the TAS provides to taxpayers up front and preparing cases for faster assignment and resolution by TAS case advocates.

### WHY TIGTA DID THE AUDIT

The objective of this audit was to assess the TAS's CCI program's efforts to improve customer service.

### WHAT TIGTA FOUND

Certain aspects of the CCI program benefited taxpayers. Specifically, CCI intake advocates educated taxpayers about their rights and what to expect from the TAS and addressed problems without creating a TAS case. In addition, cases received through the CCI program were resolved, on average, five calendar days faster than other TAS cases.

While the TAS's CCI program provided some benefits, TIGTA found some significant program weaknesses, including long telephone call wait times and case files that lacked important details. For example, TIGTA found that taxpayers had to wait on hold for more than an hour during peak periods (in both March 2017 and 2018) in order to reach a CCI intake advocate. During the week of March 10, 2018, callers waited an average of one hour and 25 minutes to speak with a CCI intake advocate,

and almost 8,200 callers hung up before an intake advocate answered. In addition, CCI intake advocates only spend about 50 percent of their time responding to and documenting taxpayer telephone calls; they spend the remainder of their time performing other duties.

Intake advocates should prepare cases for faster assignment and resolution by obtaining and documenting key case details. However, for 62 (73 percent) of 85 cases TIGTA sampled, CCI intake advocates did not provide adequate details about the taxpayer's issue or hardship in the case files they created. Further, CCI intake advocates should assist taxpayers with timely resolution of their cases by informing them of documentation they may need to resolve tax issues. However, for 46 (54 percent) of the 85 sample cases, CCI intake advocates did not document whether they advised taxpayers that they might need to provide documentation to assist with the resolution of their issue. Also, TIGTA found that customer satisfaction surveys for Fiscal Year 2017 did not indicate that the CCI process improved customer satisfaction.

Finally, while the TAS expected that the establishment of the CCI program would lead to a decrease in direct case time (hours and minutes spent working a case), TIGTA did not identify any reduction in the direct time a case advocate spent on cases initiated through the CCI program as compared to all other TAS cases.

### WHAT TIGTA RECOMMENDED

TIGTA made six recommendations to the National Taxpayer Advocate, including recommending that the TAS develop a staffing plan to improve wait times during peak call volume periods and develop and measure quantifiable program goals to determine the CCI program's impact.

In their response, IRS management agreed with the recommendations and plans to take corrective actions, such as expanding CCI staffing, conducting training for employees, updating guidance, and incorporating a question about intake in its customer service satisfaction survey.



TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

October 31, 2018

**MEMORANDUM FOR COMMISSIONER OF INTERNAL REVENUE**

**FROM:** Michael E. McKenney  
Deputy Inspector General for Audit

**SUBJECT:** Final Audit Report – The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service (Audit # 201710026)

This report presents the result of our review to assess the Taxpayer Advocate Service's Centralized Case Intake program's efforts to improve customer service. This audit was included in our 2018 Annual Audit Plan and addresses the major management challenge of Providing Quality Taxpayer Service and Expanding Online Services.

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

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 Troy D. Paterson, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations).



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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## *Table of Contents*

<a href="#"><u>Background</u></a> .....	Page 1
<a href="#"><u>Results of Review</u></a> .....	Page 5
<a href="#"><u>The Centralized Case Intake Program Provides Benefits to Taxpayers</u></a> .....	Page 5
<a href="#"><u>Call Wait Times, Staffing Inefficiencies, and a Lack of Detailed Case Information Raise Concerns About the Overall Success of the Centralized Case Intake Program</u></a> .....	Page 6
<a href="#"><u>Recommendation 1:</u></a> .....	Page 13
<a href="#"><u>Recommendations 2 through 4:</u></a> .....	Page 14
<a href="#"><u>Recommendations 5 and 6:</u></a> .....	Page 15
 <b>Appendices</b>	
<a href="#"><u>Appendix I – Detailed Objective, Scope, and Methodology</u></a> .....	Page 16
<a href="#"><u>Appendix II – Major Contributors to This Report</u></a> .....	Page 18
<a href="#"><u>Appendix III – Report Distribution List</u></a> .....	Page 19
<a href="#"><u>Appendix IV – Fiscal Year 2017 Taxpayer Advocate Service Receipts by Source</u></a> .....	Page 20
<a href="#"><u>Appendix V – Taxpayer Advocate Service Case Criteria</u></a> .....	Page 21
<a href="#"><u>Appendix VI – Exceptions to Taxpayer Advocate Service Criteria</u></a> .....	Page 22
<a href="#"><u>Appendix VII – Management’s Response to the Draft Report</u></a> .....	Page 23



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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*Abbreviations*

CCI	Centralized Case Intake
FTE	Full-Time Equivalent
FY	Fiscal Year
IRS	Internal Revenue Service
JAMES	Joint Audit Management Enterprise System
NTA	National Taxpayer Advocate
TAMIS	Taxpayer Advocate Management Information System
TAS	Taxpayer Advocate Service
W&I	Wage and Investment



## *The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service*

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### *Background*

The Taxpayer Advocate Service (TAS) is an independent unit within the Internal Revenue Service (IRS) whose mission is to help taxpayers resolve problems with the IRS and to recommend changes to prevent future problems. The TAS's goals are to protect individual and business taxpayer rights and reduce taxpayer burden. Taxpayers can contact the TAS for assistance via various methods.<sup>1</sup> For example, taxpayers can request TAS assistance by calling the IRS's general toll-free telephone number, 1-800-829-1040, or the National Taxpayer Advocate's (NTA) toll-free telephone number, 1-877-777-4778.

The NTA's toll-free telephone line was established in November 1998 as a means to assist taxpayers with unresolved tax problems. The NTA's line is operated by the Wage and Investment (W&I) Division Accounts Management function and is staffed by W&I Division contact representatives. Initially, their role was to answer telephone calls from taxpayers and provide immediate assistance when possible or initiate a TAS case in the Taxpayer Advocate Management Information System (TAMIS)<sup>2</sup> if the taxpayer's issue met TAS criteria.<sup>3</sup> Cases would then be assigned to a TAS case advocate who had three to seven business days to contact the taxpayer and develop an action plan to resolve the taxpayer's issue.

On May 16, 2016, the TAS reached agreement with the National Treasury Employees Union regarding proposed changes to the TAS's intake process on the NTA's toll-free telephone line. As a result, the TAS established the Centralized Case Intake (CCI) program on July 24, 2016. According to the TAS, the new process was based on a proof of concept that was initiated in April 2012 as "part of a long-term strategy to enhance the intake process by increasing the information the TAS provides to taxpayers up front, and to better prepare cases for faster assignment and resolution by its case advocates."

According to the NTA's 2017 Annual Report to Congress, the TAS's intake strategy allows taxpayers to receive assistance at the earliest possible moment, while reserving the skills and experience of case advocates to focus on the most complex cases and those taxpayers most in need of TAS assistance. According to the TAS's intake strategy, intake advocates conduct in-depth interviews with taxpayers to determine the best way to address their tax issues. Figure 1 provides a graphic depiction of the TAS CCI process.

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<sup>1</sup> See Appendix IV for the source of TAS case receipts in Fiscal Year 2017. A fiscal year is 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.

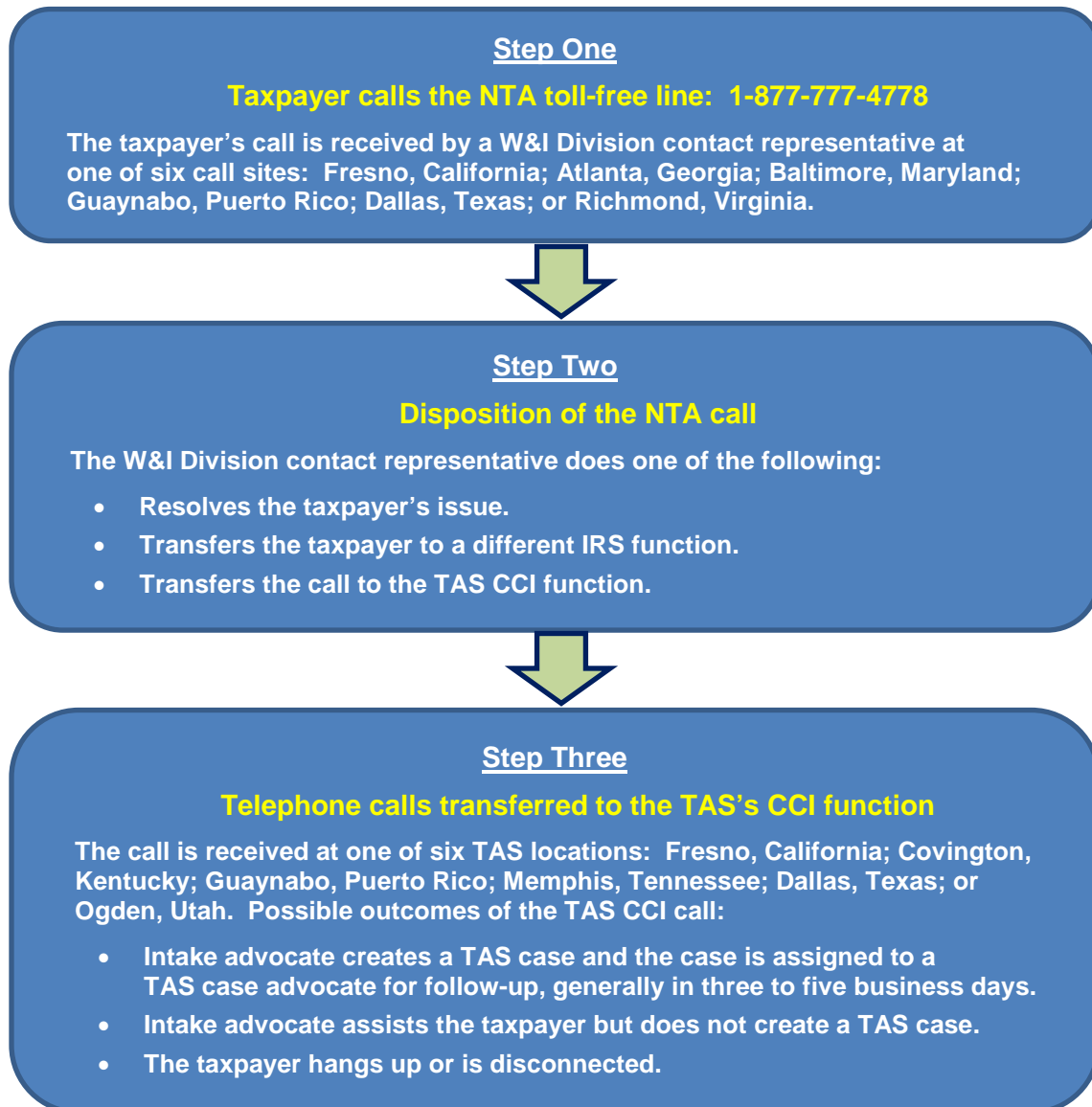
<sup>2</sup> The TAMIS is an Oracle web-based inventory control and report system used to control and track TAS cases and provide management information.

<sup>3</sup> See Appendix V for a description of the TAS's case criteria.



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

**Figure 1: Fiscal Year (FY) 2017 TAS CCI Process**



*Source: Multiple IRS sources, including Enterprise Telephone Data Executive Summary Reports and TAS Business Performance Reviews.*

The Treasury Inspector General for Tax Administration previously expressed concerns about the proof of concept in a June 2012 audit report<sup>4</sup> and recommended that TAS management determine

<sup>4</sup> Treasury Inspector General for Tax Administration, Ref. No. 2012-10-052, *The Taxpayer Advocate Services ASK-TASI Toll-Free Line Has Evolved Over Time, but Additional Steps Are Necessary to Evaluate Its Impact* (June 2012).





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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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the full costs of implementing the new program, including the resources necessary to effectively handle the increased call volume. We also recommended that the TAS identify the performance measures it will use to monitor whether the new process achieves expected benefits. In response to our recommendation, the TAS agreed to define and document the measures it will use to monitor the success of the new process. Per the TAS's January 2013 entry in the Joint Audit Management Enterprise System (JAMES),<sup>5</sup> the new process "will result in faster case advocate closures and better taxpayer service." The TAS agreed to measure:

- The speed of calls answered (with a target of 70 seconds or less).
- Case cycle time<sup>6</sup> (with the expectation that it will decrease).
- Direct case time<sup>7</sup> (with the expectation that it will decrease).

Although the TAS had to hire additional personnel to handle the increased volume of calls being transferred from W&I Division contact representatives, the TAS predicted an overall reduction in case advocates (nonintake personnel), resulting in an estimated total net savings of \$219,767<sup>8</sup> after all three phases of the process were implemented.<sup>9</sup> However, the TAS has implemented only one phase of the process. The TAS has not implemented the other two phases (expansion of the program to the IRS's other toll-free lines) due to funding shortfalls.

In the September 2014 JAMES report, the TAS declared the CCI proof of concept a success. However, the TAS declared the success based on different quality measures than it previously stated it would use in the 2013 JAMES report: "Overall, review results identified TAS intake advocates' involvement at first contact resulted in:

- Higher accuracy of TAMIS case coding (+50 percent).
- Higher taxpayer relief rates<sup>10</sup> (+17 percent) for the top two issue codes (Stolen Identity and Pre-Refund Wage Verification Hold).
- Decreased taxpayer burden in requesting additional documentation (-10 percent)."

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<sup>5</sup> The JAMES is an audit tracking and management control system maintained by the Department of the Treasury that is used to assess the effectiveness and progress of bureaus in correcting their internal control deficiencies and implementing audit recommendations.

<sup>6</sup> Case cycle time refers to the number of calendar days (on average) taken to resolve an issue.

<sup>7</sup> Direct case time refers to the minutes/hours applied to a case (on average) by TAS personnel.

<sup>8</sup> Total net savings is based on a decrease in case advocate full-time equivalents (FTE) and an increase in intake advocate FTEs. Intake advocates are lower-graded employees than case advocates. FTEs are a measure of labor hours in which one FTE is equal to eight hours multiplied by the number of compensable days in a particular fiscal year.

<sup>9</sup> Phase two includes the TAS's current CCI program and assisting customers referred to the TAS by all Accounts Management toll-free lines. Phase three encompasses phases one and two plus making outgoing calls for inquiries received via correspondence or other nonphone referrals.

<sup>10</sup> Relief rates refer to the percentage of cases that are resolved to the benefit of the taxpayer.



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

The TAS permanently established the CCI program in Calendar Year 2016. As shown in Figure 2, the CCI program employs 111 intake advocates and management officials.

**Figure 2: Centralized Case Intake Personnel**

Title	Number of Positions
CCI Director	1
Department Manager, CCI/East	1
Department Manager, CCI/West	1
Management and Program Analysts	2
Intake Systems Analyst	1
Group Managers	6
Bilingual Group Managers	3
Lead Intake Advocates	7
Bilingual Lead Intake Advocates	2
Intake Advocates	68
Bilingual Intake Advocates	18
Secretary	1
<b>Total</b>	<b>111</b>

Source: IRS Discovery Directory, dated April 6, 2018.

This review was performed at the W&I Division offices located in Fresno, California; Atlanta, Georgia; and Dallas, Texas, and the TAS offices located in Fresno, California; Atlanta, Georgia; Memphis, Tennessee; and Dallas, Texas, during the period October 2017 through June 2018. 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. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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*Results of Review*

**The Centralized Case Intake Program Provides Benefits to Taxpayers**

During our review, we identified several benefits associated with the CCI program. Through listening to recorded CCI program calls, we found that intake advocates educated taxpayers about their rights and what to expect from the TAS and found that intake advocates were polite and expressed a willingness to assist taxpayers with their problems. Additionally, intake advocates screened out issues that did not meet TAS's criteria<sup>11</sup> and addressed problems without creating a TAS case. For example, intake advocates advised taxpayers as to why the IRS is unable to issue refunds in certain instances.

The TAS also granted intake advocates expanded delegated authorities, allowing them to resolve more types of taxpayer problems before a case is assigned to a case advocate.<sup>12</sup> For example, intake advocates can temporarily suspend imminent collection actions such as a tax lien<sup>13</sup> or levy.<sup>14</sup> In addition, the TAS has created an online SharePoint site for intake advocates, which includes many useful tools, such as the Case Assistance by Issue Code site.<sup>15</sup>

We also observed that some intake advocates created TAS cases for taxpayers whose issues would normally be excluded from TAS's inventory, such as identity theft, when the taxpayer experienced excessive or unnecessary delays.<sup>16</sup> In these instances, we agreed that the taxpayer's case should have been accepted into the Case Advocacy Program to address their hardship as indicated under Internal Revenue Code Section 7811.<sup>17</sup>

Finally, we determined that cases created by CCI intake advocates in FY 2017 were resolved by case advocates an average of five calendar days faster than cases that originated from all sources, such as the IRS's toll-free line.<sup>18</sup> While many factors may influence how long it takes to

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<sup>11</sup> See Appendix V for the TAS case criteria.

<sup>12</sup> The NTA redelegated certain authorities to intake advocates from Delegation Order 13-2 (Rev. 1), *Authority of the National Taxpayer Advocate to Perform Certain Tax Administration Functions* (Mar. 2008).

<sup>13</sup> An encumbrance on property or rights to property as security for outstanding taxes.

<sup>14</sup> A method used by the IRS to collect outstanding taxes from sources such as bank accounts and wages.

<sup>15</sup> The Case Assistance by Issue Code (CABIC) site assists TAS employees by identifying sources to perform research, conduct case building, and guide routing of cases.

<sup>16</sup> See Appendix VI for more information about exceptions to TAS criteria.

<sup>17</sup> Internal Revenue Code Section 7811(a)(1)(B)(2)(B) describes circumstances in which a taxpayer is suffering or about to suffer a significant hardship because of the manner in which the Internal Revenue laws are being administered.

<sup>18</sup> The IRS's general toll-free telephone number for individuals is 1-800-829-1040.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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resolve a taxpayer's issue, the average time it took the TAS to close a case for the CCI program was 65 calendar days in FY 2017 compared to 70 calendar days for all TAS-created cases.<sup>19</sup>

**Call Wait Times, Staffing Inefficiencies, and a Lack of Detailed Case Information Raise Concerns About the Overall Success of the Centralized Case Intake Program**

While the CCI program provided some benefits to taxpayers, we found some significant program weaknesses. Specifically, we found that taxpayers sometimes wait for long periods to talk to an intake advocate, and some may hang up or get systemically disconnected. For example, taxpayers had to wait on hold for more than an hour during peak periods (in both March 2017 and 2018) in order to reach a CCI intake advocate. In addition, we found that intake advocates only spend about 50 percent of their time responding to, and documenting, taxpayer calls. They spend the remainder of their time performing other duties, such as attending training or uploading forms received outside of the CCI process.

For taxpayers who make it through to a CCI intake advocate, the TAS does not track what occurs on calls that do not result in a TAS case. As a result, the TAS does not have evidence that taxpayers received assistance. For calls that result in a TAS case, we found that intake advocates do not always take actions that could help case advocates who will work one on one with taxpayers to more quickly resolve tax issues. For example, intake advocates should prepare cases for faster assignment and resolution by obtaining and documenting key case details. However, for 62 (73 percent) of 85 cases sampled,<sup>20</sup> CCI intake advocates did not document adequate details about the taxpayer's issue or hardship in case files they created. Further, CCI intake advocates should assist taxpayers with timely resolution of their cases by informing them of documentation they may need to resolve tax issues. However, for 46 (54 percent) of the 85 cases, CCI intake advocates did not document what information, if any, taxpayers were informed they may need to provide to assist with the resolution of their issue. Also, for 28 (33 percent) of the 85 cases, intake advocates did not provide good customer service by taking required account actions, *e.g.*, placing collection holds on accounts.

Finally, while the CCI program cost more than \$9 million, we did not find improvements in customer satisfaction rates or a reduction in the direct time case advocates spent on cases initiated through the CCI program compared to all other TAS cases.

**Taxpayers experienced long hold times during peak call periods and hung up or were disconnected**

Although the objective of the CCI program is to provide taxpayers with immediate access to a TAS employee, many taxpayers waited for long periods on hold before reaching a CCI intake

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<sup>19</sup> We excluded cases that were reopened.

<sup>20</sup> See Appendix I for details on our sampling methodology.



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

advocate during peak call periods. In addition, callers were systemically disconnected<sup>21</sup> or hung up before speaking with an intake advocate during thousands of calls in FY 2017. Overall, during FY 2017, intake advocates answered 62,744 calls, with callers waiting an average of approximately nine minutes before being connected to a CCI intake advocate. While the nine-minute wait time appears reasonable, some callers (during certain days of peak call periods, such as both March 2017 and 2018) waited between 44 minutes and an hour and 25 minutes on average to be connected to an intake advocate. During those time periods, thousands of calls were abandoned<sup>22</sup> before a caller could be connected to an intake advocate. For example, while intake advocates answered 2,994 calls during the week of March 10, 2018, callers had to wait an hour and 25 minutes on average to speak with an intake advocate. During that same period, almost 8,200 callers hung up rather than waiting on hold for an intake advocate. Figure 3 provides details on call wait times and abandoned calls during three weeks of peak call periods in Calendar Years 2017 and 2018.

**Figure 3: CCI Telephone Statistics, March 2017 and 2018**

Week Ending	Calls Transferred to the CCI (Net Attempts) <sup>23</sup>	Calls Answered	Calls Abandoned	Average Speed of Answer (Minutes) <sup>24</sup>
March 3, 2018	11,572	3,124	8,421	78.4
March 4, 2017	6,131	2,195	3,564	56.8
March 10, 2018	11,167	2,994	8,172	84.7
March 11, 2017	6,203	2,098	3,779	64.1
March 17, 2018	9,054	3,467	5,576	76.1
March 18, 2017	4,464	1,924	2,221	44.2

Source: IRS Enterprise Performance Weekly Telephone Data Reports, March 21, 2018.<sup>25</sup>

The TAS has not established specific goals for the time taxpayers should have to wait before being connected to an intake advocate. However, the nine-minute average wait for FY 2017, and the 44-minute to an hour and 25 minute average wait experienced by callers during weeks in

<sup>21</sup> Systemic disconnects occur due to a combination of factors including call volume, wait time, and availability of employees to receive the calls.

<sup>22</sup> Abandoned calls occur when callers end the call (hang up) before speaking with an employee.

<sup>23</sup> Calls answered plus calls abandoned do not always equal calls transferred due to disconnects and callers who hang up before entering the CCI call queue.

<sup>24</sup> The average number of minutes taxpayers waited in the assistor queue (on hold) before receiving services.

<sup>25</sup> We could not validate this information because there is no independent source of overall CCI telephone statistics against which we could compare.



## *The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service*

both March 2017 and 2018, far exceeded the stated target of 70 seconds that the TAS referenced in its proof of concept goals when the program was initiated. The long wait times taxpayers experienced during these peak call periods indicate that the TAS lacked sufficient resources to handle the call volume from the NTA toll-free line. This lack of availability caused increased burden to taxpayers who may have already spent a lengthy period on the phone before being transferred to the CCI toll-free line. The burden on taxpayers was especially critical during the month of March, when taxpayers are expecting refunds, for both the 2017 and 2018 Filing Season.<sup>26</sup>

In addition to the long wait times, we found that thousands of calls were abandoned or disconnected before reaching an intake advocate during FY 2017. As shown in Figure 4, 13,768 callers (18 percent) hung up after they were transferred to the CCI line by a W&I Division contact representative on the NTA toll-free line, and another 214 callers were systemically disconnected due to high call volumes while waiting in the CCI queue.

**Figure 4: CCI Telephone Statistics for FY 2017**

Telephone Statistic	FY 2017
Calls Received	76,726
Calls Answered	62,744
Calls Abandoned (hang-ups)	13,768
Calls Disconnected	214

Source: TAS management, October 2017.

In addition, an undetermined number of callers were disconnected at the end of the day when the CCI lines stop accepting calls.<sup>27</sup> The after-hours disconnect problem was particularly concerning given some of the situations we observed when reviewing calls during March 2018. Specifically, we observed instances when taxpayers were on hold up to two hours and noted one instance when a taxpayer was automatically disconnected at the end of the day after waiting on hold for more than an hour and 40 minutes. This disconnect issue was caused by a process whereby calls on hold are automatically disconnected at approximately 7:00 p.m.<sup>28</sup> when the CCI stops accepting calls. For example, on March 5, 2018, 176 calls were disconnected at approximately 7:00 p.m. After raising the issue with the TAS during our site visit, TAS management instructed the NTA toll-free line W&I Division contact representatives to stop transferring calls to the CCI starting at 5:00 p.m. in order to allow the CCI intake advocates to answer calls waiting in the queue. Shortly thereafter, we were informed that the TAS instructed the W&I Division to stop transferring calls after 4:00 p.m. After 4:00 p.m., contact representatives are instructed to refer

<sup>26</sup> The period from January through mid-April when most individual income tax returns are filed.

<sup>27</sup> For FY 2017, there were 6,712 after-hours calls that were not completed. This includes an undetermined number of calls that were systemically disconnected at the end of day.

<sup>28</sup> All times shown are in Central Standard Time.





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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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callers meeting TAS criteria to fill out an electronic request for TAS assistance.<sup>29</sup> Although this helps to reduce the number of calls disconnected at the end of the day, it does not benefit callers who are subject to lengthy wait times earlier in the day or those who wish to discuss their tax issue with an intake advocate later in the day. Finally, we identified other aspects of the telephone process that may inconvenience taxpayers. For example, while the IRS plays a recorded message apologizing for the delay, it does not advise callers of the expected wait time or allow them to leave a message for a call back.

Although the CCI program has difficulty handling the volume of calls received during peak periods, we found intake advocates spend a significant amount of their time throughout the year performing duties unrelated to answering CCI line calls. Specifically, although the CCI program is primarily a telephone operation, FY 2017 staffing reports show that intake advocates only charged 51 percent of their time to answering calls on the CCI line. Of the time charged to answering calls, only 53 percent of their time was spent on the telephone with taxpayers speaking to them directly or researching and documenting the call. Intake advocates charged the remainder of their time to other intake duties<sup>30</sup> such as uploading electronic referrals from other IRS business units into the TAMIS to create TAS cases. However, other TAS offices are able to handle these duties with far fewer employees. In addition, during site visits, several intake advocates and managers advised us that during October through December, they often do not receive enough calls or other work to keep busy.

The TAS has not established standards for the time intake advocates should spend on calls versus performing other duties. However, we determined that the staffing plan the TAS has instituted for the CCI program may have caused the identified inefficiencies. Specifically, unlike the W&I Division, which staffs the NTA toll-free line with a mix of permanent and seasonal employees, the TAS does not utilize seasonal employees for the CCI program. Further, the TAS cannot shift intake advocate work to “paper” accounts in the off-season (after filing season) because these cases are worked by more experienced TAS case advocates. According to TAS management, the decision to staff the CCI program with full-time, nonseasonal employees was intentional and designed to address the TAS’s work that continues throughout the year. TAS management also advised us that they attempt to provide training during the off-season and provide opportunities for employees to be detailed to other IRS functions. While providing other opportunities for employees may help keep intake advocates engaged, it does not resolve the problem of the program having too many intake advocates available during off-peak times and not enough intake advocates available during peak call times.

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<sup>29</sup> Form e-911, *Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order)*. This is the same procedure used by the Accounts Management function and other IRS telephone functions, which enables taxpayers to request TAS assistance without having to first speak with an intake advocate.

<sup>30</sup> Other activities may include answering local calls, handling incoming “paper” (*i.e.*, correspondence and faxes), assisting with walk-in/window traffic, *etc.*



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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**The TAS does not track the disposition of CCI calls that do not result in TAS cases**

Of the 62,744 calls answered by the CCI program in FY 2017, intake advocates created 42,522 TAS cases (68 percent). According to TAS management, the remaining 20,222 callers transferred from the NTA toll-free line did not result in a new TAS case, and intake advocates provided “alternative assistance” to these callers. However, we found that the TAS did not track what occurred for most calls that did not result in cases and thus has no evidence to show that callers received assistance in all instances. In at least some instances, taxpayer calls that did not result in the creation of a new TAS case stemmed from taxpayers attempting to reach their case advocate regarding their current or prior case. Specifically, W&I Division personnel advised us that often taxpayers call the NTA toll-free line trying to contact their case advocate, and these calls are transferred to the CCI program. In those instances, the TAS has already created a case and, other than ensuring that the taxpayer has the correct contact information and next contact date, there is little that the CCI intake advocate can do to assist the taxpayer.

When asked about CCI calls that did not result in a case, TAS management advised us that, because some issues do not meet TAS criteria, intake advocates may address the caller’s issue in various ways. For example, intake advocates may advise the taxpayer to wait a designated period of time for the IRS to resolve the issue, direct the taxpayer to call a different IRS phone number, or make an internal referral to another IRS business operating division.<sup>31</sup> These types of calls are addressed in TAS criteria. Specifically, the TAS’s procedures direct intake advocates to complete Form 14556, *TAS Open/Closed Case and Incorrect Referral Feedback*, when they receive a call that does not meet TAS case criteria. They are then instructed to email the Form 14556 to a TAS analyst who can provide feedback to the W&I Division. However, we determined that intake advocates do not always complete the form when required, or when they do, they may provide limited or incorrect information. For example, some intake advocates completed the form when taxpayers hung up or were disconnected. Consequently, the TAS does not have accurate information to determine the number of potentially incorrect referrals from the NTA toll-free line or how intake advocates assisted the caller in lieu of creating a TAS case for the more than 20,000 calls received that did not result in the creation of a TAS case. Further, although the TAS formally implemented the CCI program in FY 2016, it has not updated the Internal Revenue Manual section that provides guidance for W&I Division contact representatives who staff the NTA toll-free line since March 2012.<sup>32</sup> Additionally, the TAS has not updated the Internal Revenue Manual section that outlines the actions TAS employees are authorized to perform since October 2004.<sup>33</sup>

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<sup>31</sup> The IRS uses Form 4442, *Inquiry Referral*, to make internal referrals to various functions within the IRS.

<sup>32</sup> Internal Revenue Manual 13.3, *National Taxpayer Advocate Toll-Free Program* (March 2, 2012). The Internal Revenue Manual is the official source of information on policies and procedures for use by all IRS offices.

<sup>33</sup> Internal Revenue Manual 13.1.4, *Taxpayer Advocate Case Procedures – TAS Authorities* (Oct. 31, 2004).





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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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We discussed the issue of using Form 14556 to track incorrect referrals with TAS management, and they agreed the current procedure is not reliable. TAS management stated that, although proposed TAMIS enhancements were planned for implementation later in FY 2018, the updates are now delayed due to higher IRS priorities related to the Tax Cuts and Jobs Act of 2017.<sup>34</sup> Therefore, it is unknown when the changes to the TAMIS will take place. The proposed changes were to include programing to track all calls received and the disposition of the calls. This feature could have provided management with valuable information to assist with educating IRS employees about TAS criteria and helped identify areas of improvement in the process. Because the TAS has limited resources to assist taxpayers, it needs to ensure that it receives the right type of calls from the NTA toll-free line and addresses all taxpayer concerns.

**When creating TAS cases, intake advocates did not always sufficiently document case files or take other actions to resolve taxpayer issues quicker and suspend further IRS actions**

According to the TAS, a major intended benefit of the CCI program is to help obtain and document key case details related to a taxpayer's issue during their initial call. Doing so may allow for faster assignment and resolution by case advocates. However, we found that many cases we reviewed did not include relevant information about problems facing taxpayers who contacted the TAS via the CCI program. Specifically, we selected a statistical sample of 85 FY 2017 cases created by the CCI program to determine whether intake advocates documented case files as required. We observed that, in many instances, intake advocates did not sufficiently document case files with information that could have helped resolve the taxpayers' issues quicker or take actions to suspend further activity on taxpayers' accounts while the TAS is working on taxpayers' issues.

- For 62 (73 percent) of the 85 cases,<sup>35</sup> intake advocates did not document in sufficient detail the taxpayer's hardship<sup>36</sup> and tax issue.
- For 46 (54 percent) of the 85 cases, intake advocates did not document what information, if any, they advised taxpayers to have available to assist with the resolution of their issue.
- For 28 (33 percent) of the 85 cases, intake advocates did not take actions to alert other IRS employees that the TAS was working on a taxpayer's account<sup>37</sup> or did not input holds

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<sup>34</sup> Pub. L. No. 115-97.

<sup>35</sup> Some cases had more than one error.

<sup>36</sup> See Appendix V, criteria codes 1 through 4 (Economic Burden).

<sup>37</sup> These actions are also referred to as opening an Integrated Data Retrieval System control base. The Integrated Data Retrieval System is an IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records. Establishing the control base is critical because its presence facilitates communication between the TAS and other IRS business operating divisions and may prevent actions from being taken that could adversely affect the taxpayer or further complicate an identified account-related problem or error the TAS will be working to resolve.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

---

on taxpayers' accounts to stop balance due notices and enforced collection actions, e.g., wage and bank levies.

According to the 2016 and 2017 National Taxpayer Advocate's Annual Reports to Congress, intake advocates are expected to determine the urgency of the taxpayer's issue and validate that it meets the TAS criteria after conducting a robust case intake interview. In addition, intake advocates are directed to prepare the taxpayer for a case advocate's review by obtaining additional information about the underlying issues and advising taxpayers what documents they may need to provide to resolve their problem. Helping educate taxpayers on the documentation they will need to have available in order to resolve their issue is a major factor in whether a case can be resolved quickly. For example, in order to obtain credit for tax withheld by an employer, a taxpayer should be advised that they might need to provide a copy of a Form W-2, *Wage and Tax Statement*. However, we found many useful details were missing from case descriptions, such as amounts of taxpayer refunds, dates when taxpayers filed certain documents, and descriptions of the taxpayer's hardship.

TAS management did not fully agree that CCI-created cases lacked documentation about the taxpayer's problem, but they indicated that they plan to focus on training and stressed that they want intake advocates to spend more time documenting their conversation with the taxpayer and any research performed. TAS management also stated that some intake advocates might have thought they had limited space to record information based on the size of TAMIS fields. Management also acknowledged that some intake advocates had little or no prior experience with IRS systems and procedures. Consequently, intake advocates were not always proficient at researching the IRS's computer systems (such as the Integrated Data Retrieval System). We noted that intake advocates are on a lower-graded pay scale than their counterparts in the W&I Division and may not have the level of experience needed to fully understand and document taxpayer concerns.

**Funds spent on the CCI program did not result in improved customer satisfaction**

We found that the CCI program was successful in connecting taxpayers with considerate and helpful TAS intake advocates during calls. Additionally, cases initially received through the CCI program were completed on average approximately five calendar days faster than the average time to resolve all other cases closed by the TAS during FY 2017. However, we were unable to document other measurable benefits of the CCI program. Specifically, overall customer satisfaction for cases initiated through the CCI program was 1 percent lower than for cases initiated through other means. Additionally, the direct time TAS case advocates spent on cases initially received by CCI intake advocates was not measurably reduced as the TAS had hoped during the TAS's development of the CCI program. Finally, while we could not identify other measurable benefits from the CCI program, the CCI program cost the TAS more than \$9 million in FY 2017.

The TAS's most recent customer satisfaction survey from FY 2017 did not show that taxpayers were more satisfied with cases that were created through the new CCI program. While we



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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determined that the TAS's Customer Satisfaction Survey does not solicit feedback from respondents specifically regarding their experience with the CCI process, 951 (23 percent) of the 4,176 survey respondent's cases were received through the CCI program. The remaining 3,225 respondents reached out to the TAS through other TAS intake processes. The survey results reported that respondents whose cases were received via the CCI intake process had a 15 percent more negative opinion of the IRS than prior to their interaction with the TAS. Furthermore, the survey results showed that the overall level of satisfaction with the TAS was the same or slightly less for CCI cases than all other cases. We also found that the survey only requested feedback regarding taxpayers' experiences related to the case advocate process and did not include any questions relating to the CCI intake process. As such, the survey does not measure taxpayers' experiences related specifically to the CCI process. TAS management advised that they do not conduct customer satisfaction surveys specifically of the CCI process due to lack of funding.

In addition, direct case time spent by case advocates did not decrease for CCI-created cases as the TAS expected. The TAS measures direct case time as the minutes/hours a case advocate spends specifically dealing with any one case. The TAS stated during the implementation of the CCI program that one of the key benefits to the program would be the reduction in time a case advocate would need to spend on cases. However, we found that there was no significant difference between direct case time on CCI-generated cases (7.4 hours) compared to all TAS cases (7.2 hours). In addition, relief rates for CCI cases were 2.5 percent lower than the overall TAS relief rate. Many factors can influence the direct case time needed and relief rates for specific cases, but the increased direct case times and lower relief rates for CCI cases do not provide evidence of benefits to the TAS or taxpayers.

The CCI program costs were made up primarily of salary expenses, with the TAS employing more than 90 intake advocates and almost 20 staff in supervisory, administrative, and management positions. Of the average 29 minutes intake advocates spent on the phone with the taxpayer, approximately 13 minutes were spent speaking with the taxpayer, and callers were on hold almost nine minutes while the intake advocate researched their issue. The remaining seven minutes were spent wrapping up the call (such as documenting the TAMIS).

## ***Recommendations***

The National Taxpayer Advocate should:

**Recommendation 1:** Develop and implement a staffing plan that will reduce the call wait times that taxpayers experience during peak call volume periods.

**Management's Response:** TAS management agreed with this recommendation and intends to implement an expansion of the program in an effort to reduce call wait times. The expansion will include adding three new groups in Laguna Niguel, California; St. Louis, Missouri; and Seattle, Washington. Each group will be staffed with 10 intake



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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advocates, a lead intake advocate, and an intake advocate manager. Additionally, TAS management has plans for further expansion, but the locations have not yet been identified.

**Office of Audit Comment:** While management's planned corrective action may help reduce call wait times, the plan does not address how staffing inefficiencies, caused by having too many intake advocates available during off-peak times, will be addressed. We recommend the TAS consider other options to better utilize their limited resources as it evaluates the need to maintain appropriate staffing levels.

**Recommendation 2:** Develop and implement a process to prevent callers from being disconnected from the CCI program at the end of the day.

**Management's Response:** TAS management agreed with this recommendation and intends to implement two initiatives to improve service to taxpayers who are transferred by the NTA toll-free line assistors to the CCI program. The first is to hire three phone analysts to help monitor and support efforts in areas such as staffing, scheduling, and performance monitoring. The second initiative is to have all newly hired intake advocates on the same tour of duty, which will be from 9:30 a.m. to 6:00 p.m. local time.

**Recommendation 3:** Develop and implement a mandatory process whereby the TAS 1) records and summarizes specific reasons why calls received by intake advocates do not result in the creation of a TAS case and 2) provides formal feedback to the W&I Division on the frequency and reasons for inaccurate referrals made from the W&I Division to the CCI program.

**Management's Response:** TAS management agreed with this recommendation and advised us that they developed a new tool, "Contact Record," on the TAMIS that will be used to capture specific data on all customer contacts. Additionally, TAS management responded that they have provided training to employees on the new tool and are in the process of drafting a Memorandum of Understanding that will advise all parties of the use of Form 14556. Intake advocates will use the form to document inappropriate referrals of telephone calls transferred from the NTA toll-free line. Additionally, the TAS CCI Director (or designee) and W&I project managers will resume meeting at least monthly to discuss issues of importance that may include the quality and accuracy of call transfers.

**Recommendation 4:** Update Internal Revenue Manual 13.3 and provide up-to-date guidance to W&I Division contact representatives who staff the NTA toll-free line pertaining to current procedures for the CCI program.

**Management's Response:** TAS management agreed with this recommendation and acknowledged the need to update Internal Revenue Manual 13.3.1, *NTA Toll-Free Procedures*. They plan to publish the updated Internal Revenue Manual in FY 2019.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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**Recommendation 5:** Develop and implement training for intake advocates on specific details that should be obtained from taxpayers and documented in case files in order to reduce rework needed by case advocates and better prepare taxpayers for further interactions with the TAS and other IRS business units as the taxpayer issue is resolved.

**Management's Response:** TAS management agreed with this recommendation and advised us that training will be developed and delivered to all intake advocates that specifically educates employees of what documentation taxpayers should be prepared to provide upon initial contact with the assigned case advocate.

**Office of Audit Comment:** While it is important for intake advocates to inform taxpayers of documentation that may be needed to resolve their issue, our recommendation relates to our observation that intake advocates did not sufficiently document case files based on their conversations with taxpayers. The training that we are recommending should address how intake advocates, based on their in-depth conversations with taxpayers, can add significant details to the case file that will assist case advocates in clarifying the issues involved.

**Recommendation 6:** Develop and measure progress toward specific and quantifiable program goals for the CCI program that measure benefits to taxpayers, the TAS, and the IRS, such as increased customer satisfaction, reduced direct case time, or other measures of program impact.

**Management's Response:** TAS management agreed with this recommendation and recognizes the need to have established goals and measures. Management added that it will publish quality attributes pertaining to the intake process and will incorporate a question about intake in their Customer Satisfaction Survey in FY 2019.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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## **Appendix I**

### *Detailed Objective, Scope, and Methodology*

The overall objective was to assess the TAS's CCI program's efforts to improve customer service. To accomplish our objective, we:

- I. Determined what guidance has been provided to W&I Division and TAS employees regarding the CCI process.
  - A. Interviewed W&I Division personnel to gain a better understanding of the program.
  - B. Interviewed TAS personnel to gain a better understanding of the program and its impact on the TAS's mission and resources.
  - C. Requested documentation that was used to support the formalization of the CCI pilot project.
  - D. Listened to prerecorded calls answered by CCI intake advocates during site visits.
- II. Reviewed CCI statistical measures to determine if the CCI is efficient for taxpayers calling for assistance.
  - A. Compared call statistics during the filing season<sup>1</sup> to the rest of the year to determine if the TAS had adequate staffing during peak call periods.
  - B. Compared call statistics captured by the IRS to goals set by TAS management.
- III. Determined if there is a measurable impact on CCI versus non-CCI TAS cases for customer satisfaction, quality, cycle time, *etc.*
- IV. Determined whether the TAS has identified the estimated cost of the CCI program.
- V. Selected and reviewed a statistical sample of 85 cases created by CCI intake advocates in FY 2017 from a population of 41,831 cases to determine if cases were documented as required. We used a confidence level of 90 percent, a precision rate of  $\pm 6$  percent, and an expected error rate of 10 percent to determine the sample size. We discussed our sampling methodology with our contracted statistician, who reviewed our sampling methodology. We evaluated the sufficiency and reliability of the electronic data received from the TAMIS to ensure that the data field descriptions were accurately stated. We validated the population by reviewing the appropriateness of data within fields requested

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<sup>1</sup> The period from January through mid-April when most individual income tax returns are filed.





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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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and comparing population totals to information obtained from the TAS. We determined that the data were sufficiently reliable for the purposes of this report.

- A. Determined if case files were documented sufficiently.
- B. Discussed exceptions with TAS management.

VI. Evaluated the process for callers that are not accepted into the TAS program.

- A. Interviewed TAS management to determine the procedures for handling callers that are not accepted into the TAS program.
- B. Determined if TAS management tracks the number of calls that do not meet TAS criteria.

**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: TAS policies and procedures for the CCI program. We evaluated these controls by reviewing a statistical sample of 85 cases created by CCI personnel, evaluating TAS's guidance, analyzing telephone statistics, listening to recorded CCI calls, and interviewing TAS and W&I Division management.



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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## **Appendix II**

### *Major Contributors to This Report*

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Troy D. Paterson, Acting Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Jonathan T. Meyer, Director

Janice M. Pryor, Audit Manager

Mary F. Herberger, Lead Auditor

Yasmin B. Ryan, Senior Auditor





*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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**Appendix III**

*Report Distribution List*

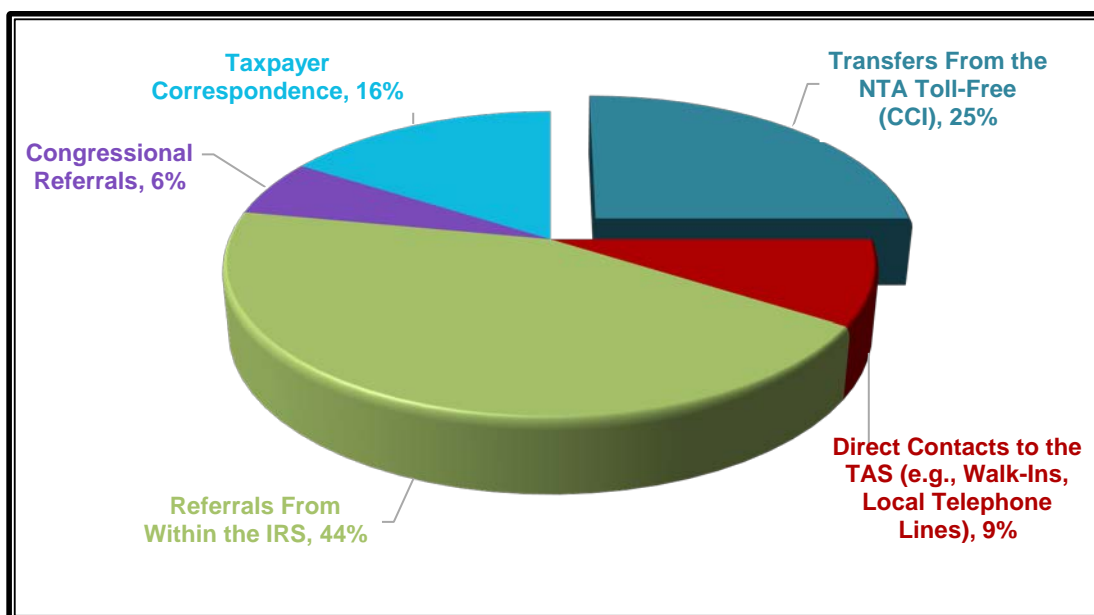
Commissioner, Wage and Investment Division  
National Taxpayer Advocate  
Executive Director, Business Modernization  
Executive Director, Intake and Technical Support  
Director, Customer Account Services  
Director, Joint Operation Center  
Director, Office of Audit Coordination



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

**Appendix IV**

*Fiscal Year 2017 Taxpayer Advocate Service  
Receipts by Source*



Source: TAS Business Performance Review, 4<sup>th</sup> Quarter FY 2017.



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

## Appendix V

### *Taxpayer Advocate Service Case Criteria*

Economic Burden	
Economic burden cases are those involving a financial difficulty to the taxpayer: an IRS action or inaction has caused or will cause negative financial consequences or have a long-term adverse impact on the taxpayer.	
<b>Criteria 1</b>	The taxpayer is experiencing economic harm or is about to suffer economic harm.
<b>Criteria 2</b>	The taxpayer is facing an immediate threat of adverse action.
<b>Criteria 3</b>	The taxpayer will incur significant costs if relief is not granted (including fees for professional representation).
<b>Criteria 4</b>	The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.
Systemic Burden	
Systemic burden cases are those in which an IRS process, system, or procedure has failed to operate as intended, and, as a result, the IRS has failed to timely respond to or resolve a taxpayer issue.	
<b>Criteria 5</b>	The taxpayer has experienced a delay of more than 30 calendar days to resolve a tax account problem.
<b>Criteria 6</b>	The taxpayer has not received a response or resolution to the problem or inquiry by the date promised.
<b>Criteria 7</b>	A system or procedure has either failed to operate as intended or failed to resolve the taxpayer's problem or dispute within the IRS.
Best Interest of the Taxpayer	
TAS acceptance of these cases will help ensure that taxpayers receive fair and equitable treatment and that their rights as taxpayers are protected.	
<b>Criteria 8</b>	The manner in which the tax laws are being administered raises considerations of equity or has impaired or will impair the taxpayer's rights.
Public Policy	
Acceptance of cases into the TAS under this category will be determined by the NTA and will generally be based on a unique set of circumstances warranting assistance to certain taxpayers.	
<b>Criteria 9</b>	The NTA determines compelling public policy warrants assistance to an individual or group of taxpayers.

Source: Internal Revenue Manual 13.1.7.2 (February 4, 2015).



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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## **Appendix VI**

### *Exceptions to Taxpayer Advocate Service Criteria*

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*The taxpayer's complaint or inquiry only questions the constitutionality of the tax system.*

*The focus of the taxpayer's inquiry solely involves frivolous tax strategies intended to avoid or delay the filing or paying of Federal taxes.*

*Generally, the IRS and TAS will refer taxpayers meeting the TAS's Systemic Burden Case Criteria 5 through 7 who seek assistance with an identity theft issue to the Accounts Management Identity Protection Specialized Unit.*

*Beginning October 1, 2011, the TAS will generally not accept the following types of inquiries that fall within Systemic Burden Case Criteria 5 through 7:*

- *Processing of Original Returns – Process that includes the receipt, sorting, coding, and archiving of all tax returns (electronic and paper).*
- *Unpostable Returns – Tax returns that cannot be posted to the Master File due to an unprocessable condition such as an incorrect Taxpayer Identification Number.*
- *Processing of Amended Returns – Amended returns that are used to change or correct amounts on a taxpayer's original tax return.*
- *Injured Spouse Claims – A Form 8379, Injured Spouse Allocation, is filed by one spouse (the injured spouse) on a jointly filed tax return when the joint overpayment was (or is expected to be) applied (offset) to a past-due obligation of the other spouse.*

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*Source: Internal Revenue Manual 13.1.7.3, Exceptions to Taxpayer Advocate Service Criteria (February 4, 2015).*



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

**Appendix VII**

*Management's Response to the Draft Report*



THE OFFICE OF THE TAXPAYER ADVOCATE OPERATES INDEPENDENTLY OF ANY OTHER IRS OFFICE AND REPORTS DIRECTLY TO CONGRESS THROUGH THE NATIONAL TAXPAYER ADVOCATE.

September 24, 2018

MEMORANDUM FOR MICHAEL E. MCKENNEY  
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Nina E. Olson   
National Taxpayer Advocate

SUBJECT: Draft Audit Report – *The Taxpayer Advocate Service  
Centralized Case Intake Program Needs  
Improvement to Provide Better Customer Service*  
(Audit # 201710026)

I appreciate the opportunity to comment on the draft audit report, *The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service*. I am very proud of our efforts to start up the Centralized Case Intake program, but agree that this program may be further improved. The recommendations made in this report will enhance the program, and we intend to implement actions to address these recommendations.

I will briefly address each of the six recommendations here, and provide a summary of our planned corrective actions, responsible officials, implementation dates, and monitoring plans in the attached document.

**Recommendation 1:** *Develop and implement a staffing plan that will reduce the call wait times that taxpayers experience during peak call volume periods.*

We agree with this recommendation. TAS CCI recognizes the challenges identified related to staffing, and considered time zone issues to address peak call volumes to alleviate long hold times experienced by taxpayers. CCI has implemented an expansion initiative that will result in the hiring of approximately 40 additional intake advocates (IAs). Currently, CCI have groups in Puerto Rico, Dallas, Covington, Ogden, Memphis and Fresno. The expansion will include adding an additional group in Covington and standing-up new groups in Laguna Niguel, Seattle, and St. Louis. Each group will be staffed with ten IAs, a lead IA, and a IA manager. CCI has plans on further expansion but the locations have



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## *The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service*

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not yet been identified. In addition, CCI will continue to evaluate the need to maintain appropriate staffing levels in existing CCI groups. For example, in August 2018, CCI published a vacancy announcement to hire additional bi-lingual IAs in the Fresno location.

**Recommendation 2:** *Develop and implement a process to prevent callers from being disconnected from the CCI program at the end of the day.*

We agree with this recommendation. To address the issues of peak call volumes and disconnects, CCI management is in the process of two significant initiatives to improve service to taxpayers who are transferred by the NTA assistants to CCI. The first is the hiring of three phone analysts, who will have three primary duties, which include: (1) perform system functions essential to the effective operation of the CCI phone system; (2) suggest resolutions to a range of workflow and operational problems and issues; and (3) support efforts in areas such as staffing, scheduling and performance monitoring.

The second initiative is to have all newly hired IAs on the same tour of duty (TOD), which will be from 9:30am to 6:00pm local time. Currently, the W&I NTA assistants stop transferring calls to CCI after 5:00pm local time, so the strategic approach to TODs will lead to having additional IAs available to answer taxpayer telephone calls. The uniform TODs may result in fewer abandoned calls due to long hold times and improve to reduce the number of systemically disconnected calls at the end of the day. When hiring, we looked at Mountain and Pacific time zones for peak end of day call volumes.

**Recommendation 3:** *Develop and implement a mandatory process whereby the TAS (1) records and summarizes specific reasons why calls received by intake advocates do not result in the creation of a TAS case and (2) provides formal feedback to the W&I Division on the frequency and reasons for inaccurate referrals made from the W&I Division to the CCI program.*

We agree with this recommendation. In July 2018, TAS conducted training for employees on a significant TAMIS enhancement related to contact with taxpayers. The training highlighted and informed TAMIS users of the new tool, "Contact Record." TAS has never had a systemic way of capturing customer contacts that do not result in cases. The Contact Record screen (attached) captures specific data on all customer contacts. The ability to quantify these contacts will help TAS identify staffing needs and outreach opportunities, as well as improving our communication and service to our customers. Specific data entered in the contact record will create a systemic history entry on existing cases, eliminating the need for the assistant to access the case history and summarize the contact. The screen will capture important information regarding all types of contacts coming to TAS. Through this data TAS will gain a better understanding of the different types of calls it receives, who is calling, and the issues driving them to contact TAS. This will aid our Systemic Advocacy efforts,





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## *The Taxpayer Advocate Service Centralized Case Intake Program Needs Improvement to Provide Better Customer Service*

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identifying issues with BODs and educational opportunities to prevent calls unnecessarily coming to TAS.

In 2013, the National Taxpayer Advocate and the W&I Commissioner signed a Memorandum of Understanding (MOU) concerning the direct transfer of telephone calls from NTA toll-free assistants to CCI under a proof of concept. The MOU addressed several issues, including how the parties would address inappropriate W&I referrals to TAS. CCI management is in the process of drafting an updated MOU that will advise all parties of the use of Form 14556, *TAS Open/Closed Case and Inappropriate Referral Feedback*. IAs will use the form to document inappropriate referrals of phone calls transferred from the NTA Toll-Free line. The completed form will be shared by the CCI phone analysts with TAS and W&I leadership. In addition, the TAS CCI Director (or designee) and the W&I Project Managers will resume meeting at least monthly to discuss issues of importance that may include, the quality and accuracy of call transfers.

**Recommendation 4:** *Update Internal Revenue Manual 13.3 and provide up-to-date guidance to W&I Division contact representatives who staff the NTA toll-free line pertaining to current procedures for the CCI program.*

We agree with this recommendation. CCI recognizes the need to update IRM 13.3.1, *NTA Toll-Free Procedures*. The updated IRM will be published in FY 2019.

**Recommendation 5:** *Develop and implement training for intake advocates on specific details that should be obtained from taxpayers and documented in case files in order to reduce rework needed by case advocates and better prepare taxpayers for further interactions with the TAS and other IRS business units as the taxpayer issue is resolved.*

We agree with this recommendation. Training will be developed and delivered to all IAs that specifically educates employees of what documentation taxpayers should be prepared to provide upon initial contact with the assigned case advocate that is related to their issue.

**Recommendation 6:** *Develop and measure progress toward specific and quantifiable program goals for the CCI program that measure benefits to taxpayers, the TAS, and the IRS, such as increased customer satisfaction, reduced direct case time, or other measures of program impact.*

We agree with this recommendation. CCI recognizes the need to have established goals and measures. CCI will publish quality attributes pertaining to the intake process and we will incorporate a question about intake in our customer service satisfaction survey in FY 2019. In the proof of concept, we found that the extensive intake interviews correlated with shorter cycle times (which is not a perfect measure of TAS), because all intakes – centralized and



*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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field – follow these procedures, we cannot measure that difference going forward.

Thank you for the opportunity to review and comment on this report. Attached is a summary of our response to your specific recommendations outlining our planned corrective actions. If you have any questions or concerns, please contact me, or a member of your staff may contact Chris Lee at (202) 317-3048.





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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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**ATTACHMENT**

**RECOMMENDATION 1**

Develop and implement a staffing plan that will reduce the call wait times that taxpayers experience during peak call volume periods.

**Planned Corrective Action 1-1:**

TAS will implement a CCI staffing expansion initiative that will result in the hiring of approximately 40 additional intake advocates (IAs). The expansion will include adding an additional group in Covington and standing-up new groups in Laguna Niguel, Seattle, and St. Louis. Each group will be staffed with ten IAs, a lead IA, and a IA manager.

**Implementation Date:**

March 31, 2019

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.

**RECOMMENDATION 2**

Develop and implement a process to prevent callers from being disconnected from the CCI program at the end of the day.

**Planned Corrective Action 2-1:**

To address the issues of peak call volumes and disconnects, TAS will take implement two significant initiatives to improve service to taxpayers who are transferred by the NTA assistants to CCI. The first is the hiring of phone analysts. The second initiative is to have all newly-hired IAs on the same tour of duty.

**Implementation Date:**

March 31, 2019

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
Provide Better Customer Service*

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**RECOMMENDATION 3**

Develop and implement a mandatory process whereby the TAS (1) records and summarizes specific reasons why calls received by intake advocates do not result in the creation of a TAS case and (2) provides formal feedback to the W&I Division on the frequency and reasons for inaccurate referrals made from the W&I Division to the CCI program.

**Planned Corrective Action 3-1:**

TAS already has a process in place to record and summarize specific reasons why calls received by CCI do not result in the creation of a TAS case. In July 2018, TAS conducted training for employees on a significant TAMIS enhancement related to contact with taxpayers. The training highlighted and informed TAMIS users of the new tool, "Contact Record," which captures specific data on all customer contacts.

**Implementation Date:**

N/A (already implemented July 2018)

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

N/A (already implemented)

**Planned Corrective Action 3-2:**

TAS will update the Memorandum of Understanding between the National Taxpayer Advocate and the W&I Commissioner regarding the direct transfer of telephone calls from NTA toll-free assistants to the CCI.

**Implementation Date:**

March 31, 2019

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.

**RECOMMENDATION 4**

Update Internal Revenue Manual 13.3 and provide up-to-date guidance to W&I Division contact representatives who staff the NTA toll-free line pertaining to current procedures

**Planned Corrective Action 4-1:**

TAS will update IRM 13.3.1, *NTA Toll-Free Procedures*.



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*The Taxpayer Advocate Service Centralized  
Case Intake Program Needs Improvement to  
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**Implementation Date:**

December 31, 2019

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.

**RECOMMENDATION 5**

Develop and implement training for intake advocates on specific details that should be obtained from taxpayers and documented in case files in order to reduce rework needed by case advocates and better prepare taxpayers for further interactions with the TAS and other IRS business units as the taxpayer issue is resolved.

**Planned Corrective Action 5-1:**

TAS will develop and deliver training to intake advocates that specifically covers what documentation taxpayers should be prepared to provide upon initial contact with the assigned case advocate.

**Implementation Date:**

June 30, 2019

**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.

**RECOMMENDATION 6**

Develop and measure progress toward specific and quantifiable program goals for the CCI program that measure benefits to taxpayers, the TAS, and the IRS, such as increased customer satisfaction, reduced direct case time, or other measures of program impact.

**Planned Corrective Action 6-1:**

TAS will develop quality attributes pertaining to the intake process. We will also incorporate a question about intake in our customer service satisfaction survey.

**Implementation Date:**

December 31, 2019



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**Responsible Official:**

Bonnie Fuentes, TAS Executive Director – Intake & Technical Support

**Corrective Action Monitoring Plan:**

We will monitor this corrective action as part of our internal management control system.