



*The Internal Revenue Service Needs to
Enhance Its International Collection Efforts*

September 12, 2014

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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 INTERNAL REVENUE SERVICE NEEDS TO ENHANCE ITS INTERNATIONAL COLLECTION EFFORTS

Highlights

Final Report issued on
September 12, 2014

Highlights of Reference Number: 2014-30-054
to the Internal Revenue Service Commissioner
for the Small Business/Self-Employed Division.

IMPACT ON TAXPAYERS

In today's global economy, businesses and individuals are becoming more and more involved in international transactions. For U.S. taxpayers, income received from these international transactions is subject to U.S. tax rules and reporting requirements. Accordingly, the role of an international revenue officer is very important in helping taxpayers comply with the tax laws and reducing international tax noncompliance.

WHY TIGTA DID THE AUDIT

The IRS faces many unique challenges in collecting taxes from international taxpayers. Moreover, the IRS does not have reliable statistics on the rate of noncompliance of these taxpayers with their U.S. tax obligations. The overall objective of this review was to evaluate the IRS's collection efforts on delinquent taxpayers residing in foreign countries.

WHAT TIGTA FOUND

International tax noncompliance remains a significant area of concern for the IRS. However, the IRS's collection efforts need to be enhanced to ensure that delinquent international taxpayers become compliant with their U.S. tax obligations.

TIGTA's review found that the IRS has not provided effective management oversight to International Collection, which contributed to several control weaknesses in the program. For example, International Collection does not have:

- Adequate policies, procedures, position descriptions, or the training needed to ensure that international revenue officers can properly work International Collection cases.
- A specific inventory selection process that ensures that the International Collection cases with the highest risk are worked.
- Performance measures and enforcement results reported separately from Domestic Collection.
- A process to measure the value of the "Customs Hold" as an enforcement tool.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS: 1) develop a formal International Collection Strategic plan; 2) update International Collection guidance to provide specific policies and procedures to international revenue officers; 3) evaluate and update the current international revenue officer position descriptions; 4) develop a formal International Collection training plan using Subject Matter Experts to develop and teach international specific courses; 5) evaluate the International Collection inventory selection criteria; 6) develop separate performance measures and track specific enforcement results for International Collection; and 7) continue to pursue direct access to the Customs Hold information.

IRS officials agreed with all of TIGTA's recommendations and have taken or plan to take corrective actions. However, while the IRS has implemented some corrective actions to improve the selection of international collection inventory, develop separate performance measures, and track enforcement results, TIGTA does not believe that the IRS's completed corrective actions fully addressed the recommendations.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 12, 2014

MEMORANDUM FOR COMMISSIONER, SMALL BUSINESS/SELF-EMPLOYED
DIVISION

FROM:

Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT:

Final Audit Report – The Internal Revenue Service Needs to Enhance
Its International Collection Efforts (Audit # 201230038)

This report presents the results of our review to evaluate the Internal Revenue Service's (IRS) collection efforts on delinquent taxpayers residing in foreign countries. This review is included in our Fiscal Year 2014 Annual Audit Plan and addresses the major management challenge of Globalization.

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

Copies of this report are also being sent to the IRS managers affected by the report recommendations.

If you have any questions, please contact me or Bryce Kisler, Acting Assistant Inspector General for Audit (Compliance and Enforcement Operations).



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*The Internal Revenue Service Needs to Enhance Its International
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Abbreviations

IRS	Internal Revenue Service
DHS	Department of Homeland Security
ENTITY	Entity Case Management System
SB/SE	Small Business/Self-Employed
TECS	Treasury Enforcement Communication System



The Internal Revenue Service Needs to Enhance Its International Collection Efforts

Background

In today's global economy, businesses and individuals are becoming more and more involved in international transactions. For U.S. taxpayers, income received from these international transactions is subject to U.S. tax rules and reporting requirements. For purposes of U.S. taxation, international taxpayers can be grouped into four general categories:

- U.S. individual taxpayers and resident aliens¹ working, living, or doing business abroad.
- U.S. corporations doing business abroad.
- Nonresident aliens working or doing business in the United States.
- Foreign corporations doing business in the United States.

Congress, the U.S. Department of the Treasury, and the Internal Revenue Service (IRS) have all placed a strong emphasis on reducing international tax noncompliance.

The International Collection program (hereafter referred to as International Collection) has been a part of the Small Business/Self-Employed (SB/SE) Division's Collection Field function since October 2006. The Collection Field function's mission is "to provide SB/SE taxpayers with top quality postfiling services by helping them understand and comply with all applicable tax laws and by applying the tax laws with integrity and fairness." This also includes ensuring payment compliance of international taxpayers who are subject to U.S. tax laws.

Congress, the U.S. Department of the Treasury, and the IRS have all placed a strong emphasis on reducing international tax noncompliance.

International revenue officers in International Collection are primarily responsible for collecting delinquent taxes and tax returns of international taxpayers who are subject to U.S. tax and reporting requirements. The current International Collection program has 39 international revenue officers assigned to five international groups. Figure 1 shows the number of international revenue officers assigned to the five international groups and the total dollar amounts collected by them in Fiscal Years 2012 through 2014 (as of March 31, 2014).

¹ See Appendix IV for a glossary of terms.



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Figure 1: Comparison of the International Collection Staffing and Dollars Collected During Fiscal Years 2012 Through 2014

	<i>Fiscal Year 2012</i>	<i>Fiscal Year 2013</i>	<i>Fiscal Year 2014²</i>
<i>Number of International Revenue Officers</i>	44	40	39
<i>Dollars Collected</i>	\$53,674,372	\$53,045,741	\$22,217,561

Source: IRS International Territory Reports, Cumulative Data for Fiscal Years 2012 through 2014.

The IRS faces many unique challenges in collecting taxes from international taxpayers, such as difficulties in locating taxpayers in a foreign country, complexity of international tax law and tax treaty issues, language barriers, and the absence of international toll-free telephone services. Moreover, the IRS does not have reliable statistics on the rate of noncompliance of these taxpayers with their U.S. tax obligations. Accordingly, the role of an international revenue officer is very important in helping taxpayers comply with the tax laws and in reducing international tax noncompliance.

This review was performed in Collection offices in Norwalk, Connecticut; Lanham, Maryland; Bethpage, New York; Buffalo, New York; New York, New York; Seattle, Washington; and the IRS Headquarters in Washington, D.C., and used information obtained from Collection offices in Miami, Florida; Honolulu, Hawaii; and Guaynabo, Puerto Rico, during the period September 2012 through December 2013. 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.

² As of March 31, 2014.



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Results of Review

International tax noncompliance remains a significant area of concern and focus for the IRS. However, the IRS's collection efforts need to be enhanced to ensure that delinquent international taxpayers become compliant with their U.S. tax obligations. Our review found that the IRS has not provided effective management oversight to International Collection contributing to several control weaknesses in the program. Most notably, International Collection does not have:



- Adequate policies, procedures, position descriptions, or the training needed to ensure that international revenue officers can accurately work International Collection cases.
- A specific inventory selection process that ensures that the International Collection cases with the highest risk are worked.
- Performance measures and enforcement results reported separately from Domestic Collection.
- A process to measure the effectiveness of the Customs Hold as an enforcement tool.

A Lack of Effective Management Oversight Has Affected Many Areas in International Collection

Collection Field function management developed an International Collection Strategy document in June 2012 to support the international vision:

To ensure payment compliance among all persons subject to U.S. tax laws and treaties through the fair and equitable application of these laws, as well as providing education to our customers to promote future compliance.

This strategy was reported as a Collection Field function prior year accomplishment in both the IRS's Fiscal Year 2013 and Fiscal Year 2014 Collection Program Letters. However, at the time of our review, Collection Field function management had not allotted any resources to this strategy, nor did we identify any specific actions that had been taken for its implementation.



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A strategy is defined as a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. The International Collection Strategy document meets this definition, but is too general in nature to be considered a strategic plan. It provides little specificity regarding Collection Field function plans related to enacting the strategy and does not contain key requirements of a strategic plan.

For example, it does not describe how the goals and objectives are to be achieved (including the operational processes, skills, technology, and resources required); identify any external factors that could significantly affect the achievement of the goals and objectives; or

describe program evaluations that will be used to establish or revise the goals and objectives. In addition, the Collection Field function has set no milestones for meeting the goals and objectives of the strategy. Despite Collection Field function management reporting this strategy as an accomplishment in its Collection Program Letters, there appears to have been no urgency to implement the International Collection Strategy since its creation in June 2012.

An International Collection Strategy document was created, but it is not a strategic plan.

We believe that a significant factor preventing the successful implementation of this strategy is the many managerial changes at the executive level in the International Collection program over the last few years. Since September 2012, International Collection has been led by five different Territory Managers and two different Area Directors, all with no previous International Collection experience. On October 20, 2013, International Collection was officially moved under a new Area Director as part of the overall Collection Field function realignment. Two of the five Territory Managers were placed subsequent to the realignment. Without consistent executive leadership, it is difficult to develop and implement any long-term improvement strategies.

Subsequent to the completion of our fieldwork, a permanent Territory Manager with extensive international experience was placed to lead the International Collection program. In addition, Collection Field function management appointed an executive to be specifically responsible for the development of an action plan addressing the key areas outlined in the International Collection Strategy document along with working collaboratively with other IRS functions to support its implementation. However, without establishing a formal strategic plan for International Collection, the complex tax issues facing both the international revenue officer and the international taxpayer may not be fully addressed.

Policies and procedures are insufficient for international revenue officers

There are limited policies and procedures provided specifically for international revenue officers. The Internal Revenue Manual contains more than 6,000 pages of policies and procedures for working collection cases. However, few pages were dedicated specifically to International Collection issues. We interviewed a judgmental sample³ of 15 international revenue officers and

³ A judgmental sample is a nonstatistical sample, the results of which cannot be used to project to the population.



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all five international group managers, many of which expressed frustration regarding the limited policies and procedures available to them. The following specific concerns were raised:

- The available guidance on issues frequently encountered by international revenue officers is often difficult to find because it is scattered throughout the Collection Internal Revenue Manual.
- There were similar frustrations regarding International Collection policies and procedures provided on the SB/SE Division's Collection intranet website.
- There is a lack of available job aids addressing international issues.

At the beginning of our review (September 2012), we found that many of the International Collection policies and procedures in the Internal Revenue Manual had not been updated since Calendar Year 2009. In addition, some of the international guidance on the SB/SE Division's Collection intranet website had not been updated since Calendar Year 2011, as well as some web links were no longer active. However, during our review, International Collection management began updating its Internal Revenue Manual guidance and most had been updated as of January 2014. Management also added an Internal Revenue Manual section prescribing procedures to handle certain adjustments required in many international revenue officer cases. In addition, Collection management began updating the Collection intranet website as new international procedures were finalized. The IRS informed us that the web links are now monitored and updated regularly.

The complexity of International Collection cases requires specific guidance to address those issues beyond the guidance provided to domestic revenue officers. Most IRS policies generally do not account for the differences between international and domestic taxpayers. An example is that the timeliness guidelines for working international cases are the same as for working domestic cases. As a general rule, international cases are more complex than domestic cases because they can involve treaty limitations on what an international revenue officer can and cannot do in a foreign country to contact the taxpayers, obtain tax returns, and collect the taxes due. Without sufficient policies and procedures, international revenue officers may not be providing the international taxpayer with fair and equitable application of the tax laws.

There are also logistical challenges in contacting and collecting from an international taxpayer that must be acknowledged. For example, international revenue officers have limited ability to make telephone or field contact with international taxpayers due to time zone and language differences. Therefore, they are often restricted to making the initial contact through registered mail, subject to U.S. Postal regulations, which can delay delivery to the taxpayers.

The Internal Revenue Manual is primarily focused on domestic cases and does not provide separate timeliness guidelines for international cases to account for these differences. The amount of time given to international taxpayers to respond to the correspondence is the same as for domestic taxpayers. More realistic time frames for correspondence with international



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taxpayers should be incorporated into the International Collection guidance in the Internal Revenue Manual.

Position descriptions for international revenue officers are inadequate

A position description is a document that summarizes the specialized duties, activities, and responsibilities of an employee's job within the Government. The document describes the position and establishes what types of work are expected of the employee. Our analysis of the position description used for international revenue officers revealed that the duties and responsibilities are the same as their domestic counterparts, even though the international position requires additional topical specific knowledge and skills. The only differences in the position descriptions for international revenue officers were additional wording identifying their position as "Moderate Risk" and the requirement for a national security clearance for access to secret and confidential information. In addition, the international position description does not state that the position is for an international revenue officer and does not even use the word "international" anywhere in the document.

International Collection is generally not recognized as a separate entity within the Collection Field function even though international revenue officers require specific knowledge and skills to address the significant issues facing international taxpayers. For example, international revenue officers require knowledge in complex U.S. tax rules and reporting requirements that include any tax treaties that are applicable to a taxpayer's country of residence. They also have to be knowledgeable of the differences in enforcement capabilities when dealing with an international taxpayer. Inadequate position descriptions that do not describe the skill sets needed for international revenue officers to successfully work a more complex inventory may not adequately support the Collection Field function's international initiatives, as well as ensure that quality service is provided to international taxpayers.

Additional in-depth training is needed to ensure that international revenue officers can accurately and timely resolve cases

The IRS must enforce the tax laws to ensure that U.S. taxpayers meet their tax obligations regardless of where they may work or reside. In order for the IRS to meet this goal, it must address the challenges of international tax administration by properly training its international revenue officers to understand and work complex cross-border issues. Yet, the IRS has created few training courses specifically for International Collection.

International Collection training is developed by the SB/SE Division's Human Capital Officer in partnership with the Collection Field function. Each year, Collection Field function management sends out requests to the International Collection group managers to solicit ideas from field personnel for new courses to be developed or requests to bring back courses which need to be updated. Once the course subjects are chosen, international revenue officers are asked to volunteer to develop and teach the courses. The training is taught by international revenue



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officers, domestic revenue officers, Collection Policy personnel, or a combination of all three depending on the particular subject matter.

In Fiscal Years 2010 and 2011, there was little International Collection training given to international revenue officers.⁴ In Fiscal Year 2012, international revenue officers received training on four topics: Adjustments and Penalties; Foreign Trusts and International Insolvency; Offshore Collection Techniques; and Offshore Research and Resources. In Fiscal Year 2013, international revenue officers received training on two additional topics: Individual Taxpayer Identification Numbers and Qualified Intermediaries.

We reviewed the training materials for four of the six international training topics and found that they were not always developed or taught by Subject Matter Experts. We found that some topics were developed by lower graded and/or inexperienced international revenue officers who volunteered to research, develop, and teach the topic.

We found inaccuracies in training topics because inexperienced international revenue officers developed some of the materials instead of Subject Matter Experts.

Although we determined that IRS Counsel and SB/SE Division Training personnel are responsible for reviewing and approving the topics before they are provided to the international revenue officers, inaccuracies were identified in two of the topics. For example, the Adjustments and Penalties topic included incorrect information on where to send international adjustments to be processed, which we were told caused significant delays to the resolution of hundreds of cases and may have negatively impacted customer service to international taxpayers.

The approved International Strategy document states that timely training will be provided to international revenue officers on topics that are unique to international casework. In addition, the IRS Strategic Plan for Fiscal Years 2009 through 2013 states that the IRS must invest to meet the challenges of international tax administration and train employees to identify and understand issues in a complex and cross-border international environment. However, most of the judgmental sample of 15 international revenue officers and five group managers interviewed believed the training they received was insufficient in improving their skills and did not provide them with an in-depth knowledge for resolving their cases. In addition, one Territory Manager considered the centralized training approach of little value because the training was focused on very basic information.

When training courses do not contain information specific to international revenue officers, International Collection management customizes them. For example, all newly hired international revenue officers receive the same basic domestic revenue officer training with domestic revenue officers, followed by separate “international” training. According to some of the judgmental sample of 15 international revenue officers we interviewed, there were instances

⁴ In Fiscal Year 2011, the IRS provided approximately three hours of training to international revenue officers on international topics.



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when domestic revenue officers with no International Collection experience were provided as On-the-Job-Trainers for the international portion of the training. According to the group managers and internal revenue officers interviewed, this can be problematic because international revenue officers are required to know international tax and treaty laws, which can make determining the correct tax liability more difficult. In addition, some managers expressed concern that the investigative tools available to international revenue officers are often limited, and locating taxpayers living abroad can be more involved and time consuming than locating domestic taxpayers. There are risks of inequitable treatment of international taxpayers and violating tax treaties if the international revenue officers are not provided adequate training on international issues.

Recommendations

The Commissioner, SB/SE Division, should:

Recommendation 1: Develop a formal International Collection Strategic Plan that includes outcome-related strategic goals, a description of how the agency intends to achieve those goals, and an action plan with a timeline for implementation.

Management's Response: The IRS agreed with this recommendation. The IRS will finalize the draft action plan that has been developed, incorporating the recommendations from this audit report, including actions, measurements, and a timeline.

Recommendation 2: Update the Internal Revenue Manual, International Collection intranet website, and international revenue officer job aids to provide specific policies and procedures to international revenue officers. Evaluate the complexities unique to working International Collection cases and ensure that these guidelines account for the differences between international and domestic cases.

Management's Response: The IRS agreed with this recommendation. The Internal Revenue Manual and the IRS's International Collection intranet web page have been updated and are monitored regularly to ensure currency and to ensure that the differences between international and domestic cases are addressed.

Recommendation 3: Evaluate the current international revenue officer position descriptions and modify them as appropriate to include the specific duties and responsibilities of the position.

Management's Response: The IRS agreed with this recommendation. The IRS completed a review of the standard position descriptions for international revenue officers grades GS-11, GS-12, and GS-13 in June 2014. It will revise these position descriptions to incorporate changes to the knowledge and duties required to work international field collection cases that were recommended as a result of that review.

Recommendation 4: Develop a formal International Collection training plan that uses Subject Matter Experts to develop and teach international specific courses.



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Management's Response: The IRS agreed with this recommendation. The IRS will develop a formal International Collection training plan that uses cross-functional subject matter experts to develop and teach international specific courses.

International Collection's Inventory Selection Process May Not Ensure That the Most Productive Cases Are Worked

International Collection's inventory practices for selecting international casework may not ensure that international revenue officers receive the highest priority cases. The assignment of inventory is a priority and is a key factor in determining workload needs and balancing resources across the Collection Field function.

The Inventory Delivery System is a collection system that automates the grading and assignment of cases received into the Collection Field function. The level of complexity, or grade of a case, is based on an application of business rules programmed into the Inventory Delivery System and applied systemically upon receipt of the casework. The Entity Case Management System (ENTITY) receives data from the Inventory Delivery System and delivers the case inventory to the field. Cases receive their risk level assignment in priority order with no distinction between domestic and international cases.

Appropriately graded case inventory is based on the accuracy and relevance of the criteria used to determine the risk levels of the cases in the Collection Queue. There are no separate criteria for determining risks and grading international cases. International group managers pull the high and medium-risk cases from the Collection Queue for their international revenue officers to work. However, ENTITY does not take into account the affluence of the foreign country⁵ where the taxpayer is currently living, nor does it determine whether the taxpayer had assets in the United States before moving overseas. ENTITY looks only at the case as a Taxpayer Delinquent Account or a Taxpayer Delinquency Investigation that has accompanying Information Returns Processing documents that may or may not change the grading of the case or the risk level.

In November 2011, Collection Field function management requested a research project to determine if additional factors should be considered in prioritizing international work. Specifically, the project objective was to determine whether the Inventory Delivery System business rules should continue to treat taxpayers with a foreign address the same as taxpayers with a domestic address. Management questioned whether these cases

Domestic criteria are used to determine the risk level of international cases, which can cause the highest priority cases to not be worked.

⁵ ENTITY does not consider the cost of living in a foreign country as a factor in determining the taxpayers' ability to pay their outstanding tax liabilities. For example, taxpayers who can afford to live in a country with a higher cost of living may be in a better position to pay their tax debts than taxpayers who can afford to live only in a country with a low cost of living.



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should have a higher priority because of the foreign component and what impact working them would have on overall taxpayer compliance. However, during the course of the project, the original project objective was changed to determining the key differences between Domestic and International Collection inventory. As a result, there was no evaluation of the effectiveness of prioritizing international case work using domestic criteria.

The research project⁶ was completed in May 2013 and provided outcomes that could assist the Collection Field function to aggressively target areas of significant risk. The project report stated that the research was exploratory in nature and that Collection Field function management has the expertise to interpret the significance of the key findings and, therefore, no conclusions or recommendations were provided. We believe that the Collection Field function should use the results of this extensive research project to enhance their international case selection process.

Interviews with Collection Field function management and review of Collection accomplishment reports indicate that productivity is currently measured primarily on whether employees complied with procedural requirements and the number of cases they closed. The amount of revenue collected does not appear to be taken into consideration when assessing whether or not International Collection is successfully selecting the cases with the most collection potential. According to International Collection group managers, they face a more difficult challenge in identifying current and potentially collectible cases for assignment to their revenue officers. Although monitoring compliance with procedural requirements is important, measures and desired outcomes related to closing cases should also be aligned with Collection's primary mission of collecting revenue and making the best use of limited International Collection resources.

According to the September Fiscal Year 2012 International Territory Report provided by Collection Field function management, 3,451 (35.9 percent) of 9,612 Taxpayer Delinquent Account modules were closed as Currently Not Collectible. Under the current prioritization system, the three most frequent reasons for closing International Collection cases as Currently Not Collectible are:

- The taxpayer could pay, but the IRS was unable to collect the liability because the taxpayer resides in a foreign country.
- The IRS was unable to locate the taxpayer or their assets.
- The IRS was unable to contact a taxpayer, and although the taxpayer's address was known, there was no means to enforce collection.

Collection Field function management needs to ensure that their inventory selection process identifies and selects international cases with the most collection potential for international revenue officers to work. For example, enhancing case selection criteria by including the

⁶ *International Collection Profile*, Small Business/Self-Employed Division Finance, Research, and Strategy, Project FLT0154, May 2013.



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international attributes of a case may help identify and remove cases with low collectability potential from inventory allowing international revenue officers to work more productive cases. The selection criteria should prioritize collecting revenue to help close the International Tax Gap while also making the best use of the limited resources of International Collection.

Recommendation

Recommendation 5: The Commissioner, SB/SE Division, should evaluate the International Collection inventory selection criteria to determine whether it ensures that the most productive collection cases are being selected for assignment.

Management's Response: The IRS agreed with this recommendation. IRS management responded that they already update their inventory selection models regularly to ensure that they are selecting the most productive cases and that information from their international cases is already used when they update these models.

Office of Audit Comment: While IRS management stated that they regularly update their inventory selection models and that the corrective actions for this recommendation are complete, no additional evidence was provided to support that international collection case results were specifically evaluated or that any international specific case selection models were updated. This is a concern considering that more than one-third of the International Collection program's inventory is closed as Currently Not Collectible. We still believe that international collection case selection practices need to be reevaluated and adjustments made to inventory selection models to identify more productive cases by including international attributes in the selection criteria, better identification of taxpayers with the ability to pay, and taxpayers who can be located and subsequently contacted.

Separate Performance Measures and Quantifiable Enforcement Results Are Needed to Determine the Success of International Collection Efforts

Performance measures for International Collection are not reported separately from Domestic Collection. The IRS combines Domestic, International, and Puerto Rico collection results when reporting overall Collection Field function performance. According to Collection Field function management, the IRS does not find it necessary to further break down collection results to highlight International Collection statistics. The Area Director tracks the international inventory using separate productivity reports that include the number of international revenue officers and number of cases closed by their grade level. The Territory Manager and Area Director believed these reports provided the key information needed to monitor the international program with the focus primarily on the number of case closures.

The approved International Collection Strategy document states that international case processing will be examined to improve case processing efficiencies for systemic (*e.g.*,



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ENTITY) and non-systemic cases. The non-systemic cases include Mutual Collection Assistance Request cases, Continental Shelf cases, and Offshore Voluntary Disclosure Initiative Program cases. These are not included as closures for International Collection because they are not part of the inventory system. International revenue officers also work other collateral cases including Qualified Intermediary cases. These cases are also non-systemic cases.

According to the International Collection Territory Manager, approximately 70 percent of the international revenue officer's time is spent working ENTITY cases and the other 30 percent is spent on these non-systemic cases. When time is spent on non-systemic cases, the determination of resources expended in direct casework is not accurate because non-systemic cases are considered non-case related activities and reported as indirect time, overhead, or details.

Although the formal reporting of Collection performance measures has not broken out International Collection statistics, in Fiscal Year 2012, Collection Field function management created a new International Territory Report to provide certain International Collection statistics. This report accounts for some of the non-systemic or "other" casework in International Collection, and allows for reporting of selected results for international cases. However, the International Territory Report does not provide specific international case statistics that are related to existing Collection Field function performance measures.

Overall, Collection Field function performance measures address many operational statistics covering dollars collected; the number and types of closures; enforcement actions such as liens, levies, and seizures; age of inventory; and many other measures. However, in spite of using the International Territory Report and other Collection reports, Collection Field function management could not provide the following data specifically for international cases:

- Dollars collected from tax returns secured.
- Dollars collected from notices with international revenue officer assignments.
- The number of liens, levies, and seizures resulting from international revenue officer enforcement actions.

Performance measures provide a way to determine what has been accomplished and whether or not an organization is meeting its stated goals and objectives. Without specific performance measures for International Collection, the IRS cannot establish effective performance goals or measure International Collection's success in achieving them. In addition, the IRS cannot address the challenges of international tax enforcement without having key International Collection statistics.



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Recommendation

Recommendation 6: The Commissioner, SB/SE Division, should develop separate performance measures and track the enforcement results for International Collection to determine the success of its collection efforts.

Management's Response: The IRS agreed with this recommendation. Beginning in Fiscal Year 2014, the International Collection program developed measures for closures, efficiency, quality, and employee satisfaction. The IRS is also monitoring a variety of diagnostic indicators and may develop additional measures after programming relating to realignment of Collection is completed.

Office of Audit Comment: IRS management's response indicates that they consider the corrective actions for this recommendation to be completed. While IRS management stated that the International Collection program has developed measures for closures, efficiency, quality, and employee satisfaction as a result of the realignment of Field Collection in October 2013, we do not believe that the completed corrective actions fully address our recommendation. For example, no corrective actions were taken in relation to the lack of identifiable international collection tax enforcement results, or the IRS's inability to track these results to determine the overall success of its international collection efforts. Therefore, we believe that the IRS should consider developing corporate level metrics to measure its international enforcement results, which would help to determine the success of its international collection efforts, as well as the accuracy of its international inventory selection models.

The Value of the "Customs Hold" As an Enforcement Tool Has Not Been Assessed

International revenue officers can request that a Customs Hold be input into the Treasury Enforcement Communication System (TECS) for delinquent taxpayers. Once the taxpayer is on the TECS, the U.S. Department of Homeland Security (DHS) notifies the IRS whenever the taxpayer travels into the United States. During our interviews with a judgmental sample of 15 international revenue officers and all five group managers, many identified the Customs Hold as one of the most effective enforcement tools available to them in dealing with delinquent international taxpayers. International revenue officers use information obtained through a Customs Hold to attempt to contact the taxpayers while they are in the United States and/or locate the taxpayers' assets.

The TECS is a database maintained by the DHS and is used extensively by the law enforcement community. Taxpayers are informed with a Letter 4106, *Letter Advising Taxpayer of Department of Homeland Security Notification*, that an international revenue officer has taken action to advise the DHS that the taxpayer has outstanding tax liabilities and that this may result in an interview by a Customs and Border Protection Officer if the taxpayer attempts to enter the



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United States. There is a Memorandum of Understanding⁷ between the IRS and the DHS that allows Customs and Border Protection Officers to stop delinquent taxpayers identified on the TECS to collect their contact information of where they will be staying while in the United States.

According to the TECS Coordinator, the international revenue officer must submit a completed Form 6668, *TECS Entry Request*, to have a Customs Hold placed on a taxpayer. The form is sent to the group manager for a signature and e-mailed to the TECS Coordinator. The TECS Coordinator maintains a spreadsheet to document taxpayers added to or deleted from the TECS. According to the spreadsheet, there are approximately 1,700 taxpayers on the TECS with approximately \$1.6 billion in delinquent tax assessments. This includes assessments of approximately \$1.1 billion solely owed by international taxpayers. The IRS keeps no record of the dollars collected as a result of the Customs Holds and the subsequent interactions with the delinquent taxpayer. As a result, the actual value of the Customs Hold as an enforcement tool is unknown.

The TECS Coordinator does not have direct access to the system

The TECS Coordinator must submit all requests for taxpayers to be added to or deleted from the TECS through the IRS's Criminal Investigation. The TECS Coordinator is assigned to the SB/SE Division's Collection Field function Information Technology and Security office and does not have direct access to the TECS. As a result, the TECS Coordinator cannot independently verify that any requested actions related to the TECS have actually occurred, which could cause:

1. Taxpayers who have become compliant to be unnecessarily delayed by Customs and Border Protection Officers because they were not properly deleted from the TECS.
2. The IRS to not obtain updated taxpayer contact information because the taxpayer was never input into the TECS.

There currently is no requirement for the TECS Coordinator to track what is input or deleted from the TECS. The TECS Coordinator created a spreadsheet in an attempt to informally track this information; however, it is not directly linked to the TECS. Although the TECS Coordinator has requested direct access to the TECS and Collection Field function management informed us they have been pursuing direct access, they are dependent on the DHS providing access because the DHS owns the system. Without direct access to the TECS, there is no assurance that information that has been input into the system is up to date and accurate.

⁷ This Memorandum of Understanding was signed in June 1993 between the U.S. Customs Office (now DHS) and the IRS's Criminal Investigation.



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Recommendation

Recommendation 7: The Commissioner, SB/SE Division, should continue to pursue direct access for the TECS Coordinator to the TECS to maximize effectiveness and accountability for the accuracy of information input to the system and implement a process to capture the Customs Hold information necessary to measure the success of this enforcement tool.

Management's Response: The IRS agreed with this recommendation. The IRS is working with the DHS to secure direct access to the TECS for its TECS Coordinator. However, the TECS is a DHS system and the IRS needs the DHS's agreement for the TECS Coordinator to have direct access to the system and the Customs Hold information it retains.

Office of Audit Comment: While documentation was provided that shows the IRS is continuing to pursue direct access to the TECS for its TECS coordinator, no corrective actions were taken to implement a process to capture the Customs Hold information necessary to measure the successfulness of this enforcement tool. We believe that this needs to be accomplished, regardless of whether or not direct access to the TECS for the TECS coordinator is ultimately secured.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to evaluate the IRS's collection efforts on delinquent taxpayers residing in foreign countries. To accomplish our objective, we:

- I. Determined whether policies and procedures were sufficient for revenue officers¹ in the international collection groups.
 - A. Interviewed the Area Director, Territory Managers, all five international group managers, and a judgmental sample² of 15 international revenue officers to determine what guidance is provided to international revenue officers to meet international collection issues. The 15 international revenue officers were judgmentally selected from a population of 44 international revenue officers based on availability. We primarily used this method to minimize time during our site visitations.
 - B. Obtained and reviewed the SB/SE Division's directives, program letters, and policies to determine its role and responsibilities for identifying and addressing international collection issues.
 - C. Obtained and reviewed IRS policies, guidance, and manuals for supporting the Collection Field function's international initiatives.
 - D. Compared and contrasted these results with guidance provided to the domestic revenue officers (*i.e.*, amount of time given to make initial contact with the taxpayer, amount of time allowed before case becomes over-age, time requirements to close the case, assigned disposition of the case at closure).
- II. Determined whether international revenue officer training is adequate to ensure that the revenue officer is equipped to handle all challenges unique to international collection issues.
 - A. Obtained and reviewed the position descriptions for revenue officers to determine whether International Collection issues are addressed.
 - B. Obtained and reviewed training provided to domestic and international revenue officers.
 - C. Compared the differences between the training topics provided to domestic and international revenue officers.

¹ See Appendix IV for a glossary of terms.

² A judgmental sample is a nonstatistical sample, the results of which cannot be used to project to the population.



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- III. Determined whether the IRS is selecting the most productive International Collection cases.
 - A. Interviewed the Area Director, Territory Managers, and the five international group managers to determine whether the Collection Field function maintains a viable inventory management system and how it is used to assign and monitor International Collection cases.
 - B. Reviewed criteria and procedures developed by Collection Field function management for identifying International Collection cases, referring them to the International Collection units, and working them in the Collection Field function to ensure compliance with International Collection procedures.
 - C. Reviewed International Territory Reports for Fiscal Years 2011 and 2012 to identify Currently Not Collectible case percentages. We also determined whether collection results are separated by international versus domestic cases.
 - D. Performed an analysis of closed cases for Fiscal Years 2011 and 2012 on the Integrated Collection System to identify the closing codes used by international revenue officers for Currently Not Collectible cases.
 - E. Reviewed the types of enforcement tools (*e.g.*, liens, levies, seizures, Customs Holds) that are available to international revenue officers.
 - F. Interviewed the Collection TECS Coordinator to determine the TECS Customs Hold procedures and identify how many taxpayers have been added to the TECS and the amount of the delinquent tax assessments.
- IV. Evaluated International Collection's performance results for Fiscal Years 2010 through 2012.
 - A. Interviewed Collection Field function management to determine what performance measures are being used to evaluate the success of International Collection versus Domestic Collection and to determine how international cases are being tracked.
 - B. Analyzed statistics on the Collection Activity Reports, Area Accomplishment Reports, and the Director Collection Reports to determine if these reports provide enough information for the Collection Field function to separate the performance measures for International Collection and Domestic Collection.

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: the IRS policies, procedures,



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guidance, training, inventory selection, and performance measures pertaining to the IRS's collection efforts on delinquent taxpayers residing in foreign countries. To evaluate these controls, we interviewed Collection Field function management and International Collection management along with international revenue officers. We obtained and analyzed relevant policies, procedures and guidance, and reports provided in regard to training, inventory selection, and International Collection's performance measures.



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Appendix II

Major Contributors to This Report

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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Deputy Commissioner, Small Business/Self-Employed Division SE:S
Director, Enterprise Collection Strategy SE:S:CS
Director, Field Collection SE:S:FC
Director, Collection Analytics, Automation, Inventory Selection, and Delivery SE:S:CS:CAISD
Director, Collection Policy SE:S:CS:CP
Director, Field Collection, North Atlantic Area SE:S:C:NA
Chief Counsel CC
National Taxpayer Advocate TA
Director, Office of Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis RAS:O
Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Commissioner, Small Business/Self-Employed Division SE:S



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Appendix IV

Glossary of Terms

Term	Definition
Area Director	The senior-level manager in the Collection Field function chain of command (<i>i.e.</i> , the Group Manager reports to the Territory Manager, who reports to the Area Director).
Calendar Year	A 12-consecutive-month period ending on the last day of December.
Campus	The data processing arm of the IRS. The campuses process paper and electronic submissions, correct errors, and forward data to the Computing Centers for analysis and posting to taxpayer accounts.
Collection Activity Report	An automated report that provides managers timely and reliable raw data to show results each month by program, case type, location, <i>etc.</i>
Collection Field Function	An area within the IRS that is authorized to perform collection tasks in a centralized manner. The objective of the Collection Field function is to collect taxes through personal contact whenever there is an outstanding balance due.
Collection Queue	An automated holding file for unassigned inventory of delinquent cases for which the Collection Field function does not have enough resources to immediately assign for contact.
Continental Shelf	Cases regarding foreign taxpayers engaged in activities related to the exploration for, or exploitation of, natural resources on the Outer Continental Shelf in the Gulf of Mexico.
Criminal Investigation	Serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.
Currently Not Collectible	Tax accounts that are removed from active inventory after the necessary steps in the collection process have been taken.



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Term	Definition
Customs and Border Protection Officer	Officers who work for U.S. Customs and Border Protection, which is the largest enforcement agency within the DHS. These officers ensure the Nation's safety by screening passengers and cargo.
Customs Hold	A notification to the DHS that, according to the IRS records, a taxpayer owes Federal taxes. If the taxpayer should return to the United States or Commonwealth Territories and has not yet paid the total amount due, he or she could be interviewed by a Customs and Border Protection Officer at the time of entry. The IRS will then be advised of the taxpayer's arrival and will be provided with information enabling it to contact the taxpayer regarding payment of his or her outstanding tax liability.
Director Collection Report	A report used by National Office Collection management that measures Collection Field function results on a national level.
Domestic Collection	Responsible for ensuring payment compliance among domestic persons through the fair and equitable application of these laws, as well as providing education to domestic customers to promote future compliance.
Domestic Revenue Officer	An employee in the Collection Field function who attempts to contact domestic taxpayers and resolve collection matters that have not been resolved through notices sent by the IRS campuses.
Entity Case Management System	The ENTITY is a database displaying current Collection Field function and Advisory inventory. The ENTITY application receives data from the Integrated Collection System for open, closed, and return to Collection Queue cases; the Delinquent Inventory Account List for Collection Queue cases; and the Automated Lien System for lien information.
Fiscal Year	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.



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Term	Definition
Group Manager	A first-level manager in the Collection Field function, responsible for supervising revenue officers.
Individual Taxpayer Identification Number	A nine-digit number issued by the IRS to individuals who are required for U.S. tax purposes to have a Taxpayer Identification Number but who do not have – and are not eligible to obtain – a Social Security Number.
Information Return	A return that includes any form, statement, or schedule required to be filed with the IRS with respect to any amount from which tax is required to be deducted and withheld.
Integrated Collection System	Provides workload management, case assignment/tracking, inventory control, case analysis tools, and management information system capabilities to support the SB/SE Division’s collection fieldwork.
Internal Revenue Manual	Contains the policies, procedures, instructions, guidelines, and delegations of authority that direct the operation and administration of the IRS. Topics include tax administration, personnel and office management, and others.
International Collection	Responsible for ensuring payment compliance among all persons subject to U.S. tax/laws and treaties through the fair and equitable application of these laws, as well as providing education to international customers to promote future compliance.
International Revenue Officer	An employee in the Collection Field function who attempts to contact international taxpayers and resolve collection matters that have not been resolved through notices sent by the IRS campuses.
International Tax Gap	The estimated difference between the amount of tax that international taxpayers should pay and the amount that is paid voluntarily and on time. Currently, there is no official IRS International Tax Gap estimate.



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Term	Definition
International Tax Noncompliance	<p>There are three primary types of tax noncompliance:</p> <ol style="list-style-type: none"> (1) Underreporting of tax liabilities on tax returns. (2) Underpayment of taxes due from filed returns. (3) Nonfiling, which refers to the failure to file a required tax return altogether or on time. <p>These types of tax noncompliance are mutual to both the international and domestic taxpayer.</p>
International Territory Report	<p>A report used by Headquarters Collection management which measures Collection Field function results for the International Territory.</p>
Inventory Delivery System	<p>An inventory delivery system used for collection cases. The system uses proven analytical scoring models and a business rules engine to route cases to the Automated Collection System, the Collection Queue, or direct field assignment.</p>
Job Aid	<p>A job aid is a repository for information, processes, or perspectives that supports work and activity by directing, guiding, and enlightening performance.</p>
Levy	<p>A method used by the IRS to collect outstanding taxes from sources such as bank accounts and wages.</p>
Lien	<p>An encumbrance on property or rights to property as security for outstanding taxes.</p>
Mutual Collection Assistance Request	<p>In the context of this report, a request by a treaty partner for the IRS to collect taxes owed them from individuals residing in the United States.</p>
Nonresident Alien	<p>An individual who is not a U.S. citizen or U.S. national who has not passed the green card test or the substantial presence test.</p>



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Term	Definition
Offshore Voluntary Disclosure Initiative Program	This program offers a civil settlement structure in which taxpayers pay an offshore penalty in lieu of a number of other penalties that may be assessed in cases of offshore noncompliance. Once taxpayers have been accepted into the program, they work with a revenue agent who reviews up to eight years of amended or original tax returns, and information returns, as well as other information about their offshore accounts.
Qualified Intermediary	An eligible person or entity (<i>i.e.</i> , a foreign financial institution, a foreign branch or office of a U.S. financial institution, or any other entity acceptable to the IRS) which enters into a Qualified Intermediary Agreement. The Qualified Intermediary agrees to assume certain documentation and withholding responsibilities in exchange for simplified information reporting for its foreign account holders.
Resident Alien	An individual who has been admitted for permanent residence in the United States and is entitled to all deductions, exclusions, and credits under the same rules as a U.S. citizen.
Revenue Officer	Employee in the Collection Field function who attempts to contact taxpayers and resolve collection matters that have not been resolved through notices sent by the IRS campuses or through telephone contact.
Seizure	The taking of a taxpayer's property to satisfy his or her outstanding tax liability.
Subject Matter Expert	A person with bona fide expert knowledge about what it takes to do a particular job. The goal of the Subject Matter Expert is to facilitate and ensure uniformity and consistency of each program area and to provide expert advice in the program subject matter.
Tax Period	Refers to each tax return filed by the taxpayer for a specific period (year or quarter) during a calendar year for each type of tax.



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Term	Definition
Taxpayer Delinquency Investigation	An unfiled tax return for a taxpayer. One Taxpayer Delinquency Investigation exists for all tax periods.
Taxpayer Delinquent Account	A balance-due account of a taxpayer. A separate Taxpayer Delinquent Account exists for each delinquent tax period.
Territory Manager	A second-level manager in the Collection Field function responsible for supervising group managers within a specific geographic Territory.
Treasury Enforcement Communication System	An information-sharing platform that allows users to access different databases. It is owned and managed by the DHS's U.S. Customs and Border Protection component and is the principal system used by officers at the border to assist with screening and making determinations regarding admissibility of arriving persons.
U.S. Department of Homeland Security	A stand-alone, Cabinet-level department, created with Congress' passage of the Homeland Security Act of 2002 ¹ in November 2002. Its mission includes preventing terrorism and enhancing security, managing the border, administering immigration laws, securing cyberspace, and ensuring disaster resilience.

¹ Pub. L. No. 107-296, 116 Stat. 2135.



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Appendix V

Management's Response to the Draft Report




COMMISSIONER
SMALL BUSINESS/Self-EMPLOYED DIVISION

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

AUG 4 2014

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Karen Schiller 
Commissioner, Small Business/Self-Employed Division

SUBJECT: Draft Audit Report – The Internal Revenue Service Needs to Enhance Its International Collection Efforts (Audit # 201230038)

Thank you for the opportunity to review your draft report titled "The Internal Revenue Service Needs to Enhance Its International Collection Efforts". We appreciate your observations and recommendations for improving our International Collection efforts, and we also appreciate your acknowledgment of the significant steps we have already taken to enhance our program.

International tax noncompliance is an issue of emphasis within the IRS, which as you note in your report, presents considerable challenges to us in collecting taxes from international taxpayers. We have made a great deal of progress in strengthening the reporting regime. Our offshore voluntary disclosure initiatives are illustrations of our approach to international tax compliance, which have been covered extensively in the press and have been extremely productive in improving reporting compliance. More recently, we have worked with Treasury and foreign governments to implement the Foreign Account Tax Compliance Act in a manner that improves reporting compliance in the least burdensome manner.

Also, the IRS has efforts underway to re-align all collection related operations into one function under SB/SE with centralized direction and management oversight, which will strengthen our collection efforts overall, including international collection. We are now developing a process for regular coordination between the SB/SE International Collection and LB&I International programs, so as to provide for a routinized process for information sharing and identifying emerging compliance risks.

As noted in your report, we have appointed an International Collection program executive to develop an action plan to implement our international collection strategy. And, we have further increased the governance of this program by appointing a permanent territory manager with extensive international experience to lead this strategy and program execution.



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During the audit, we updated our guidance for international revenue officers both in the Internal Revenue Manual (IRM) and on the IRS's intranet webpage and we are monitoring these regularly to ensure that they remain current. As we discussed with you during this audit, we are committed to making further enhancements to the International Collection Program, including leveraging technology for improved customer contact, developing a Mutual Collection Assistance Request database, maximizing our resources by reviewing the group structure, updating the IRM and training materials, reviewing position descriptions, and improving the measures.

Attached is a detailed response with our corrective actions to your recommendations. If you have any questions, please contact me, or a member of your staff may contact Bobby L. Hunt, Director, Field Collection at (240) 613-2015.

Attachment



The Internal Revenue Service Needs to Enhance Its International Collection Efforts

Attachment

RECOMMENDATION 1:

Develop a formal International Collection Strategic Plan that includes outcome-related strategic goals, a description of how the agency intends to achieve those goals, and an action plan with a timeline for implementation.

CORRECTIVE ACTION:

We will finalize the draft action plan that has been developed, incorporating the recommendations from this TIGTA audit report, including actions, measurements, and a timeline.

IMPLEMENTATION DATE:

November 15, 2015

RESPONSIBLE OFFICIAL:

Assistant to the Director, Field Collection, Small Business/Self-Employed

CORRECTIVE ACTION MONITORING PLAN:

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

RECOMMENDATION 2:

Update the Internal Revenue Manual, International Collection intranet website, and international revenue officer job aids to provide specific policies and procedures to international revenue officers. Evaluate the complexities unique to working International Collection cases and ensure that these guidelines account for the differences between international and domestic cases.

CORRECTIVE ACTION:

The Internal Revenue Manual and the IRS's International Collection intranet webpage have been updated and are monitored regularly to ensure currency and to ensure that the differences between international and domestic cases are addressed.

IMPLEMENTATION DATE:

Completed

RESPONSIBLE OFFICIAL:

N/A

CORRECTIVE ACTION MONITORING PLAN:

N/A



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RECOMMENDATION 3:

Evaluate the current international revenue officer position descriptions and modify them as appropriate to include the specific duties and responsibilities of the position.

CORRECTIVE ACTION:

We completed a review of the standard position descriptions (SPD # 97417, 97418 and 97419) for international revenue officers grades GS11, GS12 and GS13 in June 2014. We will revise these position descriptions to incorporate changes to the knowledge and duties required to work international field collection cases that were recommended as a result of that review.

IMPLEMENTATION DATE:

September 15, 2015

RESPONSIBLE OFFICIAL:

Assistant to the Director, Field Collection, Small Business/Self-Employed

CORRECTIVE ACTION MONITORING PLAN:

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

RECOMMENDATION 4:

Develop a formal International Collection training plan that uses Subject Matter Experts to develop and teach international specific courses.

CORRECTIVE ACTION:

We will develop a formal International Collection training plan that uses cross functional subject matter experts to develop and teach international specific courses.

IMPLEMENTATION DATE:

November 15, 2015

RESPONSIBLE OFFICIAL:

Assistant to the Director, Field Collection, Small Business/Self-Employed

CORRECTIVE ACTION MONITORING PLAN:

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



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RECOMMENDATION 5:

The Commissioner, SB/SE Division, should evaluate the International Collection inventory selection criteria to determine whether it ensures that the most productive collection cases are being selected for assignment.

CORRECTIVE ACTION:

We already update our inventory selection models regularly to ensure that we are selecting the most productive cases. Information from our international cases is already used when we are updating our models.

IMPLEMENTATION DATE:

Completed

RESPONSIBLE OFFICIAL:

N/A

CORRECTIVE ACTION MONITORING PLAN:

N/A

RECOMMENDATION 6:

The Commissioner, SB/SE Division, should develop separate performance measures and track the enforcement results for International Collection to determine the success of its collection efforts.

CORRECTIVE ACTION:

Beginning in Fiscal Year 2014, the international program developed measures for closures, efficiency, quality, and employee satisfaction. We also are monitoring a variety of diagnostic indicators and we may develop additional measures after programming relating to realignment of Collection is completed.

IMPLEMENTATION DATE:

Completed

RESPONSIBLE OFFICIAL:

N/A

CORRECTIVE ACTION MONITORING PLAN:

N/A



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RECOMMENDATION 7:

The Commissioner, SB/SE Division, should continue to pursue direct access for the TECS Coordinator to the TECS to maximize effectiveness and accountability for the accuracy of information input to the system and implement a process to capture the Customs Hold information necessary to measure the success of this enforcement tool.

CORRECTIVE ACTION:

We are working with the Department of Homeland Security (DHS) to secure direct access to TECS for our TECS Coordinator. However, TECS is a DHS system and we need DHS agreement for our TECS Coordinator to have direct access to the system and the customs hold information it retains.

IMPLEMENTATION DATE:

N/A

RESPONSIBLE OFFICIAL:

N/A

CORRECTIVE ACTION MONITORING PLAN:

N/A