

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Procedures to Address Employee Misconduct Were Followed, but Resolution Time and Quality Review Need Improvement

December 15, 2021

Report Number: 2022-10-011

HIGHLIGHTS: Procedures to Address Employee Misconduct Were Followed, but Resolution Time and Quality Review Need Improvement

Final Report issued on December 15, 2021

Report Number 2022-10-011

Why TIGTA Did This Audit

One major challenge for the IRS is managing a workforce of more than 83,000 employees and addressing any misconduct that arises. While a small percentage of IRS employees are formally disciplined for misconduct each year, every case can affect employee morale and the agency's ability to accomplish its mission. This audit was initiated to determine whether the IRS has sufficient policies and procedures to address employee misconduct.

Impact on Taxpayers

Misconduct affects not only the employee and the supervisor; it also affects those who interact with the employee. If not timely and appropriately addressed, misconduct could affect the quality of taxpayer services and damage the public image of the IRS.

What TIGTA Found

The IRS developed and consistently used a Conduct Case Closure Checklist to address documentation issues previously reported by TIGTA. TIGTA reviewed a random sample of 86 substantiated misconduct cases closed from August 1, 2019, through July 31, 2020, and determined that the Labor/Employee Relations Field Operations Specialists used the checklist in 85 cases (99 percent). Labor/Employee Relations Field Operations Specialists also documented case actions that included the consideration of the Douglas Factors, which include, but are not limited to, the employee's disciplinary history, position, and years of service.

However, TIGTA determined that employee misconduct was not always addressed timely. Of 6,128 misconduct cases closed from August 1, 2019, through July 31, 2020, TIGTA identified 1,509 cases (25 percent) not closed within the required 180 days. In the sample of 86 substantiated misconduct cases, TIGTA determined that unresponsive managers, staffing issues, and employee challenges to proposed disciplinary actions caused case delays, which ranged from 198 days to 827 days. Management has started testing options for a new case management system that will automate several case processes, such as e-mails to front-line managers to remind them of needed case actions.

In addition, TIGTA determined that quality review reports do not include sufficient information to identify corrective actions that may be needed, nor are quality reviews performed by a party outside of Field Operations. For example, review results are reported as a single score with no attribute details that would help identify issues, including untimely case actions.

What TIGTA Recommended

TIGTA recommended that the IRS automate employee misconduct case processes, including elevation to higher level supervisors when appropriate; and upon implementation, train employees to use the new system features to improve case timeliness. In addition, TIGTA recommended that the IRS revise the quality review sheets to ensure that weighted formulas and calculations accurately represent the circumstances of the case and management priorities, and ensure that the quality review process provides management with sufficient details and is conducted by individuals who do not have responsibility for the activities being evaluated.

The IRS agreed to all of our recommendations and plans to take corrective actions.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

December 15, 2021

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

 M. Weir for

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Procedures to Address Employee Misconduct Were Followed, but Resolution Time and Quality Review Need Improvement (Audit # 202010024)

This report presents the results of our review to determine whether the Internal Revenue Service (IRS) has sufficient policies and procedures to address employee misconduct. This audit is included in our Fiscal Year 2022 Annual Audit Plan and addresses the major management and performance challenge of *Enhancing Security of Taxpayer Data and Protection of IRS Resources*.

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

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 (Management Services and Exempt Organizations).

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Background

One major challenge for the Internal Revenue Service (IRS) is managing a workforce of more than 83,000 employees and addressing any misconduct that arises. While a small percentage of IRS employees are formally disciplined for misconduct each year, every case can affect employee morale and the agency's ability to accomplish its mission. More than 4,200 substantiated employee misconduct cases (which included almost 5,500 misconduct issues) were closed in the Automated Labor and Employee Relations Tracking System (ALERTS) from August 1, 2019, through July 31, 2020.¹ Offenses ranged from absenteeism to assault, and the related non-disciplinary and disciplinary actions ranged from closed without action to removal from the IRS.

**More than 4,200
substantiated employee
misconduct cases were
closed in the ALERTS from
August 1, 2019, through
July 31, 2020.**



IRS guidance states that progressive discipline should be considered unless the offense requires a mandatory penalty, such as removal for a willful Internal Revenue Code Section § 1203 tax violation.² Office of Personnel Management and IRS policies state that progressively more severe misconduct, or repeated offenses, should equate to higher disciplinary responses to the behavior. Managers should seek to determine the lowest level of discipline to correct the misconduct.³ For example, oral counseling may be appropriate when an employee is conducting personal business during duty hours, such as reading for personal pleasure; however, conducting a tax preparation business during duty hours would be grounds for removal.

Employee misconduct is confirmed through fact-finding, which includes obtaining documentation and conducting interviews. Once confirmed, the employee's manager, with the advice and guidance from the Labor/Employee Relations Field Operations Specialists (LRS), is responsible for determining if corrective action is warranted, and if so, the appropriate level of action to be taken.⁴

When determining the appropriate penalty for misconduct, the employee's manager, or the deciding official,⁵ is required to consider the Douglas Factors, which include the employee's

¹ Each case is unique to an employee identification number and can contain more than one applicable misconduct issue.

² *Interim Guidance for Executive Order 13839, Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles and 5 United States Code 3322, Voluntary Separation Before Resolution of Personnel Investigation*, HCO-06-0719-0003 (Mar. 2020).

³ Internal Revenue Manual 6.751.1 (Nov. 2018).

⁴ If the possibility exists that the activity is criminal or a more involved investigation is necessary, IRS managers are instructed to contact the Treasury Inspector General for Tax Administration.

⁵ In some instances, it is not appropriate for the employee's immediate supervisor to make decisions related to misconduct (*i.e.*, the manager is implicated in the misconduct, or the employee is requesting an appeal).

disciplinary history, position, and years of service.⁶ *A Manager's Guide to Penalty Determinations* is available to assist IRS managers in determining the appropriate action for the particular infraction; however, the Internal Revenue Manual states that the penalty table should be used only as a guide.

Disciplinary actions, such as suspensions and removals, are governed by the due process requirements of Title 5 United States Code Chapter 75, and the case law of the Merit Systems Protections Board and the Federal Courts. An employee serving a probationary period (usually the first year of Federal employment) who engages in inappropriate conduct can be removed with minimal formal procedure without full appeal rights. Employees who are members of the Union are entitled to union representation in misconduct proceedings.

Results of Review

Employees Used the Conduct Case Closure Checklist and Considered the Douglas Factors When Addressing Misconduct

We previously reported that employee misconduct case data recorded in the ALERTS system, including classification of misconduct issues, were not always accurate.⁷ In response, the IRS agreed to establish procedures designed to ensure that accurate case determinations are recorded in ALERTS and developed the Conduct Case Closure Checklist for the LRSs to complete before closing cases. We reviewed a random sample of substantiated misconduct cases and determined that Conduct Case Closure Checklists were consistently completed, the Douglas Factors were considered and documented when required, and imposed discipline was below the maximum suggested by the penalty guide.

Office of Personnel Management guidance advises that agencies should consider the Douglas Factors when determining an appropriate misconduct penalty and the degree of documentation required by IRS management varies based on the issue and proposed penalty. Some misconduct penalties are determined by statute, but generally, misconduct penalties should be the lowest level that will correct the behavior.⁸ In May 2019, Labor/Employee Relations and Negotiations (LERN) management issued a memorandum to all LERN Field Operations employees mandating the use of the Conduct Case Closure Checklist when closing all LERN Field Operations misconduct cases for which disciplinary action is taken (does not include cautionary letters). The checklist includes verification that standard operating procedures have been followed, and that the Douglas Factors and the penalty guide were considered.

⁶ *Douglas v. Veterans Administration*, 5 M.S.P.R. 280 (1981). The Merit Systems Protection Board established 12 criteria that supervisors must consider in determining an appropriate penalty to impose for an act of employee misconduct.

⁷ Treasury Inspector General for Tax Administration, Report No. 2019-10-021, *Improvements Are Needed to Ensure That Employee Tax Compliance Cases Are Adjudicated Consistently* (Apr. 2019).

⁸ U.S. Office of Personnel Management, *Managing Federal Employees Performance Issues or Misconduct*, REFERENCE MATERIALS, Policy-Data-Oversight/Employee-Relations (Jan. 9, 2017, 3:19 p.m.).

Procedures to Address Employee Misconduct Were Followed, but Resolution Time and Quality Review Need Improvement

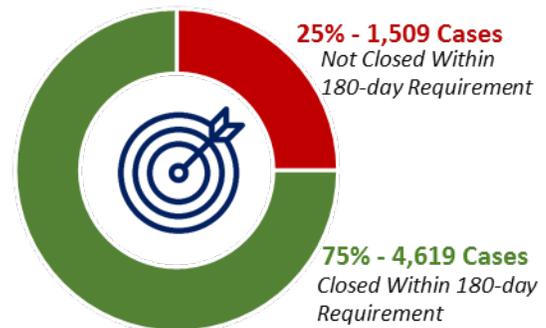
We reviewed a random sample of 86 substantiated misconduct cases closed from August 1, 2019, through July 31, 2020, and determined:

- Conduct Case Closure Checklists were completed in 85 (99 percent) of 86 cases.
- Consideration of the Douglas Factors was documented when required.
- Imposed penalties were below the maximum suggested by the penalty guide for all of the 86 cases, and 33 (38 percent) of the 86 cases were below the minimum suggested by the guide.
- There were no subsequent employee misconduct cases for 83 (97 percent) of the 86 cases based on ALERTS records as of August 7, 2021.

The Conduct Case Closure Checklist ensured that the LRSs documented consideration of the Douglas Factors and the imposed penalties were reasonable. As a result, IRS management has better assurance that employees facing misconduct issues are treated equitably and that penalties administered were the lowest level needed to correct inappropriate behavior.

Employee Misconduct Was Not Always Addressed Timely

Of 6,128 ALERTS cases closed from August 1, 2019, through July 31, 2020, we identified 1,509 cases (25 percent) not closed within the required 180 days, including 560 cases (9 percent) not closed within one year.⁹ Office of Personnel Management guidance requires agencies to address misconduct when deficiencies are first noted.¹⁰ In addition, the case processing guidance for the LRSs states, "The goal of case processing is to close cases as efficiently as possible, with a maximum of 180 calendar days to close, absent extenuating circumstances."¹¹



While some delays were due in part to the 35-day Federal Government shutdown in Fiscal Year (FY) 2019 and the Coronavirus Disease moratorium that was in place from March 30 to June 15, 2020, these events did not account for all case delays. In our sample of 86 substantiated misconduct cases closed within the same period, we determined that unresponsive managers, LRS staffing issues, and employee responses caused case delays, which ranged from 198 days to 827 days to close.¹² If not timely and appropriately addressed, misconduct could affect morale, impede the agency's ability to accomplish its mission including

⁹ Includes both substantiated and unsubstantiated cases. Grievance and appeals cases were excluded from this analysis because they take several months to close and are outside of the LRS's control.

¹⁰ U.S. Office of Personnel Management, *Managing Federal Employees Performance Issues or Misconduct*, REFERENCE MATERIALS, Policy-Data-Oversight/Employee-Relations, (Jan. 9, 2017, 3:19 p.m.).

¹¹ Internal Revenue Manual 6.751.1.18, (Nov. 2008).

¹² Due to the Coronavirus emergency and resulting IRS evacuation order, IRS management and the Union agreed to suspend contract deadlines, including actions on many employee misconduct cases, from March 30, 2020, through June 15, 2020.

the quality of taxpayer services, and damage the public image of the IRS. For example, IRS employees' willful failure to file tax returns and pay taxes owed is in direct conflict with the IRS's mission to enforce tax laws with integrity and fairness to all.

Unresponsive managers and LRS staffing caused case delays

We reviewed case files for the 23 untimely cases in our sample and identified 14 cases that were delayed because employees' managers did not timely provide requested information for the LRS to move forward with the case. Seven cases were delayed because of staffing issues or case reassignments. The remaining two cases were delayed because employees challenged the proposed disciplinary actions, which can take months to resolve.

LERN management has relied on manual processes and reports to follow up on untimely case actions and does not have written procedures regarding follow-up actions. The LRSs are expected to follow up with the employee's manager and elevate the case to their lead LRS or the LERN section chief after two or three attempts with the employee's manager. The lead or section chief should contact the second-level manager and elevate the case to the employee's branch chief after two additional unsuccessful attempts to obtain the requested information. The LRSs must use manual calendar reminders to complete follow-up actions on their cases, and currently, there are no mechanisms to remind employees' managers that the LRS is waiting for a response.

As part of their monthly reviews, LRS supervisors and section chiefs should review ALERTS inventory reports to monitor over-age cases. In February 2020, LERN management began focusing on adverse misconduct case resolution, which involves the most egregious misconduct issues.¹³ Additionally, in October 2020, LERN Field Operations management began requiring section chiefs to submit a monthly 180-day misconduct case over-age report that includes the actions being taken to close the case.

In November 2020, LERN management began testing options to transfer ALERTS inventory to an integrated inventory platform that could automate and streamline service delivery. For example, instead of creating a monthly over-age report, LERN would like to automatically generate reports and send e-mails to front-line managers to remind them of needed case actions. As of September 2021, LERN is still in the process of collaborating with the Enterprise Case Management System Project Management Office and Enterprise Services to determine the best inventory system.

Recommendation 1: The Director, Human Capital Office LERN, should explore options and collaborate with the appropriate stakeholders to automate employee misconduct case processes, including elevation to higher level supervisors when appropriate; and upon implementation, train LERN employees to use the system features to improve case timeliness.

Management's Response: IRS management agreed with this recommendation. The Human Capital Office will continue to meet and collaborate with the appropriate stakeholders on employee misconduct case process automation options, including elevation to higher levels when appropriate. Until an automated system is implemented, the IRS will identify opportunities for improvements in the program process with a goal

¹³ Adverse cases involve suspensions of more than 14 days and up to termination from the IRS.

to improve case timeliness. If an automated system is implemented, the IRS will train LERN employees on the system.

Performance Quality Measures Do Not Provide Sufficient Information to Make Program Decisions

Although LERN has a quality review process in place to evaluate the LRSs' compliance with policy and procedures, quality review reports do not include sufficient information to identify corrective actions that may be needed, nor are quality reviews performed by a party outside of Field Operations. The Government Performance and Results Modernization Act requires the use of the performance management framework, which includes quarterly data-driven reviews of annual performance goals to better understand progress and identify course corrections.¹⁴ Government Accountability Office standards for internal controls state that management should design control activity responsibilities so that incompatible duties are separated or that alternative controls address the risk when separation is not practical.¹⁵

Performance Quality Measurement System (PQMS) reports provide insufficient and misrepresentative results

The monthly PQMS reviews evaluate the LRSs' compliance with policies and procedures, which include 27 attributes in five criteria categories (ALERTS documentation, assembly of the case file, adherence to standardized procedures, accuracy of letters, and timeliness). The reviewers score cases in a Microsoft® Excel spreadsheet that uses weighted formulas for each attribute, resulting in an overall case quality score. The monthly PQMS review results are reported to LERN management as an overall percentage score (out of 100) with no supporting attribute detail.

LERN management establishes annual quality goals and measurement strategies in its Program Letter. Program Letters from FY 2017 through FY 2020 established a 95 percent quality goal. LERN Field Operation's PQMS reports showed that the LRSs achieved 97 to 98 percent overall accuracy in quality reviews performed from FY 2017 through FY 2020.

However, PQMS review results lack sufficient detail to identify areas needing improvement, such as timeliness. For example, three of the four timeliness attributes evaluated involve routine case actions that are completed when cases are initially assigned or closed.¹⁶ As a result, PQMS attributes may not reveal timeliness problems or provide an accurate depiction of case issues or management priorities. For example, none of the attributes specifically address whether the case was closed within the 180-day requirement. Meanwhile, analysis of the 6,128 cases closed from August 1, 2019, through July 31, 2020, showed the LRSs closed 1,509 cases (25 percent) cases untimely based on the requirement.

In addition, when attributes are not applicable, instead of eliminating the attribute from the score calculation, scorers give full credit as though the attribute was applicable and met. For

¹⁴ Pub. L. No. 111-352, 124 Stat. 3867.

¹⁵ Government Accountability Office, GAO-14-704G, *Standards for Internal Control in the Federal Government*, (Sep. 2014).

¹⁶ The four attributes include: time to send the case to management after assignment; time to send an Alternative Discipline Letter after a recommendation; time to close the case in ALERTS after issuing the decision letter; and an overall timeliness attribute that will be recorded as met if delays were addressed.

example, if the LRS did not recommend an Alternative Discipline Letter, the case would still be awarded four quality points for meeting the attribute associated with the timeliness of this letter.¹⁷ This practice improperly inflates the quality scores.

The LERN PQMS reports do not provide sufficient detail to identify specific areas needing improvement and the quality scores may be improperly inflated based on non-applicable attributes. To compensate for the lack of detail provided by the PQMS report, LERN management began additional internal reviews in September 2020 and ALERTS 180-day over-age reporting in October 2020.

LERN's PQMS reviewers should not have responsibility for activities being evaluated

The Human Capital Office does not have an independent quality review system, as LERN management relies on section chiefs and LRS leads to perform monthly PQMS reviews of their own employees' work. According to the Standards for Internal Control in the Federal Government, there is greater objectivity when reviews are performed by reviewers who do not have responsibility for the activities being evaluated. Separating responsibility for conducting quality reviews could enhance the independence and objectivity of the reviewers and improve oversight and monitoring of LERN activities. In addition, monthly PQMS reviews consist of judgmentally sampled closed misconduct cases for each LRS. Reviewing a random selection of closed cases would also improve objectivity.

The Director, Human Capital Office LERN, should:

Recommendation 2: Revise the PQMS review sheets to ensure that weighted formulas and calculations accurately represent the circumstances of the case and management priorities.

Management's Response: IRS management agreed with this recommendation. The Human Capital Office will conduct a thorough review and revise the weighted formulas and calculations on the PQMS review sheets to ensure that they accurately represent the circumstances of the case and management priorities, and appropriately follow policy and procedures. The Human Capital Office will provide training to managers and staff regarding the revised PQMS.

Recommendation 3: Ensure that the quality review process for employee misconduct provides management with sufficient detail to identify areas needing improvements and is conducted by individuals who do not have responsibility for the activities being evaluated.

Management's Response: IRS management agreed with this recommendation. The Human Capital Office will identify a process to conduct a review of the employee misconduct cases to provide detailed insights for management to address areas needing improvement and provide in-depth analysis of key processes. They will also address concerns regarding selection of closed cases for review. Individuals not involved in the employee misconduct case process being evaluated will conduct the quality review. The Human Capital Office will provide training to managers and staff regarding the quality review process.

¹⁷ Alternative Discipline Letters detail the terms for non-traditional remedies to address employees' misconduct, such as donating time and leave, or taking and teaching classes related to the misconduct.

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to determine whether the IRS has sufficient policies and procedures to address employee misconduct. To accomplish our objective, we:

- Determined if the IRS has developed policies and procedures that are sufficient to address employee misconduct.
- Determined whether internal quality review ensures actions taken to address employee misconduct are timely, reasonable, and adequately documented.
- Reviewed a random, stratified sample of 86 substantiated misconduct cases from the 4,270 unique ALERTS case records closed from August 1, 2019, through July 31, 2020, from four strata. Determined whether IRS managers' actions were consistent with policies and procedures. We consulted with the Treasury Inspector General for Tax Administration's contract statistician to select a statistical sample of substantiated misconduct cases using a 90 percent confidence level and a ± 7 percent precision, and stratified the population based on case disposition. The estimated error rate varied based on the stratum: 50 percent for "non-disciplinary," 10 percent for "disciplinary," 5 percent for "adverse," and 50 percent for "other" strata.

Performance of This Review

This review was performed with information obtained from the IRS LERN located in Washington, D.C.; Atlanta, Georgia; Kansas City, Missouri; Cincinnati, Ohio; Dallas, Texas; and Kearneysville, West Virginia, during the period September 2020 through March 2021. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major contributors to the report were Heather M. Hill, Assistant Inspector General for Audit (Management Services and Exempt Organizations); Carl L. Aley, Director; Brian G. Foltz, Audit Manager; Julia Moore, Lead Auditor; and Michael S. Russell, Senior Auditor.

Validity and Reliability of Data From Computer-Based Systems

We performed tests to assess the reliability of data from the ALERTS and the Treasury Integrated Management Information System. We evaluated the data by 1) performing electronic testing of required data elements, 2) reviewing existing information about the data and the system that produced them, and 3) comparing data fields to source documents. We determined that the data were sufficiently reliable for purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for

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planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: IRS policies, procedures, and guidance for addressing employee misconduct. We evaluated these controls by reviewing ALERTS records and case documentation of the penalty determination for a random sample of substantiated misconduct cases. Lastly, we analyzed ALERTS and Treasury Integrated Management Information System downloads to identify trends for substantiated case penalties based on factors such as the misconduct issues, geographic locations, employee pay grades, and bargaining versus non-bargaining unit status.

Management's Response to the Draft Report



HUMAN CAPITAL OFFICE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

November 18, 2021

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Kevin Q. McIver <sup>Digitally signed by Kevin Q. McIver
Date: 2021.11.18 14:56:18 -05'00'</sup>
IRS Human Capital Officer

SUBJECT: Draft Audit Report – Procedures to Address Employee
Misconduct Were Followed, but Resolution Time and Quality
Review Need Improvement (Audit # 202010024)

Thank you for the opportunity to review the Procedures to Address Employee Misconduct Were Followed, but Resolution Time and Quality Review Need Improvement (Audit # 202010024) draft report. The Internal Revenue Service (IRS) is fully committed to the fair, timely, and appropriate adjudication of employee misconduct. The IRS considers the Douglas Factors when imposing a penalty on employee misconduct, which includes disciplinary history, position, and years of service. The IRS takes its responsibility seriously to ensure the adjudication of employee misconduct is consistent and equitable, and we are committed to adhering to all applicable federal laws, regulations, and IRS policies and procedures.

Significant improvements by the IRS on the employee misconduct program were noted by the Treasury Inspector General for Tax Administration (TIGTA) in the draft report. The IRS successfully implemented prior TIGTA recommendations to ensure accurate case determinations are recorded in the Automated Labor and Employee Relations Tracking System and implemented the Conduct Case Closure Checklist for the Labor/Employee Relations (LR/ER) Field Operations specialists to complete before closing cases. Because of the appropriate use of the Douglas Factors, TIGTA noted in its report that there were no subsequent employee misconduct cases for 97% of their random sample as of August 7, 2021. In short, the penalties selected and imposed by the IRS corrected the employees' behavior.

With regards to the delays in case closures identified in the report, several factors significantly contributed to these findings. As previously shared with TIGTA, LR/ER Field Operations experienced substantial staffing challenges, including the loss of tenured staff and the inability to backfill positions. Factors outside of the IRS's purview, such as the government shutdown and COVID-19, also negatively affected case closure rates.

**Procedures to Address Employee Misconduct Were Followed,
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The IRS agrees with all three of the recommendations in the report, and attached is a detailed response outlining the corrective actions the Human Capital Office will take to address TIGTA's recommendations. Further, to address delays in case closures, IRS will periodically publish articles on its website reminding managers of the importance to take timely actions in the employee misconduct case process.

If you have any questions, please contact me at 202-317-3174, or a member of your staff may contact Christina Ballance, Acting Director, Labor/Employee Relations and Negotiations (LERN), at 202-317-3931.

Attachment

**Procedures to Address Employee Misconduct Were Followed,
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Attachment

RECOMMENDATION 1:

The Director, Human Capital Office LERN, should explore options and collaborate with the appropriate stakeholders to automate employee misconduct case processes, including elevation to higher level supervisors when appropriate; and upon implementation, train LERN employees to use the system features to improve case timeliness.

CORRECTIVE ACTION:

The IRS agrees with this recommendation. We will continue to meet and collaborate with the appropriate stakeholders on employee misconduct case process automation options, including elevation to higher levels when appropriate. Until an automation system is implemented, the IRS will identify opportunities for improvements in the program process with a goal to improve case timeliness. If an automation system is implemented, the IRS will train LERN employees on the system.

IMPLEMENTATION DATE:

August 15, 2022

RESPONSIBLE OFFICIAL:

Acting Director, Labor/Employee Relations and Negotiations (LERN).

CORRECTIVE ACTION MONITORING PLAN:

We will enter accepted Corrective Actions into the Joint Audit Management Enterprise System (JAMES), monitor progress towards completion monthly, and upload supporting documentation into JAMES with Form 13872, Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports.

RECOMMENDATION 2:

Revise the PQMS review sheets to ensure that weighted formulas and calculations accurately represent the circumstances of the case and management priorities.

CORRECTIVE ACTIONS:

The IRS agrees with this recommendation. We will conduct a thorough review and revise the weighted formulas and calculations on the Performance Quality Measurement System (PQMS) review sheets to ensure it accurately represents the circumstances of the case, management priorities, and appropriately follows policy and procedures. We will provide training to managers and staff regarding the revised PQMS.

IMPLEMENTATION DATE:

August 15, 2022

**Procedures to Address Employee Misconduct Were Followed,
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RESPONSIBLE OFFICIAL:

Acting Director, LERN

CORRECTIVE ACTION MONITORING PLAN:

We will enter accepted Corrective Actions into JAMES, monitor progress towards completion monthly, and upload supporting documentation into JAMES with Form 13872, Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports.

RECOMMENDATION 3:

Ensure that the quality review process for employee misconduct provides management with sufficient detail to identify areas needing improvements and is conducted by individuals who do not have responsibility for the activities being evaluated.

CORRECTIVE ACTIONS:

The IRS agrees with this recommendation. We will identify a process to conduct a review of the employee misconduct cases to provide detailed insights for management to address areas needing improvement and provide in-depth analysis of key processes. We will also address concerns regarding selection of closed cases for review. Individuals not involved in the employee misconduct case process being evaluated will conduct the quality review. We will provide training to managers and staff regarding the quality review process.

IMPLEMENTATION DATE:

August 15, 2022

RESPONSIBLE OFFICIAL:

Acting Director, LERN

CORRECTIVE ACTION MONITORING PLAN:

We will enter accepted Corrective Actions into the JAMES, monitor progress towards completion monthly, and upload supporting documentation into JAMES with Form 13872, Planned Corrective Action (PCA) Status Update for TIGTA/GAO/MW/SD/TAS/REM Reports.

Appendix III

Abbreviations

ALERTS	Automated Labor and Employee Relations Tracking System
FY	Fiscal Year
IRS	Internal Revenue Service
LERN	Labor/Employee Relations and Negotiations
LRS	Labor/Employee Relations Field Operations Specialist
PQMS	Performance Quality Measurement System



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Washington, D.C. 20044-0589

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