

U.S. DEPARTMENT OF THE TREASURY

Press Center



Fact Sheet on IRS Report: "Charting a Path Forward at the IRS: Initial Assessment and Plan of Action"

6/24/2013

[Read the full report at IRS.gov](#) 

WASHINGTON - In response to the May 14, 2013 audit report from the Treasury Inspector General for Tax Administration (TIGTA), the President selected Daniel Werfel to lead the Internal Revenue Service (IRS). The Secretary of the Treasury then provided three objectives for Mr. Werfel's first 30 days on the job. First, Mr. Werfel was to begin holding accountable anyone responsible for improper conduct described in the TIGTA audit report. Second, Mr. Werfel was to begin to implement, fully and promptly, all nine of the recommendations in the TIGTA audit report. Mr. Werfel also was to examine and correct any failures in the administration of 501(c)(4) applications that allowed this behavior to happen. Third, Mr. Werfel was to conduct a broader review to see whether the conduct reflected larger management failures and cultural issues at the IRS that require systemic change. Mr. Werfel was to take action and implement the necessary changes. Below are key findings resulting from Mr. Werfel's 30-day review.

FINDINGS	ACTIONS
<ul style="list-style-type: none"> • Management and judgment failures contributed to inappropriate treatment of certain taxpayers applying for tax-exempt status. • Current fact-gathering has found no evidence of intentional wrongdoing. • Current fact-gathering has found no evidence of involvement from anyone outside of the IRS. • Current fact-gathering has found no evidence of inappropriate criteria in other IRS business unit operations. • The nine TIGTA recommendations, along with additional actions, will help correct the problems identified in the TIGTA audit report. • The IRS Commissioner's Office and other leaders across the IRS do not always have sufficient knowledge of emerging risks. 	<ul style="list-style-type: none"> • New leadership has been installed at all 5 levels of management responsible for tax-exempt applications, including top IRS leadership. • A newly created Accountability Review Board will recommend within 60 days any additional personnel actions necessary to hold accountable those responsible for the findings in the TIGTA audit report. • The use of BOLO lists has been suspended. • To clear the current backlog, a voluntary, self-certification process is now available to expedite those tax-exemption applicants who have waited longer than 120 days for a decision. • A new process will assess criteria and screening procedures across the IRS to identify emerging risks. • A new Enterprise Risk Management Program will design a framework for identifying risk areas across the IRS, so that IRS leadership and external stakeholders are aware of such issues.

- Existing mechanisms to assist taxpayers, such as the Taxpayer Advocacy Service, are neither well understood nor sufficiently leveraged.

- The IRS will initiate new education and outreach regarding the role of the National Taxpayer Advocate.

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