
TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



***The Internal Revenue Service Continues to
Rehire Former Employees With Conduct and
Performance Issues***

July 24, 2017

Reference Number: 2017-10-035

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HIGHLIGHTS

THE INTERNAL REVENUE SERVICE CONTINUES TO REHIRE FORMER EMPLOYEES WITH CONDUCT AND PERFORMANCE ISSUES

Final Audit Report Issued on
July 24, 2017

Highlights

Highlights of Reference Number: 2017-10-035 to the Internal Revenue Service Human Capital Officer.

IMPACT ON TAXPAYERS

From January 1, 2015, through March 31, 2016, the IRS hired nearly 7,500 employees, of which more than 2,000 had been previously employed by the IRS. Given the substantial threat of identity theft and the magnitude of sensitive information that the IRS holds, hiring employees of high integrity is essential to maintaining public trust in tax administration and safeguarding taxpayer information.

WHY TIGTA DID THE AUDIT

This audit was requested by a U.S. Senator. The overall objective of this audit was to follow-up on a recommendation in a prior report to determine whether IRS management updated hiring policies to fully consider past conduct and performance issues prior to hiring former employees.

WHAT TIGTA FOUND

The IRS has not effectively updated or implemented hiring policies to fully consider past IRS conduct and performance issues prior to making a tentative decision to hire former employees, including those who were terminated or separated during an investigation of a substantiated conduct or performance issue.

While most employees who are rehired do not have prior conduct or performance issues, TIGTA found that more than 200 (approximately 10 percent) of the more than 2,000 former employees who were rehired between January 2015 and March 2016 were previously

terminated from the IRS or separated while under investigation for a substantiated conduct or performance issue. More than 150 of these employees (approximately 75 percent) were seasonal. Four of the more than 200 employees had been terminated or resigned for willful failure to properly file their Federal tax returns; four separated while under investigation for unauthorized accesses to taxpayer information; and 86 separated while under investigation for absences and leave, workplace disruption, or failure to follow instructions. This includes positions with access to sensitive taxpayer information, such as contact representatives.

Although the IRS follows specific criteria to disqualify applicants for employment, past IRS employment history is not provided to the selecting official for consideration when making a tentative hiring decision. IRS officials stated that it would be cost prohibitive to review prior issues before a hiring decision and tentative offer has been made. However, the IRS was unable to provide documented support for this position. In addition, TIGTA could not verify that the IRS always considered prior issues because reviews are not always documented. TIGTA also found that 27 former employees failed to disclose a prior termination or conviction on their application, as required, and were rehired by the IRS.

Although the IRS may have had a valid basis to rehire some of the more than 200 former employees with prior conduct or performance issues, TIGTA has serious concerns about the IRS's decision to rehire certain employees, such as those who willfully failed to meet their Federal tax responsibilities.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS Human Capital Officer provide the selecting official with access to former employee conduct and performance issues, and require that the basis for rehiring employees with prior employment issues be clearly documented.

In their response, IRS management agreed in principle with the recommendations and plans to update current practices and policies to ensure that data reflecting prior performance and misconduct is utilized in the hiring process.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 24, 2017

MEMORANDUM FOR INTERNAL REVENUE SERVICE HUMAN CAPITAL OFFICER

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues
(Audit # 201610017)

This report presents the result of our review to follow-up on a recommendation in a prior report to determine whether Internal Revenue Service (IRS) management updated hiring policies to fully consider past conduct and performance issues prior to hiring former employees. This review was requested by a U.S. Senator, is included in our Fiscal Year 2017 Annual Audit Plan, and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

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



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Employees With Conduct and Performance Issues***

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Abbreviations

ALERTS	Automated Labor and Employee Relations Tracking System
EO	Employment Operations
ETS	Employment, Talent, and Security
IRS	Internal Revenue Service
OF-306	Optional Form 306
OPM	Office of Personnel Management
PS	Personnel Security
TIGTA	Treasury Inspector General for Tax Administration



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

Background

From January 1, 2015, through March 31, 2016, the Internal Revenue Service (IRS) hired nearly 7,500 employees, of which more than 2,000 had been previously employed by the IRS. The IRS Human Capital Office, Employment, Talent, and Security (ETS) Division, provides policies, products, and services that support business efforts to identify, recruit, hire, and advance a workforce with the competencies necessary to achieve current and future organizational performance goals. This includes an analysis of all available, relevant information, both favorable and unfavorable, to determine if the prospective employee's past or present conduct adversely affects, or indicates a likelihood for adverse impact on, the integrity of the Federal service.

The IRS prescreening of prospective employees is performed by two offices within the ETS Division. The responsibilities of these offices include the following:

- **Employment Operations (EO)** – The EO office gathers data to determine if the applicants are qualified and eligible for employment. The CareerConnector¹ system is used to determine if applicants meet the minimum qualifications necessary for the job, and research is performed to determine if applicants are U.S. citizens and are tax compliant. For former employees of the IRS, the Automated Labor and Employee Relations Tracking System² (ALERTS) database is reviewed to determine if an applicant has performance issues from prior employment. According to IRS guidance, the EO office should consider the circumstances surrounding all documented performance issues that occurred within 36 months of the application date. If the applicant has not demonstrated successful performance (since leaving the IRS), for a period of six or 12 months continuously (as applicable) in a similar position as the position previously held at the IRS in which performance issues were encountered, the EO office will nonselect the applicant during the eligibility phase.

Applicants determined to be qualified and eligible for employment are ranked and placed on a “best-qualified” list. The best-qualified list is forwarded to selecting officials where vacancies exist. The selecting officials review the employment applications and select applicants to fill IRS positions, and a tentative employment offer is made to the prospective employee by the EO office.

- **Personnel Security (PS)** – The PS office evaluates the character traits and conduct of applicants who receive a tentative offer to determine those who are likely to be successful

¹ CareerConnector is the Department of the Treasury's online applicant management system for external and internal vacancies.

² This database tracks violations and related disciplinary actions.



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as an IRS employee. For example, the PS office is required to follow the Office of Personnel Management (OPM) Suitability Processing Handbook to evaluate prior criminal convictions and conduct issues of former employees to determine if they are suitable for Federal employment. The PS office ranks prior conduct issues and determines, based on the severity of the issue and the time elapsed since the prior conduct issue, if the applicant is suitable for Federal employment. Prior conduct issues that occurred more than 108 months prior are generally rated as non-issues for purposes of the basic suitability determination. In addition, the significance of issues that occurred within 108 months may be downgraded based on the recency of the conduct.

Specific criteria are used by EO and PS offices to assess eligibility and suitability. However, although the selecting official can use judgment to select the best applicants available, the selecting official does not have access to prior conduct and performance information from the IRS's ALERTS database. The review of prior IRS performance information is performed by the EO office before the selecting official makes a hiring decision, but the information is not forwarded to the selecting official for review. In addition, the review of prior conduct is performed by the PS office after applicants are tentatively selected for employment, but this information is not available to the selecting official when making the tentative offer for employment.

A prior Treasury Inspector General for Tax Administration (TIGTA) report³ issued in December 2014 found that, although the IRS appropriately applied the OPM suitability standards, 824 (11.5 percent) of the 7,168 former employees rehired between January 1, 2010, and September 30, 2013, had prior substantiated conduct or performance issues. IRS officials stated that prior conduct and performance issues did not play a significant role in deciding the candidates who were best qualified for hiring, and TIGTA found nothing in the IRS hiring process beyond the suitability standards where prior conduct and performance issues were being considered. In addition, we previously reported that the IRS had prior IRS employment information that could help inform its decisions on hiring. However, the IRS was concerned that it might violate existing Federal regulations if it fully considered prior conduct and performance issues.

As a result of our prior audit work, we recommended that the IRS Human Capital Officer work with General Legal Services and the OPM to determine whether, and during what part of the hiring process, the IRS can fully consider prior conduct and performance issues. The IRS agreed with this recommendation. In its response, the IRS stated that a review of conduct and performance issues could be accomplished earlier in the process; however, the Department of the Treasury, the OPM, and the IRS believed that it was not feasible to move the review of these issues to earlier in the hiring process. They concluded that this action would greatly increase the

³ TIGTA, Ref. No. 2015-10-006, *Additional Consideration of Prior Conduct and Performance Issues Is Needed When Hiring Former Employees* (Dec. 2014).



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cost of hiring, likely increase cycle time beyond the Presidential mandate of 80 calendar days, require additional resources, and not likely yield a reasonable return on investment.

Since the time of our prior report, Congress enacted the Consolidated Appropriations Act of 2016,⁴ which prohibited the IRS from rehiring former employees without taking their prior conduct into account. In addition, the IRS Commissioner was questioned in February 2016 regarding the IRS's processes for rehiring employees during testimony before the Senate Finance Committee. During this testimony, the Commissioner explained that the employees mentioned in the prior TIGTA report were rehired under an old process, and that would not happen again under new processes. After the testimony, TIGTA received a request from a U.S. Senator to conduct further inquiries into this issue and determine if IRS hiring policies continue to need improvement.

This review was performed at the ETS Division in Covington, Kentucky, during the period July 2016 through March 2017 using information obtained from the ALERTS database as of October 2016. 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.

⁴ Public Law 114-113.



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Results of Review

Former Employees Were Selected for Rehire Without Fully Considering Prior Conduct and Performance Issues

The IRS has not effectively updated or implemented hiring policies to fully consider past IRS conduct and performance issues, *i.e.*, issues documented on the IRS's ALERTS database, prior to making a decision to hire former employees, including those who were terminated or separated during an investigation of a substantiated conduct or performance issue. This includes former employees who potentially violated Section 1203(b)⁵ of the IRS Restructuring and Reform Act of 1998.⁶ IRS officials stated that they did not update hiring policies based on our prior report because, while conduct and performance issues could be reviewed earlier in the hiring process,⁷ it would be cost prohibitive to do so, likely increase cycle time beyond the Presidential mandate of 80 calendar days, require additional resources, and not likely yield a reasonable return on investment. However, a formal cost-benefit analysis was not performed to reach this conclusion.

Although the EO and PS offices are required to research the ALERTS database for prior conduct and performance issues during reviews of an applicant's eligibility and suitability, we determined that selecting officials make hiring decisions without access to prior IRS employment issues. As a result, the selecting official may select employees for hire from a list of similarly qualified applicants without knowing that certain applicants may pose a risk to the IRS and taxpayers based on prior conduct or performance. For example, our prior TIGTA report stated that one employee was rehired after being removed by management for abusing leave, despite the fact that IRS personnel files included the notation "do not rehire." We did not identify any changes in the process that would have prevented the IRS from rehiring this employee. Under the current process, the selecting official would not have access to this information for consideration in the hiring decision.

⁵ IRS Restructuring and Reform Act of 1998 § 1203 provides generally that IRS employees should be terminated from Federal employment if they violate certain rules in connection with the performance of their official duties, *e.g.*, willful understatement of a tax liability.

⁶ Pub. L. No. 105-206, 112 Stat. 685.

⁷ An IRS workgroup recommended providing past employment information to the selecting official. This was not implemented due to concerns with an OPM-proposed change in regulations (which became effective January 3, 2017) that would prevent inquiries into an applicant's criminal or adverse credit background for the purpose of making a suitability determination until after a tentative offer has been made. IRS management also expressed concern that selecting officials may inconsistently apply this information, *e.g.*, some selecting officials may weigh the risk of hiring former employees with prior issues while other selecting officials may discount all former employees with prior issues.



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

In reviewing prior IRS employment issues associated with rehired employees, we considered some of the issues to be significant. In addition, we noted that applicants with prior IRS conduct and performance issues sometimes repeated past behaviors within 19 months of returning to work at the IRS. Lastly, while the IRS has processes in place to review prior conduct and performance issues when evaluating applicants' eligibility and suitability, we could not determine if that always occurred because the IRS did not always document these reviews.⁸ Given the substantial threat of identity theft and the magnitude of sensitive information that the IRS holds, hiring employees of high integrity is essential to maintaining public trust in tax administration and safeguarding taxpayer information.

Employees with prior significant conduct and performance issues were rehired

In our review of the population of 213 former employees⁹ who were terminated or separated during an investigation of a substantiated conduct or performance issue and were rehired between January 2015 and March 2016, we identified examples of significant prior conduct issues. Some of these employees held positions with access to sensitive taxpayer information, such as contact representatives. Figure 1 provides a breakdown of some of the more serious conduct issues these employees had during prior employment with the IRS.

Figure 1: Examples of Significant Prior IRS Conduct Issues for Rehired Former Employees

General Issue	Employees
Potential Internal Revenue Code Section 1203(b) Violations	4
Other Tax Issue(s)	15
Unauthorized Access of Taxpayer Account(s)	4
Falsification of Employment Forms, Official Documents, or Unofficial Documents	13
E-Mail, Property/Equipment Misuse	2
Misconduct ¹⁰	6
Absence and Leave, Workplace Disruption, or Failure to Follow Instructions	86 ¹¹

Source: TIGTA analysis of the ALERTS database.

To perform more detailed analyses, we selected a random sample of 90 of the 213 former employees with prior conduct or performance issues who were rehired between January 2015

⁸ The Internal Revenue Manual states that IRS management must maintain a hard copy of any derogatory employment information and appropriate paperwork in the applicant's case file. This requirement would apply to the EO office's review of performance issues and the PS office's review of conduct issues.

⁹ More than 150 of these employees were rehired into seasonal positions.

¹⁰ Examples of misconduct include threats, off-duty misconduct, and unprofessional conduct.

¹¹ Twelve of these employees had multiple issues in this category.



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and March 2016.¹² Examples of some of the more significant types of conduct or performance issues that were substantiated for the employees in our sample during prior employment include the following:

- **Falsification of employment forms, official documents, or unofficial documents** – Two rehired employees had *repetitively* falsified employment forms by omitting prior convictions or terminations. The IRS selecting official would not have known that these employees had previously been terminated for failing to disclose a prior conviction or termination on their application. In addition, the IRS compounded this issue by not considering additional nondisclosures during the suitability review when the employees re-applied for a position with the IRS. In one case, the nondisclosure of a prior failure to appear for a traffic offense conviction was not considered during the suitability review. In the second case, the nondisclosure of a prior termination due to attendance issues was not considered because prior conduct issues were not reviewed.¹³
- **Performance issues** – Two rehired employees were previously terminated for failure to maintain a successful level of performance in multiple critical job elements as tax examining technicians. However, both of these employees were rehired as tax examining technicians less than six months later.¹⁴ The IRS did not maintain documentation of the rationale for hiring these employees, but when questioned, IRS officials stated that although the job titles are the same as the old positions, the position requirements are different.

We also identified significant conduct issues that would be considered mitigated by time according to the OPM Suitability Processing Handbook, but could significantly affect public trust in tax administration should the misconduct be repeated, *e.g.*, willful failure to file or pay taxes, unauthorized accesses to taxpayer accounts.

- **Potential Internal Revenue Code Section 1203(b) violations** – *****1*****
*****1*****
*****1*****. While the selecting officials would not have had access to this information to consider prior to issuing a tentative offer, the PS office reviewed these violations during the suitability review. These

¹² See Appendix I for our sampling methodology.

¹³ In this case, the application was electronically adjudicated. An adjudication is an examination of a person's character or conduct over time, resulting in a favorable or unfavorable determination of their employment suitability; eligibility for access to classified information, materials, or areas; or retention in Federal employment. When applicants are electronically adjudicated, a manual suitability review by an IRS employee does not occur and the applicant is automatically (by computer review) deemed suitable.

¹⁴ The EO office developed a performance adjudication decision matrix for its employees to use when assessing any performance issues from prior IRS employment for former employees who separated less than 36 months prior. If the applicant has not demonstrated successful performance since leaving the IRS based on the performance adjudication decision matrix, the EO office will nonselect the applicant during the eligibility phase.



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employees were deemed suitable for employment because both of the potential violations occurred more than eight years prior to the application date. Per the OPM Suitability Processing Handbook, these issues would be considered mitigated by time for suitability purposes. *****1***** to the EO office. However, the EO office only reviewed the employee’s current tax compliance.

- **Unauthorized access of taxpayer accounts** – *****1*****
*****1*****
*****1*****
*****1*****
*****1*****. While the selecting official would not have had access to this information to consider prior to issuing a tentative offer, the PS office reviewed this violation and deemed the employee suitable for employment because the violation occurred more than 15 years prior to the application date. Per the OPM Suitability Processing Handbook, these issues would be considered mitigated by time for suitability purposes.
- **Misconduct** – One rehired employee had several misdemeanors for theft and a felony for possession of a forgery device, and another rehired employee had threatened his or her co-workers. While the selecting officials would not have had access to this information to consider prior to issuing a tentative offer, the PS office reviewed these violations during the suitability review and deemed the employee suitable for employment because the potential violations occurred more than 10 years prior to the application date. Per the OPM Suitability Processing Handbook, these issues would be considered mitigated by time for suitability purposes.
- **Absence and leave, workplace disruption, or failure to follow instructions** – Three rehired employees had “excessive” absence without leave for more than 270, 150, and 140 hours respectively, and one rehired employee was cited for unprofessional conduct based on a verbal altercation with a security guard at an IRS facility. While the selecting officials would not have had access to this information to consider prior to issuing a tentative offer, in two of the cases, the PS office determined the violations were mitigated by time during the suitability review, and in the other two cases, the violations were not considered.

We were unable to determine if having access to past IRS employment information (such as the examples previously presented) would have affected the decisions of selecting officials. In some cases, the IRS may ultimately decide to rehire employees with past issues. This is especially true in locations where it is difficult to attract and hire qualified employees. For example, 29 of the 90 sampled former employees were selected for hire from a best-qualified list in which the IRS selected all candidates on the best-qualified list. In other words, there were no other candidates available to select from the best-qualified list.



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We also determined that the results of this audit were similar to the results in our prior audit. Our prior audit determined that 824 (11.5 percent) of the 7,168 former employees who were rehired between January 1, 2010, and September 30, 2013, had prior substantiated employment issues, including 141 with prior tax issues. We performed the same analysis for the current audit and found that more than 300 (approximately 15 percent) of the more than 2,000 employees rehired between January 1, 2015, and March 31, 2016, had prior substantiated employment issues, including 52 with prior tax issues.¹⁵ We also found that nearly 300 of the 824 employees identified in the prior report were still employed by the IRS as of May 2016.

Based on the number of employees who are rehired with prior employment issues and the sensitive nature of taxpayer information handled by IRS employees, we continue to believe that it is important for the IRS to consider prior conduct and performance issues before making a tentative employment offer. Providing the selecting official with access to an applicant's past employment history when making a hiring decision would allow consideration of this information to hire the best candidate for the position and reduce the likelihood for an adverse impact on the integrity of the Federal service. This is significant because the time spent by IRS managers addressing repetitive conduct or performance issues is time taken away from serving taxpayers and enforcing the tax law. Further, if the IRS becomes aware of the prior conduct or performance issues earlier in the process and decides to rehire the individual anyway, the basis for this decision should be clearly documented.

Some employees repeated past violations upon being rehired

One risk of rehiring employees with known conduct or performance issues is that they will repeat the same or other unwanted behavior. Although IRS management stated they believed their process was adequate to mitigate any risks to taxpayers, we found that six (7 percent) of the 90 former employees in our random sample had new conduct or performance issues substantiated within one year of being rehired.¹⁶ For example, three employees had new issues upon being rehired concerning unacceptable performance and inappropriate absence from work, which were the same issues they had during their prior employment with the IRS.

In addition, 60 of the 824 employees we identified in our prior report as having been rehired with prior substantiated employment issues between January 1, 2010, and September 30, 2013, were rehired again between January 1, 2015, and March 31, 2016. Of these 60 employees, five employees had additional documented conduct or performance issues substantiated within

¹⁵ This analysis includes all employees who were rehired with prior substantiated employment issues. The 213 employees discussed earlier in this report include only those employees who were rehired and had a substantiated prior conduct or performance issue with a disposition code indicating that they were terminated or resigned from the IRS while under investigation for that issue.

¹⁶ This number could increase, as many of the employees we identified as being rehired with prior conduct or performance issues had only recently been rehired when we conducted our analysis.



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nine days to 19 months of being rehired. Three¹⁷ of the employees had the same issue in their prior employment.

Former employees were rehired without documented consideration of prior conduct or performance issues

While the selecting official does not have access to prior employment information to consider before issuing a tentative offer, the IRS has processes in place to review prior conduct and performance when determining if applicants are eligible or suitable for employment in the Federal Government. When determining whether an employee is eligible to be hired, the EO office reviews prior performance in accordance with IRS guidelines to determine if any performance issues would potentially affect the applicant's ability to successfully perform the requirements of the new position. After the selecting official selects an employee for hire, the PS office ranks each prior conduct issue according to the OPM Suitability Processing Handbook to determine if the applicant is suitable for Federal employment. However, we could not determine if the EO and PS offices always reviewed prior performance or conduct issues because these offices did not always document these reviews. Based on our review of a random sample of 90 former employees who were terminated or separated during an investigation of a substantiated conduct or performance issue and rehired between January 2015 and March 2016, we could not verify that the IRS considered the prior performance or conduct issues for 29 (32 percent)¹⁸ of the rehired employees. Based on our sample results, we estimate that 69¹⁹ former employees were rehired without documented consideration of prior conduct or performance issues by the EO and PS offices.

As mentioned previously, the selecting official does not have access to prior employment information to consider before issuing a tentative offer. The PS office reviews all applications for employment, either manually or electronically after the tentative offer has been made, to determine if the applicant is suitable for Federal employment. However, we determined these reviews did not always identify questionable conduct issues that should have been considered when judging the applicant for suitability for Federal employment. We identified the following:

- A manual adjudication by an IRS employee is required if the applicant has prior conduct issues. We found that 19 (21 percent) of 90 employees were manually adjudicated and consideration of prior conduct issues were not documented when determining suitability for Federal employment. For example, the IRS rehired one applicant that had separated

¹⁷ The three employees are the same employees mentioned in the previous paragraph. All three employees had substantiated employment issues prior to January 1, 2010, were rehired between January 1, 2010, and September 30, 2013, and had additional employment issues that were substantiated, and were rehired again between January 1, 2015, and March 31, 2016, and had additional employment issues that were substantiated.

¹⁸ We were unable to determine whether one former employee was manually or electronically adjudicated based on documentation provided by the IRS.

¹⁹ The point estimate projection is based on a two-sided 95 percent confidence interval. We are 95 percent confident that the point estimate is between 53 and 84.



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less than three years prior²⁰ while under investigation for being absent without leave; however, the IRS had no documentation that this issue was considered.

- Electronic adjudication should only be performed for applicants with a clean criminal history and no conduct issues from prior IRS employment. However, we found that five (6 percent) of 90 employees were electronically adjudicated despite having a prior conduct issue on the IRS's ALERTS database. Prior conduct issues are not reviewed during an electronic adjudication. In addition, four (4 percent) of 90 employees who were electronically adjudicated had a performance issue that was not identified by the EO office during the eligibility review. During our audit, PS management informed us that they established a new process that requires manual review of all ALERTS issues prior to the case being closed via electronic adjudication.

We are concerned about the lack of documented consideration of prior conduct issues because a provision in the IRS Consolidated Appropriations Act of 2016²¹ requires the IRS to consider prior conduct issues when rehiring former employees. Fourteen of the employees we identified without documented consideration of prior conduct issues were hired in Fiscal Year 2016,²² the year to which the Act applies. In these instances, the IRS may have violated this provision of the Consolidated Appropriations Act of 2016.

Recommendations

The IRS Human Capital Officer should:

Recommendation 1: Revise the hiring process to provide the selecting official with access to former employee conduct and performance issues, *i.e.*, issues documented on the IRS's ALERTS database, for consideration prior to making a tentative offer.

Management's Response: The IRS Human Capital Officer agreed with the intent of this recommendation and is committed to ensuring that former employees with misconduct and performance issues are not rehired. The IRS will update its existing hiring practices to ensure that ALERTS data reflecting prior misconduct and performance is generated and utilized prior to making a tentative offer to a former IRS employee to prevent any inappropriate rehire. IRS policies will be updated to reflect this change and will ensure that the IRS remains in compliance with all laws, rules, and regulations.

²⁰ According to the OPM Suitability Processing Handbook, all issues that occurred less than 108 months prior have the potential for being a suitability issue.

²¹ Public Law 114-113, §110(2).

²² The remaining employees were hired in Fiscal Year 2015.



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Office of Audit Comment: After receiving the IRS's response, we met with IRS management to clarify its planned corrective actions. IRS management confirmed that the new hiring practices will include a review of prior conduct and performance issues by the selecting or hiring official. This review will occur prior to the issuance of a tentative offer.

Recommendation 2: Require the selecting official to clearly document the basis for rehiring former employees with conduct and performance issues.

Management's Response: The IRS Human Capital Officer agreed with the intent of this recommendation and will institute changes in current policies and practices to ensure that decisions to rehire former employees with prior misconduct or performance issues are documented accordingly. The documenting of all such rehire decisions will be done in a manner that will mitigate future risks or additional burden, to the greatest extent possible, on selecting officials as well as create consistency in the Agency's practice.

Office of Audit Comment: After receiving the IRS's response, we met with IRS management to clarify its planned corrective actions. IRS management confirmed that the basis for rehiring former employees with prior conduct and performance issues will be documented by the selecting or hiring official.

Recommendation 3: Update policies and issue guidance to require that consideration of former employee conduct and performance issues by the EO and PS offices is documented.

Management's Response: The IRS Human Capital Officer agreed with this recommendation and plans to update IRS policies and issue guidance to require that consideration of former employees' conduct and performance issues by the EO and PS offices is documented.

Additional Improvements Can Be Made to the Hiring Process

While reviewing our random sample of 90 former employees who were terminated or separated during an investigation of a substantiated conduct or performance issue and rehired between January 2015 and March 2016, several additional areas of concern regarding the hiring process came to our attention. We found that 1) applicants who failed to disclose prior terminations or convictions on their application were not forwarded to the OPM, as required; 2) two former employees were rehired without assessing their suitability; and 3) *****1*****
*****1*****.

Applicants who failed to disclose prior terminations or convictions were rehired without referral to the OPM

Terminations from employment in the previous five years and convictions in the past seven years are required to be disclosed on Optional Form-306 (OF-306), *Declaration for Federal*



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Employment,²³ when applying for Federal employment. We found that 37 employees in our sample had prior convictions or terminations that would have required disclosure on the OF-306. We found that 27 (73 percent)²⁴ of these 37 former employees failed to declare prior terminations or convictions on their application, as required, and were rehired by the IRS. Figure 2 shows an excerpt of OF-306 and the requirement for including convictions and terminations.

Figure 2: Excerpt From OF-306

Background Information	
For all questions, provide all additional requested information under item 16 or on attached sheets. The circumstances of each event you list will be considered. However, in most cases you can still be considered for Federal jobs.	
For questions 9, 10, and 11, your answers should include convictions resulting from a plea of <i>nolo contendere</i> (no contest), but omit (1) traffic fines of \$300 or less, (2) any violation of law committed before your 16th birthday, (3) any violation of law committed before your 18th birthday if finally decided in juvenile court or under a Youth Offender law, (4) any conviction set aside under the Federal Youth Corrections Act or similar state law, and (5) any conviction for which the record was expunged under Federal or state law.	
9. During the last 7 years, have you been convicted, been imprisoned, been on probation, or been on parole? (Includes felonies, firearms or explosives violations, misdemeanors, and all other offenses.) <i>If "YES," use item 16 to provide the date, explanation of the violation, place of occurrence, and the name and address of the police department or court involved.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO
12. During the last 5 years, have you been fired from any job for any reason, did you quit after being told that you would be fired, did you leave any job by mutual agreement because of specific problems, or were you debarred from Federal employment by the Office of Personnel Management or any other Federal agency? <i>If "YES," use item 16 to provide the date, an explanation of the problem, reason for leaving, and the employer's name and address.</i>	<input type="checkbox"/> YES <input type="checkbox"/> NO

Source: OPM Management Form OF-306, Declaration for Federal Employment (revised October 2011).

IRS management stated that, in some of these instances, documentation was not maintained supporting that the former employees were terminated;²⁵ therefore, the IRS cannot prove that it informed the employee that they were being terminated. However, disclosure is also required if the applicant resigned after being told that they would be terminated or left any job by mutual agreement because of specific problems. All of the employees in our sample were under investigation for an employment issue upon their separation; therefore, disclosure is necessary when the separation occurred during the required five-year time frame.

According to PS office adjudicators, when an applicant fails to disclose a prior termination or arrest on their OF-306, the nondisclosure is considered a conduct issue and is rated consistent with the rating of the issue that was nondisclosed. For example, if the issue that was not disclosed was considered to be a minor issue, the nondisclosure would be considered a minor issue as well. This would result in the IRS determining an applicant was unsuitable for employment only if the nondisclosure was determined to be a material, intentional falsification.

²³ The information collected on the OF-306 is used to determine an applicant's acceptability for Federal employment. A false statement on any part of this declaration may be grounds for not hiring the applicant, or for termination once the applicant begins work, and may be punishable by fines or imprisonment.

²⁴ This includes 22 employees who failed to disclose a prior termination and six employees who failed to disclose a prior conviction. One employee failed to disclose both a prior termination and a prior conviction.

²⁵ The IRS issued a memorandum on April 30, 2015, to require IRS managers to discuss employment issues with their servicing labor relations specialist even when an employee chooses to resign before the issue has been addressed with the employee. These consultations and subsequent actions should be documented in the ALERTS database and used by the ETS Division when assessing former employees being considered for rehire.



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

However, according to the OPM, all OF-306 nondisclosures of terminations should be referred to the OPM for suitability review regardless of the type of issue. Dishonesty in the application process presents a risk that a rehired employee may not handle public information with the highest integrity.²⁶

Two former employees were rehired without assessing their suitability

The OPM requires Federal agencies to establish and maintain an effective suitability program to assure the employment of each person in a covered position²⁷ will promote the efficiency and protect the integrity of the Service. However, we found two of the 90 former employees in our sample were rehired without the IRS determining that they were suitable for Federal employment.

- One former employee²⁸ with a history of prior convictions, including petty theft, possession of a controlled substance, reckless driving, and prior absence without leave issues, applied for employment and was mistaken for a different applicant with a similar name that the IRS intended to hire. The IRS inadvertently sent the former employee instructions to report for duty and allowed the former employee to enter an IRS building. Once inside the building, the former employee completed paperwork and was sworn in as a Federal Government employee before IRS management identified the mistake. IRS management stated that because the former employee reported for work, was sworn in, and completed certain tasks, the former employee was paid for one day's work.

IRS management also stated that they implemented a corrective action to prevent similar mistakes from happening in the future. They verbally communicated to EO office personnel at this location to check each person's photo identification and Social Security Number to assure that only the correct individuals are allowed to enter IRS facilities for new hire orientation. In addition, the EO office is now required to check and confirm that all paperwork completed is for the new hires in attendance, and they will consult with the PS office about not allowing individuals into the building without confirming that they were authorized to report when not on an official entry list.

- One former employee who applied for employment was rehired despite failing to submit a completed OF-306. The former employee did not check "yes" or "no" on Line 12 of the OF-306 (see Figure 2) to indicate whether or not a questionable employment

²⁶ We referred information on current IRS employees who potentially did not disclose prior convictions or terminations on their applications to our Office of Investigations for further review.

²⁷ A covered position is a position in the competitive service, a position in the excepted service in which the incumbent can be noncompetitively converted to the competitive service, and a career appointment to a position in the Senior Executive Service.

²⁸ This employee was one of the 29 former employees mentioned earlier in this report who were rehired without documented consideration of prior conduct or performance issues.



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

- *****1*****
 *****1*****
 *****1*****
 *****1*****. When a taxpayer’s account is determined to be uncollectible due to hardship, the IRS issues a letter to the taxpayer stating “Although we temporarily closed your case, you still owe the money to the IRS.” However, for hiring purposes, the IRS considers currently not collectible accounts to be compliant, and IRS policy prevents it from garnishing wages on currently not collectible hardship accounts. We believe that the IRS should consider currently not collectible accounts when deciding whether to hire an applicant. *****1*****
 *****1*****
 *****1*****.

In addition to hiring individuals with past tax problems, including the four individuals with willful tax noncompliance mentioned earlier in this report, *****1*****
*****1*****
****1****. As stated on the IRS’s Human Capital Office website, IRS employees should set the example of full tax compliance.

Recommendations

The IRS Human Capital Officer should:

Recommendation 4: Consult with the OPM to determine when potential falsification of applications should be referred.

Management’s Response: The IRS Human Capital Officer agreed with this recommendation. The IRS Human Capital Office PS office employees met with the OPM on May 17, 2017, to discuss when potential falsification issues should be referred. The OPM reconfirmed only those instances of falsification that are both material and intentional require referral to the OPM. A material intentional false statement is one that is capable of influencing or affects an official decision. The PS office has an established process for ensuring that material and intentional false statements are referred to the OPM. The IRS will continue to ensure that applications are properly referred to the OPM where there is evidence of material and intentional falsification or fraud in the appointment process.

Recommendation 5: Update policies to prevent consideration of individuals with currently not collectible tax obligations for employment at the IRS.

Management’s Response: The IRS Human Capital Officer agreed with this recommendation to update its policy to consider applicants with currently not collectible tax obligations as noncompliant. The IRS will modify the tax check tool to ensure that applicants in currently not collectible status are flagged as noncompliant.



***The Internal Revenue Service Continues to Rehire Former
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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to follow-up on a recommendation in a prior report¹ to determine whether IRS management updated hiring policies to fully consider past conduct and performance issues prior to hiring former employees. To accomplish our objective, we:

- I. Determined if IRS ETS Division management updated hiring policies after January 1, 2015, to fully consider past conduct and performance issues prior to hiring former employees.
 - A. Interviewed EO office management to determine whether the processes for obtaining and reviewing external applications and compiling information on past conduct and performance issues prior to hiring former employees had been updated.
 - B. Interviewed PS office management to determine whether the processes for reviewing conduct case information and adjudicating cases during the prescreening process to fully consider past conduct and performance issues had been updated.
 - C. Interviewed EO office management to determine if a cost-benefit analysis was performed to determine the feasibility of checking an individual's past employment history with the IRS earlier in the hiring process.
- II. Determined if ETS Division management effectively considered prior conduct or performance issues when hiring former employees.
 - A. Obtained a download of the Treasury Integrated Management Information System² and the Treasury Integrated Management Information System Separated Employee File and determined that the data were reliable for our purpose by validating that the date fields contained dates, name fields contained names, *etc.*, and by matching select information to the ALERTS database and the Integrated Data Retrieval System³ when reviewing the sample of cases in Step II.B.

¹ TIGTA, Ref. No. 2015-10-006, *Additional Consideration of Prior Conduct and Performance Issues Is Needed When Hiring Former Employees* (Dec. 2014).

² This database contains IRS employee names, addresses, enter-on-duty dates, separation dates, and job series for current and separated IRS employees. These data are available through the TIGTA's Data Center Warehouse, which is a collection of IRS databases containing various types of taxpayer account information that is maintained by TIGTA for the purpose of analyzing data for ongoing audits.

³ IRS computer system capable of retrieving or updating stored information. It works in conjunction with a taxpayer's account records.



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

- B. Performed analysis of the Treasury Integrated Management Information System data to identify employees who either terminated their employment, or were removed or separated from the IRS, during the course of, or as a result of, a misconduct investigation and were subsequently rehired between January 1, 2015, and March 31, 2016.
1. Compared the results from Step II.B. to the ALERTS database to identify 213 employees with substantiated misconduct cases from prior employment that resulted in the following disposition codes:
 - 014 – Separation/Removal.
 - 015 – Probation/Separation.
 - 016 – Removal.
 - 017 – Resignation, Retirement, *etc.* (not noted on Personnel Action Form⁴).
 - 018 – Resignation, Retirement, *etc.* (noted on Personnel Action Form).
 - 038 – Closed Without Adjudication.
 - 117 – Termination/Abandonment.
 - 118 – Termination.
 2. Selected a statistically valid random sample of 90 of the 213 employees who separated during a pending disciplinary case. We used the following criteria to select our sample: 95 percent confidence level, 10 percent expected error rate, and ± 5 percent precision rate. A contract statistician reviewed our sampling plans and projections.
- C. Reviewed case documentation for the sample of 90 employees who separated during a pending disciplinary case and determined if EO office management considered past performance issues prior to hiring former IRS employees. In addition, we reviewed the certificate of eligible applicants for the position the employees were rehired for and determined if other eligible applicants were considered for the position. Lastly, we reviewed personnel actions and determined if former employees with previous performance issues have documented performance issues since being rehired.
- D. Reviewed case documentation for the random sample of 90 employees who separated during a pending disciplinary case and determined if PS office management made decisions consistent with the OPM Suitability Processing Handbook when adjudicating applications for former employees with prior conduct issues. In

⁴ Personnel Action Requests are used to initiate and document employee events such as job reclassification, promotions, name changes, and retirements.



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- addition, we determined if rehired employees with previous conduct issues have documented conduct issues since being rehired by reviewing ALERTS database information.
- E. Performed analysis of the entire ALERTS database to determine if IRS employees who were rehired between January 1, 2015, and March 31, 2016, had substantiated misconduct cases from prior employment with the IRS.
 - F. Determined if the 824 IRS employees (from the prior audit report) who were removed or separated from the IRS during the course of, or as a result of, a misconduct case and were subsequently rehired at a later date and are currently active, and quantified the number that had been rehired between January 1, 2015, and March 31, 2016, by matching to the Treasury Integrated Management Information System data.
 - G. Determined if the employees identified in Step II.F. had additional documented conduct or performance issues since being rehired by reviewing ALERTS database information since employees were rehired.

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 ETS Division's process for reviewing previous conduct or performance issues when considering applicants for employment. We evaluated these controls by interviewing ETS Division management, reviewing hired former employees' suitability determination files, and analyzing information on the ALERTS database and related disciplinary actions.



***The Internal Revenue Service Continues to Rehire Former
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Appendix II

Major Contributors to This Report

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

Troy D. Paterson, Director

Gerald T. Hawkins, Audit Manager

Melinda H. Dowdy, Lead Auditor

Catherine R. Sykes, Auditor



***The Internal Revenue Service Continues to Rehire Former
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Appendix III

Report Distribution List

Commissioner
Office of the Commissioner – Attn: Chief of Staff
Deputy Commissioner for Operations Support
Director, Employment Services, Employment Talent and Security
Director, Office of Audit Coordination



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

Appendix IV

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Reliability of Information – Potential; 69¹ employees who were rehired without documented consideration of prior conduct or performance issues (see page 4).

Methodology Used to Measure the Reported Benefit:

We reviewed the documentation supporting the review of past conduct and performance issues for a statistically valid random sample of 90 of the 213 former employees hired between January 2015 and March 2016 with prior conduct or performance issues. We could not verify that the IRS considered the prior conduct or performance issues for 29 (32 percent) rehired employees. Based on our sample results, we estimate that 69 former employees were rehired without documented consideration of prior conduct or performance issues.

¹ The point estimate projection is based on a two-sided 95 percent confidence interval. We are 95 percent confident that the point estimate is between 53 and 84.



**The Internal Revenue Service Continues to Rehire Former
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Appendix V

Management's Response to the Draft Report



HUMAN CAPITAL OFFICE

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

JUN 28 2017

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: E. Faith Bell *E. Faith Bell*
Acting IRS Human Capital Officer

SUBJECT: Draft Audit Report – The Internal Revenue Service
Continues to Rehire Former Employees With Conduct and
Performance Issues (Audit #201610017)

Thank you for the opportunity to respond to the subject draft audit report. The Internal Revenue Service (IRS) agrees in principle with the recommendations, and will update current practices and policies to ensure ALERTS data reflecting prior performance and misconduct of a former employee is generated and utilized in the hiring process, and that any decision to hire former employees identified as having misconduct and performance issues is documented, articulating the basis for re-hire. To the extent permissible by law, IRS will take all steps allowable to prevent the rehiring of former employees with conduct and performance issues. Additionally, the draft report discusses the requirements of the Consolidated Appropriations Act of 2016, Public Law 114-113, Section 110, which specifically directs the IRS to consider conduct and tax compliance prior to rehiring a former employee. The IRS utilized this law as the catalyst for ensuring all rehires undergo a process, which ensures consideration of these factors is completed during the hiring process.

Subsequently, I have commissioned a team within Human Capital to begin implementing the recommendations and corrective actions, as outlined in the Attachment. This team will ensure existing hiring practices and policies are updated to reflect our use of prior IRS employment data, specifically any misconduct and performance, prior to making a tentative offer to a former IRS employee. In addition, our policies will be updated to consider applicants with "currently not collectible" (CNC) tax obligations as non-compliant. The team will also institute changes to ensure that decisions to rehire former employees with prior misconduct or performance issues are documented accordingly.

Our policy, Employment Operations (EO) Alert 300-31, revised April 1, 2017, and our IRS Work Processing Guide for Personnel Security, dated May 22, 2017, will both be updated accordingly based on changes resulting from the actions described herein. Currently, EO Alert 300-31 establishes the process by which ALERTS data is considered, during the selection process, in a fair, equitable, and consistent manner, and in a manner that mitigates risks and any additional burden, to the greatest extent possible, on our selecting officials. Similarly, the Processing Guide for Personnel Security was recently updated to require manual reviews of ALERTS for all case types, to ensure relevant conduct regardless of age is reviewed and documented on the Suitability Analysis and Recommendation Worksheet in Automated Background Investigation System (ABIS).



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

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In addition, we met with representatives from the Office of Personnel Management (OPM), on May 17, 2017, to discuss when potential falsification issues should be referred. OPM reconfirmed that our current policy is accurate in referring only those instances of falsification that are both material and intentional. IRS will work with OPM to document this guidance for our file.

Effective immediately, we are moving forward to implement the corrective actions detailed in the attached response, and will ensure all corrective actions are monitored monthly until completed. In addition, we concur with TIGTA's calculations of measurable benefits and believe implementation of the attached corrective actions will greatly enhance the program.

If you have any questions, please contact me at 202-317-7600. If there are technical questions, a member of your staff may contact Michele Conway, Deputy Director, Employment, Talent & Security, HCO at 267-466-1837.

Attachment (1)



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

Attachment

RECOMMENDATION 1:

IRS Human Capital Officer should revise the hiring process to provide the selecting official with access to former employee conduct and performance issues, i.e., issues documented on the IRS's ALERTS database, for consideration prior to making a tentative offer.

CORRECTIVE ACTION:

IRS Human Capital Officer agrees with the intent of this recommendation and is committed to ensuring former employees with misconduct and performance issues are not rehired. IRS will update its existing hiring practices to ensure ALERTS data reflecting prior misconduct and performance is generated and utilized prior to making a tentative offer to a former IRS employee to prevent any inappropriate rehire. IRS policies will be updated to reflect this change, and will ensure we remain in compliance with all laws, rules and regulations.

IMPLEMENTATION DATE:

October 15, 2017

RESPONSIBLE OFFICIAL:

Director, Employment, Talent & Security Division, Human Capital Office

CORRECTIVE ACTION MONITORING PLAN:

HCO will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 2:

The IRS Human Capital Officer should require the selecting official to clearly document the basis for rehiring former employees with conduct and performance issues.

CORRECTIVE ACTION:

IRS Human Capital Officer agrees with the intent of this recommendation, and will institute changes in current policies and practices to ensure that decisions to rehire former employees with prior misconduct or performance issues are documented accordingly.

The documenting of all such rehire decisions will be done in a manner that will mitigate future risks and/or additional burden, to the greatest extent possible, on our selecting officials as well as create consistency in the Agency's practice.

IMPLEMENTATION DATE:

October 15, 2017



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

RESPONSIBLE OFFICIAL:

Director, Employment, Talent & Security Division, Human Capital Office

CORRECTIVE ACTION MONITORING PLAN:

HCO will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 3:

The IRS Human Capital Officer should update policies and issue guidance to require that consideration of former employee conduct and performance issues by the EO and PS offices is documented.

CORRECTIVE ACTION:

IRS Human Capital Officer agrees to update its policies and issue guidance to require that consideration of former employees' conduct and performance issues by the Employment Operations and Personnel Security is documented. Employment Operations updated its guidance, Employment Operation Alert 300-31, effective April 1, 2017, to ensure any selection decision to rehire a former employee with performance issues is documented and maintained appropriately. Personnel Security updated the IRS Work Processing Guide for Personnel Security Assistants on May 22, 2017, to require manual reviews of ALERTS for all case types, to ensure relevant conduct regardless of age is reviewed and documented on the Suitability Analysis and Recommendation (SAR) Worksheet in ABIS. In addition, on March 28, 2017, in response to the TIGTA finding that not all ALERTS records were captured by the automated ABIS feed, Personnel Security made programming changes to ABIS which ensures that all applicants are specifically assigned to Personnel Security staff to complete a manual ALERTS check. The manual ALERTS check provides all pertinent records available, and is not limited to just those in the last six years.

IRS will ensure all Alerts/guidance are updated accordingly based on changes resulting from our response to Recommendation 1 and 2.

IMPLEMENTATION DATE:

October 15, 2017

RESPONSIBLE OFFICIAL:

Director, Employment, Talent & Security Division, Human Capital Office



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

CORRECTIVE ACTION MONITORING PLAN:

HCO will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 4:

The IRS Human Capital Officer should consult with the OPM to determine when potential falsification of applications should be referred.

CORRECTIVE ACTION :

The IRS Human Capital Officer agrees with this recommendation. Human Capital Office, IRS Personnel Security office met with Office of Personnel Management (OPM) on May 17, 2017, to discuss when potential falsification issues should be referred. OPM reconfirmed only those instances of falsification that are both material and intentional require referral to OPM. A material intentional false statement is one that is capable of influencing or affects an official decision. Personnel Security has an established process for ensuring that material and intentional false statements are referred to OPM. We will continue to ensure applications are properly referred to OPM where there is evidence of material and intentional falsification or fraud in the appointment process. IRS will work with OPM to document its guidance for our file.

IMPLEMENTATION DATE:

Partially completed - May 17, 2017. Final completion date - August 30, 2017

RESPONSIBLE OFFICIAL:

Director, Employment, Talent & Security Division, Human Capital Office

CORRECTIVE ACTION MONITORING PLAN:

HCO will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.

RECOMMENDATION 5:

The IRS Human Capital Officer should update policies to prevent consideration of individuals with currently not collectible tax obligations for employment at the IRS.

CORRECTIVE ACTION:

The IRS Human Capital Officer agrees with this recommendation to update its policy to consider applicants with "currently not collectible" (CNC) tax obligations as non-compliant. IRS will modify the tax check tool to ensure applicants in CNC status are flagged as non-compliant.



The Internal Revenue Service Continues to Rehire Former Employees With Conduct and Performance Issues

IMPLEMENTATION DATE:

October 15, 2017

RESPONSIBLE OFFICIAL:

Director, Workforce Relations Division, Human Capital Office

CORRECTIVE ACTION MONITORING PLAN:

HCO will enter accepted corrective actions into the Joint Audit Management Enterprise System (JAMES). These corrective actions are monitored on a monthly basis until completion.