

## Treasury Inspector General for Tax Administration

### Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Enacted	Request	\$ Change	% Change
Audit	\$66,260	\$64,851	\$65,216	\$365	0.56%
Investigations	\$103,990	\$105,399	\$110,546	\$5,147	4.88%
<b>Subtotal, TIGTA</b>	<b>\$170,250</b>	<b>\$170,250</b>	<b>\$175,762</b>	<b>\$5,512</b>	<b>3.24%</b>
Offsetting Collections - Reimbursable	\$624	\$700	\$700	\$0	0.00%
Recovery from Prior Years	\$220	\$0	\$0	\$0	NA
Unobligated Balances Brought Forward	\$5,012	\$3,729	\$5,000	\$1,271	34.08%
<b>Total Program Operating Level</b>	<b>\$5,856</b>	<b>\$4,429</b>	<b>\$5,700</b>	<b>\$1,271</b>	<b>28.70%</b>
Direct FTE	731	760	760	0	0.00%
Reimbursable FTE	2	2	2	0	0.00%
<b>Total Full-time Equivalents (FTE)</b>	<b>733</b>	<b>762</b>	<b>762</b>	<b>0</b>	<b>0.00%</b>

Note: FY 2020 FTE & Other Resources are Actual

In FY 2021, \$8M in additional appropriated resources were provided in the American Rescue Plan Act of 2021 that are not reflected above.

### Summary

The Treasury Inspector General for Tax Administration's (TIGTA) Fiscal Year (FY) 2022 budget request of \$175,762,000 represents an increase of 3.24 percent above its FY 2021 enacted budget. These resources will fund critical audit, investigative, and inspection and evaluation services to protect the integrity of the Nation's system of tax administration.

TIGTA's vision is to "maintain a highly skilled, proactive, and diverse Inspector General organization dedicated to working in a collaborative environment with key stakeholders to foster and promote fair tax administration." TIGTA will provide oversight in a number of critical areas in FY 2022 including:

- Identifying opportunities to improve the administration of the Nation's tax laws, improve tax compliance, and achieve program efficiencies and cost savings;
- Overseeing the Internal Revenue Service's (IRS) efforts to implement tax law changes;
- Continuing to assess the IRS's efforts to implement tax provisions, distribute Economic Impact Payments and other fast and direct relief pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Division N of the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021;
- Assessing the IRS's efforts to address tax-related identity theft;
- Mitigating security risks affecting taxpayer data, tax systems, and IRS employees;
- Protecting the integrity of the IRS by effectively investigating individuals and groups who victimize senior citizens, other vulnerable Americans and the international IRS impersonation scam that has impacted more than 2.5 million Americans;
- Conducting advanced analytics and innovative approaches to help prevent and detect the flow of dollars fraudulently obtained by criminals;

- Enhancing taxpayer confidence in electronic Federal tax systems through investigation and prosecution of cyber criminals engaged in attacks against, and manipulation of, IRS taxpayer service portals as well as the IRS network;
- Improving the integrity of IRS operations by detecting and deterring waste, fraud, abuse, and misconduct, including the unauthorized disclosure of confidential taxpayer information by IRS employees; and
- Conducting comprehensive audits, inspections and evaluations that provide recommendations for achieving monetary benefits, addressing erroneous and improper payments, and enhancing the service the IRS provides to taxpayers.

TIGTA conducts audits that advise the public, Congress, the Secretary of the Treasury, and IRS management of high-risk issues, problems, and deficiencies related to the administration of IRS programs and operations. TIGTA’s administrative and criminal investigations ensure the integrity of IRS employees, protect the IRS and its employees, and help the IRS protect and secure taxpayer data. TIGTA’s Office of Inspections and Evaluations provides responsive, timely, and cost-effective inspections and evaluations of challenging areas in IRS programs. TIGTA’s oversight is essential to the efficiency and fairness of the IRS’s tax administration system. TIGTA ensures that taxpayers can have confidence that the IRS collects more than \$3.5 trillion in tax revenue in an effective and efficient manner.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President’s Budget to reflect new Departmental strategic goals and objectives. TIGTA will publish a component plan that aligns bureau activities and priorities to the Department’s by early spring 2022.

### ***Budget Highlights***

Dollars in Thousands

	FTE	Amount
<b>FY 2021 Operating Plan</b>	<b>760</b>	<b>\$170,250</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$5,300
Pay Annualization (1.0% average pay raise)	0	\$349
Pay Raise (2.7% average pay raise)	0	\$3,165
FERS Contribution Increase	0	\$1,177
Non-Pay	0	\$609
Subtotal Changes to Base	0	\$5,300
<b>FY 2022 Current Services</b>	<b>760</b>	<b>\$175,550</b>
Program Changes:		
Program Increases:	0	\$212
Electric Vehicles and Associated Infrastructure	0	\$212
<b>FY 2022 President's Budget Request</b>	<b>760</b>	<b>\$175,762</b>

## ***Budget Adjustments***

**Maintaining Current Levels.....+\$5,300,000 / +0 FTE**

Pay Annualization (1.0%) +\$349,000 / +0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$3,165,000 / +0 FTE

Funds are requested for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +\$1,177,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$609,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

**Program Increases..... +\$212,000 / +0 FTE**

Electric Vehicles and Associated Infrastructure +\$212,000 / +0 FTE

For FY 2022, TIGTA requests \$212,000 to fund the eventual full conversion of its fleet to EV.

A portion of this amount will be allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Currently, TIGTA has a total of 272 leased vehicles in its fleet, of which one is an EV. TIGTA owns an additional six vehicles that are used for communications and surveillance.

## ***Legislative Proposals***

TIGTA has no legislative proposals.

## ***Performance Highlights***

Budget Activity	Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		Actual	Actual	Actual	Target	Target
Audit	Percentage of Audit Products Delivered When Promised to Stakeholders	81	84	79	70	70
Audit	Percentage of Recommendations Made That Have Been Implemented	85	83	86	85	DISC
Audit	Percentage of New Audit Reports with Recommendations to Improve Tax Administration	N/A	N/A	N/A	B	70
Investigations	Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action	89	91	92	85	85

Key: DISC - Discontinued; B - Baseline

Audit is performing more online auditing of the IRS's implementation of tax laws with immediate corrective action versus formal recommendations.

## ***Description of Performance***

- For FY 2020, the Office of Audit (OA) issued 75 audit reports and other products identifying approximately \$17.3 billion in potential financial benefits.
- For FY 2020, the actual Percentage of Audit Products Delivered When Promised to Stakeholders was 79 percent. TIGTA exceeded the full-year target by nine percentage points.

- For FY 2022, OA's performance targets are 70 percent of Audit Products Delivered When Promised to Stakeholders and 70 percent of New Audit Reports with Recommendations to Improve Tax Administration.
- During FY 2020, TIGTA initiated 58 proactive investigative initiatives to detect systemic weaknesses or potential IRS program vulnerabilities. TIGTA processed 6,694 complaints, opened 2,580 investigations, and closed 2,380 investigations in FY 2020. During this period, TIGTA referred 835 cases of employee misconduct to the IRS for action and 132 cases, of various types of investigations, were accepted for criminal prosecution.
- For FY 2020, the Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action was 92 percent, which exceeded the full-year target of 81 percent by 11 percentage points. Each result on average required 297.7 hours of work to accomplish. The Office of Investigations (OI) exceeded the FY 2020 performance measure as a result of the hard work of experienced executives, managers, and special agents.
- For FY 2022, OI's performance target will remain at 85 percent. TIGTA's OI will continue to provide the IRS with the investigative coverage and information necessary to improve the integrity of IRS operations and mitigate threats against its employees, facilities, and data systems. In addition, OI will maintain the availability of highly trained personnel to address the significant vulnerabilities of taxpayer and IRS data and effectively combat the compromising of IRS computer systems in the expanding digital environment of Federal tax administration, which will contribute to maintaining the public's confidence in the safe, fair, and effective administration of the Nation's Federal tax system.