

OMB SUPPORTING STATEMENT
STUDY TO MEASURE CUSTOMER SATISFACTION
AUTOMATED UNDERREPORTER (AUR) – CY2010
FEBRUARY 1, 2010 - DECEMBER 31, 2010
TIRNO-05-Z-000XX

Introduction

Background/Overview

The Internal Revenue Service (IRS) engages a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. This initiative is part of the Service-wide effort to establish a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act of 1998. This is also a result of Executive Order 12862, which requires all government agencies to survey their customers and incorporate customer preferences in their process improvement efforts.

The Automated Underreporter (AUR) section within the Compliance Operating Unit (OU) of the Wage and Investment (W&I) Division is responsible for notifying taxpayers of discrepancies between the income information reported on their tax returns and the income information supplied by their employers and other organizations. As an important customer interface for Wage & Investment, Automated Underreporter needs feedback from customers (i.e., taxpayers) to continuously improve its operations.

The key goals of the survey are:

- Identify customer expectations of Automated Underreporter,
- Track customer satisfaction at the three Wage and Investment Automated Underreporter sites and nationwide, and
- Identify operational improvements.

Objectives of Data Collection

The objective of the survey is to gauge customer expectations and perceptions about the AUR process. The survey results should facilitate more effective management of W&I Automated Underreporting by:

- Providing insight from the customer's perspective about possible improvements.
- Providing useful input for program evaluation and execution at the programmatic and field office level of service delivery.

Methodology

Sample Design

The sample database consists of taxpayers with closed AUR cases. The contractor selects 1600 taxpayers per quarter (stratifying by the three W&I AUR sites), resulting in a total of 480 completed questionnaires each quarter (160 per site) and 1,920 completed questionnaires per year (640 per site).

Data to be Collected

Automated Underreporter taxpayer customer satisfaction respondent data is collected.

How Data Collected & Used

The questionnaire is based on the contractor's Net Impression methodology, which asks respondents to evaluate various aspects of their experience and to provide an overall summary evaluation. The questionnaire was developed based on focus group input with customers who received a notice from the IRS notifying them of a discrepancy between their W2 or 1099 Forms and the earnings information reported on their tax returns.

The contractor administers the survey by mail on a monthly basis. Standard procedures will be used in order to obtain the highest response rate possible for the mail survey. These include: 1) an advance letter about the survey; 2) the initial survey with a cover letter; 3) a postcard reminder; and, 4) a second letter and survey to non-respondents.

The contractor, on a quarterly basis, summarizes the quantitative ratings and produces a national report showing customer satisfaction scores on all AUR survey items and overall improvement priorities for the function. The contractor delivers two versions of each national report, one with any appropriate site-level data and one without site references. On an annual basis, the contractor prepares three site reports containing individual site scores on each of the survey items and improvement priorities for the individual sites. The contractor includes any relevant database variables in the analysis and weights the survey responses as necessary, to accurately reflect the entire customer base.

Reports of survey findings are distributed to the IRS each quarter. Each report is delivered approximately seven weeks after the survey cut-off date for the quarter.

Dates of Collection Begin/End

Data collection runs the 2010 calendar year from February 1, 2010 through December 31, 2010.

Who is Conducting the Research/Where

The contractor is responsible for ensuring the sample is pulled and to conduct data analysis. A separate GPO contractor will be responsible for printing and administering the survey via mail, and then providing the dataset to the contractor.

Cost of Study

The estimated cost for this survey is \$112,187.

Expected Response Rate

The expected response rate is 30%. The expected response rate on this survey is lower than the OMB 50% target rate since the sample consists of taxpayers with compliance issues. They did not report all of their income to the IRS. This group of taxpayers generally doesn't seek out the IRS. In addition, there are no incentives offered to encourage taxpayers to respond to the survey. Mail surveys also traditionally yield lower response rates than other methodologies such as telephone or in-person interviews. Telephone and in-person techniques offer the advantage of interviewer contact who can further encourage taxpayers to

respond through refusal conversion techniques. The mail survey methodology employs best practices in maximizing response rates by sending out enough mailings as justified without creating extra burden for taxpayers.

With regard to the low response rate, the IRS will assume that all data collected from this survey is qualitative in nature, and that no critical decisions will be made by this office solely from the analysis of data from this survey. The results from this survey are simply one piece of a larger set of information needed to assess the needs related to services provided by the IRS.

Methods to Maximize Response Rate

The questionnaire length is minimized to reduce respondent burden; thereby, tending to increase response rates. Respondents are assured anonymity of their responses. Also, weighting procedures can be applied to adjust aggregated data from those who do respond.

Test Structure and Design

The Automated Underreporter questionnaire is an established and tested survey instrument. If changes are made to the questionnaire, they are expected to be minor.

The survey includes several ratings questions evaluating service delivery during the AUR process as well as several demographic items. In addition, ample space is provided for suggestions for improvement. Survey scoring for this contract is based on the Customer Satisfaction Survey Score response average to the keystone question – “Regardless of whether you agree or disagree with the final outcome, how would you rate your overall experience with the way your discrepancy was handled?” Questions utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. All survey responses will be released only as summaries. The contractor shall hold the identities, of the taxpayers responding to the survey, private to the extent permitted by law. The contractor ensures that taxpayers responding to the survey are guaranteed anonymity.

Efforts to avoid Duplicate Research

This is the only Customer Satisfaction survey currently conducted by W&I Compliance for Automated Underreporters.

Participants Criteria

Survey participants are pulled from Automated Underreporter closed cases in a random sample by IRS employees at each of the 3 site locations.

Privacy, Disclosure and Security Issues

The IRS will ensure compliance with the Taxpayer Bill of Rights II. All participants will be treated fairly and appropriately.

The security of the data used in this project and the privacy of participants will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A7B. Physical security measures include a locked, secure office. Audiotapes are stored in locked cabinets. Transcription of audiotapes are stored in locked cabinets or shredded. Data security at the

appropriate levels has been accomplished. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically. The IRS will apply and meet fair information and record keeping practices to ensure privacy protection of all participants. This includes criterion for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients. Privacy will be safeguarded; participants will not be identified to IRS personnel. In addition, no participant names will be mentioned in the reports or data files. Participants will be advised that comments will be audio taped. Privacy is assured by virtue of agency policy.

Pursuant to the Federal Information Security Management Act (FISMA), Title III of the E-Government Act of 2002, P.L. 107-347, the contractor shall provide minimum security controls required to protect Federal information and information systems. The term 'information security' means protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide confidentially, integrity and availability.

The contractor shall provide information security protections commensurate with the risk and magnitude of the harm resulting from the unauthorized access, use, disclosure, disruption, modification, or destruction of information collected or maintained by or on behalf of the agency; or information systems used or operated by an agency or by a contractor of an agency. This applies to individuals and organizations having contractual arrangements with the IRS, including employees, contractors, contractors, and outsourcing providers, which use or operate information technology systems containing IRS data. The contractor shall comply with Department of Treasury Directive TD P 85-01, Treasury Security Manual TDP 71-10, and Internal Revenue Manual 10.8.1 Information Technology Security Policy and Guidance. The contractor shall comply with IRS Internal Revenue Manuals (IRM) and Law Enforcement Manuals (LEM) when developing or administering IRS information and information systems. The contractor shall comply with the Taxpayer Browsing Protection Act of 1997 - Unauthorized Access (UNAX), the Act amends the Internal Revenue Code 6103 of 1986 to prevent the unauthorized inspection of taxpayer returns or tax return information. Contractors systems that collect, maintain, operate or use agency information or an information system on behalf of the agency (a General Support System (GSS), Major or Minor Application with a FIPS 199 security categorization) must ensure annual reviews, risk assessments, security plans, control testing, a Privacy Impact Assessment (PIA), contingency planning, and certification and accreditation, at a minimum meet NIST guidance, if required by the IRS.

The contractor shall be subject to at the option / discretion of the agency, to periodically test, (but no less than annually) and evaluate the effectiveness of information security controls and techniques. The assessment of information security controls may be performed by an agency independent auditor, security team or Inspector General, and shall include testing of management, operational, and technical controls of every information system that maintain, collect, operate or use federal information on behalf of the agency. The agency and contractor shall document and maintain a remedial action plan, also known as a Plan of Action and Milestones (POA&M) to address any deficiencies identified during the test and evaluation. The contractor must cost-effectively reduce information security risks to an

acceptable level within the scope, terms and conditions of the contract. The contractor shall maintain procedures for detecting, reporting, and responding to security incidents, and mitigating risks associated with such incidents before substantial damage is done to federal information or information systems. The contractor shall immediately report all computer security incidents that involve IRS information systems to the IRS Computer Security Incident Response Center (CSIRC). Any theft or loss of IT equipment with federal information / data must be reported within one hour of the incident to CSIRC. Those incidents involving the loss or theft of sensitive but unclassified (SBU) data (i.e. taxpayer, PII) shall be reported to CSIRC, first-line manager, and Treasury Inspector General for Tax Administration (TIGTA). Based on the computer security incident type, CSIRC may further notify the Treasury Computer Security Incident Response Capability (TCSIRC) in accordance with TCSIRC procedures.

Burden Hours

The survey interview is designed to minimize burden on the taxpayer. The time that a respondent takes to complete the mail survey is carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 7 minutes. The questions are generally one sentence in structure and on an elementary concept level.

Based on a sample of potential respondents of 6,400 (3 sites, average of 178 per site each month) and a response rate of 30%, we expect 1,920 survey participants (640 per site), leaving 4,480 non-participants. The contact time to determine non-participants could take up to two minutes to read the pre-contact letter, with the resulting burden for non-participants being $4,480 \times 2 \text{ minute} = 8,960/60 \text{ minutes} = \underline{149 \text{ burden hours}}$.

For participants, the time to complete the survey is 7 minutes. This reflects the time to read the pre-notification letter (2 minutes) and time needed to complete the survey (5 minutes maximum). The time burden for participants is $1,920 \times 7 \text{ minutes}/60 \text{ minutes} = \underline{224 \text{ burden hours}}$.

Thus the total burden hours for the survey would be $(149 + 224) \underline{373 \text{ burden hours}}$.

Attachments

- 13257-G Automated Underreporter Survey
- L1-Advance letter (pre-note) about the survey
- L2-Cover letter with the survey
- L3-Postcard reminder
- L4-Second letter and survey to non-respondents

IRS WAGE AND INVESTMENT CUSTOMER SATISFACTION SURVEY AUTOMATED UNDERREPORTER (AUR)

OMB # 1545-1432

The IRS is trying to improve its service to the public. You can help in this important mission by answering the questions below. This voluntary survey should take less than 5 minutes to complete. Your responses will be kept completely anonymous to the IRS. If you have any questions about this survey, you may call the Survey Helpline at 1-866-960-7897.

1 The questions that follow ask your opinion regarding the discrepancy that was highlighted on your tax return. For each question, *regardless of whether you agree or disagree with the final outcome*, please indicate your answer by checking the box that best represents your opinion.

How would you rate the ...

	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied Nor Dissatisfied	Somewhat Satisfied	Very Satisfied
--	----------------------	--------------------------	---	-----------------------	-------------------

a. Ease of understanding the form notifying you of the discrepancy?
(If "Very Dissatisfied" or "Somewhat Dissatisfied" rating): Why did you give this item a low rating?

b. Accuracy of the discrepancy amount?

c. Completeness of information about the discrepancy?
(If "Very Dissatisfied" or "Somewhat Dissatisfied" rating): Why did you give this item a low rating?

d. Completeness of instructions for resolving the discrepancy?
(If "Very Dissatisfied" or "Somewhat Dissatisfied" rating): Why did you give this item a low rating?

e. Flexibility in resolving the discrepancy?

f. Length of time it took to resolve the discrepancy?

g. Ease of understanding documents explaining the action taken on your account?

h. Length of time it took to hear from the IRS that you had a discrepancy?

2 Did you call the number listed in the AUR notice?

Yes (Continue below) No (Skip to question 5)

How would you rate the ...

	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied Nor Dissatisfied	Somewhat Satisfied	Very Satisfied
--	----------------------	--------------------------	---	-----------------------	-------------------

a. Usefulness of the automated telephone system?

b. Length of time it took you to get through to an IRS employee?

c. Completeness of information you received during this call?

3 What is the primary reason that you called the phone number listed in the AUR notice? *(Mark only one response)*

- To receive an explanation of the notice
- To receive general information (e.g., forms status of case, etc.)
- To receive answers to my questions regarding my case
- To give the IRS additional information
- To request an extension of time to respond

Other (specify)

Please continue on back

4

Were you able to reach a representative when you called the phone number listed in the AUR notice?

- Yes (Continue below) No (Skip to question 5)

How would you rate the ...

Table with 5 columns: Very Dissatisfied, Somewhat Dissatisfied, Neither Satisfied Nor Dissatisfied, Somewhat Satisfied, Very Satisfied. Rows: a. Length of time it took to complete your call once you got through? b. Courtesy of the IRS representative? c. Knowledge of the IRS representative? d. Ability of the IRS representative to assist you in resolving your issue? ...

5

Regardless of whether you agree or disagree with the final outcome, how would you rate your overall satisfaction with the way your discrepancy was handled?

- Very Dissatisfied Somewhat Dissatisfied Neither Satisfied Nor Dissatisfied Somewhat Satisfied Very Satisfied

6

Were you provided with documents explaining the actions taken on your account?

- Yes No

7

Did you expect to receive documents explaining the actions taken on your account?

- Yes No

8

If you had questions regarding your discrepancy, what method of contacting the IRS would you prefer? Please rank in order of importance from 1st to 5th, with 1st being the highest preference and 5th being the lowest preference. (Mark only one under each preference.)

Table with 6 columns: Method, Highest Preference (1st-5th), Lowest Preference (1st-5th). Rows: Mail, Phone, In person, Fax, E-mail

9

Did you agree with the outcome of your discrepancy?

- Yes No Not sure

Why did you disagree? [Text box with lines for input]

10

Did you ...?

- Use a tax professional to resolve this discrepancy Represent yourself Both

11

Use this space for comments or suggestions for improvement.

[Large empty box for comments or suggestions]

Occasionally, we conduct additional in-depth IRS-related research. Research participants may receive a small monetary incentive to participate depending on the research. If you are interested in participating in future research, please provide us with your telephone number and your e-mail address (if available). This information will not be shared with the IRS and will be used only for the purpose of survey research. Telephone number: E-mail address:

If you have been unable to resolve any specific problems with your tax matter through the normal IRS channels, or now face a significant hardship due to the application of the tax law, we encourage you to contact the Taxpayer Advocate Service at 1-877-777-4778.

Paperwork Reduction Act Notice. The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1432. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Thank you for completing the survey. Please return the questionnaire to P.O. Box 64530, St. Paul, MN 55164-9610 USA.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

WAGE AND INVESTMENT DIVISION

December 30, 2009



000160

AURWIXXX091199994200911
Dick Prosser
855 Peachtree St NE Unit 3106
Atlanta, GA 30308-7435



Dear Dick Prosser:

I need your help with an important initiative I am undertaking to improve our service to America's taxpayers. I want to get feedback from taxpayers like you who have received a notice from the IRS pointing out a discrepancy between the earnings information reported on their tax return and the information provided to us by organizations such as banks and employers.

In a few days, you will receive a questionnaire asking your opinions about the process of resolving such discrepancies with the IRS. Please direct it to the person in your household who had the most contact with the IRS on this matter. The questionnaire should take less than 5 minutes to complete. Your answers will be combined with others to give us an evaluation of customer satisfaction with IRS service.

To keep all replies anonymous to the IRS, we have asked an independent research company to administer the survey. Pacific Consulting Group/Scantron employees will process the questionnaires and report only statistical totals to us.

I am committed to improving IRS service to every taxpayer. Please help me in this effort by completing and returning the questionnaire as soon as possible. If you do not receive a questionnaire, please contact the Survey Helpline at 1-866-960-7897.

Thank you in advance for your cooperation.

Sincerely,

Brady Bennett
Director, Compliance
Wage and Investment Division

L1_13257-G

Pacific Consulting Group/Scantron

IRS Customer Survey
P.O. Box 64530
St. Paul, MN 55164-9610 USA

December 7, 2009



000155

AURWIXXXX091099994200910
Dick Prosser
855 Peachtree St NE Unit 3106
Atlanta, GA 30308-7435



Dear Dick Prosser:

A few days ago, you received a letter from Brady Bennett, Director, Compliance, Wage and Investment Division, asking for your help with an important research project.

We are administering a nationwide survey among people who have had contact with the Internal Revenue Service (IRS). We want to know your opinions about the process of resolving a discrepancy between the earnings information reported on your tax return and information provided to the IRS by organizations such as banks and employers. Your responses are critical to the accuracy of this research.

We are sending questionnaires to a random sample of taxpayers who have had such discrepancies. All responses will be anonymous to the IRS, and your participation is voluntary. We will group your responses with others, so that no individual reply can be traced back to any one person.

The questionnaire is quite brief and should take less than 5 minutes to complete. Please use the postage-paid reply envelope to return your completed questionnaire. If you have any questions about this survey, please feel free to call the Survey Helpline at 1-866-960-7897.

The IRS is committed to improving its performance and service to the American public. A first step in this process is to gather reliable information from those who have had contact with IRS services and employees. Your honest opinions will help bring about this improvement.

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Peter Webb".

Dr. Peter Webb
Project Director

Do We Have Your Input Yet?

Recently, you received a questionnaire asking your opinions about the service you received from the IRS in a recent contact. If you have already completed and returned the questionnaire, please accept our sincere thanks. If not, please take a few minutes to complete it and return it today. We want to be sure we have your opinions and suggestions.

If you did not receive the questionnaire, or it got misplaced, please call us at 1-866-960-7897.

Dr. Peter Webb
Project Director

L3_13257

Pacific Consulting Group/Scantron
IRS Customer Survey
P.O. Box 64530
St. Paul, MN 55164-9610 USA



000004

John Doe
3767 Maple Way
Palo Alto, CA 94306



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST-CLASS MAIL PERMIT NO. 12888 WASHINGTON DC

POSTAGE WILL BE PAID BY INTERNAL REVENUE SERVICE-TREASURY

PACIFIC CONSULTING GROUP/SCANTRON
IRS CUSTOMER SURVEY
PO BOX 64530
ST PAUL MN 55164-9610



Pacific Consulting Group/Scantron

IRS Customer Survey
P.O. Box 64530
St. Paul, MN 55164-9610 USA

June 8, 2009



000001

AURWIXXXX081299996199912
John Doe
2970 SWEETWATER RD SUITE 222
CHAMBLEE, GA 30341



Dear John Doe:

A few days ago, you received a survey from Brady Bennett, Director, Compliance, Wage and Investment Division, asking for your help with an important research project. So far, we have not received your completed questionnaire. If you have not already done so, please take a few minutes to fill in your responses.

We are administering a nationwide survey among people who have had contact with the Internal Revenue Service (IRS). We want to know your opinions about the process of resolving a discrepancy between the earnings information reported on your tax return and information provided to the IRS by organizations such as banks and employers. Your responses are critical to the accuracy of this research.

We are sending questionnaires to a random sample of taxpayers who have had such discrepancies. All responses will be anonymous to the IRS, and your participation is voluntary. We will group your responses with others, so that no individual reply can be traced back to any one person.

The questionnaire is quite brief and should take less than 5 minutes to complete. Please use the postage-paid reply envelope to return your completed questionnaire. If you have any questions about this survey, please feel free to call the Survey Helpline at 1-866-960-7897.

The IRS is committed to improving its performance and service to the American public. The first step in this process is to gather reliable information from those who have had contact with IRS services and employees. Your honest opinions will help bring about these changes.

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Peter Webb".

Dr. Peter Webb
Project Director