

**OMB SUPPORTING STATEMENT  
STUDY TO MEASURE CUSTOMER SATISFACTION  
COMPLIANCE CENTER EXAMINATION – CY2010  
FEBRUARY 15, 2010 - DECEMBER 31, 2010  
TIRNO-05-Z-000XX**

## **Introduction**

### **Background/Overview**

The purpose of the survey is to gauge customer expectations and perceptions about the Compliance Center Examination (CC Exam) process. This research is being conducted as part of the IRS agency-wide initiative to monitor and improve taxpayer satisfaction with the service provided.

The Internal Revenue Service (IRS) engages a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. The Compliance Center Examination section within the Compliance Operating Unit (OU) of Wage and Investment is responsible for responding to customer technical and account inquiries, resolving customer account issues, providing account settlement (payment options), and working related issues. As an important customer interface for Wage & Investment, CC Exam needs feedback from customers to continuously improve its operations. 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 key goals of the survey are to:

- Track nationwide customer satisfaction at the five Wage and Investment Compliance Center Examination (CC Exam) sites and
- Identify operational improvements.

The results should facilitate more effective management of W&I CC Exam by providing:

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

### **Objectives of Data Collection**

The objectives of this study are to:

- Identify what CC Exam staff and managers can do to improve customer service and
- Track customer satisfaction with CC Exam's progress over time.

## **Methodology**

### **Sample Design**

The universe sample includes individuals whose income tax returns were examined through correspondence with the IRS and whose cases were then closed. The closing categories

include examinations where there were agreements, disagreements, or no changes in the tax liabilities.

The sample does not include businesses who file corporate and partnership returns. It does, however, include individual shareholders and partners examined as a result of a corporate audit, as well as sole proprietors and self-employed farmers.

The CC Exam sample is derived from the Audit Information Management System (AIMS) database, which the five compliance centers send to the contractor each month. The contractor selects 9,120 cases per year and target 2,280 completed interviews per year (456 per site).

### **Data to be Collected**

Compliance Center Examination taxpayer customer satisfaction respondent data is collected.

### **How Data Collected & Used**

The contractor administers the survey by mail on a monthly basis. Standard procedures are 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 CC Exam survey items and overall improvement priorities for the function. Quarterly, the contractor produces 12 month rolling data by site. This is an extra slide in the quarterly report. On an annual basis, the contractor prepares five 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 reflect accurately the entire customer base.

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

For the quarterly reports, the contractor uses basic and advanced statistical techniques including, but not limited to, analysis of variance and the prioritization of improvement priorities using contractor's established technique.

### **Dates of Collection Begin/End**

Data collection runs from February 15, 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 is 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 \$108,399.

**Expected Response Rate**

The expected response rate is 25%. 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 either owe money to the IRS or have unfiled tax returns. This group of taxpayers generally do not 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 Compliance Center Examination questionnaire is an established and tested survey instrument. If changes are made to the questionnaire, they are expected to be minor.

The questionnaire is based on the contractor's leverage analysis, which asks respondents to evaluate various aspects of their experience and to provide an overall summary evaluation. The questionnaire was developed based on inputs from a focus group with customers who had a recent closed case with Compliance Center Examination.

The survey will include several rating questions evaluating service delivery during the CC Exam process as well as several demographic items. In addition, ample space will be provided for suggestions for improvement.

Survey scoring for this contract will be based on the Customer Satisfaction Survey Score response average to the keystone question – “How would you rate your overall experience with the way your audit was handled?” Questions will utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. All survey responses generated are kept “private to the extent of the law”. The contractor ensures that taxpayers responding to the survey are guaranteed anonymity.

**Efforts to avoid Duplicate Research**

This is the only mail based Customer Satisfaction survey currently conducted by W&I Compliance for Compliance Center Examination customers.

**Participants Criteria**

The CC Exam survey participants are pulled from the Audit Information Management System (AIMS) database in a random sample, which the five compliance centers send to the contractor each month.

**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 confidentiality, 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 9,120 (approx 152 per site, per month) and a response rate of 25%, we expect 2,280 survey participants per year, leaving 6,840 non-participants. The contact time to determine non-participants could take up to two minutes , with the resulting burden for non-participants being  $6,840 \times 2 \text{ minute} = 13,680/60 \text{ minutes} = \underline{228 \text{ burden hours}}$ .

For participants, the time to complete the survey is 7 minutes. This reflects the time to read the pre-read letter (2 minute) as well as the time to complete the survey (5 minutes

maximum). The time burden for participants being  $2,280 \times 7 \text{ minutes} = 15,960/60 \text{ minutes} = 266 \text{ burden hours}$ .

Thus the total burden hours for the survey would be  $(228 + 266) \text{ } 494 \text{ burden hours}$ .

**Attachments**

Compliance Center Examination 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 COMPLIANCE CENTER EXAM

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 how the IRS handled your most recent audit. 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.

	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied Nor Dissatisfied	Somewhat Satisfied	Very Satisfied	Don't Know/Not Applicable
<b>How would you rate the ...</b>	▼	▼	▼	▼	▼	▼
a. Explanation of why your tax return was being audited? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Clarity of notices in explaining what records you needed to send in? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Ease of understanding the letter you received with the examination report? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Ease of understanding the examination report you received? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Ease of collecting the information requested by the IRS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Ease of using the automated phone system to get help? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. The length of time you had to wait to talk to an IRS representative by phone? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Representative's willingness to help you with your issue? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Courtesy and professionalism of IRS employees? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. IRS employees' knowledge of your case? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Time you were given to respond to the IRS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Consideration given to the information you sent to the IRS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Consistency of information received from the IRS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. IRS keeping you informed of the status of your case? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Length of the audit process, from start to finish? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p. Amount of time you had to spend on this audit? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
q. Explanation of why adjustments were made? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
r. Fairness of treatment by the IRS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**3** Did you contact the IRS Toll-free Exam number listed on the letter you received?

- Yes
- No
- Don't recall

**4** Approximately how many times did you contact the IRS (by mail or by phone) before your issue was resolved?

\_\_\_\_\_ Times

*Please continue on back*

**5** Prior to the examination, what was your expectation of the length of time in months for the examination to be completed? (Write number of months.)

\_\_\_\_\_ Months

**6** Who was the main person who prepared your taxes? (Mark *only one*.)

- You (yourself)
- Professional tax preparer
- Friend or relative
- IRS Taxpayer Assistance Center (TAC) employee
- Volunteer at VITA or TCE site
- Other

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.

**7** Use this space for comments or suggestions for improvement.

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**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



000211

CCEWIXXX091199995200911  
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 had a recent correspondence audit conducted by the Internal Revenue Service.

In a few days, you will receive a questionnaire asking your opinions about working with the IRS to resolve the issues raised in your audit. Please direct it to the person 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 advanced for your cooperation.

Sincerely,

Brady Bennett  
Director, Compliance  
Wage and Investment Division

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# Pacific Consulting Group/Scantron

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

December 7, 2009



000213

CCEWIXXXX091099995200910  
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 your recent correspondence audit conducted by the IRS. Your responses are critical to the accuracy of this research.

We are sending questionnaires to a random sample of taxpayers who have had such audits. 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,

Dr. Peter Webb  
Project Director

L2\_13257

## 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

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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. 12688 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

CCEWIXXXX081299999199912  
John Doe  
3767 Maple Way  
Palo Alto, CA 94306



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. If you have already completed the survey, thank you. 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 your recent correspondence audit conducted by the IRS. Your responses are critical to the accuracy of this research.

We are sending questionnaires to a random sample of taxpayers who have had such audits. 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