

**OMB SUPPORTING STATEMENT**  
**STUDY TO MEASURE CUSTOMER SATISFACTION**  
**COMPLIANCE SERVICES COLLECTION OPERATION (CSCO) – CY2010**  
**JANUARY 1, 2010 - DECEMBER 31, 2010**  
**TIRNO-05-Z-00014**

## **Introduction**

### **Background/Overview**

The Internal Revenue Service (IRS) engages a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. The Compliance Services Collection Operation (CSCO) within the Compliance Operating Unit of the Wage and Investment (W&I) Division is responsible for resolving taxpayer accounts using correspondence in a method that reduces taxpayer burden and increases voluntary compliance. As an important customer interface for W&I, CSCO needs feedback from its customers (i.e., taxpayers) to continuously improve operations.

CSCO resolves taxpayer balance due and delinquent return accounts including:

1. Balance due, installment agreements, adjustments, credit transfers, and currently not collectible issues;
2. Return delinquency, securing returns, assessing tax according to deficiency, and identifying not liable to file or little/no tax due issues;
3. Offers in compromise issues, monitors accounts for compliance, split assessments, post payments, and defaulted offers due to noncompliance; and
4. Trust Fund Recovery Penalty (TFRP) Program, posting and cross-referencing payments to the responsible officer and corporate accounts.
5. Automated Substitute for Return (ASFR) program enforces filing compliance on taxpayers who have not filed individual income tax returns. Computes and assesses tax, penalties, and interest for taxpayers who owe a significant income tax liability
6. Withholding Compliance (WHC) program, brings taxpayers into compliance with federal income tax withholding requirements. In instances where a serious under-withholding problem exists for a particular taxpayer, the Service may issue a lock-in letter to the employer.

The CSCO also monitors accepted offers in compromise accounts for compliance with the terms of the offer and performs account maintenance on TFRP accounts.

### **Objectives of Data Collection**

The CSCO customer satisfaction survey project has three primary goals to:

- Survey our external customers on an ongoing basis regarding their expectations of CSCO;
- Track customer satisfaction at the 5 W&I sites; and
- Identify operational improvements.

The Compliance Services Collection Operation Customer Satisfaction Survey results are also used to track changes in customer satisfaction attributable to specific changes made to this service, such as adding or changing scripts.

## **Methodology**

### **Sample Design**

The contractor prepares a formal sampling plan for the survey. For purposes of budgeting this task request, the contractor stratifies the sample for the five W&I CSCO sites selecting 7,980 taxpayers per year, (1,596 taxpayers per site per year) resulting in a total of 2004 completed questionnaires (401 per site per year). Notwithstanding these estimates, the contractor recommends a sample size that provides a 95% confidence level for results at the site level.

Each month, the project contractor draws a stratified random sample from the sampling database in accordance with the sampling plan. This sample is provided to the data collection contractor for survey administration. At the end of each month's survey administration, the data collection contractor provides the project contractor with a cleansed data set containing both survey responses and open-ended comments coded according to a coding scheme supplied by the project contractor, linked with the issue identification number for analysis. The project contractor develops the coding scheme for open-ended comments and provides it to the data collection contractor. Reporting is adjusted, if necessary, to meet the time parameters of this contract with the concurrence of W&I SAA.

### **Data to be Collected**

Compliance Services Collection Operation taxpayer customer satisfaction respondent data is collected.

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

The data collection contractor administers the survey by telephone on a monthly basis. The project contractor monitors the survey's progress in conjunction with the data collection contractor. Standard procedures are used in order to obtain the highest response rate possible for this telephone survey.

The contractor provides:

- Analysis of the open-ended drill-down questions;
- Monthly raw data to designated IRS personnel;
- Raw data in SPSS and Excel formats quarterly to IRS; and
- Cleansed data files and open-ended comments quarterly.

The contractor includes any relevant database variables in the analysis and weights the survey responses to accurately reflect the entire customer base.

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, please rate your overall satisfaction with the way your issue was handled by the Collection Operation.” Questions utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. All survey responses are 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 CSCO Customer Satisfaction Survey has already been developed and is currently in use. The survey is conducted via outbound telephone calls. Completion of the survey takes approximately eleven minutes. It contains a standard set of questions, but allows certain “drill down” questions that vary as needed. To maintain the ability to compare results from quarter to quarter, changes that impact the meaning of questions will occur minimally.

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

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

#### **Who is Conducting the Research/Where**

Pacific Consulting Group is responsible for administering the telephone survey, pulling the sample, conducting data analysis and creation of reports.

#### **Cost of Study**

The estimated cost for this survey is \$110,679.83.

#### **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 doesn't seek out the IRS.

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

#### **Efforts to avoid Duplicate Research**

The CSCO Customer Satisfaction survey is currently the only study being conducted with the Compliance Services Collection Operation customers by W&I Compliance.

### **Participants Criteria**

Study participants were pulled from the Compliance Services Collection Operation closed cases from each of the five sites. These individuals received correspondence from the IRS regarding a balance owed or an unfiled tax return.

### **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, vendors, 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 phone survey is carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 9 minutes. The questions are generally one sentence in structure and on an elementary concept level.

Based on a sample of potential respondents of 7,980 (133 per site, per month) and a response rate of 25%, we expect 1,995 survey participants (167 per month), leaving 5,985 non-participants. The contact time to determine non-participants could take up to one minute , with the resulting burden for non-participants being  $5,985 \times 1 \text{ minute} = 5,985/60 \text{ minutes} = 99.75 \text{ burden hours}$ .

For participants, the time to complete the survey is 9 minutes. This reflects the time to get into the automated survey (1 minute) as well as the time to complete the survey (8 minutes maximum). The time burden for participants being  $1,995 \times 9 \text{ minutes}/60 \text{ minutes} = 299.25 \text{ burden hours}$ .

Thus the total burden hours for the survey would be  $(99.75 + 299.25) \text{ } 399 \text{ burden hours}$ .

### **Attachments**

Compliance Services Collection Operation Survey

