

**Supporting Statement**  
**Request for Approval for the Customer Satisfaction Survey**  
**(OMB Control Number: 1545-1432)**  
**TITLE OF INFORMATION COLLECTION: 2012 LB&I Domestic IC/CIC Customer**  
**Satisfaction Survey**

**A. JUSTIFICATION**

**1. Circumstances Making the Collection of Information Necessary**

As mandated by RRA 98, the LB&I implemented a Service-wide effort to establish a system of balanced organizational performance measures. The new LB&I Balanced Measurement System rates the LB&I, its managers and employees, on customer satisfaction, employee satisfaction, and business results. This balanced measurement system draws on direct customer feedback, including independent surveys of customers and an annual census survey of employees. The customer satisfaction portion of these performance standards necessitates the identification of LB&I's customers and mechanism(s) gauging the level of satisfaction with interactions and services of the Internal Revenue Service. Further, Executive Order 12862 requires all government agencies to survey their customers and incorporate customer preferences in their process improvement efforts.

LB&I serves a return population comprised of approximately 138,000 corporations and partnerships whose assets are in excess ten million dollars. This customer base is further broken out into two distinctive classifications: Industry Cases (IC) and Coordinated Industry Cases (CIC). IC audits are traditionally conducted by one revenue agent with assistance from field specialists (e.g., economists, financial products). Customers are selected for audit using various classifying techniques with audits usually of one year extended as necessary. CIC customers are the most complex and audits are conducted by a team of revenue agents lead by a team coordinator along with assistance from field specialists. They are audited in cycles of multiple years and usually are audited every year. LB&I has been tasked to survey these two distinct groups and create valid output to be used to determine the overall level of satisfaction of these groups. By surveying and analyzing this customer base, it will afford LB&I management the opportunity to make informed business decisions to improve upon customer satisfaction. LB&I conducts annual telephone surveys of its domestic IC/CIC customers.

**2. Purpose and Use of the Information Collection**

The domestic customer satisfaction surveys will be to gauge customer expectations and perceptions about LB&I services. Each customer surveyed will be given an opportunity to express their opinion about the services they have received. The products of the survey will provide specific, actionable results that may be used to guide process improvements. It will facilitate more effective management of LB&I by providing insight from the customer's perspective about possible improvements; providing insight from the employee's perspective about possible improvements and; providing useful input for program evaluation and execution at the programmatic and field office level of service delivery.

Survey Program Priorities are to make the survey results relevant to LB&I executives, make the results actionable for managers, increase public and internal awareness of the results and

recommendations of the surveys and increase public and internal dialogue on customer satisfaction improvement.

If this information is not collected, vital feedback from customers and stakeholders on the Agency's services will be unavailable. The feedback received will not institute new policy, yet enable the Service to meet taxpayer needs

### **3. Consideration Given to Information Technology**

Electronic collection of the data is not an option for the IC/CIC domestic survey as it is conducted via telephone interviews. The problem is that LB&I does not have the email addresses of its customers. We tested soliciting survey respondents via a letter with a web link to a survey but the response rate was very low and follow up telephone surveys had to be conducted.

### **4. Duplication of Information**

This survey will provide valuable information that is not available in any internal IRS data source.

### **5. Reducing the Burden on Small Entities**

LB&I customer base are corporations with \$10 million or more in assets. Small entities are not affected by survey.

### **6. Consequences of Not Conducting Collection**

Without these types of feedback, LB&I will not have timely information to adjust its services to meet customer needs.

### **7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary and will not be used for statistical purposes.

### **8. Consultations with Persons Outside the Agency**

NA

### **9. Payment or Gift**

LB&I will not provide payment or other forms of remuneration to survey respondents.

## 10. Privacy

All survey responses will be released only as summaries. No individual answers will be reported and survey responses will have no effect on individual tax accounts. Customers are under no obligation to participate or complete the survey, it is completely voluntary. However, the participation solicitation will encourage their participation so that their answers will help the IRS provide better service to the business community. Our contract with PCG authorizes them to collect taxpayer specific information. Therefore responding to the survey is not an unauthorized disclosure of taxpayer information. Prior to taking the survey, each participant who would like to verify the authenticity of the survey request, may contact Keith Fowler, LMSB Program Analyst by phone (720-956-4684) or by email (jim.morton@irs.gov).

## 11. Sensitive Nature

No questions will be asked that are of a personal or sensitive nature.

## 12. Burden of Information Collection

The estimated time to complete the survey is 15 minutes for Industry Customers and 25 minutes for Coordinated Industry Customers, but some variation in the length of time required to answer the survey is expected. Assuming a 37 percent response rate for IC (total population of 3,243 contacted) and a 53 percent response rate for CIC (total population 205 contacted), the total annual burden hours requested (453 hrs) are based on the number of completed surveys we expect to obtain over the requested period for this clearance (collection start date: January 31, 2012; collection end date: March 31, 2013).

<b>Category of Respondent</b>	<b>No. of Respondents</b>	<b>Participation Time</b>	<b>Burden</b>
Industry Customers	1200	15 minutes	300 hours
Coordinated Industry Customers	109	25 minutes	46 hours
Combined Non-Response Customers	2139	3 minutes	107 hours
<b>Totals</b>			<b>453 hrs</b>

## 13. Costs to Respondents

No costs are anticipated.

## 14. Costs to Federal Government

The estimated annual cost to the Federal government is \$191,790

## 15. Reason for Change

Not applicable.

#### **16. Tabulation of Results, Schedule, Analysis Plans**

LMSB serves a return population comprised of approximately 138,000 corporations and partnerships whose assets are in excess ten million dollars. This customer base is further broken out into two distinctive classifications: Industry and Coordinated Industry. LMSB has been tasked to survey these two distinct groups and create valid output to be used to determine the overall level of satisfaction of these groups. By surveying and analyzing this customer base, it will afford LMSB management the opportunity to make informed business decisions to improve upon customer satisfaction.

Although LB&I does not intend to publish its findings, LB&I may receive requests to release the information (e.g., congressional inquiry, Freedom of Information Act requests). LB&I will disseminate the findings when appropriate, strictly following IRS' "Guidelines for Ensuring the Quality of Information Disseminated to the Public.", and will include specific discussion of the limitation of the qualitative results discussed above.

#### **17. Display of OMB Approval Date**

We are requesting no exemption.

#### **18. Exceptions to Certification for Paperwork Reduction Act Submissions**

These activities comply with the requirements in 5 CFR 1320.9.

## **B. STATISTICAL METHODS**

The primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

### **1. Universe and Respondent Selection**

LB&I serves a return population comprised of approximately 138,000 corporations and partnerships whose assets are in excess ten million dollars. This customer base is further broken out into two distinctive classifications: Industry Cases (IC) and Coordinated Industry Cases (CIC). IC audits are traditionally conducted by one revenue agent with assistance from field specialists (e.g., economists, financial products). Customers are selected for audit using various classifying techniques with audits usually of one year extended as necessary. CIC customers are the most complex and audits are conducted by a team of revenue agents lead by a team coordinator along with assistance from field specialists. They are audited in cycles of multiple years and usually are audited every year. LB&I has been tasked to survey these two distinct groups and create valid output to be used to determine the overall level of satisfaction of these groups. By surveying and analyzing this customer base, it will afford LB&I management the opportunity to make informed business decisions to improve upon customer satisfaction.

Customers whose audits are closed are selected to be surveyed. We contact a census of CIC customers and a random statistical sampling of IC customers to complete the survey.

### **2. Procedures for Collecting Information**

The selected customers are mailed a pre note on IRS letterhead signed by the Director, Planning, Analysis, Inventory and Research (PAIR). The pre note provides information about the reason for the survey, the contractor who is conducting the survey on our behalf and an LB&I program analyst contact information if they want to confirm the validity of the survey. The selected customers are then contacted via telephone and the survey is conducted. See Attachment A for a copy of the pre note and Attachment B for the survey questions including the interviewers script.

### **3. Methods to Maximize Response**

Interviewers receive specific training in techniques to obtain responses. Contractor uses social exchange principles to maximize survey response rates. These include establishing trust that the survey is legitimate, establishing the anonymity of the respondent, preparing a list of frequently asked questions to help address respondent concerns, explaining the value and uses of the survey data, making multiple contacts, using a respond-by date to help motivate timely responses, making it convenient to participate, and reduce participation burden.

### **4. Testing of Procedures**

Contractor's quality assurance process includes testing of all survey programming to ensure accuracy of content and to test programming logic and questionnaire length. IRS staff are

invited to participate in the testing of questionnaires. In addition to testing the accuracy of the questionnaires, contractor administers customer pretests to a small subset of respondents to test comprehension of survey questions, questionnaire flow, and in the case of online surveys, visual appeal.

## **5. Contacts for Statistical Aspects and Data Collection**

For questions regarding the study or discussion guide design, contact  
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