

Supporting Statement
Approval Request to Conduct Customer Satisfaction Research (OMB #1545-1432)
Identity Protection Personal Identification Number Customer Experience Survey

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

The IRS has marked the accounts of taxpayers who were confirmed victims of identity theft. The marking of the account indicated the account as having a potential for tax return and/or tax refund fraud. These tax account owners were provided an Identity Protection Personal Identification Number (IP PIN) to validate their true tax account ownership for filing their Tax Year (TY) 2012 tax return. Processing of a marked account without use of the IP PIN is not allowed through electronic filing and is subject to significant delays for paper filings.

In support of taxpayers who have become victim to the crime of identity theft, the IRS wants to ensure that it assists and minimizes the impact it is having on the applicable taxpayers' accounts. Privacy, Governmental Liaison & Disclosure (PGLD) has been tasked with surveying taxpayers who received an IP PIN for TY 2012. The feedback from taxpayers will help the IRS better understand taxpayers' experiences with the IP PIN.

2. Purpose and Use of the Information Collection

The PGLD is conducting a Customer Experience Survey to get feedback from individual taxpayers who have been assigned an Identity IP PIN and who filed a return for TY 2012.

The goals of the survey are to gather information on the effectiveness of IRS outreach about the IP PIN program, taxpayer experiences with filing returns using the IP PIN, and taxpayer experiences with contacting the IRS about the IP PIN. This information will help the IRS determine how well current IP PIN processes are working and what areas could benefit from revision in order to increase awareness and use of the IP PINs and taxpayer's benefits from the IP PIN program.

Specifically, PGLD will use the survey to gather information about:

1. filing patterns, including use of return preparers, among IP PIN recipients
2. why taxpayers who did not use their IP PINs did not do so.
3. customer perceptions of the IP PIN, and
4. taxpayer experiences with contacting the IRS about their IP PINs.

3. Consideration Given to Information Technology

The study will use a four wave mail survey with an option for participants to complete the survey online using a unique password. A copy of the survey questionnaire and wave documents is attached.

The survey instrument includes questions to gather information about filing patterns, why taxpayers did not use the IP PIN (for those who did not use it), customer perceptions of the IP PIN, and taxpayer experience with contacting the IRS about their IP PINs. A copy of the survey questionnaire is attached.

4. Duplication of Information

This is currently the only IP PIN customer satisfaction study being conducted. PGLD received a request to conduct this research based on the lack of research in this area. PGLD is consulting with OPERA and WIRA regarding survey design and no duplication exists within these two IRS research divisions.

5. Reducing the Burden on Small Entities

N/A

6. Consequences of Not Conducting Collection

Not conducting collection would mean that the IRS would not have any information from taxpayers who received an IP PIN regarding their experience with and use of the IP PIN. This means that the IRS would continue to be unaware of any barriers to use of the IP PIN or customer satisfaction issues with the IP PIN. This lack of awareness would prohibit the IRS from making any necessary changes to improve the program, increase use of the IP PIN, or assist taxpayers in better understanding the IP PIN process.

In addition, the lack of awareness regarding how to increase use of the IP PIN could lead to more delayed returns from not using the IP PIN with the taxpayer returns. The IRS has marked the accounts of taxpayers who were confirmed victims of identity theft. The marking of the account indicated the account as having a potential for tax return and/or tax refund fraud. These tax account owners were provided an Identity Protection Personal Identification Number (IP PIN) to validate their true tax account ownership for filing their Tax Year (TY) 2012 tax return. Processing of a marked account without use of the IP PIN is not allowed through electronic filing and is subject to significant delays for paper filings. The IRS wants to ensure that it assists and minimizes the impact it is having on the applicable taxpayers' accounts.

7. Special Circumstances

There are no special circumstances. The information collected will be voluntary. These statistics could be used in making management decisions such as in business improvement opportunities.

8. Consultations with Persons Outside the Agency

N/A

9. Payment or Gift

N/A

10. Confidentiality

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and CONTRACTOR will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times to the extent allowed by law. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria 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.

The survey data will not contain any taxpayer names, Social Security Numbers, or Taxpayer Identification Numbers. Participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the survey respondents. We will apply the fair information and record-keeping practices to ensure protection of all survey respondents. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal Revenue Code provides for the protection of information as well as its releases to authorized recipients.

11. Sensitive Nature

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

12. Burden of Information Collection

Expected burden hour estimates as follows:

| Activity | Per Person | Number of People | Total |
|--------------------|-------------------|-------------------------|---------------|
| Read Wave 1 letter | 5 minutes | 1,910 | 9,550 minutes |
| Read Wave 2 letter | 5 minutes | 1,910 | 9,550 minutes |

| | | | |
|---------------------|------------|---------------|----------------|
| Read Wave 3 letter* | 5 minutes | 1,812 | 9,060 minutes |
| Read Wave 4 letter* | 5 minutes | 1,714 | 8,570 minutes |
| Complete Survey | 10 minutes | 390 | 3,900 minutes |
| | | Total Minutes | 40,630 minutes |
| | | Total Hours | 677.2 hours |
| | | | |

* The estimates for Wave 2, Wave 3, and Wave 4 letter are based on the following: no taxpayers will complete the survey online in time to not receive the Wave 2 letter with the survey instrument, 25% of the 390 taxpayers needed will complete the survey after Wave 2 (and therefore not receive Wave 3 and Wave 4 mailings), and another 25% will complete the survey between Wave 3 and Wave 4 mailings.

The total estimated burden is 677.2 hours.

13. Costs to Respondents

N/A

14. Cost to Federal Government

The estimated cost is \$40,000.

15. Reason for Change

N/A

16. Tabulation of Results, Schedule, Analysis Plans

PGLD will prepare a sample of taxpayers who received an IP PIN for tax year 2012 and provide to the contractor in the form of encrypted CDs.

Once the contractor receives the sample, the contractor will administer the four-wave mail survey ensuring the highest standards of quality. The contractor will also provide an online completion option using unique passwords given to the respondent in Wave documents. During the survey's administration, the contractor will provide Help Desk Support to survey recipients who may have questions.

To ensure that respondents do not receive additional wave documents after survey completion, the contractor will ensure that each survey contains a unique, five-digit control number (neither Social Security Numbers nor WIRA-coded numbers) to track surveys received via mail or online. The control numbers will be non-descriptive; that is, they will have no relation to geography, gender, or any other identifying information.

PGLD/WIRA requires 390 taxpayers to complete the survey. WIRA estimates that 1,910

taxpayers will need to be contacted in order to get the required sample size.

Following the survey's administration, the contractor will provide PGLD/WIRA the survey data in the form of a generic respondent number (numerical; i.e. 1, 2, 3, 4, 5 ...) and responses to the survey questions.

The results will be used to identify potential areas for improvement to enhance the IP PIN program and/or IP PIN communication.

17. Display of OMB Approval Date

N/A

18. Exceptions to Certification for Paperwork Reduction Act Submissions

N/A

19. Dates collection will begin and end

The data collection period for survey administration is scheduled for June 1 – July 10, 2013.

B. STATISTICAL METHODS

1. Universe and Respondent Selection

CONTRACTOR NAME will be conducting the research in conjunction with PGLD, OPERA, and WIRA. The research will be conducted using a random sample of taxpayers nationwide who meet the recruitment criteria based on IRS data.

2. Procedures for Collecting Information

Participants will be selected from a random sample of taxpayers nationwide who meet the recruitment criteria based on IRS data.

3. Methods to Maximize Response

We are utilizing a four wave mail survey with an option to complete the survey online with a unique password in an effort to maximize response rate. Respondents will be assured privacy of their responses to the extent allowed by law. The contractor will provide a Help Desk for participants with questions or issues with the survey. The expected response rate is 20%. This is based on typical response rates seen for other IRS mail surveys.

4. Testing of Procedures

The study will be a four wave mail survey with an option to complete the survey online using a unique password. The survey will be administered by CONTRACTOR using a random sample of taxpayers who meet the participant criteria based on IRS data. We anticipate that the survey will take approximately 10 minutes to complete, and will consist of 13 multiple choice questions and one open-ended question. Three of the multiple choice questions have an

“Other” response option where respondents can input an answer not listed in the question options. The survey instrument and wave documents are attached. CONTRACTOR will provide help desk support throughout survey administration.

This project will include taxpayers who have been assigned an Identity IP PIN and who filed a return for TY 2012.

5. Contacts for Statistical Aspects and Data Collection

For questions regarding the study or questionnaire design or statistical methodology, contact:

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Attachments

- 1) Survey Instruments and Wave Document
- 2) Privacy Impact Assessment