

Supporting Statement
OMB Information Collection (ICR) Approval Request to Conduct
Cognitive-Psychological Research (OMB# 1545-1349)

Field Compliance Safety and Impersonation Focus Groups

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Internal Revenue Service (IRS) enlists a balanced measurement system consisting of business results, customer satisfaction and employee satisfaction. This initiative is part of the Service-wide effort to maintain a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act (RRA) of 1998. This is also a result of Executive Order 12862 that requires all government agencies to survey their customers.

Tax scams are a growing concern for taxpayers and IRS employees alike. When scammers impersonate IRS employees it undermines the public confidence and makes it more difficult for IRS employees to do their jobs. This is a particularly prevalent issue for Field Collection and Field Examination employees, who often visit taxpayers unannounced. Taxpayers may not immediately recognize the Revenue Officer or Revenue Agent as an employee of the IRS and may be skeptical to work with them until their identity can be verified.

2. Purpose and Use of the Information Collection

Conduct focus groups to determine the public's expectation of what an IRS Compliance employee should look like when making contact in the field. This information will further IRS understanding of how to keep employees safe in the age of impersonators. The market segment in this research will consist of taxpayers with recently closed compliance cases.

3. Consideration Given to Information Technology

The focus groups will be conducted in a virtual setting. Conducting virtual focus groups allows interaction which can help elicit in-depth thoughts and discussions but provide a larger participant population and follow COVID-19 CDC guidelines. There is also opportunity to probe participant responses and can yield richer data than paper or electronic surveys.

4. Duplication of Information

The focus group sessions with taxpayers with recently closed compliance cases will provide valuable information that is not available in any internal IRS data source. Previous focus groups solicited feedback from tax practitioners but none directly from taxpayers themselves.

5. Reducing the Burden on Small Entities

Small entities are not included in this collection of information.

6. Consequences of Not Conducting Collection

SB/SE initiatives fall under the IRS' goal to "protect the integrity of the tax system by encouraging compliance through administering and enforcing the tax code." If the focus group is not approved, SB/SE will not have the necessary data to help further understand expectations of taxpayers, and what IRS can do to help them verify the identity of IRS employees while keeping employees safe.

7. Special Circumstances

There are no special circumstances relating to this request. The participation in the focus group and the information collected will be voluntary.

8. Consultations with Persons Outside the Agency

A contractor currently included in an approved Blanket Purchase Agreement (BPA) will be used to solicit, recruit, and secure focus group participants. The contractor will also moderate all focus group sessions and will provide a transcript of the focus group sessions. All privacy rules will be followed, per the BPA and PCLIA.

9. Payment or Gift:

The IRS will not provide an honorarium or non-monetary incentives to the participants. The vendor contract includes a \$100 honorarium to be provided and delivered by Fors March Group.

While the honorarium is greater than the clearance approved maximum of \$75, FMG recommends \$100 for this focus group recruitment effort. These incentive rates are necessary in order to successfully and efficiently recruit these populations who have been contacted by the IRS regarding an audit-related experience. This can be a sensitive topic and incentives must be high enough to garner interest but not too high to elicit suspicion. As with many of our past IRS studies, potential recruits are sometimes intimidated when the “IRS” is mentioned in connection with a study and can lower participation. After conducting some market research in the Washington D.C. area, FMG standard recruiting practice has become to use a minimum of \$75 incentives to keep up with inflation and competing studies. In our experience when recruiting for previous IRS studies, incentives have ranged between \$40 and \$75 and we have still encountered difficulties recruiting at \$75. One example was IRS Tax Transcripts where FMG planned to recruit 36 participants to ensure participation from 18 taxpayers at \$80 for one hour. Originally three focus groups were planned but FMG had to reschedule for a total of five focus groups due to low show rates. We were able to recruit 48 participants and yet only collected data from the 14 individuals who attended the focus groups. Since we are asking individuals to take time out of their workday to provide information, our incentive rate must be competitive with what participants earn in an hour of work. Using a slightly higher incentive rate will increase the likelihood that we are able to complete the recruitment and gather high quality participants for focus groups. Lower incentives would result in a longer, and more costly, recruiting processes and could lead to higher no-show rates, necessitating rescheduled focus groups and additional recruitment. FMG will call scheduled participants in advance of sessions to verify their attendance and make proper arrangements if participants cancel.

10. Confidentiality:

The IRS will apply and meet fair information and record-keeping practices to ensure privacy to the extent allowed by law and protection of all taxpayers to the extent allowed by law. 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 focus group questions do not request tax return or taxpayer information. Focus group 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 objectives. We will carefully safeguard the security of data utilized as well as the privacy to the extent allowed by law of the focus group participants.

11. Sensitive Nature

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

12. Burden of Information Collection

A total of five virtual focus groups will be conducted with 8 - 10 participants per session. The total burden hours estimated is 65 burden hours.

The estimated time to screen a person is 3 minutes. Based on past experience, we will assume that 60 people will be screened for each session (60 people x 5 sessions = 300 people) before 12 invitations are issued. We will assume that 12 invitations will need to be issued to ensure that 10 people will be present for each focus group. The burden for screening potential participants is 15 hours (300 people x 3 min screening / 60 min).

The estimated time for participating in each of the focus group is 1 hour. We will assume a maximum number of 10 participants in each of the five focus groups. The total participation burden is 50 hours (50 participants x 60 minutes / 60 minutes).

Type of Collection	Participation	Response Time (minutes)	Total Burden (hours)
Potential Respondents Contacted	300	3	15
Expected Participants	50	60	50
Grand Total Burden			65

13. Costs to Respondents

The total estimated annual cost burden to respondents is \$1,623.70. The surveys take place across the United States with all cross-sections of firms that represent IRS contractors (e.g. large firms, small firms to multiple socioeconomic designations, etc.). This estimate was created using the mean hourly wage for all occupations (\$24.98) from the BLS May 2018 National Occupational Employment and Wage Estimates - United States

14. Cost of Federal Government

The total estimated cost for this focus group project is \$50,000, which is the cost of the contractor.

15. Reason for Change

No change is being requested. This is a new request

16. Tabulation of Results, Schedule, Analysis Plans

At the completion of focus group(s), the responses will be released in a report as summary observations and categorized by the topic of discussion in the moderator's guide. The report will not contain any individually identifying information such as name, address, or taxpayer identification number. The moderator ensures that the taxpayers participating in the focus group are guaranteed anonymity. Upon completion of data collection and delivery of the report, the focus group data will remain on a secured IRS server for three years.

17. Display of OMB Approval Date

IRS is seeking approval to not display the expiration date for OMB approval, as this is a one-time, limited-duration collection

18. Exceptions to Certification for Paperwork Reduction Act Submissions

These activities comply with the requirements in 5 CFR 1320.9.

19. Dates Collection of Information will Begin and End

Data collection will begin August 2020 and end December 2020.

B. STATISTICAL METHODS

1. Universe and Respondent Selection

Focus groups participants will be identified by SB/SE using the Customer Satisfaction survey data. FMG will screen and recruit based on this list provided by IRS. They will rescreen the participants in each of the online group sessions, moderate the focus groups, and capture responses. The contractor will provide a transcript of the focus group sessions. Two SB/SE Research analysts will observe all sessions. SB/SE Research will also capture responses, analyze responses, and incorporate contractor provided responses with the final report for the customer.

2. Procedures for Collecting Information

The contractor's focus group moderators will rescreen the participants in the focus group sessions, moderate the focus groups, and capture responses. There will be two SB/SE Research analysts observing each session.

3. Methods to Maximize Response

The moderator's guide contains open ended questions to obtain candid opinions and suggestions about the topic of discussion. Additionally, some of the questions contain probes to be used by the moderator if responses are minimal. The probes also serve as memory joggers for the focus group participants.

4. Testing of Procedures

The screener and moderator guides were developed by SB/SE Research with the assistance from the Field Collection team. If changes are made to the moderator guide, they will be minimal. Revising a question to make it understandable is one example of a potential change.

5. Contacts for Statistical Aspects and Data Collection

For questions regarding the study or focus group questions or methodology, contact:

Debbie Schmidt, SB/SE, Research Chief Team 1
Phone: 954-654-5963, Email: Debbie.Schmidt@irs.gov