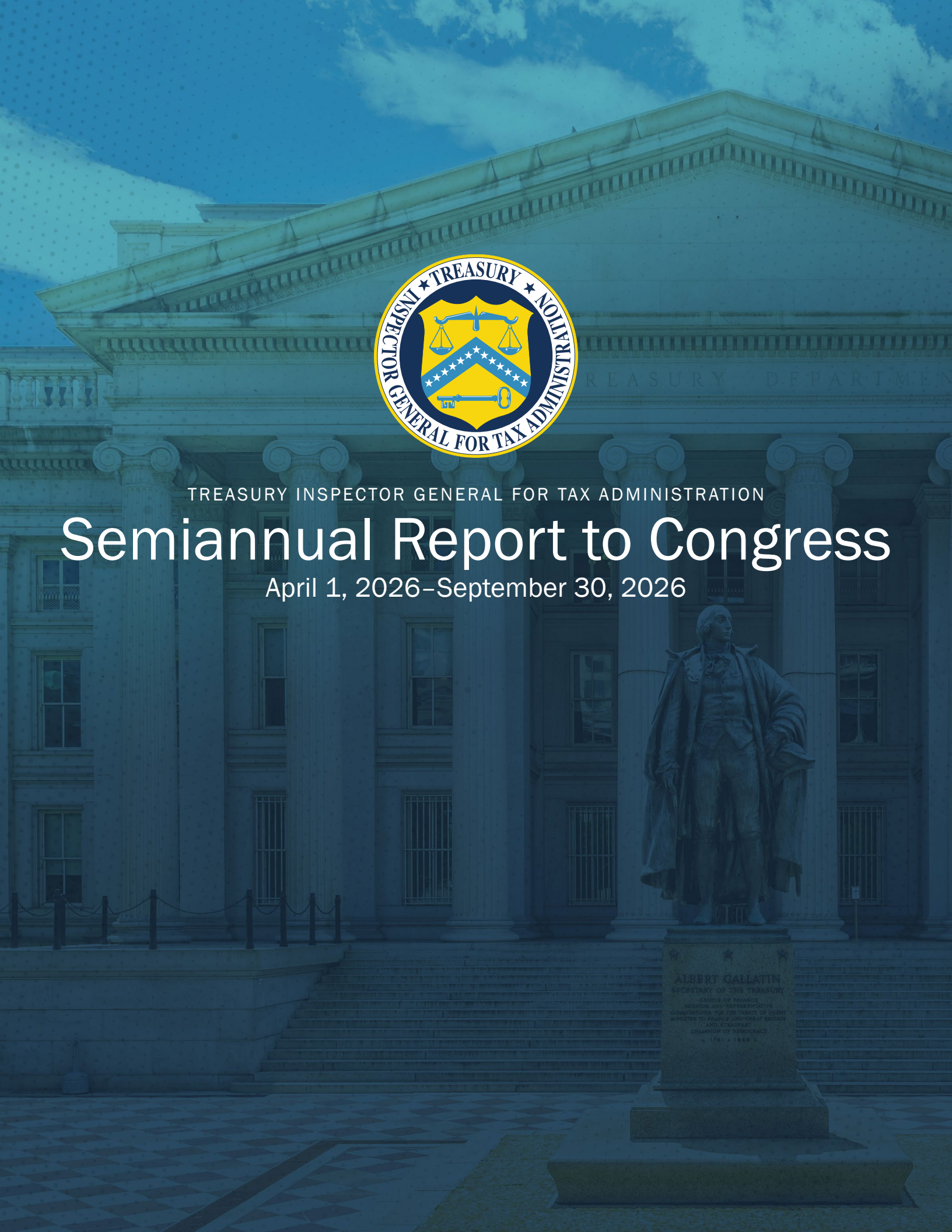


TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Semiannual Report to Congress

April 1, 2026–September 30, 2026

To Report Waste, Fraud, and Abuse:

Web:
www.tigta.gov

FAX:
202-927-7002

Toll-Free Hotline:
1-800-366-4484

Information you provide is confidential. You may remain anonymous.

TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

VISION

Maintain a highly skilled, proactive, and diverse Inspector General organization dedicated to working in a collaborative environment with key stakeholders to foster and promote fair tax administration.

MISSION

Provide quality professional audit, investigative, and inspection and evaluation services that promote integrity, economy, and efficiency in the administration of the nation's tax system.

CORE VALUES

Integrity—Maintain the highest professional standards of integrity, personal responsibility, independence, objectivity, and operational excellence in pursuit of the Treasury Inspector General for Tax Administration's (TIGTA) mission.

Organizational Innovation—Model innovative practices in organizational structure; operational programs and processes; audit, investigative, and inspection and evaluation methodologies; and the application of advanced information technology.

Communication—Achieve effective organizational approaches and solutions by encouraging open, honest, and respectful communication among TIGTA's executives, employees, offices, and functions, as well as between TIGTA and its external stakeholders.

Value Employees—Respect the dignity, contributions, and work-life balance of our employees, and recognize diversity as fundamental to the strength of our organization.

Commitment to Collaboration—Establish and maintain collaborative and professional relationships with other government and non-government stakeholders.

Message to Congress



The Treasury Inspector General for Tax Administration (TIGTA) provides independent oversight of the Internal Revenue Service (IRS). Although TIGTA is placed organizationally within the Department of the Treasury, which has its own Office of Inspector General, we operate independently with a specific mandate to oversee all aspects of the IRS's administration of the federal tax system.

Effective oversight is fundamental to protecting public resources, securing taxpayer information, and preserving trust in the nation's tax system. Through its three distinct yet complimentary functions — Audit, Inspections and Evaluations, and Investigations — TIGTA identifies vulnerabilities, addresses fraud and misconduct, and recommends improvements that enhance the efficiency, effectiveness, and integrity of federal tax administration.

I am pleased to submit this Semiannual Report to Congress, which summarizes our work and accomplishments for the period April 1, 2026–September 30, 2026.

This reporting period reflects the dedication and significant contributions of each of our offices. The Office of Audit advanced efforts to improve tax administration and taxpayer services, while the Office of Inspections and Evaluations demonstrated adaptability and resilience in navigating a rapidly evolving environment without compromising the quality of its oversight. The Office of Investigations achieved **$712 million in financial accomplishments for the American taxpayers**.

Collectively, our Offices of Audit and Inspections and Evaluations **issued 60 reports**, while our Office of Investigations completed **461 investigations**. These accomplishments underscore TIGTA's continued effectiveness in identifying risks, promoting accountability, and protecting taxpayer dollars.

I commend our dedicated staff for their professionalism, perseverance, and unwavering commitment to TIGTA's mission. As we look ahead, we will build on these achievements and continue collaborating with Congress, the Administration, and our stakeholders to combat fraud, waste, and abuse and further strengthen our nation's tax system.

Sincerely,

Heather Hill

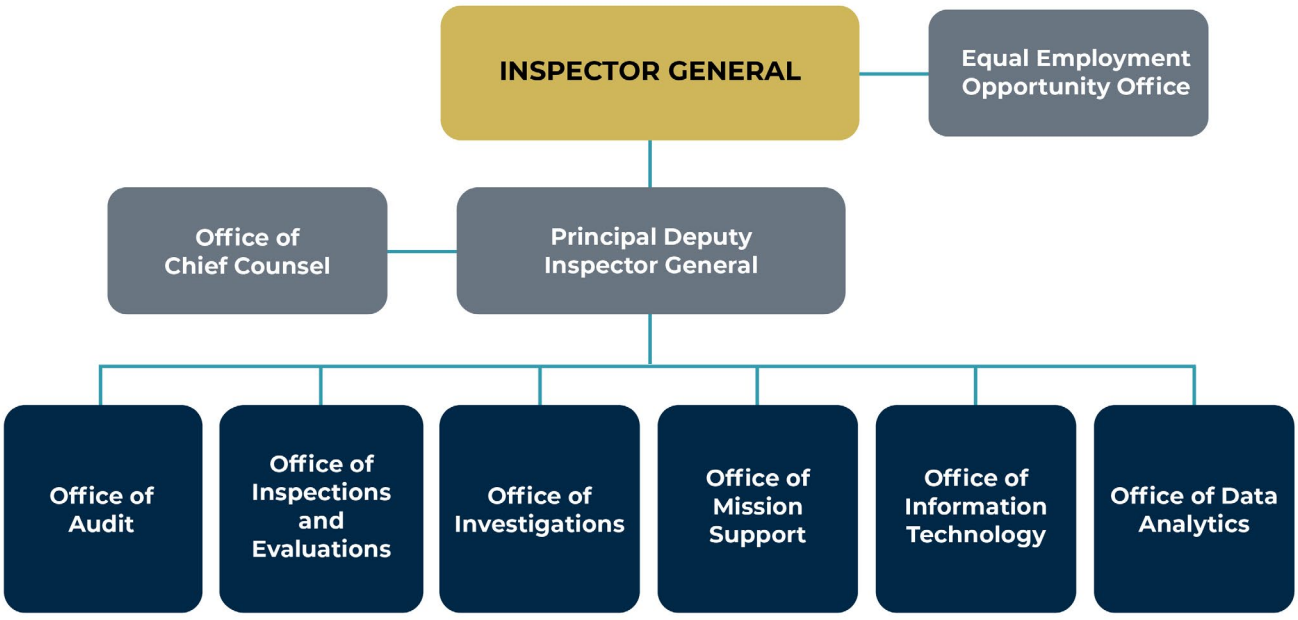
Heather M. Hill
Principal Deputy Inspector General performing
the duties of the Inspector General

Overview of TIGTA

TIGTA provides audit, investigative, inspection, and evaluation services that promote economy, efficiency, and integrity in the administration of the Internal Revenue laws. We provide independent oversight of the IRS, the IRS Oversight Board, and the IRS Office of Chief Counsel. Although TIGTA is placed organizationally within the Treasury Department and reports to Congress and the Secretary of the Treasury, it functions independently from all other offices and bureaus within the Treasury Department.

TIGTA oversees all aspects of activity related to the federal tax system as administered by the IRS. TIGTA protects the public's confidence in the tax system by identifying and recommending strategies for addressing the IRS's most serious management and performance challenges and implementing the priorities of the Treasury Department.

TIGTA's organizational structure is comprised of the Office of the Inspector General and seven functional offices: the Office of Audit, the Office of Inspections and Evaluations, the Office of Investigations, the Office of Mission Support, the Office of Information Technology, the Office of Data Analytics, and the Office of Chief Counsel.





Statutory Mandate

Investigate IRS employee misconduct and external attempts to corrupt or threaten IRS employees.

Conduct, supervise, and coordinate audits and investigations related to IRS programs and operations.

Review and make recommendations on existing and proposed legislation and regulations related to IRS programs and operations.

Promote economy and efficiency in the administration of tax laws.

Prevent and detect waste, fraud, and abuse in IRS programs and operations.

Inform the Secretary of the Treasury and Congress of problems and deficiencies identified and of the progress made in resolving them.

Authorities

TIGTA has all authorities granted under the Inspector General Act of 1978 (Inspector General Act).[1] In addition to the standard authorities granted to Inspectors General, TIGTA has access to tax information in the performance of its tax administration responsibilities. TIGTA also reports potential criminal violations directly to the Department of Justice (DOJ) when we deem appropriate.

TIGTA and the Commissioner of Internal Revenue (Commissioner) have established policies and procedures delineating responsibilities to investigate potential criminal offenses under the Internal Revenue laws. In addition, the IRS Restructuring and Reform Act of 1998 (RRA 98) amended the Inspector General Act to give TIGTA the statutory authority to carry firearms, execute search and arrest warrants, serve subpoenas and summonses, and make arrests.[2]

1 5 United States Code (U.S.C.) §§ 401-424.

2 Internal Revenue Code (I.R.C.) § 7608(b)(2). Pub. L. No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2, 5, 16, 19, 22, 23, 26, 31, 38, and 49 U.S.C.).

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TIGTA Highlights

Office of Investigations	$164M
Office of Audit	$548M
Total Financial Accomplishments	$712M

$712M
in Monetary Benefits

986
Investigative reports, audits, and inspections and evaluations issued.

461
Closed investigations.

233
Proposed regulations and legislative requests reviewed.

Office of Audit and Office of Inspections and Evaluations

Total Financial Benefits

$548.3M
(Questioned Costs + Funds Put to Better Use)

1.1M
Taxpayers Impacted

60 Reports Issued

47 Office of Audit

13 Office of Inspections and Evaluations



Office of Investigations

EMPLOYEE INTEGRITY | EMPLOYEE AND INFRASTRUCTURE SECURITY | EXTERNAL ATTEMPTS TO CORRUPT TAX ADMINISTRATION

15,892 Total Allegations Received

2,937
Allegations received by OI that are determined to be within TIGTA's statutory authority

486
Full Investigations Opened

461
Full Investigations Closed

Criminal Dispositions:

228 Cases Accepted for Criminal Prosecution

5 Convictions

128 Guilty Pleas

278 Years of Incarceration

255 Years of Probation

Criminal Referral Breakdown:

926 Number of Investigative Reports Issued

875 Referred to Department of Justice for Criminal Prosecution

51 Referred to State/Local Prosecuting Authorities

$164,377,392
Total Financial Benefits

IRS Assets and Resources Protected Against Malicious Loss	**$3.3M**
Funds and Property Recovered During Investigative Activities	**$7.4M**
Tax Liability of Taxpayers Who Threaten and/or Assault IRS Employees	**$66M**

Allegations Made to TIGTA Via Hotline:

12,084 Voice Messages*	0 Web	3,258 Email/Fax	550 Mail	Total 15,892

*Note: Due to TIGTA operating with a temporary website, the public must leave a voicemail.

Promote the Economy, Efficiency, and Effectiveness of Tax Administration

TIGTA's Office of Audit identifies opportunities to improve the administration of the Nation's tax laws by conducting comprehensive and independent performance audits of the IRS's programs and operations to:

- Assess efficiency, economy, effectiveness, and program accomplishments.
- Ensure compliance with applicable laws and regulations.
- Prevent, detect, and deter waste, fraud, and abuse.

TIGTA's audit work is comprised of reviews mandated by statute or regulation, those requested by congressional committees' members and staff, and those identified through the Office of Audit's planning and evaluation process.

The IRS's implementation of audit recommendations results in:

- better use of taxpayer dollars
- improved taxpayer experience

The following summaries highlight significant audits completed during this six-month reporting period.

Management Alert: Zero Paper Initiative Information Security

Report Number 2026-208-008

TIGTA identified deficiencies in physical security controls at two contractor sites supporting the IRS's Zero Paper Initiative (ZPI), which is intended to scan and digitize paper tax returns and other taxpayer information. We issued a management alert to the IRS highlighting deficiencies in physical security, information system vulnerability management, and configuration management.

At the two sites, employees accessed restricted areas containing taxpayer information without proper authorization; physical security controls were inadequate; 128 of 269 (48 percent) identified system vulnerabilities were not timely resolved at one site; and unauthorized software was used for vulnerability and configuration assessments. In addition, required system configuration scans were not consistently performed.

The IRS stated that it plans to take corrective actions to address the identified concerns. We plan to visit the other contractors' facilities as they begin scanning paper tax returns.

The IRS Needs to Address Access Control Deficiencies for the Enterprise Data Platform

Report Number 2026-208-026

The IRS deployed the Enterprise Data Platform in April 2022 to improve the storage and management of data to support taxpayer service and enforcement. From Fiscal Years 2023 through 2025, the IRS spent approximately $178.4 million on the platform. Our audit assessed its data migration, capabilities, and security.

As of December 2025, the platform contained 46 datasets, including 37 of the 59 datasets identified in the project roadmap and 9 additional datasets. The IRS expected to ingest the remaining 22 roadmap datasets by the end of Fiscal Year 2026. While roadmap revisions addressed evolving business needs, they could contribute to project delays.

We identified significant weaknesses in user access controls. The platform's 14 approved privileged user accounts were not managed through the IRS-required Privileged User Management Access System. In addition, the IRS could not demonstrate that privileged-user activity was being monitored. We also identified an unauthorized privileged-user login resulting from an administrative error. Finally, some users retained access to datasets containing taxpayer information after the entitlements had been removed.

Systemic processes for managing user access also remain incomplete because of unresolved infrastructure issues between IRS and Department of Treasury networks.

Reliable Data Is Needed To Effectively Reduce Improper Earned Income Tax Credit Payments for Nonwork Social Security Numbers

Report Number 2026-4S0-022

A nonwork Social Security Number (SSN) is issued to noncitizens who are not authorized to work in the United States, but who require an SSN to access specific benefits or services. Nonwork SSNs that were obtained to collect federally funded benefits (*e.g.,* Medicaid and food stamps) are ineligible to claim the Earned Income Tax Credit (EITC). For Tax Years 2023 and 2024, we identified approximately 67,000 tax returns using nonwork SSNs claiming nearly $219 million in EITC, of which nearly $213 million was paid. The IRS lacks sufficient or reliable data to efficiently determine whether these claims are eligible because available Social Security Administration data do not explain why a nonwork SSN was issued and may not reflect changes in an individual's immigration or work status. Improved interagency data sharing could help the IRS systematically identify and prevent ineligible EITC payments; without it, the IRS must largely rely on risk-based identification and manual review.

The IRS Continues to Improve the Detection and Prevention of Individual Identity Theft

Report Number 2026-400-019

The IRS continues to use identity theft filters and partnerships with external organizations to detect fraudulent individual tax returns and protect federal revenue. During Calendar Years 2024 and 2025, the IRS

selected approximately 7.5 million tax returns through its identity theft filters. From these 7.5 million selected tax returns, the IRS protected $7 billion in revenue.

Additionally, because of its partnership with the Information Security Analysis Center, the IRS stopped $9.2 million in refunds associated with confirmed identity theft returns during Fiscal Year 2024. It also identified an additional $49.3 million in refunds associated with potential identity theft returns during Fiscal Year 2024. Since 2017, the partnership has contributed to nearly $277.7 million in protected revenue.

However, opportunities remain to improve fraud detection. The IRS does not always have the information it needs to detect potential fraud patterns before refunds are issued. During the 2024 Filing Season, information returns needed to identify potential fraud were unavailable when millions of returns were filed, including approximately 15 million returns reporting Form 1099-R income and 1 million reporting gambling winnings. These returns claimed more than $49 billion in refunds.

The IRS estimates that accelerating filing deadlines for certain information returns could increase protected revenue by approximately $944 million from Fiscal Years 2025 through 2034. We recommended pursuing legislation to accelerate these filing deadlines, and the IRS agreed with the recommendation.

An Assessment of the IRS's Implementation of the Zero Paper Initiative

Report Number 2026-4S0-025

The IRS estimates that processing approximately 90 million pieces of mail annually costs more than $600 million. In April 2025, the IRS launched the ZPI to modernize tax forms, correspondence, and information return processing to reduce the overhead and cost burden of paper processing. The IRS is implementing the ZPI in phases. However, at the time of our review it had not established key implementation dates or measurable volume-based processing goals.

In September 2025, the IRS awarded 4 volume-based contracts valued at $2.3 billion through mid-September 2030 to support the initiative. From May through December 2025, the IRS focused on 3 tax forms and incurred approximately $9 million in contractor costs. During that period, contractors digitalized 2.2 million of 11.9 million paper returns received for Forms 940, 941, and 1040.

Figure 1: IRS Contractor Expenses from May through December 2025.



Source: IRS provided contractor scanning metrics and invoices.

When the 2026 Filing Season started, only one of the four contractors could scan and extract data from all three tax forms to digitally submit the information to the IRS for processing. Additionally, though the IRS was working on internal enhancements for information returns and correspondence, the contractors were not ready for processing these workstreams. The IRS anticipated that it would begin sending paper correspondence and information returns to the contractors after the 2026 Filing Season.

This review noted that the IRS must overcome challenges, such as consistent long-term funding, contractors that can handle increased volumes, and staffing resources to balance workload demand until efficiencies can be gained. Without addressing these challenges, the IRS's modernization efforts may fall short of expected results.

Interim Results of the 2026 Filing Season

Report Number 2026-400-031

During the 2026 Filing Season, the IRS processed approximately 50.9 million of the 51.5 million individual income tax returns received as of February 2026, with 99 percent filed electronically. The IRS issued 36.5 million refunds averaging $3,742, an increase of $360 from the prior year.

Staffing remained a significant challenge. Submission Processing and Accounts Management filled only 42 percent and 66 percent, respectively, of their approved positions. To mitigate shortages, the IRS temporarily reassigned employees from other functions to assist with amended tax return processing.

Modernization efforts continued, including the ZPI and automation of amended return processing. As of February 2026, contractors scanned more than 76,000 paper-filed returns, and by March 2026, the IRS had systematically processed and adjusted more than 36,000 amended individual returns. Despite these efforts, key processing inventories increased from 1.9 million to 2.4 million returns, reflecting both staffing shortages and delays in programming needed to process paper returns.

The IRS also continued fraud prevention efforts, confirming approximately 19,000 identity theft returns and preventing approximately $139 million in fraudulent refunds, while continuing to issue Identity Protection Personal Identification Numbers to taxpayers.

Agencywide Coordination Could Enhance the IRS's Approach to Nonfilers

Report Number 2026-308-047

The IRS continues to face challenges addressing taxpayers who fail to timely file required tax returns. From Tax Years 2015 through 2022, the number of potential nonfilers increased by 5.9 million as the IRS prioritized other inventories. Nonfilers account for an estimated $63 billion, or 9 percent, of the projected $696 billion gross Tax Gap for Tax Year 2022.

Our review identified opportunities for the IRS to improve its enforcement of high-income nonfilers. As of June 2025, nearly 39,000 cases involving 33,700 taxpayers included in the IRS's most recent high-income nonfiler initiative remained in first-notice status for more than a year, preventing further collection action. Continuing enforcement on these taxpayers could result in secured returns or tax assessments for approximately 10,482 cases involving 9,119 taxpayers and an estimated $321 million in potential additional tax due. After we discussed the issue, the IRS moved the cases out of first-notice status in March 2026.

Additionally, nearly 11,000 nonfiler cases involving 8,900 taxpayers remained unworked in the collection queue as of June 2025. Prioritizing these cases could result in secured returns or tax assessments for approximately 2,962 cases involving 2,399 taxpayers and an estimated $91 million in potential additional tax due.

Improvements to the IRS's Unauthorized Access Program Could Further Protect Taxpayer Privacy

Report Number 2026-300-058

The IRS's unauthorized access (UNAX) program is not adequately addressing the risk of unauthorized access to taxpayers' accounts. Many IRS employees need access to taxpayer account information to perform their jobs. Our review assessed the efficiency and effectiveness of the IRS UNAX program and found deficiencies in the areas of prevention, discipline, and victim notification.

Preventative controls are primarily limited to restricted access by IRS employees to accounts of family or close relations. The IRS does not have a mechanism to prevent or systemically detect access of celebrity tax accounts. We identified 86 irregular accesses involving 30 different taxpayers by 52 employees. The taxpayer records accessed included U.S. government officials, business leaders, and entertainers. We referred the 86 suspicious accesses to our Office of Investigations for further action.

IRS procedures generally provide for an employee's removal if they commit an intentional unauthorized access of tax information without the taxpayer's knowledge and consent. We identified 53 cases in which an employee accessed a taxpayer's account without their knowledge or consent. In 22 (42 percent) of the 53 cases, the employee was not terminated from employment, generally because of the way the IRS applies specific case law factors used to weigh the appropriateness of punishment for such misconduct. In July 2026, the Office of Personnel Management (OPM) and the Merit Systems Protection Board proposed a new rule to stop applying the Douglas Factors to improve the accountability of employees for misconduct.

We also found that the IRS failed to notify 175 taxpayers that their records were accessed by an unauthorized IRS employee. The IRS agreed that these 175 taxpayers should have been notified. Our review also found an additional 101 taxpayers that were not notified because the employee either resigned or retired before disciplinary action was proposed. Currently, the IRS is only required to notify taxpayers when employee discipline is proposed. The IRS agreed to review the legal authorities to determine whether existing law would allow it to notify all taxpayers of confirmed willful UNAX regardless of the employee's discipline or employment status.

Federal Employee and Retiree Trends Show Increased Tax Noncompliance

Report Number 2026-3S0-023

Federal employee and retiree tax noncompliance has steadily increased in recent years. Our review evaluated the IRS's efforts under the Federal Employee/Retiree Delinquency Initiative to address current and retired federal civilian and military employees who fail to file their tax return or fail to pay their required tax liabilities.

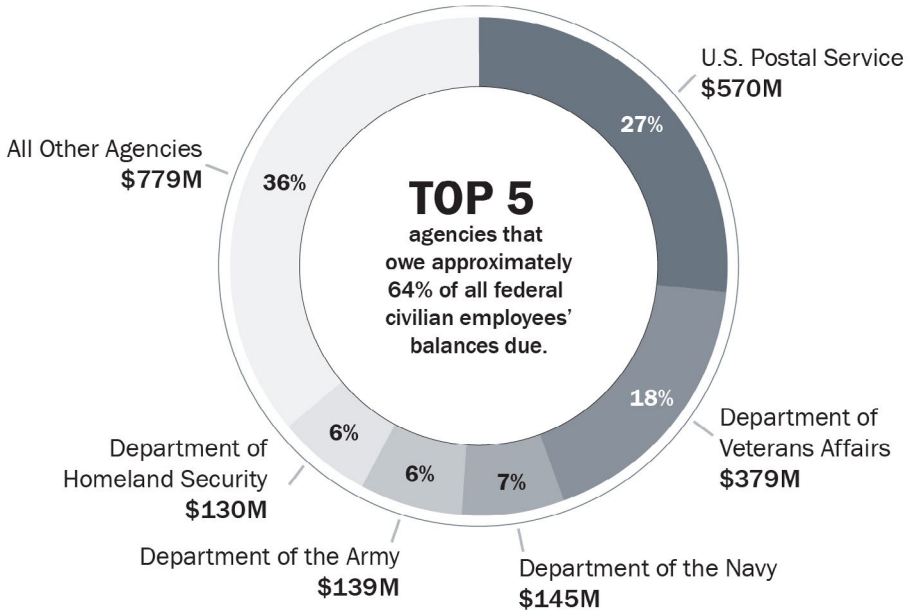
IRS data show that the total balance owed by federal employees and retirees increased by more than $1.5 billion, or 32 percent, between Fiscal Years 2021 and 2024. The increase was partly attributable to the suspension of certain collection programs during the pandemic. The IRS has since resumed one of these programs and anticipates delinquency rates will decrease.

We also identified approximately 50,000 federal civilian employees who failed to file taxes for multiple years. This included 122 taxpayers with 8 or more unfiled returns, whom we referred to IRS Criminal Investigation for review because the Collection function had not done so.

Privacy restrictions generally prevent the IRS from sharing employee-specific tax information with federal agencies, limiting agencies' ability to address employee noncompliance. In May 2025, the IRS and Treasury Department sent approximately 427,000 notices to current and retired federal employees regarding their tax obligations; however, the IRS characterized this as a one-time effort.

To address the growing delinquencies, the IRS should revisit our prior recommendation to coordinate with the Department of the Treasury Office of Tax Policy to consider a legislative proposal to allow the IRS to share essential return information with other federal agencies upon the IRS's identification of a current federal employee who is tax delinquent.

Figure 2: Top 5 Agencies that Owe 64% of all Federal Civilian Employees' Balances Due



Source: Analysis of the IRS's FY 2024 FERDI Annual Report. M=millions.

The Process To Resolve Identity Theft Cases Is Long, Costly, and Frustrating for Taxpayers

Report Number 2026-100-050

The IRS's Identity Theft Victim Assistance (IDTVA) function is responsible for resolving taxpayer identity theft cases, generally within 120 days. However, a significant backlog developed after case receipts nearly quadrupled in FY 2021, resulting in lengthy delays for affected taxpayers.

Although the IRS increased the number of fully trained staff to address the backlog, additional improvements are needed in how cases are assigned and processed. Our review of 114 cases closed during FY 2023 found an average processing time of nearly two years, with much of that time spent awaiting assignment to an assistor. From FY 2023 through 2025, the IRS paid approximately $124.2 million in refund interest associated with IDTVA cases.

We also identified deficiencies in taxpayer communications. In FY 2023, acknowledgment letters were sent for only 33 of the 114 cases reviewed. We estimate that more than 50,000 taxpayers did not receive correspondence providing status updates. Policy changes in FY 2024 further discontinued certain acknowledgment letters, potentially leaving taxpayers unaware that their returns had been flagged for identity theft while cases remained unresolved for an average of nearly 20 months.

The IRS Is Making Payments Easier, but Processing Can Be Improved

Report Number 2026-108-054

The IRS continues efforts to expand and modernize taxpayer payment options in response to the government-wide transition toward electronic payments. These efforts include encouraging greater use of electronic payment methods; working with the Bureau of the Fiscal Service to develop alternatives for taxpayers without bank accounts; and exploring options such as telephone payments, payments made directly with IRS employees, and digital wallets.

Figure 3: Range of Time to Deposit Tax Payments

Calendar Year	3-10 Days	11-20 Days	21-30 Days	More than 30 Days
2018	339K	9K	2K	2K
2019	766K	96K	30K	27K
2020	2M	287K	194K	3M
2021	5M	830K	154K	263K
2022	6M	981K	172K	46K
2023	8M	389K	87K	18K
2024	10M	526K	49K	41K
Total	**33M**	**3M**	**658K**	**3.4M**

Source: Analysis of IRS Masterfile data. (M = millions, K = thousands). Numbers may not add up due to rounding.

However, our review identified significant payment-processing delays and related taxpayer burden. During the filing period from April 15 to April 18, 2025, more than 8 million taxpayers submitted returns with payments, contributing to the backlog in correcting payment errors. As a result, 28,929 taxpayers were erroneously notified that their payments had not been received and that additional payment was required. The IRS plans to implement real-time entity validation in Direct Pay (this is an online tool available on IRS.gov that allows taxpayers to make one-time payments from their bank account without signing in or paying fees) to help prevent similar problems.

We also identified more than 39 million paper and electronic payments totaling more than $580 billion from Calendar Years 2018 through 2024 that took more than 3 days to deposit, despite IRS policy generally requiring deposits within 24 hours. Delays resulted from factors including pandemic-related backlogs and the movement of paper payments from field offices to processing locations.

Untimely payment processing can create incorrect account balances and unnecessary balance-due notices, increasing burden on taxpayers who have already paid their liabilities.

Assess Emerging Issues Impacting America's Tax System

TIGTA's Office of Inspections and Evaluations provides focused and expedited oversight to quickly assess emerging issues impacting tax administration and IRS operations.

Inspections are intended to:

- Provide factual and analytical information.
- Monitor compliance.
- Measure performance.
- Assess the effectiveness and efficiency of programs and operations.
- Share best practices.
- Inquire into allegations of waste, fraud, abuse, and mismanagement.

Evaluations are intended to:

- Provide in-depth reviews of specific management issues, policies, or programs.
- Address government-wide or multi-agency issues.
- Develop recommendations to streamline operations, enhance data quality, and minimize inefficient and ineffective procedures.

The following summaries highlight significant inspections and evaluations completed during this six-month reporting period.

The IRS Has Approved Potentially Ineligible Applicants to be Authorized e-File Providers

Report Number 2026-IE-R006

The IRS Electronic Filing (e-file) Program allows taxpayers to electronically file returns through authorized providers. To participate, authorized provider applicants must meet eligibility requirements and pass suitability checks before receiving an Electronic Filing Identification Number. Responsible Officials associated with e-file applications must meet citizenship, age, and applicable licensing requirements, and some are required to complete fingerprint checks for criminal activity.

From January 2022 through March 2025, the IRS accepted approximately 116,000 e-file provider applications. We reviewed a statistical sample of 138 Responsible Officials associated with accepted applications and found that 14 (10 percent) had unresolved suitability issues:

- 8 had tax compliance issues (for example, they did not file tax returns for one or more periods).
- 5 had criminal history concerns that were not properly researched or addressed.
- 1 applicant's citizenship status was not verified.

We also identified 67 IRS employees listed as Responsible Officials on e-file applications. IRS employees are prohibited from engaging in outside employment activities that involve preparing tax returns for compensation, gift, or favor. These employees filed approximately 3,900 returns after they began working for the IRS.

We made five recommendations to the IRS to improve the suitability reviews of e-file providers. The IRS agreed with four recommendations and partially agreed with one.

The IRS Provided Addresses for Nearly 47,000 Persons to Immigration and Customs Enforcement

Report Number 2026-IE-R010

We initiated this evaluation after the U.S. Department of Homeland Security (DHS), on behalf of the U.S. Immigration and Customs Enforcement (ICE), entered into a data-sharing Memorandum of Understanding with the U.S. Department of the Treasury on behalf of the IRS. This agreement was signed in April 2025 and established requirements for ICE to submit valid requests to the IRS for addresses of individuals subject to criminal investigation under 8 U.S.C. § 1253 (a)(1) or other specifically designated nontax federal criminal statutes.

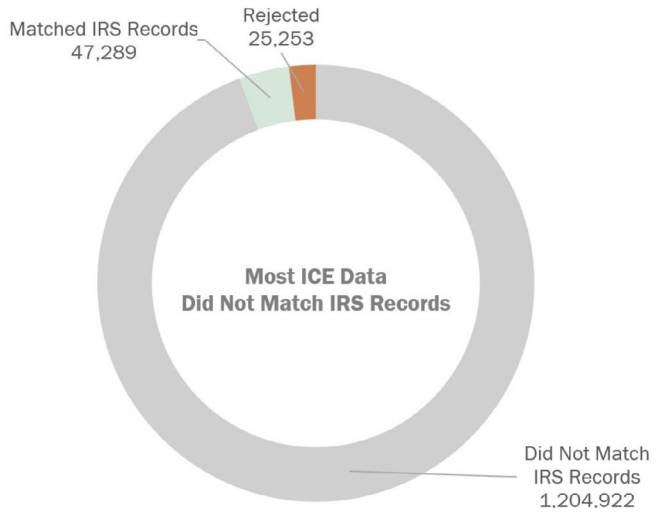
Before releasing address information on individual taxpayers, the IRS developed an automated process to match ICE data to IRS records. However, the criteria were unable to identify and match the records accurately and consistently.

In June 2025, ICE requested address information for more than 1.2 million records from the IRS. Of that number, the IRS provided ICE with last known address information for approximately 47,000 individuals. The IRS encountered challenges due to the lack of uniformity in the formatting of ICE data. The criteria that the IRS created used exact matching in some areas. For example, slight variations in the name and address fields resulted in the IRS not providing current address information to ICE for cases that may have been a match.

We also found that ICE did not meet safeguarding standards prior to signing the data-sharing agreement. The IRS performs a safeguard review of an agency receiving federal tax information and then issues a Safeguard Review Report with findings to the agency. Our review of the report for ICE found that findings remained open at the time of the data transfer.

We made no recommendations, but shared security findings with the DHS Office of Inspector General (OIG).

Figure 4: Breakdown of IRS Data Shared With ICE



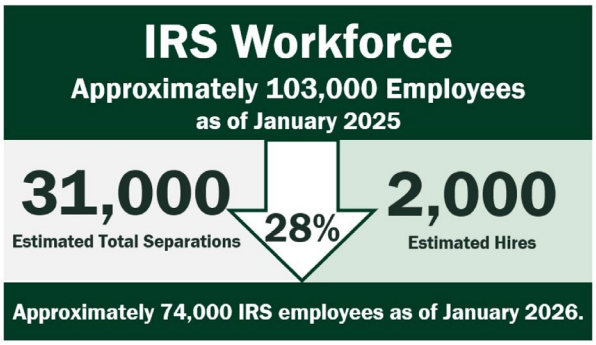
Source: Statistical output data from the IRS's response to the June 2025 ICE request.

Snapshot Report: Status of the IRS's Workforce as of January 2026

Report Number 2026-IE-R009

As part of efforts to reduce the federal workforce, the IRS offered several voluntary separation programs, including the Deferred Resignation Program (DRP), Voluntary Early Retirement Authority, and Voluntary Separation Incentive Payment. Many employees who accepted these offers received pay through September 30, 2025, or later if they were eligible to retire between October 1 and December 31, 2025.

Figure 5: IRS Workforce between January 2025 and January 2026



Source: IRS provided data.

IRS records show that 31,273 employees separated, accepted a DRP offer, or used another incentive to leave the agency between January 2025 and January 2026. These departures represent about 30 percent of the IRS workforce. The IRS also backfilled select positions and hired about 2,000 employees as of January 2026, resulting in a net staffing reduction of 28 percent.

The reductions impacted certain IRS business units and positions (job series) more than others. For example, approximately 33 percent of revenue agents and approximately 32 percent of tax examiners separated from the IRS. Revenue agents conduct examinations (audits) by reviewing financial records of individuals and businesses to verify what is reported. Tax examiners review and process federal tax returns to ensure compliance and accuracy.

This report was informational only. We made no recommendations.

The IRS Cannot Readily Identify All Federal Tax Information Data-Sharing Agreements

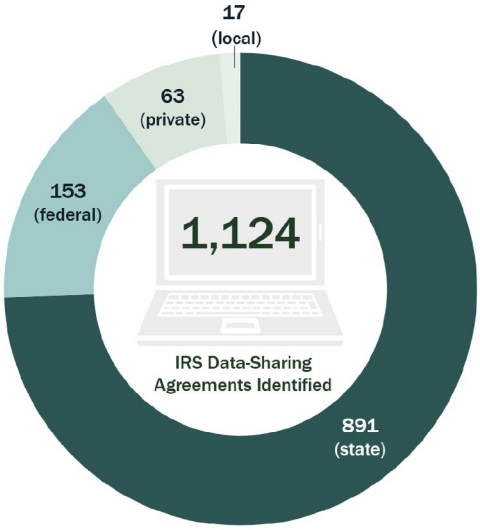
Report Number 2026-IE-R007

We initiated this evaluation in response to congressional interest in identifying which external organizations have access to federal tax information (FTI). Under I.R.C. § 6103, the IRS may disclose FTI to certain federal, state, and local agencies for tax administration and other authorized purposes through data-sharing agreements.

We identified 1,124 known data-sharing agreements between the IRS and external organizations that receive FTI, most of which support state and local tax administration. All states and territories have agreements, with Ohio having the most (42) and Nevada the fewest (4).

We found that the IRS cannot readily identify all data-sharing agreements or contracts with external organizations

Figure 6: IRS Data-Sharing Agreements by Industry Sector



Source: IRS provided data.

receiving FTI because it lacks a centralized database. As of March 2026, the Privacy, Governmental Liaison and Disclosure (PGLD) office tracked 1,094 of its 1,124 agreements (97 percent) in its Governmental Liaison Agreement Library. However, the PGLD was unaware of all data-sharing agreements that other IRS business units initiated and developed. We found 30 additional FTI-related agreements that other IRS business units established.

We recommended that the IRS create a centralized database to store information on all data-sharing agreements and contracts, and reminded all IRS business units to engage with the PGLD when developing FTI data-sharing agreements with government agencies. The IRS agreed with all recommendations.

More Controls Could Help Prevent Unauthorized Access to Taxpayer Information

Report Number 2026-IE-R013

Unauthorized access can lead to the disclosure of taxpayer information, which undermines public trust in the IRS's ability to protect confidential tax information. In 2023, an IRS contractor admitted to accessing a database to collect tax return information on thousands of the nation's wealthiest individuals. Our 2024 report examined how the IRS grants access to and safeguards FTI maintained on various information technology systems. This evaluation was a follow-up review.

We found that approximately 17,000 of the nearly 21,500 IRS employees on administrative leave retained access to the IRS network (as of June 2025). These employees were on administrative leave because they accepted the DRP offer. Additionally, more than 14,000 of the nearly 21,500 employees kept access to one or more sensitive systems. Since these employees were placed on administrative leave, they did not have a business reason to retain this access.

Furthermore, some of these individuals could have accessed IRS facilities or systems because the IRS did not initially have a policy to collect or disable Personal Identity Verification (PIV) cards of employees on administrative leave. PIV cards are federal government-issued identification cards that allow access to secure facilities and are used to access information systems and networks.

We made six recommendations to help ensure that IRS employees without a business need do not retain access to the IRS's network or sensitive systems. The IRS agreed with five recommendations and partially agreed with one.

Snapshot Report: The IRS's Inflation Reduction Act Spending Through March 31, 2026

Report Number 2026-IE-R014

The IRS initially received $79.4 billion in supplemental funding when the Inflation Reduction Act of 2022 (IRA) was signed into law in August 2022. By March 2026, Congress had subsequently reduced IRA funding by $53.4 billion. As a result, total IRA funding available to the IRS through September 30, 2031, now stands at $26 billion.

As of March 31, 2026, the IRS has spent approximately $16.5 billion in IRA funding (64 percent of current funding). In addition to the amounts shown on the graphic, the IRS spent approximately $11.6 million in FY 2023 for the direct e-file tax return study, which is included in the total amount spent.

The IRS reported that the largest IRA expenditures were for:

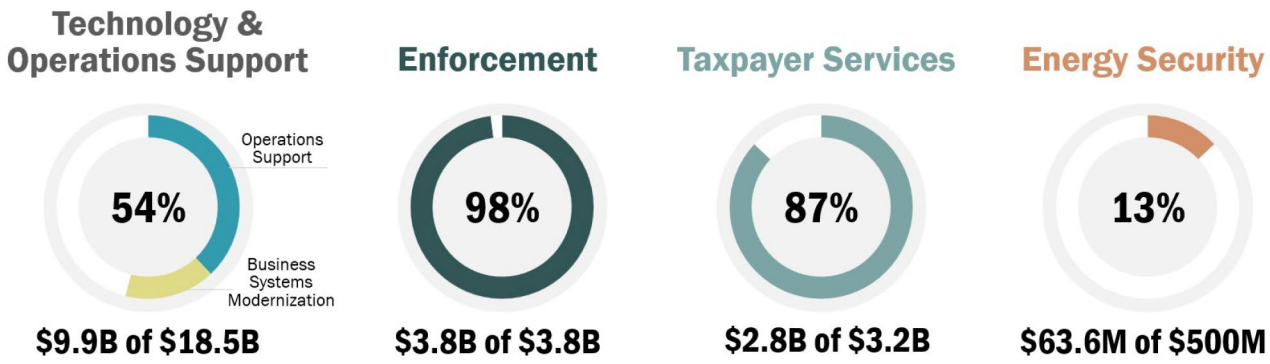
- employee compensation (*i.e.*, pay/benefits) totaling approximately $7.7 billion
- contractor advisory and assistance services totaling approximately $5.4 billion

During the first half of FY 2026 (October 1, 2025, through March 31, 2026), the IRS spent approximately $787 million in IRA funding (excluding prior year obligation adjustments).

In addition, as of March 31, 2026, the IRS canceled 167 IRA-related contracts. For these contracts, the IRS had already paid out $784 million before the contracts were terminated and is holding an additional $8 million in unliquidated obligations for costs that have been incurred but not paid. By canceling these contracts, the IRS reduced the obligations for those contracts by $127 million.

Our report was informational only. We made no recommendations.

Figure 7: Cumulative IRA Expenditures for the IRS Through March 2026



Source: The Integrated Financial System report provided by the IRS Office of the Chief Financial Officer.

Protect the Integrity of Tax Administration

TIGTA is statutorily mandated to protect the integrity of federal tax administration. We accomplish this mission through the investigative work conducted by the Office of Investigations. Through its investigative programs, we protect the integrity of the IRS and its ability to collect revenue owed to the federal government by investigating criminal and civil law violations that adversely impact federal tax administration, as well as administrative misconduct by IRS employees.

EMPLOYEE INTEGRITY: Foster accountability and protect public trust.

Investigative Focus: Allegations involving IRS employees who may misuse their position or fail to meet legal or ethical standards.

EMPLOYEE AND INFRASTRUCTURE SECURITY: Protect IRS personnel, safeguard information, and ensure IRS operations function safely.

Investigative Focus: Threats to IRS employees, facilities, and systems.

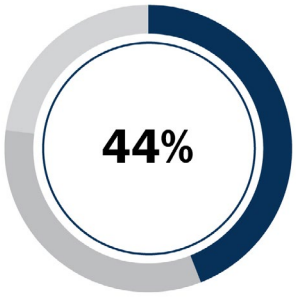
EXTERNAL ATTEMPTS TO CORRUPT TAX ADMINISTRATION: Protect taxpayers and preserve the integrity of tax administration.

Investigative Focus: Individuals or organizations seeking to defraud, bribe, impersonate, or unlawfully influence IRS operations.

The following summaries highlight significant investigations completed during this six-month reporting period and the following facts in the summarized case narratives come from court documents of the jurisdictions named.

Employee Integrity

For our country's tax system to operate successfully, taxpayers must have confidence in the fair and impartial administration of federal tax laws and regulations. IRS employee misconduct can erode the public's trust and impede the IRS's ability to effectively enforce tax laws. Employee misconduct can take many forms, such as the misuse of IRS resources or authority; theft; fraud; extortion; taxpayer abuse; unauthorized access to, and disclosure of, tax returns and return information; and identity theft.



Employee Integrity

IRS Employee Sentenced for Use of Fraudulent IRS Tax Forms to Defraud Banks

In August 2026, in the Northern District of Mississippi, Tierra Scott was sentenced to one year and a day imprisonment for aiding and abetting wire fraud. After imprisonment, Scott will have supervised release for 5 years and must pay $206,000 in restitution. Scott was an IRS employee in Memphis, Tennessee. Working with two coconspirators, Scott devised a scheme to file fraudulent Economic Injury Disaster Loan (EIDL) applications and agreements. EIDL was a Small Business Administration program that provided low-interest financing to small businesses, renters, and homeowners in regions suffering the economic impacts of the COVID-19 pandemic.

Scott submitted a false and fraudulent EIDL application that overstated business income to obtain a larger loan amount and claimed the fictitious business had operated in the previous 12 months. Scott's EIDL loan application included a fraudulent IRS Schedule C (Form 1040), *Profit or Loss from Business*, and tax return for the year 2019 that grossly overstated her actual business income. Scott received $206,000 in EIDL funds and paid her coconspirators $45,000. The submission of the loan application and receipt of the EIDL funds involved transmission by means of wire communications in interstate commerce.

IRS Employee Sentenced for Her Role in Fraudulent Tax Preparation Scheme

In August 2026, in the Southern District of Ohio, Mykesha Smith was sentenced to one year, one day imprisonment and three years of supervised release for wire fraud. Smith was ordered to pay $46,257 in restitution.

Smith was an IRS tax examining technician and could not receive compensation for tax preparation. According to court documents, Smith prepared tax returns for compensation under the business name, "Smith Tax Empire." Smith prepared and filed EIDL and Paycheck Protection Program (PPP) loan applications on behalf of others that were false and fraudulent. Smith would over-inflate the total amount of gross income and revenues claimed in the loan applications. Smith applied for at least 25 PPP and 60 EIDL loans on behalf of herself and other individuals seeking over $1.7 million.

Internal Revenue Service Employee's Fraudulent Tax Forms Amass $95,459 in Refunds

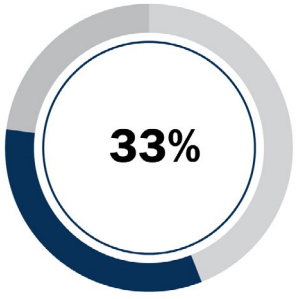
In July 2026, in the Eastern District of California, Maricella Salinas pled guilty to aiding or advising false income tax returns. As part of the plea, Salinas agreed to pay full restitution to the IRS in the amount of $95,459.

Salinas was employed with the IRS Wage and Investment Division. She aided taxpayers in the preparation of at least 20 fraudulent Form 1040s, *U.S. Individual Income Tax Return*. These forms included falsified information such as business losses, business expenses, the filing status of couples, and childcare credits. Salinas caused an overpayment in returns to taxpayers in the amount of $95,459.

At sentencing, Salinas could receive a maximum sentence of 3 years imprisonment, a fine of $250,000, and 1 year of supervised release.

Employee and Infrastructure Security

Threats and assaults directed at IRS employees, facilities, and infrastructure impede the effective and safe administration of the federal tax system and the IRS's ability to collect tax revenue. TIGTA receives referrals of threats, assaults, and forcible interference against IRS employees performing their



Employee and Infrastructure Security

official duties. Our special agents are statutorily mandated to provide physical security (*i.e.* "armed escorts"), to IRS employees who have face-to-face contact with taxpayers who may pose a danger.

Georgia Man Sentenced to Prison for Interstate Threats to Kill a Law Enforcement Officer

In April 2026, in the Middle District of Florida, Stephane Brice was sentenced to 27 months in federal prison for interstate transmission of threats to assault and kill a federal law enforcement officer.

According to court documents, in March 2025, Brice called the IRS to complain about a tax refund issue. During the call, Brice grew frustrated and threatened to go to the IRS office and kill and behead IRS employees. The following day, a federal law enforcement officer contacted Brice as part of an investigation into his threats. During the contact, Brice began shouting profanity-laced threats to behead the federal law enforcement officer and burn down his house with his children inside.

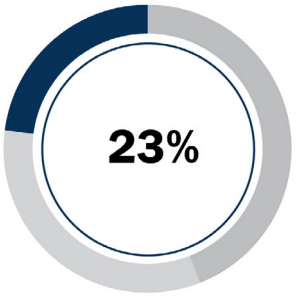
Man Threatens to Kill IRS Employees

In July 2026, in the Western District of Pennsylvania, a criminal information was filed against Dale Ankney for influencing, impeding or retaliating against a federal law enforcement officer by threat. According to court documents, Ankney advocated acts of violence against IRS employees via Facebook and in person. In March 2026, Ankney posted, "KILL any and all IRS agents that comes to the door of a GOOD CITIZEN that's not in debt like the government. Get who's not paying their fair shair first [*sic*]."

If convicted, Ankney could receive up to 10 years' imprisonment, a fine not to exceed $250,000, and 3 years' supervised release.

External Attempts to Corrupt Tax Administration

Individuals who attempt to corrupt or otherwise interfere with the IRS through various schemes and frauds adversely impact the IRS's ability to collect revenue. TIGTA investigates individuals and organizations that attempt to exploit IRS programs or systems for personal gain or to facilitate fraud against the government. TIGTA works closely with the DOJ and other law enforcement partners to pursue criminal prosecution of individuals who attempt to corrupt federal tax administration.



External Attempts to Corrupt Tax Administration

Maryland Man Stole Over $230,000 in Tax Refund Checks

In September 2026, in the Northern District of West Virginia, Tijuan Arrington pled guilty to conspiracy to commit wire fraud.

According to court documents, Arrington obtained U.S. Department of the Treasury checks that had been legitimately issued to real entities or individuals. As part of the conspiracy, Arrington submitted applications to the IRS via the Modernized Internet Employer Identification Number (EIN) portal. The applications were processed at an IRS facility in Martinsburg, West Virginia, to obtain EINs for entities similarly named to those on the stolen U.S. Treasury checks. These EINs were used to open bank accounts in the name of imposter businesses. Arrington and his coconspirators deposited the checks then rapidly withdrew funds by various means before the financial institutions detected fraud.

At sentencing, Arrington could receive up to 20 years' imprisonment. The federal government is seeking forfeiture of a luxury vehicle and over $180,000 in restitution.

Hawaii Man Sentenced for Tax Fraud Scheme

In April 2026, in the District of Hawaii, Michael Chock was sentenced to nine months imprisonment followed by three years of supervised release for conspiracy to defraud the United States. Chock must pay $39,791 in restitution.

According to court documents, Chock and his coconspirators filed federal income tax returns with the IRS that claimed fraudulent refunds based on false tax withholdings. The IRS paid Choke, then sought to recover the tax refund. In response, the defendant mailed frivolous letters to the IRS to stop collections.

Woman Steals over $100,000 from the U.S. Department of the Treasury

In June 2026, in the District of Idaho, Dianna Johnson was sentenced to time served and five years of supervised release for bank fraud. The court ordered Johnson to pay $109,657.31 in restitution to the financial institutions.

According to court records, Johnson obtained three stolen U.S. Department of the Treasury checks totaling $109,657.31. Two checks were federal tax refund payments. Johnson deposited the checks, which had been altered to show herself as the payee, into bank accounts she held at two financial institutions. Johnson quickly withdrew the funds, mostly by cash withdrawals, purchase of cashier's checks, transfers to other bank accounts, and CashApp transactions.

Investigations Statistical Reports

Significant Investigative Achievements

External Allegations Received by TIGTA	
Total Allegations Received	2,937
Allegations Accepted by TIGTA	
Allegations Accepted Against IRS Employees	855
Allegations Accepted Against Non-IRS Employees	749
Allegations Involving a Yet to Be Identified Subject	52
Total Complaints/Allegations	1,656
Status of Allegations Received by TIGTA	
In Process Within TIGTA[3]	633
Referred to IRS for Action	624
Closed	399
Total Allegations	1,656
Full Investigations Opened and Closed	
Total Investigations Opened	486
Total Investigations Closed	461
Financial Accomplishments	
IRS Assets and Resources Protected Against Malicious Loss	$3,265,439
Court-Ordered Fines, Penalties, and Restitution	$87,552,253
Funds and Property Recovered During Investigative Activities	$7,387,914
Tax Liability of Taxpayers Who Threaten and/or Assault IRS Employees	$66,171,786
Total Financial Accomplishments	$164,377,392

3 Complaints for which final determination had not been made at the end of the reporting period.

Status of Closed Criminal Investigations			
Criminal Referral	Employee	Non-Employee	Total
Referred – Accepted for Prosecution	4	224	228
Referred – Declined for Prosecution	291	198	489
Referred – Pending Prosecutorial Decision	24	192	216
Total Criminal Referrals[4]	319	614	933
Criminal Dispositions[5]			
Criminal Disposition	Employee	Non-Employee	Total
Guilty (convicted)	0	5	5
Guilty (plea)	2	126	128
Nolo Contendere (no contest)	0	1	1
Pretrial Diversion	0	1	1
Deferred Prosecution[6]	1	0	1
Not Guilty	0	0	0
Acquitted	0	0	0
Dismissed	1	0	1
Total Criminal Dispositions	4	133	137
Administrative Dispositions on Closed Investigations[7]			
Removed/Terminated			40
Suspended/Reduction in Grade			40
Resigned/Retired/Separated Prior to Adjudication			80
Oral or Written Reprimand/Admonishment			41
Clearance Letter/Closed, No Action Taken			84
Alternative Discipline/Letter With Cautionary Statement/Other			115
Non-Employee Actions[8]			307
Total Administrative Dispositions			707

Source: TIGTA Investigations Case Management Systems.

4 Criminal referrals include both federal and state dispositions.

5 Final criminal dispositions during the reporting period. This data may pertain to investigations referred criminally in prior reporting periods and do not necessarily relate to the investigations identified as referred criminally in the previous Status of Closed Criminal Investigations table. This table does not include investigations whose existence is protected from disclosure by I.R.C. § 6103.

6 Generally, in a deferred prosecution, the defendant accepts responsibility for their actions and complies with certain conditions imposed by the court. Upon the defendant's completion of the conditions, the court dismisses the case. If the defendant fails to fully comply, the court reinstates prosecution of the charge.

7 Final administrative dispositions during the reporting period. This data may pertain to investigations referred administratively in prior reporting periods and do not necessarily relate to the investigations identified as closed in the Investigations Opened and Closed table.

8 Administrative actions taken by the IRS against non-IRS employees.

Summary of Investigative Reports and Criminal Referrals

Criminal Referral Breakdown	
Number of Investigative Reports Issued	**926**
Referred to the DOJ for Criminal Prosecution	875
Referred to State/Local Prosecuting Authorities	51
Total Indictments and Criminal Informations	**210**
Indictments	163
Criminal Informations	47

Source: TIGTA Investigations Case Management Systems.

Summary of Activity Relating to Complaints of Human Trafficking

In accordance with the Trafficking Victims Prevention and Protection Reauthorization Act of 2022 (Public Law 117-348) TIGTA is required to report on its human trafficking investigations.

Activity Relating to Complaints of Human Trafficking	
Number of Suspected Violations Reported	0
Number of Investigations	0
Status of Investigations	N/A
Outcome of Investigations	N/A
Recommendations to improve the programs and operations	None

Source: TIGTA Investigations Case Management Systems.

Closed Investigations Involving IRS Senior Government Employees[9]

Detailed Description of the Facts and Circumstances of the Investigation	Disposition	Criminal Status	Date Referred	If Declined, Date of Declination
Two senior government officials were allegedly engaged in contract fraud.	Never referred	N/A	N/A	N/A
A senior government official allegedly attempted to send sensitive data to an external email address.	Clearance letter	N/A	11/26/2025	N/A
A senior government official allegedly sent sensitive data to an external email address.	Oral/Written Counseling	N/A	11/27/2025	N/A
A senior government official allegedly sent sensitive data to an external email address.	Oral/Written Counseling	N/A	2/5/2026	N/A
A senior government official allegedly attempted to send sensitive data to an external email address.	Oral/Written Counseling	N/A	3/25/2026	N/A
Two senior government officials were allegedly to have violated Whistleblower Protection rights.	Never referred	N/A	N/A	N/A
A senior government official allegedly threatened another employee.	No action taken	N/A	7/7/2026	N/A
A senior government official allegedly accessed sensitive tax information of a high profile taxpayer.	Never referred	N/A	N/A	N/A
A senior government official allegedly accessed sensitive tax information of a high profile taxpayer.	Never referred	N/A	N/A	N/A
A senior government official allegedly engaged in contract fraud.	Employee resigned prior to adjudication	N/A	11/5/2025	N/A
A senior government official allegedly had outside employment without authorization.	Closed without adjudication	N/A	3/9/2026	N/A
A senior government official allegedly engaged in rude and unprofessional misconduct.	Never referred.	N/A	N/A	N/A
A senior government official allegedly threatened another employee.	Closed without action	N/A	11/26/2025	N/A
A senior government official allegedly engaged in contract fraud.	Employee resigned prior to adjudication	N/A	3/30/2026	N/A

9 When TIGTA refers an IRS employee investigation to the IRS, the investigation remains open until all actions are completed, including any penalty imposed upon the employee by the IRS. TIGTA closes an employee investigation after receiving notice from the IRS of the administrative action taken in response to that investigation. For this report, a "senior government employee" refers to an officer or employee in the Executive Branch who occupies a position classified at or above GS-15 of the General Schedule, 5 U.S.C. § 405(a)(6). This table does not include investigations whose existence is protected from disclosure by I.R.C. § 6103.

Interference/Access to Information

During the reporting period, there were no attempts by the IRS to interfere with the independence of TIGTA. Additionally, the IRS did not resist, object to oversight activities, or significantly delay access to information.

Instances of Whistleblower Retaliation

During the reporting period, there were no investigations regarding whistleblower retaliation.

Suspension and Debarment

Suspension and debarment are administrative remedies used to prevent the U.S. government from working with parties who have engaged in criminal or other improper conduct. Suspension and debarment are applicable to organizations and persons who are or may conduct business or transactions with the U.S. government. The following table provides the status of TIGTA cases with Treasury's Office of Procurement Executive, which handles acquisition, contracting, and suspension and debarment programs, from April 1, 2026, to September 30, 2026.

Suspension and Debarment Referrals

	Referred	Pending	Suspended	Debarred	Declined
Office of Investigations	0	6	0	0	0

Reports with Unimplemented Corrective Actions

The Inspector General Act requires that we identify any recommendations described in previous semiannual reports, including the potential cost savings of those recommendations for which corrective actions have not been completed. The following is a list of audit and evaluation reports with unimplemented corrective actions. The list is based on information from the Treasury Department's Joint Audit Management Enterprise System. Visit our Reports section on TIGTA.gov to obtain more details about the recommendations.

Revising Tax Debt Identification Programming and Correcting Procedural Errors Could Improve the Tax Refund Offset Program

Recommendation 1
Rep. No. 2016-40-028; March 2016

Improvements Are Needed to Ensure That Tax Accounts on the Automated Non-Master File Are Accurately Processed

Recommendation 1
Recommendation 2 - Potential Increased Revenue: $354,153
Rep. No. 2017-40-037; May 2017

Actions Are Needed to Reduce the Risk of Fraudulent Use of Employer Identification Numbers and to Improve the Effectiveness of the Application Process

Recommendations 3 and 9
Rep. No. 2018-40-013; February 2018

Improvements Are Needed in the Withholding Compliance Program

Recommendation 5
Rep. No. 2018-30-072; September 2018

Additional Actions Are Needed to Further Reduce Undeliverable Mail

Recommendation 2
Rep. No. 2019-40-074; September 2019

Improvements Are Needed to Ensure That Consistent Suitability Checks Are Performed for Participation in Internal Revenue Service Programs

Recommendation 9
Rep. No. 2020-40-005; November 2019

Security Controls Over Electronic Crimes Labs Need Improvement

Recommendations 1 and 3
Rep. No. 2021-20-003; December 2020

Expansion of Self-Correction for Electronic Filers and Other Improvements Could Reduce Taxpayer Burden and Costs Associated With Tax Return Error Resolution

Recommendation 6
Rep. No. 2021-40-008; December 2020

************Platform Management Needs Improvement**[10]

Recommendation 5
Rep. No. 2021-20-063; September 2021

Increased Availability of Tax Resources and Information for Limited English Proficient and Visually Impaired Taxpayers Has Enhanced Assistance, but Additional Improvements Are Needed

Recommendation 8
Rep. No. 2022-40-008; December 2021

10 Redaction due to subject matter that might create a risk of circumvention of the law if publicly released.

Program and Organizational Changes Are Needed to Address the Continued Inadequate Tax Account Assistance Provided to Taxpayers

Recommendations 11 and 18
Rep. No. 2022-46-027; March 2022

Physical Security Controls at the ******************[11]**

Recommendations 1, 5, and 6
Rep. No. 2023-IE-R001; October 2022

Plans Were Made to Implement the Taxpayer Experience Strategy, but Progress Is Not Monitored

Recommendation 1
Rep. No. 2023-15-028; May 2023

Recurring Identification Is Needed to Ensure That Employers Full Pay the Deferred Social Security Tax

Recommendation 2
Rep. No. 2023-46-030; May 2023

Review of the IRS's Process to Perform Mandatory Annual Examinations of Presidential Returns for Tax Years 2000 Through 2021

Recommendations 1, 2, 4, and 5
Rep. No. 2023-IE-R011; September 2023

The Internal Revenue Service Has Experienced Challenges in Transitioning to Electronic Records

Recommendations 1 and 2
Rep. No. 2023-10-050; September 2023

The Enterprise Physical Access Control System Implementation and Physical Security Controls Need Improvement

Recommendation 3
Rep. No. 2023-20-062; September 2023

Improvements Are Needed to Ensure the Health and Safety of Employees at the C-site

Recommendations 5, 6, 11, and 16
Rep. No. 2024-IE-R006; December 2023

Interim Evaluation – Assessment of the IRS's Comprehensive Facilities Security Review and Employee Safety and Security Measures

Recommendations 1 and 9
Rep. No. 2024-IE-R004; January 2024

The IRS Does Not Have Specific Plans to Replace and Decommission Legacy Systems

Recommendation 1
Rep. No. 2024-200-038; August 2024

The IRS Has Made Limited Progress Developing the Methodology to Comply With the Treasury Directive to Not Increase the Audit Rate for Taxpayers With Incomes Below $400,000 Due to Planning and Implementation Challenges

Recommendation 4
Rep. No. 2024-308-043; August 2024

Customer Satisfaction Survey Results Are Not Used Effectively to Improve Taxpayer Service

Recommendations 4, 6, and 7
Rep. No. 2024-100-053; September 2024

Security Vulnerability Management and Configuration Compliance of a General Support System and Major Application Need Improvement

Recommendation 6
Rep. No. 2024-200-057; September 2024

Improvements Are Needed to Ensure Oversight of and Increase Participation in the Free File Program

Recommendation 7
Rep. No. 2024-400-067; September 2024

Final Evaluation - Assessment of the IRS's Comprehensive Facilities Security Review and Employee Safety and Security Measures

Recommendation 1
Rep. No. 2025-IE-R004; November 2024

The Tax Offset Program Continues to Allow Millions of Dollars to Be Erroneously Refunded to Taxpayers

Recommendation 6
Rep. No. 2025-400-002; December 2024

The IRS Lacks Authority to Independently Verify That Low Income Taxpayer Clinic Grant Recipients Are Meeting Eligibility Requirements

Recommendations 2
Rep. No. 2025-100-005; January 2025

11 Redaction due to subject matter that might create a risk of circumvention of the law if publicly released.

The Taxpayer Advocate Service Office of Systemic Advocacy Needs to Improve Program Oversight to Ensure Taxpayer Problems Are Effectively Identified and Resolved

Recommendations 1, 5, 7, and 11
Rep. No. 2025-300-006; February 2025

Improvements Are Required to Promptly Validate and Issue Manual Refunds Associated With Deceased Taxpayers

Recommendations 5 and 6
Rep. No. 2025-IE-R012; March 2025

Inflation Reduction Act: Contract Performance Oversight and Compliance With Expenditure Restrictions Need Improvement

Recommendation 1
Rep. No. 2025-208-008; March 2025

Systems Hosting Sensitive Data Lack Consistent Inventory Standards

Recommendation 4
Rep. No. 2025-200-009; March 2025

Consistent Guidance Could Improve Delivery of Payments and Returns Intended for IRS Lockbox Sites

Recommendation 1
Rep. No. 2025-IE-R015; April 2025

Actions Need to Be Taken to Improve Services Provided at Taxpayer Assistance Centers

Recommendation 6
Rep. No. 2025-108-017; April 2025

Limited Progress Has Been Made Expanding the Use of Electronic Signature Services on Non-Tax Forms

Recommendation 1
Rep. No. 2025-208-023; May 2025

Further Improvements Are Needed to Strengthen the Controls for Issuing Employer Identification Numbers

Recommendations 1, 3, 4, 5, 6, 7, 8, 9, and 10
Rep. No. 2025-400-036; July 2025

Fiscal Year 2025 Statutory Review of Compliance With Legal Guidelines When Issuing Levies

Recommendation 2
Rep. No. 2025-300-042; September 2025

The Infrastructure Supporting the Big Data Analytics Platform Has Overdue and Unresolved System Vulnerabilities

Recommendations 1 and 2
Rep. No. 2025-200-038; September 2025

Recovery Rebate Credit Payments Were Issued to 300,000 Ineligible Taxpayers

Recommendation 1 – Potential Funds Put to Better Use: $130,690,775
Rep. No. 2026-406-007; February 2026

More Than 99 Percent of Deceased Taxpayers' Accounts Are Accurately Locked

Recommendation 2
Rep. No. 2026-400-004; February 2026

The IRS Has Yet to Develop a Successful Strategy for Examining Large Partnership Returns

Recommendations 1 and 2
Rep. No. 2026-308-011; March 2026

The IRS Has Made Limited Progress Implementing Zero Trust Data Principles

Recommendations 1 and 2
Rep. No. 2026-208-013; March 2026

SharePoint Online Access and Security Controls Need Improvement

Recommendations 3 and 4
Rep. No. 2026-200-010; March 2026

Assessment of the IRS's Individual Taxpayer Identification Number Program

Recommendation 1 – Potential Funds Put to Better Use: $3,934,002
Recommendation 2
Rep. No. 2026-400-016; March 2026

Telework Decreased After the Return to In-Person Work Directive, but the IRS Will Face Challenges Monitoring Compliance

Recommendation 2
Rep. No. 2026-IE-R004; March 2026

Appendix I

Inspector General Act Required Reporting

The Inspector General Act requires Inspectors General (IG) to address the following matters.

Topic	Results for the Reporting Period Ending September 30, 2026
Summary of Instances Where Information Was Refused	None to report.
No Management Decisions for Reports Issued in a Prior Reporting Period	TIGTA received no management decisions during the current reporting period for reports issued in a prior reporting period.
Significant Management Decisions That Were Revised During the Reporting Period	TIGTA received no management decisions during the current reporting period for reports issued in a prior reporting period.
Significant Management Decisions With Which the IG Disagreed	No significant management decisions with which the IG disagreed.
Summaries of Each Audit, Inspection & Evaluation Report For Which No Comment Received Within 60 Days and Outstanding Unimplemented Recommendations	None to report.
Instances and Reasons When an Agency Has Not Met the Intermediate Target Dates in the Remediation Plan	None to report.
Interference/Access to Information	There were no attempts to interfere with TIGTA's independence.
Disclosure	No TIGTA reports were closed and not disclosed to the public.
Review of Legislation and Regulations	TIGTA's Office of Chief Counsel reviewed 233 proposed regulations and legislative requests during the reporting period.

Appendix II

Statutory Reviews

The following table reflects the FY 2026 statutory reviews.

Reference to Statutory Coverage	
Explanation of the Provision	**Comments/TIGTA Audit Status**
Enforcement Statistics I.R.C. § 7803(d)(1)(A)	
Requires TIGTA to evaluate the IRS's compliance with restrictions under RRA 98 § 1204 on the use of enforcement statistics to evaluate IRS employees.	**Rep. No. 2026-300-046; September 2026** TIGTA found instances of noncompliance with three subsections of the RRA 98 § 1204 requirements. The violations of these provisions include 15 instances of noncompliance associated with the use of Records of Tax Enforcement Results (ROTERs) in the Large Business and International (LB&I) Division's performance evaluations (RRA 98 § 1204(a)), 14 instances of noncompliance in the LB&I Division where management failed to either maintain the retention standard documentation or ensure that it was appropriately signed (RRA 98 § 1204(b)), and 3 instances in which 3 LB&I Division managers did not complete at least 1 Fiscal Year 2025 quarterly certification and did not have a reasonable explanation (RRA 98 § 1204(c)).
Restrictions on Directly Contacting Taxpayers I.R.C. § 7803(d)(1)(A)(ii)	
Requires TIGTA to evaluate the IRS's compliance with restrictions under I.R.C. § 7521 on directly contacting taxpayers who have indicated they prefer their representatives be contacted.	**Rep. No. 2026-300-048; August 2026** TIGTA interviewed 4 managers and 18 employees from the Small Business/Self-Employed Division's Field Collection function to evaluate their understanding of direct contact provisions and found that employees largely complied with taxpayers' rights under I.R.C. § 7521(c). However, TIGTA identified inconsistent understanding of procedures involving taxpayer-initiated contact, taxpayers' right to audio record in-person interviews related to the determination or collection of tax, and authorization coverage for additional tax periods. For example, 8 employees did not correctly explain procedures for responding to taxpayer voicemails, 10 employees misstated procedures involving taxpayer-initiated follow-ups, and 5 employees did not demonstrate awareness that taxpayers have 10 business days to consult a representative. Lastly, 10 employees incorrectly stated that audio recording of an in-person interview is not permitted.

Filing of a Notice of Lien I.R.C. § 7803(d)(1)(A)(iii)	
Requires TIGTA to evaluate the IRS's compliance with required procedures under I.R.C. § 6320(a) upon the filing of a notice of lien.	**Rep. No. 2026-300-056; September 2026** TIGTA performed a systemic review of the population of 120,235 Notices of Federal Tax Lien (NFTLs) that were filed from July 1, 2024, through June 30, 2025, and determined that the IRS substantially complied with the legal requirements. TIGTA identified that for six taxpayers the IRS did not mail the lien Collection Due Process (CDP) notice within the statutory five-business day requirement. TIGTA also identified 202 taxpayers were sent an NFTL over 2 months after they were designated as being in a declared disaster zone, resulting in undue burden and stress and potentially impacting their ability to sell or get credit to repair their property.
Extensions of the Statute of Limitations for Assessment of Tax I.R.C. § 7803(d)(1)(C) / I.R.C. § 6501(c)(4)(B)	
Requires TIGTA to include information regarding extensions of the statute of limitations for assessment of tax under I.R.C. § 6501 and the provision of notice to taxpayers regarding the right to refuse or limit the extension of particular issues or a particular period of time.	**Rep. No. 2026-1S0-018; April 2026** TIGTA selected a statistically valid stratified random sample of 72 out of 6,539 taxpayer case files closed from April 1, 2024, through March 31, 2025, in which the IRS extended the assessment statute expiration date. TIGTA reviewed consent forms in 68 of the 72 case files. For the four remaining files, the assessment statute was automatically extended and consent forms were not required. TIGTA did not identify any instances in which the IRS failed to provide notice to the taxpayers of their rights to decline to extend the assessment statute of limitations or to request that any extension be limited to a specific period or specific issues.
Levies I.R.C. § 7803(d)(1)(A)(iv)	
Requires TIGTA to evaluate the IRS's compliance with required procedures under I.R.C. § 6330 regarding levies.	**Rep. No. 2026-300-035; July 2026** TIGTA reviewed levies issued by the Campus Collection Automated Collection System (ACS) for 4,768 taxpayers during the period from April 21, 2025, through June 30, 2025. TIGTA identified 14 instances of noncompliance that resulted in violations of taxpayers' rights, including 10 taxpayers who had levies unlawfully issued while a CDP hearing was pending and 4 taxpayers who did not receive a new CDP notice after a new tax assessment was made.
Collection Due Process I.R.C. §§ 7803(d)(1)(A)(iii) and (iv)	
Requires TIGTA to evaluate the IRS's compliance with required procedures under I.R.C. §§ 6320 and 6330 regarding taxpayers' rights to appeal lien or levy actions.	**Rep. No. 2026-300-035; July 2026** TIGTA reviewed levies issued by the Campus Collection ACS for 4,768 taxpayers during the period from April 21, 2025, through June 30, 2025. TIGTA identified 14 instances of noncompliance that resulted in violations of taxpayers' rights, including 10 taxpayers who had levies unlawfully issued while a CDP hearing was pending and 4 taxpayers who did not receive a new CDP notice after a new tax assessment was made. The 10 violations of an unlawful levy were due to IRS employee errors or delays routing the CDP hearing request. For example, we identified three violations where the taxpayers submitted a timely hearing request, but sent it to the wrong address (*i.e.*, not the address on the CDP notice). The IRS rerouted the request to the correct location, resulting in a processing delay.

Seizures I.R.C. § 7803(d)(1)(A)(iv)	
Requires TIGTA to evaluate the IRS's compliance with required procedures under I.R.C. §§ 6330 through 6344 when conducting seizures.	**Rep. No. 2026-300-043; August 2026** TIGTA reviewed 44 taxpayer cases involving 49 seizures conducted by the IRS and found that Field Collection employees generally adhered to applicable laws, regulations, and procedures. However, of the 49 seizures that we reviewed, there were 8 real estate properties being used by someone other than the taxpayer (*e.g.*, tenants) as their principal residence. The revenue officers assigned to these cases did not take required actions to ensure that innocent tenants would not be financially harmed by the seizure of the taxpayers' property. The IRS also conducted seizures in three cases without following proper procedures that caused unnecessary taxpayer burden. In these cases, the errors were not identified by the respective group managers or during the pre-seizure review process. As a result of these undetected errors, the properties seized in these three cases were released to the taxpayers.
Taxpayer Designations–Illegal Tax Protester Designation and Similar Designations I.R.C. § 7803(d)(1)(A)(v)	
An evaluation of the IRS's compliance with restrictions under RRA 98 § 3707 on designation of taxpayers.	**Rep. No. 2026-3S0-040; July 2026** The IRS is compliant with the requirements outlined in RRA 98 § 3707. In January 1999, the IRS removed the illegal tax protester designation from the Master File. TIGTA determined that illegal tax protester codes were not being used on the Master File during the review period of July 1, 2024, through June 30, 2025.
Disclosure of Collection Activity With Respect to Joint Returns I.R.C. § 7803(d)(1)(B) (TIGTA requirement) / I.R.C. § 6103(e)(8) (IRS requirement)	
Requires TIGTA to review and certify whether the IRS is complying with I.R.C. § 6103(e)(8), which requires the IRS to disclose information to an individual filing a joint return on collection activity involving the other individual filing the return.	**Rep. No. 2026-300-052; September 2026** TIGTA identified 780 taxpayer requests for collection activity information on jointly filed returns where the taxpayers were now either divorced or separated and selected 100 of these cases for review. These cases were worked by IRS employees from April 1, 2024, through March 31, 2025. TIGTA determined that disclosure requirements were not followed in 28 (28 percent) of the 100 cases. Specifically, TIGTA found that taxpayers, or their representatives, did not receive information related to collection activities of the taxpayers' joint liabilities to which they were entitled, or the taxpayers' information was inappropriately disclosed. These taxpayers were either potentially burdened with additional delays in resolving their respective tax matter or potentially had their right to privacy violated. Because the IRS does not track noncompliance with the joint filer provisions, TIGTA also interviewed 25 employees and 6 managers. Twenty-one employees and five managers interviewed either responded incorrectly or were unsure about one or more questions related to what information should be disclosed. TIGTA found over half of the employees and managers interviewed were not aware of or have not used the recently deployed artificial intelligence assisted tools.

Taxpayer Complaints I.R.C. § 7803(d)(2)(A)	
Requires TIGTA to include in each Semiannual Report to Congress the number of taxpayer complaints received; and the number of employee misconduct and taxpayer abuse allegations received by the IRS or TIGTA from taxpayers, IRS employees, and other sources.	Statistical results on the number of taxpayer complaints received are shown on page 24.
Administrative or Civil Actions With Respect to the Tax Collection Practices Act of 1996 I.R.C. § 7803(d)(1)(G) / I.R.C. § 6304 / RRA 98 § 3466	
Requires TIGTA to include information regarding any administrative or civil actions with respect to violation of the fair debt collection provision of I.R.C. § 6304, including a summary of such actions and any resulting judgments or awards granted.	**Rep. No. 2026-300-057; September 2026** TIGTA reviewed 35 employee misconduct cases that were coded as Fair Tax Collection Practices (FTCP) violations and were entered into the IRS's Automated Labor and Employee Relations Tracking System (ALERTS) from July 1, 2024, through June 30, 2025. TIGTA determined that 18 of the cases had potential FTCP violations. TIGTA also reviewed 471 employee misconduct cases from non-FTCP issue codes and found 16 potential FTCP violations. TIGTA's review also identified 735 potential FTCP violations in the IRS's Embedded Quality Review System (EQRS) for Field Collection and Campus Collection that were not reported in the ALERTS database as required by IRS procedures.
Denials of Requests for Information I.R.C. § 7803(d)(1)(F) / I.R.C. § 7803(d)(3)(A)	
Requires TIGTA to include information regarding improper denial of requests for information from the IRS, based on a statistically valid sample of the total number of determinations made by the IRS to deny written requests to disclose information to taxpayers on the basis of I.R.C. § 6103 or 5 U.S.C. § 552(b)(7).	**Rep. No. 2026-100-033; June 2026** TIGTA reviewed a statistically valid sample of 131 of the 1,118 fully or partially denied written Freedom of Information Act (FOIA) requests closed between April 1, 2024, and March 31, 2025. TIGTA determined that the IRS correctly withheld information in 127 cases (97 percent). In the remaining four requests, the caseworker improperly redacted information taxpayers were entitled to receive. TIGTA estimates that the IRS erroneously applied the (b)(7) exemption on approximately 35 of the 1,118 FOIA requests.

Payment Integrity Information Act (PIIA) of 2019 31 U.S.C. § 3353	
Requires TIGTA to assess the IRS's compliance with improper payment requirements.	**Rep. No. 2026-400-039; July 2026** For FY 2025, the IRS did not comply with all PIIA requirements because it did not reduce the improper payment rate to less than 10 percent for the 4 high-risk refundable tax credit programs. Additionally, the IRS's overall improper payment rate increased from 21.9 percent in FY 2024 to 26.5 percent in FY 2025.
Government Charge Card Abuse Prevention Act of 2012 Pub. L. No. 112-194, 126 Stat. 1445 (codified as amended at 5 U.S.C. § 5701 note, 10 U.S.C. § 2784, and 41 § U.S.C. 1909)	
Requires TIGTA to report on the IRS's progress in implementing purchase and travel card audit recommendations.	**Rep. No. 2026-1S0-002; January 2026** **Rep. No. 2026-1S0-038; July 2026** The IRS's purchase card program controls are generally effective, and the number of purchase card violations identified by the Chief Financial Officer's Credit Card Service office was minimal.
Biannual Independent Assessment of Private Collection Agency Performance	
Independently evaluate the performance of private collection agencies.	Fieldwork currently in process
Office of National Drug Control Policy (ONDCP) Detailed Accounting Submission and Assertions National Drug Enforcement Policy 21 U.S.C. § 1704(d) and the ONDCP Circular entitled Drug Control Accounting, dated May 1, 2007.	
Requires TIGTA to authenticate the IRS's ONDCP detailed accounting submission and assertions.	**Rep. No. 2026-100-008; February 2026** TIGTA is not aware of any material modifications necessary for the assertions in the IRS's FY 2025 ONDCP Budget Formulation Compliance Report and Detailed Accounting Report to be fairly stated and in accordance with the ONDCP Circular.
Individual Taxpayer Identification Number (ITIN) Program	
Assess that only individuals with a tax need are assigned an ITIN.	**Rep. No. 2026-400-016; March 2026** TIGTA found that for Processing Years 2023 and 2024, 45,386 tax returns with approximately $172.4 million in credits were claimed by ITIN holders who were ineligible to receive these credits. Of the $172.4 million in tax credits claimed, $142.8 million was refundable credits paid to the taxpayer. Since September 2019, the IRS has not completed any on-site compliance reviews of its Certifying Acceptance Agents who assist individuals in the application process and are authorized to authenticate identification documentation.

Adequacy and Security of the Technology of the IRS I.R.C. § 7803(d)(1)(D)	
Requires TIGTA to evaluate the IRS's adequacy and security of its technology.	Information Technology Reviews: **Rep. No. 2026-400-004; February 2026** **Rep. No. 2026-408-003; February 2026** **Rep. No. 2026-IE-R002; February 2026** **Rep. No. 2026-408-006; March 2026** **Rep. No. 2026-200-020; May 2026** **Rep. No. 2026-208-026; May 2026** **Rep. No. 2026-200-055; September 2026** **Rep. No. 2026-208-059; September 2026** **Rep. No. 2026-200-060; September 2026** Security Reviews: **Rep. No. 2026-208-013; March 2026** **Rep. No. 2026-200-010; March 2026** **Rep. No. 2026-IE-R008; May 2026** **Rep. No. 2026-200-028; June 2026** **Rep. No. 2026-IE-R007; June 2026** **Rep. No. 2026-IE-R010; June 2026** **Rep. No. 2026-IE-R011; July 2026** **Rep. No. 2026-IE-R013; August 2026** **Rep. No. 2026-208-044; August 2026** **Rep. No. 2026-200-051; September 2026** **Rep. No. 2026-200-053; September 2026** **Rep. No. 2026-300-058; September 2026**

Appendix III

Audit and Evaluation Reports Issued [12]

View reports in their entirety at TIGTA.gov. Unless otherwise noted, IRS management decisions were made by the end of the reporting period for all audit products listed in this appendix.

April 2026

Current and Former IRS Employees Owe Millions in Student Loan Repayment Benefits
2026-108-017

Fiscal Year 2026 Review of Assessment Statute Extension Dates
2026-1S0-018

The IRS Has Not Successfully Addressed the Highest Balance Foreign Account Tax Compliance Act Nonfilers
2026-308-009

Controls for the Qualified Small Business Payroll Tax Credit Were Updated, but Ineligible Taxpayers Continue to Receive the Credit
2026-408-012

IRS Needs to Improve Oversight of the Special Agent Criminal Investigative Techniques Training Program
2025-IE-R006

May 2026

Procedures Are Needed to Prevent Backdating Penalty Approvals
2026-300-021

Reliable Data Is Needed To Effectively Reduce Improper Earned Income Tax Credit Payments for Nonwork Social Security Numbers
2026-4S0-022

Incident and Service Ticket Management Needs Improvement
2026-200-020

Federal Employee and Retiree Trends Show Increased Tax Noncompliance
2026-3S0-023

The IRS Continues to Improve the Detection and Prevention of Individual Identity Theft
2026-400-019

Snapshot Report: IRS Use of Overtime in 2024 and 2025
2026-IE-R005

An Assessment of the IRS's Implementation of the Zero Paper Initiative
2026-4S0-025

IRS Employees' Unauthorized Use of Mobile Devices Overseas
2026-IE-R008

IRS Programs That Resolve Billions of Dollars in Unidentified Taxpayer Payments Need to Be Improved and Modernized
2026-400-024

The IRS Has Approved Potentially Ineligible Applicants to be Authorized e-File Providers
2026-IE-R006

The IRS Needs to Address Access Control Deficiencies for the Enterprise Data Platform
2026-208-026

June 2026

The IRS Provided Addresses for Nearly 47,000 Persons to Immigration and Customs Enforcement
2026-IE-R010

12 Dollar values for any recommendations with Questioned Costs and/or Funds Put to Better Use are available in the Outcome Measure Appendix of the report, if applicable.

Snapshot Report: Status of the IRS's Workforce as of January 2026
2026-IE-R009

Taxpayers Continue to Experience Customer Service Issues When Calling Certain IRS Telephone Lines
2026-100-030

Opportunities Exist to Improve the Quality of Chat Applications
2026-308-029

The IRS Can Improve the Process Used to Refer Taxpayer Inquiries to Other Business Units
2026-100-027

Fiscal Year 2026 Review of the Compliance With the Freedom of Information Act
2026-100-033

Cloud-Managed Contracts Were Missing Specific Elements of an Exit Strategy
2026-200-028

The IRS Cannot Readily Identify All Federal Tax Information Data-Sharing Agreements
2026-IE-R007

The IRS Has Not Fully Met the Department of the Treasury's Veteran Hiring Goal
2026-108-032

Limited Testing Showed That Taxpayer Assistance Centers Did Not Always Provide Accurate Guidance or Assist Walk-in Taxpayers
2026-108-034

Interim Results of the 2026 Filing Season
2026-400-031

July 2026

Management Alert: Zero Paper Initiative Information Security
2026-208-008

Fiscal Year 2026 Review of Illegal Tax Protester and Similar Designations
2026-3S0-040

Assessment of Fiscal Year 2025 Compliance With Improper Payment Reporting Requirements
2026-400-039

Fiscal Year 2026 Statutory Review of Levies
2026-300-035

Actions Were Taken to Address Security Deficiencies at IRS Facilities
2026-IE-R011

Implementation of Executive Order 14224, Designating English as the Official Language of the United States
2026-4S0-037

Review of the IRS's Purchase Card Violations Report
2026-1S0-038

August 2026

A Cost-Benefit Analysis Is Needed for the Compliance Assurance Process
2026-308-036

The IRS Did Not Provide Adequate Oversight to Ensure a Drug-Free Workplace
2026-100-041

More Controls Could Help Prevent Unauthorized Access to Taxpayer Information
2026-IE-R013

Fiscal Year 2026 Statutory Review of Compliance With Legal Guidelines When Conducting Seizures of Taxpayers' Property
2026-300-043

Statistical Trends of the Tax Exempt and Government Entities Division Through Fiscal Year 2025
2026-1S0-042

The IRS Needs To Improve Its Asset Retrieval Process for Departing Employees
2026-208-044

Trends in Compliance Activities Through Fiscal Year 2025
2026-3S0-045

Agencywide Coordination Could Enhance the IRS's Approach to Nonfilers
2026-308-047

Fiscal Year 2026 Statutory Review of Restrictions on Directly Contacting Represented Taxpayers
2026-300-048

September 2026

The IRS Timely Processed Threat and Assault Cases, but More Education Would Help Employees Properly Report Incidents
2026-IE-R012

Snapshot: The IRS's Inflation Reduction Act Spending Through March 31, 2026
2026-IE-R014

Snapshot Report: The IRS's Paperless Transition Efforts as of July 2026
2026-IE-R015

The IRS's Cybersecurity Program Was Not Effective for Fiscal Year 2026
2026-200-053

Additional Controls Over Noncompetitive Bridge Contracts Are Needed
2026-200-055

The IRS Is Making Payments Easier, but Processing Can Be Improved
2026-108-054

Statutory Review of Disclosure of Collection Activity With Respect to Joint Return Filers
2026-300-052

Fiscal Year 2026 Statutory Review of Compliance With Notice of Federal Tax Lien Filing Collection Due Process Procedures
2026-300-056

Existing Research Can Be Leveraged to Improve Enforcement, Customer Service, and Privacy
2026-3S0-049

Fiscal Year 2026 Statutory Review of Compliance With Restrictions on the Use of Enforcement Statistics
2026-300-046

The IRS's National Distribution Center Continues to Face Declining Demand
2026-IE-R016

The Process To Resolve Identity Theft Cases Is Long, Costly, and Frustrating for Taxpayers
2026-100-050

Improvements Were Made in Installing Card Readers but Physical Security Deficiencies Remain
2026-200-051

Fiscal Year 2026 Statutory Review of Potential Fair Tax Collection Practices Violations
2026-300-057

Assessment of Artificial Intelligence Risk Management Practices
2026-208-059

Improvements to the IRS's Unauthorized Access Program Could Further Protect Taxpayer Privacy
2026-300-058

Criminal Investigation's Support of Other Federal Agency Task Forces Had a Quantifiable Impact on Tax Administration
2026-300-061

Contracting and Security Controls Were Not Followed While Expediting the Procurement Hub
2026-200-060

Funds Put to Better Use

April 1, 2026–September 30, 2026

2026-108-017
$1,946,351

2026-308-009
$3,930,000

2026-408-012
$1,378,516

2026-208-044
$274,822

2026-308-047
$412,112,376

2026-100-050
$124,248,921

Grand Total: $543,890,986

Questioned Costs

April 1, 2026–September 30, 2026

2026-200-060
$4,458,165

Appendix IV

Inspector General Peer Review Activity

This appendix implements § 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act.[13]

For the period April 1, 2026–September 30, 2026:

Peer Reviews Conducted of TIGTA by Another Office of Inspector General

None.

Outstanding Recommendations from Peer Reviews of TIGTA

There are no outstanding recommendations from prior peer reviews of TIGTA.

Peer Reviews Conducted by TIGTA

None.

Outstanding Recommendations from Peer Reviews Conducted by TIGTA

There are no outstanding recommendations from peer reviews conducted by TIGTA.

Most Recent Peer Reviews Conducted of TIGTA

- The Department of Agriculture OIG completed a peer review of TIGTA's Office of Investigations on May 11, 2024.
- The Department of Veterans Affairs OIG completed a peer review of TIGTA's Office of Audit on September 18, 2024.
- The Department of Labor (DOL) completed a peer review of TIGTA's Office of Inspections and Evaluations on March 28, 2024.

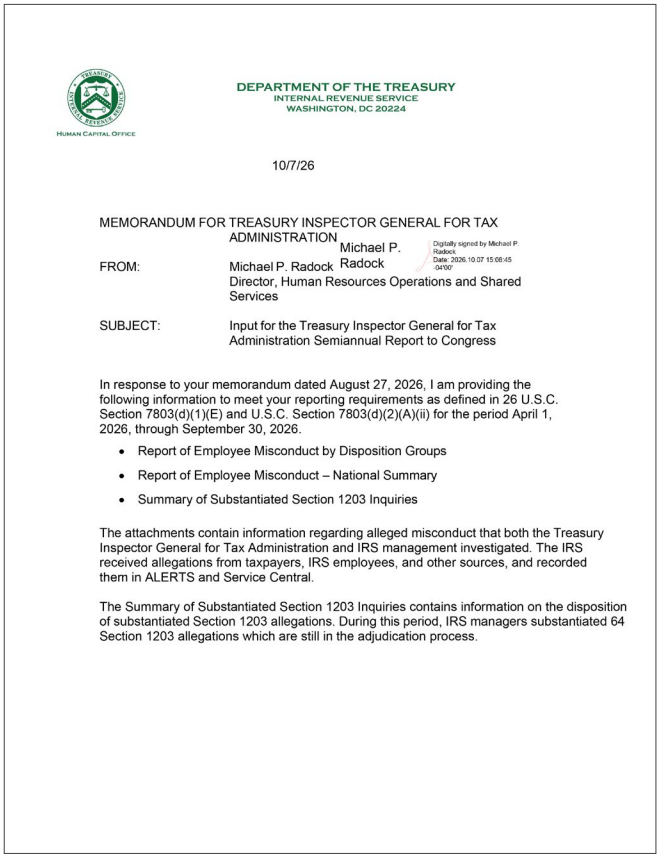
13 Codified in 5 U.S.C. § 405(b)(8)-(10).

Appendix V

Data Tables Provided by the IRS

The memorandum copied below is the IRS's transmittal to TIGTA. The IRS provided the tables that follow the memorandum. They consist of IRS employee misconduct reports from the IRS ALERTS and Service Central for the period April 1, 2026, through September 30, 2026. Also, data concerning substantiated RRA 98 § 1203 allegations for the same period are included. See Appendix VI for § 1203 Standards. IRS management conducted inquiries into the cases reflected in these tables.

IRS Memorandum



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

HUMAN CAPITAL OFFICE

10/7/26

MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

FROM: Michael P. Radock
Digitally signed by Michael P. Radock
Date: 2026.10.07 15:08:45 -04'00'
Michael P. Radock
Director, Human Resources Operations and Shared Services

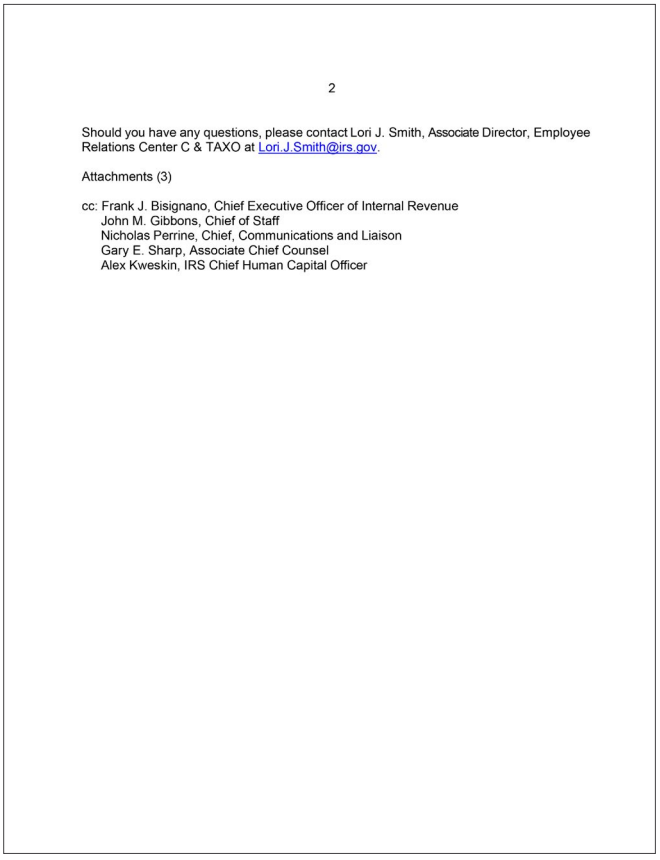
SUBJECT: Input for the Treasury Inspector General for Tax Administration Semiannual Report to Congress

In response to your memorandum dated August 27, 2026, I am providing the following information to meet your reporting requirements as defined in 26 U.S.C. Section 7803(d)(1)(E) and U.S.C. Section 7803(d)(2)(A)(ii) for the period April 1, 2026, through September 30, 2026.

- Report of Employee Misconduct by Disposition Groups
- Report of Employee Misconduct – National Summary
- Summary of Substantiated Section 1203 Inquiries

The attachments contain information regarding alleged misconduct that both the Treasury Inspector General for Tax Administration and IRS management investigated. The IRS received allegations from taxpayers, IRS employees, and other sources, and recorded them in ALERTS and Service Central.

The Summary of Substantiated Section 1203 Inquiries contains information on the disposition of substantiated Section 1203 allegations. During this period, IRS managers substantiated 64 Section 1203 allegations which are still in the adjudication process.



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Should you have any questions, please contact Lori J. Smith, Associate Director, Employee Relations Center C & TAXO at Lori.J.Smith@irs.gov.

Attachments (3)

cc: Frank J. Bisignano, Chief Executive Officer of Internal Revenue
John M. Gibbons, Chief of Staff
Nicholas Perrine, Chief, Communications and Liaison
Gary E. Sharp, Associate Chief Counsel
Alex Kweskin, IRS Chief Human Capital Officer

Report of Employee Misconduct by Disposition Groups

Disposition	Administrative Case	Employee Character Investigation	Employee Tax Compliance Case	TIGTA Report on Investigation	Totals
Alternative Discipline: In Lieu of Reprimand	7	0	0	0	7
Alternative Discipline: In Lieu of Suspension	4	0	0	0	4
Abandonment of Position	24	0	0	0	24
Admonishment	241	14	147	0	402
Caution Letter	0	0	0	0	0
Clearance Letter	23	15	22	0	60
Clearance, No Letter Issue	0	0	0	0	0
Closed (Lack info - EMU use only) AKA “Triage”	0	0	0	0	0
Closed Without Adjudication	45	37	0	0	82
Clearance Letter (Auth - Not Issued - EMU Use Only)	0	0	0	0	0
Closed Without Action (No Letter - EMU Use Only)	0	0	0	0	0
Closed Without Action Cautionary Letter	51	23	220	14	308
Closed Without Action Letter	37	15	35	0	87
Closed Without Action No Letter	15	8	0	0	23
Data Entry Error - Case Canceled	62	12	0	8	82
EE Cleared to Return to Full Duty With Waiver	0	0	0	-	0
Forwarded to TIGTA	41	0	0	-	41
Indefinite Suspension	4	0	0	-	4
Involuntary Reduction In Pay or Grade	0	0	0	-	0
Leave Criteria/Restriction Letter	31	0	0	-	31
Merged with Another Case	15	4	0	-	19
Oral Counseling	9	0	8	-	17
Probation/Separation	250	0	0	-	250
Reassignment	0	0	0	-	0
Referral to Labor Relations	0	0	0	-	0
Removal (Probation Period Complete)	179	60	19	28	286
Removal (Ch 75, Non-cause)	28	0	-	-	28
Removal at OPM Direction	-	9	-	-	0
Reprimand	317	16	60	7	400

Resignation, Retire, *etc.* (SF-50 Not Noted)	74	7	22	0	103
Resignation, Retire, *etc.* (SF-50 noted)	41	17	15	8	81
Settlement	0	0	-	-	0
Suspension, 14 Days or Less	232	19	40	26	317
Suspension, More Than 14 days	28	0	9	11	48
Voluntary Reduction in Pay or Grade	0	0	-	-	-
Withdrawn	115	0	-	-	115
Written Counseling	72	21	249	0	342
Totals	**1,945**	**277**	**846**	**102**	**3,170**

Note: Columns containing numbers of three or less and protected by I.R.C. § 6103 are annotated with a zero. Columns containing no data are annotated with a hyphen. This report is being produced in accordance with 26 U.S.C. § 7803(b)(2) and §4(a)2 of Treasury Delegation Order 115-01, dated May 24, 2018, as administratively edited May 8, 2023.

Report of Employee Misconduct National Summary

Inventory Case Type	Open Inventory	Conduct Cases Received	Cases Closed			Ending Inventory
			Conduct Issues	Cases Merged With Other Cases	Non-Conduct Issues	
Administrative Case	912	1,511	1,768	23	0	632
Employee Character Investigation	54	38	46	-	-	46
Employee Tax Compliance Case	816	519	898	19	-	418
TIGTA Report of Investigation	258	295	315	0	-	238
Totals	2,040	2,363	3,027	42	0	1,334

Note: Columns containing numbers of three or less and protected by I.R.C. § 6103 are annotated with a zero and are not reflected in the column and row totals. Columns containing no data are annotated with a hyphen.

Administrative Case—Any matter involving an employee in which management conducted an inquiry into alleged misconduct.

Background Investigations—Any matter involving a National Background Investigation Center investigation into an employee's background that is referred to management for appropriate action.

Employee Tax Compliance Case—Any conduct matter identified by the Employee Tax Compliance program and becomes a matter of official interest.

TIGTA Investigation—Any matter involving an employee in which TIGTA investigated alleged misconduct and referred a Report of Investigation to the IRS for appropriate action.

Summary of Substantiated Section 1203 Inquiries Recorded in ALERTS

§ 1203 Violation	Removals	Resigned/ Retired	Probation Separation	Removed on Other Grounds	Penalty Mitigated	In Personnel Process	Total
1203(b)(10): Threat of Aud/Personal	0	-	-	-	-	-	0
1203(b)(3): Civ Rights/ Const Violation	-	-	-	0	-	-	0
1203(b)(8): Willful Untimely Return	18	16	-	8	0	44	86
1203(b)(9): Willful Understated Tax	11	0	0	0	-	20	31
Totals	**29**	**16**	**0**	**8**	**0**	**64**	**117**

Note: Columns containing numbers of three or less and protected by I.R.C. § 6103 are annotated with a zero. Columns with a hyphen have no data. The cases reported as "Removals" and "Penalty Mitigated" do not reflect the results of any third-party appeal.

This report is being produced in accordance with 26 U.S.C. § 7803(b)(2) and §4(a)2 of Treasury Delegation Order 115-01, dated May 24, 2018, as administratively edited May 8, 2023.

Appendix VI

Section 1203 Standards

In general, the IRS Commissioner shall terminate any IRS employee if there is a final administrative or judicial determination that, in the performance of official duties, such employee committed any misconduct violations outlined below. Such termination shall be a removal for cause on charges of misconduct.

Misconduct violations include:

- Willfully failing to obtain the required approval signatures on documents authorizing the seizure of a taxpayer's home, personal belongings, or business assets.
- Providing a false statement under oath with respect to a material matter involving a taxpayer or taxpayer representative.
- Violating, with respect to a taxpayer, taxpayer representative, or other employee of the IRS, any right under the Constitution of the United States, or any civil right established under Title VI or VII of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; Age Discrimination in Employment Act of 1967; Age Discrimination Act of 1975; Section 501 or 504 of the Rehabilitation Act of 1973; or Title I of the Americans With Disabilities Act of 1990.
- Falsifying or destroying documents to conceal mistakes made by any employee with respect to a matter involving a taxpayer or taxpayer representative.
- Committing assault or battery on a taxpayer, taxpayer representative, or another employee of the IRS, but only if there is a criminal conviction or a final judgment by a court in a civil case with respect to the assault or battery.
- Violating the I.R.C., the Treasury Department regulations, or policies of the IRS (including the Internal Revenue Manuals) for the purpose of retaliating against or harassing a taxpayer, taxpayer representative, or other employee of the IRS.
- Willfully misusing provisions of I.R.C. § 6103 for the purpose of concealing information from a congressional inquiry.
- Willfully failing to file any return of tax required under the I.R.C. on or before the date prescribed therefore (including any extensions), unless such failure is due to reasonable cause and not to willful neglect.
- Willfully understating federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect.
- Threatening to audit a taxpayer for the purpose of extracting personal gain or benefit.

The Commissioner may mitigate the penalty of removal for the misconduct violations outlined above. The exercise of this authority shall be at the sole discretion of the Commissioner and may not be delegated to any other officer. The Commissioner may establish a procedure that will be used to decide whether an individual should be referred to the Commissioner for determination. Any mitigation determination by the Commissioner in these matters may not be appealed in any administrative or judicial proceeding.

Glossary

ACS	Automated Collection System
ALERTS	Automated Labor and Employee Relations Tracking System
CDP	Collection Due Process
DHS	Department of Homeland Security
DOJ	Department of Justice
DOL	Department of Labor
DRP	Deferred Resignation Program
EIDL	Economic Injury Disaster Loan
EIN	Employer Identification Number
EITC	Earned Income Tax Credit
EQRS	Embedded Quality Review System
FOIA	Freedom of Information Act
FTCP	Fair Tax Collection Practices
FTI	federal tax information
I.R.C.	Internal Revenue Code
ICE	Immigration and Customs Enforcement
IDTVA	Identity Theft Victim Assistance
IG	Inspector General
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
ITIN	Individual Taxpayer Identification Number
LB&I	Large Business and International
NFTL	Notice of Federal Tax Lien
OIG	Office of Inspector General
ONDCP	Office of National Drug Control Policy
OPM	Office of Personnel Management
PGLD	Privacy, Governmental Liaison and Disclosure
PII	Personally Identifiable Information
PIIA	Payment Integrity Information Act
PIV	Personal Identity Verification
PPP	Paycheck Protection Program
ROTER	Records of Tax Enforcement Results
SSN	Social Security Number
TIGTA	Treasury Inspector General for Tax Administration
U.S.C.	United States Code
UNAX	Unauthorized Access
ZPI	Zero Paper Initiative

Reporting Requirements

The table below cross-references the reporting requirements prescribed by the Inspector General Act, as amended, to the specific pages where they are addressed.

Section	Requirement	Page
§ 404(a)(2)	Review of legislation and regulations	Appendix I
§ 405(b)(1)	Description of significant problems, abuses, and deficiencies relating to administration of programs and operations and associated reports and recommendations for corrective action	Throughout the report
§ 405(b)(2)	Identification of each recommendation made before the reporting period, for which corrective action has not been completed, including potential cost savings associated with the recommendations	Pages 28-30
§ 405(b)(3)	Summary of significant investigations closed during reporting period	Pages 19-22
§ 405(b)(4)	Identification of total number of convictions during the reporting period resulting from investigations	Page 24
§ 405(b)(5)	Information regarding each audit, inspection, or evaluation report issued during the reporting period, including: listing of each audit, inspection, evaluation; total dollar of questions costs (including separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period	Appendix III
§ 405(b)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, evaluation issued during a previous reporting period	Appendix I
§ 405(b)(7)	Information described under section 804(b) of Federal Financial Management Improvement Act of 19961996, P.L. 104-208, Sec. 101(f) [title VIII], 31 U.S.C. § 3512 nt.	Appendix I
§ 405(b)(8)	Appendix containing results of any peer review conducted by another Office of Inspector General during the reporting period; or if no peer review conducted during the reporting period, a statement identifying the date of the last peer review conducted by another Office of Inspector General	Appendix IV
§ 405(b)(9)	List of any outstanding recommendations from any peer review conducted by another Office of Inspector General that have not been fully implemented, including a statement describing status of implementation and why implementation is not complete	Appendix IV
§ 405(b)(10)	List of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented	Appendix IV

Section	Requirement	Page
§ 405(b)(11)	Statistical tables showing: total number of investigative reports, total number of persons referred to the Department of Justice for criminal prosecution during the reporting period, total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period, total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities	Page 25
§ 405(b)(12)	Description of metrics used for developing the data for the statistical tables under paragraph (11)	Page 25
§ 405(b)(13)	Report on each investigation conducted by the Office where allegations of misconduct were substantiated involving a senior Government employee or senior official (as defined by the Office) if the establishment does not have senior Government employees, including: 1) name of senior government official if already made public by the Office and 2) detailed description of the facts and circumstances of the investigation, the status and disposition of the matter, including if matter was referred to the Department of Justice and date of referral, and if the Department of Justice declined the referral, date of declination	Page 26
§ 405(b)(14)	Detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and what, if any consequences the establishment actually imposed to hold the official accountable	Page 27
§ 405(b)(15)	Information related to interference by the establishment, including a detailed description of any attempt by the establishment to interfere with the independence of the Office including with budget constraints designed to limit the capabilities of the Office and incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action, and a summary of each report made to the head of the establishment under section 6(c)(2) during the reporting period	Page 27
§ 405(b)(16)	Detailed descriptions of the particular circumstances of each inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public and investigations conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	Appendix I
Public Law 117-348, 136 Stat. 6218, § 122(e)	Activity relating to complaints of human trafficking	Page 25



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