

**REPORT ON THE QUALITATIVE ASSESSMENT REVIEW  
OF THE INVESTIGATIVE OPERATIONS OF THE  
TREASURY INSPECTOR GENERAL FOR TAX  
ADMINISTRATION**

**Phyllis K. Fong  
Inspector General**

***Conducted in Washington, D.C.; Beltsville, MD; Denver, CO; Ogden,  
UT; Atlanta, GA; and Jacksonville, FL***

**by  
U.S. Department of Agriculture,  
Office of Inspector General, Office of Investigations**

***April 1 - May 11, 2024***

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## **Section 1—Report on the External Quality Assessment Review**

We have reviewed the system of internal safeguards and management procedures of the Office of Investigations of the Treasury Inspector General for Tax Administration (TIGTA), for the three-year period that ended on December 31, 2023. Our review was conducted in conformity with the Quality Standards for Investigations and the Qualitative Assessment Review (QAR) Guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

We reviewed your agency's compliance with key portions of your internal system of policies and procedures, consistent with our professional judgment and experience. Our review focused on topics identified in the CIGIE QAR Guidelines and appendices. The review was conducted at headquarters and support offices in Washington, D.C. and Beltsville, MD, as well as two field region offices that included two resident offices for each of the selected field regions, which leveraged a methodology of peer reviewing offices located in multiple geographic areas of the United States.

Additionally, we randomly sampled 75 case files for investigations closed within the previous 3 years. During the peer review, 39 TIGTA investigative employees were interviewed regarding their experience working for the agency.

In performing our review, we also considered the prerequisites of 5 U.S.C. § 412(k) and 26 U.S.C. § 7608, which authorize law enforcement powers for eligible personnel of TIGTA. Those powers may be exercised only for activities authorized by those statutes, other applicable statutes, or as expressly authorized by the Attorney General.

In our opinion, the system of internal safeguards and management procedures for the investigative operations of TIGTA in effect for the 3-year period, which ended December 31, 2023, is in compliance with the quality standards established by CIGIE and the other applicable guidelines and statutes cited above. These safeguards and procedures provide reasonable assurance of conforming with professional standards in the planning, execution, and reporting of its investigations and in the use of law enforcement powers.

## Attachment A: Offices Visited

### Locations Included in the Assessment

<b><u>Office Location</u></b>	<b><u>No. of Personnel Interviewed</u></b>
Washington, DC & Beltsville, MD (OSD)	19
Atlanta, Georgia	7
Jacksonville, Florida	3
Denver, Colorado	5
Ogden, Utah	5
Total Number of personnel interviewed	39

## Attachment B: List of Closed Investigative Files Reviewed

CASE #	DATE CLOSED	CASE #	DATE CLOSED
68-1410-0034-I	9/21/2022	63-2105-0006-I	9/21/2022
76-2106-0018-I	1/25/2022	63-2211-0023-I	12/15/2022
75-2004-0005-I	5/31/2022	63-2012-0026-I	10/25/2021
76-2110-0006-I	3/14/2022	63-2110-0006-I	3/25/2022
68-1503-0030-I	7/29/2022	71-2010-0013-I	7/7/2023
75-1911-0027-I	1/18/2022	71-2109-0023-I	6/1/2023
76-2201-0023-I	9/30/2022	71-1912-0006-I	3/23/2022
75-1905-0051-I	1/4/2023	71-2102-0003-I	10/21/2021
76-2106-0048-I	3/28/2022	71-1808-0026-I	11/8/2022
76-2203-0023-I	12/12/2022	71-2009-0010-I	6/2/2022
76-2210-0009-I	4/24/2023	71-2003-0018-I	10/15/2021
54-1912-0001-I	10/12/2022	71-2108-0019-I	12/1/2021
62-2201-0031-I	5/31/2022	57-2010-0001-I	11/4/2021
62-2201-0023-I	8/10/2022	75-2002-0001-I	3/30/2022
62-2104-0025-I	11/30/2021	77-2203-0006-I	6/24/2022
62-2206-0002-I	10/25/2022	69-2006-0012-I	6/24/2022
62-1811-0016-I	1/27/2023	69-2103-0022-I	12/13/2021
62-2111-0007-I	2/4/2022	69-2007-0042-I	10/13/2021
62-2209-0018-I	5/10/2023	69-2208-0020-I	6/30/2023
62-2212-0022-I	3/16/2023	69-1705-0005-I	1/21/2022
62-2306-0019-I	7/25/2023	69-2108-0003-I	11/24/2021
62-2204-0011-I	7/27/2022	69-1905-0045-I	2/8/2022
62-2305-0001-I	5/30/2023	69-2011-0002-I	1/24/2022
69-2004-0006-I	5/27/2022	63-2010-0027-I	10/27/2021
69-2009-0043-I	8/5/2022	63-2110-0011-I	3/17/2022
69-1807-0006-I	11/9/2022	63-2012-0003-I	2/25/2022
73-2105-0002-I	1/28/2022	59-2001-0001-I	7/8/2022
73-2012-0019-I	12/28/2021	59-1804-0001-I	9/1/2022
73-2204-0007-I	7/31/2023	75-2007-0049-I	7/19/2023
75-1909-0042-I	6/24/2022	59-2303-0001-I	6/26/2023
77-2107-0031-I	9/30/2022	59-2112-0017-I	5/17/2023
77-2206-0027-I	12/21/2022	50-2105-0001-I	5/4/2022
75-1610-0052-I	4/28/2022	50-2206-0001-I	8/24/2023
77-2201-0038-I	9/30/2022	52-2006-0001-I	1/28/2022
77-2303-0025-I	9/8/2023	50-2102-0002-I	11/30/2022
77-2306-0034-I	8/16/2023	68-1703-0044-I	6/30/2023
73-2212-0012-I	3/31/2023	69-2005-0067-I	3/2/2022
73-2103-0012-I	11/23/2021		



INSPECTOR GENERAL  
FOR TAX  
ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

August 30, 2024

The Honorable Phyllis K. Fong  
Inspector General  
U.S. Department of Agriculture, Office of Inspector General  
1400 Independence Avenue, SW  
Washington, D.C. 20250

RE: Draft Report on the Qualitative Assessment Review of the Investigative Operations  
of the Treasury Inspector General for Tax Administration

Dear Inspector General Fong,

We have reviewed your assessment of the Treasury Inspector General for Tax Administration (TIGTA), Office of Investigations (OI) system of internal safeguards and management procedures in effect for the three-year period that ended on December 31, 2023. We received your draft report on August 6, 2024. The report highlighted several best practices and potential opportunities for improvement based upon observations made during the review. In response to those observations and recommendations, we provide the following for your consideration:

1. Evidence. We acknowledge that evidence has undergone several updates and will continue to evolve as we attempt to achieve the greatest set of best practices and incorporate regulatory guidance. Regarding Treasury Checks that are seized and cancelled, TIGTA OI will consider updating the evidence policy to specify the distinction between a paper check (monetary instrument) as documentary evidence and one with value.

We acknowledge the observation regarding the “comingling” of items that are grand jury and other evidence; and we will evaluate the guidance in the policy and revise accordingly, particularly to clarify what is and is not “comingling.” Additionally, because TIGTA OI does store grand jury evidence with other evidence, we expect to update policy to require that evidence custodians be on the 6e list.

2. Firearms Accountability. We acknowledge that the property management software is aging and has multiple tables that require redundant updating. The system also lacks reliable checks and balances that would be met with electronic notifications when issuance or return of property is made. These factors are compounded by the fact that the system is run and maintained by a different

functional unit within TIGTA who is responsible for tracking and accounting for all government owned assets within the agency. TIGTA OI is evaluating a new property management system, either contained in a future new case management system or a stand-alone platform.

3. Technical Equipment Accountability. The Technical and Firearms Support Division (TFSD) does track technical equipment through the property system consistent with any other equipment issued by TIGTA OI. Although most of TFSD personnel are located in a facility in Beltsville, MD, as is with a significant portion of technical equipment, individual Divisional Technical Agents (DTA) are embedded within the divisions they support. Two DTAs support more than one division. When technical equipment or support is requested by a division, the DTAs who are co-located with the divisions are responsible for the installation and monitoring of the equipment that is utilized, thus in most cases, the equipment is still in the possession of TFSD personnel and therefore is monitored in real time. The principle exception to this process is body worn cameras, which are issued by TFSD but assigned to individual divisional special agents. These, along with all assigned items, are inventoried each year under a TIGTA-wide requirement to account for government-owned equipment.
4. Firearms Qualifications. We acknowledge that the training recordkeeping system is overdue for improvement and lacks centralization that would improve both retention and retrieval. TIGTA OI is currently undergoing a replacement to the case management system, which has the technical capability to track firearms qualifications for all special agents.
5. Staff Qualifications and Onboarding. We acknowledge that proper documentation of training records is an important issue, and we have taken steps to ensure better recording of completion. Regarding “legal refresher training” and “flying armed training,” to ensure compliance with these requirements, beginning in 2021, TIGTA OI began utilizing the United States Department of Treasury’s Integrated Talent Management (ITM) training system to disburse required training and to record successful completion. ITM allows the TIGTA OI to “assign” training to all personnel/agents that are designated to receive a specific training module, and then upon the agent’s successful completion, ITM records the completion. This allows for TIGTA OI to track more accurately, from a national level, the status of each employee’s course completion.

We also concur that the onboarding program for criminal investigators is actively addressing critical training needs, as was acknowledged by the U.S. Department of Agriculture, Office of the Inspector General (USDA OIG) staff. As for the

onboarding related to administrative support positions, this matter has been vested with and is currently being reviewed/updated by TIGTA OI to address the identified needs.

6. Undercover and Confidential Informant Programs. We acknowledge that oversight of this critical program area is limited to a single point of failure. TIGTA OI is exploring additional controls to mitigate any risk or vulnerability. We understand USDA OIG's suggestion that challenges exist in the organizational structure of the undercover program, particularly where it may result in conflict of direction to the undercover agent. We have historically mitigated this potential risk by ensuring that the National Undercover Program Manager and the undercover agent's supervisor coordinate closely. The National Undercover Program Manager provides expertise and oversight in undercover operations in coordination with TIGTA OI management. We will continue to emphasize the importance of this coordination.
7. Grand Jury. We acknowledge the responsibility of labeling grand jury information, sharing access to that information and including appropriate personnel on the 6e list, including supervisors and staff that may process grand jury information.
8. Warnings. The USDA OIG reported that, of the 75 case files reviewed, two did not include forms documenting the provision of Kalkines warnings. Ensuring individuals receive proper rights advisements is critical in TIGTA OI's investigative program. We acknowledge the lack of documentation regarding Kalkines warnings and will reinforce the importance of thorough case file management to our special agents.

I appreciate the recommendations made in your report. It is through the peer review process that we continue to promote and improve efficiency and effectiveness in the operations of the federal government. If you have any questions, please do not hesitate to contact me at (202) 622-6500 or have a member of your staff contact Deputy Inspector General for Investigations Trevor Nelson at (202) 927-7160.

Sincerely,



Heather M. Hill  
Acting Inspector General



## Section 2—Letter of Observations

### Best Practices

In addition to reporting a rating of Compliant, the peer review team identified the following “Best Practices” or similar notable positive attributes of your investigative operations:

1. Workplace Environment

Based upon the aggregated findings from the employee interviews conducted, personnel advised that TIGTA is an excellent place to work, which prides itself on work-life balance for its employees. Personnel also stated that TIGTA’s management promotes an atmosphere of continuous professional development for its personnel while ensuring lines of effective communication are employed between supervisors and direct reports.

2. Directive/Policy Quality Control and Updates

TIGTA continuously assesses and updates its policies to ensure compliance with evolving laws, regulations, and Executive Orders.

3. Law Enforcement Equipment Selection and Issuance

TIGTA has continuously ensured that its personnel are provided a wide array of law enforcement equipment required to safely conduct criminal investigations and other law enforcement-related operations in accordance with agency policy.

4. International Organization for Standardization (ISO) Accreditation and Certification

TIGTA’s Digital Forensics Laboratory completed the arduous process required to obtain ISO 17025 accreditation. The TIGTA Lab Director and staff should be commended for achieving and maintaining ISO accreditation, such that TIGTA’s Digital Forensics Laboratory serves as an example for other labs within the CIGIE community. TIGTA’s ISO accreditation demonstrates that it meets and exceeds the CIGIE Quality Standards for Digital Forensics.

## **Areas for Improvement or Increased Efficiency or Effectiveness:**

The peer review team found no significant deficiencies, but identified the following areas for improvement or increased efficiency or effectiveness:

### **1. Evidence:**

CIGIE Quality Standard: QSI, Qualitative Standards, B, Collecting Evidence, p.12

Attorney General Guideline: None.

TIGTA Policy: OI Operations Manual Chapter 400-190

The peer review team encountered a few challenges when reviewing evidence storage and documentation due to multiple recent updates to OI Operations Manual Chapter 400-190. The team observed that legacy items of evidence were not always brought into compliance with subsequent iterations of the policy. Therefore, during the inspection, the team spent a significant amount of time consulting various versions of the policy, depending on which policy update was current at the time each item of evidence was collected and stored.

We noted Treasury Checks are not specifically mentioned in the evidence policy, but there are a significant number of cases that have Treasury Checks stored as evidence. Specifically, once Treasury Checks are seized and cancelled, TIGTA could consider whether they should remain “monetary instruments” for the purposes of documentation and storage, or if they are determined to be standard physical evidence at that time.

The peer review team reviewed a random sample of evidence items stored onsite at the Atlanta, GA; Denver, CO; Jacksonville, FL; and Ogden, UT, offices. We chose to review approximately ten percent of the items present at each office, which resulted in 111 total items being selected for inspection across the four offices. Within this sample, 103 items, or over 92 percent, had no identifiable discrepancies noted. Of the remaining eight items, four were incorrectly labeled (missing tag or outer seal not signed or dated), two were incorrectly logged (did not reflect return to evidence custodian), and two (firearms and grand jury) that are prohibited by TIGTA policy from being commingled with other items of physical evidence were located in a safe containing other physical evidence. Overall, each inspected item appeared to be properly collected, accounted, and securely stored.

### **2. Firearms Accountability:**

CIGIE Quality Standard: QSI, General Standards, A, Firearms Qualification, p. 6

Attorney General Guideline: None

TIGTA Policy: OI Operations Manual Chapter 400-130

Overall accountability was reliable, although limitations exist with TIGTA’s current electronic property management system. All firearms were present for inspection, although several firearms were reflected as being in the Technical Firearms Support Division’s (TFSD) inventory although they had been subsequently transferred to headquarters or the Computer Crimes Investigations Division. While accountability was fully maintained, it was occasionally difficult and somewhat time-consuming to decipher where some firearms were physically located.

Logging the transfer of property within TIGTA’s electronic property management system requires multiple, distinct steps, which if not executed properly may indicate firearms are assigned to personnel who no longer physically possess them. For example, during our inspection of firearms

assigned to individual personnel, one individual was carrying a pistol that reflected a different serial number than that which was annotated in TIGTA's electronic property management system. The individual was able to quickly produce alternate documentation regarding the transition between one pistol and another, but it had not been completely logged in TIGTA's electronic property management system.

### **3. Technical Equipment Accountability:**

CIGIE Quality Standard: QSI, General Standards, A, Firearms Qualification, p. 6

Attorney General Guideline: None

TIGTA Policy: OI Operations Manual Chapter 400-130

Similarly to firearms, technical equipment (such as, covert audio and visual recording devices) accountability was wholly dependent upon the capabilities of TIGTA's current electronic property management system. However, in contrast to firearms, technical equipment accountability is not monitored in real time. At present, technical equipment is permanently assigned to TFSD, which "loans" individual items to TIGTA's field divisions on an as-needed basis. TFSD conducts annual inventories to ensure accountability of all assigned technical equipment at the warehouse and in the field divisions.

### **4. Firearms Qualifications:**

CIGIE Quality Standard: QSI, General Standards, A, Firearms Qualification, p. 5

Attorney General Guideline: IV, B, Firearms Training and Qualification Requirements

TIGTA Policy: OI Operations Manual Chapter 400-100.5

We conducted random inspections of approximately ten percent of quarterly firearms qualifications scoresheets completed during the inspection period (an average of 30 scoresheets per quarter). Based on this review, we determined 3 scoresheets were not present in the electronic files, and 3 scoresheets were not properly completed (missing signatures). Additionally, the most significant challenges for reviewers were a lack of standardized organizational storage of qualification data as well as a wide variety of scoresheet forms in use during the review period. Most scoresheet forms were completed by handwriting names and scores, which led to at least one scoresheet being completely illegible.

### **5. Staff Qualifications and Onboarding:**

CIGIE Quality Standard: QSI, General Standards, A, Qualifications, pp. 2 & 3

Attorney General Guideline: IV, A, Basic and Refresher Training

TIGTA Policy: OI Operations Manual Chapter 400-100.3; 100.3.3; 100.5

We inspected documents related to TIGTA Criminal Investigator personnel qualifications to include FLETC Criminal Investigator Training Program (CITP), periodic legal refresher, and flying while armed certificates as well as the possession of a college degree and a suitability assessment. From a list of active TIGTA 1811 personnel, a random sample of 11 individuals (approximately 10% of the total) was selected for inspection. Of those 11 personnel, their files contained the following documentation:

- Three contained CITP certificates.
- All resumes reflected the completion of, at minimum, a 4-year college degree program.

- Ten reflected the completion of periodic legal refresher training, although one of those individuals has not received specific legal refresher training since 2020. The eleventh individual was hired from another law enforcement agency immediately prior to the end of the period under inspection and may or may not have received legal refresher training at the previous agency.
- Eight reflected the annual completion of flying while armed training, although it appears none of the personnel in question completed flying while armed training during fiscal year (FY) 2020. The training records associated with the remaining three (recently hired) personnel did not reflect them having completed initial flying while armed training after onboarding with TIGTA.
- All personnel were reflected as having been assigned and successfully completed suitability assessments.

According to TIGTA personnel, TIGTA does not require applicants to provide copies of their CITP certificates during the onboarding process; therefore, the majority of files we reviewed did not contain CITP certificates. However, TIGTA management communicated that during the hiring process applicants are required to positively affirm the completion of CITP. Additionally, when applicants attend CITP after being hired by TIGTA, their completion certificates are maintained by the organization (accounting for the three certificates that were present for inspection).

Additionally, TIGTA's onboarding program for Criminal Investigators addresses critical training needs; however, there is no standardized onboarding training program in place for some administrative support positions, which was ascertained from some interviewees.

## **6. Undercover and Confidential Informant Programs:**

CIGIE Quality Standard: CIGIE Guidelines on Undercover Operations; QAR, App B-2, IV, A, Adherence to Policies/Standards Related to the Use of Confidential Informants

Attorney General Guideline: VIII, B, Undercover Investigative Operations; AG Guidelines Regarding the Use of Confidential Informants

TIGTA Policy: OI Operations Manual Chapters 400-180 and 150.3, respectively

Overall, the TIGTA Undercover and Confidential Informant Programs are well run and managed. The Programs' policies and training regime are comprehensive and present a good model for other organizations. The inclusion of psychological support services in both the vetting and continued support of undercover special agents is a well thought out resource. In the discussion with the program manager, it appears current practice follows policy, which conforms to CIGIE standards. The program manager has adequate tracking mechanisms in place for training requirements and accountability of assigned identification documents and monetary assets.

However, we noted there is no secondary independent oversight of the program manager's accountability, creating a potential vulnerability and a potential single point of failure if the position is suddenly vacated. Additionally, challenges exist due to the structure of the program. Participants in the Undercover Program are managed operationally by the Program Manager, but organizationally, they remain assigned to their organic supervisory structure. This has the potential to create situations where conflicting direction is given to program participants.

## **7. Grand Jury:**

CIGIE Quality Standard: QSI, General Standards, D, Managing Investigative Information, p. 17  
Other Guideline: Rule 6(e) of the Federal Rules of Criminal Procedure

TIGTA Policy: OI Operations Manual Chapter 400-250

During this inspection, we reviewed a representative sample of 15 investigative files, contained within the electronic case management system, containing grand jury material. Within this sample, nine files were properly secured and labeled and otherwise compliant with CIGIE and AG guidelines. Six of the files were not compliant with the guidelines. Of these six electronic case files, four did not indicate that they contained grand jury material. Additionally, we discovered that in four of these same six files the current supervisors (with access to the electronic case files) were not added to the 6e list.

## **8. Warnings:**

CIGIE Quality Standard: QSI, General Standards, B, Executing Investigations, p. 12

Attorney General Guideline: None

TIGTA Policy: OI Operations Manual Chapters 400-210

During the peer review team's review of TIGTA's investigative files, the reviewers noted that 2 of the 75 files did not include forms documenting the provision of Kalkines warnings (Form OI 8112) during subject interviews.