
TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



*Tax Examiners Do Not Have the Tools or
Expertise to Authenticate Documents
Certified by a Foreign Issuing Agency*

May 29, 2015

Reference Number: 2015-40-038

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

Redaction Legend:

2 = Risk Circumvention of Agency Regulation or Statute

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HIGHLIGHTS

TAX EXAMINERS DO NOT HAVE THE TOOLS OR EXPERTISE TO AUTHENTICATE DOCUMENTS CERTIFIED BY A FOREIGN ISSUING AGENCY

Highlights

Final Report issued on May 29, 2015

Highlights of Reference Number: 2015-40-038 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

IMPACT ON TAXPAYERS

An Individual Taxpayer Identification Number (ITIN) is issued to individuals who are required to have a Taxpayer Identification Number for tax purposes but do not have and are not eligible to obtain a Social Security Number. ITINs are issued regardless of an individual's immigration status, as both resident and nonresident aliens may have a U.S. filing or reporting requirement under the Internal Revenue Code. In Calendar Year 2014, the IRS issued 638,000 ITINs.

WHY TIGTA DID THE AUDIT

This audit was initiated because TIGTA received an IRS employee complaint referred from a member of Congress alleging that the IRS's ITIN application processes and procedures do not ensure that documents certified by a foreign issuing agency are authentic.

WHAT TIGTA FOUND

Our review substantiated the employee's complaint. The IRS does not have effective processes or procedures to ensure the authenticity of copies of documents certified by foreign issuing agencies. Tax examiners responsible for reviewing these documents do not have the tools nor the expertise needed to authenticate copies certified by foreign issuing agencies. For example, *****2*****
*****2*****
*****2***** to compare with and ensure that the submitted document is authentic.

Apart from not having the most important tool to verify these documents (*****2*****), the processes and procedures the IRS has developed do not provide reasonable assurance that ITINs are not being issued based on false documentation.

In comparison to the IRS's process, the Department of State has ***2***** used when authenticating documents certified by a foreign issuing agency. For example, the Department of State's procedural manual states that the process for authenticating the stamp and signature of the foreign issuing agency is to compare the seal and signature to *****2*****
*****2*****
*****2*****
the Department of State requires that a higher official of the foreign government authenticate the document until *****2*****
*****2*****
****2*****.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Commissioner, Wage and Investment Division, provide tax examiners with reference materials that have *****2*****
****2***** that can be used to verify the authenticity of copies of documents certified by a foreign issuing agency. In addition, the Commissioner, Wage and Investment Division, should develop detailed procedures and deliver adequate training on verifying the authenticity of copies of documents certified by a foreign issuing agency.

The IRS agreed with our recommendations. The IRS will explore using ***2*****
*****2***** for training purposes and continue its discussions with the Department of State as it evaluates policy and procedures pertaining to the receipt and acceptance of certified copies of foreign-issued identification documents. The IRS also clarified instructions for verifying certified copies of documents and plans to use its ongoing communication and dialogue processes to reinforce proper procedures.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 29, 2015

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Tax Examiners Do Not Have the Tools or
Expertise to Authenticate Documents Certified by a Foreign Issuing
Agency (Audit # 201440026)

This report presents the results of our review to assess the Internal Revenue Service's (IRS) Individual Taxpayer Identification Number (ITIN) application process for authenticating the validity of foreign Embassy,¹ foreign Consulate,² or other foreign issuing agency stamps on documents provided to prove an ITIN applicant's identity and foreign status. This review was initiated based on an employee complaint referred to us by a member of Congress. This audit is included in our Fiscal Year 2015 Annual Audit Plan and addresses the major management challenge of Fraudulent Claims and Improper Payments.

Management's complete response to the draft report is included in Appendix IV.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. If you have any questions, please contact me or Russell P. Martin, Assistant Inspector General for Audit (Returns Processing and Account Services).

¹ An Embassy serves as a country's headquarters for diplomatic affairs within the borders of a foreign nation. An Embassy is led by an Ambassador and is usually located in the capital city of a foreign nation.

² A Consulate reports to the Ambassador in the Embassy and provides the same services and functions as an Embassy. Consulates also provide passport, birth registration, and many other services for visiting or resident American citizens in a foreign country. Consulates are usually located in major cities within the borders of a foreign country and are led by the Consul General.



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Abbreviations

IRS	Internal Revenue Service
ITIN	Individual Taxpayer Identification Number
SSN	Social Security Number



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Background

We initiated this audit based on a complaint forwarded to us from a U.S. Representative. The complaint was from an Internal Revenue Service (IRS) employee alleging that the IRS's Individual Taxpayer Identification Number (ITIN) application processes and procedures do not ensure that certified copies of documents with foreign issuing agency stamps are authentic. Individuals applying for an ITIN provide these documents with their application to prove their identity and foreign status. In the complaint, the employee also cited concerns that foreign issuing agency stamps*****2*****. The employee concluded that the *****2*****resulted in the issuance of ITINs based on false documentation.

An ITIN is issued by the IRS to individuals who are required to have a Taxpayer Identification Number for tax purposes but do not have and are not eligible to obtain a Social Security Number (SSN). ITINs are issued regardless of an individual's immigration status because both resident and nonresident aliens may have a U.S. filing or reporting requirement under the Internal Revenue Code. ITINs are for Federal tax reporting only and are not intended to serve any other purpose. The IRS issues ITINs to help individuals comply with the U.S. tax laws and to provide a means to process and account for tax returns and payments for those individuals not eligible for an SSN. The IRS issued 622,814 ITINs in Calendar Year 2013 and 638,000 ITINs in Calendar Year 2014.

Process to obtain an ITIN

To obtain an ITIN, an individual, his or her spouse, or qualifying dependent(s) must complete Form W-7, *Application for IRS Individual Taxpayer Identification Number*, and send it to the IRS Submission Processing Center in Austin, Texas, or provide it to an IRS assistant at a Taxpayer Assistance Center.¹ The applicant may also submit the application to an IRS authorized Acceptance Agent² or Certifying Acceptance Agent.³ Supporting documents are required to accompany the ITIN application to prove the applicant's identity and foreign status. The documents must show the applicant's name and support for the claim of foreign status. For

¹ An IRS office with employees who answer questions, provide assistance, and resolve account-related issues for taxpayers face to face.

² The role of an Acceptance Agent is to assist applicants in completing the ITIN application, ensure that the applicant's supporting documentation is accurate, and forward the completed form and documentation to the Austin Submission Processing Center.

³ An individual who is authorized, pursuant to a written agreement with the IRS, to certify whether the required documentation to support the identity and foreign status of an individual applying for an ITIN is adequate. The Certifying Acceptance Agent has the authority to certify primary or secondary applicants. However, applications for dependents will require that original documents or certified copies be submitted to the IRS for review.



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individuals who are 18 or over and not students, at least one document must show the applicant's photograph. Effective January 2013, the IRS reduced the number of documents it accepts to obtain an ITIN. Applicants are required to submit one of three documentation types:

- **Original documents** – documents that are not changed from their initial issuance (*i.e.*, not a copy or a replica).
- **Certified copies** – documents that the original issuing agency provides and certifies as an exact copy of the original and that contain an official stamp or ink seal from the issuing agency. For example, a foreign issuing agency could provide a certified copy of the applicant's passport. Faxes and photocopies are not acceptable supporting documents.
- **Notarized copies** – documents that are notarized are only accepted in a few instances, such as those in which military spouses and military dependents without an SSN need an ITIN.

Processing ITIN applications

The ITIN unit in the IRS Submission Processing Center in Austin, Texas, is responsible for processing all ITIN applications. The mission of the ITIN program is to ensure that ITINs are issued timely to qualifying individuals and are used only for tax administration purposes. Tax returns attached to the application are sent for processing, and IRS computer systems are updated with information including the individuals' names, addresses, and identification numbers. Tax examiners in the ITIN unit review ITIN applications and supporting documentation. Based on the tax examiner's review, the application will either be:

- **Assigned:** The IRS mails a notice with the assigned ITIN to the applicant.
- **Rejected:** The IRS mails a notice informing the individual that the ITIN application was rejected. The notice informs the taxpayer of the reason for the rejection and that they must file another application if they would like to reapply for an ITIN.
- **Suspended:** The ITIN application is suspended for a procedural issue or because it has questionable information. IRS guidelines define a questionable application as one for which the tax examiner identifies one or more discrepancies on the application. A procedural issue is one in which the applicant did not properly complete the application or did not attach the required documentation to the application.

An internal study conducted by the IRS considered alternatives to strengthen requirements for certified copies

In March 2013, IRS management considered alternatives to strengthen the requirements and clarify the definition of certified copies from a foreign issuing agency. The alternatives considered included:



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- Requiring certified copies from a foreign issuing agency contain the same security features (watermark, hologram, *etc.*) as original documents.
- Discontinue accepting certified copies by a foreign issuing agency.
- Continuing to accept certified copies while establishing additional procedures for authentication.

Based on feedback the IRS received from foreign countries and other stakeholders, IRS management learned that certified copies with security features would be difficult to obtain. Some countries stated that the only way to have security features on certified copies would be to produce another original document. This would add to the expense of the foreign agency and applicant and create a security risk because the documents could be stolen and used for fraud.

As part of the study, IRS management also reviewed ITIN applications comparing copies certified by foreign issuing agencies to original documents. During this study, IRS management found that documents certified by foreign issuing agencies*****2*****. In their view, this was a strong indication that the documents certified by foreign issuing agencies were valid. IRS management decided to continue to accept certified copies. IRS management noted that their application review procedures ensure the integrity of the ITIN program while providing applicants some flexibility in complying with application requirements.

Internal guidelines outline processes and procedures for tax examiners to follow when reviewing documents certified by a foreign issuing agency

Documents to establish an applicant's identity and foreign status include passports, national identification cards, civil birth certificates, medical records, foreign voter registration cards, and school records.⁴ The documents can be original documents or copies of documents certified by a foreign issuing agency (*i.e.*, a reproduction of a document or record authenticated by the foreign issuing agency).

⁴ Civil birth certificates, medical records, and school records would only prove foreign status and not identity if the documents were issued by a foreign country. A combination of documents to establish an applicant's identity and foreign status also include U.S. Citizenship and Immigration Services photo identification, a Visa, foreign military identification card, U.S. driver's license, U.S. military identification card, foreign driver's license, or a State identification card.



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When a copy of a document is certified by a foreign Embassy,⁵ foreign Consulate,⁶ Ministry of Foreign Affairs,⁷ or Office of Foreign Affairs,⁸ the tax examiners who process ITIN applications are instructed to ensure that the stamp is an original stamp, not a copy of a stamp. For those copies of documents certified by other foreign issuing agencies (*e.g.*, a city hall office in the country of Germany), internal guidelines instruct tax examiners to review the documents to ensure that all of the following features are present on the documents:

- Applicant's name and date of birth.
- The type of certified document is identified (*e.g.*, passport).
- A statement indicating that the document has been certified, verified, or is a true copy.
- An original seal with the name of the office certifying the document and the country's emblem.
- Signature by an official.
- Date the document was certified.
- Copy of the identification that was certified.

This review was performed at the Austin Submission Processing Center in Austin, Texas, and with information obtained from the ITIN Program Office located in Atlanta, Georgia, during the period April 2014 through January 2015. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

⁵ An Embassy serves as a country's headquarters for diplomatic affairs within the borders of a foreign nation. An Embassy is led by an Ambassador and is usually located in the capital city of a foreign nation.

⁶ A Consulate reports to the Ambassador in the Embassy and provides the same services and functions as an Embassy. Consulates also provide passport, birth registration, and many other services for visiting or resident American citizens in a foreign country. Consulates are usually located in major cities within the borders of a foreign country and are led by the Consul General.

⁷ A Ministry of Foreign Affairs is the organization through which foreign governments communicate with other governments and international organizations. Not all countries have a Ministry of Foreign Affairs.

⁸ An Office of Foreign Affairs is an entity that has the same responsibilities as a Ministry; the only difference is the name. For example, the United States has an Office of International Affairs; in Canada, the office is the Department of Foreign Affairs.



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Results of Review

Tax Examiners Are Not Qualified to Authenticate Documents Certified by Foreign Issuing Agencies

Our review substantiated the employee's complaint that the IRS does not have effective processes or procedures to ensure the authenticity of copies of documents certified by foreign issuing agencies. Tax examiners responsible for reviewing these documents do not have the tools or the expertise needed to authenticate copies certified by foreign issuing agencies. For example, tax examiners do not have *****2*****
***** to compare with and ensure that the submitted document is authentic.

Apart from not having the most important tool to verify these documents (*****2*****), the processes and procedures that the IRS has developed do not provide reasonable assurance that ITINs are not being issued based on false documentation. Internal guidelines require tax examiners who review copies of documents certified by a foreign Embassy, foreign Consulate, Ministry of Foreign Affairs, or Office of Foreign Affairs, to ensure that there is a stamp or ink seal on the document and that the stamp or ink seal is an original. *****2*****
*****2*****.

In January 2014, the IRS revised tax examiner review guidelines in response to the same complaint we received by adding procedures for reviewing copies of documents certified by other foreign issuing agencies (e.g., the Canadian Passport Office). For example, the revised procedures require tax examiners to review documents for information such as the applicant's name and date of birth; a statement indicating that the document had been certified, verified, or is a true copy; and an official signature. It should be noted that the expanded review procedures did not include authenticating documents stamped as certified by a foreign Embassy, foreign Consulate, Ministry of Foreign Affairs, or Office of Foreign Affairs. Tax examiners continue to be required to ensure only that the stamp is an original stamp or ink seal to *****2*****
*****2***.

During our discussions with tax examiners and managers involved in the ITIN application review process, they raised concerns about the inadequate processes and procedures. Tax examiners and managers cited the need for consistent guidance related to verifying the authenticity of copies of documents certified by foreign issuing agencies. For example, because the guidance is not clear, tax examiners are using different approaches when reviewing these documents for authenticity. Each tax examiner may provide a different level of scrutiny for the documents depending on their level of experience. Some tax examiners only verify that there is an original stamp on the document, while others look for characteristics on the document that would indicate the document is questionable *****2*****. Tax examiners stated



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that, although training was provided for reviewing security features of original documents, the training did not address reviewing copies of documents certified by foreign issuing agencies.

******2***** are used by the U.S. Department of State to authenticate documents certified by a foreign issuing agency**

In comparison to the IRS's process, the U.S. Department of State has ****2*** that it uses when authenticating⁹ documents certified by a foreign issuing agency. For example, the Department of State's procedural manual states that the process for authenticating the stamp and signature of the foreign issuing agency is to compare the seal and signature *****2*****
*****2***** the Department of State requires that a higher official of the foreign government authenticate the document *****2*****
*****2*****.

Tax examiners did not always follow internal guidelines when reviewing certified copies

Not only are the IRS's procedures insufficient, but they are also not being followed in some instances. Our review of a judgmental sample¹⁰ of 54 approved ITIN applications reviewed between October 27, 2014, and December 2, 2014, identified four (7 percent) in which the tax examiner did not follow procedures when reviewing certified copies of documents. For these four applications, the stamp on the document was not an original stamp. The IRS's guidance states that these copies cannot be accepted. As such, the applicants should not have been approved to receive an ITIN. When we brought this to IRS management's attention, IRS management stated that training needed to be revised to provide better guidance and examples for reviewing copies of documents certified by foreign issuing agencies.

Recommendations

The Commissioner, Wage and Investment Division, should:

Recommendation 1: Provide tax examiners with reference materials that have **2*****
*****2***** various countries that can be used to verify the authenticity of copies of documents certified by a foreign issuing agency.

Management's Response: The IRS agreed with this recommendation. The IRS noted that the recommendation would provide valuable resources for its employees and

⁹ A certification of the genuineness of the official character, *i.e.*, signature and seal, or position of a foreign official. It is an act done with the intention of causing a document that has been executed or issued in one jurisdiction to be recognized in another jurisdiction.

¹⁰ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.



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assist them in verifying the authenticity of identification documentation submitted with ITIN applications. Although, as noted in its response, the IRS's ability to use ****2**** validating copies of identification documents submitted with ITIN applications is constrained under treaty obligations, it will explore ***2***** for training purposes. It will also continue its discussions with the U.S. Department of State as it evaluates policy and procedures pertaining to the receipt and acceptance of certified copies of foreign-issued identification documents.

Recommendation 2: Develop detailed procedures and deliver adequate training on verifying the authenticity of copies of documents certified by a foreign issuing agency.

Management's Response: The IRS agreed with this recommendation. While the IRS believed existing procedures adequately address the correct procedures for verifying the authenticity of copies of documents certified by foreign issuing agencies, it will use its ongoing communication and dialogue processes to reinforce proper procedures. Additionally, Internal Revenue Manual 3.21.263.5.3.4.2.1 (4), *IRS ITIN Real-Time System*, was updated on January 29, 2015, to clarify instructions for verifying certified copies of documents.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to assess the IRS's ITIN application process for authenticating the validity of foreign Embassy,¹ foreign Consulate,² or other foreign issuing agency stamps on documents provided to prove an ITIN applicant's identity and foreign status. To accomplish this objective, we:

- I. Assessed the adequacy of the IRS's procedures for verifying the authenticity of documents certified by foreign issuing agencies.
 - A. Reviewed the Internal Revenue Manual, policy, memoranda, *etc.*, related to reviewing copies of documents stamped as certified by a foreign issuing agency.
 - B. Interviewed ITIN unit employees and management to determine the processes for reviewing copies of documents certified by foreign issuing agencies.
- II. Assessed the prevalence that individuals are submitting ITIN applications with questionable documents certified by an issuing agency and are being issued an ITIN.
 - A. We selected a judgmental sample³ of 54 ITIN applications with copies of documents certified by foreign issuing agencies that had an ITIN assigned from the inventory of applications that had been processed between October 27, 2014, and December 2, 2014. We selected a judgmental sample because we were unable to obtain a listing of current processed applications that would have allowed us to take a statistically random sample. For documents stamped by a foreign issuing agency, we reviewed the original certified copy to determine whether the document contained an original stamp or ink seal.
 - B. Interviewed the U.S. Department of State to determine methods available to authenticate foreign Embassy, foreign Consulate, and other foreign issuing agency stamps.

¹ An Embassy serves as a country's headquarters for diplomatic affairs within the borders of a foreign nation. An Embassy is led by an Ambassador and is usually located in the capital city of a foreign nation.

² A Consulate reports to the Ambassador in the Embassy and provides the same services and functions as an Embassy. Consulates also provide passport, birth registration, and many other services for visiting or resident American citizens in a foreign country. Consulates are usually located in major cities within the borders of a foreign country and are led by the Consul General.

³ A judgmental sample is a nonprobability sample, the results of which cannot be used to project to the population.



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Internal controls methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the Internal Revenue Manual and the IRS's policies, procedures, and practices for reviewing copies of documents certified by foreign issuing agencies attached to Forms W-7, *Application for IRS Individual Taxpayer Identification Number*. We evaluated these controls by interviewing management and examining applicable information.



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Appendix II

Major Contributors to This Report

Russell P. Martin, Assistant Inspector General for Audit (Returns Processing and Account Services)
Diana M. Tengesdal, Director
Kathleen A. Hughes, Audit Manager
Tracy M. Hernandez, Lead Auditor
Jeremy M. Berry, Auditor
Ngan B. Tang, Auditor



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Appendix III

Report Distribution List

Commissioner C
Office of the Commissioner – Attn: Chief of Staff C
Deputy Commissioner for Services and Enforcement SE
Deputy Commissioner, Wage and Investment Division SE:W
Director, Customer Account Services, Wage and Investment Division SE:W:CAS
Director, Submission Processing, Wage and Investment Division SE:W:CAS:SP
Austin Field Director, Submission Processing, Wage and Investment Division
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Office of Internal Control OS:CFO:CPIC:IC
Audit Liaison: Chief, Program Evaluation and Improvement, Wage and Investment Division
SE:W:S:PEI



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Appendix IV

Management's Response to the Draft Report



COMMISSIONER
WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

MAY 19 2015

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Debra Holland
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – Tax Examiners Do Not Have the Tools or
Expertise to Authenticate Documents Certified by a Foreign
Issuing Agency (Audit # 201440026)

Thank you for the opportunity to review and provide comments on the subject draft report. We appreciate the Treasury Inspector General for Tax Administration's (TIGTA) recognition that the IRS took action in January 2014, to address the same employee concern that was the basis for the reported audit. Administration of the Individual Taxpayer Identification Number (ITIN) program presents unique challenges with respect to the validation of ITIN applications and the verification of accompanying identification documents that may originate from any foreign government and may vary from region to region within the foreign country's borders. The review and critical analysis of our procedures for processing ITIN applications is ongoing to strengthen the integrity of the program and ensure ITINs are issued only for valid tax administration purposes.

In January 2013, we strengthened the controls over ITIN issuance by eliminating, except in limited circumstances, the use of notarized copies of official identification documents. Going forward, we accepted, and continue to accept, only original documents or copies of documents certified by the original issuing agency to verify applicant identities. We believe this action contributed, in part, to the decline in the number of ITINs issued annually, from 1.8 million in 2009, to 638,000 in 2014. As mentioned previously, in response to employee-voiced concerns, in January 2014 we supplemented procedures and provided additional guidance on reviewing certified copies of documents submitted for identification purposes. We further note that the Tax Examiners reviewing and processing ITIN applications are empowered with the authority to reject any application they believe to be potentially fraudulent.



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2

In the course of exploring actions we could take to implement the TIGTA's recommendation to provide employees with reference materials containing *****2***** from various countries, IRS officials met with representatives of the U.S. Department of State on March 5, 2015. In that meeting, and in subsequent conversations, we were advised that the IRS could obtain *****2***** of foreign country treaty partners¹; however using those examples as the basis for accepting or rejecting identification documents presented with ITIN applications could place the United States in jeopardy of violating the treaty terms. Our discussions have been productive in identifying areas where the ITIN program procedures for evaluating identification documents can be improved. We will continue working with the Department of State and other stakeholders to identify viable options for sustained improvements to program controls.

Processing ITIN applications is a labor-intensive process that relies heavily on the skills, expertise, and judgment of our employees. We note that the review of applications by the TIGTA revealed that 93 percent of the sample had been correctly processed. We believe good communication is the cornerstone of successful performance by our employees. We will continue to maintain dialogue between ITIN program management and the employees processing applications, to promote bi-directional feedback, knowledge transference, and skill development, to further improve our processing accuracy rate.

Attached are our comments to your recommendations. If you have any questions, please contact me, or a member of your staff may contact Ivy McChesney, Director, Customer Account Services, Wage and Investment Division, at (404) 338-8910.

Attachment

¹ *The Hague Convention Abolishing the Requirement of Legalisation for Foreign Public Documents, the Apostille Convention, or the Apostille Treaty*



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Attachment

Recommendations

The Commissioner, Wage and Investment Division, should:

RECOMMENDATION 1

Provide tax examiners with reference materials that have
*****2***** from various countries that can be used to
verify the authenticity of copies of documents certified by a foreign issuing
agency.

CORRECTIVE ACTION

We agree that this recommendation would provide valuable resources to our
employees and assist them in verifying the authenticity of identification
documentation submitted with Individual Taxpayer Identification Number
applications. Although, as noted in our response, our ability to use
*****2***** for validating copies of identification
documents submitted with Individual Taxpayer Identification Number
applications is constrained under treaty obligations, we will explore
*****2***** for training purposes. We will also continue our
discussions with the Department of State as we evaluate policy and procedures
pertaining to the receipt and acceptance of certified copies of foreign-issued
identification documents.

IMPLEMENTATION DATE

December 15, 2015

RESPONSIBLE OFFICIAL

Director, Submission Processing, Customer Account Services, Wage and
Investment Division

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management
control system.

RECOMMENDATION 2

Develop detailed procedures and deliver adequate training on verifying the
authenticity of copies of documents certified by a foreign issuing agency.

CORRECTIVE ACTION

We believe existing procedures adequately address the correct procedures for
verifying the authenticity of copies of documents certified by foreign issuing
agencies; however, we will use our ongoing communication and dialogue
processes to reinforce proper procedures. Additionally, Internal Revenue
Manual 3.21.263.5.3.4.2.1 (4), IRS Individual Taxpayer Identification Number
(/TIN) Real-Time System (RTS), was updated on January 29, 2015, to clarify
instructions for verifying certified copies of documents.



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2

IMPLEMENTATION DATE

Implemented

RESPONSIBLE OFFICIAL

Director, Submission Processing, Customer Account Services, Wage and Investment
Division

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control
system.