

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations

May 1, 2024

Report Number: 2024-IE-R012

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.

HIGHLIGHTS: Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations

Final Evaluation Report issued on May 1, 2024

Report Number 2024-IE-R012

Why TIGTA Did This Evaluation

In July 2019, Congress enacted the Taxpayer First Act to re-imagine and enhance the way the IRS serves taxpayers, enforces the tax laws, and trains its employees.

The Act includes a provision that requires the IRS to develop a comprehensive taxpayer experience strategy. As part of the development of its strategy, the IRS identified several initiatives to expand services and assistance to taxpayers in underserved populations. One of those initiatives is the Lifting Communities Up (LCU) initiative, which was developed to rebuild underserved communities by creating IRS jobs and careers for people in these communities.

This review was initiated to evaluate the IRS's efforts to expand operations into economically distressed areas to improve tax administration and the services provided to taxpayers.

Impact on Tax Administration

Ensuring that policies and procedures are established and followed is essential to upholding the integrity of the LCU initiative and ensuring that the IRS's goals of improving the community through improved tax administration and other services are accomplished.

What TIGTA Found

The IRS continues to face challenges in its efforts to fill positions and to complete infrastructure projects in the Mississippi Delta. Specifically, the IRS established a goal to open four offices and hire 160 new employees in the Mississippi Delta by the end of Fiscal Year 2024. However, as of December 2023, the IRS had hired only 24 of its planned 160 employees and opened three of the four offices. In addition, although IRS officials have visited local communities in the Mississippi Delta, the IRS did not use a focused ongoing outreach program or ongoing partnership with the local universities and colleges that the IRS set forth as a goal in its LCU pilot initiative plan. Instead of working with educational institutions for hiring individuals, the IRS resorted to a traditional hiring approach with limited in-person hiring activities. Further, in July 2023, IRS officials stated that for the short-term, the IRS would no longer execute its planned training pipeline in the Mississippi Delta because the hiring volume does not warrant a pipeline approach. The IRS will shift its focus to hire for customer-support jobs that are more viable for entry-level positions that do not require college degrees or advanced work experience. Nonetheless, the IRS plans to continue its hiring efforts and further expand the initiative based on the availability of jobs, mission needs of IRS business units, and community infrastructure.

Key steps to ensure the continuation of the LCU initiative have not been taken. As of December 2023, the IRS Commissioner had not approved the Request for Organizational Change to formally establish the LCU Program Office. In addition, the IRS has not finalized the LCU's governing and operational policies and procedures or developed key performance measurements to assess the success of the initiative in the Mississippi Delta. TIGTA also found that the IRS changed its approach for identifying communities for potential expansion under the LCU initiative. The IRS is now focused on maximizing existing space at IRS or Federal offices that are located within 50 miles of LCU identified communities. IRS management noted that limiting potential expansion to only those communities within this range of existing Federal offices would require less resources because existing infrastructure will be in place.

What TIGTA Recommended

TIGTA made two recommendations that include establishing the LCU Program Office and developing a strategy to conduct in-person recruiting activities at educational institutions and job fairs as part of the Mississippi Delta hiring strategies. The IRS agreed with all the recommendations in this report.



TREASURY INSPECTOR GENERAL

for Tax Administration

DATE: May 1, 2024

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Russell P. Martin 
Deputy Inspector General for Inspections and Evaluations

SUBJECT: Final Evaluation Report – Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations (Evaluation No.: IE-23-018)

This report presents the results of our review to evaluate the Internal Revenue Service's efforts to expand operations into economically distressed areas to improve tax administration and the services provided to taxpayers. This review is part of our Fiscal Year 2023 Annual Program Plan and addresses the major management and performance challenge of *Improving Taxpayer Service*.

Management's complete response to the draft report is included as Appendix II. If you have any questions, please contact me or Frank O'Connor, Director, Inspections and Evaluations.

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Background

In July 2019, Congress enacted the Taxpayer First Act, with the goal to re-imagine and enhance the way the Internal Revenue Service (IRS) serves taxpayers, enforces the tax laws, and trains its employees.¹ This Act consists of 45 provisions, including one provision that requires the IRS to develop a comprehensive taxpayer experience strategy to include proposals to improve customer service in the short-term (the current and following fiscal year); medium-term (approximately three to five fiscal years); and long-term (approximately 10 fiscal years).

In response, the IRS developed several initiatives to expand services and assistance to taxpayers in underserved populations.² One of these initiatives is the Lifting Communities Up (LCU) initiative. The IRS notes that the LCU initiative is an effort to attract, retain, and empower a skilled and diverse workforce and develop a culture that is better equipped to deliver results for taxpayers. The goal of the LCU initiative is to rebuild underserved communities by creating IRS jobs and careers for people in these communities. The IRS stated that the LCU initiative incorporates a unique model of hiring employees in geographically underserved areas of the country to work in different IRS Operating Divisions with the focus on increasing knowledge and awareness of tax law, compliance, and benefits within the underserved community.³ The IRS's goal in turn is that this initiative will significantly improve the IRS's overall impact within these underserved communities.

The IRS selects the Mississippi Delta for pilot LCU initiative

In Fiscal Year (FY) 2022, the IRS selected the Mississippi Delta for its pilot LCU initiative. The IRS also identified an Executive Director, Deputy Director, and Senior Operations Advisor to oversee this initiative *i.e.*, LCU Initiative or Office. The IRS notes that the selection of the Mississippi Delta was based on several factors including having one of the highest poverty rates in the country. For example, in Calendar Year 2021, the unemployment rates in Coahoma County and Washington County, which are both located in the Mississippi Delta, were 8.4 and 8.0 percent, respectively. Conversely, the national average unemployment rate in Calendar Year 2021 was 5.4 percent. In FY 2022, the starting salary range for collection contact representatives was between \$36,118 and \$46,953, with the potential for annual increases and promotions. The median household income in Clarksdale, Mississippi, was \$35,377.⁴ Another factor the IRS used was the high number of audits of Forms 1040, *U.S. Individual Income Tax Return*, that included the Earned Income Tax Credit compared to other parts of the country.⁵ Former IRS

¹ Pub. L. No. 116-25, 133 Stat. 981 (2019).

² The term "underserved population" includes populations of persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, members of the Armed Forces and their spouses, the elderly, and low-income taxpayers.

³ IRS Operating Divisions are business units that provide taxpayer assistance and education, filing and accounting services, and compliance activities.

⁴ The \$35,377 represents the median household income in Clarksdale, Mississippi, from 2018 through 2022, presented in 2022 dollars. We obtained the median household income data from the Census Bureau Quick Facts website on August 24, 2023.

⁵ A refundable tax credit for low- to moderate-income workers.

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Commissioner Charles Rettig made the following statement on the IRS's development in the Mississippi Delta:

A special focus for the IRS has been to increase services and employment in under-represented communities. This new effort in Mississippi is designed to help people in the community as well as taxpayers needing help related to collection issues. We are proud to be working closely with Federal, State, and local officials to launch this new site, and we appreciate their significant assistance raising awareness about this important effort.

The IRS's objectives for its LCU Initiative are to:

- Revitalize the community and positively improve unemployment levels by offering career opportunities with the IRS.
- Increase awareness of tax law, voluntary compliance, and tax benefits including the Earned Income Tax Credit.

Results of Review

Our evaluation of the IRS's LCU pilot initiative identified that the IRS continues to face challenges in its efforts to fill positions and open offices in the Mississippi Delta. For example, the IRS established a goal to open four offices and hire 160 new employees by the end of FY 2024. However, as of December 2023, the IRS had hired only 24 employees and opened three offices. In addition, in July 2023, IRS officials stated that, for the short-term, the IRS would no longer implement its planned "training pipeline" in the Mississippi Delta because the hiring volume does not warrant a pipeline approach.⁶ The IRS will shift its focus to hire for customer-support jobs that are more viable for entry-level positions that do not require college degrees or advanced work experience. Nonetheless, the IRS indicated it still plans to continue hiring in the Mississippi Delta, and further expand the initiative based on the availability of jobs, mission needs of IRS business units, and community infrastructure.

In addition, we identified that although the IRS details in its Inflation Reduction Act Strategic Operating Plan a goal to expand and establish offices in additional underserved communities by FY 2026, key steps to ensure the successful continuation of the LCU have not been taken. Specifically, as of December 2023, the IRS Commissioner had not approved the Request for Organizational Change to formally establish a permanent LCU Program Office.⁷ Further, the IRS has not finalized the LCU's governing and operational policies and procedures or developed key performance measurements to assess the success of the initiative in the Mississippi Delta to attract, retain, and empower a skilled and diverse workforce, develop a culture that is better equipped to deliver results for taxpayers, and to rebuild underserved communities. Ensuring that policies and procedures are established and followed is essential to upholding the integrity of the LCU initiative and ensuring that the IRS's goals of improving the community through improved tax administration and other services are accomplished.

⁶ Training pipeline is a partnership with local educational institutions to train students on skills needed for IRS jobs.

⁷ The Request for Organizational Change is an IRS form used for processing, controlling, and coordinating internally generated proposals.

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Finally, we found that the IRS changed its approach for identifying communities for potential expansion under the LCU initiative. The IRS is now focused on maximizing existing space at IRS or Federal offices that are located within 50 miles of LCU identified communities. Specifically, the IRS is looking at utilizing a national-level analysis to identify existing office space within 50 miles of underserved communities. IRS management noted that an existing Federal office would require less resources because existing infrastructure will be in place for providing service to any underserved community in the area.

Key Steps to Ensure the Continuation and Success of the Lifting Communities Up Initiative Have Not Been Finalized

The IRS's Strategic Operating Plan establishes a goal to create IRS offices in additional underserved communities by FY 2026. Our evaluation found that key program and performance measures have not been developed. The LCU initiative is one of the IRS's initiatives to improve taxpayer service by attracting a diverse workforce in underserved communities. As of December 2023, we identified that:

- A dedicated program office to oversee the LCU initiative has been proposed but not established. An LCU office Request for Organizational Change has been developed but not approved. The Request for Organizational Change is needed to obtain permanent staffing for the LCU office.
- Policies and procedures for the LCU office have not been finalized. This includes governing and operational guidance for the LCU office. The IRS informed us that the LCU policies and procedures would be finalized within 60 days of the IRS Commissioner's approval of the Request for Organizational Change to formally establish the LCU Program Office.
- Performance measures to assess the success of the LCU initiative have not been developed. This includes measures to evaluate the IRS's efforts to attract, retain, and empower a skilled, diverse workforce, develop a culture that is better equipped to deliver results for taxpayers, and rebuild underserved communities by creating IRS jobs and careers for people in these communities.

However, in our discussion with representatives from the LCU office in June 2023, they noted that they requested assistance from the IRS's Research, Applied Analytics and Statistics (RAAS) Division to identify other potential locations for LCU expansion and would use the RAAS Division's analysis to identify additional communities for development. Representatives from the LCU office stated that when the LCU office is formally established, it would ensure that business Key Performance Indicators are included as part of the business case for selecting an LCU identified community for development and would assess the impact of the hiring for each LCU identified community after the LCU office is formally established.

Criteria to identify additional sites for expansion is tied to communities within 50 miles of an existing Federal office

Based on infrastructure challenges the IRS is facing in the Mississippi Delta, the criteria to identify additional communities for potential expansion was revised. Specifically, the IRS did not previously include data regarding Federal office space within 50 miles of the identified

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underserved communities. Representatives from the LCU office noted that this change was made to further narrow down sites within the selected communities that had the potential to readily host a new federal presence.

In addition, LCU representatives noted that although telework is widely used by IRS employees, including employees recently hired in the Mississippi Delta, they wanted to select communities that had existing Federal offices in case employees would be required to work in the office more frequently. Also, the IRS continues to experience delays and challenges in securing new space in the Mississippi Delta as the communities the IRS has selected for development do not have existing Federal office space. Finally, limiting the criteria for potential sites requires less resources than selecting communities that do not have existing infrastructure in place.

In August 2023, the RAAS Division and LCU office met with the IRS Commissioner to discuss the locations the LCU office should consider for expansion along with the criteria to be used to identify these potential locations. The Commissioner asked the LCU to identify what activities could be done in Calendar Year 2024 for potential expansion under the initiative. The RAAS Division noted that it used the following data sets to identify potential communities within a 50-mile radius of an existing Federal office:

- Rural population data from the Census Bureau.
- Unemployment data from the Bureau of Labor Statistics.
- Population of individuals with low English proficiency data obtained from the Census Bureau.
- Population of individuals with disabilities, low-income tax returns, elderly individuals' data obtained from internal IRS sources and the Census Bureau.
- Data on students enrolled in different degree programs, obtained from the National Center for Education Statistics.

Figure 1 provides a list of the communities the RAAS Division identified for possible LCU program expansion.

Figure 1: Communities Identified for Possible LCU Program Expansion

Site City and State	Number of Federal Buildings Within 50-mile Radius
[REDACTED]	60
[REDACTED]	81
[REDACTED]	99
[REDACTED]	87
[REDACTED]	113
[REDACTED]	129
[REDACTED]	231
[REDACTED]	225

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Site City and State	Number of Federal Buildings Within 50-mile Radius
[REDACTED]	68
[REDACTED]	122
[REDACTED]	116
[REDACTED]	1,164
[REDACTED]	104
[REDACTED]	76
[REDACTED]	41

Source: LCU national analysis as of July 2023.

IRS officials stated that none of the 15 sites listed in Figure 1 have been selected to date. Although the LCU office recommended the 15 sites for development, the IRS Commissioner has, as of December 2023, temporarily halted meetings with all IRS business units to determine the focus areas of the Inflation Reduction Act. LCU officials noted that the IRS Commissioner wants to use the LCU initiative to support various challenges the IRS needs to overcome, such as digitization and modernization of its operations. The LCU office will begin selecting sites after it is able to meet with and obtain approval from the IRS Commissioner.

The Deputy Commissioner for Operations Support, should:

Recommendation 1: Establish an LCU Program Office whose responsibilities include:

- Evaluating the pilot initiative to determine whether it is achieving its established goals for the LCU initiative.
- Identifying and coordinating the expansion of additional offices as set forth in the Strategic Operating Plan.
- Developing processes and procedures to ensure the implementation of the IRS’s Strategic Operating Plan goal of attracting, retaining, and empowering a highly skilled, diverse workforce and develop a culture that is better equipped to deliver results for taxpayers.

Management’s Response: The IRS agreed with this recommendation and stated that assigning sufficient resources to this initiative will be critical for long-term success. In addition, through the end of June 2024, the IRS is recalibrating the LCU’s primary goals of outreach and expanding the diversity of its talent pool into the Inflation Reduction Act roadmap. Concurrently, the IRS will be solidifying the temporary hiring needs to support this work, then working to fill those needs in the summer of 2024. Throughout this process, the IRS stated it will ensure that there is a continuing, laser focus on achieving the stated goals. However, the IRS also stated that given the establishment of the IRS Transformation and Strategy Office and the agency’s ongoing modernization of existing operational functions, creating a separate LCU office is no longer essential for ensuring that the rescoped goals of this important initiative are met. Further, the IRS stated that the Executive Director, LCU, will continue to assess the pilot initiative based on current

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IRS priorities. In addition, the Executive Director, LCU, will define the rescoped LCU goals and the LCU staffing plan by June 28, 2024, and thereafter the IRS will work to fill those positions.

Hiring Challenges and Delays in Opening Offices Impact the IRS's Expansion of Operations in the Mississippi Delta

The IRS has had ongoing challenges in hiring employees and opening offices in the Mississippi Delta. As of December 2023, the IRS had hired only 24 of its planned 160 employees. Figure 2 identifies the cities that the IRS selected to open or expand its offices in the Mississippi Delta, along with the planned and current employees hired at each location.

Figure 2: Planned and Current Hiring Levels in the Mississippi Delta

Location of IRS Offices in the Mississippi Delta	Planned Hiring Goal	Actual Employees Hired
Clarksdale, Mississippi	40	10
Cleveland, Mississippi	48	0
Greenville, Mississippi	30	9
Stoneville, Mississippi	42	5
Total Employees	160	24

Source: Wage and Investment and Small Business/Self-Employed Divisions, and Human Capital Office.

IRS management noted that their initial hiring activities in the Mississippi Delta began in FY 2022, with the hiring of individuals as collection contact representatives in Clarksdale. These employees were hired to work at the IRS's Automated Collection System site to answer calls from taxpayers and help resolve tax-related issues. In our discussions with employees working at this site, they informed us that 11 of the 12 employees hired as part of the IRS's initial hiring efforts subsequently resigned. These employees stated that the primary reason individuals resigned was because the job was not what these individuals expected. The IRS conducted a second round of hiring to replace the unexpected attrition. As of December 2023, there were 10 employees working at the Automated Collection System site in Clarksdale. Representatives from the LCU office noted that they plan to increase staffing to 50 employees at the Clarksdale office in FY 2024.

In addition to hiring challenges in Clarksdale, we were told that the IRS also faced challenges hiring personnel to work in its newly opened Taxpayer Assistance Center in Greenville, which opened in September 2023. For example, employees may go through the hiring process but decline the final job offer because they found other job opportunities. The LCU office stated that the goal is to hire 30 employees to work at the Post of Duty, which includes 11 Taxpayer Assistance Center employees, by the end of FY 2024. As of October 2023, only nine employees were working at the Taxpayer Assistance Center.

Hiring and operation expansion planned for 2024 and 2025

The IRS stated that the lack of office space contributed to delays in expanding operations. For example, securing viable office space that meets the IRS's requirements, and limited general contractor availability, contributed to unexpected delays.

The LCU office stated that plans are moving forward to hire and expand the IRS's footprint in the Mississippi Delta. For example:

- In FY 2024, it plans to open an office in Cleveland, which will consist of three Examination teams with 48 new employees. In FY 2025, the IRS plans to add an additional team of 16 employees. However, IRS officials noted that hiring cannot begin until office space is secured. They have been working with the General Services Administration since November 2022 to secure office space. As of December 2023, the IRS noted that the General Services Administration is still working with the prospective lessor to secure the space needed. Once secured, the IRS estimates that the construction project could take 18-24 months to complete.
- The IRS opened an office in Stoneville and hired five employees in November 2023 to work in this office. The employees consist of four Human Capital staff who conduct various payroll preprocessing and hiring actions and one Information Technology employee who troubleshoots technology issues for staff working in the Mississippi Delta. According to IRS officials, they plan to hire a total of 42 employees to work in this office.

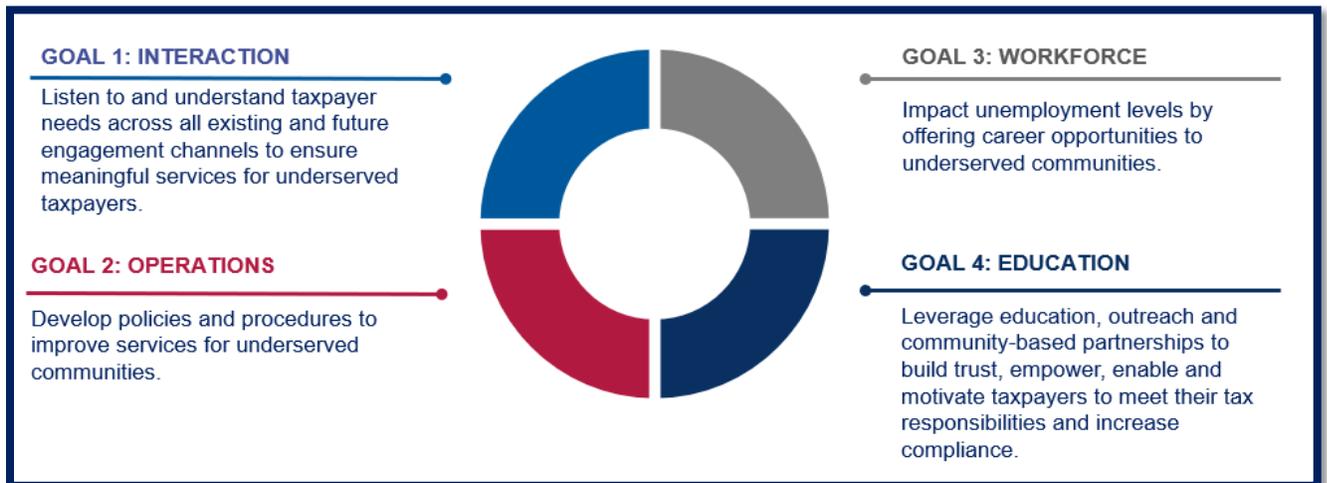
IRS Management Changed Course on Delivering Key Goals of its Lifting Communities Up Initiative Including Building a Training Pipeline in the Mississippi Delta

In July 2023, IRS officials stated that for the short-term, the IRS would no longer implement its planned "training pipeline" in the Mississippi Delta because the hiring volume does not warrant a pipeline approach. The IRS will shift its focus to hire for customer-support jobs that are more viable for entry-level positions that do not require college degrees or advanced work experience. This position is in direct contradiction to goals set-forth for the LCU initiative, as well as the IRS's commitment outlined in its April 2023 Strategic Operating Plan. The IRS details in its Strategic Operating Plan the desire to use its supplemental Inflation Reduction Act funding to identify specific operational initiatives that would improve taxpayer service, modernize technology, and increase equity in tax administration. One of these initiatives is to attract, retain, and empower a skilled and diverse workforce to develop a culture that is better equipped to deliver results for taxpayers. This includes the IRS's goal to hire in underserved communities as part of its LCU initiative. The IRS outlines its ability to achieve this goal by building a new pipeline of talent of applicants in new geographic areas and in underserved groups. Further, the IRS's Strategic Operating Plan notes that the launching of the LCU pilot in FY 2023 is the first step to address this initiative.

For FY 2024, the Strategic Operating Plan details efforts to seek the interest of students in joining the IRS workforce. The IRS planned to launch programs at initial rounds of schools and develop plans to assess and monitor diversity in the IRS workforce. The IRS noted that it is still developing these programs. Figure 3 below provides more details on methods the IRS stated it would use to achieve the goals of the LCU program.

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Figure 3: Lifting Communities Up Program Goals



Source: LCU Draft Playbook, May 2023.

Management noted that developing a training pipeline is a mid to long-term strategy based on the ability to broadly hire and acquire space in a designated underserved community for a large operation, such as a Mail Distribution or Call Center Site. However, in the Mississippi Delta, initial hiring efforts focused on filling positions that did not require college degrees or advanced work experience. Therefore, a training pipeline was not necessary for these positions.

Additionally, IRS hiring efforts have been focused on hiring for customer-service oriented jobs, which provide an expanded opportunity to hire work-ready candidates to fill these positions that do not require “specialized” training or academic requirements. The IRS reiterated that it still plans to establish training pipelines in the future through partnerships with colleges and universities. The IRS stated that it will take time to develop the pipelines as business partners define the skill sets and training needed for positions as part of the LCU program.

Finally, changing course on establishing a training pipeline in the Mississippi Delta is in direct contradiction to information detailed in the IRS’s Budget in Brief for FYs 2022 – 2023. The IRS notes in this document a goal to partner with colleges, universities (with a special focus on Historically Black Colleges and Universities and other minority servicing institutions), and high schools to design training programs to prepare participants for IRS careers. The IRS stated that the partnerships with colleges, universities, and other minority servicing institutions will foster equitable economic growth, establish long-term Federal employment options, and develop a continual stream of talent suited to further enhance the taxpayer experience and support the IRS mission.

Lack of a focused ongoing outreach program and partnership with Mississippi Delta educational institutions diminish the value of the LCU program

Although IRS officials visited some colleges and universities in the Mississippi Delta, the IRS did not use a focused ongoing outreach program or ongoing partnership with these institutions. In fact, at the start of its pilot initiative, the IRS identified colleges and universities located in the Mississippi Delta with which it planned to establish hiring partnerships. The colleges and universities identified include:

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- Mississippi Delta Community College (located in Greenville).
- Mississippi Valley State University (located in Greenwood).
- Delta State University (located in Cleveland).
- Coahoma Community College (located in Clarksdale).

However, instead of working with these educational institutions to facilitate a partnership for hiring individuals, the IRS resorted to a traditional hiring approach with limited in-person hiring activities. Specifically, the IRS announced its positions in the Mississippi Delta via the USA Jobs general hiring announcement process. Although the IRS stated it conducted recruiting awareness activities, including holding virtual information sessions and distributing flyers describing IRS job opportunities at a limited number of local colleges in the Mississippi Delta, no on-site hiring efforts, *i.e.*, job interviews, were conducted, which would have been an effective method to reach individuals in the Mississippi Delta per employees we spoke with at the Automated Collection System site in Clarksdale.

Figure 4 shows a list of career fairs held at local universities and colleges in the Mississippi Delta during FY 2023. The IRS conducted no in-person recruiting activities it identified at the initiation of its pilot. This is despite the IRS’s recruitment strategy plan for Clarksdale, which states that the IRS would register and attend in-person and virtual career events at the local colleges.

Figure 4: Career Fairs Held in the Mississippi Delta

Date of Career Fair	University	Distance From Clarksdale
February 16	Jackson State University	152 miles
March 1	University of Southern Mississippi	241 miles
March 7	University of Mississippi	65 miles
March 8	Troy Mississippi	391 miles
March 30	Alcorn State Mississippi	190 miles
April 11	Mississippi Valley State University	60 miles
April 12	Louisiana State University	324 miles
April 13	University of Alabama Birmingham	249 miles

Source: Treasury Inspector General for Tax Administration analysis of IRS data on career fairs held.

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Employees we spoke with were hired using traditional IRS recruitment methods. However, these employees expressed some concern that traditional IRS hiring efforts might not be as effective as in-person recruiting efforts. For example, employees noted that individuals who reside within the area may not have knowledge of various IRS career opportunities unless they search career websites and USA Jobs. What is more concerning, the announcements for jobs available in the Mississippi Delta referred to many other locations where the IRS was seeking to hire, which could add further confusion on the part of potential candidates seeking to apply for a position with the IRS. Figure 5 shows an example of a recent announcement for a Contact Representative in the Mississippi Delta.

Figure 5: IRS Job Announcement for a Contact Representative

Summary

AMENDED closing date to 11/27/2023 and cut-off date of 08/28/2023.
Positions under this announcement may be authorized a Recruitment Incentive for eligible, highly-qualified applicants. For information, please reference the Additional Information section of this announcement.

Click on "Learn more about this agency" button below to view **Eligibilities** being considered and other **IMPORTANT** information.

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Locations
313 vacancies in the following locations:

- Andover, MA
- (MI0800) 985 Michigan Ave
Detroit, MI
- (MS2138) 236 Sharkey Street
Clarksdale, MS
- (MO1937) 333 W Pershing Road
Kansas City, MO
- (NY6466) 2875 Union Road
Cheektowaga, NY

Source: IRS vacancy announcement: <https://www.usajobs.gov/job/728368200#>.

According to the IRS, the initial recruiting, hiring, and onboarding was conducted during Coronavirus Disease 2019 Pandemic restrictions, which limited recruitment activities and travel. As a result, the IRS stated that job fairs or other large gatherings were not practical. Further, according to IRS officials, the availability of workspace further restricted hiring efforts. Therefore, onsite recruiting events for a small number of positions did not make sense. IRS management noted that the IRS has developed the Human Capital Office Recruitment Strategy Plan for Clarksdale that includes a strategy to connect with colleges and possibly local high schools to recruit for job openings. To improve on its promotion of jobs in the Mississippi Delta, the IRS:

- Contacted Coahoma Community College and Mississippi Delta Community College and provided a flyer listing various job openings.
- Sent potential job candidates IRS website links to virtual information sessions for the positions. The job candidates who received this link were referred from local veterans and disability offices and various economic development organizations in the Mississippi Delta.

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- Visited colleges and universities in the Mississippi Delta where they held town halls with students and met with academic staff to share the goals and objectives of the LCU initiative. These discussions included the IRS's efforts to create Federal job opportunities and understanding the Federal hiring processes.

Figure 6 shows an example of an IRS recruitment flyer.

Figure 6: IRS Recruitment Flyer Used for Colleges in the Mississippi Delta

IRS |  **irs.usajobs.gov**

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El IRS es parte del Departamento del Tesoro y la agencia de recaudación de impuestos de la nación. Somos uno de los administradores tributarios más eficaces del mundo. Recaudamos billones de dólares y tramitamos millones de declaraciones de impuestos anualmente. Los Estados Unidos está financiado por el trabajo que realiza el IRS y las personas brillantes y dedicadas que trabajan aquí lo hacen todo posible.

Traiga sus talentos a una organización que hará que su nación sea más fuerte, cada día. El IRS ofrece una amplia gama de posiciones, desde Informática, trabajos administrativos, gerencia, servicio al cliente, tramitación de datos, asesores tributarios y más. Ofrecemos posiciones de nivel básico y entrenamiento completo para garantizar el éxito total en su carrera profesional. Usted enfrentará retos, será apoyado y disfrutará del equilibrio entre el trabajo y la vida mientras que usted construye su carrera con una de las instituciones más grandes del mundo.

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Publication 5535 (en-sp) (6-2021) Catalog Number 38810U Department of the Treasury Internal Revenue Service www.irs.gov

Source: IRS Intranet site, Publication 5535, June 2021 Catalog Number 38810U.

The Deputy Commissioner for Operations Support, should:

Recommendation 2: Ensure in-person recruiting activities are held at educational institutions and job fairs as part of the Mississippi Delta hiring strategies.

Management's Response: The IRS agreed with this recommendation and stated that it will continue hiring, including in-person recruiting at educational institutions and job fairs as part of the Mississippi Delta hiring.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this review was to evaluate the IRS's efforts to expand operations into economically distressed areas to improve tax administration and the services provided to taxpayers. To accomplish our objective, we:

- Determined whether the IRS established criteria for the communities currently in the LCU initiative.
- Requested and reviewed the methodology the LCU office used to select the locations that are currently part of the initiative.
- Reviewed the draft LCU policies and procedures to determine if objectives and goals were accomplished.
- Evaluated the reasonableness of RAAS criteria for developing and expanding IRS offices.
- Interviewed LCU and Business Unit personnel on the collaboration efforts in selecting locations or expanding IRS offices.
- Determined the plans for expanding employment opportunities in underserved communities for development in FY 2026.
- Evaluated how the LCU initiative contributed to employee career paths and the local community.
- Interviewed employees hired in the Mississippi Delta for personal testimonies on the overall impact of the initiative.
- Interviewed internal and external stakeholders to gain perspectives on the LCU initiative.
- Determined whether the IRS developed training programs to recruit a talented workforce.

Performance of This Review

This review was performed at, and with information obtained from, the Crossroads Economic Partnership office and Coahoma County Federal building in Clarksdale, Mississippi. Additionally, this review was performed with information obtained from the LCU office; Facilities Management and Security Services Division; Small Business/Self-Employed Division's Examination and Collections functions; RAAS Division; Field Assistance function within Stakeholder Partnerships, Education and Communication Division; and the Human Capital Office during the period January 2023 through December 2023. We conducted this evaluation in accordance with the Council of the Inspectors General for Integrity and Efficiency Quality Standards for Inspection and Evaluation.

Major contributors to the report were Frank O'Connor, Director; Brandon Crowder, Supervisory Evaluator; Audrey Graper, Lead Evaluator; and Kyle Gregory, Evaluator.

Appendix II

Management's Response to the Draft Report



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

March 27, 2024

MEMORANDUM FOR: RUSSELL P. MARTIN
DEPUTY INSPECTOR GENERAL FOR INSPECTIONS AND
EVALUATIONS

FROM: Melanie R. Krause
Acting Deputy Commissioner for Operations Support

Melanie R. Krause
Digitally signed
by Melanie R. Krause
Date: 2024.03.27
09:26:21-0400

SUBJECT: Draft Audit Report – Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations (Evaluation #IE-23-018)

Thank you for the opportunity to review and comment on this report. We are pleased that the report acknowledges the steps the IRS has already taken to create job opportunities in economically distressed areas, including through the Lifting Communities Up (LCU) initiative. We also look forward to the continued partnership in this important area as we continue our ongoing work.

The IRS has been on a multi-year journey to cultivate a more diverse workforce, which has numerous benefits including enhancing the ways we serve taxpayers. The Taxpayer First Act (TFA), enacted in July 2019, directed the IRS to reimagine and enhance the way we serve taxpayers, continue to enforce the tax laws in a fair and impartial manner, and train IRS employees to deliver a world-class customer experience. This legislation amplified efforts to bring together partners from across the tax community and the Federal Government to improve access to our services, reach diverse communities and drive innovative ways to improve the taxpayer experience. The TFA also led IRS to reimagine how we address the strategic goal to cultivate a well-equipped, diverse, flexible, and engaged workforce. As noted in your draft report, the IRS identified several initiatives to expand services and assistance to taxpayers in underserved populations, including the LCU initiative, which the IRS pursues to, among other goals, help underserved communities by establishing IRS jobs and careers for people in these communities. LCU has achieved many noteworthy successes to-date, including establishing strong partnerships among IRS business units, community organizations and local government to bolster hiring in LCU communities in the Mississippi Delta and Puerto Rico.

The August 2022 passage of the Inflation Reduction Act (IRA) provided the IRS with historic funding to transform tax administration and services provided to taxpayers and

Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations

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tax professionals. Funding from the IRA opened possibilities for transformative changes at the IRS, and refinement of the IRS's Strategic Operating Plan vision for IRS taxpayer service presented an opportunity to think about this important work holistically. As a result, it allowed the IRS to ensure that we were on a path to reach these communities in the most effective way and incorporating this into the broader transformation of the IRS. Although we initially envisioned making continued progress to support the goals of the LCU initiative by opening mail distribution centers and call sites in LCU communities, we determined that this focus is too limiting. To that end, we have learned a great deal from this pilot and have identified alternative strategies for more rapidly expanding the impact of this program. As noted in the report, the IRS is now focused on maximizing hiring into existing space at IRS or Federal offices that are located within 50 miles of LCU communities, many of which are in greater need of support than when the LCU initiative was originally launched given the long-term economic impacts of COVID on many communities. Focusing our expansion to communities within this range of existing Federal offices will allow us to broaden our reach to include a larger number of LCU communities by doubling down on building coalitions and recruitment pipelines.

With respect to this review, the IRS agrees in principle with TIGTA's first recommendation to establish an LCU Program Office because we agree that assigning sufficient resources to this important initiative will be critical for long-term success. One result of the rescoping of our LCU initiative discussed above is that the IRS no longer plans to stand up LCU as a separate office. Rather, in coordination with our Transformation and Strategy Office, we plan to add temporary, dedicated resources to solidify the rescoped goals and establish additional hiring pipelines, then transition LCU functions to IRS offices that will have long-term responsibility for delivering on the recruitment and diversity expansion goals. The IRS agrees with and has already completed actions in response to TIGTA's second recommendation to ensure in-person recruiting activities are held at educational institutions and job fairs as part of Mississippi Delta hiring strategies.

The IRS remains fully committed to our ongoing work to building coalitions in underserved communities and expanding and strengthening recruitment pipelines. Our responses to your specific recommendations are enclosed. If you have questions, please contact me at 202-317-3281, or a member of your staff may contact LCU Executive Director Kevin McIver at 202-731-5503.

Attachment

Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations

Attachment

TIGTA RECOMMENDATION #1:

The Deputy Commissioner for Operations Support, should establish an LCU Program Office whose responsibilities include:

- Evaluating the pilot initiative to determine whether it is achieving its established goals for the LCU initiative.
- Identifying and coordinating the expansion of additional offices as set forth in the Strategic Operating Plan.
- Developing processes and procedures to ensure the implementation of the IRS's Strategic Operating Plan goal of attracting, retaining, and empowering a highly skilled, diverse workforce and develop a culture that is better equipped to deliver results for taxpayers.

CORRECTIVE ACTION #1:

The IRS agrees with this recommendation in principle. We agree that assigning sufficient resources to this important initiative will be critical for long-term success.

Through the end of June 2024, we are recalibrating LCU's primary goals of outreach and expanding the diversity of our talent pool into the IRA roadmap. Concurrently, we will be solidifying the temporary hiring needs to support this work, then working expeditiously to fill those needs in summer 2024. Throughout this process, we will ensure that there is a continuing, laser focus on achieving the stated goals.

Given the establishment of the IRS Transformation and Strategy Office and the agency's ongoing modernization of existing operational functions, creating a separate LCU office is no longer essential for ensuring that the rescoped goals of this important initiative are met.

The Executive Director, LCU, will continue to assess the pilot initiative based on current IRS priorities. The Executive Director, LCU, will define the rescoped LCU goals and the LCU staffing plan by June 28, 2024, and thereafter the IRS will work to fill those positions.

IMPLEMENTATION DATE: June 28, 2024

RESPONSIBLE OFFICIAL: Executive Director, Lifting Communities Up

CORRECTIVE ACTION MONITORING PLAN:

Corrective actions are entered into the Joint Audit Management Enterprise System (JAMES) and are monitored monthly through completion.

TIGTA RECOMMENDATION #2:

Actions Need to Be Taken to Ensure the Success of the Lifting Communities Up Initiative in Expanding Services and Assistance to Taxpayers in Underserved Populations

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The Deputy Commissioner for Operations Support should ensure in-person recruiting activities are held at educational institutions and job fairs as part of Mississippi Delta hiring strategies.

CORRECTIVE ACTION #2:

The IRS agrees with the recommendation and will continue hiring, including with in-person recruiting at educational institutions and job fairs as part of Mississippi Delta hiring.

IMPLEMENTATION DATE: Complete. The IRS implemented the Mississippi Delta Recruitment Strategy in 2023 and continues in-person recruiting. For example, we ran our most recent in-person event in Clarksdale, Mississippi, on March 26, 2024.

RESPONSIBLE OFFICIAL: Executive Director, Lifting Communities Up

CORRECTIVE ACTION MONITORING PLAN:

Corrective actions are entered into the Joint Audit Management Enterprise System (JAMES) and are monitored monthly through completion.

Appendix III

Abbreviations

FY	Fiscal Year
IRS	Internal Revenue Service
LCU	Lifting Communities Up
RAAS	Research, Applied Analytics and Statistics



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contact our hotline on the web at www.tigta.gov or via e-mail at
oi.govreports@tigta.treas.gov.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.