Fiscal Year 2025 Biannual Independent Assessment of Private Collection Agency Performance

December 20, 2024

Report Number: 2025-300-004

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HIGHLIGHTS: Fiscal Year 2025 Biannual Independent Assessment of Private Collection Agency Performance

Final Audit Report issued on December 20, 2024 **Report Number 2025-300-004**

Why TIGTA Did This Audit

This audit satisfies reporting requirements of the Fixing America's Surface Transportation Act, which requires a biannual independent review of private collection agency (PCA) performance.

Impact on Tax Administration

The 2015 Fixing America's Surface Transportation Act required the IRS to begin using the PCAs to collect inactive tax receivables from taxpayers.

Additionally, on July 1, 2019, the President signed into law the Taxpayer First Act, which contains significant changes to the administration of the IRS's private debt collection program. These changes included adjustments to PCA case inventory criteria intended to protect certain low-income taxpayers from being subject to PCA collections as well as an increase in the maximum length of installment agreements that private collectors can offer taxpayers.

Since April 2017, the IRS has assigned the PCAs more than 7.6 million taxpayer accounts, worth more than $64.9 billion. By March 2024, the PCAs had successfully collected more than $2.4 billion in payments.

What TIGTA Found

Our review of 100 randomly selected telephone call recordings from Oct. 1, 2021, to Sept. 30, 2023, for all 3 PCAs (25 from PCA 1, 50 from PCA 3, and 25 from PCA 2) found that assistors generally adhered to guidelines and provided quality service to taxpayers achieving an overall accuracy rate of 97.8 percent. The IRS also conducted operational reviews of the PCAs and made 45 and 88 recommendations, in Fiscal Years 2022 and 2023, respectively. Recommendations included revisions to and refresher training on policy and procedures and programming updates. More than 92 percent of the recommendations were implemented timely.

The IRS mandates background checks for all PCA employees working on taxpayer accounts. Before their background checks are completed, the IRS can grant interim staff-like access to Personally Identifiable Information such as taxpayer's name and Social Security Number provided PCA employees pass prescreening checks. Our review revealed that 796 PCA employees were granted access. Of those granted access, 11 PCA employees received a Proposal to Deny Letter due to security concerns identified in their background investigation, and staff-like access should have been immediately suspended. However, the IRS does not readily track when interim staff-like access is suspended and whether it is immediate. These 11 PCA employees could have retained access to sensitive taxpayer information.

Our review of PCA incident logs identified 10 incidents that were improperly categorized and potentially violated the Fair Debt Collection Practices Act for disclosing tax debt information to unauthorized third parties. The IRS issued a procedural update in May 2024 to clarify incident reporting and categorization. Additionally, the IRS and/or the PCAs did not always follow policies and procedures for handling misdirected payments. In 8 of the 45 misdirected payments reviewed, the IRS did not post the payment to either the taxpayer's account or the tax year listed on Form 3210, *Document Transmittal*, and Form 4287, *Record of Discovered Remittances*.

What TIGTA Recommended

We made five recommendations, including that the IRS should develop a process to confirm that PCA employee system access is suspended immediately upon the issuance of a Proposal to Deny Letter, ongoing reviews of the Private Debt Collection program include a review of Contracting Officer Representative and PCA responsibilities, and establish a review process that ensures that PCA misdirected payments are properly posted to the taxpayer's account.

The IRS agreed with all five recommendations and has taken or plans to take corrective actions.

TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20024

December 20, 2024

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

Danny Verneuille

FROM: Danny Verneuille
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Fiscal Year 2025 Biannual Independent Assessment of Private Collection Agency Performance (Audit No.: 2024300006)

This report presents the results of our review to independently evaluate the performance of private collection agencies. This review was part of our Fiscal Year 2024 Annual Audit Plan and addresses the major management and performance challenge of *Taxpayer Rights.*

Management's complete response to the draft report is included as Appendix IV. If you have any questions, please contact me or Frank O'Connor, Acting Assistant Inspector General for Audit (Compliance and Enforcement Operations).

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Appendices

Background

On Dec. 4, 2015, the President signed the Fixing America's Surface Transportation (FAST) Act into law.[1] Section (§) 32102 requires the Internal Revenue Service (IRS) to use private debt collection (PDC) companies to collect taxes on cases involving inactive tax receivables.
In April 2017, the IRS started delivering inventory to four private collection agencies (PCA) as part of the first PDC contract (Contract 1). These companies included PCA 1; PCA 2; PCA 4; and PCA 5. After Contract 1 expired in September 2021, the IRS selected three PCAs for the second contract (Contract 2): PCA 1; PCA 2; and PCA 3.

Congress has required information from the Department of the Treasury to determine whether the IRS can manage the PCAs effectively and does not harm taxpayers or injure tax administration. Under the FAST Act, the IRS must submit an annual report to Congress addressing the effectiveness of the PCA program. The law also requires a biannual independent review of contractor performance. The Department of the Treasury assigned the Treasury Inspector General for Tax Administration (TIGTA) to conduct the biannual performance reviews. This is TIGTA's fourth review.

On July 1, 2019, the President signed into law the Taxpayer First Act, which amended some of the original PDC requirements.[2] Specifically, the Taxpayer First Act:

- Exempted private collection activity on taxpayers whose income substantially consists of Social Security Disability Insurance (SSDI) benefits under § 223 of the Social Security Act or Supplemental Security Income (SSI) benefits under Title XVI of the Social Security Act. Taxpayers with adjusted gross income (AGI) that does not exceed 200 percent of the applicable poverty level are also exempt.
- Changed the eligibility criteria of inactive receivables by replacing "more than 1/3 of the period of the applicable statute of limitation has lapsed" with "more than 2 years has passed since assessment."
- Increased the maximum length of installment agreements from five years to seven years.
- Clarified that "communications, software, technology" costs may be used from the Special Compliance Personnel (SCP) Program Account. Previously, the law only referenced "telecommunications."

IRS contracts require background checks on all employees working on taxpayer accounts.[3] The IRS instituted a prescreening process to onboard PCA employees after the prescreen checks are completed, rather than waiting the one year, or more, it takes for a full background investigation. This prescreening process, once completed, grants interim staff-like access and is based on the following eligibility/suitability checks:

[1] Pub. L. No. 114-94.

[2] Pub. L. No. 116-25, 133 Stat. 981 (2019) (codified in scattered sections of 26 U.S.C.).

[3] An account is a record of the returns filed and other activity for the relevant tax period(s) with respect to a specific type of tax and related to a specific taxpayer identified by a Social Security Number, an Individual Taxpayer Identification Number, or an Employer Identification Number.

- Background investigation forms.
- IRS account history.
- Selective service registration.
- Citizenship/residency.
- Federal Bureau of Investigation fingerprint criminal history.
- If applicable, credit history report.
- If applicable, prior background investigations.

According to internal guidance, if unfavorable information is later discovered, the IRS will issue a Proposal to Deny Letter. The IRS Contracting Officer Representative (COR) is responsible for immediately revoking the PCA employee's access to sensitive taxpayer information.[4]

The IRS created the PDC Operations Guide (POG) and the PCA Policy and Procedures Guide (PPG). The Small Business/Self-Employed (SB/SE) Division, Collection, Planning and Performance Analysis Office staff developed the POG for use by the CORs and technical analysts as a procedural guide and reference for all IRS contract support personnel, including but not limited to the Planning and Performance Analysis Office PDC Team. The PPG was developed as a guide that provides policies, procedures, and contractual responsibilities that the PCAs must adhere to.

The PPG outlines statutory regulations the PCAs must follow when contacting taxpayers, such as the Fair Debt Collection Practices Act (FDCPA).[5] Such regulations prohibit debt collectors from using unfair or unconscionable means to collect or attempt to collect any debt. For example, the FDCPA prohibits communication with third parties without prior consent of the taxpayer given directly to the debt collector.[6] All potential (willful or non-willful) FDCPA violations must be reported to the IRS using the incident process procedures.

Results of Review

Comparative Performance of Private Collection Agencies

Since April 2017, the IRS has assigned the PCAs more than 7.6 million taxpayer accounts, totaling more than $64.9 billion. The IRS reported that the PCAs have collected more than $2.4 billion in payments, or 3.8 percent of the total value of accounts assigned as of March 2024. During the same period, the PCAs have collected more than 1.6 million full paid accounts, or about 22 percent of the total number of accounts assigned.

[4] See Appendix V for a glossary of terms.

[5] 15 U.S.C. §§ 1601 note, 1692-1692p (2010).

[6] Pub. L. No. 111-203, § 805(b), states that without prior consent of the consumer given directly to the debt collector, a debt collector may not communicate, in connection with the collection of any debt, with any person other than the consumer, their attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector.

Figure 1 shows the number of accounts assigned to the PCAs, the dollar value, the number of full paid accounts, and the collection amounts attributable to each PCA from inception of the PDC program through March 2024.

Figure 1: Accounts Assigned, Full Paid, and Dollars Collected by the PCAs Since Inception Through March 2024[7]

PCA	Accounts Assigned (in Millions)	Full Paid Accounts (in Thousands)	Percentage of Full Paid Accounts per PCA	Amount Assigned (in Billions)	Collections (in Millions)[8]	Percentage of Collections per PCA	Non-Commissionable Payments (in Millions)
PCA 1	2.2	538.6	24.1%	$18.8	$824.9	4.4%	$69.9
PCA 2	2.2	533.9	23.9%	$18.8	$774.9	4.1%	$66.9
PCA 3	1.2	216.7	18.7%	$8.9	$313.6	3.5%	$39.5
PCA 4	1.0	182.1	18.2%	$9.2	$262.6	2.9%	$16.2
PCA 5	1.0	181.9	18.2%	$9.2	$271.5	3.0%	$16.4
Total	7.6	1,653.3	21.7%	$64.9	$2,447.6	3.8%	$208.9

Source: TIGTA analysis of the PDC Monthly Scorecards as of March 31, 2024.

Accounts assigned, total amounts owed, full paid accounts, and collections to date are similar for PCA 1 and PCA 2 as both PCAs have been a part of the PDC program since its inception. PCA 4 and PCA 5 were only a part of the PDC program through Contract 1, and PCA 3 joined the program in the beginning of Contract 2.[9]

According to the IRS, it has incurred approximately $789.4 million in costs since inception, including more than $406.4 million (51 percent) in commissions paid to the PCAs. Thus, the PDC program had net revenues of approximately $1.66 billion from inception in April 2017 through March 2024.

Figure 2 shows the number of accounts assigned, dollar value, number of full paid accounts, and collection amounts attributable to each PCA since the start of Contract 2 through the first two quarters of Fiscal Year (FY) 2024.

[7] The numbers in Figure 1 are rounded; however, all totals and percentages are calculated based on actual numbers.

[8] Collections include both commissionable and non-commissionable payments received attributable to each PCA.

[9] Contract 1 ran from Sept. 23, 2016, through Sept. 22, 2021. Contract 2 began Sept. 23, 2021.

Figure 2: Accounts Assigned, Full Paid, and Dollars Collected by the PCAs Since the Start of Contract 2 Through March 2024[10]

PCA	Accounts Assigned (in Millions)	Full Paid Accounts (in Thousands)	Percentage of Full Paid Accounts per PCA	Amount Assigned (in Billions)	Collections (in Millions) per PCA[11]	Percentage of Collections
PCA 1	1.2	339.5	27.6%	$9.6	$540.0	5.6%
PCA 2	1.2	335.6	27.3%	$9.6	$501.0	5.2%
PCA 3	1.2	216.7	18.7%	$8.9	$313.6	3.5%
PCA 4	0	0	n/a	0	$1.3	n/a
PCA 5	0	0	n/a	0	$1.7	n/a
Total	3.6	891.9	24.6%	$28.1	$1,357.4	4.8%

Source: TIGTA analysis of the Contract 2 PDC Monthly Scorecard as of March 31, 2024.

PCA 1 and PCA 2 continue to have comparable collection results (both PCAs were also on Contract 1). Collections attributable to PCA 3 are significantly less than PCA 1 and PCA 2, most likely because PCA 3 was new to the PDC program for Contract 2. PCA 3 was not immediately receiving the same quantity of cases as PCA 1 and PCA 2 at the start of the contract due to onboarding to the program. Although PCA 4 and PCA 5 were not selected for Contract 2, there were some residual payments that came in related to payment arrangements they had established prior to Contract 1 being terminated in September 2021.

The IRS monitors the results of PCA case management

The IRS monitors PCA performance by tracking case management results. Figure 3 shows case management results by type from Sept. 23, 2021, through March 31, 2024, specifically for Contract 2.

Figure 3: Case Management Results by Type

PCA	Full Pay	Payment Arrangements	Recalled by the IRS	Returned to the IRS
PCA 1	339,495	51,956	147,267	787,245
PCA 2	335,624	38,575	147,840	791,440
PCA 3	216,734	16,999	95,119	313,304

Source: TIGTA analysis of the Contract 2 PDC Monthly Scorecard as of March 31, 2024.

[10] Collections in Figure 2 include collections for PCA 1 and PCA 2 from inventory carried over from Contract 1 in addition to inventory assigned in Contract 2. Collections for PCA 3 include only collections from inventory assigned in Contract 2. The numbers in Figure 2 are rounded; however, all totals and percentages are calculated based on actual numbers.

[11] Collections include both commissionable and non-commissionable payments received attributable to each PCA.

PCA 1 and PCA 2 have similar results as they were a part of the PDC program prior to FY 2022. In comparison, PCA 3 has fewer accounts that were full paid, recalled by, returned to the IRS, or entered into payment arrangements. PCA 3 had lower results because it was not fully operational at the beginning of Contract 2 and had fewer cases assigned. Although PCA 3 had the fewest cases to manage, it had the highest percentage of full-paid cases at 34 percent, compared to 26 percent for both PCA 1 and PCA 2. PCA 1 generated the most payment arrangements at 48 percent of the total payment arrangements established.

The PCAs are assigned cases sooner and collections are increasing

The average age of cases assigned to the PCAs in this review was just over three years compared to over five years in our FY 2021 review. In TIGTA's initial PDC program report, we recommended that the IRS try to identify inactive cases earlier in the collection process and assign them to the PCAs. Although the IRS disagreed with the recommendation, it began to assign cases more quickly after the Taxpayer First Act became effective in 2021. The legislation replaced eligibility criteria for inactive receivables from those where "more than 1/3 of the period of the applicable statute of limitation has lapsed" to cases in which "more than 2 years has passed since assessment." The average age of PCA inventory was 5.31 years in our FY 2021 biannual performance review, and fell to 4.26 and 3.1 years in our FY 2023 and FY 2025 reviews, respectively.[12]

We also compared individual and business account payment statistics on those that were greater than three years old when assigned to the PCAs and those that were less than or equal to three years old when assigned. Figures 4 and 5, respectively, illustrate the results of this comparison.

Figure 4: Payment Statistics on Taxpayer Accounts Assigned to the PCAs Greater Than Three Years Old[13]

Age of Account	Unique Taxpayers With No Payments (in Thousands)	Unique Taxpayers With at Least One Payment	Percentage of Taxpayers Who Made a Payment	Sum of Payments (in Millions)	Number of Payments
Greater Than 3 Years - Individual	881.6	9,383	1.1%	$49.9	23,472
Greater Than 3 Years - Business	496.0	21,187	4.1%	$58.7	53,155
Totals	**1,377.7**	**30,570**	**2.2%**	**$108.6**	**76,627**

Source: TIGTA analysis of Individual Master File and Business Master File transactions since Contract 2 inception, Sept. 23, 2021, through March 13, 2024.

The total number of unique taxpayers who made payments was significantly higher for accounts that were less than or equal to 3 years old (Figure 5) when assigned to the PCAs (188,442

[12] TIGTA, Report No. 2021-30-010, *Fiscal Year 2021 Biannual Independent Assessment of Private Collection Agency Performance* (December 2020), and TIGTA, Report No. 2023-30-005, *Fiscal Year 2023 Biannual Independent Assessment of Private Collection Agency Performance* (December 2022).

[13] The numbers in Figure 4 are rounded; however, all totals and percentages are calculated based on actual numbers.

compared to 30,570). Specifically, 8.5 percent of taxpayers with accounts less than or equal to 3 years old made a payment, compared to only 2.2 percent of taxpayers with older accounts (Figure 4). These newer accounts resulted in 219,366 more payments and $103,581,984 more in collections than accounts greater than 3 years old. This suggests that assigning newer inventory (lower-aged cases) to the PCAs could potentially enhance the effectiveness of the PDC program.

Figure 5: Payment Statistics on Taxpayer Accounts Assigned to the PCAs Less Than or Equal To Three Years Old[14]

Age of Account	Unique Taxpayers With No Payments (in Thousands)	Unique Taxpayers With at Least One Payment	Percentage of Taxpayers Who Made a Payment	Sum of Payments (in Millions)	Number of Payments
Less Than or Equal To 3 years - Individual	1,198.6	62,638	5.0%	$65.3	90,707
Less Than or Equal To 3 years - Business	824.3	125,804	13.2%	$146.9	205,286
Totals	**2,022.9**	**188,442**	**8.5%**	**$212.2**	**295,993**

Source: TIGTA analysis of Individual Master File and Business Master File transactions since Contract 2 inception, Sept. 23, 2021, through March 13, 2024.

Business taxpayers made significantly more payments and made up a much higher number of taxpayers that made a payment, compared to individual taxpayers (146,991 compared with 72,021). Specifically:

- Business accounts constituted approximately 69 percent of all payments during Contract 2.
- For accounts less than or equal to 3 years old, more than 13 percent of business taxpayers made a payment, compared with 5 percent for individual taxpayers.
- More than 4 percent of business taxpayers with accounts greater than 3 years made a payment, compared to more than 1 percent of individual taxpayers.

We continue to believe that the IRS should identify cases it will not work due to resource constraints and assign them to the PCAs earlier in the collection process.

PCA collections have enabled the IRS to hire more SCP employees

The IRS reported that in FY 2023, the SCP program collected more than $566 million.[15] The SCP continued to fill 908 previously reported positions and approved an additional 568 hires, for a total of 1,476 SCP hires. The IRS plans to hire another 322 employees, for a total of 1,798 SCP employees by the end of FY 2024. The IRS does not have plans for additional SCP hiring in FY 2025.

[14] The numbers in Figure 5 are rounded; however, all totals and percentages are calculated based on actual numbers.

[15] *IRS Annual Report on the Special Compliance Personnel Program Fiscal Year 2023* (May 2024).

The FAST Act requires the IRS to establish a SCP program to hire, train, and employ SCP employees.[16] Under the law, the IRS is entitled to retain up to 25 percent of the amount collected by the PCAs to fund the program.[17] SCP employees are employed by the IRS as Field Collection revenue officers or similar positions, or employed to collect taxes using the Automated Collection System.[18] SCP employees collect tax due on randomly selected accounts in collection status that are also available to IRS Collection function employees. Automated Collection System Collection function representatives (employed as the SCPs) receive calls from a toll-free number and assist taxpayers in resolving their outstanding tax debt. They also correspond with taxpayers and use administrative enforcement tools such as liens and levies, as appropriate.

The Taxpayer First Act clarified the types of costs the SCP Program Account may be used for, which includes all program costs associated with administering the qualified tax collection program.[19] The IRS is required to report actual and estimated SCP program revenue, costs, the number of SCPs hired and employed, and the SCP Program Account balance for the preceding, current, and following fiscal years prior to March of each year. SCP program costs consist of total salaries, benefits, and employment taxes for the SCPs employed or trained under the SCP program. SCP program costs also include the direct overhead costs related to support staff and indemnities for the SCPs hired and employed.

Taxpayers report high satisfaction with PCA services

The interactive voice response customer satisfaction survey revealed high taxpayer satisfaction rates with PCA services. Specifically, in FYs 2022 and 2023, the overall satisfaction rate was 96.7 and 96.9 percent, respectively. The IRS hired a contractor to conduct the surveys. During calls, the PCA will invite all callers meeting certain criteria to take the PDC interactive voice response customer satisfaction survey. This survey is conducted immediately after telephone interaction with a PCA.

Taxpayers can be selected for three types of surveys. Once the caller enters the survey, either a 1-question survey, a short survey consisting of 3 questions, or a long survey consisting of 12 standard questions, and 1 open-ended question are offered. The selection of the type of survey is based on a preprogrammed calculation applied when the caller enters the survey.

Operational Reviews and Targeted Reviews

All three PCAs generally implemented IRS recommendations that were made during FYs 2022 and 2023 operational and targeted reviews, in accordance with required time frames. The IRS performs operational and targeted reviews to evaluate PCA performance and make recommendations for improvements. These reviews evaluate PCA operations to determine how well the PCA is complying with IRS guidance and to assess overall PCA performance. They encompass a variety of program areas and change on a quarterly basis to provide an evolving

[16] Internal Revenue Code (I.R.C.) § 6307(a).

[17] I.R.C. § 6306(e)(2).

[18] I.R.C. § 6307(d)(1).

[19] I.R.C. § 6307(b) and 6307(d)(2)(B), amended by Taxpayer First Act, Pub. L. No. 116-25, § 1205(d).

assessment of the PCAs. The reviews also include follow-up items to ensure that IRS recommendations are implemented.

Operational reviews

The IRS performed one operational review in FY 2022 and two operational reviews in FY 2023. Although there was some variance in how well each PCA performed, some issues were common to more than one PCA. For example, in the FY 2022 and FY 2023 operational reviews, the IRS found that:

- The PCAs could improve the accuracy and timelines of drafting Preauthorized Direct Debit checks on behalf of taxpayers.
- Assistors did not always fully authenticate taxpayers before discussing account information on telephone calls.
- Assistors were not always consistent or did not provide correct guidance to taxpayers.

Based on the findings, the IRS made 45 recommendations to the PCAs in FY 2022 and 88 recommendations to the PCAs in FY 2023. Recommendations included refresher training on PPG procedures, programming updates, and revisions to the PPG. The majority (more than 92 percent) of those recommendations were implemented timely.

Targeted reviews

Between FYs 2022 and 2023, the IRS also performed various targeted reviews. For example, it performed a review of PCA Initial Contact Letters to verify the timely issuance of the letters based on account placement and when required, the Annual Reminder Notice letter in accordance with the PPG.[20] Additionally, the IRS performed a review on accounts with an active federal disaster area freeze to ensure that guidance was followed for taxpayers located in disaster areas.

The PCAs generally issued the Initial Contact Letters timely; however, at 1 PCA, the IRS identified that programming issues delayed or failed to issue letters in 36 of the reviewed accounts. The PCA took corrective action to fix the problem. The IRS also found that in 11 of 150 calls reviewed, assistors did not address accounts with the disaster freeze appropriately. The IRS recommended refresher training for assistors. All three PCAs implemented the recommendation timely.

Procedures to Suspend Private Collection Agency Employee Interim System Access and Monitor Background Investigations Need Improvement

The IRS does not have a background investigation process in place to test or track the immediate suspension of interim staff-like access once a Proposal to Deny Letter is issued to a PCA employee. A review of the LifeCycle Events Reports, which tracks background investigation approval dates, found that between April 2019 and May 2024, 1,947 PCA employees underwent in-process background investigations of which 796 (41 percent) employees' statuses showed

[20] The annual reminder notice, required under I.R.C. § 7524, is to be sent for each module to the taxpayer and the authorized representative who has a tax delinquent account of the amount of the tax delinquency as of the date of the notice.

they were granted interim staff-like access.[21] Of the 796, we identified 11 PCA employees whose status in the LifeCycle Events Report subsequently indicated they had received a Proposal to Deny Letter due to security concerns identified in their background investigation.[22]

The Proposal to Deny Letter instructs the PCA to immediately suspend employee access to Personally Identifiable Information (PII). However, the IRS does not readily track when interim staff-like access was suspended and whether it was immediate. These 11 employees could have had access to sensitive taxpayer information. Examples of these security concerns include theft, domestic violence, delinquent debt, [redacted] PCA employees, approved for interim staff-like access, can access information technology systems and Sensitive but Unclassified information, including the PII such as taxpayer's name, Social Security Number (SSN), date of birth, and address. PCA employees have access to the PII found on taxpayer accounts.

The IRS Office of the Human Capital Officer, Personnel Security, can grant PCA employees' interim staff-like access prior to the completion of a background investigation if, at a minimum, prescreening checks are completed. When a PCA employee receives an unfavorable background investigation, the Personnel Security office issues a Proposal to Deny Letter. The letter outlines the reasons for the proposed staff-like access denial, and the contractor employee will have seven calendar days, from the date of receipt, to respond to Personnel Security. According to IRS Collection, PDC officials, the process to remove interim access involves the following:

- Personnel Security issues the contractor or subcontractor a Proposal to Deny Memo or email, with a carbon copy to the COR.[23]
- The COR forwards the Proposal to Deny Memo to PCA key personnel, notifying them of the proposal to deny access and instructing the PCA to suspend access until a final determination is made. It is "best practice" for the COR to request a confirmation email from the PCA, confirming that the access has been suspended.

During our review, we received conflicting responses from IRS officials on required procedures to suspend access to sensitive information once a Proposal to Deny Letter is issued. For example, Collection function management stated that a PCA employee loses access when they receive a denial from Personnel Security or when the employee separates from the PCA. Officials in the Human Capital Office stated that when Personnel Security issues a Proposal to Deny Letter, the COR should immediately take the required steps to suspend access. In response to our concerns, IRS officials confirmed that prior to September 2024, there was no process to track or confirm that system access was immediately suspended.

In September 2024, Collection management confirmed that they updated the POG and the PPG. The update clarifies all Personnel Security and COR responsibilities, including a confirmation step to verify through a PCA systems' screenshot that access has been suspended. The update also outlines responsibilities, reporting frequency, periodic reviews, and specific review elements for all relevant personnel. Although it appears the PDC Program has begun to make changes, due to our calendar year deadline for issuing this report, the updated PPG and POG will be

[21] The LifeCycle Events Reports tracks PCA employee background investigation approval/denial dates.

[22] Four of these employees were able to mitigate the issues by providing supporting documentation.

[23] In this context, "contractor or subcontractor" specifically refers to an employee of the PCA receiving the Proposal to Deny Memo, not the PCA itself.

reviewed more thoroughly in the next biannual review, including efforts to ensure that the COR is immediately suspending access.

A recent TIGTA report found a similar issue in which 19 out of 5,068 contractors had unfavorable background determinations, and all 19 contractors maintained network and sensitive system access.[24] TIGTA recommended that the IRS should ensure that access to sensitive systems is immediately suspended or disabled when a contractor is identified as not having a favorable background determination. While the IRS agreed to the recommendation, it provided an implementation date of January 2026.

Delaying the suspension of access for PCA employees with unfavorable background checks exposes sensitive PII to unauthorized access, increasing the risk of data breaches and compromising IRS operations. Inadequate PCA guidance on prescreening and background investigations potentially puts sensitive taxpayer information at risk for a longer period. During the audit, IRS management confirmed that they updated the POG and the PPG to clarify all Personnel Security and COR responsibilities.

Recommendation 1: The Director, Collection, SB/SE Division, should develop a reconciliation process to ensure that all Proposal to Deny Letters are received and immediately processed by the COR.

> **Management's Response:** The IRS agreed with this recommendation. The IRS developed and is implementing a reconciliation process to ensure that all Proposal to Deny Letters are received and immediately processed by the COR.

Recommendation 2: The Director, Collection, SB/SE Division, should ensure that ongoing reviews of the PDC program include a review of COR and PCA responsibilities, including the immediate suspension of PCA employees' system access upon the issuance of a Proposal to Deny Letter. Any identified issues should be promptly addressed and corrected.

> **Management's Response:** The IRS agreed with this recommendation. The IRS is revising the PDC Operations Guide (POG) to include instructions for the Lead COR and/or PDC Contract Administration Team Manager to review the COR's reconciliation of the PCA Staffing Report to ensure the immediate suspension of PCA employees' system access upon the issuance of a Proposal to Deny Letter.

Private Collection Agencies Did Not Properly Categorize Incidents That Potentially Violated the Fair Debt Collection Practices Act

Our review of PCA incident logs for FY 2022 and FY 2023 identified [redacted] incidents that were improperly categorized and potentially violated the FDCPA for disclosing tax debt information to unauthorized third parties. Specifically, from the [redacted] incidents:

- 9 out of 62 Inadvertent Unauthorized Disclosure incidents should have been reported as Regulatory because they potentially violated FDCPA § 805(b). For example, a PCA assistor received an inbound call and did not accurately identify the account of the party that

[24] TIGTA, Report No. 2024-IE-R008, *Assessment of Processes to Grant Access to Sensitive Systems and to Safeguard Federal Tax Information* (February 2024).

called in. As a result, the assistor disclosed account information of another taxpayer who had the same name of the caller.

- [redacted]

Incidents are situations that range from an allegation of rude or unprofessional behavior, intimidation, or harassment to a statutory violation of laws and regulations. A taxpayer, power of attorney, or a third party can report an incident through any form of communication. These incidents must be reported to the IRS individually through the Incident Referral Form and collectively in the Monthly and Cumulative Incident Report. Some incident categories require reporting to TIGTA's Office of Investigations or in the Corrective Action Report. Incidents on PCA Incident Reports generally fall under the following nine categories:

Regulatory incidents can occur when the PCA violates the taxpayer's rights as defined in the FDCPA or Fair Tax Collection Practices and require special care. The PCAs report Regulatory incidents that potentially violate the FDCPA or Fair Tax Collection Practices on the Incident Report as well as the monthly Corrective Action Report, which undergoes a more rigorous review than the Incident Report.

The improperly categorized incidents in this review potentially violated FDCPA § 805(b), which states that without the consumer's direct consent, court permission, or to effectuate a post-judgment remedy, a debt collector may only communicate with the consumer, their attorney, a consumer reporting agency (if permitted by law), the creditor, the creditor's attorney, or the debt collector's attorney. Incidents involving impersonation, loss/theft of taxpayer records, and threats/assaults are classified as Misconduct/Tax Integrity incidents. These are the only incidents directly referred to TIGTA's Office of Investigations by the PCAs or taxpayers. The PCAs self-reported 98 percent of the 94 incidents logged by TIGTA's Office of Investigations in FY 2022 and FY 2023, with most cases involving threats of self-harm to the taxpayer or the PCA.

IRS management concurred with the [redacted] improperly categorized incidents stating that each PCA has its own Compliance Department to interpret the FDCPA and determine when an incident should be reported as a potential FDCPA violation. Nine of the [redacted] miscategorized incidents were originally categorized as inadvertent unauthorized disclosures. The PDC PPG definition of Inadvertent Unauthorized Disclosure includes PCA employees disclosing tax information to an unauthorized individual. Therefore, additional attention may be required to correctly categorize incidents and ensure that proper action is taken.

In response to our findings, IRS management issued a procedural update in May 2024 to clarify incident reporting and categorization, emphasizing the proper handling of FDCPA and FTCP violations. This is important for the PCAs to ensure that taxpayer rights are upheld by properly categorizing incidents that potentially disclose taxpayer information. Because the IRS implemented this corrective action, we will not make a recommendation but plan to review this topic in the next biannual audit.

Further Improvement Is Needed When Processing Misdirected Payments

The IRS and/or the PCAs followed policies and procedures in handling misdirected payments for [redacted] randomly sampled misdirected payments.[25] However, for [redacted] misdirected payments, the PCA and/or the IRS did not follow guidelines for the following reasons:

- 8 instances - the IRS did not post the payment to either the taxpayer or the tax year that was listed on the Forms 3210, *Document Transmittal*, and 4287, *Record of Discovered Remittances*, prepared by the PCAs.[26] The total amount of misapplied payments was more than $2,400.
- 5 instances - The PCA did not send a letter, or send a letter within one business day, of the receipt of the misdirected payment to the taxpayer that provides the proper address for submitting payments.
- [redacted]
- [redacted]

Misdirected payments occur when taxpayers assigned to the PDC program inadvertently send their payments to the PCAs instead of the IRS. IRS guidance requires the PCA to document, safeguard, and send all misdirected payments to the IRS. Specifically, the PCA must immediately prepare a Form 4287 to document misdirected payments and a Form 3210 and send the payments using overnight traceable mail. If the IRS does not acknowledge receiving the Form 3210 within 10 business days, the PCA must initiate an inquiry of the status of the misdirected payment with the technical analyst using a PCA Technical Referral Form.

Our FY 2023 biannual performance review found that the IRS did not accurately apply misdirected payments to the taxpayer's account or tax year as indicated on Forms 3210 and 4287 because the taxpayer did not provide all the required information on their checks or

[25] We reviewed 15 randomly selected payments from each PCA (PCA 1, PCA 3, and PCA 2).

[26] Form 3210 is required for use as receipts and transmittal records when transferring taxpayer information between offices (*e.g.*, from the IRS to the PCA). At a minimum, the required information includes whether it is a check/money order, taxpayer name, last four digits of their SSN/Employer Identification Number, Master File Tax, Tax Period, and Amount. Form 4287 is used as a reconciliation tool that is maintained by the PCA to document misdirected payments daily.

money orders. The IRS clarified that Form 4287 is used internally by the PCAs and is not sent to the IRS. In addition, when the payment was received at the IRS, the Form 3210, which identified the taxpayer, was discarded from the payment resulting in posting errors.

In January 2023, the IRS updated procedures to attach a copy of Form 3210 to misdirected payments and to send a watermarked photocopy of Form 3210 with the check to the Payment Perfection Unit for posting.[27] However, within three months of the update, we identified that payments were processed incorrectly. The Internal Revenue Manual does not require a subsequent review to ensure that the procedures are working, such as verifying whether a copy of Form 3210 was indeed kept with the check when sent to the Payment Perfection Unit for processing.

Incorrectly posted payments can have negative consequences for taxpayers. For example, they will continue to accrue interest on the outstanding tax balance, despite making a payment to reduce the balance. This lack of quality control highlights the need for the IRS to not only update its Internal Revenue Manual procedures but to ensure their proper execution through regular reviews and audits. It is crucial that the IRS addresses these issues to ensure accurate posting of payments and to prevent unfair penalties due to administrative errors.

The Director, Submission Processing, Taxpayer Services, should:

Recommendation 3: Establish a review process for PCA misdirected payments that includes a step to verify whether processed misdirected payments had a copy of Form 3210 with the check at the time of processing. Any identified exceptions and/or concerns should be promptly resolved.

> **Management's Response:** The IRS agreed with this recommendation The IRS will establish a review process for PCA misdirected payments that includes a step to verify whether processed misdirected payments had a copy of Form 3210 with the check at the time of processing. The IRS will update Internal Revenue Manual 3.8.45, *Deposit Activity – Manual Deposit Process*, accordingly.

Recommendation 4: Designate certain Payment Perfection Unit employees to process PCA misdirected payments to ensure that misdirected payments are accurately applied to the tax module listed on the Form 3210.

> **Management's Response:** The IRS agreed with this recommendation. The IRS will designate certain Payment Protection Unit employees to process PCA misdirected payments to ensure that misdirected payments are accurately applied to the tax module listed on the Form 3210.

Private Collection Agencies Generally Complied With Telework Policies

In FYs 2023 and 2024, PCA employees generally complied with telework policies. However, we identified six employees who did not complete all the eligibility requirements prior to beginning telework on the IRS contract. Specifically:

[27] Internal Revenue Manual 3.8.45.5.2(3), *Remittance Perfection* (Jan. 23, 2023).

- 5 employees did not have their physical/virtual site review completed prior to beginning telework.
- 1 employee did not complete all required trainings prior to beginning telework.

In response to the Coronavirus Disease 2019 Pandemic, in March 2020, the IRS established an approved telework plan for the PCAs. Telework policies were made permanent on June 7, 2022. The PCAs follow the Alternate Work Site *(22.16 PE-17)* section of the Publication 4812, *Contractor Security & Privacy Controls*, and the telework polices in the PPG. Each PCA employee and their manager must sign an approved telework agreement and take the required trainings prior to telework, and annually thereafter.

In addition, PCA managers conduct physical or virtual site reviews for all employees before and during telework. The IRS monitors these visits during its Operational Reviews. The fourth quarter FY 2023 Operational Review identified that the PCAs did not always meet telework eligibility requirements in the correct sequence. As a result, the IRS updated the PPG in November 2023 to provide the PCAs with clearer guidance, and we will not make a recommendation at this time. However, we will continue to review telework policies and procedures in future biannual reviews.

The IRS Generally Excluded or Recalled Cases From Private Collection Agency Inventory As Required by Law

The IRS generally complied with exclusion and recall requirements in the Taxpayer First Act and the FAST Act for accounts assigned to the PCAs during FY 2022 and FY 2023. However, we identified issues similar to our findings in prior reviews.

5.4K

Failed to recall taxpayers that meet low-income criteria.

3.7K

Taxpayers receiving SSDI were not always excluded PCA assignment due to timing issue.

299

Taxpayers with potential identity theft indicators or levies were improperly assigned to the PCA's.

*K = Thousands

For example:

- 5,445 (estimated) taxpayers assigned to the PCAs that meet low-income criteria have not been recalled by the IRS.
- 3,673 taxpayers receiving the SSDI were not always excluded from PCA assignment due to a timing issue.
- 299 taxpayers with potential identity theft indicators or levies were improperly assigned to the PCAs. Specifically:
  - 203 taxpayers had potential identity theft indicators.
  - 96 taxpayers were subject to the State Income Tax Levy Program (SITLP) levies.

The Taxpayer First Act contains adjustments to PCA case inventory that are intended to protect certain low-income taxpayers from PCA collections.[28] After Dec. 31, 2020, tax receivables identified by the Secretary of the Treasury (or the Secretary's delegate) are no longer eligible for collection by the PCAs. This includes:

- Individual taxpayers with an AGI, as determined for the most recent taxable year for which such information is available, that does not exceed 200 percent of the applicable poverty level.
- Taxpayers with incomes consisting primarily of SSDI benefits under § 223 of the Social Security Act or SSI benefits under Title XVI of the Social Security Act (including SSI benefits of the type described in § 1616 of such Act or § 212 of Public Law 93-66).

In addition, the FAST Act specifies that certain IRS debts are not eligible for PCA collection action. This includes debts:

- Subject to a pending or active offer in compromise or installment agreement.
- Classified as an innocent spouse case.
- Involving a taxpayer who is: a) deceased, b) under the age of 18, c) in a designated combat zone, or d) a victim of tax-related identity theft.
- Currently under examination, litigation, criminal investigation, or levy.
- Currently subject to a proper exercise of a right of appeal under this title.
- Involving a taxpayer living in a presidentially declared disaster area who requests relief from collection.

The IRS has systems in place to block cases with exclusion criteria from PCA assignment. There are also procedures in the PPG to address situations in which the IRS did not systemically exclude or recall taxpayers with exclusion criteria. We found that in some cases, taxpayers were improperly assigned or not recalled.

Some low-income taxpayers have not been recalled from PCA inventory

An estimated 5,445 taxpayers who met the income exclusion criteria in the Taxpayer First Act were not recalled from the PCAs' inventory. Many of these accounts remained in the PCAs' inventory as of May 2024. Twice a year, the IRS identifies taxpayers who meet the low-income exclusion criteria.[29] On a weekly basis, the data are matched to PDC-eligible Taxpayer Identification Numbers. If a match is found, the IRS removes the taxpayer from the PDC program. Using the most recent 2023 Low Income data (created on June 21, 2023) provided by the IRS, we conducted an analysis to determine if taxpayers classified as "low income" were appropriately excluded from PCA assignment.

We selected a random sample of 152 low-income taxpayer modules from a population of 6,897 assigned to a PCA in FY 2022 or FY 2023 for IRS management to review. Of these, 32 modules

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[28] Pub. L. No. 116-25, 133 Stat. 981 (2019) (codified in scattered sections of 26 U.S.C.), § 1205(a) (amending I.R.C. § 6306(d)(3)).

[29] To determine eligibility for the low-income exclusion criteria, the Low Income table is updated twice a year using the most recent tax return filed within the past decade in which the AGI is at or below 200 percent of the Department of Health and Human Services' poverty threshold.

did not appear on the 2023 Low Income data and were not violations. For the remaining 120 taxpayer modules, IRS management stated that the modules are not subject to the recall process because these taxpayer accounts were assigned to the PCAs prior to the Taxpayer First Act date of Jan. 1, 2021, and that these modules identified were subsequent tax years.[30] However, the law states that tax receivables from individuals with an AGI not exceeding 200 percent of the applicable poverty level are ineligible for collection; therefore, these taxpayer accounts should be recalled. Based on the total population of 6,897 potential violations, using a 78.95 percent error rate and a two-sided 95 percent confidence interval, we estimate that 5,445 taxpayers whose income fell beneath the threshold for PCA assignment after the law was put in place should be recalled.[31]

IRS management, citing IRS Office of Chief Counsel's advice, stated there is no legal obligation to continually review assigned cases for potential changes in the taxpayer's income. However, systemic reviews may necessitate recalls. The IRS conducts monthly reviews to identify low-income accounts not in an active payment arrangement and instructs the PCAs to return those accounts. As of June 13, 2024, 196 low-income accounts assigned before Jan. 1, 2021, remained in PCA inventory.

Low-income taxpayers deserve protection, regardless of when their account was assigned. If the IRS fails to recall the estimated 5,445 low-income taxpayer modules, it potentially burdens these taxpayers. In our FY 2023 biannual review, we found similar concerns and recommended that the IRS ensure that programming is in place to recall taxpayer accounts whose income is below the legal amount for PCA assignment. IRS management disagreed, stating that the law is very specific about identifying and excluding certain taxpayers. While the number of potentially burdened taxpayers has decreased, we will continue to review this issue in future biannual reviews.

SSDI recipients were not always excluded due to a timing issue

Our analysis identified 3,673 taxpayers receiving the SSDI in Calendar Year 2023 and were assigned to the PCAs between Oct. 1, 2021, and Sept. 30, 2023. As of May 2024, all accounts were either paid in full or recalled by the IRS.

Starting in January 2020, the IRS developed computer programming to systemically exclude SSDI recipients from PCA assignment. Twice a year, this programming matches PDC taxpayers' Taxpayer Identification Numbers against Form SSA-1099, *Social Security Benefit Statement*, data from the Social Security Administration (SSA). Weekly, PDC taxpayers' Taxpayer Identification Numbers are cross-referenced with the PDC SSA table to exclude or recall matching taxpayers from PCA case assignment.

IRS management explained that the delay in recalling these accounts was due to the lack of information on whether a taxpayer is receiving the SSDI, which is only known if the taxpayer

[30] IRS management agreed that one account should have been later recalled, stating that the account was originally assigned to a PCA in 2018 but was full paid. The account then later became potential PCA inventory in 2022 and was assigned to the same PCA. Management explained that their programming is currently unable to distinguish between the original assignment date and the current processing date, therefore not applying the low-income exclusion or recall process.

[31] Our sample was selected using a 95 percent confidence interval, 10 percent error rate, and ±5 percent precision factor. When projecting the results of our statistical sample, we are 95 percent confident that the actual total amount is between 4,944 and 5,867.

self-reports or when the SSA reports to the IRS through Form SSA-1099. The information about the 3,673 taxpayers receiving the SSDI was reported to the IRS on Feb. 9, 2024. Because the SSA only provides the Form SSA-1099 to the IRS annually, there will always be taxpayers assigned to PCAs who are not timely identified as receiving the SSDI. Therefore, these taxpayers could be potentially burdened by PCA attempts to collect debts that should not be assigned to the PCAs.

Taxpayers with potential identity theft or levies were improperly assigned to the PCAs

The IRS generally complied with the law when determining which taxpayer accounts to assign to the PCAs. However, there were 96 taxpayers subject to SITLP levies and 203 taxpayers with potential identity theft indicators on their accounts that should be excluded from PCA inventory from Oct. 1, 2021, through Sept. 30, 2023.[32]

Some taxpayers with SITLP levies were not excluded from PCA inventory

There were 96 taxpayer accounts with SITLP levies improperly assigned to the PCAs within 25 days of a SITLP levy payment. During this time, taxpayers are entitled to a post-SITLP levy Collection Due Process (CDP) hearing.[33] Taxpayer accounts cannot be assigned to a PCA while the taxpayer is currently subject to a proper exercise of appeal.[34]

The IRS can levy a state tax refund payment before or after a taxpayer account is assigned to a PCA. If the SITLP levy payment is received after assignment, the PCA must place a 90-day hold on the account to allow time for the taxpayer to exercise their CDP rights. If received before selection for PCA assignment, the IRS applies a levy exclusion, preventing selection for at least 56 days or until the taxpayer's CDP rights are exhausted.

IRS management stated that a levy exclusion was not placed on these 96 cases due to a timing issue.[35] After the case is selected for PCA assignment, the IRS cannot make changes to the account to exclude it from the PCA inventory if a SITLP levy payment was received while the account was still with the IRS. However, as of June 2023, procedures now require the PCAs to put accounts on hold for 90 days to allow time for taxpayers to exercise their CDP rights, regardless of when the SITLP levy payment was received. This should ensure that the PCAs do not contact the taxpayer while they may be exercising their CDP hearing rights.

Taxpayers with potential identity theft indicators were assigned to the PCAs

There were 203 taxpayer cases with unresolved potential identity theft indicators assigned to the PCAs. Assigning these taxpayers to the PCAs risks burdening taxpayers and/or violating their rights if the IRS later confirms the identity theft. Taxpayers with potential identity theft indicators on their tax accounts are identified by specific transaction codes. If one of the taxpayers is assigned for collection, the PCA may be collecting from a victim of identity theft.

[32] I.R.C. § 6306(d).

[33] I.R.C. § 6330(f)(2) provides that taxpayers may receive a post-levy CDP hearing within a reasonable period of time after the levy where the IRS has served a levy upon a state to receive a state tax refund. I.R.C. § 6330(c)(2)(A) provides that, in a CDP hearing (the determination of which is appealable to the U.S. Tax Court), a taxpayer can raise spousal defenses, the appropriateness of the collection actions, and collection alternatives to the levy.

[34] I.R.C. § 6306(d)(5).

[35] This timing issue occurred when a SITLP transaction was pending and did not post before or between selection and placement with a PCA, preventing the cases from being systemically excluded.

IRS management stated that these cases were assigned to the PCAs because they were not confirmed identity theft (only potential victims). The law states that a victim of tax-related identity theft should be excluded from PCA placement. In our FY 2023 biannual review, we recommended that the IRS ensure that programming is in place to prevent and recall taxpayers with potential identity theft indicators from PCA assignment. IRS management disagreed with our recommendation stating that they have programming in place to prevent and recall confirmed identity theft accounts. The IRS still believes that only cases with confirmed identity theft should be excluded from PCA assignment.

Although these taxpayers did not have confirmed identity theft indicators on their accounts, we believe that the IRS should resolve these issues and prevent unnecessary taxpayer burden before assigning the case to a PCA. Further, taxpayers who suspect identity theft and notified the IRS, or received an IRS notice indicating they could be a victim, may be suspicious of PCA contacts while their case is being resolved.

The National Taxpayer Advocate expressed concerns with tax-related identity theft victims waiting an average of 556 days for the IRS to process their returns and send their refunds; as of April 2024, this processing time had increased to 675 days. The IRS should consider the impact on potential victims of identity theft as well as the intent of Congress in excluding such cases from PCA assignment.

Private Collection Agency Employees Generally Followed Procedures When Talking to Taxpayers

All 3 PCAs generally met the attributes for the calls reviewed, achieving an overall accuracy rate of 97.8 percent. Our review of 100 randomly selected telephone call recordings (50 from PCA 3 and 25 each from PCA 1 and PCA 2) from Oct. 1, 2021, to Sept. 30, 2023, found that assistors generally adhered to guidelines and provided quality service to taxpayers. However, across all 3 PCAs, 42 calls had at least 1 attribute not met. For the 100 sampled calls, all PCA employees complied with 17 of 30 quality attributes, including call summarization, effective listening, and timely actions.[36]

Telephone contact is the primary method the PCAs use to reach taxpayers, request voluntary payments, and establish payment arrangements. As of June 30, 2023, the PPG lists 30 quality attributes that measure whether PCA employees are following outlined procedures when speaking with taxpayers. For example, the PPG includes attributes that assess whether the assistor correctly identified the taxpayer during the authentication process, whether the "mini-Miranda" was properly administered, and whether the assistor had maintained professionalism during contact. A detailed list of all 30 quality attributes can be found in Appendix III.

Four key quality attributes were not met at least five or more times. The PCAs did not meet the remaining attributes only 1 or 2 times. The 4 attributes not met by PCA employees 5 or more times were:

[36] We reviewed double the number of calls from PCA 3 because it is the first time we have reviewed its calls after being selected for Contract 2. Each of the 100 telephone calls can have up to 30 applicable attributes (3,000 total possible for all 3 PCAs), but not all attributes are applicable for every telephone call.

- **Employee Case Documentation:** In 21 instances, PCA employees did not accurately document what occurred during the call. The PPG states that it is vital that the Record of Account accurately reflect the conversation with the taxpayer to promote quality and consistency in working cases. If the case documentation is not accurate, PCA employees will not know what decisions were made, why those decisions were made, what actions were taken, and what further actions are required to resolve the case.
- **Security Guidelines:** In nine instances, PCA employees did not follow proper security responsibilities. In some instances, clear background conversations could be heard during the call. The PPG states that background noise provides the potential to disclose unrelated taxpayer PII. The PCAs must ensure that background noise from other assistors cannot be heard during telephone conversations with taxpayers. Although we were unable to clearly hear the conversations being held in the background, there is still a potential risk that the PII could be disclosed. Six of the instances occurred from calls conducted by PCA 3. PCA 3 is currently in the process of implementing soundproofing panels to surround the IRS office space in its call center where the defects occurred. It anticipates delivery and installation by the beginning of FY 2025. Once installed, it plans to internally test, monitor, and adjust to reduce or eliminate background noise and avoid additional findings. The remaining three occurred from calls conducted by PCA 1. Although these occurred during our review, PCA 1 purchased new headsets and noise-canceling software; therefore, we will continue to monitor this during our next biannual review.
- **Confidentiality:** In eight instances, PCA employees did not inform the taxpayer or the representative when using a cell phone or cordless device. The PPG (effective March 31, 2023) explains that, for all inbound and outbound calls, the PCA must provide a cell phone or cordless device disclosure prior to authentication. The PCA must inform the caller, taxpayer, or representative that tax information discussed using a cordless device may be unsecured and a cell phone conversation may be overheard by others in proximity. The PCA must secure the caller's permission to continue the call. As of June 8, 2023, the cell phone and cordless device disclosure is no longer a requirement when contact is made with a taxpayer.
- **Disclosure Met:** In five instances, PCA employees did not confirm the taxpayer's Taxpayer Authentication Number (SSN with taxpayer's consent), Name, Address of Record, and Date of Birth. If applicable, this also includes the employee verifying any power of attorney or third-party designee. The PPG requires PCA employees to authenticate certain taxpayer information before providing specific information about the account. Failure to fully authenticate a person could result in potential disclosure of legally protected information to unauthorized individuals.

The PCAs provided various reasons for why the attributes were not met, including human error and the assistor not following the designated scripts. In response to our review, all three PCAs have committed to providing more training, not only to those employees who did not meet the attributes but, in some instances, to their entire staff. This proactive approach towards improvement is a crucial step towards enhancing the quality of service provided to taxpayers and protecting taxpayer data.

Recommendation 5: The Director, Collection, SB/SE Division, should monitor the implementation of soundproofing panels at the identified call center to ensure a noise-free environment during telephone interactions with taxpayers, focus call monitoring efforts on the identified call center before and after installation to ensure that no background noise is overheard, and validate the effectiveness of the soundproofing measures.

Management's Response: The IRS agreed with this recommendation. The IRS will perform a targeted review of calls at the identified call center to evaluate the effectiveness of their new soundproofing measures.

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to independently evaluate the performance of the PCAs. To accomplish our objective, we:

- Identified current guidance, procedures, and applicable laws and determined if there are any planned updates to laws and/or procedures used by the PCAs during all aspects of third-party collection.
- Calculated collection statistics for each PCA using scorecard data to identify trends or significant outliers. We also analyzed and compared the collection results of cases that were three years old or less when they were assigned to the PCAs for collection to those cases that were greater than three years old.
- Evaluated IRS and PCA oversight of their collection and operational actions by reviewing internal reviews, including operational and targeted reviews.
- Determined if employees working on the IRS contracts had the proper approved background checks.
- Reviewed the taxpayer complaint process and incident reporting process for each of the current PCAs. We also identified any trends in the type of complaints.
- Determined if the PCAs are performing collection and operational actions in accordance with PPG and IRS procedures.
    - Determined if misdirected mail and payments received by the PCAs are properly and timely routed to the IRS. We reviewed a random sample of [redacted] misdirected payments ([redacted] from PCA 1, [redacted] from PCA 3, and [redacted] from PCA 2) from a total population of 7,561 payments received from Oct. 1, 2021, to Sept. 30, 2023. We selected a random sample to ensure that each misdirected payment had an equal chance of being selected.
    - Determined if PCA telephone contacts made with taxpayers or their representatives were in accordance with PCA guidance and laws that govern private collection. We reviewed a random sample of 100 telephone calls (50 from PCA 3, 25 from PCA 1, and 25 from PCA 2) from a total population of 562,175 telephone calls from Oct. 1, 2021, to Sept. 30, 2023. We selected a random sample to ensure that each telephone call had an equal chance of being selected.
- Determined if ineligible accounts per the FAST Act and the Taxpayer First Act were correctly excluded from PCA inventory or were properly recalled.
- Selected and reviewed a random sample of 152 low-income taxpayer modules from a population of 6,897 assigned to a PCA in FY 2022 or FY 2023. A statistical sample was used to allow the results to be projected to the overall population. We relied on TIGTA's contract statistician to verify our sampling methods. We selected our sample using a 95 percent confidence level, a +/- 5 percent precision, and a 10 percent estimated error rate. Our review of the sample identified 120 taxpayer modules that were not recalled

from the PCAs' inventory. This resulted in a 78.95 percent error rate and a projected total number of exceptions of 5,445 taxpayer modules. In addition, we are 95 percent confident that the total number of exceptions are between 4,944 and 5,867.

Performance of This Review

This review was performed with information obtained from the SB/SE Division National Headquarters Collection function located in Lanham, Maryland, and information requested from PCA 1, PCA 2, and PCA 3, during the period October 2023 through October 2024. 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.

Major contributors to the report were Phyllis Heald London, Acting Assistant Inspector General (Compliance and Enforcement Operations); Frank O'Connor, Acting Assistant Inspector General for Audit (Compliance and Enforcement Operations); Christina Dreyer, Director; Jon-Michael Socaris, Audit Manager; Anna Yip, Lead Auditor; Carrie Mares, Senior Auditor; Jessica Riesen, Auditor; and Lance Welling, Information Technology Specialist (Data Analytics).

Data Validation Methodology

We performed tests to assess the reliability of data from the Individual Master File and Business Master File systems and the Taxpayer Service Returns Processing Category System as well as outside data obtained from the PCAs, the IRS, and TIGTA's Office of Investigations. We evaluated the data by 1) performing electronic testing of required data elements, 2) reviewing existing information about the data and the system that produced them, and 3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for purposes of this report.

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: policies and guidance found in the PPG, guidance used to audit the collectors' telephone calls and letters, and monthly performance reports. We evaluated these controls by reviewing monthly scorecard data, incident complaint logs, and operational and targeted reviews. Additionally, for the PCAs, we determined that the following internal controls were relevant to our audit objective: the policies and guidance found in the PPG, the guidance used to audit the collectors' telephone calls and letters to ensure the identification of potential errors or violations, and the procedures for reporting taxpayer complaints and incidents. We evaluated these controls by interviewing management and employees; listening to a sample of calls from PCA 1, PCA 2, and PCA 3; and reviewing the complaints and incident reports.

Appendix II

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to Congress.

Type and Value of Outcome Measure:

- Taxpayer Privacy and Security – Potential; 11 PCA employees could have retained access to sensitive taxpayer information after receiving a Proposal to Deny Letter because the IRS does not readily track when interim staff-like access is suspended and whether it is immediate (see Recommendations 1 and 2).

Methodology Used to Measure the Reported Benefit:

A review of the LifeCycle Events Reports, which tracks background investigation approval dates, found that between April 2019 and May 2024, 1,947 PCA employees underwent in-process background investigations of which 796 (41 percent) employees' statuses showed they were granted interim staff-like access. Of the 796, we identified 11 PCA employees whose status in the LifeCycle Events Report subsequently indicated they had received a Proposal to Deny Letter due to security concerns identified in their background investigation. The Proposal to Deny Letter instructs the PCA to immediately suspend employee access to PII. After further review, these 11 PCA employees could have retained access to sensitive taxpayer information after receiving a Proposal to Deny Letter because the IRS does not readily track when interim staff-like access is suspended and whether it is immediate.

Type and Value of Outcome Measure:

- Taxpayer Rights and Entitlements – Potential; eight taxpayers did not have their payment posted to the taxpayer or tax year that was listed on Forms 3210 and 4287. The total of misapplied payments was $2,408.82 (see Recommendations 3 and 4).

Methodology Used to Measure the Reported Benefit:

We selected a random sample of [redacted] misdirected payments received from Oct. 1, 2021, to Sept. 30, 2023, from the population of 7,561 misdirected payments received by the 3 PCAs.[1] We identified eight taxpayers for whom the IRS did not post the payment to either the taxpayer or the tax year that was listed on the Forms 3210 and 4287 prepared by the PCAs.

Type and Value of Outcome Measure:

- Taxpayer Privacy and Security – Potential; six telephone calls in which PCA employees did not follow proper security responsibilities during telephone conversations with taxpayers (see Recommendation 5).

[1] We reviewed 15 randomly selected payments from each PCA (PCA 1, PCA 3, and PCA 2).

Methodology Used to Measure the Reported Benefit:

We selected a random sample of 100 (50 from PCA 3, 25 from PCA 1, and 25 from PCA 2) PCA employee telephone calls made with taxpayers or their representatives from Oct. 1, 2021, to Sept. 30, 2023, from the population of 562,175 telephone calls. We identified nine telephone calls where background conversations could be heard during the call. Six of the instances occurred during calls conducted by PCA 3. To address the issue, PCA 3 is in the process of implementing soundproofing panels at its call center to ensure a noise-free environment during telephone interactions with taxpayers. The remaining three calls were conducted by PCA 1, which has since purchased new headsets and implemented noise-canceling software to improve call quality.

Appendix III

Private Collection Agency Policy and Procedures Guide Quality Attributes

Attribute	**Description**
1	Employee Identification – Use this field to determine if the collector(s) identified themselves and their company appropriately during every telephone contact.
2	Taxpayer Issue(s) Identified/Addressed – Use this field to rate whether the collector appropriately addressed all the taxpayer/representative issues raised during the contact.
3	Disclosure Met – Use this field to identify if the collector verified the taxpayer's Taxpayer Authentication Number (SSN with taxpayer's consent), Name, Address of Record, and Date of Birth.
4	Ceasing Disclosure to Unauthorized Third Party – At the moment, an unauthorized third party identifies themselves or is discovered through research, did the employee properly stop disclosing sensitive information.
5	Taxpayer Rights – Use this field to determine if the employee advised the taxpayer/power of attorney of all rights.
6	Security Guidelines Followed – Use this field to determine if the employee followed proper security responsibilities.
7	Mini-Miranda – Use this field to identify if the employee delivered Mini-Miranda rights pursuant to the FDCPA.
8	Recorded Call Verification – Use this field to identify if the employee advised the possibility of the call being recorded.
9	Complete Research of Account-Related Systems – Use this field to identify if the employee properly researched account-related information.
10	Appropriate Referral/Case Transfer – Use this field to identify if the employee transferred the taxpayer/representative as appropriate.
11	Verification Completed – Use this field to identify if the verification has been completed.
12	Following Established Policies and Guidelines – Use this field to determine if the employee followed appropriate procedures when the taxpayer disputes or requests cease and desist.
13	Determine the Taxpayer's Ability to Pay – Use this field to determine if the collector demanded immediate full payment before determining if the taxpayer may be eligible for a Payment Arrangement.

14	Defaults/Restructure/Terminate Determination – Use this field to identify if the employee made the correct determination when working a Payment Arrangement default, restructure, or terminate.
15	Balance Due/Payoff Computation – Use this field to identify if the employee provided correct balance due/computed the corrected payoff amount to the correct date.
16	Input/Update to Specialized Systems – Use this field to identify if the employee input or updated specialized systems per PPG guidelines.
17	Provide Forms – Use this field to rate if the collector is required to mail forms or referred the taxpayer to an IRS website for forms or self-help method information to resolve the taxpayer's issue.
18	Telephone Number Secured/Verified – Use this field to identify if the employee secured and/or verified taxpayer's/representative's telephone number and input/updated on the appropriate system.
19	Check Annotation/Payment Requirements and Options – Use this field to rate if the employee advises the taxpayer of check annotation and mailing addresses.
20	Employee Case Documentation – Use this field to rate if the collector accurately documented the record of account or handled incoming correspondence, returns, or remittances appropriately.
21	Correct/Complete Response/Resolution – Use this field to identify if the employee provided the taxpayer/representative with the correct response or resolution to their account or issue and took the necessary actions or disposition to provide the response or resolution.
22	Professional Closing – Use this field to identify if the employee appropriately closed the contact with the taxpayer or representative.
23	Offered Survey Participation – Use this field to identify whether the employee offered to transfer the taxpayer to the Customer Satisfaction Survey line (telephones) or ensured that the customer was offered a customer satisfaction survey card (in person).
24	Confidentiality – Use this field to determine if the employee protected the confidentiality of the taxpayer's/representative's information when using a cell phone or cordless device.
25	Providing Mailing Address/Telephone Number – Use this field to identify if the employee provided the customer with the correct address/telephone number.
26	Call Summarization – Use this field to identify if the employee correctly summarized the call.
27	Clear/Professional Communication – Use this field to identify if the employee used clear and appropriate language to ensure that communication is completed.

28	Effective Listening – Use this field to identify if the employee listened to the taxpayer/representative in an effective manner to maximize employee understanding.
29	Appropriate Timely Action – Use this field to determine if appropriate timely actions were taken to resolve the case or issue.
30	Timely Employee Actions – Use this field to identify whether the employee took timely actions on the account.

Appendix IV

Management's Response to the Draft Report

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

COMMISSIONER
SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 10, 2024

MEMORANDUM FOR DANNY VERNEUILLE
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Lia Colbert Amalia C. Colbert Digitally signed by Amalia C. Colbert Date: 2024.12.10 07:16:42 -05'00'
Commissioner, Small Business/Self-Employed Division

SUBJECT: Draft Audit Report – *Fiscal Year 2025 Biannual Independent Assessment of Private Collection Agency Performance (Audit # 2024300006)*

Thank you for the opportunity to review and comment on the subject draft audit report. We are pleased that the report recognizes the success of the Private Debt Collection (PDC) program. As TIGTA notes in the report, 7.6 million taxpayer accounts, worth more than $64.9 billion have been assigned to private collection agencies (PCAs) since inception of the current PDC program in April 2017. As of March 2024, by actively engaging with taxpayers to resolve their tax debt, the PCAs had successfully collected more than $2.4 billion in payments. The PCAs have had high taxpayer satisfaction rates, 96.9 percent in fiscal year 2023, and demonstrated high quality metrics, averaging 97.8 percent for quality.

We are fully committed to ensuring all contractors meet federal security and suitability standards. Initial background investigations are performed prior to the contractor working on the contract and are revalidated every five years thereafter. We require all Contracting Officer Representatives (CORs) to immediately revoke contractor system access when Personnel Security issues a Proposal to Deny letter. Additionally, we are continually improving processes and have a team in place reviewing all aspects of contractor management for process efficiencies. As TIGTA notes in the report, the IRS also ensures PCAs follow the telework policies instituted for the PDC Program during the COVID-19 pandemic.

We appreciate your acknowledgement of the processes already implemented during this audit. These include:

- Developing a tracking mechanism for immediate suspension of system access to sensitive information for PCA employees upon issuance of a Proposal to Deny letter resulting from an unfavorable background investigation.

- An update to our internal guidance to document oversight of this process, adding an additional control to ensuring immediate suspension of PCA employees' system access upon the issuance of a Proposal to Deny Letter.
- A procedural update to clarify incident reporting and categorization.

Attached are our comments and proposed actions to your recommendations. If you have any questions, please contact me, or Frederick W. Schindler, Director, Collection, Small Business/ Self Employed Division.

Attachment

Attachment

Recommendations

RECOMMENDATION 1:
The Director, Collection, SB/SE Division, should develop a reconciliation process to ensure all the Proposal to Deny Letters are received and immediately processed by the COR.

CORRECTIVE ACTION:
We agree. We developed and are implementing a reconciliation process to ensure all Proposal to Deny Letters are received and immediately processed by the COR.

IMPLEMENTATION DATE:
May 15, 2025

RESPONSIBLE OFFICIAL:
Director, Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:
We will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 2:
The Director, Collection, SB/SE Division, should ensure that ongoing reviews of the PDC program include a review of COR and PCA responsibilities, including the immediate suspension of PCA employees' system access upon the issuance of a Proposal to Deny Letter. Any identified issues should be promptly addressed and corrected.

CORRECTIVE ACTION:
We agree. We are revising the PDC Operations Guide (POG) to include instructions for the Lead COR and/or PDC Contract Administration Team Manager to review the COR's reconciliation of the PCA Staffing Report to ensure the immediate suspension of PCA employees' system access upon the issuance of a Proposal to Deny Letter.

IMPLEMENTATION DATE:
May 15, 2025

RESPONSIBLE OFFICIAL:
Director, Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:
We will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 3:
The Director, Submission Processing, Taxpayer Services should establish a review process for PCA misdirected payments that includes a step to verify whether processed misdirected payments had a copy of Form 3210 with the check at the time of processing. Any identified exceptions and/or concerns should be promptly resolved.

CORRECTIVE ACTION:
We agree. We will establish a review process for PCA misdirected payments that includes a step to verify whether processed misdirected payments had a copy of Form 3210 with the check at the time of processing. We will update IRM 3.8.45, Deposit Activity - Manual Deposit Process accordingly.

IMPLEMENTATION DATE:
March 15, 2025

RESPONSIBLE OFFICIAL:
Director, Submission Processing, Customer Account Services, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN:
We will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 4:
The Director, Submission Processing, Taxpayer Services should designate certain Payment Perfection Unit employees to process PCA misdirected payments to ensure that misdirected payments are accurately applied to the tax module listed on the Form 3210.

CORRECTIVE ACTION:
We agree. We will designate employees to process misdirected payments to ensure that misdirected payments are accurately applied to the module listed on the Form 3210, Document Transmittal.

IMPLEMENTATION DATE:
March 15, 2025

RESPONSIBLE OFFICIAL:
Director, Submission Processing, Customer Account Services, Taxpayer Services Division

CORRECTIVE ACTION MONITORING PLAN:
We will monitor this corrective action as part of our internal management system of controls.

RECOMMENDATION 5:
The Director, Collection, SB/SE Division, should monitor the implementation of soundproofing panels at the identified call center to ensure a noise-free environment during telephone interactions with taxpayers, focus call monitoring efforts on the identified call center before and after installation to ensure that no background noise is overheard, and validate the effectiveness of the soundproofing measures.

CORRECTIVE ACTION:
We agree. We will perform a targeted review of calls at the identified call center to evaluate the effectiveness of the new soundproofing measures.

IMPLEMENTATION DATE:
October 15, 2025

RESPONSIBLE OFFICIAL:
Director, Collection, Small Business/Self-Employed Division

CORRECTIVE ACTION MONITORING PLAN:
IRS will monitor this corrective action as part of our internal management system of controls.

Appendix V

Glossary of Terms

Term	Definition
Adjusted Gross Income	Gross income minus adjustments to income. Gross income includes wages, dividends, capital gains, business income, and retirement distribution as well as other income. Adjustments to income include such items as educator expenses, student loan interest, alimony payments, or contributions to a retirement account.
Automated Collection System	A legacy system that provides a computerized telephone tax collection system designed to assist Collection employees with automatic contact and follow up on delinquent taxpayers.
Business Master File	The IRS database that consists of federal tax-related transactions and accounts for businesses. These include employment taxes, income taxes on businesses, and excise taxes.
Contracting Officer Representative	Government representative who ensures that contractors meet the requirements of their contracts.
Field Collection	The unit in the Area Offices consisting of revenue officers who handle face-to-face contacts with taxpayers to collect delinquent accounts or secure unfiled returns.
Fiscal Year	Any yearly accounting period, regardless of its relationship to a calendar year. The federal government's fiscal year begins on October 1 and ends on September 30.
Individual Master File	The IRS database that maintains transactions or records of individual tax accounts.
Innocent Spouse	When a taxpayer believes they should not be required to pay the total amount due (including tax, penalty, and/or interest) for a tax year in which they filed a joint return, the taxpayer may be eligible for relief from joint and several liability by requesting Innocent Spouse Relief.
Installment Agreement	Arrangements in which a taxpayer agrees to pay liabilities over time.
Levy	A method used by the IRS to collect outstanding taxes from sources such as bank accounts and wages or a legal seizure of property to satisfy a tax debt.
Module	Refers to one specific tax return filed by the taxpayer for one specific tax period (year or quarter) and type of tax.
Offer in Compromise	An agreement between a taxpayer and the IRS that settles tax liability for payment of less than the full amount owed.
Policy and Procedures Guide	Guide that provides policies, procedures, and contractual responsibilities that the PCAs must adhere to.

Term	Definition
Recall of Taxpayer Account	An event that triggers the IRS to initiate a removal of the taxpayer's account from the PCA's inventory.
Record of Account	A chronological history of case actions taken by the PCA on the taxpayer's account.
Return of Taxpayer Account	An event that causes the PCA to initiate a return of an account to the IRS.
Revenue Officer	An employee in the Collection function who provides customer service by explaining taxpayer rights and responsibilities, collects delinquent accounts, secures delinquent returns, counsels taxpayers on their tax filing and payment obligations, conducts tax investigations, files Notice of Federal Tax Lien, releases federal tax liens, and performs seizures and sales of delinquent taxpayer assets.
Social Security Number	A nine-digit number issued to an individual by the SSA. The IRS uses this number to process tax documents and returns.
Tax Period	Refers to each tax return filed by the taxpayer for a specific period (year or quarter) during a calendar year for each type of tax.
Tax Year	A 12-month accounting period for keeping records on income and expenses used as the basis for calculating the annual taxes due. For most individuals, the tax year is synonymous with the calendar year.
Taxpayer Identification Number	A nine-digit number assigned to taxpayers for identification purposes. Depending on the nature of the taxpayer, it can be an Employer Identification Number, an SSN, or an Individual Taxpayer Identification Number.
Taxpayer Service Returns Processing Category System	Taxpayer Service Returns Processing Category System records are created monthly by the IRS as part of the Accounts Receivable Dollar Inventory Service Center Accounts Receivable for those tax modules in which the Assessed Module Balance is a debit and the current status is a 10, 12, or 29 or for which the Total Module Balance is a debit for any other status.
Technical Analyst	IRS official who acts as a liaison between the contractor and the IRS and handles technical and processing guidance.

Appendix VI

Abbreviations

AGI	Adjusted Gross Income
CDP	Collection Due Process
COR	Contracting Officer Representative
FAST	Fixing America's Surface Transportation
FDCPA	Fair Debt Collection Practices Act
FY	Fiscal Year
I.R.C.	Internal Revenue Code
IRS	Internal Revenue Service
PCA	Private Collection Agency
PDC	Private Debt Collection
PII	Personally Identifiable Information
POG	Private Debt Collection Operations Guide
PPG	Policy and Procedures Guide
SB/SE	Small Business/Self-Employed
SCP	Special Compliance Personnel
SITLP	State Income Tax Levy Program
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
TIGTA	Treasury Inspector General for Tax Administration

To report fraud, waste, or abuse,
contact our hotline on the web
at https://www.tigta.gov/reportcrime-misconduct.

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.