

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Revenue Officer Compliance Sweeps of High-Income Nonfilers Were Impactful, but Tracking Data and Training Could Be Improved

April 28, 2025

Report Number: 2025-300-021

HIGHLIGHTS: Revenue Officer Compliance Sweeps of High-Income Nonfilers Were Impactful, but Tracking Data and Training Could Be Improved

Final Audit Report issued on April 28, 2025

Report Number 2025-300-021

Why TIGTA Did This Audit

In April 2023, the IRS published its Inflation Reduction Act Strategic Operating Plan, which set out five objectives to be accomplished through a series of initiatives and projects. One of those objectives is to expand enforcement on taxpayers with complex tax filings and high-dollar noncompliance to address the Tax Gap. One way the IRS addresses noncompliance is through a Revenue Officer Compliance Sweep (sweep).

Sweeps are a strategy used by Field Collection to support compliance initiatives. Sweeps address an increase in unassigned high priority inventory in an understaffed location or support a compliance initiative (e.g., egregious employment tax cases, high-income nonfilers (HINF), or specialty programs).

The overall objective of this audit was to determine the efficiency and effectiveness of revenue officer compliance sweeps on high income delinquent nonfilers.

Impact on Tax Administration

The IRS set goals and initiatives with an increased compliance focus on high-income/high-wealth individuals, as well as additional resources for communities where there is a limited IRS presence. The IRS has expanded the use of sweeps to help achieve these goals.

What TIGTA Found

HINF sweeps cases worked by revenue officers from Fiscal Years 2021 through 2022 were more impactful in terms of case closures and dollars collected than non-sweeps HINF cases. As a percentage of cases worked, revenue officers secured more returns under sweeps than non-sweeps and referred significantly more returns to Examination. For Tax Years 2014 through 2020, revenue officers consistently collected more per sweep case than non-sweep case.

Sweeps were conducted throughout the United States and internationally. However, there are several geographic areas in the continental United States that have a high number of HINFs where limited or no sweeps were conducted. There are opportunities for more sweeps in places like eastern New Mexico, western Texas, northwestern Nevada, and Wyoming.

Our review also found that the sweeps tracking data could be improved. Missing, incomplete, and/or inaccurate data were found in data fields such as the taxpayer's name, address, revenue officer identifier, and case assignment date. These errors were not identified and corrected before this review. We worked with the IRS to make corrections so that the data reviewed for this audit were accurate and complete. However, the IRS would benefit from complete and accurate data to track the results of sweeps.

Finally, Field Collection is not always using sweeps to help train and develop employee skills. While the sweeps desk guide provides the IRS with many opportunities to develop employee skills, Collection management is not always taking advantage of them. These activities have the potential to make sweeps an even more effective tool.

What TIGTA Recommended

We recommended that the Small Business/Self-Employed Division's Director, Field Collection, should: continue to identify and perform sweeps of all types, including assessments of high-risk geographical areas as well as issue-based sweeps; regularly review sweeps data to identify and correct errors and ensure that it is accurate and complete before using it for management reporting; capture additional information in the tracking spreadsheet so management can better assess the productivity of each sweep. This should include information such as which delinquent tax return modules were secured, whether any of the returns had tax assessments, and the results of specific collection initiatives; and remind all levels of management of the sweeps desk guide procedures and provide refresher training on their responsibilities in the sweeps process. IRS management agreed with all of our recommendations.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20024

April 28, 2025

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

A handwritten signature in blue ink that reads "Diana M. Tengesdal".

FROM: Diana M. Tengesdal
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Revenue Officer Compliance Sweeps of
High-Income Nonfilers Were Impactful, but Tracking Data and Training
Could Be Improved (Audit No.: 202330028)

This report presents the results of our review of the efficiency and effectiveness of revenue officer compliance sweeps on high income delinquent nonfilers. This review is part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Tax Compliance and Enforcement*.

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

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Background

The Revenue Officer Compliance Sweep (hereafter referred to as a sweep or sweeps) is a strategy used by Field Collection to support compliance initiatives. A sweep is used to address an increase in unassigned high priority inventory in a particular understaffed location or to support a compliance initiative (*e.g.*, egregious employment tax cases, high-income nonfilers (HINF), or specialty programs). The Internal Revenue Service (IRS) expanded the use of sweeps between Fiscal Year (FY) 2019 and FY 2022 as follows:

- Field Collection first expanded its use of sweeps in FY 2019 to serve rural communities and to work high priority collection cases that local offices were unable to process. Revenue officers traveled to selected geographic areas with high-risk, high-dollar, or egregious unassigned cases, and where there was a shortage of revenue officers.¹ These cases included taxpayers with either delinquent returns, balance due returns, or both.
- In Calendar Year 2020, the IRS's Field Collection separately launched issue-based sweeps. Specifically, sweeps were conducted for high income delinquent filer cases, which are taxpayers with at least one unfiled return meeting HINF criteria within the last three years.² However, the pandemic limited collection activity beginning in March 2020, which impacted some of the scheduled sweeps.
- In FY 2021 and FY 2022, the principal issue-based sweeps were National High Income Delinquent Filers. Field Collection selected the highest priority cases from:
 - HINF.
 - Income above a particular threshold.
 - High income/High wealth.

IRS management planned to conduct sweeps on all taxpayers meeting these criteria. The standard criteria for all the above factors are that sweeps cases must be high priority, which includes cases such as:

- A high-dollar balance due case.
- A nonfiler with a high-dollar credit.
- A high-dollar last return amount on a nonfiler account.
- A combination or nonfiler case with a specific code including HINF.

Figure 1 shows sweeps results for FYs 2021 and 2022, including the total number of cases worked, resolved, and dollars collected.

¹ Complex tax cases must be worked by revenue officers with the experience and technical expertise to be able to address high-risk, high-dollar, and egregious issues.

² HINF is identified as any nonfiler with total income of \$200,000 and over; however, prior to November 28, 2022, HINF was identified as any nonfiler with total income of \$100,000 and over. This change could affect case selection and may impact collection rates.

Figure 1: Total Sweeps Cases Compared to HINF Cases Worked for FYs 2021 and 2022

	FY 2021		FY 2022	
	HINF Total	Total of all Sweeps	HINF Total	Total of all Sweeps
Cases worked	1,246	3,164	1,101	1,721
Cases resolved	717	1,898	652	878
Dollars collected	\$11,206,116	\$20,966,947	\$7,276,694	\$9,732,969
Returns voluntarily secured	673	2,696	445	706

Source: IRS manual sweeps tracking spreadsheet as of January 12, 2023.

Figure 1 shows that the IRS collected over \$30 million through sweeps over a two-year period. HINF cases accounted for about 60 percent of the amount collected. The IRS did not specifically target HINF in sweeps during FY 2023 because they were focused on high-income/high-balance due taxpayers. These efforts resulted in over \$56 million in collections in FY 2023.

For the purposes of this audit, we obtained and reviewed data from sweeps performed from FY 2021 through FY 2023 and focused on those fiscal years that addressed HINF cases for Tax Year (TY) 2014 through TY 2020. Generally, when a revenue officer works a case, they attempt to obtain any unfiled returns. There is no statute of limitations on the IRS obtaining and assessing tax on unfiled returns.³

Results of Review

Revenue Officer Compliance Sweeps Are Impactful and More Could Be Performed in High-Risk Areas

Sweeps on HINFs conducted from FY 2021 through FY 2022 were more impactful and collected more outstanding taxes than non-sweeps HINF cases for TY 2014 through TY 2020 tax returns.⁴ We identified other high-risk and geographic locations where sweeps could be used.

HINF sweeps cases had more impactful closures and higher dollars collected than non-sweeps HINF cases

While it is important for Field Collection to provide a presence in communities that do not have permanent revenue officers, it is also important that they identify and select quality cases to work. We compared HINF sweeps cases to non-sweeps HINF cases closed, and the dollars collected for TY 2014 through TY 2020. Sweeps from FY 2021 through FY 2022 included cases

³ Internal Revenue Code Section 6501(c)(3).

⁴ For revenue officers to work HINF cases, a tax module must be created for the unfiled return. This is done through the Case Creation Nonfiler Identification Process. However, the Case Creation Nonfiler Identification Process was stopped during the pandemic. Therefore, at the time of this review, HINF tax modules were only available through TY 2020.

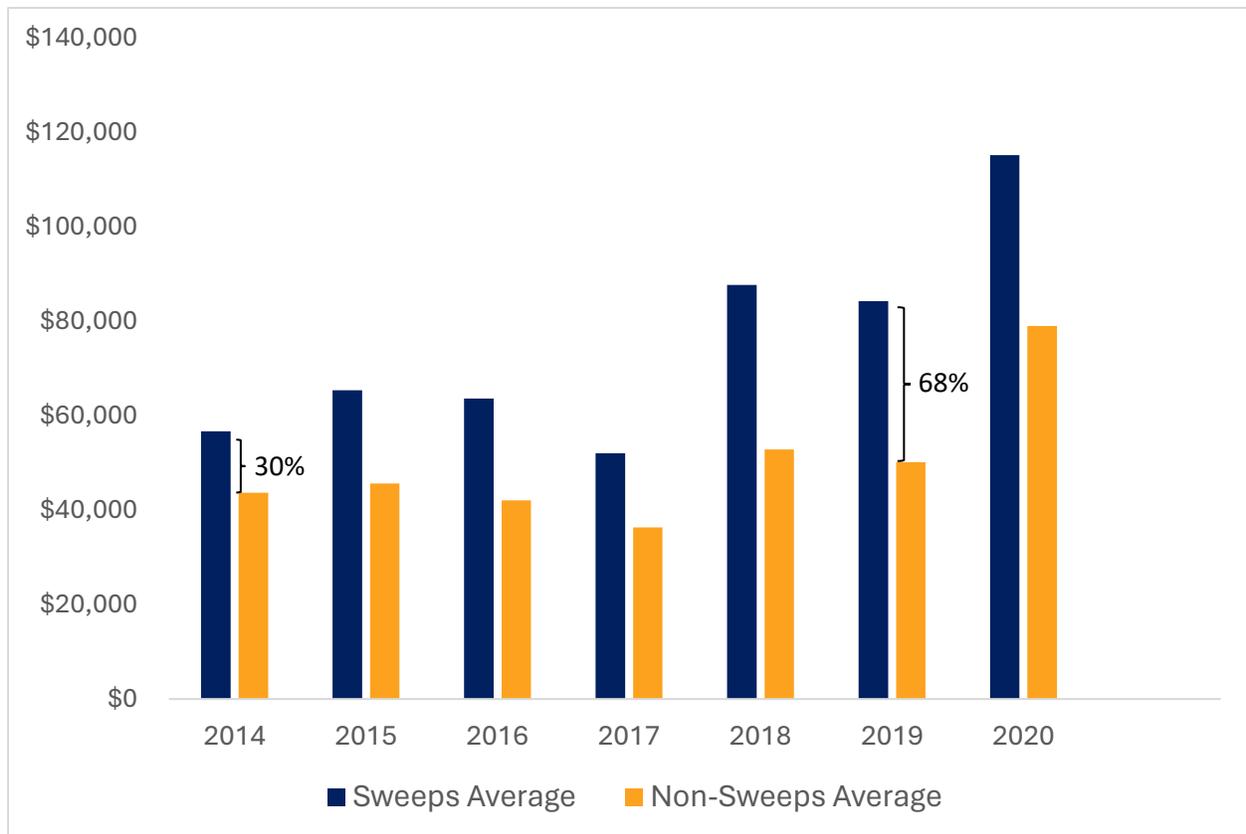
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that were: high priority, HINF, high income delinquent filer, and egregious tax return preparer/promoter cases. We found that revenue officers:

- Referred significantly more delinquent returns to Examination (46 percent) compared to non-sweeps HINF cases (20 percent).
- Surveyed or shelved significantly fewer returns (3 percent) compared to non-sweeps HINF cases (18 percent). These cases met certain criteria and are no longer actively being worked.
- Secured a higher percentage of returns (33 percent) compared to non-sweeps HINF cases (30 percent).

These results indicate that HINF sweeps cases were more impactful than the non-sweeps HINF cases. The sweeps cases follow the same Internal Revenue Manual criteria as regular Field Collection cases. Therefore, the differences in closures may be attributed to better case selection. Figure 2 shows a comparison between the results of HINF sweeps and non-sweeps HINF by tax year.

Figure 2: Average Dollars Collected by Field Collection Per Module for HINF Sweeps and Non-Sweeps HINF⁵



Source: Analysis of IRS Individual Master File Case Creation Nonfiler Identification Process data as of August 23, 2023, IRS sweeps data as of January 12, 2023, and IRS Enforcement Revenue Information System data as of Jan. 20, 2023.

⁵ One outlier sweeps case was removed from TY 2017 so that the data would not be skewed.

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Revenue officers consistently collected more on average per tax module for HINF sweeps cases than they collected for non-sweeps HINF cases. For TYs 2014 through 2020, revenue officers were able to collect on average between 30 percent to 68 percent more per sweep case than non-sweep cases.

We also interviewed 35 Field Collection employees to understand their experiences with sweeps. During these interviews, they stated that sweeps were generally having a positive benefit. For example, sweeps allow the IRS to have a greater presence in a geographic area, raise awareness among the local community that tax laws are being enforced, and may motivate delinquent taxpayers to voluntarily file and pay delinquent taxes.

Sweeps were not always conducted in the highest risk locations

Field Collection conducted 77 sweeps from FY 2021 through FY 2023 throughout the United States and internationally. However, there are several geographic areas in the continental United States that have a high number of HINFs where limited or no sweeps were conducted. These were largely rural locations without a large IRS presence. We also found several urban locations with similar characteristics. These locations have revenue officers present but may have other high priority work. In April 2023, the IRS published the IRS Inflation Reduction Act Strategic Operating Plan which sets out five objectives through a series of initiatives and projects.⁶ One of those objectives is to focus expanded enforcement on taxpayers with complex tax filings and high-dollar noncompliance to address the Tax Gap.⁷ Some of the initiatives include:

- Employ centralized, analytics-driven, risk-based methods to aid in the selection of compliance cases.
- Expand enforcement for high-income and high-wealth individuals.
- Expand enforcement in areas where audit coverage has declined to levels that erode voluntary compliance.
- Pursue appropriate enforcement for complex, high-risk, and emerging issues.

All these initiatives may, in part, be addressed through sweeps. Our review shows that sweeps are a useful compliance tool. However, the IRS could focus on more rural and remote locations. There is also an opportunity for more sweeps in urban locations with high numbers of HINF.

Sweeps were not always conducted in rural locations with limited revenue officer presence

There are opportunities to conduct sweeps where pockets of HINF cases are present, such as in eastern New Mexico, western Texas, northwestern Nevada, and Wyoming. Figure 3 shows where the IRS conducted previous sweeps versus where HINF taxpayers are located. The HINF cases are represented in the heat map as orange by county. The shade of color shows the amount of

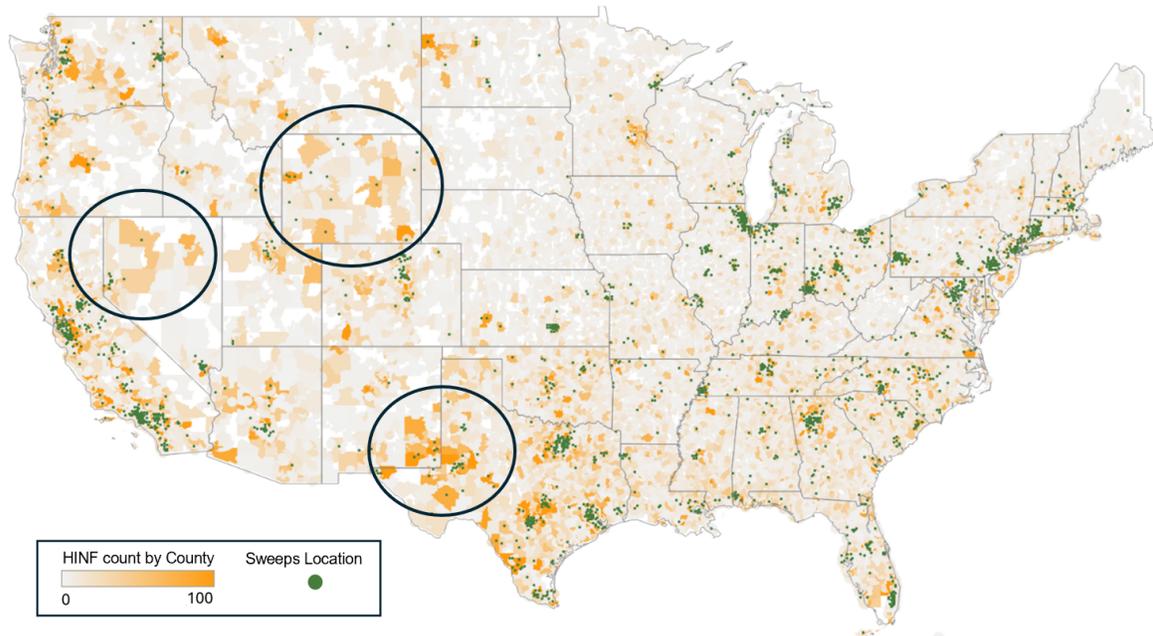
⁶ IRS Publication 3744, *Internal Revenue Service Inflation Reduction Act Strategic Operating Plan FY 2023 - 2031* (Rev. April 2023).

⁷ The gross Tax Gap is the estimated difference between the amount of tax that taxpayers should pay, and the amount paid voluntarily and on time.

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potential HINF cases in that county, with darker shades representing higher numbers. The green dots show where Field Collection conducted sweeps in FYs 2021 and 2022.

Figure 3: HINF and Sweeps Locations



Source: Analysis of IRS Individual Master File Case Creation Nonfiler Identification Process data as of August 23, 2023, and IRS sweeps data as of January 12, 2023.

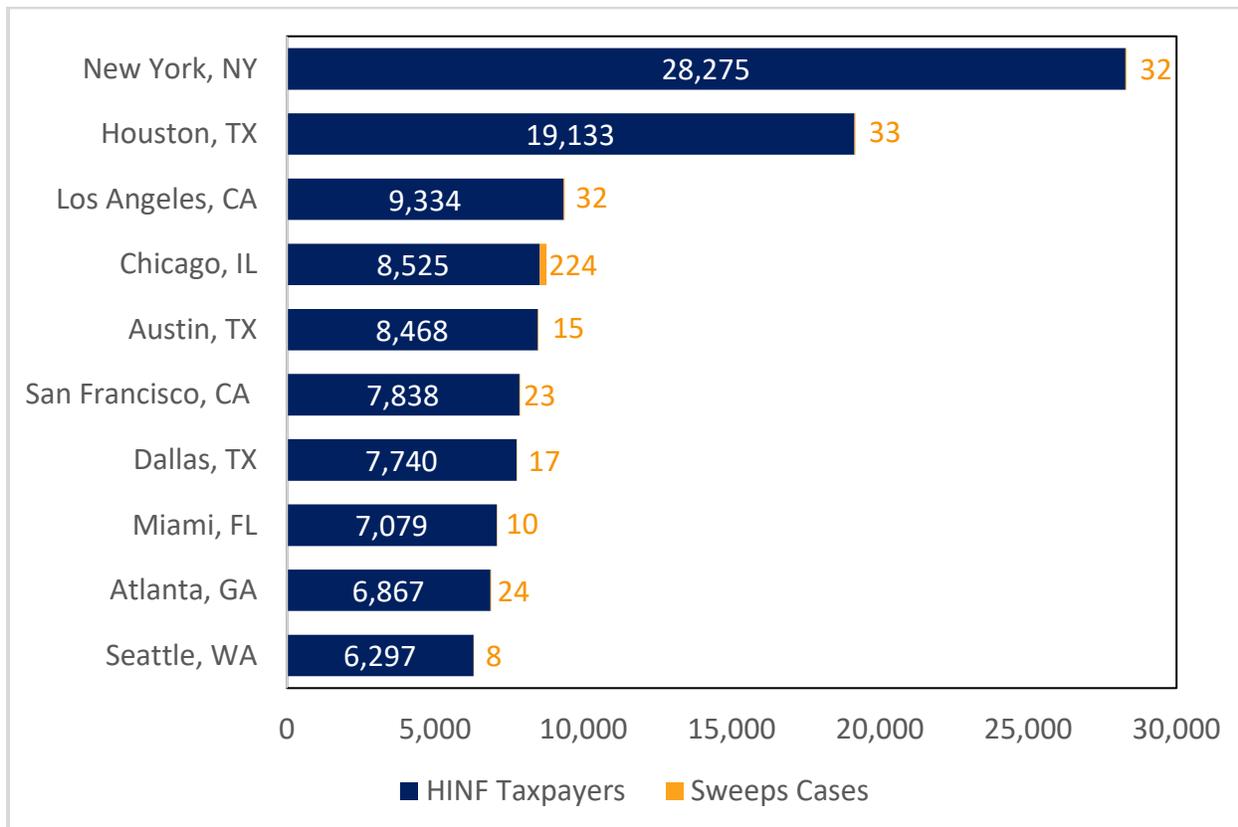
While working HINF cases is important, a goal of sweeps is to create an IRS presence in areas that the IRS is not regularly in, such as rural areas or cities without an IRS presence. Many revenue officers are based in geographic locations that have a large population of taxpayers, but as the map shows, many HINFs are in more remote and rural locations. Therefore, the IRS must use tools such as sweeps to address noncompliance in these areas.

Sweeps were not always conducted in urban locations with large HINF populations

The IRS also conducts sweeps in urban locations with a high number of HINF taxpayers. Figure 4 shows the top 10 cities with the HINF cases we identified and the number of sweeps cases that Field Collection worked in each of those cities.

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Figure 4: Top 10 HINF Cities and Number of Sweeps



Source: Analysis of IRS Individual Master File Case Creation Nonfiler Identification Process as of August 23, 2023, and IRS sweeps data as of January 12, 2023.

New York, New York, and Houston, Texas, have significantly more HINF cases than any other city. However, they have significantly fewer sweeps cases compared to Chicago, Illinois.

Territory managers are primarily responsible for identifying sweeps since they are most familiar with the territory and can recognize emerging trends or patterns. However, there are inconsistencies in the way locations are selected. We interviewed collection employees about the sweeps planning and approval process and received varying responses. All three territory managers we spoke with had some experience in requesting a sweep. However, one territory manager explained that their area has a “champion” that works with the Area Director to identify locations. We also interviewed three Area Directors. One Area Director stated that they have never approved a sweep and that their area only performed them when Headquarters identified the need.

The Standards for Internal Control in the Federal Government (Green Book) sets internal control standards for federal entities. Principle seven of the Green Book states that management should identify, analyze, and respond to risks related to achieving the defined objectives.⁸ Risk assessment is the identification and analysis of risks related to achieving the defined objectives

⁸ Government Accountability Office, GAO-14-704G, *Standards for Internal Control in the Federal Government*, Principle 7 – Identify, Analyze, and Respond to Risks (September 2014). Internal control helps an entity run its operations efficiently and effectively, report reliable information about its operations, and comply with applicable laws and regulations.

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to form a basis for designing risk responses. The principle outlines the attributes management should take when identifying, analyzing, and responding to risks related to achieving the defined objectives, to include:

- Identification of risks.
- Analysis of risks.
- Response to risks.

Field Collection may be missing pockets of noncompliance in certain locations if territory managers are not aware of their responsibilities or do not request a sweep for their location.

Recommendation 1: The Small Business/Self-Employed Division Director, Field Collection, should continue to identify and perform sweeps of all types, including assessments of high-risk HINF geographical areas, as well as issue-based sweeps.

Management's Response: IRS management agreed with this recommendation and plans to remind Field Collection area leadership that sweeps are a tool that can and should be identified, and performed, when appropriate, and when sufficient staffing and travel funding resources are available.

Revenue Officer Compliance Sweeps Tracking Data and Training Opportunities Can Be Improved

Despite sweeps showing a positive impact on compliance, our review of the sweeps desk guide and interviews with all levels of Field Collection employees revealed inconsistencies with tracking these cases and employee training opportunities.

Sweeps tracking data could be improved

For FYs 2021 through 2023, the sweeps tracking data had missing, incomplete, and/or inaccurate record information. Overall, from the population of 6,585 records there were a total of 2,208 errors. Specifically:

- 446 of 3,166 records in the FY 2021 data had errors.
- 96 of 1,726 records in the FY 2022 data had errors.
- 1,666 of 1,693 records in the FY 2023 data had errors.

The errors were found in data fields such as the taxpayer's name, address, IRS group information, revenue officer identifier, and case assignment date. These errors were not identified and corrected before this review.

Revenue officers and analysts enter the data on the tracking spreadsheets, which can lead to input errors. Additionally, these errors are not being identified and corrected before management uses the data to assess the effectiveness of each sweep initiative. We worked with the IRS to make corrections so that the data reviewed for this audit was accurate and complete.

Incorrectly entered or missing information limits the usefulness and reliability of sweeps data. When important case information is missing, the IRS cannot properly capture what cases were

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worked, when the cases were worked, who worked the cases, or the success of a particular type of case. In addition, the revenue officer identifier is not unique to a particular employee. If that employee changes groups or leaves the IRS, the identifier is reassigned making it difficult for management to know which revenue officers worked on a sweep. Finally, the IRS does not track which taxpayer cases were worked under which specific sweep. No data was available specific to each sweep initiative, so it is impossible for management to know the results of any sweeps. To determine effectiveness, the IRS collected information such as whether tax returns were secured, and the amount of tax collected on the case. However, they did not capture which delinquent tax return modules were secured, and whether any of the returns had tax assessments. This additional data would help determine sweeps productivity.

The Green Book defines quality information as information from relevant and reliable data that is appropriate, current, complete, accurate, accessible, and provided on a timely basis. When data is manually entered, there should be a regular review process to ensure its accuracy and reliability. Given the number of errors, we believe that the IRS needs to improve this process. IRS management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. The attributes IRS management should use when designing, implementing, and operating monitoring activities should include the following:

- Establish a baseline.
- Internal control system monitoring.
- Evaluation of results.

IRS management explained that one reason for the missing information was that they included 1,612 non-sweeps cases on the FY 2023 sweeps spreadsheet, and they did not have the ability to systemically gather all the case data fields. These cases were missing information from data fields such as taxpayer name, location, and other information, which was generally pre-populated for sweeps cases. However, if the IRS adds any cases to the sweeps tracking spreadsheet, then the case data fields should be complete.

In addition, managers and revenue officers do not always know about sweeps tracking requirements or the purpose of the requirements and sweeps case results were not shared with them. The sweeps desk guide states that within one week of the conclusion of a sweep, each revenue officer will complete and submit a spreadsheet that captures all the relevant information from their case(s) to the sweeps lead. Within two weeks of receipt, the sweeps lead will consolidate all the spreadsheets and send that information to the sweeps national point of contact. Only 5 of the 14 revenue officers we interviewed indicated that there was a tracking spreadsheet they were required to complete.

We also interviewed five group managers about the purpose of the tracking spreadsheet. Specifically:

- One manager did not know there was a spreadsheet.
- One manager stated that the spreadsheet is for the project manager to ensure that everything is following the timeline.
- One manager stated that the spreadsheet told them what cases were being assigned to their group.

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- Two managers stated that the spreadsheet is used to capture information on the cases and is passed to higher management.

The missing, incomplete, and/or inaccurate record information can affect the reliability and usefulness of sweeps data. Limited information tracking also impacts management's ability to assess the effectiveness of a sweep. The IRS would benefit from complete and accurate sweeps data to be able to better track the results of the sweeps. Additionally, if a revenue officer or group manager is unaware of the tracking spreadsheet and how it is used, or if data entered in the spreadsheet is not robust, then senior management may make decisions about sweeps based on missing, incomplete, and/or inaccurate data. Sharing the results with those that helped work on the sweeps may also help to motivate employees and improve morale.

Maximize sweeps training opportunities

Field Collection is not always using sweeps training as originally intended to help develop employee skills. The sweeps desk guide details how training creates networking opportunities with colleagues and assists with knowledge transfer. Benefits of sweeps training can include:

- Observations and discussions between revenue officers and group managers to help refine, change, or improve individual approaches and techniques to fieldwork.
- Learning opportunities through on-the-job shadowing, as well as on-the-job training through paired field calls with revenue officers.
- Professional enrichment opportunities gained through interacting with subject-matter experts.
- Career development opportunities in the form of improved coaching and mentoring on complex enforcement tools, improved skills transfer, and camaraderie.

The IRS has not always taken advantage of sweeps training opportunities. For example, one tool to train employees is "Pair Days." This training involves pairing less experienced new hires with more experienced revenue officers. We interviewed 19 revenue officers and group managers about their experiences and whether they worked in pairs to facilitate training. Only three of the revenue officers stated that they had worked in pairs, and one group manager mentioned an instance where revenue officers were paired up. While one revenue officer described a scenario in which there was a transfer of knowledge, no one we interviewed described pairing up with the intent of training or being paired up with a newer employee. We also found that revenue officer pairings were left to the discretion of the officers involved, and this information was not tracked.

We requested information about the use of subject-matter experts during FYs 2021 through 2023 sweeps. IRS management informed us that there were no formal subject-matter experts at national or regional levels. However, the sweeps desk guide states that depending on the circumstances, a workshop may be delivered during a sweep. Notably, subject-matter experts often lead workshops that focus on complex case actions, field presence, financial analysis, and employee safety, but IRS management stated that revenue officers and managers did not hold any sweeps workshops.

While the sweeps desk guide provides the IRS with guidance on how to improve sweeps training and develop employee skills, Field Collection management is not always taking advantage of

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these opportunities. By maximizing sweeps training opportunities, the IRS has the potential to make sweeps a more effective enforcement tool.

The Small Business/Self-Employed Division's Director, Field Collection, should:

Recommendation 2: Regularly review sweeps data to identify and correct errors and ensure that it is accurate and complete before using it for management reporting.

Management's Response: IRS management agreed with this recommendation and will ensure that all sweeps data is accurate and complete prior to management reporting.

Recommendation 3: Capture additional information in the tracking spreadsheet so management can better assess the productivity of each sweep. This should include information such as which delinquent tax return modules were secured, whether any of the returns had tax assessments, and the results of specific collection initiatives.

Management's Response: IRS management agreed with this recommendation and will coordinate with Collection Headquarters to identify additional data elements to better report and assess the effectiveness of sweeps.

Recommendation 4: Remind all levels of management of the sweeps desk guide procedures and provide refresher training on their responsibilities in the sweeps process.

Management's Response: IRS management agreed with this recommendation and will issue a communication to Field Collection leadership, including the sweeps desk guide, and secure confirmation of area refresher training on the sweeps process.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to determine the efficiency and effectiveness of revenue officer compliance sweeps on high income delinquent nonfilers. To accomplish our objective, we:

- Reviewed current guidance, procedures, and laws related to sweeps to determine how cases were selected and worked, how revenue officers were selected, and what the goals of a sweep were.
- Reviewed IRS tracking spreadsheets to document how cases were closed and evaluated the effectiveness of case selection.
- Gathered data on collection results on all HINF cases worked in Field Collection. Compared the HINF case data to sweeps results to determine if sweeps were more productive.

Performance of This Review

This review was performed with information obtained from Small Business/Self-Employed Division, Field Collection located in Atlanta, Georgia, during the period January 2023 through December 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.

Data Validation Methodology

We performed tests to assess the reliability of data from IRS spreadsheets, Case Creation Nonfiler Identification Process, Enforcement Revenue Information System, and Individual Master File. 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) discussing the data with agency officials that are familiar with the data. For the purposes of this audit, we obtained and reviewed data from sweeps performed from FY 2021 through FY 2023 and focused on those fiscal years that addressed HINF cases for TY 2014 through TY 2020. While we initially intended to look at sweeps HINF since they were expanded in FY 2019, the IRS was not able to provide sweeps data for FY 2019. Due to pandemic restrictions, some sweeps were performed in early FY 2020; however, face-to-face sweeps ceased in February 2020, and the data tracked for these early FY 2020 sweeps did not differentiate between HINF cases and other types of sweeps. Field Collection performed multiple virtual sweeps during the pandemic, and we reviewed the data for these and all HINF sweeps performed for FY 2021 through FY 2023.

Overall, from the population of 6,585 records for sweeps worked in FY 2021 through FY 2023, we identified a total of 2,208 errors. The errors were found in data fields such as the taxpayer's name, address, IRS group information, revenue officer identifier, and case assignment date. These errors were not identified and corrected before this review. However, we worked with the

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IRS to make corrections so that the data reviewed for this audit was accurate and complete. After making the corrections, we determined that the data were sufficiently reliable for the purpose 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 sweeps desk guide. We evaluated these controls by requesting and reviewing FY 2021 through FY 2023 sweeps data and interviewing employees who were involved with conducting sweeps.

Appendix II

Outcome Measure

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

Type and Value of Outcome Measure:

- Reliability of Information – Potential; 2,208 records with missing, incomplete, and/or inaccurate information. (see Recommendation 2).

Methodology Used to Measure the Reported Benefit:

From a population of 6,585 (3,166 + 1,726 + 1,693) records for sweeps worked in FY 2021 through FY 2023, we found issues with 2,208 (446 + 96 + 1,666) records. The errors were found in data fields such as the taxpayer's name, address, IRS group information, revenue officer identifier, and case assignment date. Starting with accurate data is necessary to analyze the success rate of each sweep and sweeps as a whole.

Management's Response to the Draft Report



COMMISSIONER
SMALL BUSINESS/SELF-EMPLOYED DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

April 16, 2025

MEMORANDUM FOR DIANA M. TENGESDAL
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Lia Colbert, Commissioner, Small Business/Self-Employed Division
Amalia C. Colbert
Digitally signed by Amalia C. Colbert
Date: 2025.04.16 12:29:09 -04'00'

SUBJECT: Draft Audit Report – Revenue Officer Compliance Sweeps of High-Income Nonfilers Were Impactful, but Tracking Data and Training Could Be Improved (Audit No.: 202330028)

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 Revenue Officer Compliance Sweeps (Sweeps). Sweeps is a tool used by Field Collection to address and support compliance initiatives, such as high-income nonfiler taxpayers (HINF). The use of this tool affords the IRS, contingent on the availability of resources, an opportunity to promote and ensure compliance for taxpayers in generally remote and underserved locations. It also allows Field Collection to redirect voluntary resources, when available.

We appreciate the audit team's efforts to understand Field Collection employees' experiences with Sweeps through revenue officer and manager interviews. Their experiences and feedback conveyed the positive impact of Sweeps, and the importance of raising awareness of tax laws and compliance for many taxpayers in communities across the country.

As TIGTA noted in the report, Sweeps conducted on HINF cases secured a higher percentage of returns and dollars collected than non-Sweeps HINF cases. As we continue to assess resources and address priorities, we are committed to continue using Sweeps when appropriate and when resources align.

Your report recommends continuing Sweeps and improving data tracking to reflect their success and efficiency. We strive to make improvements to this process and agree with all TIGTA recommendations. As such, we will undertake the following process improvements:

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- We will ensure the Sweeps desk guide is updated and aligns with field safety and field contact procedures.
- We will work with Research, Applied Analytics and Statistics (RAAS) to determine additional data tracking that will provide comprehensive information on Sweeps performance and efficiency.

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

Revenue Officer Compliance Sweeps of High-Income Nonfilers Were Impactful, but Tracking Data and Training Could Be Improved

Attachment

RECOMMENDATION 1:

The Small Business/Self-Employed Division Director, Field Collection, should continue to identify and perform sweeps of all types, including assessments of high-risk HINF geographical areas, as well as issue-based sweeps.

CORRECTIVE ACTION:

We agree. We will remind Field Collection area leadership that Sweeps is a tool that can and should be identified, and performed, when appropriate, and when sufficient staffing and travel funding resources are available.

IMPLEMENTATION DATE:

April 15, 2026

RESPONSIBLE OFFICIAL:

Director, Field 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.

The Small Business/Self-Employed Division's Director, Field Collection, should:

RECOMMENDATION 2:

Regularly review sweeps data to identify and correct errors and ensure that it is accurate and complete before using it for management reporting.

CORRECTIVE ACTION:

We agree. We will ensure that all Sweeps data elements are identified and reported data is accurate and complete prior to management reporting.

IMPLEMENTATION DATE:

May 15, 2026

RESPONSIBLE OFFICIAL:

Director, Field 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.

Revenue Officer Compliance Sweeps of High-Income Nonfilers Were Impactful, but Tracking Data and Training Could Be Improved

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RECOMMENDATION 3:

Capture additional information in the tracking spreadsheet so management can better assess the productivity of each sweep. This should include information such as which delinquent tax return modules were secured, whether any of the returns had tax assessments, and the results of specific collection initiatives.

CORRECTIVE ACTION:

We agree. We will coordinate with Collection Headquarters to identify additional data elements to better report and assess the effectiveness of Sweeps.

IMPLEMENTATION DATE:

March 15, 2026

RESPONSIBLE OFFICIAL:

Director, Field 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 4:

Remind all levels of management of the sweeps desk guide procedures and provide refresher training on their responsibilities in the sweeps process.

CORRECTIVE ACTION:

We agree. We will issue a communication to Field Collection leadership, including the Sweeps desk guide, and secure confirmation of area refresher training on the Sweeps process.

IMPLEMENTATION DATE:

February 15, 2026

RESPONSIBLE OFFICIAL:

Director, Field 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.

Appendix IV

Abbreviations

FY	Fiscal Year
HINF	High-Income Nonfiler
IRS	Internal Revenue Service
TIGTA	Treasury Inspector General for Tax Administration
TY	Tax Year



**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.