

United States Senate

WASHINGTON, DC 20510

February 11, 2016

The Honorable J. Russell George
Inspector General for Tax Administration
1401 H Street, NW
Suite 469
Washington, DC 20005

Dear Mr. George:

I am writing to you today with a request for further investigation into the issue of the Internal Revenue Service's consideration of prior conduct and performance issues when hiring former employees.

This matter was reviewed in a December 30, 2014 report by your office: *Additional Consideration of Prior Conduct and Performance Issues Is Needed When Hiring Former Employees* (Reference Number: 2015-10-006).

As you may know, on February 10, 2016, IRS Commissioner John Koskinen came before the United States Senate Committee on Finance to testify at a hearing on the Internal Revenue Service operations and the President's Budget for Fiscal Year 2017.

In the hearing, I pressed the Commissioner on the findings of your report, where an appalling number of IRS employees were rehired after being fired for cause. The Commissioner stated that current updated procedures would prevent the IRS from rehiring those same fired employees.

I asked the Commissioner: "What can I say to a North Carolinian that asks me 'how can they have a practice like this when the private sector would never think of hiring someone with a prior track record like that?'"

Koskinen replied: "You can tell your constituents that it's not going to happen again... We do not hire people with prior performance issues. We do not hire people who have abused any tax payer money."

To my mind, this seems in conflict with your report. The report states that the IRS believes that "it was not feasible to move the review of these issues to earlier in the hiring process. This action would greatly increase the cost of hiring, likely increase cycle time beyond the Presidential mandate of 80 days, require additional resources, and not likely yield a reasonable return on investment. The IRS considers this recommendation fully implemented and closed."

Your office responded that despite some changes that the IRS made, “we remain concerned because IRS records indicate that in 2012 and 2013 it hired individuals with prior significant IRS-substantiated conduct and performance issues. As such, we continue to believe that the IRS needs to reassess its current process to more fully consider prior conduct and performance issues before rehiring employees.”

My question to you is simple: Has the IRS fixed this problem? Of the 800 individuals who were identified in your report, how many still work at the IRS?

As you clearly state in your report, the problems created by these performance and conduct issues impose a cost on the agency and the ability of the IRS to serve taxpayers. It is my understanding, as of early 2015, your office was not aware of any new hiring procedures that the IRS has implemented that would address the ongoing concerns cited in your report and would lead you to consider it a closed matter.

A closer examination of the Commissioner’s remarks suggest that the IRS intends to only stop themselves from hiring those with “substantial” performance issues according to their own interpretation and discretion. In fact, Commissioner Koskinen stated in previous testimony to the Ways and Means Committee that, “just because you have a performance issue in your file doesn’t mean you can never work again for the IRS.” I am concerned that, despite the Commissioner’s characterization of the IRS having a revamped policy, the agency will continue to open its doors to rehiring those who have already demonstrated substandard performance and conduct history.

Additionally, I was surprised that the Commissioner professed to not knowing whether or not the IRS conducted interviews with persons before examining their prior conduct and performance issues. This issue troubles me in ways that go beyond the Commissioner’s stated lack of knowledge. The IRS seems to be conducting a hiring policy that is not in keeping with best-practice standards very common in the private sector. There are few better predictors of future performance than past performance, something your report makes clear by citing the ongoing performance and conduct problems among rehired employees. I reiterate that in their response to your report they stated that looking at these issues earlier in the hiring process would be expensive and not lead to a “return on investment.”

It’s troubling that the IRS is waiting until the last step in the resume review process to determine whether a candidate has had a prior poor performance record at the IRS. To me, the first step should be checking an individual’s past history before spending up to 80 days of taxpayer dollars to only, at the last step, determine that the individual has already scammed the taxpayers once. Would your office be able to identify any cost/benefit analysis done by the IRS on a policy of checking an individual’s past employment history with the agency earlier in the hiring process? It seems to me that this is a feasible policy for implementation that would ensure that we secure the best candidates for employment in order to serve taxpayers, maintain the public trust, and protect rights and privacy.

I ask that your office conduct further inquiries into this issue and determine if IRS hiring policies continue to need improvement.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to be 'R. Burr', with a long horizontal flourish extending to the right.

Richard Burr