



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley: IRS Must Curb Employees' Personal Use of Internet, E-mail

WASHINGTON – While hundreds of Internal Revenue Service employees spend hours surfing non-business web sites and sending personal e-mail, the agency's level of service to taxpayers remains lackluster, and its general productivity is lagging, Sen. Chuck Grassley, chairman of the Committee on Finance, said today.

“Some IRS employees are clearly goofing off,” Grassley said. “That’s wrong on two levels. One, the taxpayers foot the bill for that agency, and the taxpayers deserve better. Two, the IRS’ service to taxpayers needs a lot of work. Are taxpayers sitting on hold while IRS employees are surfing the Internet instead of answering the phone? I hope not.”

Grassley’s comments came at an IRS oversight hearing that was mandated by the *IRS Restructuring and Reform Act of 1998*, to which Grassley contributed as a member of the commission that studied ways to revamp the agency.

Grassley used the hearing as an opportunity to question IRS officials about two little-noticed reports from the Treasury Inspector General for Tax Administration\*. Issued last November, the reports found:

- ▶ “Extensive” personal use of the Internet. Over a seven-day period, slightly more than half of IRS employees’ time spent on the Internet was for personal use (8,250 hours -- or 51 percent -- of 16,275 hours). Web sites viewed included those devoted to stock trading, chat rooms, streaming media, sports, sexually explicit content and gambling. Grassley said those numbers equate to 238 employees a year doing nothing except surfing the Internet for personal use.

The report said, “As a result, the IRS is losing productivity, creating unnecessary demand on its telecommunications capacity, and could be fostering a hostile work environment by allowing sexually explicit material into the workplace via the Internet.”

- ▶ “Significant” personal use of e-mail. Almost half – 47 percent – of the 82,000 incoming e-mails reviewed were for non-businesses purposes. Topics included a variety of topics: an online travel magazine, daily jokes, a high school alumni group and a group devoted to a “popular rock singer.” The report said the personal use of e-mail could significantly impact the agency’s productivity.

Testimony provided today outlined weaknesses in the agency’s performance:

- ▶ The IRS “posted mixed results over the past year in processing returns, providing service to taxpayers, and enforcing tax laws,” according to General Accounting Office testimony. For example, the IRS answered more taxpayer calls this filing season than in the previous three years, but almost one-fourth of taxpayers’ calls to the IRS went unanswered.
- ▶ During the 2001 filing season, the Inspector General made 90 contacts over two weeks with IRS employees at taxpayer assistance walk-in sites. Seven times, service was denied. When service was provided, the IRS gave incorrect answers 49 percent of the time and insufficient answers 24 percent of the time.
- ▶ Similarly, an Inspector General review of the toll-free telephone assistance line found that reviewers couldn’t reach anyone 37 percent of the time. When they did, they didn’t receive the requested service 47 percent of the time.

Independently of today’s hearing, Grassley also received information he requested from the IRS showing that the agency’s use of contractors has skyrocketed in the last nine years, from \$444 million in Fiscal Year 1992 to \$1.3 billion in Fiscal Year 2000. Congress should keep this in mind when considering IRS requests for more staff and more resources instead of focusing on the number of IRS employees, Grassley said.

“The IRS has a tough job, and I’m sure the majority of employees work hard,” Grassley said. “But it’s reasonable to expect a basic level of service from the IRS to taxpayers. When you call the IRS, somebody should pick up the phone. When you ask a question, you should get the right answer. When you try to pay your taxes, the IRS should help you do it.”

\* Report titles:

(1) “Employees’ Extensive Personal Use of the Internet Should Be Controlled,” November 2000, Reference Number: 2001-20-016

(2) “Management Should Take Action to Address Employees’ Personal Use of E-mail,” November 2000, Reference Number: 2001-20-017