TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Interim Report – The IRS Leveraged Its Telework Program to Continue Operations During the COVID-19 Pandemic

March 23, 2021

Report Number: 2021-IE-R002

HIGHLIGHTS: Interim Report – The IRS Leveraged Its Telework Program to Continue Operations During the COVID-19 Pandemic

Interim Evaluation Report issued on March 23, 2021 **Report Number 2021-IE-R002**

Why TIGTA Did This Study

Telework allows Federal agencies to continue operations during a pandemic or other event that would result in the closure of Federal Government buildings. To effectively continue operations during an emergency, as many employees as possible should be prepared to telework.

On March 13, 2020, the President of the United States declared a national emergency due to the outbreak of the Coronavirus Disease 2019 (COVID-19) pandemic. By March 16, 2020, the IRS began closing some offices. Effective March 30, 2020, IRS employees were directed to evacuate offices and telework, if possible. In July 2020, the IRS reopened offices to employees with nonportable work and mission-critical functions.

TIGTA conducted this evaluation to determine whether the IRS effectively used its telework program to reduce the impact of the COVID-19 pandemic on IRS operations.

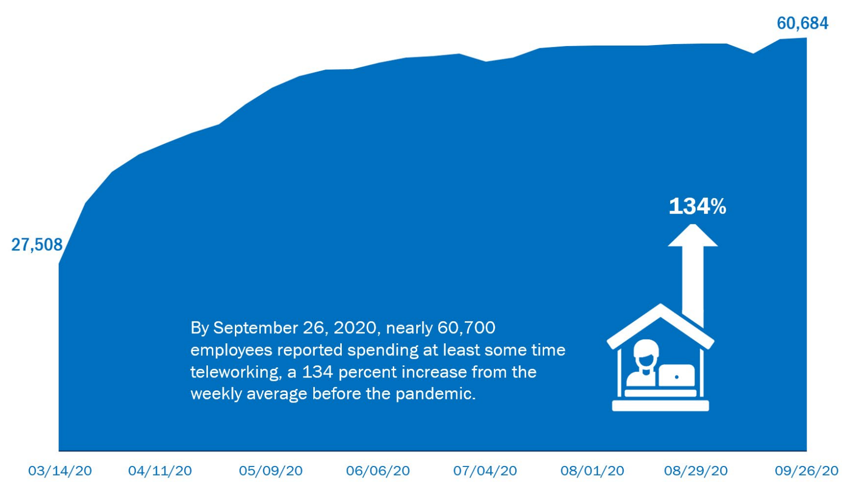
Impact on Taxpayers

The IRS must have a program in place to ensure the continuity of its essential functions during an emergency, such as a pandemic. A robust telework program is a critical component of a plan to allow employees to work effectively from alternative sites and continue tax administration and mission-critical operations.

What TIGTA Found

The COVID-19 pandemic began to have a significant impact on IRS operations in mid-March 2020 when the IRS began to close facilities and employees were diagnosed with COVID-19. Between March 14 and March 28, 2020, the number of employees who worked any amount of time at IRS facilities declined from about 70,700 to 19,400, and the number of employees who teleworked any amount of time increased from about 27,500 to 41,000. By March 28, 2020, the IRS placed nearly 35,000 employees on paid Weather and Safety Leave because they could not work in IRS facilities or telework during some portion of the two-week period. Effective March 30, 2020, the IRS directed all employees, except for those individuals performing mission-critical functions that could not be performed remotely, to vacate the work site and work from home or an alternate location.

Between April 2020 and the end of September 2020, the IRS steadily increased telework participation and reopened IRS facilities to some employees. By September 26, 2020, almost 60,700 employees teleworked a portion of the week, while approximately 25,600 employees worked from an IRS facility for a portion of the week. For this same week, approximately 6,700 employees reported time to Weather and Safety Leave. The figure below illustrates the increase in telework participation from after the COVID-19 outbreak was declared a national emergency and through September 2020.



By December 19, 2020, around 4,600 IRS employees recorded time to Weather and Safety Leave.

Information in this interim report was requested by Congress in House Report 116–456, accompanying the Consolidated Appropriations Act of 2021. TIGTA was instructed to submit a report within 90 days of enactment. TIGTA plans to issue a subsequent report that will provide additional information on the IRS's use of telework during the pandemic.

What TIGTA Recommended

TIGTA made no recommendations in this report.

TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

March 23, 2021

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Heather M. Hill Heather Hill
Acting Deputy Inspector General for Inspections and Evaluations

SUBJECT: Interim Report – The IRS Leveraged Its Telework Program to Continue Operations During the COVID-19 Pandemic (IE-20-010-C)

This report presents the interim results of our evaluation to determine whether the Internal Revenue Service (IRS) effectively used its telework program to reduce the impact of the Coronavirus Disease 2019 pandemic on IRS operations. Information in this interim report was requested by Congress in House Report 116–456, accompanying the Consolidated Appropriations Act of 2021.[1] We were instructed to submit a report within 90 days of enactment. A subsequent report is planned for issuance later in Fiscal Year 2021 that will provide updates to the information in this report. This evaluation is included in our Fiscal Year 2021 Program Plan and addresses the major management and performance challenge of *Responding to the COVID-19 Pandemic*.

This report was prepared to provide information only. Therefore, we made no recommendations in the report. However, we provided IRS management officials with an advance copy of this report for review and comment prior to issuance.

Copies of this report are also being sent to the IRS managers affected by the report information. If you have any questions, please contact me or James A. Douglas, Director, Office of Inspections and Evaluations.

[1] Pub. L. No. 116-260.

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Appendices

Background

The IRS must have a program in place to ensure the continuity of its essential functions during an emergency, such as a pandemic. Telework is a work flexibility arrangement under which employees perform their duties and responsibilities from an approved worksite other than the location from which employees would otherwise work.[1] A robust telework program and ensuring as many employees as possible are prepared to telework are critical components of a plan to allow employees to work effectively from alternative sites and continue tax administration and mission-critical operations. Per the Internal Revenue Manual, telework-ready employees have an approved telework agreement, completed telework training, and the necessary equipment and work files at their telework location (or transportable to the telework location) to perform required duties.[2] Telework is an essential component of the Internal Revenue Service's (IRS) Continuity of Operations Plan (COOP) because telework allows the IRS to continue fulfilling its mission through emergencies that would result in a change of operating status, such as a pandemic.

The first case of the Coronavirus Disease 2019 (COVID-19) pandemic in the United States was confirmed on January 21, 2020. On March 13, 2020, the President of the United States officially declared a national emergency due to the outbreak of the COVID-19 pandemic. Following the President's declaration, the IRS Commissioner instructed its senior leadership to immediately implement provisions to maximize telework flexibility for eligible employees Service-wide, expand leave flexibility, restrict non-mission-critical travel and training, and reduce in-person contacts by any reasonable means.

The COVID-19 pandemic began to have a significant impact on IRS operations in mid-March 2020 when the IRS began to close facilities and employees were diagnosed with COVID-19. On March 27, 2020, the IRS issued an evacuation order that directed all employees to evacuate the work site and work from home or an alternate location, effective March 30.[3]

Leading up to the issuance of the evacuation order, the IRS placed tens of thousands of employees on Weather and Safety Leave (WSL) because their work was either nonportable or they did not have the necessary information technology equipment to work remotely. WSL is a form of administrative leave permitted when an agency determines that safety-related conditions prevent employees from safely traveling to or safely performing work at an approved location or telework site.

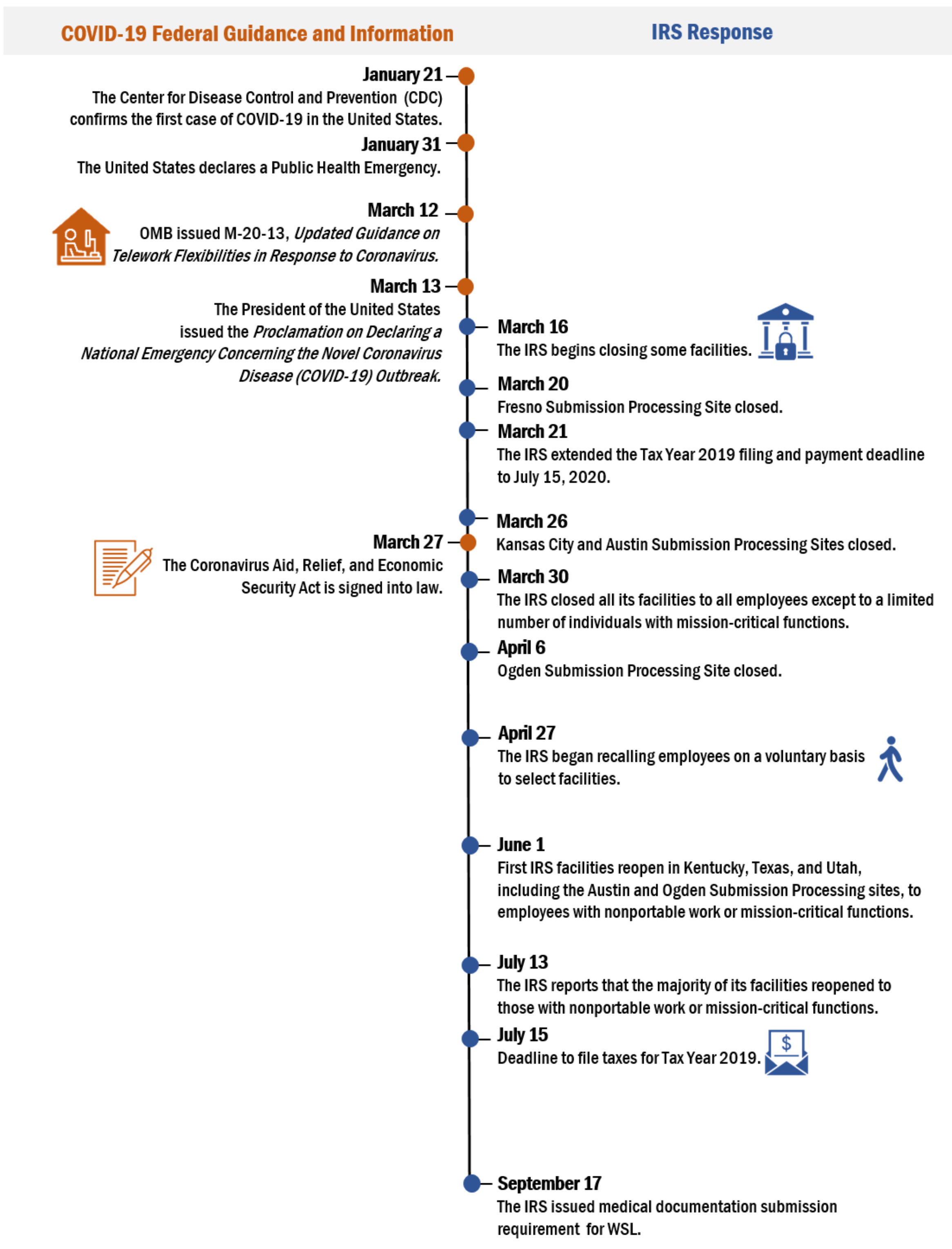
Figure 1 documents events that had a significant impact on IRS employees' ability to work from an IRS facility, an alternate location, or take WSL.

[1] Telework Enhancement Act of 2010. Pub. L. No. 111-292, 124 Stat. 3165 (2010).

[2] Internal Revenue Manual 10.6.2, *Continuity Plan Requirements* (Mar. 11, 2020) and Internal Revenue Manual 6.800.2, *Employee Benefits, IRS Telework Program* (Feb. 7, 2018). The Internal Revenue Manual is the IRS's primary official source of instructions to staff related to the administration and operations of the IRS. It contains the directions employees need to carry out their operational responsibilities.

[3] IRS offices were closed to all employees except for individuals performing mission-critical functions that must continue during the national emergency and can only be performed on-site.

Figure 1: Timeline of Calendar Year 2020 COVID-19 Related Events



Source: Treasury Inspector General for Tax Administration (TIGTA)-generated chart based on Federal and IRS guidance, IRS data concerning facility closures and employees testing positive for COVID-19, and significant pandemic-related events.

Results of Review

The IRS Leveraged Its Telework Program to Continue Operations During the Pandemic

Based on the IRS's COOP, the IRS assumed that a pandemic event could cause an absentee rate of up to 40 percent among IRS employees.[4] In this scenario, the IRS assumed absences would occur in "waves" with employees becoming ill, recovering, and returning to work, as other employees contracted the disease and followed the same pattern. The plans also assumed a pandemic event would not necessarily require the use of alternate facilities. However, the plan did not anticipate that a pandemic event would result in a simultaneous closure of all IRS facilities resulting in the inability of tens of thousands of employees to perform their jobs.

At the beginning of Fiscal Year (FY)[5] 2020, prior to the pandemic, the IRS had a workforce of more than 78,000 employees and the IRS identified approximately 39,000 IRS employees (50 percent) were identified as telework eligible.[6] We analyzed IRS weekly time reports before and after the COVID-19 pandemic began to assess the pandemic's impact on IRS operations.[7] Our analysis was based primarily on the total number of employees who charged any time during the workweek to each category listed below:

Between March 14 and March 28, 2020, the number of employees who reported any time to telework increased from approximately 27,500 to 41,000 employees (a 49 percent increase).

- **In-Office Time** – Employees who reported to an IRS facility.
- **Telework** – Employees who worked from an alternate location.
- **WSL** – Employees who could not work from an IRS facility or telework.

The COVID-19 pandemic grew rapidly in the United States and began to have a significant impact on IRS operations in mid-March 2020, when the IRS decided to close numerous facilities to reduce the spread of the virus. Between March 14 and March 28, 2020, the number of employees who reported any time worked at IRS facilities decreased from approximately 70,700 to 19,400 employees (a 73 percent decrease).[8] The number of employees who reported any time to telework increased from approximately 27,500 to 41,000 employees (a 49 percent

[4] IRS Headquarters Continuity/COOP Plan (May 1, 2020).

[5] A fiscal year is any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins October 1 and ends September 30.

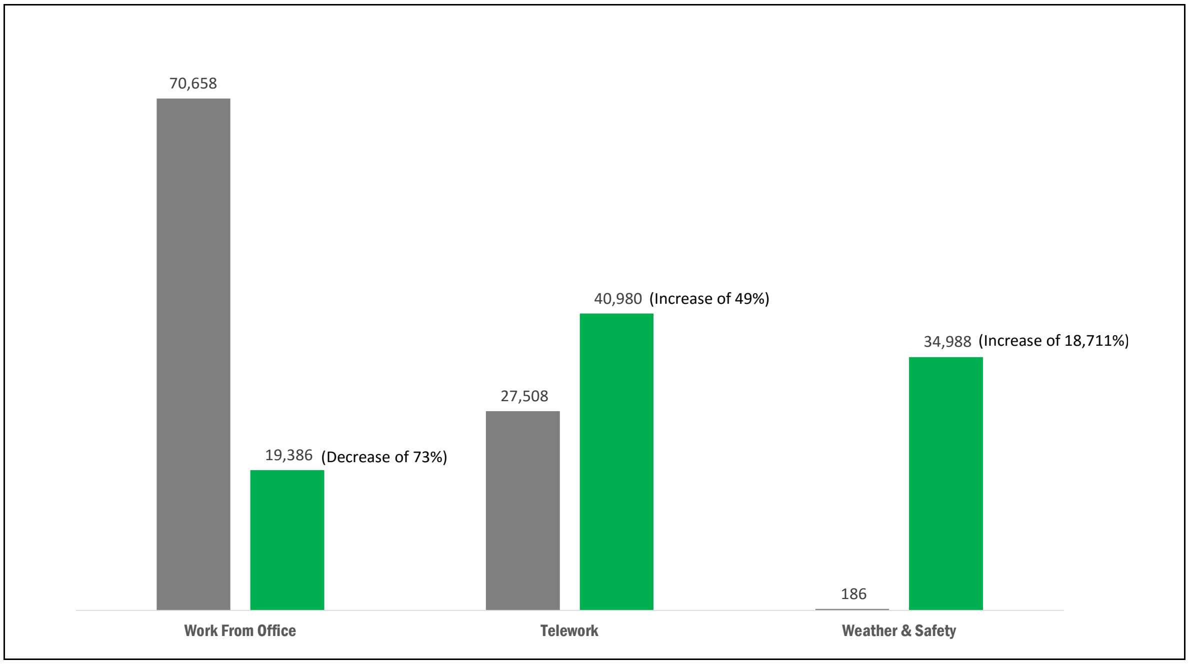
[6] Telework-eligible employees are those employees who are authorized to apply for telework.

[7] We obtained weekly time reports from the IRS management information system, the Treasury Integrated Management Information System (TIMIS), and its time and attendance reporting system, the Single Entry Time Reporting (SETR) system. The TIMIS is the official automated personnel and payroll system for storing and tracking all employee personnel and payroll data. The SETR is an online payroll system that enables the timely input of time and attendance data to the National Finance Center for the generation of the employee's paycheck every pay period.

[8] Throughout this report, employee numbers have been rounded to the nearest hundred. However, percentages have been calculated using the actual number of employees before rounding. As a result, actual percentage amounts in the narrative may not equal the percentage if calculated using the rounded number.

increase). However, the number of employees who reported any time to WSL (employees who were unable to work from the office or telework) increased from roughly 200 to approximately 35,000 employees (an 18,711 percent increase) during the same period.[9] Figure 2 summarizes the change in time charges between March 14 and March 28, 2020.

Figure 2: Change in Number of Employees Reporting Time in Office, Telework, and WSL Between March 14 and March 28, 2020



Source: TIGTA analysis of FY 2020 IRS Time Integrated Management Information System (TIMIS) and Single Entry Time Reporting (SETR) data.

On March 27, 2020, the IRS issued an evacuation order directing all employees, except for those individuals performing mission-critical functions that could not be performed remotely, to vacate the work site by March 30 and work from home or an alternate location. The IRS had to respond quickly to safely evacuate employees from IRS facilities and provide nontelework-ready employees with the required information technology equipment needed to effectively work from alternative locations. Since the start of the pandemic, the IRS telework program has been critical to maintaining IRS operations during the pandemic. Figure 3 shows how the IRS significantly increased the number of teleworkers and decreased the number of employees on WSL between March 28 and September 26, 2020.

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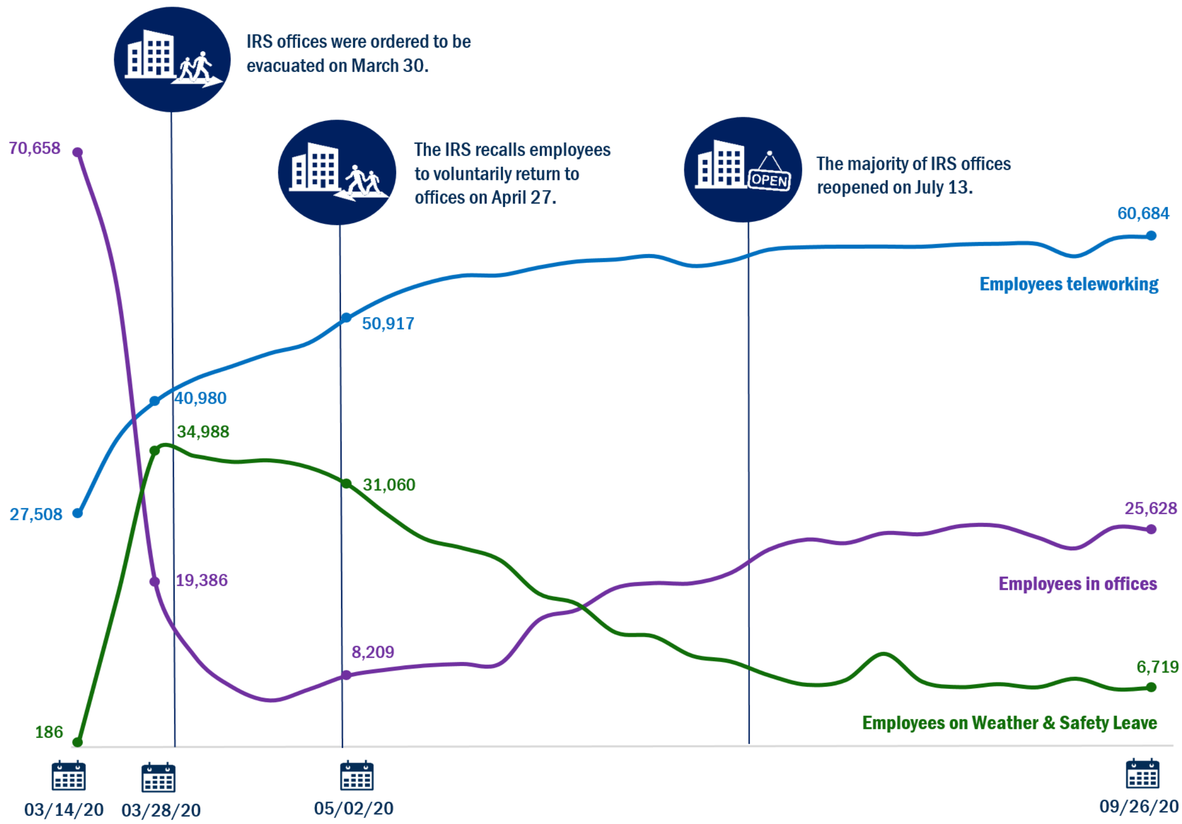
[9] TIGTA's reporting of time and attendance data includes identifying employees charging time, in any amount, to the three time categories identified in this report. Therefore, throughout this report, the number of IRS employees charging time to office hours, telework, and WSL will appear higher than the total number of IRS employees because employees may record time to multiple time codes, in any amount, during the same week. For example, an employee could work in the office three days, telework from home one day, and be on WSL for one day during a workweek.

Figure 3: IRS Employee Status Prior to and After the Evacuation Order



Source: TIGTA analysis of FY 2020 IRS TIMIS and SETR data and IRS documentation.

Prior to the pandemic, IRS employees who participated in telework had an approved telework agreement, completed telework training, and met the following requirements:

- Resided within 150 miles of their post of duty (POD).
- Reported to their POD at least twice per pay period.
- Had no serious disciplinary infractions.
- Had a performance rating of fully successful or above.

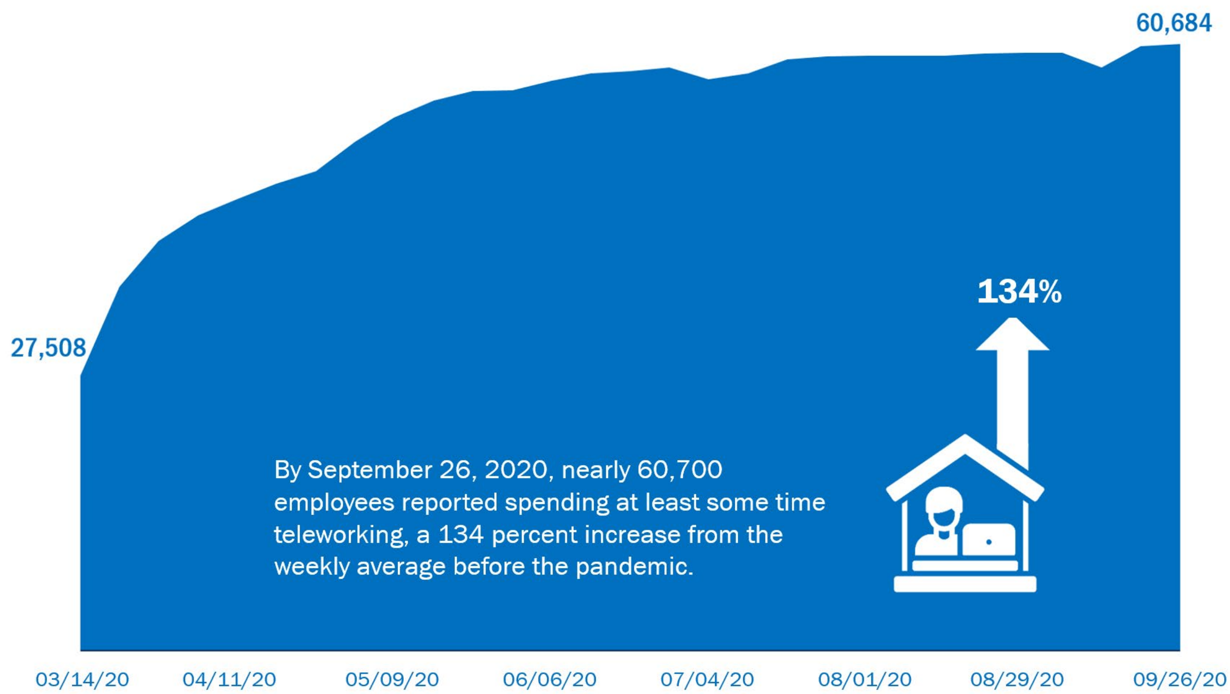
In response to the pandemic and the evacuation order, the IRS waived the requirement for employees to have an approved telework agreement and encouraged, but did not require, new teleworkers to complete the telework training program after they began teleworking.[10] Additionally, IRS Human Capital Office officials indicated that the IRS waived several other

[10] According to the Office of Personnel Management, the expectation of telework by an employee can be affected by an agency's implementation of a COOP or an agency action under an evacuation order. During any period when an agency is operating under a COOP, the COOP supersedes any agency telework policy. Accordingly, under a COOP, an agency may direct more employees to telework and may direct employees to telework even if they were not telework program participants.

telework policies, with the approval of the Department of the Treasury, and opened the IRS telework program to all eligible employees.[11]

Prior to the pandemic, between October 2019 and early March 2020, an average of 26,000 employees (about one-third of the IRS workforce) teleworked for approximately 22 hours each week.[12] By March 21, 2020, more than 36,500 employees teleworked an average of nearly 33 hours per week. After March 21, 2020, the number of teleworkers continued to increase. By September 26, 2020, nearly 60,700 employees teleworked at least some time during the week, a 134 percent increase from the weekly average before the pandemic. These 60,700 employees teleworked an average of 36 hours a week, a 64 percent increase in the weekly average before the pandemic. Figure 4 shows the increase in telework participation after the COVID-19 outbreak is declared a national emergency and through September 2020.

Figure 4: Number of Telework Employees Grows After the COVID-19 Outbreak Is Declared a National Emergency



Source: TIGTA analysis of FY 2020 IRS TIMIS and SETR Data.

A limiting factor to the growth of employee telework participation was the IRS's ability to identify, prioritize, and issue laptop computers and other information technology equipment to employees who previously had not participated in the telework program. The IRS indicated that it converted employees from desktops or shared workstations to individually assigned laptops through a set of IRS information technology initiatives designed to make previously nontelework-ready employees ready to work remotely. Although the IRS was unable to

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[11] Some of the waived telework policies that previously prohibited employees from teleworking included allowing employees to telework who: 1) were disciplined for misconduct, 2) were suspended from telework for 12 months, 3) resided more than 150 miles from their POD, and 4) were not rated fully successful in their performance review.

[12] The October 2019 through March 2020 period excludes the pay period including the Christmas and New Year Federal holidays (pay period 26-2019) because the number of employees reporting time to teleworks hours is skewed as a result of employees reporting time to holiday and annual leave categories.

distribute many laptops in March 2020, by May 2020, the IRS had issued more than 12,600 laptops to employees. As of October 2020, nearly 18,600 laptops had been distributed. According to the IRS, during this initiative, each IRS business unit was responsible for identifying those employees who had portable work and required a laptop to telework, and for determining the priority or order in which employees should receive the laptops and other information technology equipment. Figure 5 illustrates the number of users who were converted from either a shared workstation or desktop to individually assigned laptops during the pandemic.

Figure 5: Laptops Issued During the COVID-19 Pandemic to Support Telework

Month	Laptops Issued
March 2020	997
April 2020	6,787
May 2020	4,839
June 2020	1,871
July 2020	911
August 2020	781
September 2020	1,829
October 2020	562
Total	**18,577**

Source: TIGTA analysis of IRS Knowledge, Incident/Problem Services Asset Manager data.[13]

Prior to March 2020, approximately 16,500 employees were classified as customer service representatives, and the IRS indicated that only 3 percent of customer service representatives were provisioned to telework. However, as of October 2020, the IRS stated that 100 percent of customer service representatives could now work remotely. As of September 30, 2020, the IRS indicated that it is continuing to work with the business units to identify additional users who require laptops to be telework enabled; however, the IRS believes it has enough inventory to support additional needs.

Although the IRS issued more than 18,000 laptops to expand its employees' ability to telework, other technology-related concerns affected teleworking employees. For example, TIGTA's Office of Audit conducted a series of site visits at the Fresno, California; Kansas City, Missouri; Austin, Texas; and Ogden, Utah tax processing sites. Managers in these centers noted several information technology-related concerns affecting teleworking employees including:

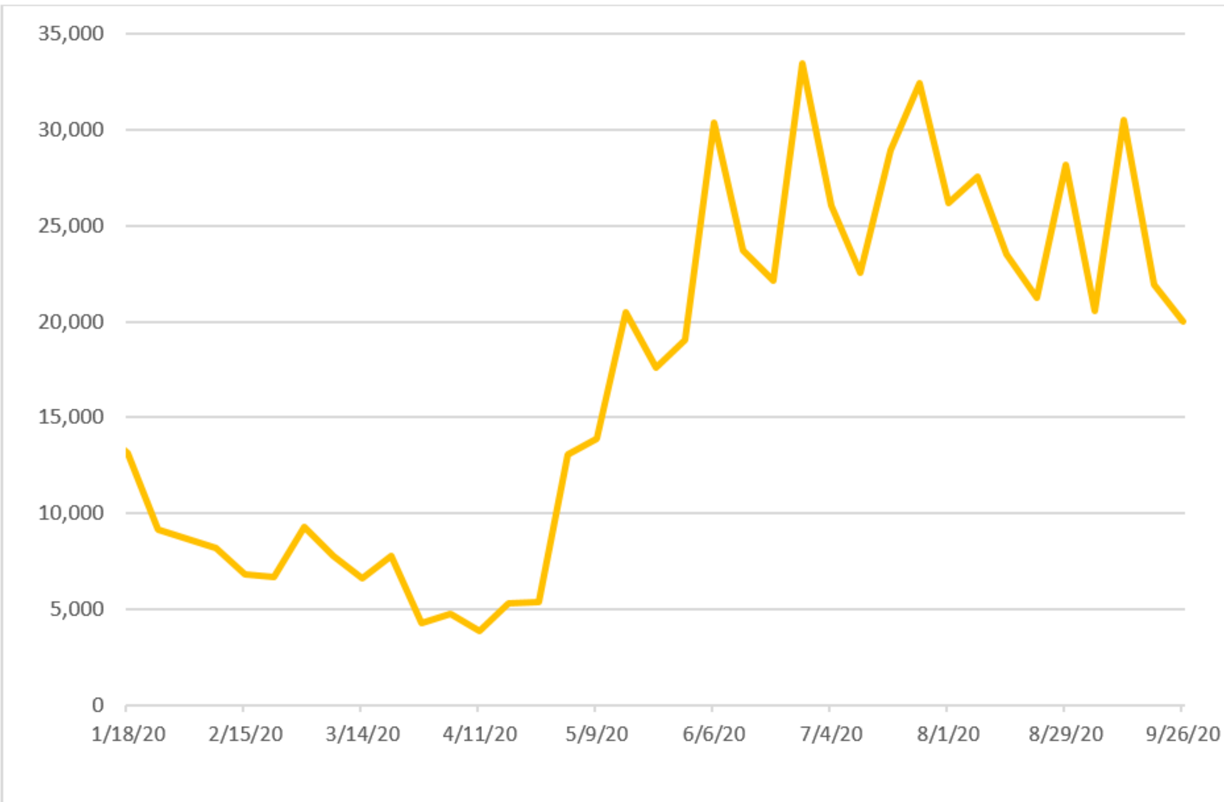
- Delays at the helpdesk.
- Issues logging in through the Virtual Private Network.

[13] TIGTA did not independently validate these data. The Knowledge, Incident/Problem Services Asset Manager is the authoritative source for all Hardware Asset Management and inventory information within the IRS and is the official IRS centralized asset management inventory database of all information technology and non-information technology personal property. The Knowledge, Incident/Problem Services Asset Manager tracks each item of reportable/accountable property through the asset's life cycle (acquisition through final disposal).

- Issues with equipment.
- Issues with the SharePoint sites not working.

We identified several IRS time codes used to capture downtime related to information technology issues. Figure 6 shows that between late January 2020 and April 2020, across the IRS, total downtime hours were typically below 10,000 hours per week. However, between May 2020 and September 2020, total information technology downtime increased significantly, ranging from 20,000 to 30,000 hours per week.

Figure 6: Hours of Downtime Due to Information Technology Problems (January to September 2020)



Source: TIGTA analysis of SETR information technology downtime codes for FY 2020.

Total information technology downtime consists of downtime charged by employees when:

- **System Downtime** – includes idle time when enterprise-wide systems/applications are down preventing the accomplishment of work in the enterprise.
- **Computer Downtime** – idle time when an employee's individual computer is unavailable due to computer-related issues preventing the accomplishment of work.
- **Information Technology Helpdesk Downtime** - idle time when an employee is waiting for information technology helpdesk assistance, including idle time while the Information Technology organization is resolving the issue.

During the pandemic, all three types of downtime increased as the IRS expanded the use of telework. We plan to report on various technology-related concerns affecting telework employees as part of our final report.

Office Hours Increased Slowly As the IRS Began to Reopen Offices

On April 27, 2020, almost one month after the evacuation order, the IRS began recalling employees to work at IRS facilities on a voluntary basis. By the week ending May 2, 2020, about 8,200 employees had reported to IRS offices for at least some time during the week. By the end of May 2020, approximately 9,700 employees reported to the office an average of 13 hours per week. This initial voluntary recall was the start of a gradual trend to increase the numbers of employees reporting to IRS facilities. Other events that would increase the number of employees reporting to IRS offices included:

- June 1, 2020 – The IRS reopened facilities in Kentucky, Texas, and Utah. By the week ending June 6, 2020, about 14,900 employees reported to the office at least part-time, an increase of 5,200 employees (53 percent) over the prior week.
- June 15, 2020 – The Kansas City Submission Processing Site and additional facilities in Georgia, Michigan, Missouri, and Tennessee reopened. By June 20, 2020, 18,700 employees reported to the office at least part-time, an increase of 3,800 employees (26 percent) from the previous two weeks.
- June 29, 2020 – The Fresno Submission Processing Site and additional facilities in California, Indiana, Ohio, Oregon, and Puerto Rico reopened. By the end of the week, on July 4, 2020, 19,300 employees reported to the office at least part-time, an increase of 600 employees (3 percent) over the prior two weeks.
- July 13, 2020 - The IRS reported that the majority of its facilities reopened to those employees with nonportable work or mission-critical functions. By July 18, 2020, 23,300 employees reported to the office at least part-time, an increase of 4,000 employees (21 percent) over the prior two weeks.[14]

Employees Who Were Unable to Telework Used Weather and Safety Leave

As a result of the evacuation order, the majority of IRS employees continued either teleworking or were approved for use of WSL after it was determined that the employee could not safely travel to, or safely perform work at, their normal POD, a telework site, or other approved location. Some IRS employees placed on WSL were ineligible to telework because their work was nonportable.

The IRS reduced the number of employees charging time to WSL by reopening IRS facilities, recalling employees back to IRS facilities voluntarily, and issuing information technology equipment to employees so they could begin to telework.

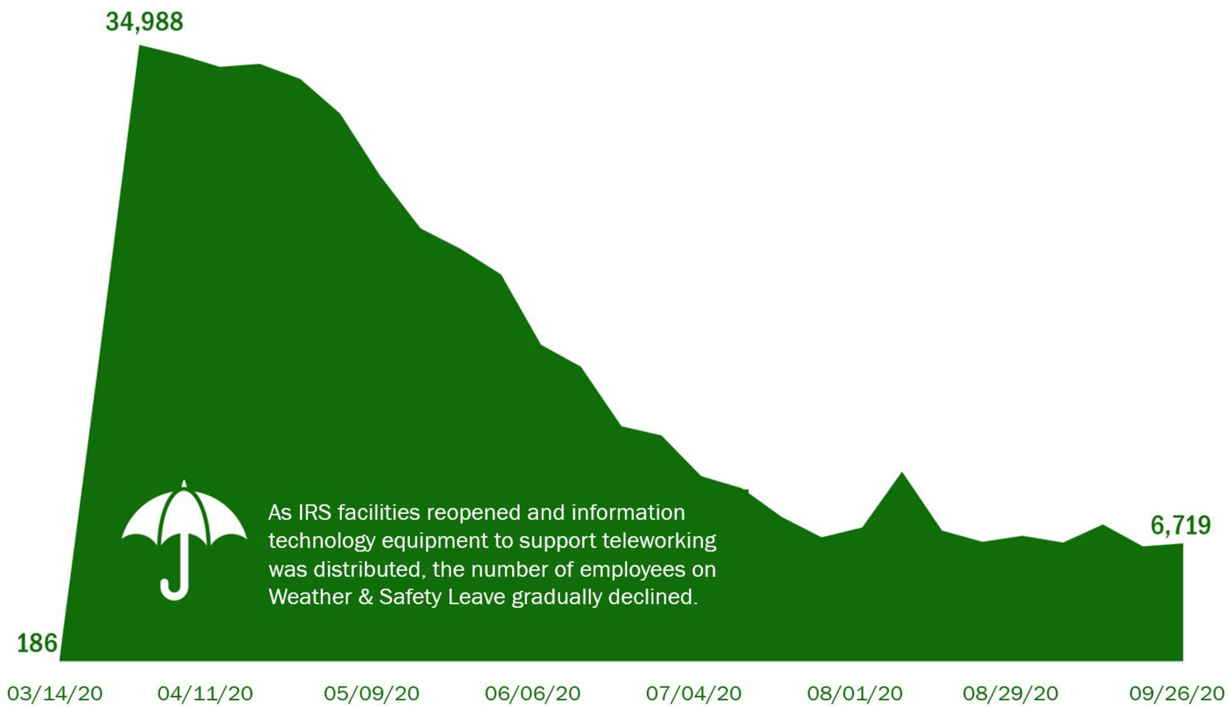
Between March 14, 2020, and the end of FY 2020, tens of thousands of IRS employees were placed on WSL. For the week ending March 14, 2020, the same week that the President of the United States declared the COVID-19 outbreak a national emergency, approximately 200 employees charged time to WSL. The IRS reached its highest level of employees on WSL, nearly 35,000 employees, during the week ending March 28, 2020. After March 28, the number of employees who charged any time to WSL

[14] Between May 31 and July 11, 2020, IRS employees reported working an average of 21 hours per week in an IRS POD.

generally declined each week, until it reached about 6,700 employees by the end of September 2020. The IRS reduced the number of employees charging time to WSL by reopening IRS facilities, recalling employees to IRS facilities voluntarily, and issuing information technology equipment to employees so they could begin to telework.

Figure 7 shows the number of IRS employees using WSL between March 2020 and September 2020.

Figure 7: IRS Employee Use of WSL During the COVID-19 Pandemic



Source: TIGTA analysis of FY 2020 IRS TIMIS and SETR data.

On September 17, 2020, the IRS Human Capital Officer notified all IRS employees that effective immediately employees were required to provide medical documentation in order to remain on and use WSL. The appropriate medical documentation must be provided by a licensed healthcare professional and need only contain information validating that the employee is at an increased risk of severe illness from COVID-19, in accordance with U.S. Centers for Disease Control and Prevention guidelines, which precludes them from traveling and working in the office.[15]

Prior to this announcement, and in accordance with U.S. Office of Management and Budget guidance, IRS employees did not need to submit documentation to support their request for and use of WSL, and they only needed to self-identify as being at higher risk of serious complications resulting from exposure to COVID-19. Prior to this notification, to self-identify as being at high risk, IRS employees had the option of completing a form or sending an e-mail to their manager, without medical documentation, to request WSL.

[15] Employees will not be required to reveal any details about the underlying medical condition to their manager in the medical documentation provided.

The IRS Human Capital Officer indicated that, due to mission requirements, effective October 13, 2020, only IRS employees who have provided appropriate medical documentation stating that they are at increased risk of health complications due to COVID-19, or who have a valid extension of time to provide the required medical documentation for such determination, will remain on WSL. The IRS stated that the reason behind requiring medical documentation was due to the continued need to increase operations to meet mission requirements and that the requirement to submit medical documentation will ensure that those at increased risk are not required to report to the office. Additionally, the IRS stated that because medical facilities were no longer operating at surge capacity and overwhelmed with patients seeking COVID-19 diagnoses and care, it decided that the timing was right for the IRS to validate increased-risk statuses by requiring medical documentation from employees who have self-identified.

By December 19, 2020, the number of employees who reported any time to WSL was approximately 4,600, a reduction of 2,100 employees (31 percent decrease) since the end of September 2020. To provide a more complete analysis of the effect of the IRS's requirement for employees to submit medical documentation to use and remain on WSL, an analysis of the time and attendance records will be provided in the final report.

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to determine whether the IRS effectively used its telework program to reduce the impact of the COVID-19 pandemic on IRS operations. To accomplish our objective, we:

- Identified indicators that measure how effectively IRS management continued operations by enabling employees to telework and/or return to a POD during the pandemic.
- Determined whether the IRS significantly increased the number of eligible teleworkers and telework participants to mitigate the impact of the pandemic on IRS operations.
- Reviewed the strategy and procedures the IRS used to distribute additional laptops and other information technology equipment to IRS employees who did not previously have telework agreements and who were previously not telework eligible.
- Assessed the impact of processes used to return employees to work as IRS offices began reopening.
- Determined the factors used by IRS employees to self-identify as at high risk for having serious complications from COVID-19, how employees recorded their time, and whether the IRS Human Capital Officer required employees to submit documentation to support the use of WSL due to self-identifying.

Performance of This Review

This review was performed with information obtained from the IRS Human Capital Officer offices located in Washington, D.C. We conducted this evaluation in accordance with the Council of the Inspectors General for Integrity and Efficiency Quality Standards for Inspection and Evaluation.

Major contributors to the report were James Douglas, Director; Brandon Crowder, Supervisory Auditor; John da Cruz, Lead Evaluator; Earl Burney, Senior Evaluator; and Michelle Griffin, Senior Auditor.

Appendix II

Abbreviations

COOP	Continuity of Operations Plan
COVID-19	Coronavirus Disease 2019
FY	Fiscal Year
IRS	Internal Revenue Service
POD	Post of Duty
SETR	Single Entry Time Reporting System
TIGTA	Treasury Inspector General for Tax Administration
TIMIS	Treasury Integrated Management Information System
WSL	Weather and Safety Leave

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