This is the second year that we have created a Focus Guide that sets the stage for an uncertain near and long-term future. The importance of having a document that lays out the strategic goals for our organization is perhaps more marked this year than in previous years. With the disruptions caused by the pandemic and the extended remote work environment, it is important to have a concrete guide to ensure our collective efforts tie to and further our mission. As it does every year, this Focus Guide aims to combine individual, team and division work to form a complete picture of how we want to move forward. We welcome fiscal year (FY) 2022 – and all its potential challenges and rewards – with confidence in what we can achieve together.

This year’s strategic goals should be mostly familiar to you, as we aim to advance our work, our people and our future. You will see continued focus on longstanding initiatives such as improving work selection, increasing partnership audit coverage and launching new campaigns to address noncompliance. We also seek to improve the work environment by increasing opportunities for development and advancement. Some goals address the lessons learned from more than one and a half years of mostly remote work and the feedback you’ve shared with us during division-wide meetings and other venues. As with FY21 and before, we are committed to finding and assigning the most productive work and balancing our work portfolio to address our taxpayer base most effectively. While the pandemic issues continue to be at the forefront, we must work to further our core work and not lose sight of our business goals and performance. We will pursue opportunities to improve work selection and execution, including promoting our work with the IRS Office of Research, Applied Analytics and Statistics to explore the use of cutting-edge tools in identifying patterns and anomalies in risk identification. We will also continue our efforts to improve risk assessment in a number of priority areas and will ensure that a broad geographic view is taken into account in identifying potential noncompliance.

Our core compliance programs continue to mature. We expect to add new campaigns and transition the lessons from TCJA into our ongoing work. To increase our coverage in the pass-through area, we will expand our partnership work and will soon launch the Large Partnership Compliance Program (LPC). In addition to the focus on LB&I’s traditional work, we also must be agile to address the agency’s priorities and identified risk areas like certain abusive transactions or high-income issues, and we should expect more work in those areas.

In FY21, we initiated quarterly Issue Roundtable meetings, ad hoc calls with specific groups like new hires, and monthly Office Hours. It was helpful to hear from you, those closest to the work, and we appreciate you sharing your feedback. While we’ve recently aimed to increase in-person collaboration (and still prefer it), these virtual discussions have proven relatively easy and beneficial. This year, we will look for more opportunities to come together to discuss the current state of our work and how we can improve. Operating in a virtual environment will be a long-term effort, and there are additional improvements we can make to increase our connections to each other and to our stakeholders.

Another high-priority area of focus relates to our workforce. To improve our service to the public, we aspire to increase the number of employees in compliance and support roles. Our goal is to recruit a diverse team, including diverseness of expertise and experience, to deliver on our objectives. We have recently been studying our hiring processes using input from those recently hired into the division, and we plan to work with other business units of the IRS to help streamline the processes for incoming employees. We are also seeking improvements to training based on employee
input and the skills inventory data that identifies areas of needed attention. We’ll need the support of all LB&I employees to help us reach this goal, whether we welcome a few hundred new hires this year, or if the federal budget allows for a much larger group.

Our hope is that this year will see us return to full operations, which we predict will be a blend of in-person activities and remote work that uses enhanced technology to meet our needs for collaboration. One thing we all learned in 2020 and 2021 is that planning for an undetermined future requires us to be flexible. We will continue our regular division-wide update meetings and will communicate directly with you to share what we know as soon as we are able. We encourage you to keep providing feedback through the various channels for two-way communication, like our Getting it Right Together tool. We will also communicate with LB&I taxpayers and other external stakeholders and support the tools and flexibilities that help our employees to do the same.

Despite the overall challenges facing the nation, this is an exciting time to be an IRS employee. The agency is on the cusp of transformation as the Taxpayer First Act gives rise to IRS NEXT, a strategic approach to ensure the plans laid out in the Report to Congress come to fruition. As the agency works to modernize and improve service to taxpayers and the workforce, the possibilities of how things will look and work remain vast. As you consider these possibilities, remain open-minded and know that we need the contributions of employees with all levels of experience and talents – from those who remember the post-1998 agency overhaul to those who will live out most of their career in the IRS of the future. We will be listening to you, keeping you informed and advocating for you throughout this fiscal year.

Leading LB&I is one of the best jobs one can have at the Service, given the consistent excellence of this workforce. We have no doubt that we can all come together to reach the goals set forth in this year’s Focus Guide. Thanks to each of you for the work you do to sustain and further LB&I.

### Staffing Chart

<table>
<thead>
<tr>
<th>Positions</th>
<th>October 2020</th>
<th>October 2021*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Team</td>
<td>577</td>
<td>590</td>
</tr>
<tr>
<td>Administrative Professionals</td>
<td>201</td>
<td>231</td>
</tr>
<tr>
<td>Revenue Agents</td>
<td>2,716</td>
<td>2,997</td>
</tr>
<tr>
<td>Tax Law Specialists</td>
<td>102</td>
<td>126</td>
</tr>
<tr>
<td>Economists</td>
<td>115</td>
<td>102</td>
</tr>
<tr>
<td>Engineering Program</td>
<td>145</td>
<td>183</td>
</tr>
<tr>
<td>Tax Examiners</td>
<td>145</td>
<td>159</td>
</tr>
<tr>
<td>Tax Compliance Officer</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Other Program Staff</td>
<td>556</td>
<td>595</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,584</strong></td>
<td><strong>5,017</strong></td>
</tr>
</tbody>
</table>

*Numbers are projected based on selections made with new hires expected to come on board through January 4, 2022.

### Equity, Diversity and Inclusion Message

Our goal is to foster a workplace that is not just made up of people from diverse backgrounds. Though noble and overdue, the goal to have greater diversity is just the beginning.

In an ideal environment, the workplace is also equitable, accessible and inclusive. Employees from the frontline to leadership feel equally heard, valued and trusted. Everyone is aware that the best ideas do not necessarily come from those with a certain title, seniority, way of thinking, color or gender. Solutions to our most challenging issues come from every corner of the organization, including your desk. We aim for a workforce that feels inspired to share talents and has tangible opportunities to grow these talents. We want to empower employees to find the best way to make individual contributions to help with our collective mission. In an environment like this, work can be a conduit for individuals to show up as their true and best selves.

While this describes the dream state we strive to reach, the work we are doing and will continue to do to get there is very real. We recently shared our goals and how they tie in with specific deliverables in our Diversity and Inclusion Strategic plan. In addition to participating in and monitoring this work, we will speak up when we hear or see something that stifles inclusion, listen when others speak up, and invite new ideas to bring LB&I to a place where it reflects the rich tapestry of taxpayers we serve.
FY2022 LB&I Strategic Goals

STRENGTHEN TAX COMPLIANCE PROGRAMS

- Continue focus on our major programs under Portfolio Management, including Campaigns, Large Corporate Compliance, Compliance Assurance Process, Global High Wealth and Partnerships, and Foreign Payments Practice.
- Increase focus and coverage in the pass-through area (including Large Partnership Compliance and other campaigns and projects), and continue focus and coverage on Tax Cuts & Jobs Act (TCJA) international reforms, offshore issues, and transfer pricing.
- Seek the highest quality work by enhancing our capabilities in data science and data analytics, including increased use of internal and external data and continuous field feedback.
- Improve work selection and efficiency by studying and implementing improvements to our forms and instructions and by continuing to support digitalization efforts that will make data more usable.
- Expand use of cutting-edge tools to improve effectiveness in identifying compliance risk, including expanding efforts on centralized risking.
- Address highest compliance risk by embracing an expanded geographic view when assigning cases.
- Identify and address abusive tax transactions, including abusive promoter activity.

EXPAND WORKFORCE AND PROVIDE SUFFICIENT TOOLS AND OPPORTUNITIES IN THE PRESENT AND FUTURE WORK ENVIRONMENT

- Actively promote and support the progress of the IRS NEXT initiatives and other agency efforts on restructuring, recruiting, hiring, training, retention, and employee engagement and ensure that all employees understand and are prepared for changes to the strategic direction of the agency.
- Continue to grow the organization through an improved hiring process.
- Improve and increase training opportunities for all employees.
- Increase effectiveness of entry-level and mid-career employee development programs and opportunities for building technical and leadership skills.
- Support LB&I’s programs for coaching, mentoring and knowledge sharing.
- Support division and IT efforts to improve employee tools and systems, including paperless processes and the launch of a user-friendly and efficient IRS Enterprise Case Management system.

IMPROVE ENGAGEMENT, COLLABORATION AND COMMUNICATION

- Maintain active dialogue with employees on current events affecting the workforce; Continue to address issues and make improvements based on employee feedback.
- Support open communication channels with employees and external stakeholders to improve LB&I operations and taxpayer service.
- Collaborate with other tax administrations to increase tax certainty for taxpayers and leverage best practices in global tax administration.
- Increase awareness that diversity and inclusion are key components of all we do.
- Ensure safe and effective business operations in virtual and in-person environments while strengthening employees’ sense of community and connection with colleagues.