



Treasury Inspector General for Tax Administration Office of Audit

THE OFFICE OF DISCLOSURE CONTINUES TO IMPROVE COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT REQUIREMENTS

Issued on August 3, 2010

Highlights

Highlights of Report Number: 2010-30-090 to the Internal Revenue Service Commissioner for the Small Business/Self-Employed Division.

IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) must ensure that the provisions of the Freedom of Information Act (FOIA), the Privacy Act, and Internal Revenue Code (I.R.C.) Section (§) 6103 are followed, particularly because errors can violate taxpayer rights and result in improper disclosures of tax information.

WHY TIGTA DID THE AUDIT

TIGTA is required to conduct periodic audits to determine if the IRS properly denied taxpayers' written requests for tax account information. TIGTA is also required to include the results in one of our Semiannual Reports to Congress. This is our eleventh review of denials of FOIA, Privacy Act of 1974, and I.R.C. § 6103 requests.

The overall objective of this review was to determine whether the IRS improperly withheld information requested by taxpayers in writing, based on the FOIA exemption (b)(3), in conjunction with I.R.C. § 6103, and/or FOIA exemption (b)(7) or by replying that responsive records were not available.

WHAT TIGTA FOUND

The IRS continued to improve the accuracy and completeness of its responses to requests for information covered by the FOIA. While improvement was noted, management needs to ensure that disclosure personnel continue to follow required procedures on all requests. In 1.3 percent (one of 76 cases) of the FOIA/Privacy Act cases TIGTA reviewed, information was improperly withheld from the requestors. The error occurred mainly because of inadequate research or simple oversight by Disclosure office personnel. The IRS also did not fully adhere to the legal requirements under I.R.C. § 6103.

Since Fiscal Year 2000, the IRS has made significant improvement in responding timely to FOIA and Privacy Act requests. In all FOIA and Privacy requests reviewed, a timely response was provided. In our audits over the previous 10 years, the percentages of untimely responses ranged from 1.2 percent to 43.5 percent. The increase in responsiveness may, in part, be due to the continued decrease in the numbers of FOIA and Privacy Act cases received during Fiscal Year 2009 compared to Fiscal Year 2008 and the prior years this review has been conducted.

WHAT TIGTA RECOMMENDED

TIGTA did not make any recommendations in this report. However, a draft of the report was provided to the IRS for review and comment. The IRS did not have any written comments in response to the report.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2010reports/201030090fr.pdf>.