

FREEDOM OF INFORMATION ACT ANNUAL REPORT INTERNAL REVENUE SERVICE

Fiscal Year 2001
October 1, 2000 through September 30, 2001

I. Basic Information Regarding the Report

A. Questions concerning this report may be directed to:

Director, Office of Disclosure
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224

B. This report is available on the web at: <http://www.irs.gov/foia/index.html>

C. Copies of this report may be requested at the address provided in A. above.

II. How to Make a FOIA Request

A. Name and addresses of offices that receive FOIA requests.

- Please refer to Treasury Department consolidated Annual Report to Congress.

B. Time Ranges of Responses.

- Response times are from 1 to 1000 days, with an average response time of 41 days.

C. Description of why some requests are not granted.

- The majority of denials are requests for confidential tax information being sought by individuals who are not authorized to receive it or requests related to tax investigations, the disclosure of which might impair federal tax administration.

III. Definitions of Terms and Acronyms Used in Report

A. Agency Specific. None.

B. Basic Terms. Please see consolidated Treasury Report.

IV. Supporting Statutes Used with Exemption (b)(3)

A.1. Listing and brief description of type of information withheld under each statute:

26 U.S.C. 6103	Confidentiality of Returns and Return Information: Prohibits the disclosure of: (1) Tax returns and return information of third party taxpayers except as specifically authorized (6103(a)); (2) The standards used for selection of returns for examination (Section 6103(b)(2)); and, (3) a requester's own return information if the release would seriously impair federal tax administration (section 6103(e)(7)).
31 U.S.C. 5319	Bank Secrecy Act Records: Prohibits the disclosure of BSA records. Generally used to withhold Currency Transaction Reports.
Rule 6(e) F.R.C.	Part of the Federal Rules of Criminal Procedure - Grand Jury Secrecy: regulates matters occurring before the Grand Jury. Used to withhold records used in Grand Jury proceedings.
18 U.S.C. 701	Official Badges, identification cards. Prohibits the reproduction of official identification media. Used to withhold copies of IRS employee identification badges and pocket commissions.
5 U.S.C. 7114	Delineates the rights and duties of a labor organization which is the exclusive representative of the employees in the unit it represents.
Tax Treaty Clauses	Foreign Tax Treaties ratified by the Senate protect tax information provided by foreign governments for use in tax administration.

A.2. Statement of whether a court has upheld the use of the above cited statutes:

26 U.S.C. 6103 *Church of Scientology v. IRS*, 484 U.S. 9 (1987); *Aronson v. IRS*, 973 F.2d 962 (1st Cir. 1992); *Stebbins v. Sullivan*, No. 90-5361, slip op. at 1 (D.C. Cir. July 22, 1992); *Wishart v. Commissioner*, C-97-20614-SW (N.D. Cal., decided August 6, 1998); and others.

31 U.S.C. 5319 *Small v. IRS*, 820 F. Supp. 163 (D.N.J. 1992).

Rule 6(e) F.R.C. *Fund for Constitutional Gov=t v. National Archives & Records Service*, 656 F. 2nd 856, 867 (D.C. Cir. 1981); *Walston v. U.S. Department of Justice*, 799 F. Supp. 193, 195 (D.D.C. 1992).

18 U.S.C. 701 Not litigated.

5 U.S.C. 7114 *Dublin v. Dept. of the Treasury*, 555 F. Supp. 408, 412 (N.D. Ga. 1981), aff'd, 697 F.2d 1093 (unpublished table decision); *NTEU v. OPM*, No. 76-695, slip op at 49 D.D.C. July 9, 1979).

Tax Treaty Clauses Treaties were ratified by the U.S. Senate; not decided by the courts.

V. Initial FOIA/PA Access Requests

A. Number of initial requests:

1. Requests Pending as of 10/01/00	2,733
2. Requests Received during FY 2001	36,802
3. Requests Processed during FY 2001	34,930
4. Requests Pending as of 09/30/01	4,605

B. Disposition of initial requests:

1. Total Grants	13,674
2. Partial Grants	2,555
3. Total Denials	237

B. 3. A. Number of times each FOIA exemption was used (counting each exemption once per case):

Exemption	Use	Exemption	Use	Exemption	Use
(b)(1)	0	(b)(6)	394	(b)(7)(E)	1445
(b)(2)	61	(b)(7)(A)	207	(b)(7)(F)	14
(b)(3)	2348	(b)(7)(B)	2	(b)(8)	0
(b)(4)	39	(b)(7)(C)	578	(b)(9)	0
(b)(5)	368	(b)(7)(D)	149		

B. 4. Other reasons for non-disclosure of requested information:

Total of Others (as categorized below)	18,464
No Records	7,434
Referrals	1,774
Request Withdrawn	214
Fee-related reason	0
Not a proper FOIA request for some other reason	7,388
Other reasons for not processing a request*	1,654

*Closed without determination because an appeal was filed or the records had previously been provided to the requester, or the requester had not paid the fee from a previous request, etc.

VI. Appeal of Initial Denials of FOIA/PA Requests

A. Number of appeals:

1. Received during FY 2001	825
2. Processed during FY 2001	1,588

B. Disposition of appeals. Number of appeals where the initial determination was:

1. Completely upheld	354
2. Partially reversed	126
3. Completely reversed	41

B. 3. a. Number of times each FOIA exemption was used in a completely or partially upheld appeal case (counting each exemption once per case):

Exemption	Use	Exemption	Use	Exemption	Use
(b)(1)	0	(b)(6)	40	(b)(7)(E)	45
(b)(2)	9	(b)(7)(A)	15	(b)(7)(F)	5
(b)(3)	377	(b)(7)(B)	0	(b)(8)	0
(b)(4)	2	(b)(7)(C)	84	(b)(9)	0
(b)(5)	25	(b)(7)(D)	16		

B.4. Other reasons for non-disclosure during appeal process:

Total of Others (as categorized below)	1067
No Records ₁	227
Referrals	0
Withdrawn	137
Fee-Related	2
Records not reasonably described	3
Treated as a non-appeal ₂	687
Not an agency record	2
Duplicate request	1
Other (litigation due to failure to respond)	8

VII. Compliance with Time Limits/Status of Pending Requests

A. Median time for processing requests:

1. Simple Requests		
a.	Number of requests processed	0
b.	Median number of days to process	N/A
2. Complex Requests		
a.	Number of requests processed	34,930
b.	Median number of days to process	23
3. Expedited Requests		
a.	Number of requests processed	0
b.	Median number of days to process	N/A

1 A "no records" disposition includes an appeal in which a search uncovered no records and that search was "completely upheld" at the FOIA appeals stage.

2 Please note that fee-related, records not reasonably described, and duplicate requests may be other bases for treatment as a "non appeal."

B. Status of pending requests (as of September 30, 2001):

1. Number of requests pending	4,605
2. Median age of pending cases	41

VIII. Comparison with Previous Year (Optional)

Comparison not made.

IX. Costs/FOIA Staffing

A. Staffing levels, given in number of positions in agency:

1. Full-time FOIA personnel	11
2. Personnel with part-time or occasional FOIA duties (composite total, in work years)	44
3. Total personnel (in composite work years)	55

B. Total costs (including all staff and resources):

1. FOIA processing (including appeals)	\$ 6,678,739
2. Litigation related activities (estimated)	849,522
3. Total Costs	\$ 7,528,261

X. Fees

A. Total fees collected by the agency during FY 2001	\$151,998
B. Percentage of total costs	2.0%