



Chief FOIA Officer Report Department of the Treasury

March 2011



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Chief FOIA Officer Report

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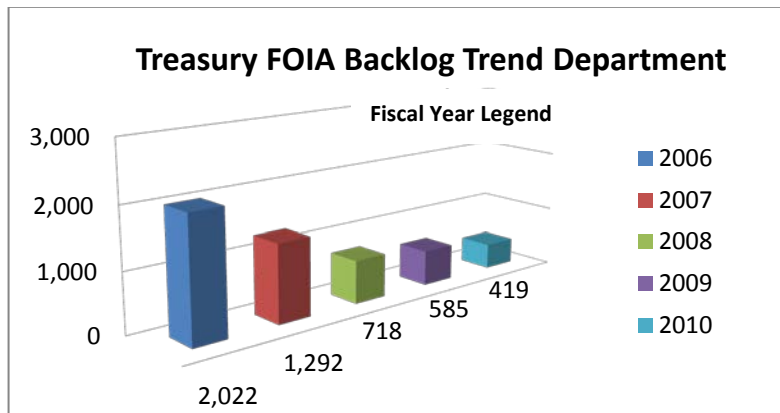
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Message from the Chief FOIA Officer

The Department of the Treasury has made significant progress in fulfilling the President's commitment to open and transparent government, providing access to as much information as possible while ensuring the protection of personal privacy, confidential, privileged, or proprietary information. With the Department's activities in support of the economic recovery efforts, we have increased the proactive disclosure of information of wide interest, including, for example, the calendars of key officials and information on meetings related to the financial reform efforts. We also continue to pursue opportunities to be more responsive to the most frequent requesters of information to determine categories of information that are appropriate for proactive disclosure. These activities will be discussed in further detail in the sections that follow.



We are also continuing to make process improvements to eliminate the backlog of FOIA requests. The Department completed a Lean Six Sigma review of the entire FOIA process from end to end, which identified processing redundancies. This allowed us to reduce the amount of time required to process FOIA requests in FY10. We also continued to pursue aggressive backlog reduction targets, realizing a 29% reduction in the Department's backlog in FY10. Since FY06 we have reduced our FOIA backlog by over 79%.

The Department uses a decentralized FOIA processing approach. Accordingly, each Treasury bureau has the responsibility for FOIA processes within the bureau, with the Department providing oversight and guidance. In addition to information on the Department's overall work and FOIA trends, we have included significant highlights from various Treasury bureaus in this report.

I look forward to continuing to work with the Treasury bureaus and offices to improve processes and to further advance the principles of open and transparent government in the Treasury Department.

Dan Tangherlini
Assistant Secretary for Management and
Chief Financial Officer

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DEPARTMENT OF THE TREASURY: LEGEND OF ABBREVIATIONS

The Departmental Offices (DO)

Alcohol and Tobacco Tax and Trade Bureau (TTB)
Office of the Comptroller of the Currency (OCC)
Bureau of Engraving and Printing (BEP)
Financial Management Service (FMS)
Internal Revenue Service (IRS)
United States Mint (MINT)
Bureau of the Public Debt (BPD)
Office of Thrift Supervision (OTS)
Treasury Inspector General for Tax Administration (TIGTA)
Financial Crimes Enforcement Network (FinCEN)

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Part I: Steps Taken to Apply the Presumption of Openness

The Department of the Treasury has taken steps, and continues to look for opportunities, to enhance the quality and amount of information provided to the public. The Department creates a vast amount of information in the course of performing mission critical duties, and has focused this past year on providing the most relevant information to the public on activities supporting the nation's economy, through practices including proactive disclosure of information on FinancialStability.gov and via Treasury.gov for Wall Street reform activities.

Describe how the President's FOIA Memorandum and the Attorney General's FOIA guidelines have been publicized throughout your agency.

The Department incorporated President Obama's FOIA memorandum and Attorney General Holder's FOIA guidelines into the Department's FOIA Handbook which is published on the FOIA web page (<http://www.treasury.gov/FOIA/Pages/index.aspx>). An online training module was also created on the Treasury Learning Management System which included Privacy and OPEN Government concepts. The Handbook has also been published on the Treasury.gov web site. Treasury bureaus such as FinCEN, FMS and the MINT conducted briefings for officials on the President's FOIA memorandum, the Attorney General's FOIA guidelines, and the Open Government Initiative.

In addition to posting the memorandum and guidelines on the web site, the IRS Records Information Management Office renovated its program web site to serve as a teaching aid and policy repository which reinforces and emphasizes open government principles. IRS also developed a collaborative software site to host the day-to-day operational workload for both Headquarters Records Managers and Remote Area Records Managers in the field. Both sites reinforce the Administration's approach to openness. The web site is hosted on www.irs.gov, (keyword "open government"). The IRS is making it easier for the public to find information to help build transparency, participation and collaboration in their operations. In establishing a system of transparency, IRS offers several ways for taxpayers, practitioners and stakeholders to participate and collaborate with the government including in person, by phone and on the Web, which all support the President's open government concepts, as well as the new OMB Guidance M-11-02 "Sharing Data While Protecting Privacy."

As an example of publicizing the memorandum and guidelines, the IRS Disclosure Office produced several videos in 2010 for internal instruction that highlighted the President's FOIA memorandum and the Attorney General's FOIA guidelines with an emphasis on:

- promoting the presumption of openness,
- encouraging IRS employees to share releasable records with taxpayers without requiring a FOIA request, and
- sharing specific guidelines for when to withhold information that would harm tax administration, if released.

Additionally, the IRS:

- provided a series of articles for compliance employee technical digests encouraging the direct release of information without the need for a FOIA request, and
- updates to their library of articles for employees relating to the FOIA and the principles described in the President's FOIA memorandum and Attorney General's FOIA guidelines.

The Disclosure Services office meets monthly with the bureau FOIA contacts to discuss issues and disseminate information. Both the President's memorandum and the Attorney General's guidelines have been distributed and discussed at these FOIA Council meetings. These sessions serve to further educate FOIA contacts about the foreseeable harm standard. In addition to these activities, the Department proactively releases FOIA request logs for Departmental Offices.

What training has been attended and / or conducted on the new FOIA Guidelines?

In FY10 the Treasury Department conducted a number of training sessions on the new FOIA guidelines as well as transparency and open government principles overall. During the Department's activities in April 2010 for Records and Information Management Month (RIMM), the Office of Privacy, Transparency, and Records (OPTR) hosted multiple training sessions and panel discussions highlighting the many aspects, challenges, and impact of transparency and open government principles on FOIA, records, and information management activities across the Department. All of the training sessions throughout the month were available to other government agencies as well for purposes of sharing of best practices. Treasury hosted a representative from the Department of Justice (DOJ) Office of Information Policy (OIP) to discuss Attorney General Holder's guidelines and implementation. Treasury also hosted a panel discussion session that included the Director of the Office of Government Information Services (OGIS), and open government public interest group representatives to discuss how agencies can increase information disclosure while ensuring that privacy information is protected.

Treasury created and deployed two new online training tools that include information on the President's memorandum and the Attorney General's guidelines, as well as FOIA, privacy, and records principles and practices, and how these principles interrelate and support transparency and open government. These courses are conveniently available to all Treasury employees on Treasury's online learning management system.

The IRS conducted specific training as follows:

- Office of Service wide Policy, Directives and Electronic Research conducted training on the FOIA, including specific emphasis on the Administration's presumption of openness
- Disclosure Office updated its training materials for IRS FOIA professionals
- IRS Office of Chief Counsel conducted document review training
- IRS Disclosure Headquarters FOIA Office conducted training with all IRS FOIA coordinators

How has your agency created or modified your internal guidance to reflect the presumption of openness?

In addition to the efforts described above, Treasury continues to encourage more proactive disclosure of information across the Department. For example:

- The Office of Financial Stability incorporated a contract provision to provide proposed redactions of the contract within days after award.
- IRS has updated its FOIA procedures manual to incorporate the presumption of openness, citing the President's memorandum and Attorney General's guidelines and applicable provisions of the OPEN Government Act.

To what extent has your agency made discretionary releases of otherwise exempt information?

Discretionary releases have not been specifically tracked but are considered in the analysis across Treasury operating bureaus. DO has amended our tracking system for exemptions to include a drop down item to indicate “discretionary releases”, which can be further explained in a justification field of which exemption is waived and whether foreseeable harm was considered.

Other examples of the Department’s discretionary release activities include IRS Document 6209, “IRS Processing Codes and Information,” which underwent an extensive review to eliminate unnecessary redactions. In addition, the OCC had only 300 cases of over 2000 requests in which exemptions were applied, exemplifying transparency and openness.

What exemptions would have covered the information that was released as a matter of discretion?

Exemption 5 was the exemption most scrutinized by the Department as a starting point for discretionary disclosure opportunities. This approach enabled the Department to make progress in this area, as illustrated by the decrease in the number of times the following exemptions were applied in FY10 compared to FY09. As illustrated in the Department’s annual FOIA reports, DO achieved significant reductions in the application of the following exemptions:

	Exemption 2	Exemption 4	Exemption5
FY 2010	15	26	30
FY 2009	56	64	60

The IRS continues to closely scrutinize the use of exemption (b) (2), that is, the so-called ‘low’ (b) (2) where there is no risk of circumvention of any legal requirement, and exemptions (b) (5) and (b) (7) (E), to minimize the application of these exemptions as much as possible.

How does your agency review records to determine whether discretionary releases are possible?

Treasury applies the foreseeable harm standard across the Department as FOIA requests are processed and exemptions considered. Some components use a systemic approach such as:

- IRS management reviews and monitors requests in the IRS Disclosure Quality Management System (DQMS). DQMS is an independent process that reviews a sample of cases each month and validates them against standards for procedural and technical accuracy, monitors trends, and identifies policy and procedural discrepancies for remediation.
- OCC analyzes each response on a case-by-case basis to determine if anything can be produced as a discretionary release. If so, the program office is engaged in a negotiation process to achieve some discretionary release.

Describe any other initiatives undertaken by your agency to ensure that the presumption of openness is being applied.

The Department of the Treasury strongly supports increased transparency in government and has made great strides in advancing transparency and open government principles. Examples include the proactive publication of senior officials' calendars, such as for the Secretary and Consumer Financial Protection Bureau (CFPB) activities.

In particular, Treasury has been committed to implementing the historic Dodd-Frank Wall Street Reform and Consumer Protection Act in an open and transparent manner. Treasury proactively discloses meetings with private sector individuals or entities and nongovernmental organizations, with the exception of members of the media, which are set up for the purpose of discussing policy implementation of the Dodd-Frank Act. This disclosure policy applies to in-person meetings with employees in the Treasury Departmental Offices who are at the rank of Deputy Assistant Secretary or higher, including Counselors to the Secretary and Special Advisors to the Secretary. Meeting disclosures are posted to the Department's FOIA reading room and include information such as: the date of the meeting, names of all covered Treasury participants, names and affiliations of all non-Treasury participants, and a list of the primary topics of conversation related to Dodd-Frank implementation.

To support these efforts, the Department is working to amend its FOIA regulations to include provisions of the OPEN Government Act and policy memos; Incorporating systemic process reviews of the business submitter process before the requests arrive; and ensuring all new employees working on FOIA take the online training to fully understand their vital roles and responsibilities for FOIA processing.

Department-Wide Comparison of Releases (as a percentage)

Fiscal Year	Full Grants	Partial Grants	Full Denials
FY 09	71%	25%	4%
FY 10	66%	29%	5%

Part II: Steps Taken to Ensure that Your Agency has an Effective System for Responding to Requests

Describe the steps your agency has taken to ensure that your system for responding to requests is effective and efficient. This section should include a discussion of how your agency has addressed the key roles played by the broad spectrum of agency personnel who work with the FOIA staff have sufficient IT support. To do so, answer the questions below and then include any additional information that you would like to describe how your agency ensures that your FOIA system is efficient and effective.

Treasury has made significant progress to improve FOIA processing systems, as discussed in this report. DO completed a Lean Six Sigma process review and has implemented many of the findings from that review. In conjunction with the Department's Enterprise Content Management (ECM) effort, the assignment and tracking system has been replaced with a new cloud-based solution that can be easily shared by other offices so that requests and reporting can be dispersed in a decentralized system. TTB has also started using this tracking system. The solution includes the ability for the public to submit FOIA requests on-line and check the status of those requests. The final system certification is underway and the on-line submission feature is expected to be launched by the third quarter of FY11. The U.S. Mint is also exploring the cloud solution and actively pursuing demonstrations and testing of the solution as a viable option.

The tracking and assignment solution is just the first step in this major redesign effort. The ECM initiative is being leveraged to develop and implement an electronic collaborative processing workflow based on the streamlined process re-engineering. These workflow findings integrate with the tracking system to facilitate more timely processing and reporting.

Do FOIA professionals within your agency have sufficient IT support?

IT support for electronic searches to assist with gathering and collecting information is provided in DO through the CIO with additional contract support assistance. The Treasury Web team also assists with providing information access through the Treasury Web site. All Treasury components have sufficient IT support with downloading to the Web and conducting searches.

Describe how your agency's FOIA professionals interact with your OPEN Government team.

The Deputy Assistant Secretary for Privacy, Transparency, and Records presides over the OPEN Government team and also oversees the FOIA operations at Treasury for the Chief FOIA Officer.

Describe the steps your agency has taken to assess whether adequate staffing is being devoted to responding to FOIA requests.

Oftentimes, FOIA duties in some of the Departmental Offices are duties as assigned in addition to an employee's core responsibilities. Training new and rotating personnel in these duties as an added role is frequently challenging, and requires periodic training. Offices also use contractors experienced in FOIA matters to support their FOIA administration obligations. DO conducted a Lean Six sigma review of its FOIA administration process from the point of receipt, through scope, search, review, and

response. The elimination of redundancies and a shared technology solution for tracking, licensed to the points of contact to streamline the response process, helps decrease the hours required to process cases. If the number of cases received increases, a correlating increase in staffing would be necessary to meet that demand.

Some components have a more centralized FOIA process; although the volume of requests may not be as large. The regional approach to FOIA processing at the IRS has led to developments in their technologies to broadcast tracking solutions so that efficiencies may be gained regionally.

Describe any other steps your agency has undertaken to ensure that your FOIA system operates efficiently and effectively.

A forensic software tool is being piloted through our Enterprise Content Management Committee and leveraged with the IRS. The goal is to seek tools which may also be used to conduct searches for the FOIA redaction process which may be used for E-discovery. Researching the appropriate tool on an enterprise basis that will provide not only discovery possibilities but FOIA search possibilities has been an ongoing exploration.

DO has tested a "FOIA Citizen Website" linked to a cloud solution in which the requester accesses an electronic Web page, creates new FOIA requests, gets a status inquiry on an existing request, and registers a FOIA account with DO Treasury. This product is also being tested in some Treasury bureaus.

IRS

At the IRS, a quality review system (DQMS) evaluates overall case processing and ensures that responses to requesters are accurate, complete and timely. Significant errors or trends are evaluated and technical and procedural guidance is given to Disclosure personnel in all offices. An inventory balancing process evaluates the caseload in each field office and work is reassigned among offices nationwide. This helps to anticipate and address situations where there is a reduction in office personnel, cases involving a large volume of records that must be reviewed (which limits the time available for other work), and other issues or situations that require a transfer of casework among offices.

The IRS also published internal communications newsletter articles on "Focus on FOIA," "Quality Corner" and "Tips n'Tricks." IRS developed 39 articles since February 2009 for Disclosure staff on various request-related subjects. Newsletter articles target emerging issues and trends developed from internal quality reviewing and from questions received from field staff. Other activities:

- Developed guidance placed on the website with directions on how to properly prepare a FOIA request, ensuring that FOIA requesters know how to submit a perfected request.
- Implemented an automated FOIA processing system (AFOIA) to:
 - Centralize the receipt and control of all requests;
 - Process requests more efficiently including the precedent setting scanning of all FOIA requests at one central location and on-line redaction;
 - Assign a request to any Disclosure employee in the country without regard to geographical boundaries;
 - Centralize the imaging of responsive records;
 - Maintain databases of responsive records, requests, and all correspondence to and from the requester.

Part III: Steps Taken to Increase Proactive Disclosure

Describe the steps your agency has taken to increase the amount of material that is available on your agency website, including examples of proactive disclosures that have been made since issuance of the new FOIA Guidelines. In doing so, answer the questions listed below and describe any additional steps taken by your agency to make proactive disclosures of information.

Proactive disclosure is our policy and is emphasized in standards set by the Secretary, particularly concerning the Office of Financial Stability disclosures on contracts.

Has your agency added new material to your agency website since last year?

DO: Calendars of high officials have been posted. Contract information has been posted, particularly those from the Office of Financial Stability. The Web site for Treasury (DO) has been redesigned. Meetings held with the public under the Dodd-Frank Wall Street Reform Act and the Register of the Dodd-Frank Act are new also. Most of the components have added new information the most common being contracts awarded.

IRS: The additional information on the Web site is calendar information previously disclosed. However, an additional official has been added this year. IRS procurement solicitations, including Requests for Proposal (RFPs), Requests for Information (RFIs) and Requests for Agreement (RFAs), and procurement contracts have also been added. Links to hot news and information that partners need is available at the Partner and Volunteer Resource Center on IRS.gov.

What types of records have been posted?

DO: The above calendar information is being made available proactively. The Senior Advisor for the CFPB is also making calendar and meeting information available proactively through the FOIA Web page.

IRS: New categories of posted information are as follows:

- An Outreach Corner page offering IRS partners electronic communication materials to use when reaching out to the people they serve.
- Information about the partnership between the IRS and Free File Alliance, including an application allowing taxpayers to search for a Free File company to prepare and file a federal tax return and an application for Free File fill-able forms that allow taxpayers to prepare and file federal tax returns online.
- Information relating to e-services such as: descriptions of the products, FAQs, updates, and changes to products, taxpayer Advocate Service toolkits to assist taxpayers with various tax issues.
- The National Taxpayer Advocate Annual Report, with the Taxpayer Advocate Service Objectives Report to Congress, the National Taxpayer Advocate's testimony to Congress and speeches on various topics
- Updated information on the activities associated with the tax preparer compliance strategy.
- Audit Techniques Guides that describe the process and procedures for audits of specific industries

- Qualified Therapeutic Discovery Project Allocations that provide the amounts of all credits and grants awarded to applicants.
- Small Business Jobs Act of 2010 Tax Provisions, Small Business Health Care Tax Credit, Guidelines for IRS Exempt Organizations Voluntary Compliance Program to allow participants to avoid revocation of their tax exempt status.
- Videos about the appeals process and taxpayer appeal rights directed to tax practitioners and the public, Appeals Technical Guidance–International Index, listing all Appeals Technical Guidance related issues, including contact information.
- Corporate applications, purchase card holder lists, comment letters on regulations and Privacy Impact assessments are other types of records commonly published.

The IRS Open Government web page also provides useful information about avenues for taxpayers, practitioners and stakeholders to participate in the IRS decision-making process and to collaborate with IRS and its partners to improve operations.

OTS: Consumer information is now provided in Spanish.

Give examples of types of records your agency now posts that used to be available only by making a FOIA request.

IRS: provides the following information proactively which formerly required a FOIA request:

- Procurement contracts.
- Audit Techniques Guides – posted three additional guides during 2010.
- Transaction Codes Pocket Guide – an abbreviated guide to transaction codes used to identify transactions reported on IRS transcripts.
- IRS Document 6209, “IRS Processing Codes and Information” – a detailed compilation, including descriptions, of processing codes used in IRS tax accounting systems.
- Legal Advice Issued to Program Managers – legal advice, signed by attorneys in the National Office of the Office of Chief Counsel and issued to Internal Revenue Service personnel who are national program executives and managers.
- Non Taxpayer Specific “Informal” Chief Counsel Advice (CCA) – legal advice, requested and responded to informally, usually by email. IRS posts these CCA systemically with “formal” CCA and other written determinations.

The IRS has posted 35 open format data sets to www.data.gov and has received favorable feedback on several of them.

What system do you have in place to routinely identify records that are appropriate for posting?

IRS has identified numerous record types for routine publication that are reviewed, edited and posted systemically. See (DQMS) above.

How do you utilize social media in disseminating information?

DO: continuing to expand the use of social media to disseminate information, with accounts on Twitter, Facebook, YouTube, Flickr, and MySpace.

IRS: provides Twitter news feeds in both English and Spanish and also uses Twitter to reach out to the tax professional community, the news media and for recruitment. The IRS Taxpayer Advocate uses Twitter to communicate with its audience. The IRS uses YouTube video channels to provide short, informative videos on various tax related topics in English, American Sign Language (ASL) and a variety of foreign languages. Since we first launched YouTube in August 2009, our channels have had over 1 million views. The IRS has also created audio files on a variety of tax related topics for use in podcasts. These are located on IRS.gov and on iTunes. IRS also provides ad banner type widgets that can be placed on websites, blogs or social media networks to direct others to IRS.gov for information.

Departmental Offices, OCC, and MINT also use Web 2.0 applications for information dissemination.

Describe any other steps taken to increase proactive disclosures at your agency.

IRS Human Capital Office uses Facebook as a recruiting tool.

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Part IV: Steps Taken to Greater Utilize Technology

Treasury has made efforts through its partnership with the Enterprise Content Management (ECM) Committee to leverage as many technological tools across the Department as possible so that integrated functions occur at the Department-wide level. Some of the solutions being brokered are case management solutions, records management solutions, search tools, and forensic e-discovery tools.

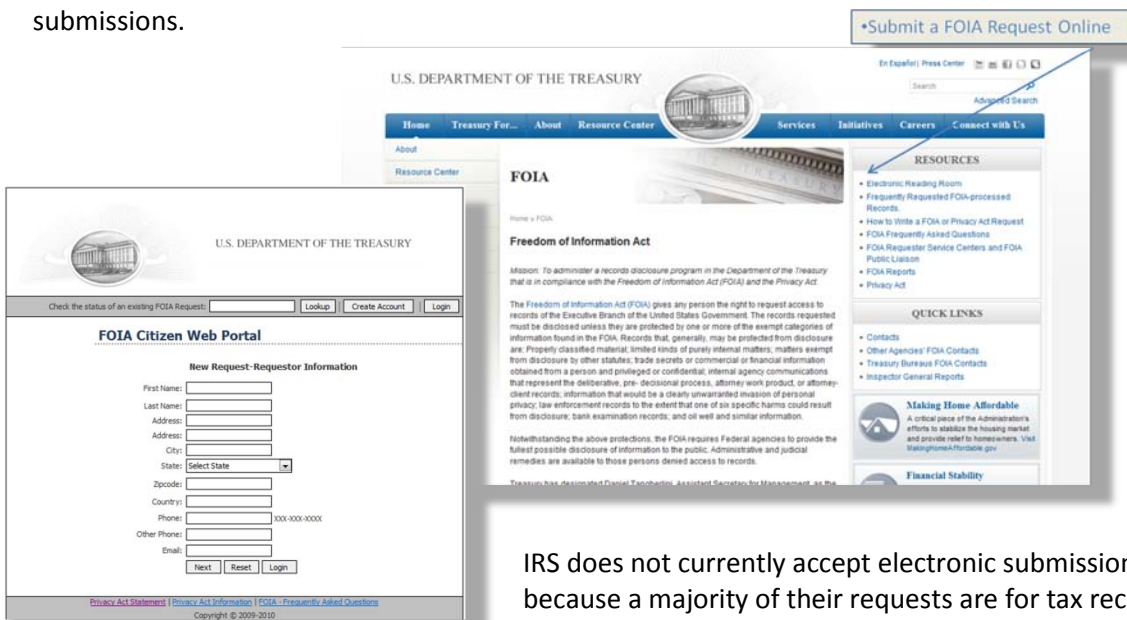
1. Electronic receipt of FOIA requests:

What proportions of the components within your agency which receive FOIA requests have the capability to receive such requests electronically?

The Office of the Comptroller of the Currency was the first to pioneer online FOIA submissions at Treasury. From the web page, requesters have the ability to submit FOIA requests and check the status of a request and receive online help through FAQ's designed to make the requester system self-reliant. DO has created a FOIA Citizen Web portal similar to that of OCC except that it is a cloud hosted solution. The advantage of the hosted solution, from an ECM standpoint, is to leverage the host through licensing so that components may opt into the host solution. The Department is still looking at the most effective solutions for enabling the remaining bureaus to also receive on-line submissions if possible, including TTB, BPD, BEP, MINT, OTS, IRS, and FinCEN. Currently these bureaus can only receive requests by mail, fax, or as a scanned document with signature via email.

To what extent have you increased the number of components doing so since the filing of your last Chief FOIA Officer Report?

DO is implementing a FOIA Citizen Web portal to allow for the public to submit their requests directly on-line. The pilot of the portal, an electronic submission FOIA Citizen Web page on a cloud solution, may be leveraged by bureaus. Three out of eleven bureaus will receive electronic submissions.



IRS does not currently accept electronic submissions because a majority of their requests are for tax records. Many requests require requesters to provide proof of identity and to demonstrate they have rights to access records which require the submission of signed documents. The IRS is preparing for the implementation of the Enterprise Authentication Initiative that will authenticate first party requesters and allow for the submission of requests for

confidential information electronically. At this point, however, there is no mechanism to accept electronic requests through the IRS website. The IRS does accept requests that are faxed or submitted by e-mail. Because there is currently no security-approved electronic authentication system in place, IRS does not offer a web-based electronic form to submit requests.

What methods does your agency use to receive requests electronically?

As discussed earlier, the OCC has an on-line submission capability via their tracking system and DO will utilize their cloud solution for on-line submission.

2. Electronic tracking of FOIA requests

What proportion of components within your agency which receive FOIA requests have the capability to track such requests electronically?

Department wide the bureaus/components each have a method of electronically tracking requests but our electronic solutions vary, from non-FOIA MS suite solutions to tailored FOIA specific solutions, which are commercial off -the-shelf solutions, to a cloud Web- hosted solution.

The Department of the Treasury replaced its previous proprietary, internally- hosted system for assigning, tracking, and reporting Freedom of Information Act (FOIA) requests for the Departmental Offices (DO) with a cloud-based tracking solution. The vendor created a private cloud to host Treasury's data. This solution offers many advantages, compared to the previous system. The previous system was accessible only by the headquarters (DO) disclosure services staff which resulted in time lags for program offices to receive status reports of their caseloads, and minimized the number of employees that had to do all of the data entry. This approach provides the following advantages for the Department:

Accessibility. This solution can be accessed by any computer through Internet web browser including through remote access. Users need a license to log in but no software installation or special hardware is required. All users have access to real time data and are able to directly input the case information, status changes, backup documentation and statistics for individual cases, run reports, and data queries at any time.

Scalability. This solution can service a variety of office sizes. It is functional within a program office, an individual component/bureau, or an entire agency. Time to live deployment is very fast. The original deployment for headquarters (DO) was only 60 days from date of contract award to a live system. Adding individual users is very fast as it only requires procuring additional user licenses.

Automation. This solution can automatically run customized reports weekly, monthly, and annually. These reports can be run by any user at any time.

Flexibility. This solution has the ability to query any data field that is collected through a robust advanced find function. This allows users to create and save their own customized reports. These reports can be run by any user at any time.

Usability. This solution is built on a platform and is compatible with a suite of other office products commonly available to make integration seamless.

To what extent have you increased the number of components doing so since the filing of your last Chief FOIA Officer Report?

Three bureaus have increased the electronic submission option; DO acquired a cloud solution with the online submission capability. TTB is purchasing a license to use and leverage the cloud solution. OCC purchased a capability from a FOIA specific software vendor last year.

What methods does your agency use to track requests electronically?

See above item. DO has a cloud solution from a FOIA-specific cloud vendor. The advantage is a cloud hosted solution that allows license access to meet DO's decentralized needs, provides Web access, requires less server space on Treasury sites, all with robust reporting features.

Bureau-specific tracking solutions include:

- DO- cloud solution
- TTB- cloud solution
- BPD- non-FOIA Specific
- FMS- non-FOIA specific
- MINT- exploring the cloud solution
- IRS- AFOIA (Automated Freedom of Information Act): currently in implementation
- OCC-FOIA specific tracking software
- BEP- non-FOIA specific
- OTS- non-FOIA specific
- TIGTA: FOIA specific tracking software
- FinCEN- Data Map for Electronically Stored Information (ESI) to assist in maintaining and locating electronic records and contacting employees responsible for databases.

3. Electronic processing of FOIA requests:

What proportion of components within your agency which receive FOIA requests have the capability to process such requests electronically?

DO: a collaborative software tool is used for sharing information (in progress). Another software feature is used for electronic redaction. DO is piloting a forensic solution for E-Discovery which is being evaluated to assist with FOIA searches and to possibly leverage this tool. Generally, all bureaus have online redaction capability.

To what extent have you increased the number of components doing so since the filing of your last Chief FOIA Officer Report?

DO: increased the use of electronic search and submission, through contract vendors and software vendors that conduct forensics.

IRS: electronic tracking for a number of years, although IRS is completing the implementation phase of a new, more robust tracking system that includes electronic processing as well. AFOIA provides document scanning for original receipts and for responsive records. Once scanned, FOIA processing from case assignment through review, redaction and response preparation is electronic.

What methods does your agency use to process requests electronically?

DO uses an electronic redaction tool which may be upgraded; a storage database on a collaborative software tool is being tested; E-discovery forensic tools currently piloted are being leveraged. A contractor using search software is available to assist with electronic search.

4. Electronic preparation of your Annual FOIA Report:

What type of technology does your agency use to prepare your agency Annual FOIA Report i.e. specify whether the technology is FOIA specific or a generic data- processing system.

DO: has acquired a cloud tracking solution which enables DO to populate data into an annual report format. A cloud vendor has created a specific FOIA solution, a tracking tool.

See also 2. above for component technology.

If you are not satisfied with your existing system to prepare your annual FOIA Report, describe the steps you have taken to increase your use of technology for next year.

The disadvantage with the cloud is that all bureaus have not elected access by license so that data calls and the entry of data manually is still necessary. Our previous non- FOIA specific based solution built on a platform was outgrown and did not meet the needs of a decentralized system because of limited access capability. Although data could be derived for annual reports; it could not populate a report directly.

IRS: AFOIA has the capability to produce a formatted annual report; however, IRS has not used that feature for report preparation because part of our staff still uses EDIMS, which is not able to generate the final report electronically and because AFOIA will require a significant number of enhancements to its reporting capability.

Part V: Steps Taken to Reduce Backlogs and Improve Timeliness in Responding to Requests

Refer to Section XII of the Annual report.

1. If your agency has a backlog, report whether the backlog is decreasing.

The reduction should be measured in two ways. First the number of backlogged requests and backlogged administrative appeals that remain pending at the end of the fiscal year decreased or increased, and by how many, when compared with last fiscal year. Second, report whether your agency closed in FY2010 the ten oldest of those pending requests and appeals from FY 09 and if not, report on how many your agency did close.

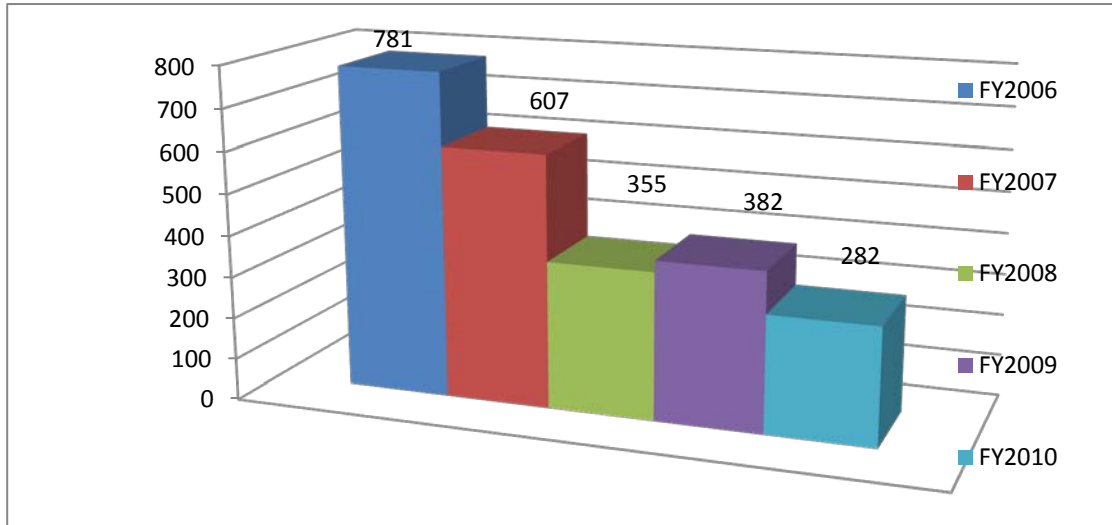
Treasury intends to further reduce the backlog of 419 requests that were remaining at the end of FY10. Treasury has set target goals for FY11 and reporting continues Treasury-wide on a monthly basis to the Chief FOIA Officer by all components for monitoring the backlog reduction progress towards these goals.

	Number of Backlogged Appeals as of End of Fiscal Year	Number of Backlogged Requests as of End of Fiscal Year
DO	30	282
TTB	0	0
OCC	8	10
BEP	0	0
FMS	0	0
IRS	11	118
MINT	0	0
BPD	0	0
OTS	1	9
TIGTA	0	0
FinCEN	0	0
Agency Overall	50	419

Backlog at end of Fiscal Year 2010: Requests: 282, Appeals: 30.

As the figure below illustrates, Departmental Offices continue a downward trend on the FOIA pending backlog for FY 2010. The number of appeals doubled to 30 total appeals.

OCC had an increase in backlog at the FY 10 which just barely reached double digits.



The 10 oldest pending cases from the previous fiscal year, 2009, were entirely closed. Beyond that list, DO closed a total of 41 pending cases greater than 5 years old largely through the efforts of the Office of Foreign Assets Control. The 10 oldest appeals had a 30% reduction in that list. The oldest appeal was one of the cases to be closed during this fiscal year.

2. If there has not been a reduction in the backlog as measured by either of these metrics, describe why that has occurred.

In doing so, answer the following questions and then include any other additional explanation: Is the backlog increase a result of an increase in the number of incoming requests or appeals?

The number of appeal backlog cases rose along with the carryover from the previous year. Additionally, another 23 cases were received in FY2010. DO consistently processed 20 appeals in fiscal years, 2009 and 2010, respectively. One possibility for the appeal backlog is the carryover plus the additional requests are causing an increase.

The OCC has noted an increase in the complexity of the cases it receives under FOIA. The actual number of appeals pending has decreased by 50%. The end of this fiscal year saw an increase in the number of requests seeking access to consumer complaint information and related data. (FY2009 – 35 Pending FOIA cases; 24 Pending Appeals; FY 2010 – 104 Pending FOIA cases; 12 Pending Appeals.)

Is the backlog increase caused by a loss of staff?

There has been no loss of staff in DO (which uses a decentralized system) to explain a backlog increase. However, frequently FOIA work falls under the “other duties as assigned” category and is not the primary duty of the FOIA point of contact. Assisting our resources with education, tracking tools, and contractor support helps to continuously leverage the resources available.

Is the backlog increase caused by an increase in the complexity of the requests received?

Complexity may contribute to the backlog—complex requests take longer to process.

What other causes, if any, contributed to the increase in backlog?

Generally, appeal level officials are higher level officials, who may need to delegate this function in order to administratively process appeals in a timely manner.

- 3. Describe the steps your agency is taking to reduce any backlogs and to improve timeliness in responding to requests and administrative appeals. In doing so, answer the following questions and then also include any other steps being taken to improve timeliness.**

Does your agency routinely set goals and monitor the progress of your FOIA caseload?

Steps taken by DO to reduce backlogs:

- Set goals for reduction for the fiscal year
- Monitor the progress of the case process
- Provide contractor support for offices needing additional assistance
- Enhance the technology to increase the FOIA administration efficiency
- The Chief FOIA Officer sets target goals each fiscal year. Monitoring is conducted on a weekly and monthly basis in DO.

Has your agency increased its FOIA staffing?

DO recompleted a FOIA services contract for additional and continued support.

No staffing increase occurred in OCC during FY10, but OCC will be evaluating the structure of the disclosure unit following integration with the Disclosure Office of OTS in July 2011. No staffing increases are not contemplated due to the statutory merger with OTS.

Has your agency made IT improvements to increase timeliness?

As previously discussed, a hosted cloud FOIA tracking solution has been acquired to increase monitoring and reporting as well as tracking efficiencies. Other software technology will enhance public access as well search capabilities electronically within DO. As previously discussed, OCC

acquired a FOIA specific tracking system. IRS made upgrades and improvements to its tracking solution to streamline a regional process. (See below)

Has your agency Chief FOIA Officer been involved in overseeing your agency's capacity to process requests?

The Chief FOIA Officer has supported the FOIA mission with leveraging other systems, funding for new software, and is leading Treasury to explore better solutions and not settle for the status quo.

The number of backlogged FOIA requests at the IRS decreased from 182 at the beginning of FY2010 to 118 cases at the end of the year. Backlogged appeals decreased from 60 to 11. IRS closed all ten of the oldest cases pending for fiscal year 2009. The IRS Appeals Office also closed all ten of the oldest appeals pending at year end 2009. IRS follows the annual backlog goals established by Treasury, reporting both monthly and annually. Specifically:

- IRS monitors its backlog levels with weekly status reports.
- IRS was very aggressive in immediately filling vacancies, so that by the end of FY10 we successfully increased our on-rolls FOIA staffing by 6 positions. This effort assisted in decreasing the FOIA backlog by 35% in FY10.
- The AFOIA inventory management system is central to IRS' initiative to improve FOIA timeliness and will be fully implemented in 2011. The system brings with it a number of changes designed to improve timeliness, efficiency and effectiveness. These include:
 - Case log-in and assignment at a centralized site which streamlines the process of balancing inventory among staff by eliminating the need to reassign copy and ship cases from one office to another.
 - Electronic, rather than paper, maintenance of records which simplifies review and redaction processes and provides the option for a centralized process for responding to requests.
 - Archiving of case records and histories which reduces search time for records previously requested and reduces the time and cost of monitoring and reporting on FOIA activities.
- The IRS Chief, Disclosure serves as the IRS Chief FOIA Officer and is involved in all aspects of the FOIA program.

The following bureaus did not have a backlog in either requests or appeals for FY 2010: BEP, BPD, FINCEN, FMS, MINT, and TIGTA. OTS reduced their backlog in requests and appeals to single digits. Of the ten oldest FOIA requests pending at the end of FY2009, OTS closed out seven during FY2010.


- At FMS, the Disclosure Officer monitors the progress of our FOIA caseload and proactively works with the FOIA liaisons and program personnel to meet applicable deadlines. Also, the Disclosure Officer briefs executives and program liaisons annually about caseload and offers projections or best estimates for the coming year based on agency planned initiatives.
- OTS completed 78.4% of requests in a timely manner.
- In FY10, FMS processed 321 FOIA requests and only seven requests (approximately 2.2 percent of FMS' FOIA caseload) required a processing time of more than 20 working days.
- None of the components had an increase in staffing, on the contrary, TIGTA had a 39% increase in the number of FOIA requests received from FY 09 to FY 10 and met its statutory goals notwithstanding a 33% reduction in staffing levels for most of FY 10.

- OTS has not increased its permanent FOIA staffing; however, temporary help was utilized during FY2010 to assist with processing requests. Also, as with the previous fiscal year, OTS FOIA staff periodically worked beyond normal business hours to complete past due requests.

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Spotlight on Success

The Department's approach to both improve FOIA processing efficiencies while disclosing as much information as feasible is enabled by the hard work of the many professionals at Treasury that work hard to achieve these goals. Some shining examples of these efforts are presented below.



Open Government Initiative

The IRS offers many ways for taxpayers, practitioners and stakeholders to engage in Open Government to help build transparency, participation and collaboration in government operations.

The IRS is making it easy for you to take part in Open Government by:

- Providing more meaningful and easy-to-find information about how the IRS works,
- Soliciting your ideas to help develop effective policy and
- Partnering with other government agencies and private institutions.

If you want to get involved, there are many ways for you to help. Check out the forums, webinars, sessions and information sources to see how you can participate in Open Government today.

In establishing a system of transparency, IRS offers several ways that taxpayers, practitioners and stakeholders can participate and collaborate with the government including in person, on the phone and on the Web.

In Person

- [Small and Mid-Size Tax-Exempt Organizations Workshops](#)
One-day workshops on tax compliance for small and mid-size tax-exempt organizations
- [Employee Plans conferences, presentations and educational events](#)
Meet Employee Plans representatives at the events shown on these calendars
- [Advisory Committee on Tax-Exempt and Government Entities](#)
Enables IRS to receive regular input with respect to the development and implementation of IRS policy concerning tax-exempt and government entities
- [Taxpayer Advocacy Panel \(TAP\)](#)
A unique opportunity to participate in the improvement of both the American tax administration system and the Internal Revenue Service
- [Internal Revenue Service Advisory Council \(IRSAC\)](#)
An organized public forum for IRS officials and representatives of the public to discuss relevant tax administration issues
- [Information Reporting Program Advisory Committee \(IRPAC\)](#)
Advises the IRS on information reporting issues of mutual concern to the private sector and the federal government
- [Nationwide Tax Forum Information](#)
Attend the IRS Nationwide Tax Forums to learn the latest in tax administration, mingle with industry partners and earn CPE credits

On the Phone

- [Issue Management Resolution System \(IMRS\)](#)
Provides an avenue for tax professional and stakeholder organizations to elevate significant issues regarding IRS policies, practices and procedures.
- [Nationwide/Local Phone Forums](#):
 - [Phone Forum – Employee Plans](#)
Upcoming and recently held phone forums on various retirement plan topics including, if available, forum transcripts and handout materials
 - [National/Local Phone Forums for Small Businesses](#)
Topics of interest to small businesses, individuals and tax professionals
 - [National/Local Phone Forums for Practitioners](#)
Topics of interest to small businesses, individuals and tax professionals

On the Web

- [Contact the IRS](#)
Web page that tells how to call, write or e-mail the IRS with questions or feedback
- [Online Internal Revenue Bulletins](#)
The online Internal Revenue Bulletin (IRB) is the authoritative instrument of the IRS for announcing all substantive ruling necessary to promote a uniform application of tax law
- [Internal Revenue Manual](#)
IRS's own internal operations manual is the Internal Revenue Manual, which describes the clerical procedures for processing and auditing tax returns in excruciating detail
- [IRS YouTube channel](#)
Provides short, informative videos on various tax-related topics in English, American Sign Language (ASL) and a variety of foreign languages
- [IRS \(IRSnews\) on Twitter](#)
The IRS uses Twitter to tweet about various tax-related announcements, news for tax professionals and hiring initiatives
- [IRS Live](#)
A live webinar, IRS Live is a panel discussion among IRS experts and industry professionals aimed at educating tax professionals on the most current and complex tax issues affecting them and their clients
- Webinars for tax-exempt organizations, [small businesses](#) and [tax professionals](#) provide educational opportunities on a wide range of topics. Many are interactive events that invite participants to submit questions
- [Freedom of Information Act \(FOIA\)](#)
FOIA provides public access to agency records unless protected from disclosure by one of the FOIA's nine exemptions or three exclusions
- [Tax Statistics](#)
Wide range of tables, articles and data that describe and measure elements of the U.S. tax system
- [IRS Video Portal](#) hosts video and audio presentations for small businesses, individuals and tax professionals, including:
 - ["Your Guide to an IRS Audit"](#) video training series about IRS audits
 - [Virtual Small Business Tax Workshop](#) video training series for all business owners
 - [Archived webinars](#)
- [Taxpayer Advocacy Panel \(TAP\)](#) is a component of Taxpayer Advocate
- The TAP regularly solicits citizen input for issues to be worked with the IRS
- [Taxpayer Advocate Service \(TAS\)](#) is an independent organization within the IRS which helps taxpayers resolve

The IRS success story centers on the use of technology, and includes an external, public-facing IRS.gov website, an internal employee-facing IRWeb website, and the use of social media. Central to Treasury's efforts to increase transparency is the new IRS Open Government web page, which provides avenues for the public, tax practitioners and other stakeholders to participate in the IRS decision-making process and collaborate with IRS and its partners to improve operations. The IRS is making it easy for the public to take part in Open Government by providing more meaningful and easy-to-find information about how the IRS works, soliciting ideas to help develop effective policy, and partnering with other government agencies and private institutions. Other key accomplishments:

- An IRS Intranet FOIA webpage was created for IRS employees which provides them with information about employee responsibilities for FOIA, transparency and Open Government.
- The use of social media has expanded exponentially: IRS runs four YouTube channels with over 300 videos posted on a wide variety of topics intended to inform the public about IRS and how to understand tax laws and procedures. These videos are produced in English, Spanish and American Sign Language, and have well over one million views.

Process efficiencies gained in Departmental Offices (DO) included a reduction in cycle time results based on implementing the findings of the Lean Six Sigma program review. For example, time to complete requests decreased in FY10. Comparing the statistics from the FY09 to FY10 FOIA Annual Reports to DOJ we found that:

- Cycle time decreased for Complex requests from 47.6 to 14.02 days (average), and 14 to 12 days (median);
- Cycle time decreased for Expedited treatment from 81.6 to 21.1 days (average), and 74 to 13 days (median).

One visible sign of successfully moving Treasury towards a culture of transparency and openness was the transparency of the Department's activities in standing up programs as a result of the Wall Street Reform and Consumer Protection Act of 2010. This comprehensive financial reform legislation is of significant interest to the public, and the transparency policy and practices underscores Treasury's commitment to implementing the historic Dodd-Frank Wall Street Reform and Consumer Protection Act in an open and transparent manner.