

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Fiscal Year 2025 Review of Compliance With the Freedom of Information Act

June 9, 2025

Report Number: 2025-100-027

Why TIGTA Did This Audit

This audit was initiated because the IRS Restructuring and Reform Act of 1998 requires that we conduct periodic audits to determine whether the IRS properly denied written requests for taxpayer information and report the results to Congress. We did not review requests for improper releases of information. The overall objective of this audit was to determine whether the IRS improperly withheld information requested by taxpayers in writing based on Freedom of Information Act (FOIA) and Internal Revenue Code (I.R.C.) exemptions.

Impact on Tax Administration

Taxpayers may request information from the IRS through the FOIA. However, FOIA exemption (b)(7) allows certain records or information compiled for law enforcement purposes to be withheld. While I.R.C. §§ 6103(c) and (e) protect the confidentiality of taxpayer returns and return information, it does allow the taxpayer, or a person designated by the taxpayer, to request and receive tax return and return information. If the IRS does not process requests under these statutes correctly, taxpayers do not receive the information to which they are entitled.



What TIGTA Found

The Disclosure Office processes all written FOIA requests and closed 6,971 FOIA requests between April 1, 2023, and March 31, 2024. The Disclosure Office denied the requested information either partially or fully based on FOIA exemption (b)(7) for 892 of these 6,971 requests.

We reviewed a statistically valid stratified random sample of 52 of the 892 fully or partially denied FOIA requests and determined that the IRS correctly withheld information using FOIA exemption (b)(7) for 48 (92 percent) of the 52 FOIA information requests. In the four remaining cases, the IRS improperly withheld information which the requestor was entitled to receive. This was a 7 percentage point increase when compared to our Fiscal Year 2024 report, in which we reported that the Disclosure Office did not follow FOIA redaction

Forty-eight FOIA and all 14 I.R.C. § 6103 requests reviewed were correctly processed with no errors identified. Only four FOIA requests contained information that the IRS improperly withheld.

requirements for 1 of the 99 requests reviewed. Based on this year's sample results, we estimate that the IRS erroneously applied the (b)(7) exemption on approximately 73 of the 892 FOIA exemption (b)(7) information requests closed between April 1, 2023, and March 31, 2024. For this reporting period, the exceptions we identified involved human errors and were not systemic in nature.

Although the Disclosure Office is tasked with responding to written requests for IRS information, other IRS offices having custody of taxpayer records may also process written requests for information made under I.R.C. § 6103. The Disclosure Office does not track I.R.C. §§ 6103(c) and (e) information requests received and processed by these other offices. Therefore, the complete population of I.R.C. §§ 6103(c) and (e) requests processed by the IRS is unknown. The Disclosure Office closed 352 I.R.C. § 6103(c) or (e) requests between April 1, 2023, and March 31, 2024, and withheld information from the requestor in 14 requests. We reviewed all 14 I.R.C. §§ 6103(c) and (e) requests in which information was withheld and did not identify any disclosure errors.

What TIGTA Recommended

Because the errors we identified were not systemic in nature, we did not make any recommendations in this report. IRS officials were provided with an opportunity to review the report and did not provide any comments.



**TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION**

**U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024**

June 9, 2025

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM: Diana M. Tengesdal
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Fiscal Year 2025 Review of Compliance With the
Freedom of Information Act (Audit No.: 2025100002)

This report presents the results of our review to determine whether the Internal Revenue Service improperly withheld information requested by taxpayers in writing based on Freedom of Information Act and Internal Revenue Code exemptions. This review is part of our Fiscal Year 2025 Annual Audit Plan and addresses the major management and performance challenge of *Taxpayer Rights*.

Internal Revenue Service officials were provided with an opportunity to review the report and did not provide any comments. If you have any questions, please contact me or LaToya P. George, Acting Assistant Inspector General for Audit (Taxpayer Services and Operational Support).

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Background

Taxpayers may request information from the Internal Revenue Service (IRS) through the Freedom of Information Act (FOIA) and Internal Revenue Code (I.R.C.) § 6103.¹ If the IRS does not process requests under these statutes correctly, taxpayers do not receive the information to which they are entitled.

FOIA requests

FOIA requires federal agencies to make records of the federal government available to the public upon request, unless specifically exempted. Although the statute was intended to allow access to documents concerning policy and procedures, it is also used for requesting tax records.

United States Code (U.S.C.) § 552(b)(7) (hereafter referred to as FOIA exemption (b)(7)) allows certain records or information compiled for law enforcement purposes to be withheld, but only to the extent that the production of such law enforcement records or information:²

- Could reasonably be expected to interfere with enforcement proceedings.
- Would deprive a person of a right to a fair trial or an impartial adjudication.
- Could reasonably be expected to constitute an unwarranted invasion of personal privacy.
- Could reasonably be expected to disclose the identity of a confidential source.
- Would disclose techniques, procedures, or guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.
- Could reasonably be expected to endanger the life or physical safety of any individual.

The Disclosure Office processes all written FOIA requests. Between April 1, 2023, and March 31, 2024, it closed 6,971 FOIA requests.³

I.R.C. § 6103

I.R.C. §§ 6103(c) and (e) protect the confidentiality of taxpayer returns and return information. However, these provisions also allow the taxpayer, or a person designated by the taxpayer, to request and receive the taxpayer's specific documents and information. The Disclosure Office closed 352 I.R.C. § 6103(c) or (e) requests between April 1, 2023, and March 31, 2024. Although the IRS Disclosure Office is tasked with responding to written requests for IRS information, other IRS offices that have custody of taxpayer records may also process written requests for information made under I.R.C. § 6103. The Disclosure Office does not track I.R.C. §§ 6103(c) and

¹ 5 U.S.C. § 552 (2018).

² 5 U.S.C. § 552(b)(7).

³ The Disclosure Office is part of the Office of Privacy, Governmental Liaison and Disclosure and is responsible for the IRS's timely compliance with FOIA and I.R.C. § 6103 requirements.

(e) information requests received and processed by these other offices. Therefore, the complete population of IRS processed I.R.C. §§ 6103(c) and (e) requests is unknown.

Processing a FOIA or I.R.C. § 6103 request

The IRS Disclosure Office will accept a FOIA or I.R.C. § 6103(c) or (e) information request via fax, mail, or through an online portal on the IRS's internet site. An IRS employee inputs the request into the Disclosure Office's computer system when a request is received, and the case is assigned to a disclosure caseworker. The caseworker is required to complete their initial analysis of the case within 3 business days for a FOIA request and within 10 business days for an I.R.C. § 6103 request. The caseworker will then conduct a search for responsive records, provided that the request includes all the necessary information. The IRS will send a response letter notifying the requestor if there are no records responsive to the request. However, if responsive records are located, the caseworker will review them to determine if any information should be withheld. The IRS then responds to the requestor via letter providing all requested information or partial information and explaining why certain parts of the requested documentation have been redacted. A manager or their designee will review any requests in which information is redacted.

TIGTA reporting requirements and limitations

Section 1102(d)(3)(a) of the IRS Restructuring and Reform Act of 1998 requires TIGTA to conduct periodic audits of determinations made by the IRS to deny written requests to disclose information to taxpayers based on I.R.C. § 6103 or FOIA exemption (b)(7).⁴ TIGTA is also required to include information regarding the IRS's improper denial of requests for information in one of its semiannual reports to Congress. In accordance with this statutory requirement, the scope of our review addressed closed FOIA requests for which the information requested was either denied in full or in part under FOIA exemption (b)(7). For I.R.C. § 6103(c) or (e) requests, which are requests for tax return information made by either the individual taxpayer or by a designee of the taxpayer, we reviewed requests that were tracked in the Disclosure Office's computer system that were denied or partially denied. We did not review requests for improper releases of information. See Appendix I for additional information about our objective, scope, and methodology.

Results of Review



Freedom of Information Act Requirements Were Generally Followed When Redacting Taxpayer Information

We reviewed a statistically valid stratified random sample of 52 of the 892 FOIA exemption (b)(7) requests closed between April 1, 2023, and March 31, 2024, for which the IRS withheld information from the requestor.⁵ We determined that the IRS correctly withheld information

⁴ Pub. L. No. 105-206, 112 Stat. 685 and 112 Stat. 703 § 1102(d)(3)(A).

⁵ Our statistically valid stratified random sample was selected using a 90 percent confidence interval, a 1 percent error rate for denials in full, a 5 percent error rate for denials in part, and a ±5 percent precision factor. The strata consisted of 47 cases partially denied and 5 cases denied in full. We used a statistical sample because we planned to project to the population.

using FOIA exemption (b)(7) for 48 (92 percent) of the 52 FOIA information requests we sampled.⁶ In the four remaining cases, the IRS improperly withheld information which the requestor was entitled to receive. This was a 7 percentage point increase when compared to our Fiscal Year 2024 report, in which we reported that the Disclosure Office did not follow FOIA redaction requirements for 1 of the 99 requests reviewed.⁷ For this reporting period, the exceptions we identified involved human error. Based on our sample results, we estimate that the IRS erroneously applied the FOIA (b)(7) exemption on approximately 73 of the 892 FOIA exemption (b)(7) information requests closed between April 1, 2023, and March 31, 2024.⁸ Because these errors were not systemic in nature, we did not make a recommendation for this issue.

Forty-eight FOIA and all 14 I.R.C. § 6103 requests reviewed were correctly processed with no errors identified. Only four FOIA requests contained information that the IRS improperly withheld.



Information Was Properly Withheld in All Internal Revenue Code Section 6103 Cases Reviewed

We reviewed all 14 I.R.C. §§ 6103(c) and (e) requests closed between April 1, 2023, and March 31, 2024, for which the IRS withheld information from the requestor. We did not identify any disclosure errors in these cases.

⁶ The four errors were in the partially denied stratum.

⁷ TIGTA, Report No. 2024-100-023, [Fiscal Year 2024 Mandatory Review of Compliance With the Freedom of Information Act](#) p. 3 (April 2024). The prior report covered cases closed during the first six months of Fiscal Year 2023.

⁸ When projecting the results of our sample, we are 90 percent confident that the actual number of requests for which FOIA requirements were not followed when redacting information is between 25 and 159 requests.

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine whether the IRS improperly withheld information requested by taxpayers in writing based on FOIA and I.R.C. exemptions. To accomplish our objective, we:

- Reviewed the applicable policies, procedures, and controls that are in place to provide reasonable assurance that the IRS complies with the FOIA and I.R.C. §§ 6103(c) and (e) when withholding information.¹
- Determined whether IRS disclosure officers adhered to statutory requirements when denying written requests received from taxpayers under the FOIA.
 - Obtained a database extract for the period April 1, 2023, through March 31, 2024, and identified 892 FOIA cases closed as denied or partially denied (based on FOIA exemption (b)(7)) out of a total population of 6,971.
 - Reviewed a statistically valid stratified random sample of 52 denied or partially denied cases and determined if the decision to withhold information was appropriate and the record search was adequately documented. Our stratified sample was selected using a 90 percent confidence interval, a 5 percent error rate for requests denied in part, a 1 percent error rate for requests denied in full, and a ± 5 percent precision factor. We used a statistical sample because we planned to project to the population. Our statisticians assisted with developing the sampling plan and with projecting the number of exception cases. For cases in which we determined that information was improperly withheld, we identified and documented the potential causes.
 - Discussed any exception cases with the Office of Privacy, Governmental Liaison and Disclosure management to obtain agreement.
- Determined whether IRS disclosure officers adhered to legal requirements when denying written requests received from taxpayers under I.R.C. §§ 6103(c) and (e).
 - Obtained a database extract for the period April 1, 2023, through March 31, 2024, and identified 14 closed I.R.C. §§ 6103(c) and (e) requests tracked in the Disclosure Office's computer system where information was withheld from the requestor.
 - Reviewed all I.R.C. §§ 6103(c) and (e) cases where the request was denied or partially denied and determined if the decision to withhold information was appropriate and the record search was adequately documented.

Performance of This Review

This review was performed with information obtained from the Office of Privacy, Governmental Liaison and Disclosure in Washington, D.C., during the period September 2024 through April 2025. We conducted this performance audit in accordance with generally accepted

¹ I.R.C. §§ 6103(c) and (e) requests are requests for tax return information made by either the individual taxpayer or by a designee of the taxpayer.

government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Data Validation Methodology

We received a database extract from the IRS's Office of Privacy, Governmental Liaison and Disclosure and performed tests to assess the reliability of its data. We evaluated the data by performing data testing for missing data, outliers, and duplicate data. In addition, we compared samples of five FOIA records and five I.R.C. §§ 6103(c) and (e) records from the Fiscal Year 2024 database extract with the Disclosure Office's computer system (source) and determined that the FOIA and I.R.C. §§ 6103(c) and (e) data in the extract were sufficiently reliable for the purposes of this report.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: IRS policies, operating procedures, laws, and regulations related to the receipt, disposition, and resolution or denials of requests for information made under the FOIA or I.R.C. §§ 6103(c) and (e). We evaluated these controls by reviewing source documents, interviewing management, and reviewing a statistically valid stratified random sample of closed FOIA information requests based on exemption (b)(7) and reviewing all I.R.C. §§ 6103(c) and (e) information requests.

Abbreviations

FOIA	Freedom of Information Act
I.R.C.	Internal Revenue Code
IRS	Internal Revenue Service
TIGTA	Treasury Inspector General for Tax Administration
U.S.C.	United States Code



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.