

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

PUBLIC RESOURCE.ORG)	
)	
Plaintiff)	
)	
v.)	Case No: 3:13-cv-2789
)	
INTERNAL REVENUE SERVICE,)	
)	
Defendant.)	

DECLARATION OF MARIA D. HOOKE

I, Maria D. Hooke, pursuant to the provisions of 28 U.S.C. § 1746, declare as follows:

1. I am a Supervisory Program Analyst for the Business Systems Planning (BSP) Organization in the Tax Exempt Government Entities Operating Division of the Internal Revenue Service (Service or IRS).

2. My duties include overseeing the Submission Processing Programs (SPP) as part of the BSP Organization. SPP Analysts author IRM 3.20.12, which provides the instructions for Wage & Investment (W&I) employees to use when imaging the Form 990 series returns in the Statistic of Income Exempt Organization Image Net (SEIN). SPP also prepares and monitors the work plan assumption figures for the imaging process. The assumption provides the hours and volumes projected and used for this project. These figures were used to determine the cost per document to image, redact and restrict. The costing information is based on historical information considering the average time to complete a task and a factor for the salary of the employees completing the task that is applied to

the estimated number of returns expected to be filed. The technique used in the estimate is one that is routinely used at the IRS for program evaluation/planning purposes.

3. "Image" means to scan the document as a TIF (tag image file) file in Adobe PDF format. "Redact" means to mark and block out text in a TIF so once the redaction is applied, the text is blacked out and illegible. "Restrict" means to apply a computer code that indicates the TIF is not publicly available. When a TIF is restricted, only IRS employees granted specific authority can access the file.
4. I am aware that Public Resource filed a FOIA suit to obtain copies of Forms 990 (Return of Organization Exempt from Income Tax). I was contacted by Ms. A. M. Gulas, Senior Counsel, Office of Associate Chief Counsel (Procedure and Administration), and asked to describe and compile cost estimates for the current process used to prepare Form 990 series returns for release to the public under section 6104 of the Internal Revenue Code.
5. Exempt organizations are required by the Code to file returns with the IRS. Once received, these returns are imaged into the SEIN system by W&I employees in the IRS Ogden Service Center. The image is a TIF (tag image file) file in Adobe PDF format. Forms 990 are available on CDs or DVDs in Raw or Alchemy format. The Raw format is just the TIF files (one file per page) plus an index file showing which files belonged to which returns. The Raw format is best for users who intend to process the image file through their own software. The Alchemy

format provides a search engine within the DVD allowing the subscriber the capability of searching the index fields, *i.e.*, EIN's, Tax Year, Taxpayer name, State, ZIP, Return Type, Sub Code (the subsection of the Internal Revenue Code under which the organization was granted exempt status), Total Assets and Sub Date (means the date the organization was granted tax exempt status). The Alchemy format is best for users who wish to examine the returns visually.

6. Based on Form 990 receipts over the past years, when I prepared the budgeting costs for the year, I estimated that 753,638 returns would need to be imaged in 2014. In 2013, the IRS received 376,588 Form 990 Series returns in paper format and 318,910 electronically. The costing information for the W&I employees is based on historical information considering the average time to complete a task and a factor for the salary of the employees completing the task that is applied to the estimated number of returns expected to be filed. The estimated cost for W&I employees to image and restrict that number of Form 990 series returns is \$447,596 (rounded up to the nearest dollar). This cost includes the estimated labor cost of restricting the Schedule B to prevent its release. The estimate I provided does not include the costs related to the SEIN system, which is the system maintained and supported by the Office of Research, Analysis and Statistics.
7. Once the Forms 990 are imaged, they are available for processing Form 4506-A (*Request for Public Inspection or Copy of Exempt Organization IRS Form*) requests from the public. Form 4506-A and media requests for public inspection

as processed by the EO RAIVS (Return and Income Verification Services (“RAIVS”) unit, a group of W&I employees in the Ogden Service Center.

8. The EO RAIVS clerks follow procedures set out in IRM 3.20.13 (*Exempt Organization Photocopy Procedures*) to redact confidential information that is not available to the public under section 6104. One example is the Schedule B, list of donors, which is a common document that would be included on all 990 Forms except the 990-T, but Schedule B cannot be released to the public.
9. The budget figures I prepared for 2014 projected cost included \$60,752 to restrict the Schedule B from release. This figure is based on an average of 4 pages per Schedule B, and 5 seconds to restrict each page, using a projected volume of 712,400 returns for calendar year 2014. The volume was adjusted to remove the Form 990-T, which does not require a Schedule B.
10. Currently, the IRS does not have an electronic process to retrieve, redact and restrict the electronically filed exempt organization returns and provide copies to the public in a machine readable format. Based on a proposal that the Code be amended to require that all Forms 990 be filed electronically, the IRS has proposed development of a new system that would provide Form 990 series returns in a machine readable format.

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed this 13 day of August, 2014.

maria D. Hooke

Maria D. Hooke
Supervisory Program Analyst
Headquarters Business Systems Planning
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