

APPENDIX 8
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APPENDIX 8a

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

TELEPHONE (202) -

February 11, 1976

JOHN M. MARTIN, JR., CHIEF -SEL
J. P. SAKER, ASSISTANT CHIEF -NSEL
JOHN K. M-HSR, M1-11W COUNSEL

The Honorable Emilio Q. Daddario
Director, Office of Technology
Assessment
Senate Annex, Suites 721-732
119 D Street, N. E.
Washington, D. C. **20510**

Dear Emilio:

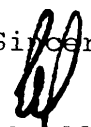
Several days ago, I received a letter from The Honorable Charles A. Vanik, Chairman of the Subcommittee on Oversight of the Committee on ways and Means with respect to the new Tax Administration System (TAS) being developed by the Internal Revenue Service and in which he raised a number of interesting and serious questions as to the implications of that System as it may relate to privacy of individuals and nondisclosure and possible improper use of income tax returns.

I enclose for your information a copy of Mr. Vanik's letter to me.

The purpose of my letter to you is to request that the office of Technology Assessment make a review of the new Tax Administration System (TAS) and the proposed regulations regarding its use and in due course, report back to me and to Mr. Vanik, for use in connection with Oversight subcommittee activities, including any recommendations which you may reach as to the significant issues which he has raised.

We will appreciate your cooperation and assistance with regard to this exceedingly important matter.

Sincerely,


Al Ullman
Chairman

JMM:fb
Encl.
cc: The Honorable Charles A. Vanik

CHARLES A. VANIK, OHIO, CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT

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APPENDIX 8b

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

SUBCOMMITTEE ON OVERSIGHT

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J. P. ● AKER, ASSa STANT CNISF cm.mtszL
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SUBCOMMITTEE STAFF
LAWRENCE J. ROSS, COUNSEL

February 3 ? 1976

Honorable Al Unman
Chairman
Ways and Means Committee
2207 Rayburn Building
Washington * D. C. 20515

Dear Mr. Chairman;

During the January 28th hearing on the Confidentiality of tax returns, I questioned IRS Commissioner Alexander about the disclosure implications of the new Tax Administration System (TAS) being developed by the Internal Revenue Service,

TAS is a \$400 million computer system which will soon be let for bids. Once installed in 1981, it will probably be the world's largest and most Sophisticated computer system. Authorized IRS employees will be able to scan the tax return of a taxpayer in a region within seconds. In addition other authorized employees will be able to receive tax returns Of citizens from throughout the country within seconds. Obviously, the system will greatly increase IRS efficiency and service.

I believe that the Commissioner has done a fine job in ensuring the security of this new system. Nevertheless, I am concerned that the security and Confidentiality devices which have been planned exist only in regulations--and these regulations can be Changed by a stroke of the pen at some future date. without safeguards, the new TAS system could become a system of harassrment, surveillance, and political manipulation.

While it is unprecedented, I believe that the unprecedented powers inherent in the management of the new computer system require that we consider legislating certain principles ab~ut the use of such equipment, i.e., access, audit trail, transfer of tax returns between regions, etc.

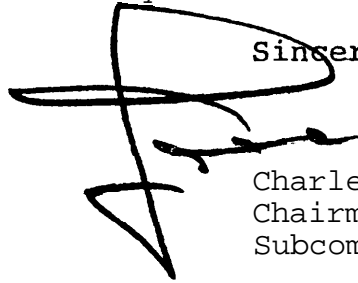
Honorable Al Unman
February 3, 1976
Page Two

To ensure that the IRS has indeed considered all of the possible safeguards for such a massive system and to help in recommending legislation which will not interfere with the system's efficiency, I would like to recommend that the Committee request the Office of Technology Assessment to review TAS and the regulations regarding its use. The Commissioner said that such a study would be quite acceptable to the IRS.

I believe that the public's concern about government agencies such as the IRS requires that we take every step to ensure that in the future its files can never be used for political or unconstitutional purposes. The Oversight Subcommittee staff would be happy to work with the Office of Technology Assessment on the details of such a report,

Thank you for your consideration of this request.

Sincerely yours_{f1}

A handwritten signature in black ink, appearing to be 'Charles A. Vanik', written over the typed name.

Charles A. Vanik
Chairman
Subcommittee on Oversight

CAV/Jee

APPENDIX 8c

C)CHARLES A. VAN I I<
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Congress of the United States
House of Representatives
Washington, D.C. 20515

February 4, 1977

Honorable Edward M. Kennedy
Chairman
Office of Technology Assessment
Room A 721, Senate Annex 1

Dear Mr. Chairman:

On January 24th, I relinquished the Chairmanship of the Ways and Means Oversight Subcommittee and became Chairman of the Subcommittee on Trade.

However before leaving Oversight activities, I would like to say that I had an opportunity in the last several days to see a copy of the draft report on the IRS Tax Administration System. I would like to commend you and your staff for an excellent document. It raises precisely the type of questions which were of concern to me and provides an invaluable document for Congressional review of the TAS system.

The new Oversight Chairman has not yet had an opportunity to read the report, but I know that he shares many of my same concerns about the rights of privacy, and I am sure that he will make excellent use of your report,

Again, congratulations to OTA for an excellent report.

Sincerely,



Charles A. Vani_k
Member of Congress

CAv/jee

SAM M. GISSONS, m., CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT

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JAMES O. MARTIN, N.C.

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SARBER B. CONABLE, JR., N.Y.

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

SUBCOMMITTEE ON OVERSIGHT

February 16, 1977

NINETY-FIFTH CONGR-

COMMITTEE ON WAYS AND MEANS

- M. MARTIN, JR., CHIEF COUNSEL
J. P. BAKER, ASSISTANT CHIEF COUNSEL
JOHN K. M... MINORITY COUNSEL

- M t 1 7 E E s r A w
LAWn-E J. ROSS. COW@3EI.

Hon. Emilio Q. Daddario
Director
Office of Technology Assessment
Senate Annex, 119 D Street, N. E.
Washington, ~. C. 20510

Dear Mr. Daddario:

Thank you for providing the Committee with a copy of OTA's report on the Tax Administration System. Although this report was originally requested by the Ways and Means Committee and its Subcommittee on Oversight, during the past year, a number of other Committees have expressed an interest in receiving copies of the study as soon as possible.

In order that the issues involved in the internal Revenue Service's new computer system may be fully discussed as soon as possible, I would like to request that copies of your report be made available to other Committees and Members who may be interested in the issue.

Thank you for your assistance in this matter.

Sincerely yours,

Al Gullman
Chairman

AL:wkv